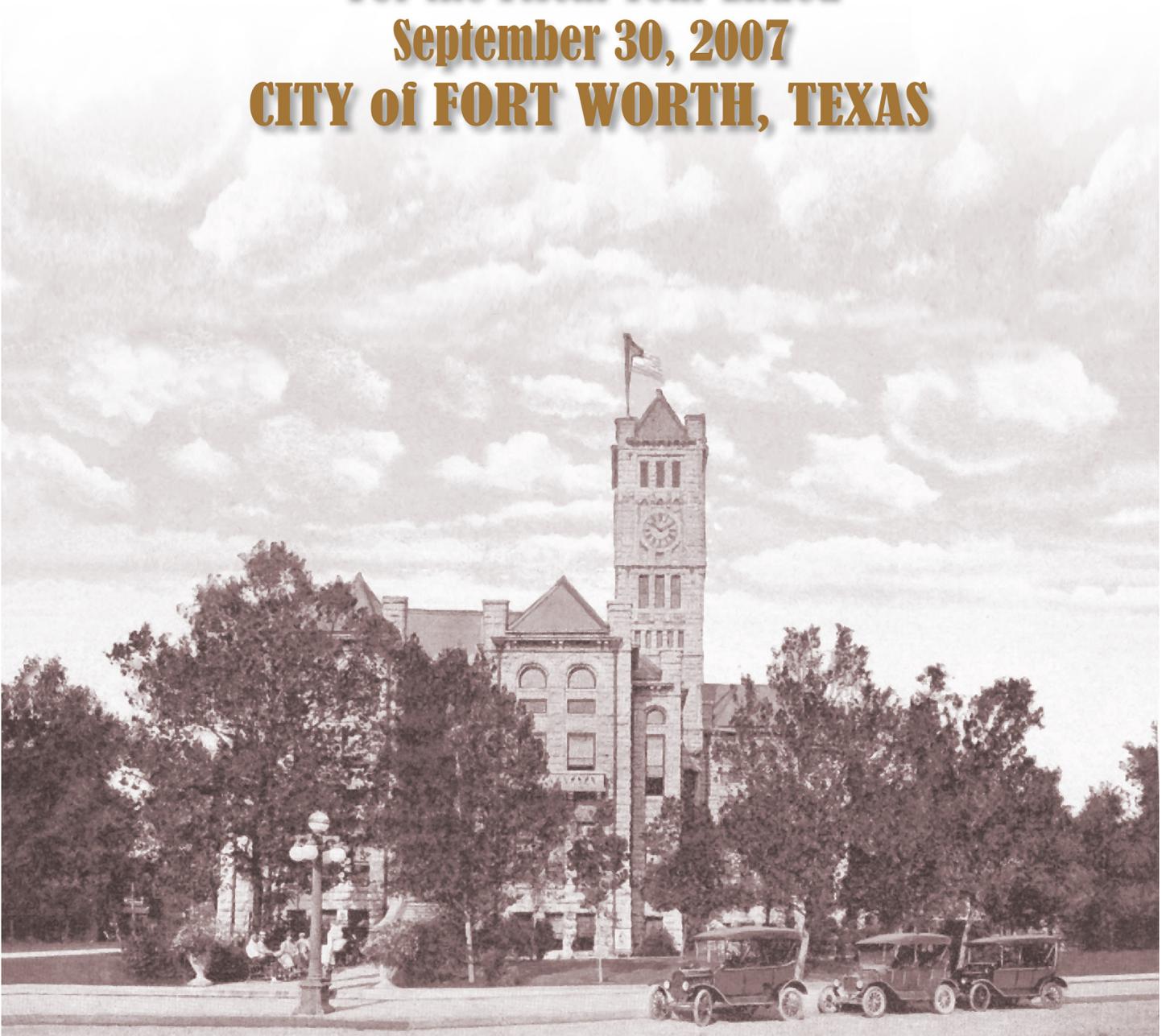
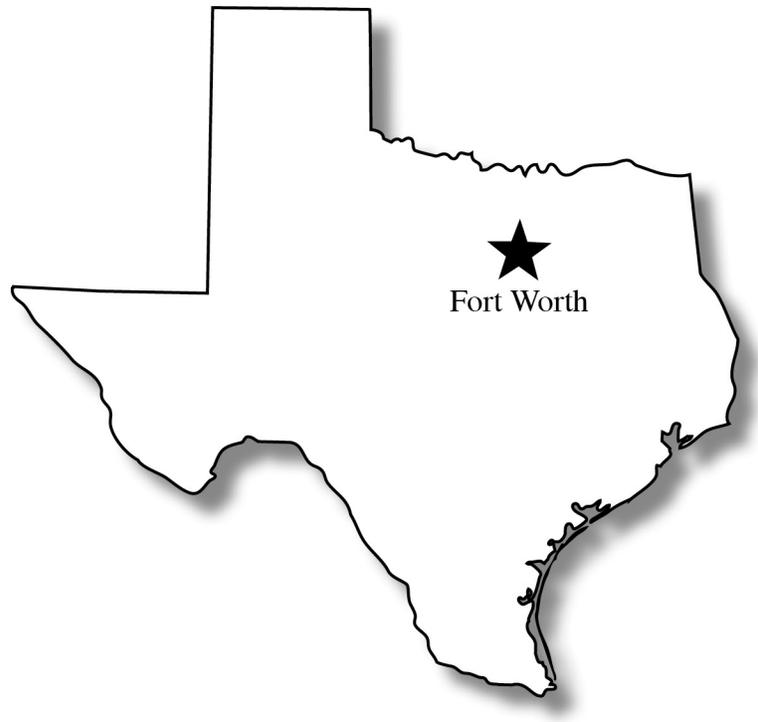




COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended
September 30, 2007
CITY of FORT WORTH, TEXAS



H 1869 CITY HALL, FT. WORTH, TEXAS.



Cover Photograph of City Hall Postcard (circa 1869) - Courtesy Fort Worth Library

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended
September 30, 2007

CITY OF FORT WORTH, TEXAS

ELECTED OFFICIALS

2007 CITY COUNCIL

Mike Moncrief, Mayor

Kathleen Hicks
Salvador Espino
Chuck Silcox
Danny Scarth

Donavan Wheatfall
Jungus Jordan
Carter Burdette
Wendy Davis

CITY MANAGER

Charles Boswell

ASSISTANT CITY MANAGER/CHIEF FINANCIAL OFFICER

Karen L. Montgomery

DIRECTOR OF FINANCE

Lena Ellis

INDEPENDENT AUDITORS

Deloitte & Touche LLP

Prepared by the Financial Management Services Department



Courtesy of the Genealogy, History and Archives Unit, Fort Worth Public Library

INTRODUCTORY SECTION

CITY OF FORT WORTH, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED SEPTEMBER 30, 2007
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February 3, 2009

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

Ladies and Gentlemen:

We are pleased to submit the Comprehensive Annual Financial Report of the City of Fort Worth, Texas, for the fiscal year ended September 30, 2007.

The purpose of this report is to provide the City Council, citizens, representatives of financial institutions, and others with detailed information concerning the financial condition and performance of the City of Fort Worth. In addition, this report provides assurance that the City presents fairly, its financial position, as verified by independent auditors.

The Comprehensive Annual Financial Report

The Comprehensive Annual Financial Report (CAFR) of the City of Fort Worth, Texas for the fiscal year ended September 30, 2007, which follows, was prepared by the Finance Department with the support of the City Manager's Office and all city departments. The financial statements and related notes have been audited by Deloitte & Touche LLP, whose report is included herein. This audit satisfies Chapter X, Section 11, of the City Charter, which requires that an annual audit of all accounts of the City be made by an independent certified public accountant. Additionally, the compliance feature of the City's federal and state grant programs for the year ended September 30, 2007, was audited by the firm of Deloitte & Touche LLP. That report is available under separate cover.

Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentations, including all disclosures, rests with the City. We believe the data, as presented, are accurate in all material respects, and are presented in a manner, which fairly sets forth the financial position and results of operations of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activity have been included.

These financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) for local governments as prescribed by the Governmental Accounting Standards Board (GASB).

This CAFR is presented in three sections: introductory, financial, and statistical. The introductory section, which is not audited, includes this transmittal letter, which highlights significant aspects of financial operations during the year and particular issues facing the City, an organizational chart, and a list of principal officials. The financial section contains the independent auditors' report, management's discussion and analysis, financial statements and related notes, required supplementary information and supplemental financial data. The statistical section, which is not audited, includes several tables depicting the financial history of the City, as well as, demographic and other miscellaneous statistics.

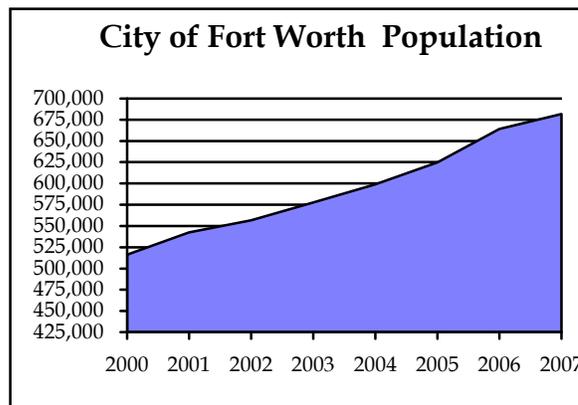
FINANCIAL MANAGEMENT SERVICES DEPARTMENT

THE CITY OF FORT WORTH * 1000 THROCKMORTON STREET * 3RD FLOOR * FORT WORTH, TEXAS 76102
817-392-8185 * Fax 817-392-8966

Management’s discussion and analysis (MD&A), which is found in the financial section, is provided to the user as a narrative introduction, overview, and analysis of the financial statements. The MD&A includes an overview of the financial statements, financial highlights, financial analysis, and economic factors, which will affect next year’s budgets and rates. The Notes to the Basic Financial Statements are also provided in the financial section and are considered essential to fair presentation and adequate disclosure for this financial report. The notes include the Summary of Significant Accounting Policies for the City and other necessary disclosures of important matters relating to the financial position of the City. The notes are treated as an integral part of the financial statements and should be read in conjunction with them.

General Information - City of Fort Worth, Texas

Fort Worth, a metropolitan city with 686,850 people in 345.50 square miles, seat of Tarrant County, is a city whose rich history can be attributed to innovation as well as to the perseverance of early pioneers. It was established as a fort in 1849 by Major Ripley Arnold and named for his general, William Jenkins Worth. As Indian activity abated, the army left the fort and settlers moved into the buildings to establish businesses. In the late 1880s, cattle men driving herds to northern markets on the Chisholm Trail began stopping in Fort Worth to re-supply before proceeding north through Indian Territory. As a large stockyards area developed by 1909 with the emergence of two large meatpacking companies, Fort Worth’s strong association with the cattle industry was cemented.



In 1876, the railroads came to Fort Worth. When oil was discovered in West Texas, Fort Worth shared the growth and prosperity.

Today, a modern, growing, bustling Fort Worth celebrates its colorful past while embracing a vibrant present and exciting future. While the city still nurtures its original industries, it is now also known for aviation, logistics, defense, and technology.

In the spring of 2004, Partners for Livable Communities named Fort Worth one of America’s Most Livable Communities of the decade. Fort Worth is one of nine large cities to receive the award in 2004 and the only Texas municipality to be honored this decade.

Whether you are born here or newly arrived, Fort Worth is home in every sense of the word. Fort Worth has affordable, high-quality living; a thriving, diverse business environment; outstanding education from kindergarten through college; a temperate climate; popular attractions; sophisticated, fine art; community solidarity; renowned performing arts; and a bustling downtown that is the pride of its citizens and a model for cities across the nation.

Organization of Government

The City was incorporated in 1873 and operates under the Council-Manager form of government. Mayors, chosen at large, and eight council members, elected from single-member districts, serve two-year terms. In turn, the Mayor and City Council appoint the City Manager, City Attorney, City Secretary, City Auditor, and the municipal judges.

Services Provided

Services provided by the City under general governmental functions include public events, public safety, housing, health services, planning and development, engineering, street maintenance, traffic control, parks operation and maintenance, recreation, library services, and general administrative services.

Water and sewer services, solid waste collection, golf courses, airports, a parking garage, 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, information systems, and engineering services are provided through Internal Service Funds.

Reporting Entity

As required by Accounting Principals Generally Accepted in the United States of America (GAAP), the financial reporting entity (the City) includes all funds of the primary government (the City of Fort Worth), as well as all its component units. Component units are legally separate entities for which the primary government is financially accountable.

The component units shown below are included as a part of the City's reporting entity because of the significance of their operational or financial relationships. Blended component units, although legally separate entities, are, in substance, part of the primary government's operations and are included as part of the primary government.

Blended Component Units

Fort Worth Housing Finance Corporation
(Including its component units, The Villas of Eastwood Terrace, LLC and Fort Worth City Construction Company)
Fort Worth Local Development Corporation
Service Center Relocation, Inc. (James Street)
Fort Worth Sports Authority, Inc.
Lone Star Local Government Corporation
Fort Worth Central City Local Government Corporation

Other legally separate entities are also included in the City's reporting entity as discretely presented component units.

Discretely Presented Component Units

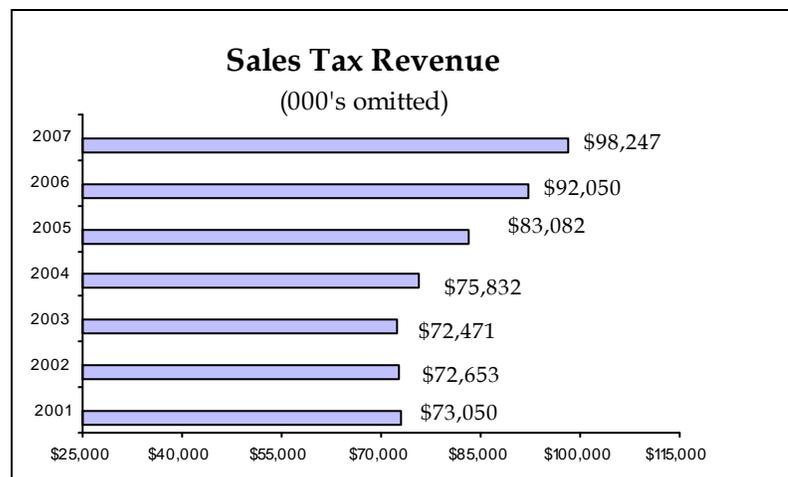
Fort Worth Public Improvement District No. 1 & 10
Fort Worth Public Improvement District No. 6
Fort Worth Public Improvement District No. 7
Fort Worth Public Improvement District No. 8
Fort Worth Public Improvement District No. 11
Taxing Increment Reinvestment Zone No. 2A
Taxing Increment Reinvestment Zone No. 2B
Taxing Increment Reinvestment Zone No. 3
Taxing Increment Reinvestment Zone No. 3A
Taxing Increment Reinvestment Zone No. 4
Taxing Increment Reinvestment Zone No. 6
Taxing Increment Reinvestment Zone No. 7
Taxing Increment Reinvestment Zone No. 8
Taxing Increment Reinvestment Zone No. 9
Taxing Increment Reinvestment Zone No. 10

Economic Condition and Outlook

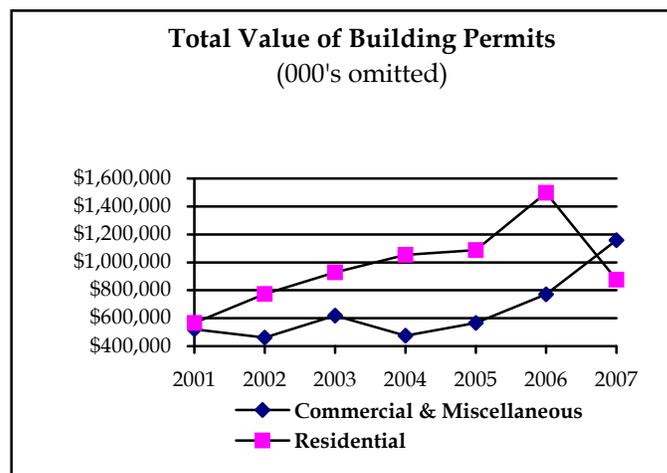
Fort Worth is a Sunbelt city marked by its steady growth and diverse economy. Relocation of major firms to the greater Fort Worth area, renovation of many historical landmarks, shopping areas, and a host of public-private cooperative development ventures comprise Fort Worth's economic past. For the future,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

Current Economic Outlooks

The City of Fort Worth experienced an increase in sales tax revenue in the General Fund of \$6.2 million, or 6.73% over fiscal year 2006.



The value of building permits decreased in new residential construction by \$621 million; and commercial and miscellaneous construction increased by \$386 million.



Commercial Growth

The following entities announced major expansions, new construction, or consolidations in the City of Fort Worth during 2007:

THMC recently selected Innovative Developers Inc. to develop 15 acres of commercial space along Loop 820 and New Team Ranch Road. The first phase of the development, which will front Montserrat, will include a two-story, 20,000-square-foot building with plans for retail and office space, and the possibility for a bank. Once completed, the project will boast 10 buildings and 100,000 square feet. In Montserrat Estates, which currently has 81 lots, homes sell for between \$750,000 and \$3 million, and lots range from one-third-acre to three acres. A second phase for the 220-acre development includes 131 lots, with garden homes and one-third to one-acre lots. The Montserrat development includes almost 20 acres of parkland, with protected green space areas.

Xebec Realty Partners purchased the Northpoint Trade Center, a 20-acre industrial property at Interstate 820 and Blue Mound Road. The commercial real estate development company has plans to develop the remaining 9.5 acres of vacant land. Five tenants occupy Northpoint Trade Center I and II, which encompasses 208,000 square feet of class A office and warehouse space.

Rland Properties purchased seven acres at the southwest corner of North Beach Street and Timberland Boulevard in north Fort Worth and has plans for a retail and office development. The retail center will be called The Springs, and is located in the Woodland Springs neighborhood. The development will have two buildings with a combined 30,000 square feet of retail space, as well as an office pad site.

The Covenant Group, a Fort Worth-based senior-living community developer, builder and operator, recently purchased Oak Park Villas, a 150 unit assisted-living facility, at 4242 Bryant Irvin Road in Benbrook.

CityHomes, a subsidiary of Centex Homes, has built developments in Dallas for 10 years. The Westview project is the company's first in Fort Worth. Pre-sales will start Jan. 20, 2007 at 904 Lexington St. for the CityHomes at Westview, a 50-unit condominium development at Texas and Henderson streets.

Bradford Commercial Realty Corp. added to the downtown office market with its recent purchase of a 12,240-square-foot building at 600 Texas St. The Dallas-based company plans to occupy 3,200 square feet of the building, and will lease the remaining space to law firms and companies affiliated with City Hall. Bradford Corp., which opened a 3113 S. University Drive office in 2002, needs the space to expand its operations.

TCU broke ground on a 145,000-square-foot facility, which will include a new dining area, auditorium, campus living room and space for student organizations. The university also recently announced its construction plans for a new 34,000-square-foot bookstore, located at West Berry Street and University Drive. The College of Education will host a dedication ceremony and open house for the new J.E. and L.E. Mabee Foundation Education Complex. The restoration of the 12,864-square-foot Bailey Building and the construction of the new Betsy and Steve Palko Hall completed the education complex. TCU raised \$11.5 million for the project. The new Mabee Foundation Education Complex, totaling 36,135 square feet, houses 13 additional classrooms, a 150-seat auditorium, conference rooms, patio and lounge areas, offices, the latest in teaching technology and laboratories.

Chesapeake Energy Corp. is moving into a newly renovated space at the D.R. Horton Tower in downtown. The energy company has renovated an entire floor, about 18,000 square feet. The space provides room to grow to 75 employees.

Presidio Interests LLC recently purchased a 16,000-square-foot office/warehouse building at 2816 Shamrock Ave. on the city's near west side. After renovations to the building are complete, office/warehouse lease spaces will be available, and will range from 7,200 to 16,000 square feet.

Riverhills, an upscale residential development of 450 homes, is being prepared for construction. Developers of Riverhills say the 320-acre project, with lots ranging from \$250,000 to \$1 million, will fuel activity at Clearfork, a second project nearby on the other side of the Trinity River. The 270-acre Clearfork is the site of Acme Brick's new campus and another part of Cassco Land Co.'s \$1 billion project, which may include up to 2 million square feet of office space, 1 million square feet of retail and 2,500 multifamily residential units.

The National Archives and Records Administration is opening its new \$12-million, 205,000-square-foot high tech facility. The building will replace the Federal Records Center currently located in the Fort Worth Federal Depot at Felix and Hemphill streets.

UT Southwestern Medical Center Moncrief Cancer Resources signed a three-year lease for approximately 10,000 square feet on the fifth floor of the River Plaza building, at 1701 River Run Road.

Plaza Medical Center of Fort Worth announced a \$15-million plan to build six operating rooms. The rooms will occupy 16,000 square feet on the building's second floor. Plaza is adding the rooms in response to what it says has been a 23 percent growth in knee and hip replacement surgeries in 2006, and a 17 percent jump in open-heart surgeries. In July 2008, when the project is scheduled for completion, Plaza will have 19 operating rooms. Plaza Medical Center, located at 900 8th Ave., is currently undergoing a three-year, \$90-million expansion and renovation which is nearing completion. Hospital Corp. of America vendors will oversee the expansion.

The Fort Worth Club is set to reopen after a major 14-month renovation that marks another milestone in the city's signature private club. The 11th floor dining rooms, lounges, kitchen and library are part of the first phase of a \$6.5-million master plan for remodeling and updating the facilities. The first phase was funded by members' donations totaling \$2.5 million. Within the next year, funding of the final phase of reconstruction is expected to be complete and work will begin on upgrades to the club's athletic center and 21-room hotel that occupies three floors of its 12-story building.

TIG Real Estate Services Inc. will begin construction in 2007 on Northern Crossing, an 80-acre business park slated for Fort Worth's north corridor off Interstate 35-W and Loop 820. The eight single-story office/showroom buildings will total 730,000 square feet. Forty acres along the frontage road are for sale as build-to-suit for retail, office, and low-impact small-tenant industrial construction. A portion of the property will be set aside as green space.

Transpacific Development Co. (TDC) acquired a 720,000-square-foot property, expanding its holdings in the Metroplex with the two Class A distribution buildings. The property is located at 4801 Westport Parkway.

The Cantey Hanger LLP law firm will hang its shingle on a new four-story, 86,300-square-foot office building. The firm will locate its attorneys and employees on the building's third and fourth floors, leaving an option to lease additional space. The second floor is currently slated for office space, and the first floor is planned for retail, restaurant, and office space.

Sanford, Baumeister & Frazier PLLC, will occupy more than 13,000 square feet on the top two floors of the 77-year-old Sinclair Building at 512 Main St. in downtown Fort Worth. Renovations have begun on the new offices for the firm, which will move from its present location at 201 Main St.

The Mallick Group purchased a 44,000-square-foot financial facility located at 3000 Alta Mesa Blvd. at Westcreek from Frost, the banking, investments, and insurance subsidiary of San Antonio-based Cullen/Frost Bankers Inc. Frost entered into a long-term lease for 10,000 square feet on the ground floor of the Alta Mesa center as well as the motor bank. The second and third floors, totaling 30,000 square feet, have been leased to Dale Property Services LLC, a division of oil and gas acquisition firm Dale Operating Co.

ET Wholesale Ltd. leased approximately 10,000 square feet of warehouse space at 301 N. Beach St. ET will use the space for its wholesale tire distribution center after relocating from Dallas. It will occupy space in a 140,000-square-foot building with 21 loading docks and six drive-in ramps.

Sikorsky Aircraft Corp., known for its Black Hawk helicopter, leased 24,000 square feet of office space at 4800 Overton Plaza, also known as First Command Plaza, in southwest Fort Worth.

Barnett-Shale is a geologic formation containing natural gas under the City of Fort Worth. New horizontal drilling techniques provided the capability of recovering the natural gas from reserves that had been previously inaccessible. In 2004, the City began leasing City-owned properties to gas drilling companies using the new horizontal drilling technology. No surface use is allowed on most properties including City parks. For fiscal year 2007, the City had earned a total of \$20.7 million in bonus and royalty revenue.

Major Initiatives

In fiscal year 2007, the City of Fort Worth continued to work to become an even higher performing organization by focusing on City Council's Strategic Goals. These goals help the City Council identify the city's mission and vision, and then translate that vision into an action plan. The city's limited resources are then prioritized to achieve that plan. The city's actions to implement the established Strategic Goals and address community issues are numerous and varied. However, the city continually addresses community issues through the best, most appropriate methods available.

Following are a list of the City Council's seven Strategic Goals and various innovative programs and services the City of Fort Worth has initiated this past year to help move to the next level of a higher performing organization. Prior year successes are referenced in the 2006-2007 Performance Report.

- **“Become the nation's safest major city”**

Key Departmental Accomplishments

Gang Injunction

Fort Worth is among the latest of several cities nationwide to file lawsuits against gang members, asking the courts for injunctions barring them from gathering together on street corners, in cars or anywhere else in certain areas. The injunction, aimed at disrupting gang activity before it escalates, gave the police legal reasons to stop and question gang members, individuals who often are found with drugs or weapons. The injunction prohibits gang members from associating with each other, carrying weapons, possessing drugs, committing crimes and displaying gang symbols in a safety zone - neighborhoods where suspected gang members live and are most active. It also established a curfew that begins at 9 p.m. and ends at 6 a.m. for those named in the injunction.

- **“Create a cleaner and more attractive city”**

Environmental Management reports that in 2007, because of community outreach and education, the residents of Fort Worth recycled 23% of the total waste stream collected. Two permanent citizen drop-off stations were opened to allow citizens an alternative for excess garbage, recycling, yard waste, and bulk. Citizens disposed of 21,600 tons of material at the drop off station. Citizens disposed of 2,576,908 pounds of household hazardous waste at the Environmental Collection Center. Staff teamed with residents to organize successful community events including Cowtown Community Cleanup, Clean Air Fair, North Texas Free Fare Transit Day, the Clean Air Bike Rally, and Shred Day.

Environmental Management remained active in the following initiatives: four applications for municipal setting designations were processed and completed; management of environmental conditions associated with the Trinity River Vision; The Alternate Asbestos Control Method; Green Cement and air quality compliance.

Parks and Community Services (PACS) continue to assume responsibility for \$1.9 million of landscaping and irrigation improvements installed by the TXDOT along the IH30/IH35 corridor.

PACS also manages 10,701 acres of parks, 131 miles of medians, 143 lane miles of rights-of-ways, 21.5 miles of alley, 147 corner clips, and 347 traffic islands within established mowing cycles. PACS, through the Citywide Mowing Program, mows and cleans City properties including tax-foreclosed properties and fee-owned properties every 28 days.

Code Compliance performed 5,624 multi-family apartment inspections and registered almost 501 apartment complexes this year.

Additionally, Code Compliance demolished and secured 396 structures (an increase of 24% over last year), and abated 54 nuisances.

- **“Diversify the economic base and create job opportunities”**

The Economic and Community Development Department negotiated a tax abatement agreement with the Stockyards Station Hotel to build a 102 room Amerisuites Hotel in the Fort Worth Stockyards.

They also negotiated a tax abatement agreement with BGR Partners to invest \$2.25 million to construct an expansion to the company’s corporate headquarters creating 200 jobs over the life of the agreement.

In addition, they negotiated a tax abatement agreement with Cinram Wireless and Alliance Gateway No. 11 to construct a new assembly and distribution facility. Over 1,200 jobs will be retained and over \$30 million will be invested.

They also negotiated an Economic Development Agreement with the West Bend development to facilitate the potential investment of up to \$80 million to construct a mixed-use development and rehabilitate an existing office building on University Drive.

In addition, they negotiated an Economic Development Agreement with Museum Place to facilitate the potential investment of up to \$170 million to construct a mixed-use development on West 7th Street and Camp Bowie.

An Economic Development Agreement was negotiated with Cypress Equities to facilitate the potential investment of \$198 million to construct a mixed-use development on West 7th Street.

The department negotiated an agreement with Cypress Equities to provide design and construction documents and price quotes for the proposed \$7.3 million Public Health Building (now the Hazel Harvey Peace Center for Neighborhoods). Construction of the approx \$3.7 million Shamblee Library is completed. The city is constructing approximately \$367,000 of water and sanitary sewer infrastructure improvements on Missouri Avenue from Rosedale Street to Leuda Street in order to accommodate the Public Health Building and all of the commercial and retail development in the Project Area.

A developer will commit to a \$1.5 million investment to the project redevelopment of the former Oakland Shopping Center by December 31, 2008. The Fort Worth and Fort Worth Certified M/WBE commitment is at least 25% or \$225,000 of total hard costs. The City Council approved the use of a U.S. Department of Housing and Urban Development Economic Development Initiative Grant (City Secretary# 35603) in the amount of \$198,000 for use in the redevelopment project. The contract was negotiated by the Economic and Community Development Department.

A developer will commit to approximately \$2,500,000 investment for renovations to storefronts on the 3000 & 3100 Block of East Rosedale and the TWU Baker Building. The City will commit to \$961,212 in Economic Development Initiative Grant Funds for eligible activities by a contract negotiated by the Economic and Community Development Department.

- **“Revitalize central city neighborhoods and commercial districts”**

The Planning and Development Department secured adoption of Trinity Uptown development standards and guidelines to implement the new TU zoning classification.

They also managed six Sustainable Development projects and five streetscape projects within urban villages and mixed-use growth centers; secured a federal grant in the amount of \$198,400 for Lancaster Avenue median lighting project; and, assisted the Tarrant County Homeless Coalition with systems change planning and funding, including securing a \$100,000 grant from Fannie Mae.

- **“Promote orderly growth in developing areas”**

The Planning and Development Department updated the annexation program identifying areas to consider for annexation during the succeeding five-year period, and recommended appropriate zoning for areas to be annexed in late 2007.

They secured the City Council’s adoption of amendments to the Subdivision Ordinance related to street connectivity and fire safety.

They provided data to the North Central Texas Council of Governments for use in developing the region’s 2040 population and employment forecasts.

- **“Ensure quality customer service”**

The Animal Care and Control Division responded to 44,518 animal care and control requests for service and were able to respond to 36,621 on the same day received.

The Human Resources Department developed the Exceptional Performance Awards program to recognize exceptional customer service. Four separate exceptional performance events were recognized with 5 employees being honored.

- **“Improve mobility and air quality”**

In the 2007 fiscal year, the total number of 8 Hour ozone exceedences was 12 in North Central Texas, compared to 31 in fiscal year 2006. Participation in the City’s Employee Emission Reduction Program was over 21% of the City’s entire workforce (general and civil service).

While understanding the difficulties in attributing certain asthma cases to ozone versus other factors (i.e. allergies, indoor air pollution, etc.), it is widely known among public health professionals that a decrease in the formation of ozone should lead to a decrease in overall asthma cases.

Even with a steady increase in population and employment, the vehicle-miles traveled (VMT) per capita has held constant over the past year. This is good news considering that just over 150,000 new residents moved to the region annually since the 2000 census.

In November 2006, TPW staff began the installation of 60 miles of signage and bike markings on selected city streets to alert motorists to share the right-of-way with bicyclists. This work was completed in March 2007.

In 2007, congestion delay decreased at over 64 intersections throughout Fort Worth where signal timing and/or capacity improvements have been made. Signal timing improved at 137 intersections through the Thoroughfare Assessment Program (TAP), completed during the 2007 fiscal year.

According to the American Public Transportation Association (APTA), transit ridership in Fort Worth increased 8.6% in the last year (transit ridership increased 3.74% nationally).

Other City Initiatives

Since 1985, the City of Fort Worth has had an employee suggestion program entitled Program Awarding Your Suggestion (PAY\$). Under this program, employees submit suggestions for improvements. All ideas receive a thorough evaluation. Ideas that prove to be viable, practical, and beneficial to the City are designated award-winners. Employees submitting award-winning ideas earn a monetary reward. The maximum PAY\$ award is \$5,000; the minimum award is \$50.

During fiscal year 2007, employees submitted 90 suggestions to the PAY\$ Program. Of those suggestions, 11 were designated award-winning ideas that will provide more than \$192,638 in annual savings for the City. The employees submitting these award-winning ideas shared \$17,100 in award payments. In addition to monetary benefits, some award-winning ideas enhanced organizational effectiveness by promoting safer work environments, improving customer satisfaction, increasing employee morale, and streamlining work processes.

Many initiatives funded by the City have been supplemented by grants from various state and federal agencies. Examples of grant awards expended in FY2007 include the following:

1. The U.S. Department of Housing and Urban Development grants, which included \$6,187,976 for the Community Development Block Grant program, \$3,538,414 for the HOME program, and \$292,363 for an Emergency Shelter program.
2. The Texas Department of Housing and Community Affairs grants for Community Services Block Program, for \$1,174,169 and a Comprehensive Energy Assistance Program grant for \$1,712,078.
3. The U.S. Department of Health and Human Services provided a grant to address Children's Mental Health Issues in an amount of \$1,784,573. This grant also recorded in-kind matching contributions in an amount of \$3,241,772. This is the fifth year of a six-year program.
4. The Texas State Library grants for the Interlibrary Loan program totaled \$319,021 and a Texas Lone Star Library grant for \$70,247.
5. The United States Department of Justice and Texas Criminal Justice Division provided grants totaling \$1,466,486 with primary focus on crime reduction.
6. The Texas Department of State Health Services initiatives focused on Citizen Awareness in the areas of Children's Immunization for \$63,460, Bioterrorism Preparedness for \$596,515, and Diabetes Awareness for \$64,206.
7. The Texas Commission for Environmental Quality provided grants in an amount of \$626,703.
8. The U.S. Department of Transportation and the Texas Department of Transportation Aviation provided grants for \$26,218,638.

FINANCIAL INFORMATION

The Finance Department – Accounting Division, is responsible for the City's financial record keeping and reporting. The accounting system is organized and controlled on a "fund" basis. These funds are reported in the financial section of this report.

Basis of Accounting

Governmental funds are recorded on the modified accrual basis of accounting. Proprietary funds, business-type activities and governmental activities, are recorded on the accrual basis. Fiduciary operations are recognized on the basis consistent with each fiduciary fund's accounting measurement objective. See footnote A.3 to the financial statements for a complete description of the basis of accounting.

The City is financially accountable for some legally separate entities, which are included as blended component units in the financial statements. A complete listing and description of these blended component units can be found in footnote A.1.

Budgetary Controls

Budgetary control is maintained through the use of an encumbrance system. As purchase orders are issued, corresponding amounts of appropriations are reserved by the use of encumbrances for later payment so that appropriations may not be overspent. City policy requires that purchase orders for supplies and contractual services exceeding an amount available at the section level not be released until funds are transferred from within the department or supplemental appropriations are approved and recorded. Open encumbrances are reported as a reservation of fund balances as of September 30, 2007.

Internal Controls

Internal accounting controls are designed to provide reasonable, but not absolute, assurance of (1) safeguarding of assets against loss from unauthorized use or disposition and (2) reliable financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived, and the evaluation of costs and benefits require estimates and judgments by management.

All internal control evaluations occur within the above framework. The City's independent auditors, Deloitte & Touche, LLP, noted material weaknesses or significant deficiencies in internal control over financial reporting which have resulted in delays in the completion of the City's CAFRs since fiscal year 2004. To correct the independent auditors' findings and ensure timely completion of the annual report, City management has aggressively developed a performance improvement plan and is implementing a number of performance improvements. The continued implementation of improvements has reduced the delay in issuance of this report and management is optimistic that for fiscal year 2008 there will be a further reduction in the delay.

In addition to the financial accounting system, the City utilizes an independent Internal Audit office, which reports directly to the City Council. This office reviews City practices to ensure the adequacy of internal control and compliance with established policies.

Single Audit

As a recipient of federal, state, and county financial assistance, the City is also responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. The internal control structure is subject to periodic evaluation by the City's Management and Internal Audit staff.

As a part of the City government's single audit, tests are made to determine that the government has complied with applicable laws and regulations related to federal financial assistance programs.

Cash Management

Cash balances of all operating City funds and capital project funds (except the Employees' Retirement Fund and Retired Employees Group Death Benefit Fund) are pooled and invested in accordance with state law and

an investment policy as approved by the City Council. Investments are made in treasury notes, agencies and instrumentalities, collateralized bank deposits, and managed investment pools. Investments are made only with certified brokers/dealers as required by the investment policy provisions and state law.

A consultant monitors Bond sale proceeds in capital project funds, covered by the Tax Reform Act of 1986 provisions.

All safekeeping of owned securities and collateral is done under custodial/safekeeping agreements. Safekeeping receipts are held by the City. Time deposit collateral is pledged to the City and kept in custody at a third party institution.

The City's investment portfolio excluding investments held by trustees, the Employees' Retirement Fund and the Death Benefit Fund are restricted to a maximum weighted average maturity of two years and a maximum stated maturity of any security of five years.

The City's investment philosophy mandates investing the City's operating cash to ensure its safety, provide for necessary liquidity, and achieve the highest possible yield commensurate with these goals.

Risk Management

The Financial Management Services Department – Risk Management Division manages the Risk Management Fund, which is comprised of the City's commercial and self-insured programs, claims and litigation management, and subrogation programs.

Risk Management is an integrated program responsible for the protection and preservation of the City's resources and assets through loss prevention, loss control, and loss financing. The goals of risk management are first, to minimize the threat of losses, and other forms of risk, and second, to minimize the impact when losses occur. Protection and preservation of City resources and assets are accomplished by identifying and analyzing accidental and unforeseen risks facing the City and developing remedies to effectively address those risks.

A central feature of impact minimization efforts is the securing of appropriate insurance protection, a risk transfer method. Risk retention through self-insurance is another critical feature. Claims and litigation management is performed by state licensed claim adjusters. Subrogation, another important function, within the division, involves the pursuit of recovery from other parties legally responsible for damage to City property/vehicles, or injury to employees in the course of their employment. Monies recovered are returned annually by Supplemental Appropriation & Transfer to the fund that sustained the loss.

When risk management strategies and retention capabilities are coordinated, unified, and aligned with strategic and financial objectives, the benefit is greater protection from risk and more efficient use of finite financial resources to respond to risk exposures.

The City's goals are carried out through several programs:

1. **Workers' Compensation:** The City of Fort Worth operates a self-insured workers' compensation insurance program. The City self-funds and administers the program by providing statutory workers' compensation coverage in accordance with the Texas Workers' Compensation Act and Texas Department of Insurance, Division of Workers' Compensation Administrative Rules. Claims adjusting services are contracted with a Third Party Claims Administrator (TPA). During fiscal year 2007, the City's TPA services were provided by Sedgwick CMS/CMI Barron Risk Management.
2. **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 claims and files reports to TWC, accordingly.

3. **Group Health Insurance:** Aetna Life Insurance Company is the claims administrator for the City's health plan. The City self-funds the health plan, but purchases both aggregate and specific stop loss coverage. The aggregate insurance provides full coverage for aggregate claims in excess of 125% of expected claims. The specific stop loss insurance assumes the risk for claims on any individual in excess of \$350,000 paid during a calendar year. There was no change in the level of this coverage during the fiscal year.
4. **Group Life Insurance:** A basic \$10,000 life insurance policy which also provides \$10,000 accidental death and dismemberment benefits is maintained on each eligible full-time permanent employee at no cost to the employee. This policy is insured by the Aetna Life Insurance Company. A \$3,000 death benefit is provided for each eligible retiree by the City with benefits being paid by the Retirement Plan from the Retired Employees Group Death Benefit Fund.
5. **Property and Casualty Insurance:** This coverage is accomplished through commercial and self-funded programs for the purpose of risk transference associated with the following property: City structures and City-owned dwellings, boilers and machinery, electronic data processing physical damage, fixed base communications equipment, leased heavy/contractors off-road equipment and certain City vehicles. Casualty coverage includes crime insurance (employee dishonesty plus theft, disappearance and destruction and faithful performance coverage), public official bonds, aircraft liability, excess airport liability, liquor liability, auto liability for City vehicles, and Fort Worth Herd Program liability insurance.
6. **Liability Claims:** Third party liability claims against the City, and licensed claim adjusters handle subrogation efforts by the City, internally. The liability insurance program is largely self-funded for liability claims and lawsuits, settlements and expenses.
7. **Occupational Health Services:** As part of the Workers' Compensation Program, the City maintains a contract with a preferred provider of occupational health care services. These services include occupational medicine and injury treatment of City employees who are injured during course and scope of employment. Other occupational health services include: drug screenings for alcohol/substance abuse; communicable disease screenings; immunizations; medical surveillance for occupational health conditions and for the commercial driver's license program; hazardous chemical exposure screenings; and human performance evaluations. During fiscal year 2007, the City contracted with Concentra Medical Centers for these occupational health services.
8. **Employee Benefits Services:** This program is administered through the Human Resources Department. The service provides education and information about the City's group health and life insurance benefits to employees, retirees, and their dependents. The program produces benefits related newsletters and coordinates open enrollment periods. It provides guidance and support for employee and retiree benefits committees to assist these groups in making informed recommendations on desirable benefit packages. The program coordinates with medical specialists to assist employees and retirees in resolving problematic claims issues. In addition they manage the City of Fort Worth Flexible Benefit Plan and the 457b plan.

OTHER INFORMATION

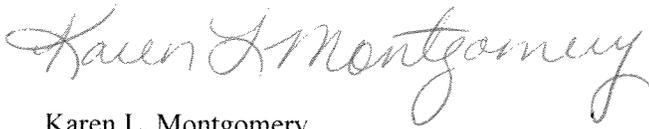
Independent Audit

The City Charter requires an annual audit of the City's financial statements by an independent certified public accountant. This requirement has been complied with, and the independent auditors' report has been included in this report. In addition, an audit was performed in accordance with standards for financial and compliance audits contained in the *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act and the provisions of OMB Circular A-133; and the *State of Texas Uniform Grant Management Standards*. A report on this additional audit is issued under a separate cover.

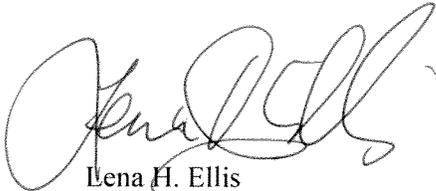
Acknowledgments

The preparation of this report could not have been accomplished without the full support and involvement of all City Departments for providing the information and analyses on past, current and future economic conditions. Very special thanks to the staff members of the Finance Department for the dedicated service to the City and to the citizens of Fort Worth. We express our appreciation to those staff members of the Finance Department who worked many hours to ensure the accuracy of this report. In addition, we express appreciation to the Mayor and City Council and the City Manager for their interest and support in planning and conducting financial activities of the City in a responsible and responsive manner.

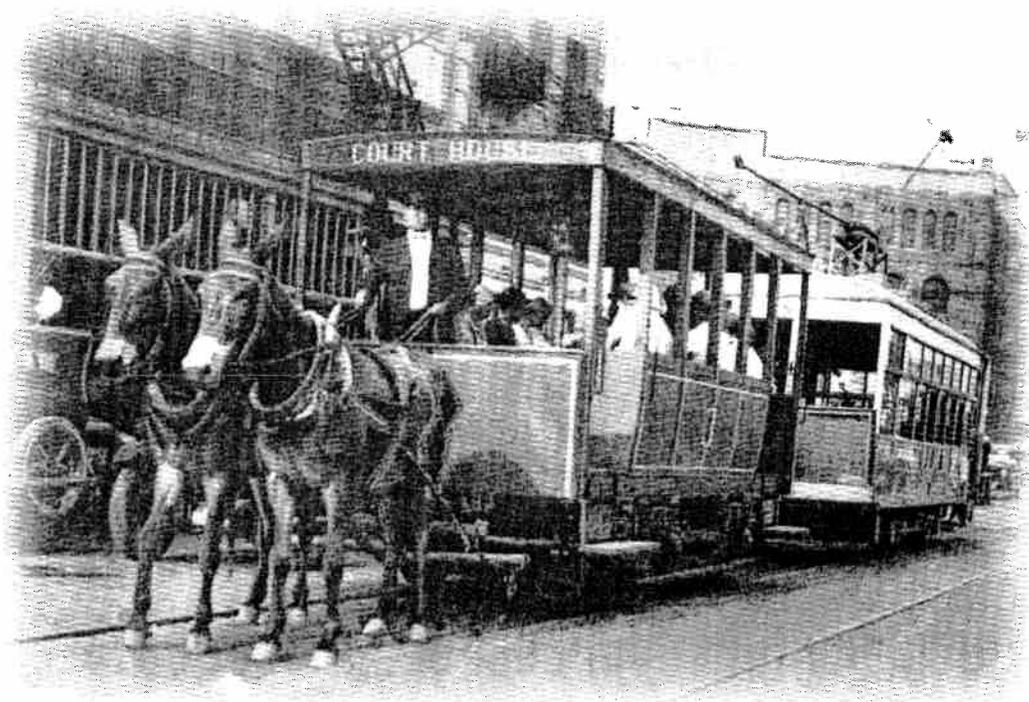
Sincerely,



Karen L. Montgomery
Assistant City Manager

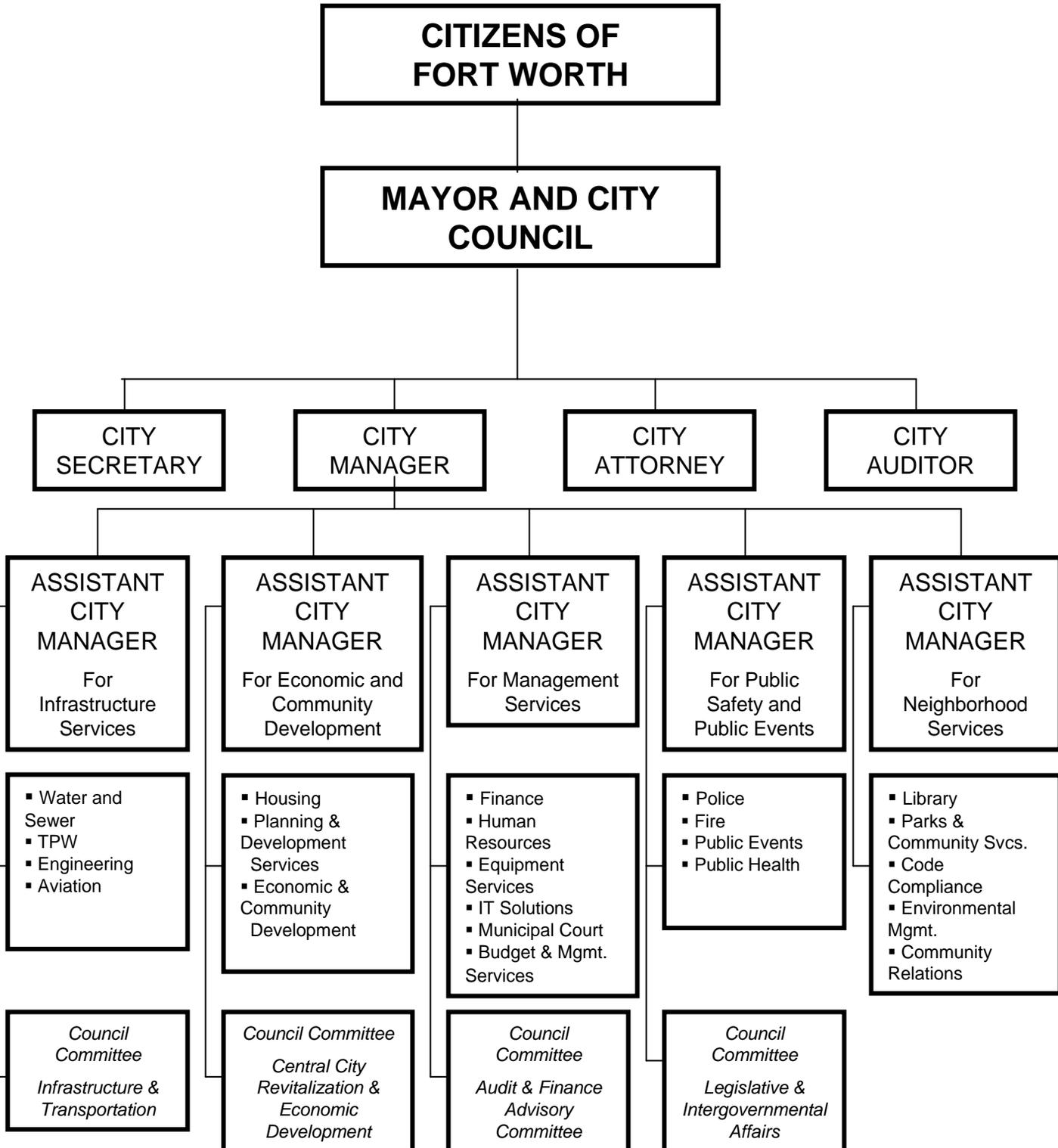


Lena H. Ellis
Chief Financial Officer



Courtesy of the Genealogy, History and Archives Unit, Fort Worth Public Library

CITY OF FORT WORTH, TEXAS ORGANIZATION OF CITY GOVERNMENT September 30, 2007



Elected Officials
City of Fort Worth, Texas
Mayor and Councilmembers for Fiscal Year 2006 - 2007



Mike Moncrief
Mayor



Salvador Espino
Council District 2



Chuck Silcox
Council District 3 (*deceased 10/25/08*)



Danny Scarth
Council District 4



Donovan Wheatfall
Council District 5 (*10/1/06 to 5/12/07*)



Frank Moss
Council District 5 (*5/12/07 to 9/30/07*)



Jungus Jordan
Council District 6



Carter Burdette
Council District 7



Kathleen Hicks
Council District 8



Wendy Davis
Council District 9



Courtesy of the Genealogy, History and Archives Unit, Fort Worth Public Library

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying basic financial statements of the governmental activities, business-type activities, each major fund, the aggregate discretely presented component units and the aggregate remaining fund information of the City of Fort Worth, Texas (the "City"), as of and for the year ended September 30, 2007, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Fort Worth's management. Our responsibility is to express an opinion on the respective financial statements based on our audit. We did not audit the financial statements of the Employees' Retirement Pension Trust Fund for the year ended September 30, 2007, (which comprises 100% of the trust funds of the City). Those financial statements were audited by other auditors whose report (which included an emphasis of a matter related to approximately \$537 million of pension investments without a readily ascertainable market value) has been furnished to us, and our opinion, insofar as it relates to the amounts included for the City of Fort Worth, is based solely on the report of the other auditors. We also did not audit the financial statements of the Villas of Eastwood, a blended component unit of the Fort Worth Housing Finance Corporation, which is a blended component unit of the City of Fort Worth, for the year ended December 31, 2006, (which comprises approximately 1% of assets, fund balance and revenues of the non-major governmental funds of the City). Those financial 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 City of Fort Worth, is based solely on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The financial statements of the Employees' Retirement Fund were audited in accordance with auditing standards generally accepted in the United States of America, but were not audited in accordance with *Government Auditing Standards*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the respective financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, based on our audit and the reports of the other auditors, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, the aggregate discretely presented component units and aggregate remaining fund information of the City of Fort Worth, as of September 30, 2007, and the respective changes in financial position and respective cash flows, where applicable, thereof for the year then ended in conformity with accounting standards generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 3, 2009, on our consideration of City of Fort Worth, Texas' internal control over financial reporting and 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Management's Discussion and Analysis, the budgetary comparison information for the General Fund and the schedule of funding progress for the Employees' Retirement Fund are not required parts of the basic financial statements, but are supplementary information required by the Governmental Accounting Standards Board. This supplementary information is the responsibility of the City of Fort Worth's management. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and we do not express an opinion on it.

Our audit was conducted for the purpose of forming an opinion on the City's respective financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements and schedules listed in the foregoing table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. These financial statements and schedules are the responsibility of the City of Fort Worth's management. Such additional information has been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects when considered in relation to the basic financial statements taken as a whole.

The introductory section and statistical section as listed in the table of contents, are presented for the purpose of additional analysis and are not a required part of the basic financial statements for the City. This information is the responsibility of the City of Fort Worth's management. Such additional information has not been subjected to the auditing procedures applied in our audit of the basic financial statements and, accordingly, we express no opinion on it.

Deloitte & Touche LLP

February 3, 2009

City of Fort Worth, Texas
Management's Discussion and Analysis
September 30, 2007
(in 000's)
(unaudited)

Management's discussion and analysis (MD&A) provides a narrative overview of the financial activities and changes in the financial position of the City of Fort Worth, Texas, for the fiscal year ended September 30, 2007. 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 on pages v – xviii of this report.

The issuance of the City's Comprehensive Annual Financial Report was substantially delayed for fiscal year ended September 30, 2006 due to a number of issues. The resolution of these issues required intensive rework and reconciliations which in turn created a delay in this report for fiscal year ended September 30, 2007.

Financial Highlights

The assets of the City of Fort Worth exceeded its liabilities at September 30, 2007, by \$2,665,592 (net assets). Of this amount, \$245,039 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.

The City's total net assets increased by \$204,356. This increase can be attributed to increases in ad valorem tax revenue, fines and forfeitures, contributions and charges for water and sewer services.

At September 30, 2007, the City's governmental funds reported combined ending fund balances of \$414,517 an increase of \$153,697 in comparison with 2006. Approximately 90.1 percent of this amount, \$373,676 is available for spending at the government's discretion (unreserved fund balance) of which \$286,250 has been designated by the City.

At the end of the current fiscal year, unreserved fund balance for the General Fund was \$85,271, or 18.3 percent of total General Fund expenditures.

The City's total long-term liabilities increased by \$265,281 during the current fiscal year. The key factor in this increase was that the issuance of General Obligation and Water and Sewer revenue bonds totaling \$277,185 partially offset by payments made on debt during the year.

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

City of Fort Worth, Texas
Management's Discussion and Analysis
September 30, 2007
(in 000's)
(unaudited)
(continued)

Government-wide Financial Statements

The government-wide financial statements include the Statement of Net Assets 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 Assets presents information on all of the City's assets and liabilities, including capital assets and long-term obligations. The difference between the two is reported as net assets. Over time, the increases or decreases in net assets 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 assets 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 government services. This statement includes all current year revenues and expenses.

The Statement of Net Assets 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 services, public safety, municipal courts, transportation and public works, parks and community services, public library, public health, 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 may be used to find more detailed information about the City's most significant activities. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

City of Fort Worth, Texas
Management's Discussion and Analysis
September 30, 2007
(in 000's)
(unaudited)
(continued)

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 provided 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-two 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 and the Debt Service Fund both of which are considered to be major funds. Data for the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of the non-major governmental funds is provided in the form of combining statements elsewhere in this report.

Proprietary Funds – When the City charges customers for services it provides, the activities are generally reported in proprietary funds. The City of Fort Worth maintains two different types of proprietary funds: enterprise funds and internal service funds.

Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water and sewer operations, municipal airports, solid waste, municipal parking, municipal golf courses, and stormwater utility. These services are primarily provided to outside or non-governmental customers.

Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its office services, equipment services, temporary labor pool, information systems and engineering services.

Proprietary funds financial statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary funds financial statements provide separate information for the water and sewer and solid waste operations, which are considered to be major funds of the City. The non-major proprietary funds are combined into a single, aggregated presentation in the proprietary fund financial statements.

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.

City of Fort Worth, Texas
Management's Discussion and Analysis
September 30, 2007
(in 000's)
(unaudited)
(continued)

Government-Wide Financial Analysis

Total assets of the City at September 30, 2007, were \$4,338,395, while total liabilities were \$1,672,803, resulting in a net asset balance of \$2,665,592.

The largest portion of the City's net assets, \$2,383,509 or 89.4 percent, reflects its investment in capital assets (land and improvements, buildings, infrastructure, machinery and equipment), less any related debt used to acquire those assets that is still outstanding. The City uses these assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the City reports its capital assets net of related debt, 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 assets, \$37,044 or 1.4 percent, represents resources that are subject to external restrictions on how they may be used. The remaining balance of net assets, \$245,039 may be used to meet the government's ongoing obligations to citizens and creditors.

Schedule of Net Assets

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
Current and other assets	\$ 509,761	\$ 352,474	\$ 452,587	\$ 325,513	\$ 962,348	\$ 677,987
Capital assets	1,302,136	1,220,819	2,073,911	1,939,445	3,376,047	3,160,264
Total assets	<u>1,811,897</u>	<u>1,573,293</u>	<u>2,526,498</u>	<u>2,264,958</u>	<u>4,338,395</u>	<u>3,838,251</u>
Long-term liabilities						
outstanding	700,540	484,566	819,681	669,430	1,520,221	1,153,996
Other liabilities	81,757	119,398	70,825	103,621	152,582	223,019
Total liabilities	<u>782,297</u>	<u>603,964</u>	<u>890,506</u>	<u>773,051</u>	<u>1,672,803</u>	<u>1,377,015</u>
Net assets:						
Invested in capital assets, net of related debt	967,070	891,173	1,416,439	1,272,031	2,383,509	2,163,204
Restricted	7,376	45,988	29,668	225	37,044	46,213
Unrestricted	55,154	32,168	189,885	219,651	245,039	251,819
Total net assets	<u>\$ 1,029,600</u>	<u>\$ 969,329</u>	<u>\$ 1,635,992</u>	<u>\$ 1,491,907</u>	<u>\$ 2,665,592</u>	<u>\$ 2,461,236</u>

At September 30, 2007, the City of Fort Worth is able to report positive balances in net assets, both for the government as a whole, as well as for its separate governmental and business-type activities.

There was a decrease in restricted net assets reported in the City's governmental activities of \$38,612 and an increase in the business type activities of \$29,443. The decrease in restricted net assets of governmental activities was a result of utilizing excess debt service fund equity in September 2007 for a cash defeasance of

City of Fort Worth, Texas
Management's Discussion and Analysis
September 30, 2007
(in 000's)
(unaudited)
(continued)

certain debt obligations. The governmental net assets increased by \$60,271 during the current fiscal year. This increase represents an increase in capital grants and contributed assets.

Schedule of Changes in Net Assets

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
Revenues:						
Program Revenues:						
Charges for services	\$ 63,938	\$ 60,778	\$ 324,754	\$ 345,911	\$ 388,692	\$ 406,689
Operating grants and contributions	47,334	52,702	-	-	47,334	52,702
Capital grants and contributions	90,172	86,145	87,818	118,749	177,990	204,894
General revenues:						
Property taxes	288,725	256,630	-	-	288,725	256,630
Other local taxes	172,621	162,076	-	-	172,621	162,076
Franchise Fees	33,316	34,764	-	-	33,316	34,764
Gas Lease and Royalties	12,154	5,143	8,542	4,197	20,696	9,340
Assessments	868	1	-	-	868	1
Investment income	19,974	12,191	14,638	9,279	34,612	21,470
Gain (Loss) disposal of capital assets	63	1,227	(1,279)	(1,062)	(1,216)	165
Other	8,376	6,384	6,582	5,185	14,958	11,569
Transfers	14,295	19,420	(14,295)	(19,420)	-	-
<i>Total revenues and transfers</i>	<u>751,836</u>	<u>697,461</u>	<u>426,760</u>	<u>462,839</u>	<u>1,178,596</u>	<u>1,160,300</u>
Expenses:						
General Administration	110,802	94,239	-	-	110,802	94,239
Public Safety	319,561	292,220	-	-	319,561	292,220
Transportation and Public Works	106,543	100,626	-	-	106,543	100,626
Parks and Community Service	44,533	41,291	-	-	44,533	41,291
Public Library	19,493	17,843	-	-	19,493	17,843
Public Health	11,707	10,791	-	-	11,707	10,791
Public Events and Facilities	28,167	23,937	-	-	28,167	23,937
Planning and Development	13,106	11,303	-	-	13,106	11,303
Housing	15,437	10,613	-	-	15,437	10,613
Interest and Service Charges	22,216	15,793	-	-	22,216	15,793
Water & Sewer	-	-	221,774	237,405	221,774	237,405
Municipal Airport	-	-	10,623	11,942	10,623	11,942
Solid Waste	-	-	39,389	36,647	39,389	36,647
Municipal Parking	-	-	1,035	314	1,035	314
Municipal Golf	-	-	5,119	5,437	5,119	5,437
Stormwater Utility	-	-	4,735	483	4,735	483
<i>Total expenses</i>	<u>691,565</u>	<u>618,656</u>	<u>282,675</u>	<u>292,228</u>	<u>974,240</u>	<u>910,884</u>
Changes in net assets	<u>60,271</u>	<u>78,805</u>	<u>144,085</u>	<u>170,611</u>	<u>204,356</u>	<u>249,416</u>
Net assets - Beginning of Year	969,329	779,016	1,491,907	1,321,296	2,461,236	2,100,312
Accounting Principal Implementation*	-	111,508	-	-	-	111,508
Net Assets - Beginning of Year, restated	969,329	890,524	1,491,907	1,321,296	2,461,236	2,211,820
Net assets - End of Year	<u>\$ 1,029,600</u>	<u>\$ 969,329</u>	<u>\$ 1,635,992</u>	<u>\$ 1,491,907</u>	<u>\$ 2,665,592</u>	<u>\$ 2,461,236</u>

*In FY2006, the City completed its implementation of GASB Statement 34 with the addition of the pre-FY2002 infrastructure assets

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(continued)

Property taxes increased by \$32,095 (13 percent) from the prior year. Most of this increase is due to increased in residential construction in recent years.

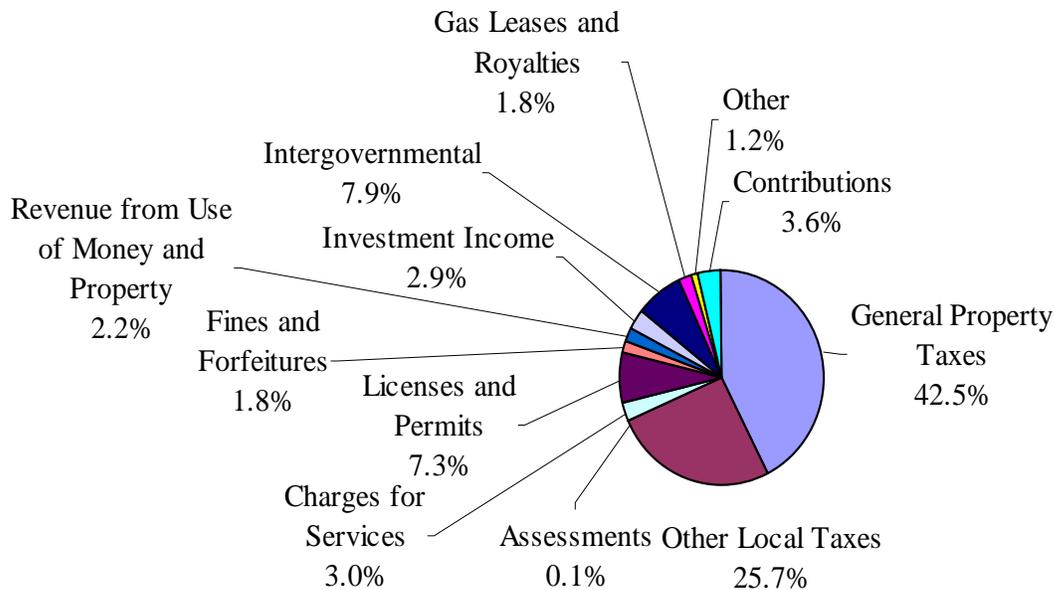
Financial Analysis of the Government's Funds

Governmental Funds – The focus of the City of Fort Worth'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, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported combined fund balances of \$414,517. Approximately 21.1 percent, or \$87,426 constitutes unreserved fund balance, which is available for spending at the government's discretion, an additional \$286,250 or 69.1 percent, is unreserved but designated for authorized expenditures. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it has already been committed to pay for encumbrances (\$952), inventory (\$4,027), advances (\$11,463), HUD (\$9,449), long-term loans (\$1,089), debt service (\$11,920), and prepaids (\$1,941).

Revenues and Expenditures – Governmental Funds

Revenues by Source - Governmental Funds (in 000's)



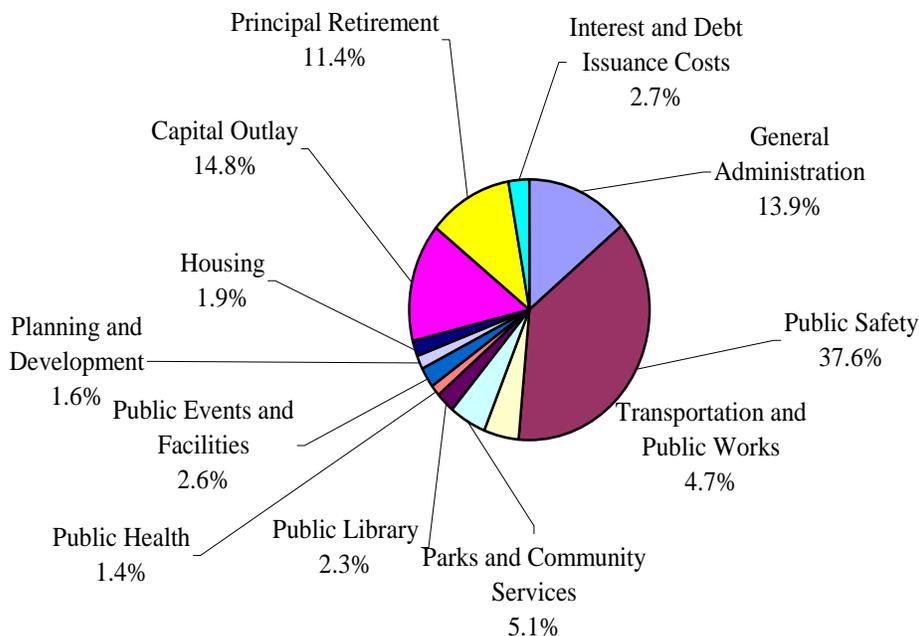
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The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unreserved fund balance of the general fund was \$85,271. As a measure of the General Fund's liquidity, it may be useful to compare both the unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 18.3 percent of total General Fund expenditures, while total fund balance represents 22.0 percent of total General Fund expenditures. Fund balance in the General Fund decreased by \$1,835 during the current fiscal year. Following are the key factors in this decrease:

- Property taxes increased \$29,424, or 11.3 percent over last year's tax revenues.
- Local tax receipts ended the year at \$122,301, an increase of \$7,826 or 6.8 percent from the prior fiscal year.
- Fines and forfeitures increased by \$810, or 7.4 percent under the same category in the previous fiscal year.
- Revenues from use of money and property decreased \$1,346, or 15.0 percent from the prior fiscal year.
- Investment income increased 60.6 percent, or \$3,193, from the prior fiscal year.
- Proceeds from the issuance of long-term debt totaled \$1,195 in the current fiscal year. No long-term debt was issued in the General Fund during the previous fiscal year.
- Total expenditures increased by \$44,379 or 10.6 percent from the previous fiscal year.

The Debt Service Fund has a fund balance of \$11,920, all of which is reserved for the payment of debt service. The fund balance decreased during the year by \$34,068 because of the debt defeasances in which escrow accounts were established for various tax supported debt obligations.

Expenditures by Source - Governmental Funds (in 000's)



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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 assets for the major Proprietary Funds were \$154,188 in the Water and Sewer Fund and \$6,518 in the Solid Waste Fund at the end of the fiscal year. Total net assets in the Water and Sewer Fund increased \$103,949 and the total net assets in the Solid Waste Fund increased by \$7,343. Business-type activities increased the City's net assets by \$144,377, accounting for 67 percent of the total current year growth in the government's net assets. Following are the key elements of this increase:

- Charges for services decreased by \$21,157 from the previous fiscal year. The Water and Sewer fund had a decrease of \$35,803 due to a decrease in demand. The Solid Waste Fund had an increase of \$3,373, and the Non-major Enterprise Funds increased \$11,273.
- Operating expenses decreased by \$9,426 due to an increase in personnel services of \$7,866, supplies and materials of \$1,912, and landfill closure and postclosure costs of \$1,700, and a decrease in contractual services of \$4,037 and depreciation expense of \$16,867.
- Capital contributions decreased by \$30,931 from the prior year due to the slow down in residential growth.

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget resulted in a \$15,630 increase in appropriations and a \$9,682 decrease in revenues and can be briefly summarized as follows:

- \$4,451 increases in general government activities for tracking hardware and software, E-Gov capabilities, community arts HVAC, and 380 agreements.
- \$1,330 increases allocated to the public safety departments for additional staff including vacation relief firefighters, a roadway impact fee study, vehicles and a street sweeper.
- \$382 decreases allocated from the parks and community services department to the Transportation and Public Works Department for additional positions.
- \$154 increases allocated to the public library department for the purchase of books and materials.
- \$1,859 increases allocated to the transportation and public works department for street improvements.
- \$3,741 increases allocated to the public events and facilities department for the construction of a new downtown parking garage.
- \$251 increases allocated to the planning and development departments for a fee study, publishing software, and engineering services.
- The majority of the \$10,983 increase allocated to transfers in and the \$10,784 decrease in Licenses and Permits is for transfers into the General Fund from the Water and Sewer Fund for street rentals.

Of the increases in appropriations, \$526 was to be funded out of increases in various charges for services. The remaining \$15,104 was to be budgeted from available fund balance.

There were no significant variances between the final amended budget and actual expenditures. Actual expenditures were \$12,464 less than the final amended budget.

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(continued)

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, 2007, amounts to \$3,376,047 (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 investment in capital assets for the current fiscal year was \$215,781 (6.8 percent). Major capital assets events during the current fiscal year included the following:

- The completion of various street and drainage projects throughout the City added \$83,986 to capital assets, while developers contributed another \$64,749 in infrastructure.
- The ongoing Southwest Parkway project added \$7,420 to land. The completion of the James Street Service center and the Magnolia Parking Garage added \$23,334 to improvements.
- The completion of various proprietary projects throughout the City added \$178,387 to capital assets, while developers contributed another \$40,502 in water and sewer infrastructure to the City.

Capital Assets, net of Accumulated Depreciation

	Governmental activities		Business-type activities		Total	
	2007	2006	2007	2006	2007	2006
Land/Right of Way	\$ 94,005	\$ 82,048	\$ 71,335	\$ 69,655	\$ 165,340	\$ 151,703
Buildings	184,816	186,079	33,978	34,921	218,794	221,000
Infrastructure	838,685	756,014	1,443,268	1,348,268	2,281,953	2,104,282
Machinery and Equipment	44,421	47,951	201,687	167,560	246,108	215,511
Construction in Progress	140,209	148,727	323,643	319,043	463,852	467,770
Total	\$ 1,302,136	\$ 1,220,819	\$ 2,073,911	\$ 1,939,447	\$ 3,376,047	\$ 3,160,266

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 of Fort Worth had total liabilities of \$1,520,221. Of this amount, \$421,350 comprises debt backed by the full faith and credit of the government, and \$866,415 represents self-supported bonds. The notes payable of \$3,160 in the governmental activities relates to the Fire Equipment Note program and the \$6,875 in the business activities relates to the trash cart and truck purchases in Solid Waste. Refer to Note G to the basic financial statements for additional information.

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Long-Term Liabilities Outstanding

	Governmental activities		Business-type activities		Total	
	2007	2006	2007	2006	2007	2006
General Obligation Bonds	\$ 322,296	\$ 212,909	\$ 284	\$ 706	\$ 322,580	\$ 213,615
Revenue Bonds	-	-	737,480	653,690	737,480	653,690
Certificates of Obligation	67,605	62,610	31,165	10,940	98,770	73,550
Installment Obligation	6,645	7,135	-	-	6,645	7,135
HUD Installment Obligation	9,449	14,656	-	-	9,449	14,656
Equipment Notes Payable	3,160	5,030	6,875	8,081	10,035	13,111
Helicopter Installment	312	512	-	-	312	512
Service Center	21,890	22,315	-	-	21,890	22,315
Fort Worth Housing Corp	9,464	9,528	-	-	9,464	9,528
Fort Worth Housing Corp Fannie Mae	1,000	-	-	-	1,000	-
Fort Worth Sports Authority	16,359	8,077	-	-	16,359	8,077
Lone Star Local Govt Corp	31,617	31,617	-	-	31,617	31,617
Central City Local Govt Corp	2,933	3,074	-	-	2,933	3,074
State Energy Conserv Loan I & II	4,610	3,200	-	-	4,610	3,200
State Energy Conserv Loan III	3,794	-	-	-	3,794	-
Wells Fargo Loan	296	306	-	-	296	306
Municipal Golf - Capital Lease	-	-	187	246	187	246
Beechwood Bridge Obligation	1,449	-	-	-	1,449	-
Trinity River Authority	-	-	8,895	14,150	8,895	14,150
Unamortized Bond Discounts, Refundings, Premiums, net	2,585	1,080	11,172	9,314	13,757	10,394
Compensated Absenses	95,152	92,361	8,132	7,824	103,284	100,185
Claims Payable	41,480	27,369	-	-	41,480	27,369
HUD Claims Payable	1,318	1,452	-	-	1,318	1,452
Arbitrage	487	139	362	896	849	1,035
Landfill Postclosure Cost	-	-	6,563	5,114	6,563	5,114
Net Pension Obligation	56,639	36,107	8,566	5,398	65,205	41,505
Total	\$ 700,540	\$ 539,477	\$ 819,681	\$ 716,359	\$ 1,520,221	\$ 1,255,836

The City's indebtedness increased by \$264,385 during fiscal year 2007. For governmental activities, the City issued two general obligation bonds totaling \$150,000 and one certificates of obligation for \$40,250. The City reduced its principal balances for bonded debt by \$75,868.

The City issued revenue bonds for \$127,185 for water and sewer projects and \$20,935 in certificates of obligation for the improvements in the parking garage. The City reduced its business-type activity bonded debt by principal payments of \$49,782.

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(unaudited)
(continued)

In fiscal year 2007, the City of Fort Worth had an "AA+" rating from Standard & Poor's, an "Aa1" rating from Moody's Investor Service, and "AA" from Fitch Ratings for general obligation debt. The City's revenue bonds were rated "AA" by Standard & Poor's, "Aa2" by Moody's Investor Service, and "AA" by Fitch Ratings. Currently, the City has an "Aa2" rating from Moody's for both the general obligation and revenue bonds, and Standard & Poor's general obligation rating is now "AA-". The other rating remains unchanged.

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 1.19 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

At the end of fiscal year 2007, the economic climate for the City of Fort Worth had begun to even out. Standard economic indicators such as unemployment, consumer spending, and new construction had stabilized with some improvement.

For the past several years, the most actively changing local economic measure has been the Unemployment Rate, which climbed as high as 9.4 percent in June 2003. As the 2003-04 fiscal-year progressed, the unemployment rate dropped to a low of 7.0 percent in April 2004. In August 2007 the Unemployment Rate for the City was 5.2 percent, which is slightly higher than that of the Texas average at 5.1 percent. The unemployment rate in December 2007 was 4.2 percent, down a full point from August of that same year. In August 2008, the Texas average unemployment rate rose to 5.0 percent compared to the City's unemployment rate of 5.1 percent, which is a slight decrease from the prior year.

The fiscal year 2007-2008 budget decreases the City's property tax rate to \$0.8550 per \$100 net taxable valuation compared to the fiscal year 2006-2007 budget decrease of the City's property tax rate of \$0.8600 per \$100 net taxable valuation. The City's property tax roll of net taxable value increased \$3.50 billion or 11.2 percent from the July 2006 certified roll to the July 2007 certified roll. This is the twelfth consecutive increase. As a result, the City has budgeted to collect \$32.4 million more than in fiscal year 2007-2008, even with the decrease in the tax rate.

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 \$99,584, an increase of \$3,490 or 3.63 percent from the fiscal year 2006-2007 budget. However, actual sales tax collections for fiscal year 2006-2007 are anticipated to be short of the fiscal year 2007-2008 adopted budget by \$1,336 or 1.3 percent. The fiscal year 2007-2008 projection presents an increase of \$2,406 or 2.5 percent above the fiscal year 2006-2007 re-estimate. This revenue is dependent on the level of retail sales.

Additional adopted budget highlights are: Revenues from licenses and permits are anticipated to be \$2,475 or 5.0 percent higher than fiscal year 2006-07 budget. This category includes predominately franchise fees on utilities and street rental revenues from Water and Cable TV. The TXU Electric franchise fee is projected up \$1,285, or 5.1 percent, which encompasses the majority of the increase noted. Revenues from other local taxes are anticipated to increase by \$543 or 6.2 percent.

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Other local taxes include franchise fees on telephone access lines and revenue from the state mixed beverage tax. The total revenue from fines and forfeitures are projected to increase from the fiscal year 2006-2007 budget by \$1,921 or 16.3 percent. This category includes revenue collected from traffic and court fines, administrative and penalty fees and miscellaneous court related charges.

Hotel-Motel Tax revenue collections continue to trend upward. Revenues for fiscal year 2007 were 8.4 percent higher than the previous fiscal year.

Single family building permits in the City of Fort Worth remain a consistent indicator of growth in the metroplex. While the City experienced growth in prior years, that growth appears to be slowing. The total single-family permits for September 2007 were lower than single-family permits for September 2006 by 12.8 percent.

Requests for Information

This financial report is designed to provide a general overview of the City of Fort Worth'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 Office of the Finance Director, 1000 Throckmorton Street, 3rd Floor Finance Department, Fort Worth, Texas 76102.

BASIC FINANCIAL STATEMENTS

**GOVERNMENT-WIDE
AND FUND FINANCIAL
STATEMENTS**

City of Fort Worth, Texas
Statement of Net Assets
September 30, 2007
(in 000's)

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
Assets				
Cash, Cash Equivalents and Investments	\$ 380,251	\$ 74,794	\$ 455,045	\$ 12,082
Receivables:				
Taxes	22,038	-	22,038	-
Grants and Other Governments	38,512	-	38,512	-
Levied, Unbilled Assessments	2,082	-	2,082	-
Loans	3,228	-	3,228	-
Interest	2,296	1,559	3,855	48
Accounts and Other	43,804	55,435	99,239	-
Allowance for Doubtful Accounts	(45,151)	(1,135)	(46,286)	-
Internal Balances	6,602	(6,602)	-	-
Inventories (at cost)	4,858	3,356	8,214	-
Other	2,129	8	2,137	-
Long-Term Loans Receivables	10,862	-	10,862	-
Restricted Assets:				
Cash and Cash Equivalents and Investments	6,066	290,855	296,921	-
Cash and Cash Equivalents Held by Trustees	21,558	4,303	25,861	-
Grants Receivables	-	19,500	19,500	-
Deferred Bond Issue Costs	2,176	10,514	12,690	-
Invested in Joint Venture	8,450	-	8,450	-
Capital Assets, Net of Accumulated Depreciation:				
Non-depreciable	234,214	394,978	629,192	-
Depreciable	1,067,922	1,678,933	2,746,855	-
Total Assets	<u>1,811,897</u>	<u>2,526,498</u>	<u>4,338,395</u>	<u>12,130</u>
Liabilities				
Accounts and Contracts Payable	22,245	10,590	32,835	1,580
Escrow Accounts Payable	4,632	2,953	7,585	-
Accrued Payroll	13,241	1,870	15,111	-
Other	650	-	650	-
Payable from Restricted Assets:				
Construction Accounts Payable	12,295	29,470	41,765	-
Accrued Interest Payable	8,944	4,502	13,446	-
Customer Deposits	-	11,595	11,595	-
Unearned Revenue	19,750	9,845	29,595	-
Long-term Liabilities:				
Due Within One Year	63,245	50,189	113,434	-
Due in More Than One Year	637,295	769,492	1,406,787	-
Total Liabilities	<u>782,297</u>	<u>890,506</u>	<u>1,672,803</u>	<u>1,580</u>
Net Assets				
Invested in Capital Assets, Net of Related Debt	967,070	1,416,439	2,383,509	-
Restricted for Debt Service	7,376	29,668	37,044	-
Unrestricted	55,154	189,885	245,039	10,550
Total Net Assets	<u>\$ 1,029,600</u>	<u>\$ 1,635,992</u>	<u>\$ 2,665,592</u>	<u>\$ 10,550</u>

See accompanying notes to the basic financial statements.

City of Fort Worth, Texas
Statement of Activities
For the Year Ended September 30, 2007
(in 000's)

Function/Program Activities	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General Administration	\$ 110,802	\$ 16,133	\$ 31,220	\$ 5,171
Public Safety	319,561	21,252	2,469	110
Transportation and Public Works	106,543	3,140	489	13,912
Parks and Community Services	44,533	1,047	3,453	4,453
Public Library	19,493	644	610	-
Public Health	11,707	3,284	2,568	24
Public Events and Facilities	28,167	5,772	-	1,140
Planning and Development	13,106	10,422	3,728	84
Housing	15,437	2,244	2,797	65,278
Interest and Service Charges	22,216	-	-	-
Total Governmental Activities	691,565	63,938	47,334	90,172
Business-type Activities:				
Water and Sewer	221,774	257,989	-	62,096
Municipal Airports	10,623	2,948	-	25,722
Solid Waste	39,389	40,632	-	-
Municipal Parking	1,035	3,683	-	-
Municipal Golf	5,119	4,337	-	-
Stormwater Utility	4,735	15,165	-	-
Total Business-type Activities	282,675	324,754	-	87,818
Total Primary Government	\$ 974,240	\$ 388,692	\$ 47,334	\$ 177,990
Component units:				
Public Improvement Districts	\$ 3,742	\$ -	\$ -	\$ -
Taxing Increment Reinvestment Zones	8,574	-	-	-
Total Component Units	\$ 12,316	\$ -	\$ -	\$ -

Changes in Net Assets:

General Revenues:
Taxes:
General Property Taxes
Other Local Taxes
Franchise Fees
Gas Lease and Royalties
Assessments
Investment Income
Gain (Loss) on Disposal of Capital Assets
Other
Transfers
Total General Revenues and Transfers
Change in Net Assets
Net Assets - Beginning of the Year
Net Assets - End of the Year

See accompanying notes to the basic financial statements.

Net (Expense) Revenue and Changes in Net Assets

Primary Government

Governmental Activities	Business-Type Activities	Total	Component Units
\$ (58,278)		\$ (58,278)	
(295,730)		(295,730)	
(89,002)		(89,002)	
(35,580)		(35,580)	
(18,239)		(18,239)	
(5,831)		(5,831)	
(21,255)		(21,255)	
1,128		1,128	
54,882		54,882	
(22,216)		(22,216)	
<u>(490,121)</u>		<u>(490,121)</u>	
	\$ 98,311	98,311	
	18,047	18,047	
	1,243	1,243	
	2,648	2,648	
	(782)	(782)	
	<u>10,430</u>	<u>10,430</u>	
	<u>129,897</u>	<u>129,897</u>	
<u>(490,121)</u>	<u>129,897</u>	<u>(360,224)</u>	
			\$ (3,742)
			<u>(8,574)</u>
			<u>(12,316)</u>
288,725	-	288,725	13,473
172,621	-	172,621	-
33,316	-	33,316	-
12,154	8,542	20,696	-
868	-	868	4,420
19,974	14,638	34,612	535
63	(1,279)	(1,216)	-
8,376	6,582	14,958	-
14,295	(14,295)	-	-
<u>550,392</u>	<u>14,188</u>	<u>564,580</u>	<u>18,428</u>
60,271	144,085	204,356	6,112
969,329	1,491,907	2,461,236	4,438
<u>\$ 1,029,600</u>	<u>\$ 1,635,992</u>	<u>\$ 2,665,592</u>	<u>\$ 10,550</u>

City of Fort Worth, Texas
Balance Sheet
Governmental Funds
September 30, 2007
(in 000's)

	General	Debt Service	Nonmajor Governmental Funds	Total Governmental Funds
Assets				
Cash, Cash Equivalents and Investments	\$ 85,570	\$ 10,385	\$ 282,703	\$ 378,658
Receivables:				
Taxes	22,038	-	-	22,038
Grants and Other Governments	17,017	-	21,495	38,512
Levied, Unbilled Assessments	-	-	2,082	2,082
Loans	-	-	3,228	3,228
Interest	1,167	765	364	2,296
Accounts and Other	39,484	770	3,497	43,751
Allowance for Doubtful Accounts	(42,977)	-	(2,174)	(45,151)
Due From Other Funds	796	-	137	933
Inventories (at cost)	3,092	-	935	4,027
Advances to Other Funds	11,112	-	351	11,463
Prepays	1,599	-	342	1,941
Long-Term Loans Receivables	-	-	10,862	10,862
Restricted Assets:				
Cash and Cash Equivalents	600	-	5,466	6,066
Cash and Cash Equivalents Held by Trustees	2,135	-	19,423	21,558
Total Assets	<u>\$ 141,633</u>	<u>\$ 11,920</u>	<u>\$ 348,711</u>	<u>\$ 502,264</u>
Liabilities and Fund Balances				
Accounts and Contracts Payable	\$ 19,702	\$ -	\$ -	\$ 19,702
Construction and Contracts Payable	-	-	12,295	12,295
Escrow Accounts	4,517	-	115	4,632
Accrued Payroll and Benefits	10,860	-	1,300	12,160
Accrued Interest	-	-	4,400	4,400
Due to Other Funds	-	-	796	796
Other	580	-	70	650
Payable from Restricted Assets:				
Advance From Other Funds	-	-	855	855
Deferred Revenue	3,948	-	28,309	32,257
Total Liabilities	<u>39,607</u>	<u>-</u>	<u>48,140</u>	<u>87,747</u>
Fund Balances:				
Reserved for Encumbrances	952	-	-	952
Reserved for Inventories	3,092	-	935	4,027
Reserved for Advances	11,112	-	351	11,463
Reserved for HUD Projects	-	-	9,449	9,449
Reserved for Long-Term Loans Receivables	-	-	1,089	1,089
Reserved for Debt Service	-	11,920	-	11,920
Reserved for Prepays	1,599	-	342	1,941
Unreserved, Designated for Authorized Expenditures:				
Special Revenue Funds	-	-	75,040	75,040
Capital Projects Funds	-	-	211,210	211,210
Unreserved, Undesignated:				
General Fund	85,271	-	-	85,271
Special Revenue Funds	-	-	2,155	2,155
Total Fund Balances	<u>102,026</u>	<u>11,920</u>	<u>300,571</u>	<u>414,517</u>
Total Liabilities and Fund Balances	<u>\$ 141,633</u>	<u>\$ 11,920</u>	<u>\$ 348,711</u>	<u>\$ 502,264</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 Assets
September 30, 2007
(in 000's)

Total fund balances--governmental funds \$ 414,517

Amounts reported for governmental activities in the Statement of Net Assets are different because:

Investment in DFW International Airport 8,450

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 \$10,024) consist of:

Land	\$ 94,005	
Construction in progress	140,209	
Buildings	314,614	
Machinery and equipment	166,229	
Infrastructure	1,910,987	
Accumulated depreciation	<u>(1,323,908)</u>	
Total capital assets	<u><u>\$ 1,302,136</u></u>	1,302,136

Some revenues in the governmental funds are deferred 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. 12,507

Internal service funds are used by management to charge the costs of certain activities, such as office services, equipment services, temporary labor, information systems and engineering services, to individual funds. A portion of the assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets. (5,102)

Some long-term assets and 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 \$3,748) consist of:

Long-term claims payable	\$ (42,798)	
Long-term compensated absences	(95,152)	
Net pension obligation	(56,639)	
Arbitrage	(487)	
Accrued interest payable	(4,544)	
Unamortized bond issue costs	2,176	
Long-term debt, including premium/discount/loss on refunding	<u>(505,464)</u>	
Total long-term liabilities	<u><u>\$ (702,908)</u></u>	(702,908)

Net assets of governmental activities \$ 1,029,600

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, 2007
(in 000's)

	<u>General</u>	<u>Debt Service</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:				
General Property Taxes	\$ 288,907	\$ -	\$ 270	\$ 289,177
Other Local Taxes	122,301	5,914	44,406	172,621
Assessments	-	-	868	868
Charges for Services	14,937	-	5,294	20,231
Licenses and Permits	49,552	-	-	49,552
Fines and Forfeitures	11,789	-	723	12,512
Revenue from Use of Money and Property	7,637	824	6,323	14,784
Investment Income	8,461	4,742	6,699	19,902
Intergovernmental	-	-	53,854	53,854
Gas Leases and Royalties	167	-	11,983	12,150
Other	4,461	169	3,410	8,040
Contributions	-	-	24,513	24,513
Total Revenue	<u>508,212</u>	<u>11,649</u>	<u>158,343</u>	<u>678,204</u>
Expenditures:				
Current:				
General Administration	87,190	-	17,472	104,662
Public Safety	246,618	-	34,531	281,149
Transportation and Public Works	34,540	-	744	35,284
Parks and Community Services	31,521	-	6,569	38,090
Public Library	16,913	-	456	17,369
Public Health	8,241	-	2,596	10,837
Public Events and Facilities	18,831	-	698	19,529
Planning and Development	11,668	-	483	12,151
Housing	1,777	-	12,720	14,497
Capital Outlay	7,440	-	103,687	111,127
Debt Service:				
Principal Retirement	10	78,228	7,171	85,409
Interest and Debt Issuance Costs	11	13,667	6,651	20,329
Total Expenditures	<u>464,760</u>	<u>91,895</u>	<u>193,778</u>	<u>750,433</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>43,452</u>	<u>(80,246)</u>	<u>(35,435)</u>	<u>(72,229)</u>
Other Financing Sources (Uses):				
Proceeds from Long-Term Debt Issued	1,195	-	199,715	200,910
Premium on Issuance	-	164	2,075	2,239
Proceeds from Loans	-	-	6,409	6,409
Proceeds from Sale of Property	306	-	1,617	1,923
Transfers In	28,946	46,349	45,351	120,646
Transfers Out	(75,734)	(335)	(30,132)	(106,201)
Total Other Financing Sources (Uses)	<u>(45,287)</u>	<u>46,178</u>	<u>225,035</u>	<u>225,926</u>
Net Change in Fund Balance	(1,835)	(34,068)	189,600	153,697
Fund Balance, Beginning of Year	103,861	45,988	110,971	260,820
Fund Balance, End of Year	<u>\$ 102,026</u>	<u>\$ 11,920</u>	<u>\$ 300,571</u>	<u>\$ 414,517</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, 2007
(in 000's)

Net change in fund balances--total governmental funds \$ 153,697

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

Contributed assets	\$ 70,643	
Capital outlay expenditures	111,060	
Depreciation expense	<u>(95,429)</u>	
Net adjustment	<u>\$ 86,274</u>	86,274

The proceeds from the sale of assets in the governmental funds were reported as an other financing source. However, the original cost of the assets disposed of had a net value less than the disposal proceeds. The difference has been recorded in the statement of activities. (4,882)

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. (11,958)

The issuance of long-term debt (e.g., bonds, tax anticipation notes) provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. 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 assets. 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 the treatment of long-term debt and related items.

Debt issued:		
General obligation bonds & certificates of obligation	\$ (190,250)	
Loans	(6,409)	
Estimated claims obligations	(10,660)	
Premium on issuance	<u>(2,239)</u>	
Total proceeds	<u>(209,558)</u>	
Repayments:		
To bondholders	<u>85,409</u>	
Total repayments	<u>85,409</u>	
Amortization of refunding, premiums, discounts and issue costs	<u>1,329</u>	
Net adjustment	<u>\$ (122,820)</u>	(122,820)

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	\$ (3,216)	
Increase in arbitrage liability	(348)	
Increase in net pension obligation	(20,532)	
Increase in estimated claims obligations	(13,977)	
Increase in compensated absences liability	<u>(2,534)</u>	
Total adjustment	<u>\$ (40,607)</u>	(40,607)

Internal service funds are used by management to charge the costs of certain activities, such office services, equipment services, temporary labor, information systems and engineering services, to individual funds. A portion of the net revenue (expense) of the internal service funds is reported with governmental activities. 567

Change in net assets of governmental activities \$ 60,271

See accompanying notes to the basic financial statements.

City of Fort Worth, Texas
Statement of Net Assets
Proprietary Funds
September 30, 2007
(in 000's)

	Enterprise Funds			Total	Governmental Activities-- Internal Service Funds
	Water and Sewer	Solid Waste Fund	Nonmajor Enterprise Funds		
ASSETS					
Current Assets:					
Cash, Cash Equivalents and Investments	\$ 44,239	\$ 18,886	\$ 11,669	\$ 74,794	\$ 1,593
Interest Receivable	761	155	22	938	-
Accounts and Other Receivables	46,270	7,073	2,092	55,435	53
Allowance for Doubtful Accounts	(1,031)	(104)	-	(1,135)	-
Inventories, at Cost	3,214	-	142	3,356	831
Deposits and Other	-	-	8	8	188
Total Current Assets	<u>93,453</u>	<u>26,010</u>	<u>13,933</u>	<u>133,396</u>	<u>2,665</u>
Restricted Assets:					
Cash and Cash Equivalents	249,645	8,748	32,462	290,855	-
Cash and Investments Held by Trustees	4,032	247	24	4,303	-
Grants Receivables	13	-	19,487	19,500	-
Interest Receivable	462	-	159	621	-
Total Restricted Assets	<u>254,152</u>	<u>8,995</u>	<u>52,132</u>	<u>315,279</u>	<u>-</u>
Total Current Assets:	<u>347,605</u>	<u>35,005</u>	<u>66,065</u>	<u>448,675</u>	<u>2,665</u>
Noncurrent Assets:					
Deferred Bond Issue Costs	<u>10,396</u>	<u>23</u>	<u>95</u>	<u>10,514</u>	<u>-</u>
Capital Assets (at cost):					
Land	10,907	1,328	59,100	71,335	1,969
Buildings	41,083	2,202	16,725	60,010	6,173
Improvements Other than Buildings	1,758,566	7,264	171,746	1,937,576	1,070
Machinery and Equipment	323,295	2,171	6,025	331,491	14,905
Construction in Progress	290,816	8,567	24,260	323,643	14
Accumulated Depreciation	<u>(538,127)</u>	<u>(6,903)</u>	<u>(105,114)</u>	<u>(650,144)</u>	<u>(14,107)</u>
Net Capital Assets	<u>1,886,540</u>	<u>14,629</u>	<u>172,742</u>	<u>2,073,911</u>	<u>10,024</u>
Total Assets	<u>2,244,541</u>	<u>49,657</u>	<u>238,902</u>	<u>2,533,100</u>	<u>12,689</u>

(continued)

See accompanying notes to the basic financial statements.

City of Fort Worth, Texas
Statement of Net Assets
Proprietary Funds
September 30, 2007
(in 000's)

	Enterprise Funds				Governmental Activities-- Internal Service Funds
	Water and Sewer	Solid Waste Fund	Nonmajor Enterprise Funds	Total	
LIABILITIES					
Current Liabilities:					
Accounts and Contracts Payable	\$ 3,046	\$ 5,416	\$ 1,612	\$ 10,074	\$ 2,543
Accounts Payable Other	516	-	-	516	-
Escrow Accounts	2,822	-	131	2,953	-
Accrued Compensation	2,142	169	194	2,505	1,230
Accrued Payroll	1,509	108	240	1,857	1,081
Due to Other Funds	-	-	137	137	-
Payable to Federal Government	301	-	61	362	-
Payable from Restricted Assets:					
Construction and Contracts Payable	10,489	278	18,703	29,470	-
Current Portion of Enterprise Debt	46,198	1,145	341	47,684	-
Accrued Interest Payable	4,308	85	109	4,502	-
Accrued Payroll	13	-	-	13	-
Total Current Liabilities	<u>71,344</u>	<u>7,201</u>	<u>21,528</u>	<u>100,073</u>	<u>4,854</u>
Long-Term Liabilities:					
Customer Deposits	10,748	793	54	11,595	-
Advances from Other Funds	-	-	6,475	6,475	4,133
Compensated Absences	4,587	417	624	5,628	2,518
Net Pension Obligation	7,276	546	744	8,566	-
Certificates of Obligation	-	7,400	23,505	30,905	-
Revenue Bonds Payable	490,215	-	-	490,215	-
Unamortized Bond Premium	23,103	-	1,209	24,312	-
General Obligation Bonds Payable	132	-	7	139	-
Texas Water Development Board Bonds Payable	201,595	-	-	201,595	-
Trinity River Authority Contractual Debt Payable	8,490	-	-	8,490	-
Unamortized Loss on Refunding Bonds	(13,137)	-	(3)	(13,140)	-
Unearned Revenue	1,627	7,454	764	9,845	-
Equipment Notes	-	5,730	-	5,730	-
Landfill Closure and Postclosure Liability	-	6,563	-	6,563	-
Obligations under Capital Lease	-	-	127	127	-
Total Long-Term Liabilities	<u>734,636</u>	<u>28,903</u>	<u>33,506</u>	<u>797,045</u>	<u>6,651</u>
Total Liabilities	<u>805,980</u>	<u>36,104</u>	<u>55,034</u>	<u>897,118</u>	<u>11,505</u>
NET ASSETS					
Invested in Capital Assets, Net of Related Debt	1,257,423	6,974	152,042	1,416,439	10,024
Restricted for:					
Debt Service	26,950	61	2,657	29,668	-
Unrestricted	154,188	6,518	29,169	189,875	(8,840)
Total Net Assets	<u>\$ 1,438,561</u>	<u>\$ 13,553</u>	<u>\$ 183,868</u>	<u>1,635,982</u>	<u>\$ 1,184</u>
Adjustment to Reflect the Consolidation of Internal Service Funds Activities Related to Enterprise Funds				10	
Net Assets of Business Type Activities				<u>\$ 1,635,992</u>	

(concluded)

See accompanying notes to the basic financial statements.



Courtesy of the Genealogy, History and Archives Unit, Fort Worth Public Library

City of Fort Worth, Texas
Statement of Revenues, Expenses,
and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended September 30, 2007
(in 000's)

	Business-type Activities-- Enterprise Funds			Total	Governmental Activities-- Internal Service Funds
	Water and Sewer	Solid Waste Fund	Nonmajor Enterprise Funds		
OPERATING REVENUES					
Charges for Services	\$ 257,989	\$ 40,632	\$ 26,133	\$ 324,754	\$ 65,153
Other	384	3,749	363	4,496	-
Total Operating Revenues	<u>258,373</u>	<u>44,381</u>	<u>26,496</u>	<u>329,250</u>	<u>65,153</u>
OPERATING EXPENSES					
Personnel Services	49,769	3,638	6,600	60,007	30,596
Supplies and Materials	17,272	1,230	2,178	20,680	16,456
Contractual Services	84,941	31,950	4,106	120,997	16,212
Landfill Closure and Postclosure Cost	-	1,449	-	1,449	-
Depreciation	44,875	544	7,770	53,189	1,926
Total Operating Expenses	<u>196,857</u>	<u>38,811</u>	<u>20,654</u>	<u>256,322</u>	<u>65,190</u>
Operating Income (Loss)	<u>61,516</u>	<u>5,570</u>	<u>5,842</u>	<u>72,928</u>	<u>(37)</u>
NONOPERATING REVENUES (EXPENSES)					
Investment Income	12,070	1,346	1,222	14,638	72
Gain (Loss) on Sale of Property and Equipment	(1,330)	51	-	(1,279)	8
Interest and Service Charges	(24,625)	(578)	(858)	(26,061)	-
Gas Leases and Royalties	5,820	2,419	303	8,542	4
Other Revenue	-	1,898	188	2,086	202
Total Nonoperating Revenues (Expenses)	<u>(8,065)</u>	<u>5,136</u>	<u>855</u>	<u>(2,074)</u>	<u>286</u>
Income Before Transfers and Contributions	53,451	10,706	6,697	70,854	249
Transfers In	932	373	3,793	5,098	1,324
Transfers Out	(12,530)	(3,736)	(3,127)	(19,393)	(1,474)
Capital Contributions	47,796	-	25,722	73,518	176
Capital Contributions - Impact Fees	14,300	-	-	14,300	-
Change in Net Assets	103,949	7,343	33,085	144,377	275
Total Net Assets - Beginning	<u>1,334,612</u>	<u>6,210</u>	<u>150,783</u>	<u>1,491,605</u>	<u>909</u>
Total Net Assets - Ending	<u>\$ 1,438,561</u>	<u>\$ 13,553</u>	<u>\$ 183,868</u>	<u>1,635,982</u>	<u>\$ 1,184</u>
Change in Net Assets				\$ 144,377	
Adjustment to Reflect the Consolidation of Internal Service Funds Activities Related to Enterprise Funds				(292)	
Change in Net Assets of Business Type Activities				<u>\$ 144,085</u>	

See accompanying notes to the basic financial statements.

City of Fort Worth, Texas
Statement of Cash Flows
Proprietary Funds
For the Year Ended September 30, 2007
(in 000's)

	Business-type Activities--			Governmental	Activities--
	Enterprise Funds				
	Water and	Solid	Nonmajor	Total	Service Funds
	Sewer	Waste	Enterprise		
		Fund	Funds		
Cash Flows from Operating Activities:					
Receipts from Customers	\$ 257,742	\$ 39,014	\$ 25,924	\$ 322,680	\$ 65,204
Receipts from Other Operating Sources	384	3,749	363	4,496	-
Payments to Suppliers	(17,385)	(1,230)	(2,164)	(20,779)	(15,642)
Payments to Employees	(46,745)	(3,436)	(6,148)	(56,329)	(30,260)
Payments for Contractual Services	(84,990)	(31,618)	(2,809)	(119,417)	(16,333)
Other Receipts (Payments)	717	-	(3,737)	(3,020)	-
Net Cash Provided by Operating Activities	<u>109,723</u>	<u>6,479</u>	<u>11,429</u>	<u>127,631</u>	<u>2,969</u>
Cash Flows from Noncapital Financing Activities:					
Other Nonoperating Revenues	5,820	4,317	491	10,628	214
Advances from (to) Other Funds	-	-	449	449	(3,309)
Transfers In from Other Funds	932	373	3,793	5,098	1,324
Transfers Out to Other Funds	(12,530)	(3,736)	(3,127)	(19,393)	(1,474)
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>(5,778)</u>	<u>954</u>	<u>1,606</u>	<u>(3,218)</u>	<u>(3,245)</u>
Cash Flows from Capital and Related Financing Activities:					
Acquisition and Construction of Property, Plant and Equipment	(121,143)	(1,928)	(12,184)	(135,255)	(1,851)
Proceeds from Sale of Machinery and Equipment	112	51	-	163	-
Proceeds from Bond Sales and Capital Leases, Net of Issuance Costs	129,801	-	22,116	151,917	-
Principal Paid on Long-Term Debt	(49,027)	(1,206)	(755)	(50,988)	-
Interest Paid on Long-Term Obligations	(28,955)	(575)	(752)	(30,282)	-
Principal Paid on Capital Leases	-	-	(59)	(59)	-
Contributions	7,303	-	12,691	19,994	176
Contributions - Impact Fees	14,300	-	-	14,300	-
Net Cash Provided by (Used for) Capital and Related Financing Activities	<u>(47,609)</u>	<u>(3,658)</u>	<u>21,057</u>	<u>(30,210)</u>	<u>(1,675)</u>
Cash Flows from Investing Activities:					
Interest Income Received	12,331	1,350	1,062	14,743	90
Net Cash Provided by Investing Activities	<u>12,331</u>	<u>1,350</u>	<u>1,062</u>	<u>14,743</u>	<u>90</u>
Net Increase (Decrease) in Cash and Cash Equivalents	68,667	5,125	35,154	108,946	(1,861)
Cash and Cash Equivalents, Beginning of Year	229,249	22,756	9,001	261,006	3,454
Cash and Cash Equivalents, End of Year	<u>\$ 297,916</u>	<u>\$ 27,881</u>	<u>\$ 44,155</u>	<u>\$ 369,952</u>	<u>\$ 1,593</u>

See accompanying notes to the basic financial statements.

(continued)

City of Fort Worth, Texas
Statement of Cash Flows
Proprietary Funds
For the Year Ended September 30, 2007
(in 000's)

	Business-type Activities--			Governmental	
	Enterprise Funds				Activities--
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:	Water and Sewer	Solid Waste Fund	Nonmajor Enterprise Funds	Total	Internal Service Funds
Operating Income (Loss)	\$ 61,516	\$ 5,570	\$ 5,842	\$ 72,928	\$ (37)
Adjustments Not Affecting Cash:					
Depreciation	44,875	544	7,770	53,189	1,926
Change in Assets and Liabilities:					
Accounts and Other Receivables	(488)	(1,086)	(205)	(1,779)	51
Inventories	(113)	-	14	(99)	304
Other Assets	-	-	3	3	(121)
Allowance for Doubtful Accounts	(240)	-	-	(240)	-
Accounts and Contracts Payable	(49)	332	1,297	1,580	510
Accrued Compensation	3,024	202	452	3,678	336
Due To Other Funds	-	-	(3,853)	(3,853)	-
Landfill Closure Costs	-	1,449	-	1,449	-
Customer Deposits	481	(18)	(7)	456	-
Escrow and Other Liabilities	717	-	116	833	-
Unearned Revenues	-	(514)	-	(514)	-
Total Adjustments	<u>48,207</u>	<u>909</u>	<u>5,587</u>	<u>54,703</u>	<u>3,006</u>
Net Cash Provided by Operating Activities	<u>\$ 109,723</u>	<u>\$ 6,479</u>	<u>\$ 11,429</u>	<u>\$ 127,631</u>	<u>\$ 2,969</u>
Noncash Investing, Capital, and Financing Activities:					
Capital Asset Contributions from Developers	\$ 40,502	\$ -	\$ -	\$ 40,502	\$ -
Total Noncash Investing, Capital, and Financing Activities	<u>\$ 40,502</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 40,502</u>	<u>\$ -</u>

See accompanying notes to the basic financial statements.

(concluded)

City of Fort Worth, Texas
Statement of Fiduciary Net Assets
Fiduciary Funds
September 30, 2007
(in 000's)

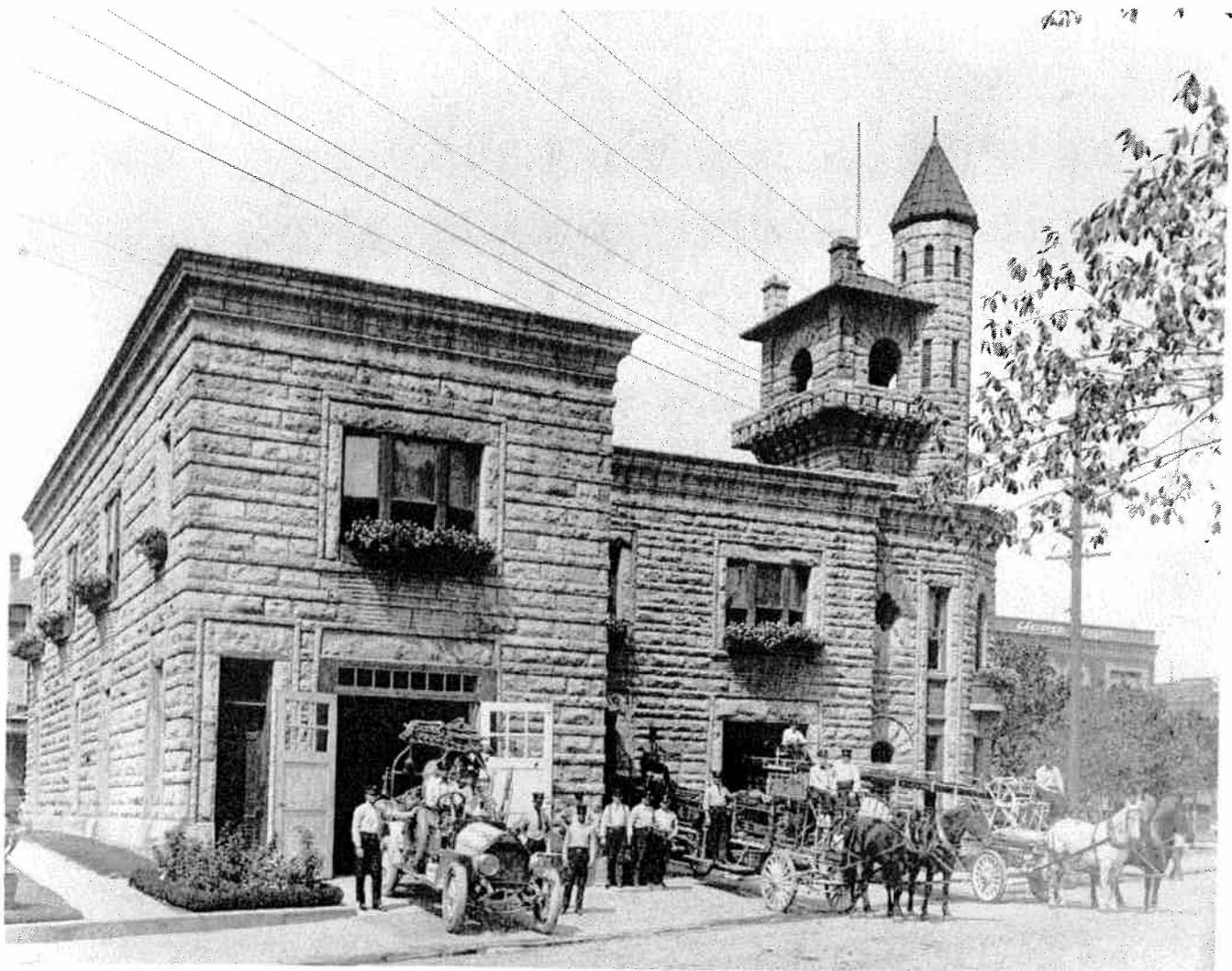
	<u>Pension Trust Fund</u>	
	<u>Employees' Retirement Pension</u>	<u>Agency</u>
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 190	\$ 11
Cash and Investments Held by Trustees	1,945,972	320
Other Receivables	15,048	-
Due from Broker Securities Sold	19,681	-
Total Current Assets	<u>1,980,891</u>	<u>\$ 331</u>
LIABILITIES		
Current Liabilities:		
Accrued and Contracts Payable	179	\$ -
Payable to Railtran	-	11
Death Benefits Payable	-	320
Due to Broker - net	37,109	-
Total Current Liabilities	<u>37,288</u>	<u>\$ 331</u>
NET ASSETS		
Held in Trust for Pension Benefits	<u>\$ 1,943,603</u>	

See accompanying notes to the basic financial statements.

City of Fort Worth, Texas
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For the Year Ended September 30, 2007
(in 000's)

	<u>Pension Trust Fund</u>
	<u>Employees' Retirement Fund</u>
ADDITIONS	
Interest and Dividend Income	\$ 68,865
Net Appreciation in Fair Value of Investments	203,348
Employer Contributions	37,447
Employee Contributions	29,342
Less: Investment Management Fees	<u>(10,055)</u>
Total Additions	<u>328,947</u>
DEDUCTIONS	
Benefit Payments	92,214
Refunds	3,485
Administrative Expenses	<u>1,986</u>
Total Deductions	<u>97,685</u>
Change in Net Assets	231,262
Net Assets-Beginning of the Year	<u>1,712,341</u>
Net Assets-End of the Year	<u>\$ 1,943,603</u>

See accompanying notes to the basic financial statements.



Courtesy of the Genealogy, History and Archives Unit, Fort Worth Public Library

NOTES TO THE FINANCIAL STATEMENTS

City of Fort Worth, Texas
Notes to the Basic Financial Statements
September 30, 2007
(in 000's)

Note A:	Summary of Significant Accounting Policies
Note B:	Cash, Cash Equivalents and Investments
Note C:	Receivables and Interfund Balances
Note D:	Fund Deficits
Note E:	Restricted Assets
Note F:	Capital Assets
Note G:	Debt Obligations
Note H:	Landfill Closure and Postclosure Care Costs
Note I:	Investment in DFW Airport
Note J:	Employees' Retirement Fund of the City of Fort Worth, Texas
Note K:	Employee Benefits
Note L:	Commitments and Contingencies
Note M:	Component Unit Condensed Financial Information
Note N:	Subsequent Events
Note O:	New Accounting Standards



Courtesy of the Genealogy, History and Archives Unit, Fort Worth Public Library

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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, 2007, 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 Statements No. 14 and 39. The following blended component units, although legally separate from the City, are reported as part of the primary government:

Fort Worth Housing Finance Corporation - The Fort Worth Housing Finance Corporation (FWHFC) was created pursuant to the Texas Housing Finance Corporations Act. The FWHFC was organized for the purpose of financing the cost of residential ownership and development of single-family dwellings for persons of low and moderate income. Although it is legally separate from the City, the members of the Board of the FWHFC and the members of the City Council are essentially the same. Due to the financial management responsibility of the City and the general oversight provided by the City, the FWHFC has been included in the City's basic financial statements as a Non-Major Special Revenue Fund. Included in the FWHFC are its component units, The Villas of Eastwood Terrace, LLC and FW City Construction Company, LLC.

The Villas of Eastwood Terrace, LLC - The Villas of Eastwood Terrace, LLC, a Texas limited liability company, acting pursuant to Article 3.09 of the Texas Limited Liability Company Act, is owned solely by the Fort Worth Housing Finance Corporation. The company was organized to provide decent, safe and affordable housing to very low-income, low-income and moderate income residents of the City, by developing, owning, leasing, operating, renovating, financing and disposing of the Eastwood Terrace senior housing project, and doing all things incident to the ownership of the project. The company has a December 31 year-end and its financial information as of the previous December 31 is included in this document. Separate financial statements can be obtained by contacting the Villas of Eastwood Terrace at 4700 E. Berry St, Fort Worth, Texas 76105.

FW City Construction Company, LLC - The FW City Construction Company, LLC (FWCCC), a Texas limited liability company, was created by the Fort Worth Housing Finance Corporation pursuant to the Texas Limited Liability Company Act for the purpose of conducting community development and urban renewal activities under Chapters 373 and 374 of the Texas Local Government Code. FWCCC Articles of Organization were certified by the Office of the Secretary of State for the State of Texas on December 16, 2005 under Filing Number 800585108.

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 legally separate from the City, the members of the board of the FWLDC and the members of the City Council are essentially the same. Due to the financial management responsibility of the City and the general oversight provided by the City, the FWLDC has been included in the City's basic financial statements as a Non-Major Special Revenue Fund.

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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. The City has financial accountability because the voting majority of the board members are appointed by the City Council and the operations provide financial benefits to the City. Due to the financial management responsibility of the City and the general oversight provided by the City, the Service Center has been included in the City's basic financial statements as a Non-Major Special Revenue Fund.

Fort Worth Sports Authority, Inc. - The Fort Worth Sports Authority, Inc. (Sports Authority) was created pursuant to the provisions Section 4B of Article 5190.6, Vernon's Texas Civil Statutes, which authorizes the Sports Authority to jointly assist and act on behalf of the City and to engage in activities in furtherance of the purposes for its creation. The Sports Authority is organized for the purpose of aiding, assisting, and acting on behalf of the City in the performance of its governmental functions to promote the common good and general welfare of the City and in undertaking and completing of projects on behalf of the City. Due to the financial management responsibility of the City and the general oversight given by the City, the Sports Authority has been included in the City's basic financial statements as a Non-Major Special Revenue Fund.

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. Due to the financial management responsibility of the City and the general oversight provided by the City, the Lone Star Local Government Corporation has been included in the City's basic financial statements as a Non-Major Special Revenue Fund.

Fort Worth Central City Local Government Corporation - The Fort Worth Central City Local Government Corporation (FWCCLGC) was created pursuant to the provisions of Subchapter D, Chapter 431 of the Texas Transportation Code. The FWCCLGC is organized for the purpose of aiding, assisting and acting on behalf of the City in implementation of project plans for the Magnolia Green Development, including the construction of a parking garage to support the development of the area. Due to the financial management responsibility of the City and the general oversight provided by the City, the FWCCLDC has been included in the City's basic financial statements as a Non-Major Special Revenue Fund.

The following legally separate entities are included as discretely presented component units of the City in a separate column in the government-wide financial statements to emphasize that they are legally separate from the primary government. The following discretely presented component units are entities that are legally separate from the City, but for which the City is financially accountable and whose relationships with the City are such that exclusion would be misleading or incomplete. They are each designed to benefit the citizens of Fort Worth in specific areas.

Fort Worth Public Improvement District No. 1 - The Fort Worth Public Improvement District No. 1 was created by resolution of the City Council pursuant to Texas Local Government Code, Chapter 372. In June 2004, the City Council approved the re-establishment of the District to include an area to the west of the District in addition to the area of District No. 10 which is to the east of downtown District No. 1. The purpose of the re-establishment

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of the District is to furnish additional security, landscaping, marketing and promotion of the District. Special assessments are levied on property within the District to pay for these improvements and services. Fort Worth Public Improvement District No. 10 is now accounted for with District No. 1.

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

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

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

Fort Worth Public Improvement District No. 11 - The Fort Worth Public Improvement District No. 11 was created by resolution of the City Council pursuant to Chapter 372, Local Government Code. The purpose of the District is to provide maintenance and landscaping, promotions and marketing, security, transportation and parking, street and sidewalk sweeping, etc. for the Stockyards area.

Taxing Increment Reinvestment Zone No. 2A - The Taxing Increment Reinvestment Zone Number Two A was created pursuant to the Texas Tax Increment Financing Act, Tax Code, Sections 311.001 through 311.017, as amended. The purpose of the Zone is to promote the development of the Texas Motor Speedway.

Taxing Increment Reinvestment Zone No. 2B - The Taxing Increment Reinvestment Zone Number Two B was created pursuant to the Texas Tax Increment Financing Act, Tax Code, Sections 311.001 through 311.017, as amended. It is contiguous to the original speedway Tax Increment Financing (TIF). The purpose of the Zone is to promote the development of the Texas Motor Speedway.

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

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

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(continued)

Taxing Increment Reinvestment Zone No. 4 - The Taxing Increment Reinvestment Zone Number Four was created pursuant to the Texas Tax Increment Financing Act, Tax Code, Sections 311.001 through 311.017, as amended. The purpose of the Zone is to promote the development of the Southside Medical District.

Taxing Increment Reinvestment Zone No. 6 - The Taxing Increment Reinvestment Zone Number Six was created pursuant to the Texas Tax Increment Financing Act, Tax Code, Sections 311.001 through 311.017, as amended. This Zone encompasses the property that is home to RadioShack's new riverfront corporate headquarters and the Tarrant County Courthouse. The purpose of the Zone is to provide infrastructure support for private investment in this Riverfront TIF area.

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

Taxing Increment Reinvestment Zone No. 8 - The Taxing Increment Reinvestment Zone Number Eight was created pursuant to the Texas Tax Increment Financing Act, Tax Code, Sections 311.001 through 311.017, as amended. The purpose of this Zone is to provide support for redevelopment efforts along the Lancaster Corridor in the southern portion of downtown.

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

Taxing Increment Reinvestment Zone No. 10 - The Taxing Increment Reinvestment Zone Number Ten was created pursuant to the Texas Tax Increment Financing Act, Tax Code, Sections 311.001 through 311.017, as amended. This Zone was created to provide infrastructure and public space support for a private investment by Cabela's Retail, Inc. mega store.

No separate audited financial statements are available for these component units. Unaudited financial statements for the individual component units may be obtained at the City's offices.

Employees' Retirement Fund of the City of Fort Worth – The single-employer defined benefit retirement system was established under legal authority of the City Charter and is administered by the City. As disclosed in Note J, this fiduciary fund of the City issues separate audited financial statements which are publicly available and can be obtained by contacting the Pension Plan at 4100 International Plaza, Suite 730, Fort Worth, Texas 76109.

Other entities for which there are no significant current year activity or balances, but which may have conduit debt balances (see Note G.9) include Alliance Airport Authority, Fort Worth Higher Education Finance Corporation, Stockyards Improvement Authority, Inc., Sunbelt Industrial Development Authority, Lone Star Airport Improvement Authority, Inc., and Trinity Housing Finance Corporation.

The following related entities are the more significant of those that do not meet the criteria for component units and are not included in the City's financial statements: Fort Worth Zoo, Fort Worth Botanical Society, Inc., Friends of the Fort Worth Public Library, Fort Worth Economic Development Corporation, certain Fort Worth Library Trusts, the Business Assistance Center Foundation, Inc., Fort Worth South, Inc., and the Trinity River Vision Project.

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City officials are also responsible for appointing members to the boards of the following organizations, but the City's accountability for these organizations do not extend beyond making appointments:

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

Fort Worth Housing Authority (Authority) – The Authority is an independent organization, which has a scope of public service within the geographic boundaries of the City. Under Texas State Statutes, the responsibility for the administration and operations of the Authority is vested solely with the Authority's Board of Commissioners. The Authority is dependent on Federal funds from the Department of Housing and Urban Development (HUD) and, as a result, is not financially dependent on the City. In addition, the City is not responsible for any deficits incurred and has no fiscal management control.

A. 2. BASIS OF PRESENTATION

Government-Wide Statements

The two government-wide financial statements, the Statement of Net Assets 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 properly excluded from program revenues are reported as general revenues.

Fund Financial Statements

The City segregates transactions related to certain functions or activities in separate funds in order to aid financial management 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 non-major funds are aggregated and presented in a single column.

Internal service funds of the City (which traditionally 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 columns when presented at the government-wide level. To the extent possible, the costs of these services are reflected in the appropriate functional activity (Police, Fire, Public Works, etc.).

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The City's fiduciary funds are presented in the fund financial statements by type (pension, private purpose and agency, if applicable). Since by definition these assets are being held for the benefit of a third party (other local governments, private parties, pension participants, etc.) 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.

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. 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.

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

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

Capital Projects Funds – The Capital Projects Funds are used to account for the City's purchase or construction of major capital facilities, which are not financed by other funds.

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 and liabilities are included in the Statement of Net Assets. The City reports the following major proprietary funds:

Water and Sewer Fund and the Solid Waste Fund accounts for the provision of water and sewer and solid waste 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 funds also account for the accumulation of resources for and the payment of long-term principal and interest for the water and sewer and solid waste 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.

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

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services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Under GASB Statement No. 20, "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting", all proprietary funds will continue to follow Financial Accounting Standards Board (FASB) standards issued on or before November 30, 1989. However, from that date forward, proprietary funds have the option of either: 1) choosing not to apply future FASB standards (including amendments of earlier pronouncements), or 2) continuing to follow new FASB pronouncements (unless they conflict with GASB guidance). The City has chosen not to apply future FASB standards.

Internal Service Funds

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

Fiduciary Funds

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:

Pension Trust Fund – For accounting measurement purposes, the Employees' Retirement Fund is accounted for in essentially the same manner as proprietary funds. The Employees' Retirement Fund accounts for the assets of the City's retirement plan and issues separately audited financial statements.

Agency Funds are custodial in nature and do not present results of operations or have a measurement focus. Agency funds are accounted for using the accrual basis of accounting.

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 assets for governmental activities as shown on the government-wide statement of net assets is presented in an accompanying schedule to the governmental funds balance sheet. The asset and liability elements which comprise the reconciliation difference stem from governmental funds using the current financial resources measurement focus and the modified accrual basis of accounting while the government-wide financial statements use the economic resources measurement focus and the accrual basis of accounting. A summary reconciliation of the difference between net changes in fund balances as reflected on the governmental funds statement of revenues, expenditures, and changes in fund balances and change in net assets 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.

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A. 3. MEASUREMENT FOCUS/BASIS OF ACCOUNTING

The government-wide statements of net assets and statements of activities, all proprietary and pension trust funds are reported and accounted for on the economic resources measurement focus and the accrual basis of accounting. With this measurement focus, all assets and liabilities associated with the operation of these activities are either included on the balance sheet or on the statement of fiduciary net assets. Revenues are recorded when earned and expenses are recorded when liabilities are incurred, regardless of the timing of the related cash flows. Nonexchange transactions, in which the City either gives or receives value without directly receiving or giving equal value in exchange, include, for example, sales taxes, property taxes, grants, entitlements, and donations. On an accrual basis, revenue from sales taxes are recognized when the underlying "exchange" transaction takes place. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been met.

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 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, and other charges for services are generally considered to be measurable and available when the cash is received. Expenditures are recorded when the related liability is incurred and payment is due, except for principal and interest on long-term debt and certain estimated liabilities which are recorded only when the obligation has matured and is due and payable shortly after year-end as required by GASB Interpretation No. 6.

The statement of net assets, statements of activities, financial statements of the Proprietary Funds and Fiduciary Funds (except agency funds) are presented on the flow of economic resources and the accrual basis of accounting. This focus emphasizes the determination of net income, changes in net assets, and financial position. With this measurement focus, all assets and liabilities associated with the operation of these funds are included on the statement of net assets. These funds use the accrual basis of accounting whereby revenues are recognized in the accounting period in which they are earned, and expenses are recognized in the period incurred. The Employees' Retirement Fund 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 Agency Funds use the accrual basis of accounting and do not measure the results of operations.

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 2007 have been recorded as receivables, net of allowance for refunds and uncollectible amount. The net receivables collected during 2007 and those considered "available" at September 30, 2007 (i.e., property taxes collected within 60 days of year end) have been recognized as revenues in 2007. The remaining receivables have been reflected as deferred revenue. In the government-wide financial statements, tax revenue is recognized in the year in which they are levied.

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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).

A. 5. A. CASH, CASH EQUIVALENTS AND INVESTMENTS

The City pools idle cash from all funds (excluding the Employees' Retirement Fund and Retired Employees' Group Death Benefit Fund) for the purpose of increasing income through investment activities. Investments are carried at fair value based on quoted market prices in accordance with GASB No. 31. Interest earnings are allocated based on cash and investment amounts in individual funds in a manner consistent with budgetary and legal requirements.

For the purposes of presenting the statement of cash flows, cash and cash equivalents are defined as demand deposits and pooled cash and investments with original maturities of three months or less from the date of acquisition (Note B).

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

Valuation of Investments—Investments are stated at fair value. Short-term investments are reported at amortized cost, which approximates fair value. Quoted market prices are used to value investments. Investments that do not have quoted market prices are priced by management of the Plan from information received from the external manager. This information includes audited financial statements, quarterly valuation statements, and adjustments for cash receipts, cash disbursements and securities distributions through September 30, 2007. Purchases and sales of investments are recorded on a trade-date basis.

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.

Total fair value of investments without readily determinable fair values was approximately \$537,000 at September 30, 2007. Considerable judgment is required to develop the estimated fair value and factors used can be expected to change over time. Accordingly it is possible the fair value of such investments may subsequently be adjusted and the adjustments may be material to the Plan. Because of the inherent uncertainty of valuations, estimated values may differ significantly from the values that would have been used had a ready market for the investments existed.

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.

Interest and Dividends Receivable and Due to/From Broker—Interest income is recorded on an accrual basis. Dividends are recorded on the ex-dividend date. Recording activity in such a manner results in interest and dividends receivable. The balance due to broker securities purchased and due from broker securities sold in 2007 represents trades pending settlement and amounts due to foreign currency contracts.

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Forward Contracts—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.

Foreign Currency Transactions - 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 net assets available for benefits 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, 2007, were converted to the Plan's functional currency (U.S. dollar) at the foreign exchange rates quoted at September 30, 2007. These foreign exchange gains and losses are included in net appreciation in fair value of investments in the accompanying statements of changes in net assets available for benefits.

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, equipment and construction in progress, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the fund financial statements for proprietary funds. Capital assets are recorded at original cost or estimated fair market value as of the date of 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.

Assets capitalized have an original cost of \$5,000 or more and a useful life of at least five years. Depreciation is recorded on each class of depreciable property using the straight-line method over estimated useful lives of the assets. Estimated useful lives are as follows:

Water and Sewer Meters and Equipment	10-20 years
Water and Sewer Infrastructure	25-75 years
Buildings	30-60 years
Machinery and Equipment	5-20 years
Runways and Taxiways	20-30 years
Infrastructure	10-40 years

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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 assets, 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 Fund Types is budgeted annually as an expenditure or expense, as appropriate. Compensated absences related to the Governmental Fund Types are liquidated in the General Fund.

A. 10. RISK MANAGEMENT

The General Fund accounts for the administration of risk management activities and programs in accordance with GASB Statement No. 10. These are as follows: third party liability claims and coordination with the Department of Law on litigation, property and casualty insurance, workers' compensation, group health and life insurance plan, unemployment compensation insurance and retired employees' group death benefits for certain retirees.

All funds of the City participate in the program and make payments to the General Fund based on estimates of the amounts needed to pay prior and current-year claims and to establish a reserve for catastrophic losses. Since the City is primarily self-insured, settlement amounts have not exceeded coverage in any of the prior three fiscal years. The budgeted premiums are recognized as reductions of claim expenditures in the General Fund and as expenditures or expenses in the governmental and proprietary funds, as appropriate under requirements of GASB Statement No. 10. However, if the total amount charged to the other funds exceeds total expenditures and liabilities, the excess amounts are reported as transfers. An accrual for unpaid claims and claims incurred but not reported is reflected in the government-wide financial statements as estimated claims payable. Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. The provision for claims incurred but not reported which are probable and reasonably estimable is based on City experience since the inception of the insurance programs. In accordance with GASB Statement No. 10, the estimated claims payables are based on the estimated ultimate cost of settling the claims.

City of Fort Worth, Texas
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The total estimated claims payable at September 30, 2007, is \$41,480 of which \$26,905 represents workers' compensation case reserve losses and is reported as long-term liabilities in the government-wide financial statements.

	Balance at October 1, 2005	Additions	Deletions	Balance at September 30, 2006	Additions	Deletions	Balance at September 30, 2007
Judgments and Claims	\$ 23,511	\$ 61,827	\$ (57,969)	\$ 27,369	\$ 79,104	\$ (64,993)	\$ 41,480

Settlements have not exceeded coverages for each of the past three fiscal years. Provisions under each type of insurance are presented below:

A. 10. A. LIABILITY INSURANCE

The City largely self-funds the risk for most liability claims, lawsuits and related expenses except for activities funded by the Workforce Network (participant and program administration), which is fully insured by a commercial carrier. There are separate commercial liability insurance policies for each of the following: aircraft liability, liquor liability, excess airport liability and the Fort Worth Herd Program insurance coverage. There were no significant changes in coverage limits for liability insurance.

A. 10. B. PROPERTY AND CASUALTY INSURANCE

Fire and extended coverage insurance 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, crime insurance, and public official bonds on the City Manager and the Treasurer are also maintained on a commercial insurance basis. There were no significant changes in coverage limits for property and casualty insurance.

A. 10. C. WORKERS' COMPENSATION

The City largely self-funds the risk for workers' compensation claims. Catastrophic loss protection is provided by a commercial carrier on a policy with a self-insured retention limit of \$750 for any single occurrence. The policy also provides excess general Employer's liability insurance with limits of insurance set at \$1,000 per accident or occurrence and an aggregate limit of \$3,000.

A. 10. D. 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 POS II or a self-insured indemnity-type plan of benefits. Contributions to the fund are provided by both the City and participating employees. The group life insurance plan is provided by a commercial carrier. There were no significant changes in coverage levels for group health and life insurance.

A. 10. E. UNEMPLOYMENT COMPENSATION

The City self-funds the risk for unemployment compensation claims through a reimbursement agreement with the Texas Workforce Commission (TWC). Under the agreement, TWC administers all claims and is reimbursed by the City for claims incurred plus administrative charges. The City contracts with a third party entity to assist in claims appeals. There were no significant changes in coverage levels for unemployment compensation.

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A. 10. F. RETIRED EMPLOYEES GROUP DEATH BENEFIT

The City annually appropriated such amounts as were necessary to provide the lump sum retiree death benefit payments and to maintain the Fund through 1983. Since 1984 interest earnings on existing principal have been adequate to cover future benefit payments and no contributions from the City have been necessary. There were no significant changes in coverage levels for the retired employees group death benefit.

A. 11. FUND BALANCE/NET ASSETS

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change. The City has the following reservations of fund balance: Reserved for Encumbrances, HUD Projects, Inventories, Advances, Loans, Debt Service and Prepaids. Amounts Reserved for Encumbrances are for contracts and purchase orders outstanding at the end of the fiscal year that will be fulfilled in the next fiscal year. The reservations for inventories and prepaids are for inventory and certain expenditures purchased in advance of consumption. Reserved for Advances is a reservation for long-term loans to those funds with negative cash balances. Reserved for Loans are reservations for HUD108 loans made as part of the inner city revitalization programs. The reservation for debt service restricts the use of related assets to servicing the City's debt obligations.

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvements of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors, laws, or regulations of other governments.

A. 12. LONG-TERM OBLIGATIONS

Long-term debt and other obligations for general government purposes are recorded in the government-wide statement of net assets. Long-term debt and other obligations financed by proprietary funds are reported as liabilities in the appropriate funds.

For the government-wide financial statements and proprietary fund types, bond premiums and discounts are deferred and amortized over the life of the bonds using the interest method in the government-wide financial statements. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs are deferred and amortized on a straight-line basis over the term of the related debt. In addition, gains and losses on bond refundings are amortized over the term of the lesser of the new bonds or the refunded bonds life using the straight-line method. In governmental funds, all bond related items are recognized in the current period.

A. 13. 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.

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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 Employees' Retirement Fund and the Retired Employees' Group Death Benefit Fund. Each fund's portion of this pool is displayed on the statement of net assets as "Cash, Cash Equivalents and Investments". The cash and investments of the Employees' Retirement Fund and the Retired Employees' Group Death Benefit Fund are managed and accounted for separately from those of the City.

The investment policies of the City (exclusive of the Employees' Retirement Fund and the Retired Employees' Group Death Benefit Fund) are governed by State statute and a Council adopted City Investment Policy, which includes depository contract provisions and custodial contract provisions. Major controls stipulated in the Investment Policy include: depository limitations require FDIC insurance or full 102 percent collateralization; depositories are limited to Texas banking institutions; repurchase agreements are restricted to primary dealers; all collateral for repurchase agreements and deposits is held by independent third party trustees; all settlement is delivery versus payment; all authorized investments are defined; and diversification guidelines are set as are maximum maturity and maximum weighted average maturity.

The City, as authorized by the City Council, engages in securities lending activities whereby all of the U.S. Treasury securities and certain benchmark agency securities are available to be lent to an authorized primary dealer. The City receives defined collateral of at least 102 percent of market value of the underlying securities. At no time is ownership transferred on underlying securities to the dealer. The City does not have the ability to pledge or sell collateral securities without borrower default. As of September 30, 2007, the fair value of the securities available for loan under the securities lending program was \$396,380. The fair value of securities on loan as of September 30, 2007 was \$296,347 and the fair value of collateral held against the loaned securities was \$297,798.

State statutes require all time and demand deposits to be fully insured or collateralized. At September 30, 2007, the total amount of the City's deposits was \$55,264. Of the bank balance, \$100 is covered by FDIC deposit insurance with the remainder (less \$870) being collateralized with securities pledged by the City's agent in the City's name. Of these deposits, \$11 was for Agency funds. As of September 30, 2007, the City had funds in the amount of \$870 which were uninsured and uncollateralized.

Statutes and the City's Policy authorize investment in obligations of the U.S. Government, its agencies and instrumentalities, repurchase agreements, A1/P1 commercial paper, AAA-rated public funds investment pools, and SEC-registered money market mutual funds. Statutes require that securities underlying repurchase agreements be limited to federal government securities having a market value of at least 102 percent of the cost of the repurchase agreement.

As of September 30, 2007, the City's portfolio (\$496,011) and discretely presented component units' (\$10,369) portfolios totaled \$506,380 (excluding bank deposits, local government investment pools of 194,148, and money market mutual funds of \$6,543 for the City, \$25,134 held by Trustees and \$1,713 for the discretely present component units), and is held by the City's custodians in the City's name under written agreements. The City's custodians are The Bank of New York (securities lending) and JP Morgan Chase.

The money market mutual funds and pools in the amounts of \$6,543 (City), \$25,134 (Trustee) and \$1,713 (discretely presented component units) are invested in Blackrock Liquidity T-Fund (\$830), a Wells Fargo 100 percent Treasury Money Fund (\$23,160) and a Government Money Market Fund (\$9,400). All these funds strive to maintain a one dollar net asset value. The funds are rated AAA by Standard and Poor's. As of September 30, 2007, the total fair value of the City's investments in T-Fund, Wells Fargo 100 percent Treasury Money Fund and

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Government Money Market Fund totaled \$33,390 or 4.5 percent of the portfolio. Additionally, the Retired Employees' Group Death Benefit Fund invests in other mutual funds (\$320).

All security investments are reported monthly at fair value. Investments in 2a7-like pools and money market funds are reported at book value. The City generally holds all investments to maturity, for investment and income, not speculation.

Interest Rate Risk – In order to limit interest and market rate risk from changes in interest rates, the City of Fort Worth's adopted Investment Policy sets maximum maturity dates and maximum weighted average maturity limits. The weighted average maturity (WAM) of the total City portfolio is restricted to a maximum weighted average maturity of two years. The maximum stated maturity of any security is five (5) years.

Maturity	Cash Equivalents	1 year	2 year	3 year	4 year	5 year
Day Range	0	1-365	366-730	731-1095	1096-1460	1461-1825
Policy Portfolio%	15	28	14.25	14.25	14.25	14.25
Actual%	31.00	40.25	13.09	10.39	4.57	0.70

As of September 30, 2007, in the Total Overall Portfolio:

- no holding had a stated maturity date beyond February 16, 2012,
- holdings maturing beyond one year represented 28.75 percent of the total portfolio, and
- the weighted average of the combined portfolio was 284 days on the total portfolio.

As of September 30, 2007, the portfolio managed by the City contained structured notes totaling \$50,430.

Security	Coupon	Call Date	Maturity	Structure	Fair Value
Past Call Date:					
FHLB	4.43%	4/7/2006	4/7/2008	One-time call	\$14,967
FHLB	4.43%	4/7/2006	4/7/2008	One-time call	6,485
FNMA	3.25%	5/14/2004	5/14/2008	One-time call	1,981
FNMA	3.88%	11/15/2005	11/17/2008	One-time call	1,984
Discrete Calls:					
FHLB	5.38%	10/9/2007	3/9/2009	Discrete monthly	10,003
FHLB	5.38%	10/9/2007	3/9/2009	Discrete monthly	5,001
FHLB	5.40%	11/15/2007	8/15/2008	Discrete monthly	10,009

Credit Risk - The primary stated objective of the City of Fort Worth's adopted Investment Policy is the safety of principal and avoidance of principal loss. The portfolio is rated AAA by Fitch Investor's Service.

Credit risk within the City's portfolio among the authorized investments approved by the City's adopted Investment Policy is represented only in time and demand deposits, repurchase agreements, and commercial paper. All other investments are rated AAA, or equivalent, by at least one nationally recognized rating agency. Investments are made primarily in obligations of the US Government, its agencies or instrumentalities.

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

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Notes to the Basic Financial Statements
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(continued)

By policy and state law repurchase agreements are limited to those with defined termination dates executed with a Texas bank or a primary dealer (as defined by the Federal Reserve). The agreements require an industry standard, written master repurchase agreement and a minimum 102 percent margin on collateral as well as delivery versus payment settlement and independent safekeeping.

The City's adopted Investment Policy and state law restricts investment in commercial paper to dual rated, A1/P1 commercial paper.

Local government investment pools in Texas are required to be rated AAA, or equivalent by at least one nationally recognized rating agency. The City Policy restricts investment in pools to AAA-rated, "2a-7 like" (constant dollar) local government investment pools.

As of September 30, 2007 in the city managed portfolio:

- investment in one AAA-rated local government investment pool represented 26.5 percent of the total portfolio,
- investment in three AAA-rated, SEC-registered money market funds managed by the City and held with Trustee represented 4.50 percent of the total portfolio,
- investment in collateralized certificates of deposit represented 15 percent, and
- the remainder of the portfolio (54 percent) was in US Government securities rated AAA.

The City of Fort Worth, TX Consolidated Portfolio is rated 'AAA/V1+' by Fitch Ratings report dated August 31, 2007. Investment portfolios and pools rated 'AAA' meet the highest credit quality standards for underlying assets, diversification, management, and operational capabilities. The portfolio's volatility rating reflects a low market risk potential and a strong capacity to return stable principal values to meet cash flow requirements, even in severely adverse interest rate environments.

As of September 30, 2007 the City had the following investments:

CITY OF FORT WORTH INVESTMENTS	Fair Value	Weighted Average Maturity by Days	Credit Rating
Investments Managed by City			
Money Market Mutual Funds	\$ 6,543	1	AAA
Federal National Mortgage Assoc. (FNMA)	90,942	366	AAA
Federal Home Loan Mortgage Corp. (FHLMC)	36,809	485	AAA
Federal Home Loan Bank (FHLB)	87,192	114	AAA
U.S. Treasury Notes	171,068	678	AAA
Certificates of Deposits	110,000	84	N/A
Local Government Investment Pools	194,148	1	AAA
Total Investments Managed by City	<u>696,702</u>		
Investments Held by Discretely Presented Component Units			
Money Market Mutual Funds	1,713	1	AAA
Federal National Mortgage Assoc. (FNMA)	4,387	366	AAA
Federal Home Loan Mortgage Corp. (FHLMC)	5,982	485	AAA
Total Investments Held by Discretely Presented Component Units	<u>12,082</u>		
Investments Held by Agency Funds			
Death Benefit Fund - Mutual Funds	<u>320</u>		
Investments Held by Trustees			
Water and Sewer Reserve Fund - U.S. Government Securities	2,133	1	AAA
Fort Worth Housing Finance Corp - U.S. Government Securities	1,108	1	AAA
Fort Worth Local Development Corp - U.S. Govt Securities	10,796	1	AAA
SW Parkway - U.S. Government Securities	9,404	1	AAA
SE Landfill - U.S. Government Securities	240	1	AAA
HUD 2004 - U.S. Government Securities	1,453	1	AAA
Total Investments Held by Trustee	<u>25,134</u>		
TOTAL	<u>\$ 734,238</u>		

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Concentration of Credit Risk – The City of Fort Worth recognizes over-concentration of assets by market sector or maturity as a risk to the portfolio. The City’s adopted Investment Policy establishes diversification as a major objective of the investment program and sets diversification limits and strategy percentage directives for all authorized investment types which are monitored on at least a monthly basis.

The City’s balances and investment horizon are managed in accordance with cash flow needs, prevailing market conditions, and general economic factors. A policy defined maturity diversification schedule serves as a general guideline for making investment decisions. In this way, the portfolio will be able to take advantage of rising interest rates by re-investing maturing securities at higher yields. In falling rate environments, it will profit from having investments that were made at higher interest rates.

Custodial Credit Risk – To control custody and safekeeping risk, State law and the City of Fort Worth’s adopted Investment Policy require collateral for all time and demand deposits, as well as collateral for repurchase agreements and security lending positions, be transferred delivery versus payment and held by an independent party approved by the City and held in the City of Fort Worth’s name. The custodian is required to provide original safekeeping receipts and monthly reporting of positions with position descriptions including market value for both type transactions. All repurchase agreements and deposits must be collateralized to 102 percent (with the exception of collateral under one year at 101 percent) and agreements must be executed in writing. Depository agreements are executed under the terms of FIRREA¹. The counter-party of each type transaction is held contractually liable for monitoring and maintaining the required collateral margins on a daily basis.

As of September 30, 2007, the portfolios contained certificates of deposit (\$110,000) but no repurchase agreements. All pledged bank collateral for demand deposits was held by the Federal Reserve and all positions in the security lending program (with Morgan Stanley) were held at the Bank of New York.

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

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

¹ Financial Institutions Resource and Recovery Enforcement Act

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B.3. CASH, CASH EQUIVALENTS AND INVESTMENTS

The City held the following cash, cash equivalents, and investments as of September 30, 2007:

Pooled Cash, Cash Equivalents and Investments (Managed by the City)	<i>Fair Value</i>
Cash	\$ 53,188
Cash in Bank - Blended Component Units	2,076
Money Market Mutual Funds	6,543
Federal National Mortgage Assoc. (FNMA)	90,942
Federal Home Loan Mortgage Corp. (FHLMC)	36,809
Federal Home Loan Bank (FHLB)	87,192
U. S. Treasury Notes	171,068
Certificates of Deposits	110,000
Local Government Investment Pools	194,148
Total Cash, Cash Equivalents and Investments Managed by the City	<u>751,966</u>
Cash, Cash Equivalents and Investments Held by Trustees (for the City)	
Water and Sewer Reserve Fund - U.S. Government Securities	2,133
Fort Worth Housing Finance Corp - U.S. Government Securities	1,108
Fort Worth Local Development Corp - U.S. Govt Securities	10,796
SW Parkway - U.S. Government Securities	9,404
CMI Barron Risk Management Services - U.S. Govt Securities	681
SE Landfill - U.S. Government Securities	240
HUD 2004 - U.S. Government Securities	1,453
Gas Well Revenue - U.S. Government Securities	46
Total Cash, Cash Equivalents and Investments Held by Trustees for the City	<u>25,861</u>
Total Cash, Cash Equivalents and Investments - Primary Government	<u>777,827</u>
Cash and Cash Equivalents (Managed by the Employees' Retirement Fund)	
Cash in Bank	190
Investments Managed by the Employees' Retirement Fund (see note B.4)	
Investments	<u>1,945,972</u>
Total Cash, Cash Equivalents and Investments - Employees' Retirement Fund	<u>1,946,162</u>
Pooled Cash Managed for the Agency Funds	
Cash	11
Cash, Cash Equivalents and Investments Held by Trustees (for the City)	
Death Benefit Fund - Mutual Funds	<u>320</u>
Total Cash and Cash Equivalents Managed for Agency Funds	<u>331</u>
Cash Equivalents and Investments – Discretely Presented Component Units	
Money Market Mutual Funds	1,713
Federal National Mortgage Assoc. (FNMA)	4,387
Federal Home Loan Mortgage Corp. (FHLMC)	5,982
Total Cash and Cash Equivalents – Discretely Presented Component Units	<u>12,082</u>
Total Cash, Cash Equivalents, and Investments	<u>\$ 2,736,402</u>

B. 4. INVESTMENTS OF THE EMPLOYEE’S RETIREMENT FUND (THE PLAN)

INVESTMENTS

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

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(continued)

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, 2007 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 percent of a manager's portfolio to be rated CCC or lower. Unrated securities should be limited to no more than 20 percent of a manager's portfolio. GASB 40 does not require disclosure of U.S. government obligations explicitly guaranteed.

Below are the Plan's investments as of September 30, 2007

<u>Investment Type</u>	<u>S & P Rating</u>	<u>Fair Value</u>
Asset & Mortgage Backed Obligations	AAA	\$ 2,239
Asset & Mortgage Backed Obligations	NR	344
		<u>2,583</u>
Commercial Paper	AA	799
Commercial Paper	NR	1,800
Total Commercial Paper		<u>2,599</u>
Corporate Obligations	AA	1,514
Corporate Obligations	A	2,874
Corporate Obligations	BBB	1,823
Corporate Obligations	BB	11,017
Corporate Obligations	B	44,621
Corporate Obligations	CCC	33,761
Corporate Obligations	D	3
Corporate Obligations	NR	42,182
Total Corporate Obligations		<u>137,795</u>
Government Agency Obligations	AAA	65,955
Government Agency Obligations	AA	300
Government Agency Obligations	BBB	103
Total Government Obligations		<u>66,358</u>
International Obligations	NR	487
Total Fixed Income Subject to Credit Risk		<u>209,822</u>
US Treasuries (Not Subject to Credit Risk)		6,295
Short Term Mutual Fund Investments		80,024
Corporate Stock		1,113,092
Alternate Investments		202,143
Commingled Funds		334,596
Total Investments		<u>\$ 1,945,972</u>

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Concentration of Credit Risk – Concentration of credit risk is the risk of loss attributed to the magnitude of a government’s investment in a single issuer. The Plan’s investment policy addresses concentration limits on a manager basis. As of September 30, 2007 the Plan had two investments with investment managers, ERF Hedge Fund (approximately \$176,000) and Ashmore Group (approximately \$115,000), where the underlying assets were not registered in the plans’ name that totaled more than 5 percent of assets of the Plan.

Investment Type	Less Than			More Than		Total Fair Value
	1 Year	1-5 Years	6-10 Years	10 Years		
Asset & Mortgage	\$ 313	\$ 400	\$ 31	\$ 1,839	\$ 2,583	
Commercial Paper	1,000	1,599	-	-	2,599	
Corporate Obligations	297	71,952	57,229	8,317	137,795	
Government Agency Obligations	6,028	194	2,362	57,774	66,358	
International Obligations	-	199	288	-	487	
Total Interest Rate Risk Debt Securities	\$ 7,638	\$ 74,344	\$ 59,910	\$ 67,930	\$ 209,822	

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.

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’s exposure to foreign currency risk at September 30, 2007 is presented below.

Currency	Debt	Equity	Total
Australian Dollar	\$ -	\$ 7,288	\$ 7,288
Brazilian Real	-	1,769	1,769
British Pound Sterling	1,016	78,964	79,980
Canadian Dollar	1	19,998	19,999
Danish Krone	-	8,194	8,194
Euro Currency Unit	178	123,907	124,085
Hong Kong Dollar	-	23,450	23,450
Japanese Yen	-	55,825	55,825
Mexican New Peso	1	1,520	1,521
New Zealand Dollar	14	-	14
Norwegian Kroner	-	1,765	1,765
South Korean Won	-	2,999	2,999
Swedish Krona	-	6,178	6,178
Swiss Franc	-	55,590	55,590
Total securities subject to foreign currency risk	\$ 1,210	\$ 387,447	\$ 388,657

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LENDING SECURITIES

The Plan is authorized by City ordinance to contractually lend securities to borrowers in accordance with policy established by the Board of Trustees. The Plan previously entered into a contract with Mellon Bank N.A. and is currently contracted with Northern Trust to establish, manage and administer a securities lending program. Mellon Bank and 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, irrevocable letters of credit issued by banks independent of the borrower. At a loan's inception, the value of collateral equal to 102 percent for securities of United States issuers, and 105 percent 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 contracts with Mellon Bank and Northern Trust specify 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.

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. As of September 30, 2007 the value of the collateral held was \$290,522 and the value of securities out on loan at September 30, 2007 was \$282,556. The Plan earned \$944 on its securities lending activity for the fiscal year ended September 30, 2007.

FOREIGN CURRENCY EXCHANGE TRANSACTIONS

To manage the foreign currency exchange risks associated with foreign investments, the Plan enters into forward currency contracts. The Plan had net foreign currency contracts with fair value of approximately \$1,900 at September 30, 2007 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, 2007 the fair value of these contracts is included in other investments of the Plan.

SUBSEQUENT EVENTS

Beginning with the first payroll of fiscal year 2008, occurring on October 19, 2007, the City increased contributions for all members of the plan by 5%. The City shall contribute to the Plan an amount equal to 15.74% (16.46% for sworn police officers) of the salaries of members. The increased contributions to the Plan were made to improve the actuarial funding status of the Plan.

During 2008 the Plan made several changes to the structure of its investment portfolio. The Board voted to change its asset allocation and along with that change made several changes to the Plan's investments. The Plan changed its investment in domestic Real Estate Investment Trusts (REIT) to a global REIT structure. The Plan reduced its investment in dollar denominated global debt while beginning an investment in local currency denominated global debt; this was done with the same investment manager. The Plan also began two new equity investments the first dedicated solely to energy related companies and the second being dedicated to water related companies. In the fixed income space the Plan invested with two global fixed income managers and made its first investment to a dedicated mortgage and asset backed investment manager.

Also during 2008 the Plan moved its hedge fund investments from a custom fund of funds structure to a direct investment structure. This move was facilitated by hiring a new hedge fund only investment consultant.

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There have been significant economic and investment related occurrences during 2008. As of November 30, 2008 all equity broad market indices are down for the year. Domestic equity indices S&P 500 and the Russell 3000 are down approximately 38%, while the international equity index MSCI EAFE is down 47%. The fixed income indices are mixed, with the domestic Lehman Brothers US Aggregate Index up 1.7% for the year while the Merrill Lynch High Yield Index is down 31% and the JP Morgan EMBI Global Index is down 17%. As of the end of November 2008, the Plan's calendar year investment performance was down 31%.

As a result of the economic downturn and credit crisis, there have been several high profile bankruptcies and legal actions. The Plan has had some exposure to some of these high profile cases. In September 2008, Washington Mutual was seized by the government and sold to JP Morgan Chase. During September of 2008, the only investment that the Plan held in Washington Mutual was through a private equity investment in Texas Pacific Group's private equity fund. By allocating the Plan's investment in TPG among all of its investments, the Plans exposure was approximately \$93. Also during September 2008, Lehman Brothers filed for bankruptcy. As of August 31, 2008 the plan held investments (stocks & bonds) totaling just over \$2,000. As of November 30, 2008 these investments were valued at just over \$150. Also impacted by the Lehman Brothers filing was the security lending pool that the Plan was invested in with Northern Trust. Northern Trust charged a payable to the Plan's cash account that currently totals \$2,900. This payable currently shows as an unrealized loss.

During December 2008, Bernard Madoff was arrested by the FBI and accused of running a Ponzi scheme. The Plan had invested with Rye Securities Broad Market Fund, which was fully invested with Mr. Madoff's investment management business. During 2008, the Plan redeemed its investment with Rye Securities and received all but \$525 of its investment balance. The amount received on redemption in 2008 of \$9,974 exceeded the amount recorded as fair value of the investment at September 30, 2007 of \$9,955. Therefore, the Plan did not make any adjustments to its investment balance at September 2007.

NOTE C: RECEIVABLES AND INTERFUND BALANCES

C.1. RECEIVABLES

Receivables at September 30, 2007 for governmental activities of the City's individual major funds and non-major and internal service funds in the aggregate, including the applicable allowances for uncollectible accounts, consist of the amounts shown on the following page.

<u>Receivables</u>	<u>General Fund</u>	<u>Debt Service</u>	<u>Nonmajor Governmental</u>	<u>Internal Service</u>	<u>Total Governmental Activities</u>
Taxes	\$ 22,038	\$ -	\$ -	\$ -	\$ 22,038
Grants and Other Governments	17,017	-	21,495	-	38,512
Levied, Unbilled Assessments	-	-	2,082	-	2,082
Loans	-	-	3,228	-	3,228
Long-term Loans	-	-	10,862	-	10,862
Interest	1,167	765	364	-	2,296
Accounts and Other	39,484	770	3,497	53	43,804
Total Gross Receivables	<u>79,706</u>	<u>1,535</u>	<u>41,528</u>	<u>53</u>	<u>122,822</u>
Less Allowance for Doubtful Accounts:					
Taxes	(17,988)	-	-	-	(17,988)
Accounts and Other	(24,989)	-	(2,174)	-	(27,163)
Total Allowance	<u>(42,977)</u>	<u>-</u>	<u>(2,174)</u>	<u>-</u>	<u>(45,151)</u>
Total Receivables, Net	<u>\$ 36,729</u>	<u>\$ 1,535</u>	<u>\$ 39,354</u>	<u>\$ 53</u>	<u>\$ 77,671</u>

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Receivables at September 30, 2007 for business-type activities of the City's individual major enterprise funds and non-major enterprise funds in the aggregate, including the applicable allowances for uncollectible accounts, consist of the following:

<u>Receivables</u>	<u>Water and Sewer Fund</u>	<u>Solid Waste Fund</u>	<u>Nonmajor Enterprise</u>	<u>Total Business-type Activities</u>
Interest	\$ 1,223	\$ 155	\$ 181	\$ 1,559
Accounts and Other	46,270	7,073	2,092	55,435
Grants	13	-	19,487	19,500
Total Gross Receivables	<u>47,506</u>	<u>7,228</u>	<u>21,760</u>	<u>76,494</u>
Less Allowance for Doubtful Accounts:				
Accounts and Other	<u>(1,031)</u>	<u>(104)</u>	<u>-</u>	<u>(1,135)</u>
Total Allowance	<u>(1,031)</u>	<u>(104)</u>	<u>-</u>	<u>(1,135)</u>
Total Receivables, Net	<u>\$ 46,475</u>	<u>\$ 7,124</u>	<u>\$ 21,760</u>	<u>\$ 75,359</u>

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the fiscal year, the various components of unavailable revenue and unearned revenue reported in the governmental funds were as shown on the following page:

<u>Description</u>	<u>Unavailable</u>	<u>Unearned</u>
Property Taxes	\$ 3,287	\$ -
Grants and Other Governments	9,198	7,814
Loans	-	1,468
Long-term Loans	-	9,773
Accounts and Other	22	-
Deposits and Other	-	695
Total Unavailable / Unearned Revenues	<u>12,507</u>	<u>19,750</u>
Total Deferred Revenue for Governmental Funds		<u>\$ 32,257</u>

C.2. INTERFUND RECEIVABLES AND PAYABLES

Interfund receivable and payable balances at September 30, 2007, were as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Total</u>
General Fund	Nonmajor Governmental	\$ 796
Nonmajor Governmental	Nonmajor Enterprise	<u>137</u>
Total:		<u>\$ 933</u>

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

The \$796 receivable in the General Fund from the Non-major Governmental Funds consists of the following: \$736 due from the Special Projects Special Revenue Fund to cover a temporary cash deficit and \$60 due from the Grants Fund is to cover a temporary cash deficit.

The \$137 receivable in the Non-major Governmental Fund from the Non-major Enterprise Fund is due from the Municipal Airport Fund to the Capital Projects Reserve Fund for airport improvements.

C.3. ADVANCES

Advances from/to other funds at September 30, 2007, are as follows:

Receivable Fund	Payable Fund	Total
General Fund	Nonmajor Governmental	\$ 855
General Fund	Nonmajor Enterprise	6,124
General Fund	Internal Service Funds	4,133
Nonmajor Governmental	Nonmajor Enterprise	351
Total:		<u>\$ 11,463</u>

An explanation of each advance from/to is presented below:

The \$855 payable to the General Fund from the Non-major Governmental Funds is due from the HUD 108 Loan Fund to cover a cash deficit. This advance will be repaid from the proceeds of future bond issues.

The \$6,124 payable to the General Fund from the Non-major Enterprise Funds consists of \$4,457 due from the Municipal Golf Fund to cover a cash deficit, and \$1,667 due from the Municipal Airports Fund to cover a cash deficit. These advances will be repaid over a three-year period from revenue from operations.

The \$4,133 payable to the General Fund from the Internal Service Funds consists of an advance to the Office Services, Equipment Services and Information Services funds to cover cash deficits of \$197, \$1,050, and \$2,886, respectively (which will be repaid from future operating revenues).

The \$351 payable to the Non-major Governmental Funds from the Non-major Enterprise Funds is due from the Municipal Airport Fund to the Capital Projects Reserve Fund for airport improvements. This advance will be repaid from future operating revenues.

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Notes to the Basic Financial Statements
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C. 4. TRANSFERS

Interfund transfers made during the year are as follows:

	Transfers In:							Total
	General Fund	Debt Service	Nonmajor Govt	Water Sewer	Solid Waste	Nonmajor Enterprise	Internal Service	
Transfers Out:								
General Fund	\$ -	\$ 46,346	\$ 24,392	\$ 41	\$ 373	\$ 3,258	\$ 1,324	\$ 75,734
Debt Service	-	-	-	-	-	335	-	335
Nonmajor								
Governmental Funds	12,080	-	16,961	891	-	200	-	30,132
Water & Sewer Fund	11,352	-	1,178	-	-	-	-	12,530
Solid Waste Fund	2,036	-	1,700	-	-	-	-	3,736
Nonmajor								
Enterprise Funds	3,124	3	-	-	-	-	-	3,127
Internal Service Fund	354	-	1,120	-	-	-	-	1,474
Total	<u>\$ 28,946</u>	<u>\$ 46,349</u>	<u>\$ 45,351</u>	<u>\$ 932</u>	<u>\$ 373</u>	<u>\$ 3,793</u>	<u>\$ 1,324</u>	<u>\$ 127,068</u>

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

Significant transfers included the following:

General fund transfers to Debt Service Fund for \$46,346 to finance fiscal year 2007 debt service payments from property tax.

General Fund transfers to Non-major Governmental Funds totaling \$24,392 to finance street maintenance programs and for grant matching for grants with Texas Department of Transportation.

Water and Sewer Fund transfers to the General Fund consist of \$10,416 for street rentals.

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The General Fund transferred \$5,754 to the Special Projects Fund (non-major governmental fund) for replacement of the Police and Fire CAD system.

Non-major Enterprise Funds transfers of \$3,045 to the General Fund from the Parking Enterprise Fund for revenues collected from parking meters, court citations, and public events.

General Fund transferred \$2,000 to the Fort Worth Housing Corporation to Establish a Housing Trust Fund (non-major governmental fund).

The General Fund transferred \$3,254 to the Parking Fund (non-major enterprise fund) for parking garage capital projects.

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

NOTE D: FUND DEFICITS

Lone Star Government Corporation – The current decrease in net assets of \$3,751 was due to interest and service charges. The deficit net assets of \$3,751 will be offset by future TIF revenue.

Grants Fund – The current year increase in fund balance of \$20,385 was due to reimbursement timing differences and resulted in changing the deficit fund balance to \$4,581. Reimbursement for federal, state and local grant expenditures are expected to offset this deficit next year.

Municipal Golf – The current year decrease in net assets of \$735 was due to reduced fees collected and resulted in an increased deficit fund balance of \$997. This deficit will be offset by user charge increases in future years.

Office Services – Current year decrease in net assets of \$78 was due to insufficient user fees and resulted in an increased deficit fund balance of \$190. This deficit will be offset by user fee increases in future years.

Information Systems – The current year increase in net assets of \$1,922 was due to the repayment by the departments for computer equipment purchased in fiscal year 2006. The deficit net assets of \$1,334 will be offset by fee service increases in future years.

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Notes to the Basic Financial Statements
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NOTE E: RESTRICTED ASSETS

Restricted assets in certain funds, held for specific purposes in accordance with bond ordinances or other legal restrictions are:

	General Fund	Nonmajor Governmental Funds	Water and Sewer	Solid Waste	Nonmajor Enterprise Funds	Total
Enterprise Debt Service:						
Cash and Cash Equivalents	\$ -	\$ -	\$ 112,374	\$ 148	\$ 3,034	\$ 115,556
	-	-	112,374	148	3,034	115,556
Capital Improvements:						
Cash and Cash Equivalents	-	-	126,523	2,427	29,390	158,340
Grant Receivables	-	-	13	-	19,487	19,500
Accounts and Other Receivables	-	-	462	-	159	621
	-	-	126,998	2,427	49,036	178,461
Customer Deposits:						
Cash and Cash Equivalents	-	-	10,748	793	38	11,579
	-	-	10,748	793	38	11,579
Other Restrictions:						
Cash and Cash Equivalents	600	5,466	-	5,380	-	11,446
Cash and Cash Equivalents Held by Trustees	2,135	19,423	4,032	247	24	25,861
	2,735	24,889	4,032	5,627	24	37,307
Total	\$ 2,735	\$ 24,889	\$ 254,152	\$ 8,995	\$ 52,132	\$ 342,903

NOTE F: CAPITAL ASSETS

Capital asset activity for Governmental Activities for the year ended September 30, 2007 was as follows:

	Beginning Balance October 1, 2006	Additions	Decreases/ Transfers	Ending Balance September 30, 2007
Total Governmental Fund Activities				
Capital assets, not being depreciated:				
Land	\$ 82,048	\$ 12,987	\$ (1,030)	\$ 94,005
Construction in progress	148,727	75,978	(84,496)	140,209
Total capital assets, not being depreciated	230,775	88,965	(85,526)	234,214
Capital assets, being depreciated:				
Buildings	307,015	7,838	(239)	314,614
Vehicles, machinery and equipment	159,486	14,122	(7,379)	166,229
Infrastructure	1,757,999	153,897	(909)	1,910,987
Total capital assets, being depreciated	2,224,500	175,857	(8,527)	2,391,830
Less accumulated depreciation for:				
Buildings	120,936	9,101	(239)	129,798
Vehicles, machinery and equipment	111,535	17,475	(7,202)	121,808
Infrastructure	1,001,985	70,779	(462)	1,072,302
Total accumulated depreciation	1,234,456	97,355	(7,903)	1,323,908
Total capital assets, being depreciated, net	990,044	78,502	(624)	1,067,922
Governmental activities capital assets, net	\$ 1,220,819	\$ 167,467	\$ (86,150)	\$ 1,302,136

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Capital asset activity for Business-Type Activities for the year ended September 30, 2007 was as follows:

	Beginning Balance October 1, 2006	Additions	Decreases/ Transfers	Ending Balance September 30, 2007
Business-Type Activities				
Capital assets, not being depreciated:				
Land	\$ 69,655	\$ 1,696	\$ (16)	\$ 71,335
Construction in progress	319,043	146,580	(141,980)	323,643
Total capital assets, not being depreciated	<u>388,698</u>	<u>148,276</u>	<u>(141,996)</u>	<u>394,978</u>
Capital assets, being depreciated:				
Buildings	59,657	419	(66)	60,010
Vehicles, machinery and equipment	287,642	46,033	(2,184)	331,491
Infrastructure	1,803,515	136,572	(2,511)	1,937,576
Total capital assets, being depreciated	<u>2,150,814</u>	<u>183,024</u>	<u>(4,761)</u>	<u>2,329,077</u>
Less accumulated depreciation for:				
Buildings	24,736	1,310	(14)	26,032
Vehicles, machinery and equipment	120,082	11,704	(1,982)	129,804
Infrastructure	455,247	40,175	(1,114)	494,308
Total accumulated depreciation	<u>600,065</u>	<u>53,189</u>	<u>(3,110)</u>	<u>650,144</u>
Total capital assets, being depreciated, net	<u>1,550,749</u>	<u>129,835</u>	<u>(1,651)</u>	<u>1,678,933</u>
Business activities capital assets, net	<u>\$ 1,939,447</u>	<u>\$ 278,111</u>	<u>\$ (143,647)</u>	<u>\$ 2,073,911</u>

Depreciation expense was charged as follows for year ending September 30, 2007:

	Depreciation Expense
Governmental Activities	
General Government	\$ 838
Public Safety	14,958
Transportation and Public Works	70,144
Parks and Community Services	4,577
Public Library	1,080
Public Health	162
Public Events and Facilities	5,032
Planning and Development	107
Housing	457
Total Governmental Depreciation	<u>97,355</u>
Major Business-Type Activities	
Water	44,875
Solid Waste	544
Non-Major Business-Type Activities	
Municipal Airports	6,912
Municipal Golf	440
Municipal Garage	52
Stormwater Utility	366
Total Business-Type Depreciation	<u>53,189</u>
Total Depreciation	<u>\$ 150,544</u>

The City capitalizes interest during the construction period in proprietary fund capital projects. For the year ended September 30, 2007, \$4,432 of interest was capitalized in the Water and Sewer Fund.

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NOTE G: DEBT OBLIGATIONS

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

The following is a summary of changes in long-term debt obligations of the City for the year ended September 30, 2007.

	Range of Interest Rate %	Balance at October 1, 2006	Increases	Decreases	Balance at September 30, 2007	Due Within One Year
Governmental Activities:						
General Obligation Bonds	3.0/5.75	\$ 212,909	\$ 150,000	\$ 40,613	\$ 322,296	\$ 24,870
Certificates of Obligation	3.15/7.3	62,610	40,250	35,255	67,605	7,375
Convention Center Installment Obligation	5.0/5.8	7,135	-	490	6,645	515
HUD Installment Obligations	4.46/6.8	14,656	-	5,207	9,449	641
Equipment Notes	2.66/4.411	5,030	-	1,870	3,160	1,560
Helicopter Installment Obligation	2.9	512	-	200	312	206
Service Center Obligation	4.0/4.875	22,315	-	425	21,890	440
Fort Worth Housing Finance Corp Obligation	6.0	9,528	-	64	9,464	69
Fort Worth Housing Finance Fannie Mae Loan	7.43	-	1,000	-	1,000	-
Fort Worth Sports Authority Obligation	N/A	8,077	8,729	447	16,359	-
Lone Star Local Government Corp Obligation	4.75	31,617	-	-	31,617	-
Central City Local Government Corp Obligation	4.75	3,074	212	353	2,933	-
State Energy Conservation Loan Phase I & II	3.00	3,200	1,615	205	4,610	186
State Energy Conservation Loan Phase III	3.00	-	3,794	-	3,794	-
Wells Fargo Loan	4.725	306	-	10	296	27
Beechwood Bridge Obligation		-	1,719	270	1,449	-
Unamortized Bond Premium		6,228	2,239	1,217	7,250	-
Unamortized Loss on Refunding		(5,085)	-	(447)	(4,638)	-
Unamortized Bond Discount		(63)	-	(36)	(27)	-
Compensated Absences		92,361	29,347	26,556	95,152	26,556
Risk Management Estimated Claims Payable		27,369	79,104	64,993	41,480	800
HUD Estimated Claims Payable		1,452	-	134	1,318	-
Arbitrage		139	348	-	487	-
Net Pension Obligation		36,107	20,532	-	56,639	-
Total Governmental Activities		539,477	338,889	177,826	700,540	63,245
Business-Type Activities:						
Water and Sewer - Revenue Bonds	2.0/5.75	653,690	127,185	43,395	737,480	45,670
Water and Sewer - General Obligations	4.0/5.75	632	-	377	255	123
Water and Sewer - Trinity River Authority Oblig.	4.0/7.10	14,150	-	5,255	8,895	405
Municipal Airport - Certificates of Obligation	5.5/5.9	670	-	505	165	55
Solid Waste - Equipment Notes	3.42/5.93	8,081	-	1,206	6,875	1,145
Solid Waste - Certificates of Obligation	4.5	7,400	-	-	7,400	-
Municipal Parking - Certificates of Obligation	5.0/5.25	-	20,935	-	20,935	-
Municipal Golf - General Obligations	4.0/5.0	74	-	45	29	22
Municipal Golf - Certificates of Obligation	4.6/6.0	2,870	-	205	2,665	205
Unamortized Bond Premium		23,470	4,144	3,302	24,312	-
Unamortized Loss on Refunding		(14,156)	-	(1,016)	(13,140)	-
Municipal Golf - Capital Lease	3.24	246	-	59	187	60
Compensated Absences		7,824	2,812	2,504	8,132	2,504
Arbitrage		896	-	534	362	-
Landfill Closure and Postclosure Liab.		5,114	1,449	-	6,563	-
Net Pension Obligation		5,398	3,168	-	8,566	-
Total Business-Type Activities		716,359	159,693	56,371	819,681	50,189
Total Long-Term Liabilities		\$ 1,255,836	\$ 498,582	\$ 234,197	\$ 1,520,221	\$ 113,434

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Governmental type long-term debt is summarized as follows:					
	Interest Rate %	Year of Issue	Year of Maturity	Original Amount	Amount Outstanding
General obligation bonds:					
Series 1992A	4.5-7.5	1992	2010	\$ 18,060	\$ 195
Series 1997	5.3-5.75	1997	2008	15,000	750
Series 1999	4.625-6.5	1999	2009	30,000	1,500
Series 2001 Refunding	4.0-5.25	2001	2021	17,260	5,970
Series 2001A	4.5-5.0	2001	2021	19,000	6,650
Series 2002 Refunding	3.0-5.0	2002	2013	23,005	7,638
Series 2002A	2.0-5.0	2002	2009	37,619	4,493
Series 2003	3.0-4.625	2003	2023	42,560	34,060
Series 2003A	3.0-5.0	2003	2023	37,365	26,175
Series 2003B Refunding	3.0-5.25	2003	2022	42,700	39,195
Series 2004 Refunding	3.0-5.0	2004	2021	46,230	45,670
Series 2007	4.48	2007	2027	50,000	50,000
Series 2007A	4.38-4.531	2007	2027	100,000	100,000
Total general obligation bonds					<u>322,296</u>
Certificates of obligation:					
Series 1998	5.0	1998	2008	4,300	860
Series 2001	4.5-5.25	2001	2021	5,125	1,275
Series 2001A	4.5-6.0	2001	2008	15,650	630
Series 2001B	4.1-4.35	2001	2011	3,700	740
Series 2002	2.5-5.0	2002	2022	25,335	12,655
Series 2003	3.625-4.625	2003	2023	19,880	1,970
Series 2005	5.0-6.0	2005	2025	7,200	2,295
Series 2005A	4.5	2005	2025	7,700	6,930
Series 2007	5.0-5.25	2007	2027	40,250	40,250
Total certificates of obligation					<u>67,605</u>
Convention center installment obligation:					
Series 1997	5.0-5.8	1997	2017	10,000	6,645
HUD installment obligation:					
Series 2000A	4.46-6.8	2000	2017	3,475	2,650
Series 2005	4.46-6.8	2005	2020	7,500	6,799
Total HUD installment obligation					<u>9,449</u>
Equipment notes:					
Series 2002	4.411	2002	2009	3,204	686
Series 2003	2.958	2003	2008	3,226	645
Series 2004	2.66	2004	2011	3,200	1,829
Total equipment notes					<u>3,160</u>
Helicopter installment notes:					
Series 2003	2.9	2003	2009	988	312
Service center obligation:					
Series 2004	2.6-4.75	2004	2034	22,725	21,890
Fort Worth Housing Finance Corp obligation:					
Series 2002	6.267	2002	2044	9,588	9,464
Fannie Mae Loan	7.43	2007	2009	1,000	1,000
Fort Worth Sports Authority:					
obligation	n/a	2005	2016	9,712	16,359
Lone Star Local Gov't Corp. obligation	4.75	2006	2024	31,617	31,617
Central City Local Gov't Corp. obligation:					
Series 2006	4.75	2006	2016	3,574	2,933
State energy conservation loans:					
Phase I & II	3.0	2004	2018	4,992	4,610
Phase III	3.0	2007	2019	3,794	3,794
Total State energy conservation loans					<u>8,404</u>
Wells Fargo loan:					
Series 2004	4.725	2004	2013	467	296
Breechwood Bridge obligation	n/a	2007	2012	1,719	1,449
Net unamortized bond premium/discount and loss on refunding				n/a	2,585
Compensated absences	n/a	n/a	n/a	n/a	95,152
Estimated claims payable	n/a	n/a	n/a	n/a	41,480
HUD claims payable	n/a	n/a	n/a	n/a	1,318
Arbitrage payable	n/a	n/a	n/a	n/a	487
Net pension obligation	n/a	n/a	n/a	n/a	56,639
Total governmental activities long-term debt					<u>\$ 700,540</u>

City of Fort Worth, Texas
Notes to the Basic Financial Statements
September 30, 2007
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(continued)

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 1996 TWDB	2.85-4.85	1996	2008	\$ 17,120	\$ 890
Series 1997 Refunding	5.5	1997	2008	65,000	3,055
Series 1998 Refunding	4.0-5.25	1998	2009	96,080	11,935
Series 1998 TWDB	3.65-4.25	1998	2018	60,980	39,380
Series 1999 TWDB	3.8-4.5	1999	2019	38,000	26,350
Series 1999A TWDB	3.25-4.95	1999	2020	61,750	45,735
Series 2000	5.0	2000	2012	25,000	5,750
Series 2000B Refunding	4.85-5.75	2000	2020	103,730	26,705
Series 2001	5.0-5.625	2001	2022	49,125	26,275
Series 2001 TWDB	3.05-4.15	2001	2021	8,080	6,205
Series 2002 TWDB	2.7-4.35	2002	2022	34,310	27,705
Series 2003 Refunding	3.0-5.5	2003	2023	86,495	64,605
Series 2003A Refunding	2.0-5.25	2003	2015	50,370	48,285
Series 2004	5.29	2004	2024	50,800	45,775
Series 2005	3.0-5.25	2005	2025	120,400	117,150
Series 2005A Refunding	3.0-5.0	2005	2020	73,075	72,800
Series 2005 TWDB	.35-2.4	2005	2025	7,890	7,190
Series 2005A TWDB	2.2-3.5	2005	2025	11,500	11,035
Series 2005B TWDB	1.65-2.95	2005	2025	53,415	50,655
Series 2007	5.0	2007	2027	100,000	100,000
Total revenue bonds					737,480
General obligation bonds:					
Series 1992A - Water & Sewer	3.5-5.75	1992	2010	5,590	9
Series 2002 - Water & Sewer	5.0	2002	2010	794	170
Series 2002A - Water & Sewer	2.0-5.0	2002	2009	747	76
Total general obligation bonds					255
Trinity River Authority obligations:					
Series 2002	4.0-5.0	2002	2022	10,560	8,895
Total Water and Sewer					746,630
Municipal Airport:					
Certificate of Obligation, Series 2000A	5.5-5.9	2000	2019	1,000	165
Solid Waste:					
Equipment notes:					
Series 2003	3.61	2003	2013	173	110
Series 2003A	3.42	2003	2013	1,336	855
Series 2003B	3.454	2003	2011	9,576	5,910
Total equipment notes					6,875
Certificate of Obligation, Series 2005A	4.5	2005	2025	7,400	7,400
Total Solid Waste					14,275
Municipal Parking:					
General Obligation, Series 2007	5.0-5.25	2007	2033	20,935	20,935
Municipal Golf:					
General Obligation:					
Series 2002 - Golf	5.0	2002	2010	32	7
Series 2002A - Golf	2.0-5.0	2002	2009	214	22
Total general obligations bonds					29
Certificate of Obligation, Series 1999	4.6-6.0	1999	2020	4,100	2,665
Total Municipal Golf					2,694
Net unamortized bond premium/discount and loss on refunding				n/a	11,172
Municipal Golf capital lease	3.24	2006	2010	302	187
Compensated absences	n/a	n/a	n/a	n/a	8,132
Landfill closure and postclosure liability		n/a	n/a	n/a	6,563
Arbitrage payable	n/a	n/a	n/a	n/a	362
Net pension obligation	n/a	n/a	n/a	n/a	8,566
Total business-type long-term debt					\$ 819,681

City of Fort Worth, Texas
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(000's omitted)

(continued)

G. 2. LONG-TERM LIABILITIES

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, 2007, \$11,920 is available in the Debt Service Fund to service General Obligation Bonds and Certificates of Obligation for governmental activities.

In October 2006, the City accepted completion of the Beechwood Street Bridge. The City's agreement with the bridge developer included an obligation of \$1,719 to be repaid over a six-year period.

In January 2007, the City issued General Obligation Bonds, Series 2007 in the amount of \$50,000 for street and storm sewer improvements. These bonds will mature on March 1 of each year over the period from 2008 to 2027. Interest is payable March 1 and September 1 of each year commencing March 1, 2008. Total interest requirements for this note, at a rate of 4.48 percent, aggregate \$23,750.

In February 2007, the City issued Combination Tax and Limited Surplus Revenue Certificates of Obligation, Series 2007 in the amount of \$40,250 for the Critical Capital Needs Program. These certificates will mature on March 1 of each year over the period from 2008 to 2027. Interest is payable March 1 and September 1 of each year commencing March 1, 2008. Total interest requirements for this certificate, at a rate of 5.0 to 5.25 percent, aggregate \$22,001.

In September 2007, the City issued General Obligation Bonds, Series 2007A in the amount of \$100,000 for capital improvements to streets, parks, library, fire, information technology, and public health. These bonds will mature on March 1 of each year over the period from 2008 to 2027. Interest is payable March 1 and September 1 of each year commencing March 1, 2008. Total interest requirements for this bond, at a rate of 4.38 to 4.531 percent, aggregate \$43,902.

In September 2007, the City had a cash defeasance of certain obligations. The City utilized excess debt service fund balance to establish escrow accounts for outstanding tax supported debt as follows:

General Obligation Bonds, Series 1994	\$ 2,500
General Obligation Bonds, Series 1999	1,500
Certificates of Obligation, Series 2001	2,295
General Obligation Bonds, Series 2001	3,565
General Obligation Bonds, Series 2001A	6,650
General Obligation Bonds, Series 2001B	2,220
Certificates of Obligation, Series 2002	6,330
Certificates of Obligation, Series 2003	13,970
General Obligation Bonds, Series 2003	3,730
Certificates of Obligation, Series 2005	4,620

During fiscal year 2007, The Central City Local Government Corporation increased its bank construction loan \$212 for the purpose of completing construction of the parking facility on Magnolia Street. Interest rate for this loan is 4.75 percent.

City of Fort Worth, Texas
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(continued)

During fiscal year 2007, the City borrowed an additional \$5,409 from the State Energy Conservation Office for Phases II and III of its program for energy conservation. Interest rate for this loan is 3.0 percent.

During FY2007, the City changed its estimate on the carrying value of the debt for the Texas Motor Speedway. Based on this change in estimate the debt recorded for the Fort Worth Sports Authority was increased by \$8,729. There is no interest changed on this debt.

Although it is legally separate from the City, the members of the Board of the Fort Worth Housing Finance Corporation (FWHFC) and the members of the City Council are essentially the same. Due to the financial management responsibility of the City and the general oversight given by the City, the FWHFC has been included in the City's basic financial statements as a Non-Major Special Revenue Fund. In December 2006, FWHFC received a \$1,000 Fannie Mae loan. There is no repayment schedule for this loan.

As of September 30, 2007, the following bonds were authorized but not issued.

General Obligation Bonds	Date Authorized	Amount Authorized	Amount Unissued
Street and Storm Sewer Improvements	2/7/2004	\$232,900	\$232,900
Parks and Community Services Improvement	2/7/2004	21,615	21,615
Library System Improvements	2/7/2004	4,490	4,490
Fire Safety Improvements	2/7/2004	12,635	12,635
Telecommunications System Improvements	2/7/2004	1,195	1,195
Public Health Facilities Improvements	2/7/2004	665	665
Total Unissued		<u>\$273,500</u>	<u>\$273,500</u>

G. 3. COMMERCIAL PAPER PROGRAM

In July 1998, the City established a tax-exempt commercial paper program pursuant to which short-term notes with maturity up to 270 days could be issued to finance projects approved by the voters of the City. The maximum amount of Commercial Paper Notes (Series B) the City may from time to time at any one time have outstanding cannot exceed \$125 million. There was no outstanding commercial paper at year end. No commercial paper was issued during fiscal year 2007.

G. 4. ENTERPRISE DEBT

Water and Sewer Revenue Bonds and Solid Waste Equipment Notes 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 Solid Waste System. Certain General Obligation Bonds also are recorded in the Water and Sewer Fund, Solid Waste Fund, Municipal Airport Fund and Municipal Golf Fund. These bonds have no specific claim against Water and Sewer, Solid Waste, Municipal Airport, or Municipal Golf revenues. However, debt service requirements are provided by the Water and Sewer Fund, Solid Waste Fund, Municipal Airport Fund and Municipal Golf Fund; accordingly, the debt is reflected as a fund obligation.

City of Fort Worth, Texas
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September 30, 2007
(000's omitted)

(continued)

In accordance with the revenue bond ordinances, a reserve for debt service is maintained. At September 30, 2007, \$115,078 was available for payments of principal and interest on all Enterprise debt. The Water and Sewer Fund has substituted surety bonds 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.

In January 2007, the City drew down the fourth installment of the Water and Sewer System Subordinate Lien Revenue Bonds, Series 2005A of \$18,595. These bonds were also sold to the Texas Water Development Board. These bonds will mature on March 1 of each year from 2015 to 2021. Interest is payable March 1 and September 1 of each year commencing March 2007. Total interest requirements for the revenue bonds, at rates ranging from 1.65 to 2.95 percent aggregate \$5,422.

In February 2007, the City issued Tax and Parking Revenue, Series 2007, Certificates of Obligation in the amounts of \$20,935 for construction of a parking garage near the Fort Worth Convention Center. These certificates will mature on March 1 of each year over the period from 2009 to 2033. Interest is payable March 1 and September 1 of each year commencing September 1, 2007. Total interest requirements for this certificate, at a rate of 5.0 to 5.25 percent, aggregate \$18,624.

In April 2007, the City drew down the fifth installment of the Water and Sewer System Subordinate Lien Revenue Bonds, Series 2005A of \$8,590. These bonds were also sold to the Texas Water Development Board. These bonds will mature on March 1 of each year from 2021 to 2023. Interest is payable March 1 and September 1 of each year commencing March 2007. Total interest requirements for the revenue bonds, at rates ranging from 2.8 to 2.9 percent aggregate \$3,573.

In August 2007, the City issued Water and Sewer Revenue bonds, Series 2007 in the amount of \$100,000 for the purpose of extending and improving the City's Water and Sewer system. These bonds will mature on February 15 of each year from 2008 to 2027. Interest is payable February 15 and August 15 of each year commencing February 2008. Total interest requirements for these revenue bonds, at 5.0 percent aggregate \$58,479.

In September 2007, the City had a cash defeasance of \$450 of the Municipal Airport's Certificates of Obligation, Series 2000A.

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.

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, 2007, disclosed by Governmental type: The annual requirements to amortize all bonded and contractual debt outstanding as of September 30, 2007, disclosed by Governmental type as shown on the following page.

City of Fort Worth, Texas
Notes to the Basic Financial Statements
September 30, 2007
(000's omitted)

(continued)

Governmental Activities:								
Year					Convention			
Ending	General		Certificates of		Center			
September	Obligations		Obligation		Installment		Equipment Notes	
30,					Obligation			
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2008	\$ 24,870	\$ 15,416	\$ 7,375	\$ 4,335	\$ 515	\$ 372	\$ 1,560	\$ 85
2009	19,089	13,145	3,635	2,951	545	346	686	38
2010	19,381	12,351	2,665	2,799	575	317	457	21
2011	20,015	11,474	2,680	2,665	605	285	457	9
2012	17,885	10,640	2,690	2,530	635	252	-	-
2013-2017	92,455	40,763	18,035	10,134	3,770	677	-	-
2018-2022	87,705	19,436	19,320	5,331	-	-	-	-
2023-2027	40,896	4,259	11,205	1,397	-	-	-	-
	<u>\$322,296</u>	<u>\$127,484</u>	<u>\$ 67,605</u>	<u>\$ 32,142</u>	<u>\$ 6,645</u>	<u>\$ 2,249</u>	<u>\$ 3,160</u>	<u>\$ 153</u>

(continued)

Governmental Activities:								
Year								
Ending	Helicopter		HUD Installment		Service Center		Fort Worth Housing	
September	Installment		Obligations		Obligation		Finance Corp	
30,	Obligation							
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2008	\$ 206	\$ 8	\$ 641	\$ 554	\$ 440	\$ 991	\$ 69	\$ 591
2009	106	1	661	516	455	976	73	587
2010	-	-	682	477	475	958	78	582
2011	-	-	704	437	490	938	83	577
2012	-	-	727	395	515	918	88	572
2013-2017	-	-	4,034	1,291	2,910	4,246	534	2,765
2018-2022	-	-	2,000	222	3,605	3,548	729	2,569
2023-2027	-	-	-	-	4,520	2,632	997	2,302
2028-2032	-	-	-	-	5,755	1,393	1,363	1,936
2033-2037	-	-	-	-	2,725	134	1,862	1,436
2038-2042	-	-	-	-	-	-	2,546	753
2043-2046	-	-	-	-	-	-	1,042	58
	<u>\$ 312</u>	<u>\$ 9</u>	<u>\$ 9,449</u>	<u>\$ 3,892</u>	<u>\$ 21,890</u>	<u>\$ 16,734</u>	<u>\$ 9,464</u>	<u>\$ 14,728</u>

City of Fort Worth, Texas
Notes to the Basic Financial Statements
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(continued)

Governmental Activities:									
Year	State Energy		State Energy		Wells Fargo		Total		
Ending	Conservation Loan		Conservation Loan		Loan		Governmental		
September	Phase I & II		Phase III				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>	
2008	\$ 186	\$ 131	\$ -	\$ -	\$ 27	\$ 13	\$ 35,889	\$ 22,496	
2009	600	126	216	74	32	12	26,098	18,772	
2010	619	108	442	139	42	10	25,416	17,762	
2011	637	89	455	125	52	9	26,178	16,608	
2012	657	70	469	111	66	6	23,732	15,494	
2013-2017	1,911	87	2,212	288	77	2	125,938	60,253	
2018-2022	-	-	-	-	-	-	113,359	31,106	
2023-2027	-	-	-	-	-	-	57,618	10,590	
2028-2032	-	-	-	-	-	-	7,118	3,329	
2033-2037	-	-	-	-	-	-	4,587	1,570	
2038-2041	-	-	-	-	-	-	2,546	753	
2042-2045	-	-	-	-	-	-	1,042	58	
	<u>\$ 4,610</u>	<u>\$ 611</u>	<u>\$ 3,794</u>	<u>\$ 737</u>	<u>\$ 296</u>	<u>\$ 52</u>	<u>\$ 449,521</u>	<u>\$ 198,791</u>	

(completed)

The City has three blended component units whose long-term debt is paid through revenues transferred from discretely presented component units (TIFs). TIF2A makes debt service payments on Fort Worth Sports Authority's \$16,359 of debt obligation. TIF4 makes debt service payments on Central City Local Government Corp's \$2,933 of debt obligation. TIF10 makes debt service payments on Lone Star Local Government Corp's \$31,617 of debt obligation. Debt payments by these TIFs are determined based on the revenue that each TIF 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, 2007:

Major Business-Type Activities:											
Year Ending	Water and Sewer		Water and Sewer		Water and Sewer		Solid Waste		Solid Waste		
	Revenue		GO		TRA		CO		Equipment Notes		
	<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>	
2008	\$ 45,670	\$ 33,426	\$ 123	\$ 10	\$ 405	\$ 395	\$ -	\$ 333	\$ 1,145	\$ 228	
2009	47,975	31,209	71	5	425	376	440	323	1,185	188	
2010	47,305	29,104	61	2	445	358	435	303	1,226	146	
2011	49,440	26,924	-	-	470	339	435	284	2,975	65	
2012	51,650	24,600	-	-	495	320	435	264	169	10	
2013-2017	246,965	87,606	-	-	2,885	1,256	2,175	1,028	175	5	
2018-2022	186,075	33,919	-	-	3,770	487	2,175	538	-	-	
2023-2027	62,400	6,035	-	-	-	-	1,305	88	-	-	
	<u>\$ 737,480</u>	<u>\$ 272,823</u>	<u>\$ 255</u>	<u>\$ 17</u>	<u>\$ 8,895</u>	<u>\$ 3,531</u>	<u>\$ 7,400</u>	<u>\$ 3,161</u>	<u>\$ 6,875</u>	<u>\$ 642</u>	

City of Fort Worth, Texas
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(000's omitted)

(continued)

The annual requirements to amortize all Non-Major Fund Business-Type bonded and contractual debt outstanding as of September 30, 2007:

Non-Major Business-Type Activities:									
Year Ending September 30,	Municipal Golf Fund GO		Municipal Golf Fund CO		Municipal Parking Fund CO		Municipal Airports Fund CO		
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
	2008	\$ 21	\$ 1	\$ 205	\$ 131	\$ -	\$ 1,088	\$ 55	\$ 8
2009	6	-	205	121	100	1,086	55	4	
2010	2	-	205	111	300	1,076	55	2	
2011	-	-	205	101	480	1,056	-	-	
2012	-	-	205	91	505	1,032	-	-	
2013-2017	-	-	1,025	296	2,930	4,744	-	-	
2018-2022	-	-	615	49	3,785	3,887	-	-	
2023-2027	-	-	-	-	4,930	2,749	-	-	
2028-2032	-	-	-	-	6,410	1,269	-	-	
2033	-	-	-	-	1,495	39	-	-	
	<u>\$ 29</u>	<u>\$ 1</u>	<u>\$ 2,665</u>	<u>\$ 900</u>	<u>\$ 20,935</u>	<u>\$18,026</u>	<u>\$ 165</u>	<u>\$ 14</u>	

G.6. ARBITRAGE

The City frequently issues bonds for capital construction projects. These bonds are subject to the arbitrage regulations. At September 30, 2007, the liability for rebate of arbitrage was \$487 for governmental activities and \$362 for business-type activities. This amount is included in the "Due in More Than One Year" on the statement of net assets.

G. 7. LEASES

Obligations under capital leases represent the remaining principal amounts payable under lease purchase agreements for the acquisition of golf maintenance equipment. These leases are recorded as capital leases in the Golf Fund. Amortization of the leased assets is included in depreciation expense in the Proprietary Funds. This leased equipment has an original cost totaling \$302.

The following is a summary of capital lease transactions of the City for the year ended September 30, 2007:

Capital lease obligations, October 1, 2006	\$246
Principal payments	59
Capital lease obligations, September 30, 2007	<u>\$187</u>

City of Fort Worth, Texas
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(continued)

Future minimum lease payments for this lease are as follows:

Year Ending <u>September 30,</u>	Lease <u>Payments</u>
2008	\$ 66
2009	66
2010	<u>66</u>
Total minimum future lease payments	198
Less: Amount representing interest	<u>(11)</u>
Present value of net minimum lease payments	<u><u>\$ 187</u></u>

The following schedule provides an analysis of the City's investment in capital assets under lease arrangements as of September 30, 2007:

Equipment	\$ 302
Less: accumulated depreciation	<u>(120)</u>
Total net book value of lease assets	<u><u>\$ 182</u></u>

The City entered into operating lease agreements for the utilization of computers and related equipment, office space, vehicles and for golf carts. The lease terms range from 12 to 84 months. The following is a schedule by years of future minimum rental payments required under the operating leases as of September 30, 2007:

Year Ending September 30,	
2008	\$ 1,423
2009	921
2010	1,082
2011	1,062
2012	422
2013-2014	<u>646</u>
Total minimum payments required	<u><u>\$5,556</u></u>

Total rental expense for the year was \$2,716.

The Fort Worth Sports Authority entered into a purchase contract to purchase the Texas Motor Speedway. Annual payments consist of a percentage of the tax increment revenues from TIF 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 Texas Motor Speedway also has an agreement with Fort Worth Sports Authority to lease back the facility for \$50 to \$100 annually over the 30 year lease. The lease term extends to 2026 with renewal options to extend for an additional 10 years. The lease is accounted for by the City as an operating lease.

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(continued)

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 TIF10. 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. Interest rate for this agreement is 4.75 percent. The agreement also includes management fees charged by Cabela's that are to be paid by giving the museum to Cabela's at the end of the agreement.

G. 8. DEFEASANCE OF PRIOR DEBT

In prior years, the City defeased certain outstanding General Obligation, Certificates of Obligation and Revenue Bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments of the old bonds. Accordingly, the trust accounts and the defeased bonds are not included in the City's financial statements.

At September 30, 2007, the following outstanding bonds are considered defeased:

General Obligation Bonds and Certificates of Obligation <i>Series 1990 through 2005</i>	\$ 52,080
Water and Sewer System Revenue Bonds <i>Series 1997 through 2001</i>	<u>128,315</u>
Bonds legally defeased	<u>\$180,395</u>

G. 9. CONDUIT DEBT

On October 30, 1991, the Alliance Airport Authority, Inc. issued Special Facilities Revenue Bonds, Series 1991 in the amount of \$125,745, of which \$125,745 is outstanding as of September 30, 2007. The bonds do not constitute a debt of the Authority or of the City of Fort Worth.

On March 1, 1997, the Fort Worth Higher Education Finance Corporation issued Higher Education Revenue Refunding and Improvement Bonds, Series 1997A in the amount of \$11,000 of which \$7,162 is outstanding as of September 30, 2007. The bonds do not constitute a debt of the Corporation or of the City of Fort Worth.

On November 15, 1997, the Fort Worth Higher Education Finance Corporation issued Higher Education Revenue Bonds, Series 1997 in the amount of \$87,630, of which \$2,158 is outstanding as of September 30, 2007. The bonds do not constitute a debt of the Corporation or of the City of Fort Worth.

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, 2007, \$245,150 is outstanding. The bonds do not constitute a debt of the Authority or of the City of Fort Worth.

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

City of Fort Worth, Texas
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(continued)

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 at of each balance sheet date. The City has contracted out the operations of the landfill, but the legal liability for closure and postclosure care costs remains with the City. The City is required by state and federal laws and regulations to provide financial assurance for closure and postclosure care. Through a standby letter of credit filed with the state, the City is in compliance with these requirements.

The City reported \$6,563 as landfill closure and postclosure care liability in the Solid Waste Fund at September 30, 2007. This represents the cumulative amount reported to date based on the use of 65 percent of the estimated current permitted capacity of the landfill. The City will recognize the remaining estimated cost of closure and postclosure care of \$3,611 as the remaining estimated capacity is filled. 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. In addition, the estimate for fiscal year 2007 increased due to additional amount of landfill disposal space permitted by the State.

Furthermore, at September 30, 2007, the City reported cash and cash equivalents of \$6,323 as restricted assets for closure and postclosure care pursuant to its practice and has \$240 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: INVESTMENT IN D/FW 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) is composed of 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.

The Cities executed an agreement with the Airport, which provided for the Airport to pay \$30,000 over a maximum of 15 years to reduce the Cities' initial capital investment in land. All payments related to the agreement were paid in prior years. The City's remaining investment in the Airport, \$8,450, is recorded as an asset.

Joint Revenue Bonds and Special Facility Revenue Bonds were issued to construct the Airport. Concurrent Bond Ordinances provide that the Board shall set rentals, rates, fees and charges such that they are sufficient to produce in each fiscal year gross revenues adequate to pay (a) the operation and maintenance expenses, (b) 1.25 times the amount required to be deposited into the Joint Revenue Bonds Interest and Sinking Fund and (c) an amount equal

City of Fort Worth, Texas
Notes to the Basic Financial Statements
September 30, 2007
(000's omitted)

(continued)

to any other obligations payable from the revenues of the Airport. The Special Facility Revenue Bonds are payable from and secured by the net lease rentals derived from the special facilities. Outstanding debt and related debt service are accounted for by the Dallas/Fort Worth International Airport. The current portion of the Joint Revenue and the Special Facility Revenue Bonds payable totaled \$49,675 at September 30, 2007. The long-term portion of the Joint Revenue and the Special Facility Revenue Bonds at September 30, 2007, was \$3,694,315.

As of September 30, 2007, total assets of the Airport were \$5,739,969, with total liabilities of \$4,254,876 and net assets of \$1,485,093. For the year ended September 30, 2007, the Airport had operating revenues of \$ 567,612 operating expenses of \$542,534, capital contributions and non-operating revenues, net of expenses of \$3,411 and change in net assets of \$28,489.

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

Financial statements of this entity are not included in the City's financial statements since this entity is not under the sole control of the Fort Worth City Council, but are available at the City's Finance Department.

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

Plan Description - The City contributes to the Employees' Retirement Fund (the Plan) of the City of Fort Worth, Texas, a single-employer defined benefit retirement system established under legal authority of the City Charter and administered by the City. The City's payroll for employees covered by the Plan for the plan year ended September, 2007 was approximately \$312,000, and total payroll was approximately \$331,000.

Membership is a condition of employment for all full-time, permanent employees. Members vest in the Plan after five years of credited service. Vested members are eligible for normal retirement on the last day of the month in which the earliest of the following occurs: the member's age plus years of credited service equals 80 (Rule of 80), or when the member reaches age 65. Members may, however, elect early retirement at age 50. During 1994, the City adopted a 25-year and out program for police officers which allows for retirement after 25 years of service. These benefit provisions and all other requirements are established by City ordinance. The Employees' Retirement Fund issues a publicly available annual financial report that includes financial statements and required supplementary information for the Fund. The annual report may be obtained by writing to the Employees' Retirement Fund, 4100 International Plaza, Suite 730, Fort Worth, Texas 76109.

Funding Policy – Plan members and the City are required to contribute at rates set by City ordinance. The contribution requirement of plan members and the City are established and may be amended by the City Council. Sworn police officers are required to contribute 8.73 percent of their annual earnings while all other City employees are required to contribute 8.25 percent of their annual earnings; the City is required to contribute 11.46 percent for sworn police officers and 10.74 percent for all other City employees. Employee and Employer contributions are recognized as additions in the period in which employee services are performed. Benefits and refunds are recognized when due and payable.

City of Fort Worth, Texas
Notes to the Basic Financial Statements
September 30, 2007
(000's omitted)

(continued)

Investments are stated at fair value. Short-term investments are reported at cost, which approximates fair value. If available, quoted market prices are used to value investments. Securities that have no quoted market price are valued at estimated fair value by management of the Plan with assistance from the investment managers. Purchases and sales of investments are recorded on a trade-date basis.

Prior to the Board passing administrative rules that govern the Plan in September 2007, personnel expenses necessary for the administration of the Plan were initially paid by the City of Fort Worth General Fund. By Plan ordinance dated November 1984, the Plan was obligated to reimburse the General Fund for these general and administrative expenses. The amount reimbursed for the year ended September 30, 2007 was approximately \$650,000, and is reflected in administrative expenses in the accompanying financial statements. From September 2007 forward the staff of the Plan is responsible for providing or contracting with vendors to provide all administrative functions necessary for operation of the Plan.

The annual actuarial valuation is performed to determine the adequacy of current contribution rates, to describe the current financial condition of the Plan, and to analyze changes in the Plan's condition. Significant assumptions used in preparation of that valuation are as follows:

Valuation Date	January 1, 2007
Actuarial cost method	Entry Age Normal
Amortization method	Level Percent of Pay, open
Remaining amortization period	30 years
Assets valuation method	5-year smoothed market
Actuarial assumptions:	
Investment rate return	8.5%
Projected salary increases	5.25%-29.75%
Cost-of-living adjustments	2.0%
Includes inflation at:	3.0%

Annual pension cost and percentage of pension cost contributed is as follows:

	September 30, 2005	September 30, 2006	September 30, 2007
Annual required contribution	\$ 43,455	\$ 52,057	\$ 60,144
Interest on net pension obligation	957	1,963	3,527
Adjustment to annual required contribution	(652)	(1,337)	(2,663)
Annual pension cost	<u>43,760</u>	<u>52,683</u>	<u>61,008</u>
Contributions made	<u>31,748</u>	<u>34,267</u>	<u>37,308</u>
Increase (decreases) in net pension obligation	12,012	18,416	23,700
Net pension obligation beginning of year	<u>11,077</u>	<u>23,089</u>	<u>41,505</u>
Net pension obligation end of year	<u><u>\$ 23,089</u></u>	<u><u>\$ 41,505</u></u>	<u><u>\$ 65,205</u></u>
Percentage of annual pension cost contributed	73.1%	65.0%	65.0%

The net pension obligation as of September 30, 2007 is reported in the Governmental Activities and Business-Type Activities statement of net assets as \$56,639 and \$8,566, respectively.

City of Fort Worth, Texas
Notes to the Basic Financial Statements
September 30, 2007
(000's omitted)

(continued)

NOTE K: EMPLOYEE BENEFITS

K. 1. POST EMPLOYMENT BENEFITS

In addition to the pension benefits described in Note J, the City of Fort Worth provides post employment health care benefits, established under legal authority of the City Charter and administered by the City. 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 2,424 retirees and beneficiaries meet those eligibility requirements.

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. All other employees who terminate without retirement, health care benefits continue for 30 days after termination. At that time the former employee has continuation rights to health insurance coverage under the Consolidated Omnibus Reconciliation Act of 1985.

During the fiscal year 2007, retirees' health insurance was provided with separate plan designs depending upon whether the retiree is 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 40 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 the surviving spouse. Expenditures for post employment health care are recognized as claims or premiums when paid. During fiscal year 2007, the cost for health care benefits for retirees, dependents and surviving spouses was \$16,848.

The City also provided a \$3 lump sum death benefit for beneficiaries of retired employees who died during the year and who retired on or after January 1, 1970. For fiscal year 2007, death benefit payments totaled \$248.

K. 2. DEFERRED COMPENSATION PLAN

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The Plan is administered by two trustees; the International City Management Association Retirement Corporation (ICMARC) and the Nationwide Retirement Solutions. In 1997, the City implemented the requirements of GASB 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 their 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 plan in these basic financial statements. Deferred compensation investments are held by outside trustees. Plan investments are chosen by the individual (employee) participant and include mutual funds whose focus is on stocks, bonds, treasury securities, money market-type investments or a combination of these.

The Plan, available to all permanent City employees, permits them to defer until future years up to \$15. 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, 2007
(000's omitted)

(continued)

NOTE L: COMMITMENTS AND CONTINGENCIES

The City has executed a long-term supply agreement with Tarrant County Water Control and Improvement District #1 (District) for all of its raw water needs whereby the City makes monthly payments to fund its water purchases. The fiscal year 2007 payments to the District under the agreement were \$39,688. 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 of September 30, 2007, no such liability has been specifically identified and no such costs have been accrued other than those disclosed.

The City has received Federal and State financial assistance in the form of grants and entitlements that are subject to review and audit by the grantor agencies. Such audits could result in requests for reimbursement by the grantor agency for expenditures disallowed under terms and conditions specified in the grant agreements. In the opinion of City management, such disallowances, if any, will not be significant.

The City has significant construction commitments at September 30, 2007, composed of the following:

	Project Authorization	Expended to September 30, 2007	Committed
Governmental Activities			
Fixed Assets	\$ 482,717	\$ 140,195	\$ 342,522
Water and Sewer	542,657	288,068	254,589
Total	<u>\$ 1,025,374</u>	<u>\$ 428,263</u>	<u>\$ 597,111</u>

Various other claims and lawsuits are pending against the City. At September 30, 2007, the City recorded \$41,480 in such claims and lawsuits.

In addition to these potential liabilities, a U.S. Department of Housing and Urban Development grant (HUD) liability of \$1,318 is reflected in the financial statements, pending resolution of certain Single Audit findings.

NOTE M: COMPONENT UNIT CONDENSED FINANCIAL INFORMATION

Fort Worth Public Improvement Districts No. 1 and No. 10 (FWPID #1 and #10), No. 6 (FWPID #6), No. 8 (FWPID #8), Taxing Increment Reinvestment Zone No., 2A (TIRZ #2A), No. 2B (TIRZ #2B), No.3 (TIRZ #3), No. 3A (TIRZ #3A) and No. 4 (TIRZ #4) are the significant discretely presented component units. Fort Worth Public Improvement Districts No. 7 and No. 11, and Taxing Increment Reinvestment Zones No. 6, 7, 8, 9, 10, 11 and 12 are not significant discretely presented component units and are all included in the "Other" category. All such condensed financial information is presented below:

City of Fort Worth, Texas
Notes to the Basic Financial Statements
September 30, 2007
(000's omitted)

(continued)

Condensed Statement of Net Assets:

	FWPID #1 & #10	FWPID #6	FWPID #8	TIRZ #2A	TIRZ #2B	TIRZ #3	TIRZ #3A	TIRZ #4	OTHER	TOTAL
Current Assets	\$ 578	\$ 553	\$ 576	\$ 1,263	\$ 218	\$ 3,011	\$ 793	\$ 2,224	\$ 2,866	\$ 12,082
Receivables	4	5	2	4	1	5	2	12	13	48
Liabilities	99	211	5	880	176	65	-	38	106	1,580
Total Net Assets	\$ 483	\$ 347	\$ 573	\$ 387	\$ 43	\$ 2,951	\$ 795	\$ 2,198	\$ 2,773	\$ 10,550

Condensed Statement of Revenues, Expenses, and Changes in Fund Net Assets

	FWPID #1 & #10	FWPID #6	FWPID #8	TIRZ #2A	TIRZ #2B	TIRZ #3	TIRZ #3A	TIRZ #4	OTHER	TOTAL
Revenues	\$ 2,118	\$ 1,238	\$ 339	\$ 1,155	\$ 537	\$ 4,502	\$ 593	\$ 3,366	\$ 4,580	\$ 18,428
Expenses	1,638	1,180	304	855	369	2,244	-	2,983	2,743	12,316
Changes In Net Assets	480	58	35	300	168	2,258	593	383	1,837	6,112
Total Net Assets - Beginning	3	289	538	87	(125)	693	202	1,815	936	4,438
Total Net Assets - Ending	\$ 483	\$ 347	\$ 573	\$ 387	\$ 43	\$ 2,951	\$ 795	\$ 2,198	\$ 2,773	\$ 10,550

NOTE N: SUBSEQUENT EVENTS

On October 30, 2007, the City issued Water and Sewer System Subordinate Lien Revenue Bonds Series 2007A for \$33,560 and \$49,865 Series 2007B to the Texas Water Development Board. From the Series 2007A proceeds of \$610 will be used to pay for Texas Water Development Board origination fees. From the Series 2007B, \$1,098 will be used to pay the board origination fees related to the bonds. The proceeds will be used to finance various water system and treatment improvements.

On November 15, 2007, the City issued \$25,000 in Storm Water (Drainage) Revenue Bonds. Proceeds from the bond sale will be used to fund various storm drain improvements and rehabilitation and replacement of existing infrastructure due to age and capacity deficiencies.

During fiscal year 2007, the City completed Phase II and Phase III of its citywide energy conservation measure. In conjunction with the completion of this phase of the project, the City obtained loans from the State Energy Conservation Office under authorization pursuant to the LoanSTAR Revolving Loan Program of the Texas State Energy Plan in accordance with the Energy Policy and Conservation Act. For Phase II, the City obtained additional proceeds of \$1,614 and for Phase III, the City obtained proceeds of \$5,000.

In June 2008 the City issued \$44,085 in Water and Sewer System Revenue Refunding Bonds, Series 2008. Proceeds from the sale will be used to refund a portion of the City's outstanding debt for debt service savings.

City of Fort Worth, Texas
Notes to the Basic Financial Statements
September 30, 2007
(000's omitted)

(continued)

On December 15, 2008, the City issued Water and Sewer System Subordinate Lien Revenue Bonds, Series 2005B – Seventh Installment for \$4,465. The proceeds will be used to finance various water system and treatment improvements.

Subsequent to September 30, 2007 the market values of investments experienced declines in fair value. The City of Fort Worth has holdings in government supported bonds. One of the U.S. Treasury Department's objectives for conversatorships is to protect bondholders. As such, declines in fair value below cost for investments in Freddie Mac and Fannie Mae bonds (that is, debt securities) may be treated as temporary. At year end the City's intent is to hold the bonds until they recover.

NOTE O: NEW ACCOUNTING STANDARDS

The GASB issued Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* (“GASB 45”), which will be effective for the City in the fiscal year ending September 30, 2008. GASB 45 requires state and local governments to establish standards for the measurement, recognition, and display of other postemployment benefits, expense/expenditures, related liabilities and note disclosures in the financial statements.

The GASB issued Statement No. 47, *Accounting for Termination Benefits* (“GASB 47”). This Statement is effective for the City in two parts: (1) for those benefits that relate to other postemployment benefits, the City is to implement at the same time as GASB 45 (which will be effective for the City in the fiscal year ending September 30, 2008) and (2) for other termination benefits, which was implemented in the fiscal year ended September 30, 2006. This statement defines the accounting for voluntary and involuntary termination benefits (i.e., early retirement incentive). For voluntary termination benefits, an accrual of these costs is warranted when the termination terms have been accepted by the employee and the costs can be estimated. For involuntary termination occurrences, the liability should be recorded when the termination costs, such as severance, can be estimated and a plan for involuntary termination has been approved by the City. The plan for involuntary termination should include the number and classes of employees affected, employee location, date of proposed termination, and type of benefits that are expected to be paid to terminated employees.

In September 2006, GASB issued Statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*, which will be effective for the City in the fiscal year ending September 30, 2008. The statement provides guidance for reporting transactions occurring from the pledging of receivables. The statement also discusses the valuation of assets transferred between reporting entity components.

In December 2006, GASB issued Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*, which identifies situations in which a government is required to report obligations relating to pollution remediation, estimate expected outlays for the remediation, and disclose information about pollution obligations associated with clean up efforts. This statement is effective for the City’s financial periods beginning after December 15, 2007.

In May 2007, GASB issued Statement No. 50, *Pension Disclosures – an amendment of GASB Statements No. 25 and 27*. The statement more closely aligns the Financial Reporting requirements for pensions with those for other postemployment benefits (OPEB). It enhances information disclosed in notes to financial statements or presented as required supplementary information (RSI) by pension plans by employers that provide pension benefits. Reporting changes required by this statement amend GASB Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans*, GASB No. 27 *Accounting for Pension by States and Local Governments*, GASB No. 43,

City of Fort Worth, Texas
Notes to the Basic Financial Statements
September 30, 2007
(000's omitted)

(continued)

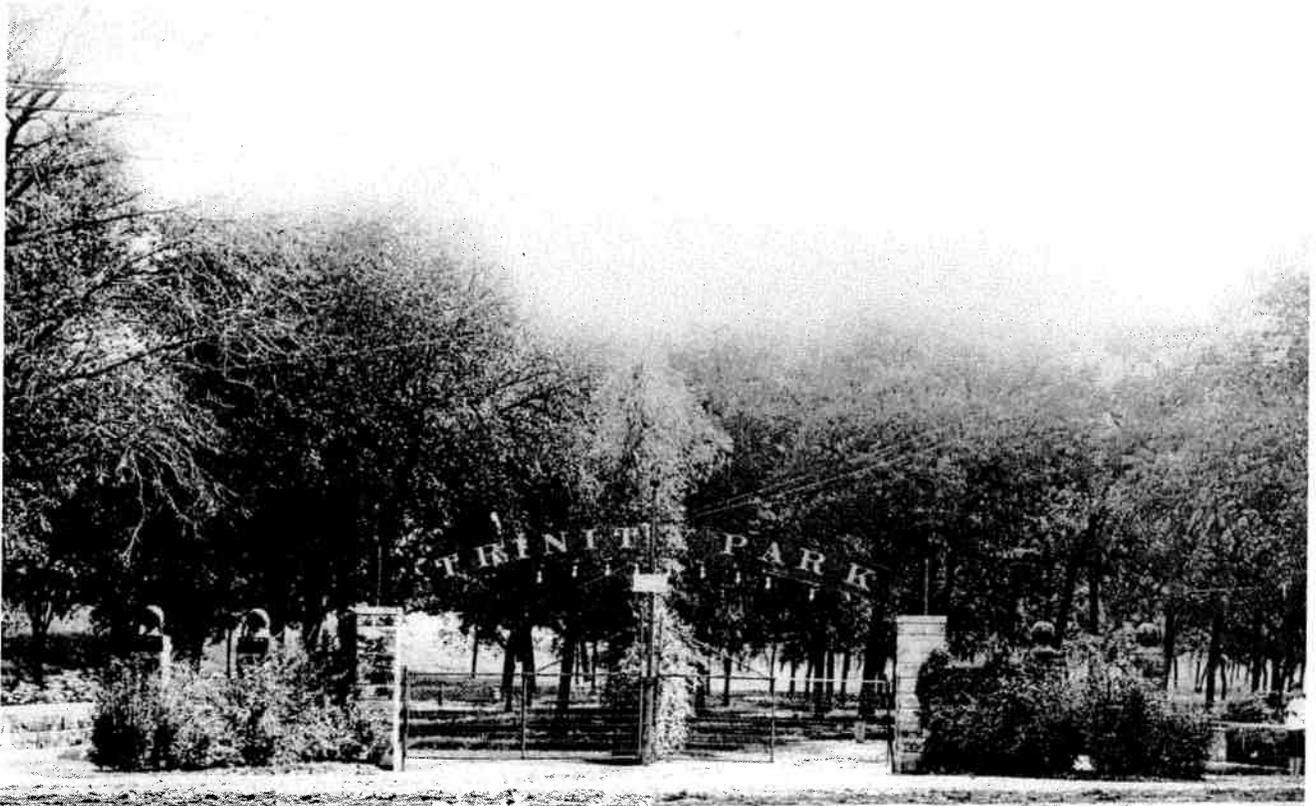
Financial Reporting for Postemployment, and GASB Statement No. 45, *Accounting for Financial Reporting by Employers for Postemployment Benefits other than Pensions*. This statement is effective for the City's financial periods beginning after June 15, 2007.

In June 2007, GASB issued Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*. This statement requires that all intangible assets not excluded by its scope provisions be classified as capital assets. The statement requires that assets only be recognized in Statement of Net Assets if identifiable. Outlays associated with the development of the asset should not begin to be capitalized until certain criteria are met. Outlays incurred prior to meeting these criteria should be expensed as incurred. Intangible assets determined to have an indefinite useful life should not be amortized unless their useful life is subsequently determined to no longer be indefinite due to a change in circumstances. The City of Fort Worth being a classified as a phase 1 government for the purpose of GASB 34, and will be required to retroactively report any intangible assets acquired for any fiscal years ending after June 30, 1980. This statement is effective for the City's financial periods beginning after June 15, 2009.

In November 2007, GASB issued Statement No. 52, *Land and Other Real Estate Held as Investment by Endowments*. This statement establishes consistent standards for reporting of land and other real estate held as investments by essentially similar entities, and requires that land and other real estate investments be reported at fair value. Governments also are required to report the changes in fair value of investment income and to disclose the methods and significant assumptions employed to determine fair value. This statement is effective for the City's financial periods beginning after June 15, 2008.

In June 2008, GASB issued Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*. This statement addresses the recognition, measurement, and disclosure of information regarding derivative instruments entered into by state and local governments. This statement is effective for the City's financial periods beginning after June 15, 2009.

The City has not yet determined the effect on the City's financial statements or disclosures for the implementation of these new accounting standards.



Courtesy of the Genealogy, History and Archives Unit, Fort Worth Public Library

REQUIRED SUPPLEMENTAL INFORMATION

City of Fort Worth, Texas
Required Supplementary Information (unaudited)
Budgetary Comparison Schedule--General Fund
For the Year Ended September 30, 2007
(in 000's)

	Budgeted Amounts		Actual Amounts	Variance with
	(GAAP Basis)			Final Budget--
	Original	Final		Positive (Negative)
General Property Taxes	\$ 291,590	\$ 291,590	\$ 288,907	\$ (2,683)
Other Local Taxes	117,142	117,232	122,301	5,069
Charges for Services	14,497	14,497	14,937	440
Licenses and Permits	61,530	50,746	49,552	(1,194)
Fines and Forfeitures	11,763	11,763	11,789	26
Revenue from Use of Money and Property	8,049	8,299	7,637	(662)
Investment Income	3,684	3,684	8,461	4,777
Intergovernmental	612	612	-	(612)
Gas Leases and Royalties	-	-	167	167
Other	2,569	3,331	4,461	1,130
Total Revenue	<u>511,436</u>	<u>501,754</u>	<u>508,212</u>	<u>6,458</u>
Expenditures:				
Current:				
General Administration	84,932	89,383	87,190	2,193
Public Safety	249,182	250,512	246,618	3,894
Transportation and Public Works	34,359	36,218	34,540	1,678
Parks and Community Services	32,401	32,019	31,521	498
Public Library	16,806	16,960	16,913	47
Public Health	8,196	8,244	8,241	3
Public Events and Facilities	18,573	22,314	18,831	3,483
Planning and Development	11,636	11,887	11,668	219
Housing	2,130	2,222	1,777	445
Capital Outlay	3,358	7,444	7,440	4
Debt Service:				
Principal Retirement	10	10	10	-
Interest and Service Charges	11	11	11	-
Total Expenditures	<u>461,594</u>	<u>477,224</u>	<u>464,760</u>	<u>12,464</u>
Excess of Revenues Over Expenditures	<u>49,842</u>	<u>24,530</u>	<u>43,452</u>	<u>18,922</u>
Other Financing Sources (Uses):				
Proceeds from Long-Term Debt	-	-	1,195	1,195
Proceeds from Sale of Property	-	-	306	306
Transfers In - Other Funds	16,309	27,292	28,946	1,654
Transfers Out - Other Funds	(63,341)	(75,734)	(75,734)	-
Total Other Financing Sources (Uses)	<u>(47,032)</u>	<u>(48,442)</u>	<u>(45,287)</u>	<u>3,155</u>
Net Change in Fund Balance	2,810	(23,912)	(1,835)	22,077
Fund Balance, Beginning of Year	103,861	103,861	103,861	-
Fund Balance, End of Year	<u>\$ 106,671</u>	<u>\$ 79,949</u>	<u>\$ 102,026</u>	<u>\$ 22,077</u>

City of Fort Worth, Texas
Notes to the Required Supplementary Information
September 30, 2007
(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 reflected in the basic financial statements:

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 basis consistent with generally accepted accounting principles. 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 Crime Control and Prevention District Fund is included in the Special Revenue Funds and has a legally adopted budget that is reflected as supplemental information in the Combining Financial Statement section. This budget must first be approved by a seven member board of directors appointed by the City Council and then is legally enacted by the City Council prior to September 30. The Crime Control and Prevention District Board of Directors as well as the City Council must approve any transfer of appropriation balances or portions thereof from one department to another. At the close of each fiscal year the appropriated balance in the Crime Control and Prevention District Fund 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 general purpose financial statements for such funds. 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 \$28,023 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 the unreserved fund balance.

Employee's Retirement Fund of the City of Fort Worth, Texas

Required Supplementary Information
 Schedule of Funding Progress
 (Dollars in Thousands)
 (Unaudited)

The following presents the funding progress from October 1, 2001 to January 1, 2007

Valuation Date	Actuarial Value of Assets (AVA)	Actuarial Accrued Liability (AAL)	Unfunded	Funded Ratio	Annual Covered Payroll	UAAL as % of Payroll
			Actuarial Accrued Liability (UAAL)			
(1)	(2)	(3)	(3)-(2) (4)	(2)/(3) (5)	(6)	(4)/(6) (7)
10/1/2001	\$ 1,356,300	\$1,441,600	\$ 85,300	94.1%	\$ 230,300	37.0%
10/1/2002	1,237,000	1,519,400	282,400	81.4%	246,800	114.4%
10/1/2003	1,351,200	1,556,900	205,700	86.8%	238,500	86.2%
10/1/2004	1,376,300	1,732,200	355,800	79.5%	286,700	124.1%
10/1/2005	1,482,900	1,894,300	411,300	78.3%	317,100	129.7%
1/1/2007	1,658,200	2,068,800	410,700	80.2%	338,500	121.3%

Employee's Retirement Fund of the City of Fort Worth, Texas

Required Supplementary Information
Schedule of Employer Contributions
(Dollars in Thousands)
(Unaudited)

<u>Plan Year Ended</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
September 30, 2000	\$ 24,605	100%
September 30, 2001	26,542	100%
September 30, 2002	27,208	100%
September 30, 2003	27,892	100%
September 30, 2004	40,367	72%
September 30, 2005	43,276	73%
December 31, 2006	52,057	66%

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

NON-MAJOR GOVERNMENTAL FUNDS

Non-Major 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, Villas of Eastwood Terrace, Inc., which was organized to provide decent, safe and affordable housing to low-income residents of the City, by developing, owning, leasing, operating, renovating, financing and disposing of the Eastwood Terrace senior housing project, and doing all things incident to the ownership of the project.

Fort Worth Local Development Corporation 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 trust funds, which are varied in purpose. Financing for this fund is provided by various organizations and individuals.

Service Center Relocation, Inc. (James Street) was set up to build a new service center for Transportation and Public Works and Equipment Services.

Fort Worth Sports Authority is used to purchase the Texas Motor Speedway. Texas Motor Speedway leases back the facility in an agreement designed to spur economic growth.

Lone Star Local Development Corporation is used for the construction of a museum, exhibition space, and certain public infrastructure in the vicinity of Cabela's retail facility.

Central City Local Government Corporation is organized for the purpose of aiding, assisting and acting on behalf of the City in implementation of project plans for the Magnolia Green Development, including construction of a parking garage to support development of the area.

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. The Grants Fund was reported as a major fund in the fiscal year 2006.

Capital Projects Funds

The Capital Projects Funds account for all resources used for the acquisition and/or construction of capital facilities by the City, except those financed by federal grants or Enterprise Funds.

Fire Protection Improvements Fund is used to account for the proceeds of Fire Improvement bonds which include: construction, relocation and/or renovation of various fire stations.

Street Improvements Fund is used to account for the proceeds of Street Improvement bonds which includes: improvements to traffic flow throughout the City; improvements to and construction of sidewalks, drainage systems, traffic signals, street lights, neighborhood collection services; constructing, resurfacing, and restructuring streets, thorough-fares, collectors and storm drains; and public improvements or services providing a benefit to the properties against which special assessments are levied. More detailed information on Special Assessments is found in the Statistical Section.

Parks and Community Services Improvements Fund is used to account for the proceeds of Parks and Community Services Improvement bonds which includes renovating, upgrading and enlarging of existing parks and community services facilities; and construction of new facilities in selected areas of the city.

Public Events Improvements Fund is used to account for the proceeds of improvement bonds which includes up-grading of Will Rogers Memorial Coliseum and repair of Will Rogers Auditorium.

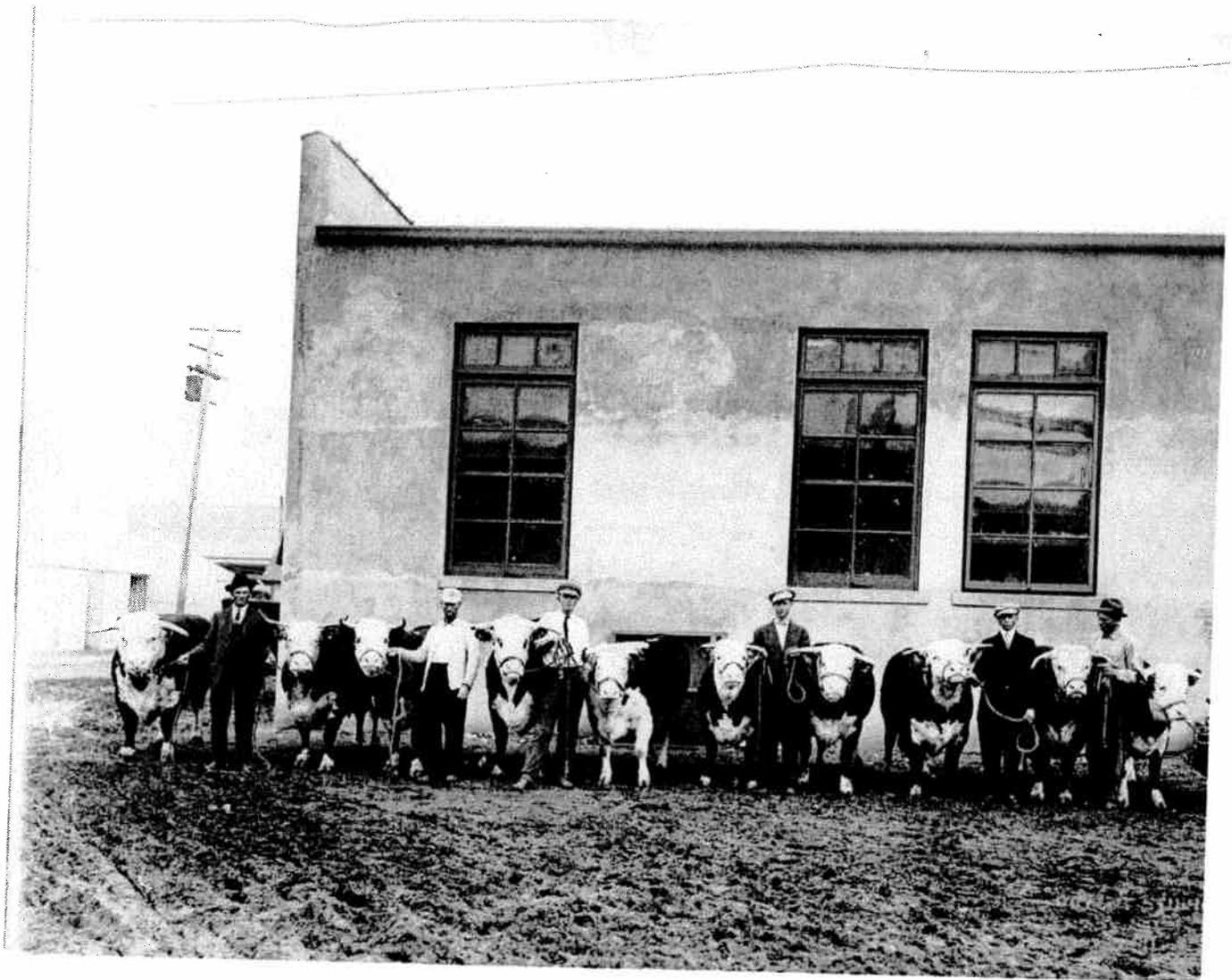
Library Improvements Fund is used to account for the proceeds of improvement bonds which include development of an addition to and improvements to the main library.

Animal Shelter Improvements Fund is used to account for the construction of an animal control shelter at Village Creek Road and Martin Street.

Capital Projects Reserve Fund is used to account for non-bond funds held as backup funding for capital projects or other large unbudgeted expenditures.

Certificate of Obligations Special Projects Fund is used to account for the acquisition of and improvements to the building located at 275 w. 13th Street, construction of improvements to the Fort Worth Water Gardens and construction and equipping of the Evans Rosedale Redevelopment Project.

2007 Critical Capital Projects Fund was created in fiscal year 2007 to account for the proceeds of certificates of obligation bonds, the proceeds of which will be used for crucial and time sensitive critical capital needs.



Courtesy of the Genealogy, History and Archives Unit, Fort Worth Public Library

City of Fort Worth, Texas
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2007
(in 000's)

Special Revenue Funds

	Crime Control and Prevention District	Environmental Management	Fort Worth Housing Finance Corporation	Fort Worth Local Development Corporation
ASSETS				
Cash, Cash Equivalents and Investments	\$ 27,786	\$ 7,017	\$ 6,061	\$ 1,316
Receivables:				
Grants and Other Governments	7,458	-	47	-
Levied, Unbilled Assessments	-	-	-	-
Loans	-	-	1,785	-
Interest	81	20	19	-
Accounts and Other	-	412	2	-
Allowance for Uncollectible Accounts	-	-	-	-
Due from Other Funds	-	-	-	-
Inventories (at Cost)	-	-	935	-
Advances to Other Funds	-	-	-	-
Prepays	-	-	79	-
Long-Term Loans Receivable	-	-	-	-
Restricted Assets:				
Cash and Cash Equivalents	-	-	5,446	-
Cash and Cash Equivalents Held by Trustee	-	-	1,108	-
Total Assets	<u>\$ 35,325</u>	<u>\$ 7,449</u>	<u>\$ 15,482</u>	<u>\$ 1,316</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Construction and Contracts Payable	\$ 655	\$ 229	\$ 101	\$ 60
Escrow Accounts	-	-	1	-
Accrued Payroll	847	50	-	-
Accrued Interest	-	149	-	-
Due to Other Funds	-	-	-	-
Other	-	-	70	-
Payable from Restricted Assets:				
Advances from Other Funds	-	-	-	-
Deferred Revenue	-	22	35	-
Total Liabilities	<u>1,502</u>	<u>450</u>	<u>207</u>	<u>60</u>
Fund Balances (Deficit):				
Reserved for HUD Projects	-	-	-	-
Reserved for Long Term Loans Receivables	-	-	-	-
Reserved for Inventories	-	-	935	-
Reserved for Advances	-	-	-	-
Reserved for Prepays	-	-	79	-
Unreserved:				
Designated for Authorized Expenditures	33,823	-	14,261	1,256
Undesignated	-	6,999	-	-
Total Fund Balances(Deficit)	<u>33,823</u>	<u>6,999</u>	<u>15,275</u>	<u>1,256</u>
Total Liabilities and Fund Balances	<u>\$ 35,325</u>	<u>\$ 7,449</u>	<u>\$ 15,482</u>	<u>\$ 1,316</u>

Special Revenue Funds

HUD 108 Loan	Special Projects	Service Center Relocation, Inc. (James Street)	Fort Worth Sports Authority	Lone Star Local Development Corporation	Central City Local Government Corporation	Grants	Special Revenue Funds Subtotal
\$ -	\$ 29,246	\$ 186	\$ 58	\$ 500	\$ 602	\$ 580	\$ 73,352
-	-	-	-	-	-	13,833	21,338
-	-	-	-	-	-	-	-
-	-	-	-	-	-	1,443	3,228
4	20	-	-	-	-	24	168
-	1,267	-	889	-	-	-	2,570
-	(92)	-	-	-	-	-	(92)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	935
-	-	-	-	-	-	-	-
-	-	-	-	-	-	263	342
1,089	-	-	-	-	-	8,771	9,860
-	20	-	-	-	-	-	5,466
10,796	-	-	-	-	-	-	11,904
<u>\$ 11,889</u>	<u>\$ 30,461</u>	<u>\$ 186</u>	<u>\$ 947</u>	<u>\$ 500</u>	<u>\$ 602</u>	<u>\$ 24,914</u>	<u>\$ 129,071</u>
\$ 219	\$ 2,098	\$ -	\$ -	\$ -	\$ 82	\$ 1,905	\$ 5,349
3	39	-	-	-	-	72	115
1	63	-	-	-	-	298	1,259
-	-	-	-	4,251	-	-	4,400
-	736	-	-	-	-	60	796
-	-	-	-	-	-	-	70
855	-	-	-	-	-	-	855
-	-	-	-	-	-	27,160	27,217
<u>1,078</u>	<u>2,936</u>	<u>-</u>	<u>-</u>	<u>4,251</u>	<u>82</u>	<u>29,495</u>	<u>40,061</u>
9,449	-	-	-	-	-	-	9,449
1,089	-	-	-	-	-	-	1,089
-	-	-	-	-	-	-	935
-	-	-	-	-	-	-	-
-	-	-	-	-	-	263	342
273	27,525	186	947	(3,751)	520	-	75,040
-	-	-	-	-	-	(4,844)	2,155
<u>10,811</u>	<u>27,525</u>	<u>186</u>	<u>947</u>	<u>(3,751)</u>	<u>520</u>	<u>(4,581)</u>	<u>89,010</u>
<u>\$ 11,889</u>	<u>\$ 30,461</u>	<u>\$ 186</u>	<u>\$ 947</u>	<u>\$ 500</u>	<u>\$ 602</u>	<u>\$ 24,914</u>	<u>\$ 129,071</u>

(continued)

City of Fort Worth, Texas
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2007
(in 000's)

Capital Projects Funds

	Fire Protection Improvements Fund	Street Improvement Fund	Parks and Community Services Improvements	Public Events Improvements Fund
ASSETS				
Cash and cash equivalents	\$ 10,219	\$ 102,918	\$ 41,216	\$ 1,675
Receivables:				
Grants and Other Governments	-	157	-	-
Levied, Unbilled Assessments	-	2,082	-	-
Loans	-	-	-	-
Interest	2	52	95	-
Accounts and Other	-	385	542	-
Allowance for Uncollectible Accounts	-	(2,082)	-	-
Due from Other Funds	-	-	-	-
Inventories (at Cost)	-	-	-	-
Advances to Other Funds	-	-	-	-
Prepays	-	-	-	-
Long-Term Loans Receivable, Net	-	-	-	-
Restricted Assets:				
Cash and Cash Equivalents	-	-	-	-
Cash and Cash Equivalents held by Trustee	-	7,505	14	-
Total Assets	<u>\$ 10,221</u>	<u>\$ 111,017</u>	<u>\$ 41,867</u>	<u>\$ 1,675</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Construction and Contracts Payable	\$ 91	\$ 6,116	\$ 296	\$ 106
Escrow Accounts	-	-	-	-
Accrued Payroll and Benefits	2	29	7	1
Accrued Interest	-	-	-	-
Due To Other Funds	-	-	-	-
Other	-	-	-	-
Payable from Restricted Assets:				
Advances From Other Funds	-	-	-	-
Deferred Revenue	-	66	24	-
Total Liabilities	<u>93</u>	<u>6,211</u>	<u>327</u>	<u>107</u>
Fund Balances (Deficit):				
Reserved for HUD Projects	-	-	-	-
Reserved for Long -Term Loans Receivables	-	-	-	-
Reserved for Inventories	-	-	-	-
Reserved for Advances	-	-	-	-
Reserved for Prepays	-	-	-	-
Unreserved:				
Designated for Authorized Expenditures	10,128	104,806	41,540	1,568
Undesignated	-	-	-	-
Total Fund Balances (Deficit)	<u>10,128</u>	<u>104,806</u>	<u>41,540</u>	<u>1,568</u>
Total Liabilities and Fund Balances	<u>\$ 10,221</u>	<u>\$ 111,017</u>	<u>\$ 41,867</u>	<u>\$ 1,675</u>

Capital Projects Funds

Library Improvements Fund	Animal Shelter Improvements Fund	Capital Projects Reserve Fund	Certificate of Obligations Special Projects	2007 Critical Capital Projects	Total Capital Project Funds Subtotal	Nonmajor Governmental Funds
\$ 612	\$ 577	\$ 6,218	\$ 4,342	\$ 41,574	\$ 209,351	\$ 282,703
-	-	-	-	-	157	21,495
-	-	-	-	-	2,082	2,082
-	-	-	-	-	-	3,228
-	-	47	-	-	196	364
-	-	-	-	-	927	3,497
-	-	-	-	-	(2,082)	(2,174)
-	-	137	-	-	137	137
-	-	-	-	-	-	935
-	-	351	-	-	351	351
-	-	-	-	-	-	342
-	-	1,002	-	-	1,002	10,862
-	-	-	-	-	-	5,466
-	-	-	-	-	7,519	19,423
<u>\$ 612</u>	<u>\$ 577</u>	<u>\$ 7,755</u>	<u>\$ 4,342</u>	<u>\$ 41,574</u>	<u>\$ 219,640</u>	<u>\$ 348,711</u>
\$ 9	\$ -	\$ 4	\$ 10	\$ 314	\$ 6,946	\$ 12,295
-	-	-	-	-	-	115
-	-	-	1	1	41	1,300
-	-	-	-	-	-	4,400
-	-	-	-	-	-	796
-	-	-	-	-	-	70
-	-	-	-	-	-	855
-	-	1,002	-	-	1,092	28,309
<u>9</u>	<u>-</u>	<u>1,006</u>	<u>11</u>	<u>315</u>	<u>8,079</u>	<u>48,140</u>
-	-	-	-	-	-	9,449
-	-	-	-	-	-	1,089
-	-	-	-	-	-	935
-	-	351	-	-	351	351
-	-	-	-	-	-	342
603	577	6,398	4,331	41,259	211,210	286,250
-	-	-	-	-	-	2,155
<u>603</u>	<u>577</u>	<u>6,749</u>	<u>4,331</u>	<u>41,259</u>	<u>211,561</u>	<u>300,571</u>
<u>\$ 612</u>	<u>\$ 577</u>	<u>\$ 7,755</u>	<u>\$ 4,342</u>	<u>\$ 41,574</u>	<u>\$ 219,640</u>	<u>\$ 348,711</u>

(concluded)

City of Fort Worth, Texas
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended September 30, 2007
(in 000's)

Special Revenue Funds

	Crime Control and Prevention District	Environmental Management	Fort Worth Housing Finance Corporation	Fort Worth Local Development Corporation
Revenues:				
Other Local Taxes	\$ 44,406	\$ -	\$ -	\$ -
Assessments	-	-	-	-
Charges for Services	-	3,538	-	-
Fines and Forfeitures	-	-	-	-
Revenue from Use of Money and Property	-	-	2,244	440
Investment Income	1,323	364	444	56
Intergovernmental	3,147	-	760	-
Gas Leases and Royalties	-	-	18	-
Other Revenue	30	25	46	-
Contributions	-	23	-	-
Total Revenue	<u>48,906</u>	<u>3,950</u>	<u>3,512</u>	<u>496</u>
Expenditures:				
Current				
General Administration	-	3,321	-	61
Public Safety	32,347	-	-	-
Transportation and Public Works	-	-	-	-
Parks and Community Services	934	-	-	-
Public Library	-	-	-	-
Public Health	-	-	-	-
Public Events and Facilities	-	-	-	-
Planning and Development	-	-	-	-
Housing	-	-	1,765	-
Capital Outlay	3,895	-	-	-
Debt Service:				
Principal Retirement	200	205	64	-
Interest and Service Charges	13	261	21	-
Total Expenditures	<u>37,389</u>	<u>3,787</u>	<u>1,850</u>	<u>61</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>11,517</u>	<u>163</u>	<u>1,662</u>	<u>435</u>
Other Financing Sources (Uses):				
Long Term Debt Issued	-	-	-	-
Premium on Issuance	-	-	-	-
Proceeds from Loans	-	-	1,000	-
Proceeds from Sale of Property	212	-	-	-
Transfers In	88	-	2,000	1,101
Transfers Out	(9,843)	(14)	-	(280)
Total Other Financing Sources (Uses)	<u>(9,543)</u>	<u>(14)</u>	<u>3,000</u>	<u>821</u>
Net Change in Fund Balance	1,974	149	4,662	1,256
Fund Balances (Deficit), Beginning of Year	31,849	6,850	10,613	-
Fund Balances (Deficit), End of Year	<u>\$ 33,823</u>	<u>\$ 6,999</u>	<u>\$ 15,275</u>	<u>\$ 1,256</u>

Special Revenue Funds

HUD 108 Loan	Special Projects	Service Center Relocation, Inc. (James Street)	Fort Worth Sports Authority	Lone Star Local Government Corporation	Central City Local Government Corporation	Grants	Special Revenue Funds Subtotal
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 44,406
-	-	-	-	-	-	-	-
-	808	-	30	-	-	-	4,376
-	723	-	-	-	-	-	723
80	1,346	1,437	70	-	-	-	5,617
733	459	14	1	-	30	425	3,849
-	-	-	-	-	-	48,145	52,052
-	3,276	-	-	-	-	-	3,294
-	2,007	-	-	-	12	-	2,120
-	10,228	-	2,460	503	577	-	13,791
<u>813</u>	<u>18,847</u>	<u>1,451</u>	<u>2,561</u>	<u>503</u>	<u>619</u>	<u>48,570</u>	<u>130,228</u>
-	7,363	-	1,451	3	54	5,219	17,472
-	518	-	-	-	-	1,666	34,531
156	-	-	-	-	-	571	727
-	1,353	-	-	-	-	3,965	6,252
-	-	-	-	-	-	456	456
-	10	-	-	-	-	2,586	2,596
-	278	-	-	-	-	-	278
-	2	-	-	-	-	481	483
-	40	-	-	-	-	10,911	12,716
1,264	16,708	167	9,388	-	247	13,139	44,808
5,207	-	425	447	-	353	-	6,901
862	-	1,005	-	4,251	238	-	6,651
<u>7,489</u>	<u>26,272</u>	<u>1,597</u>	<u>11,286</u>	<u>4,254</u>	<u>892</u>	<u>38,994</u>	<u>133,871</u>
<u>(6,676)</u>	<u>(7,425)</u>	<u>(146)</u>	<u>(8,725)</u>	<u>(3,751)</u>	<u>(273)</u>	<u>9,576</u>	<u>(3,643)</u>
-	-	-	8,729	-	212	-	8,941
-	-	-	-	-	-	-	-
-	5,409	-	-	-	-	-	6,409
-	-	-	-	-	-	-	212
684	15,206	-	-	-	-	12,320	31,399
(1,101)	(4,085)	-	-	-	-	(1,511)	(16,834)
<u>(417)</u>	<u>16,530</u>	<u>-</u>	<u>8,729</u>	<u>-</u>	<u>212</u>	<u>10,809</u>	<u>30,127</u>
<u>(7,093)</u>	<u>9,105</u>	<u>(146)</u>	<u>4</u>	<u>(3,751)</u>	<u>(61)</u>	<u>20,385</u>	<u>26,484</u>
<u>17,904</u>	<u>18,420</u>	<u>332</u>	<u>943</u>	<u>-</u>	<u>581</u>	<u>(24,966)</u>	<u>62,526</u>
<u>\$ 10,811</u>	<u>\$ 27,525</u>	<u>\$ 186</u>	<u>\$ 947</u>	<u>\$ (3,751)</u>	<u>\$ 520</u>	<u>\$ (4,581)</u>	<u>\$ 89,010</u>

(continued)

City of Fort Worth, Texas
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended September 30, 2007
(in 000's)

Capital Projects Funds

	Fire Protection Improvements Fund	Street Improvement Fund	Parks and Community Services Improvements	Public Events Improvements Fund
Revenues:				
Property Tax	\$ -	\$ 270	\$ -	\$ -
Other Local Taxes	-	-	-	-
Assessments	-	868	-	-
Charges for Services	-	805	39	-
Fines and Forfeitures	-	-	-	-
Revenue from Use of Money and Property	-	20	-	-
Investment Income	21	1,190	1,524	(2)
Intergovernmental	80	1,722	-	-
Gas Leases and Royalties	-	461	5,904	-
Other	-	9	104	-
Contributions	-	7,545	3,177	-
Total Revenue	<u>101</u>	<u>12,890</u>	<u>10,748</u>	<u>(2)</u>
Expenditures:				
General Administration	-	-	-	-
Public Safety	-	-	-	-
Transportation and Public Works	-	17	-	-
Parks and Community Services	-	-	317	-
Public Library	-	-	-	-
Public Health	-	-	-	-
Public Events and Facilities	-	-	-	420
Planning and Development	-	-	-	-
Housing	-	4	-	-
Capital Outlay	1,991	52,522	2,443	273
Debt Service:				
Principal Retirement	-	270	-	-
Interest and Service Charges	-	-	-	-
Total Expenditures	<u>1,991</u>	<u>52,813</u>	<u>2,760</u>	<u>693</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,890)</u>	<u>(39,923)</u>	<u>7,988</u>	<u>(695)</u>
Other Financing Sources (Uses):				
Long-Term Debt Issued	12,635	121,824	15,000	-
Premium on Issuance	-	-	-	-
Proceeds from Loans	-	-	-	-
Proceeds from Sale of Property	179	199	-	-
Transfers In	-	13,306	-	600
Transfers Out	-	(10,902)	(6)	(199)
Total Other Financing Sources (Uses)	<u>12,814</u>	<u>124,427</u>	<u>14,994</u>	<u>401</u>
Net Change in Fund Balance	10,924	84,504	22,982	(294)
Fund Balances (Deficit), Beginning of Year	(796)	20,302	18,558	1,862
Fund Balances (Deficit), End of Year	<u>\$ 10,128</u>	<u>\$ 104,806</u>	<u>\$ 41,540</u>	<u>\$ 1,568</u>

Capital Projects Funds

Library Improvements Fund	Animal Shelter Improvements Fund	Capital Projects Reserve Fund	Certificate of Obligation Special Projects	2007 Critical Capital Projects	Capital Project Funds Subtotal	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 270	\$ 270
-	-	-	-	-	-	44,406
-	-	-	-	-	868	868
-	-	74	-	-	918	5,294
-	-	-	-	-	-	723
-	-	686	-	-	706	6,323
1	-	116	-	-	2,850	6,699
-	-	-	-	-	1,802	53,854
-	-	2,324	-	-	8,689	11,983
-	-	1,177	-	-	1,290	3,410
-	-	-	-	-	10,722	24,513
<u>1</u>	<u>-</u>	<u>4,377</u>	<u>-</u>	<u>-</u>	<u>28,115</u>	<u>158,343</u>
-	-	-	-	-	-	17,472
-	-	-	-	-	-	34,531
-	-	-	-	-	17	744
-	-	-	-	-	317	6,569
-	-	-	-	-	-	456
-	-	-	-	-	-	2,596
-	-	-	-	-	420	698
-	-	-	-	-	-	483
-	-	-	-	-	4	12,720
27	33	6	518	1,066	58,879	103,687
-	-	-	-	-	270	7,171
-	-	-	-	-	-	6,651
<u>27</u>	<u>33</u>	<u>6</u>	<u>518</u>	<u>1,066</u>	<u>59,907</u>	<u>193,778</u>
<u>(26)</u>	<u>(33)</u>	<u>4,371</u>	<u>(518)</u>	<u>(1,066)</u>	<u>(31,792)</u>	<u>(35,435)</u>
400	665	-	-	40,250	190,774	199,715
-	-	-	-	2,075	2,075	2,075
-	-	-	-	-	-	6,409
-	-	1,027	-	-	1,405	1,617
6	-	-	40	-	13,952	45,351
-	-	(2,191)	-	-	(13,298)	(30,132)
<u>406</u>	<u>665</u>	<u>(1,164)</u>	<u>40</u>	<u>42,325</u>	<u>194,908</u>	<u>225,035</u>
380	632	3,207	(478)	41,259	163,116	189,600
223	(55)	3,542	4,809	-	48,445	110,971
<u>\$ 603</u>	<u>\$ 577</u>	<u>\$ 6,749</u>	<u>\$ 4,331</u>	<u>\$ 41,259</u>	<u>\$ 211,561</u>	<u>\$ 300,571</u>

(concluded)

City of Fort Worth, Texas
Budgetary Comparison Schedule
Crime Control and Prevention District Fund
For the Year Ended September 30, 2007
(in 000's)

	Budgeted Amounts		Actual	Variance with
	(GAAP Basis)			
	Original	Final	Amounts	Positive
				(Negative)
Revenues:				
Other Local Taxes	\$ 43,170	\$ 43,170	\$ 44,406	\$ 1,236
Interest Income	876	876	1,323	447
Intergovernmental	2,710	2,710	3,147	437
Other	249	249	30	(219)
Total Revenue	<u>47,005</u>	<u>47,005</u>	<u>48,906</u>	<u>1,901</u>
Expenditures:				
Current:				
General Administration	80	80	-	80
Public Safety	33,619	35,904	32,347	3,557
Parks and Community Services	829	984	934	50
Capital Outlay	4,032	5,395	3,895	1,500
Debt Service:				
Principal Retirement	200	200	200	-
Interest and Service Charges	19	19	13	6
Total Expenditures	<u>38,779</u>	<u>42,582</u>	<u>37,389</u>	<u>5,193</u>
Excess of Revenues Over Expenditures	<u>8,226</u>	<u>4,423</u>	<u>11,517</u>	<u>7,094</u>
Other Financing Sources (Uses):				
Proceeds from Sale of Property	-	-	212	212
Transfers In - Other Funds	-	-	88	88
Transfers Out - Other Funds	(7,998)	(9,678)	(9,843)	(165)
Total Other Financing Sources (Uses)	<u>(7,998)</u>	<u>(9,678)</u>	<u>(9,543)</u>	<u>135</u>
Net Change in Fund Balance	<u>228</u>	<u>(5,255)</u>	<u>1,974</u>	<u>7,229</u>
Fund Balance, Beginning of Year	<u>31,849</u>	<u>31,849</u>	<u>31,849</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 32,077</u>	<u>\$ 26,594</u>	<u>\$ 33,823</u>	<u>\$ 7,229</u>

NON-MAJOR PROPRIETARY FUNDS

Non-Major Proprietary Funds

Non-major Proprietary Funds are used to account for the acquisition, operation, and maintenance of governmental facilities and services, which are entirely or predominantly self-supported by user charges. The operations of Proprietary Funds are accounted for in such manner as to show a profit or loss similar to comparable private enterprises.

Municipal Airports Fund

The Municipal Airports Fund is used to account for the Meacham, Spinks (South Fort Worth) and Alliance (North Fort Worth) Airport operations, and proceeds from the sale of Great Southwest International Airport. Revenues are derived principally from hangar and terminal building rental, landing fees and fuel surcharges.

Municipal Parking Fund

The Municipal Parking Fund is used to account for the operation of the Equestrian Center garage, a six story municipal parking garage 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.

Stormwater Utility Fund

The Stormwater Utility Fund is used to account 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.

City of Fort Worth, Texas
Combining Statement of Net Assets
Nonmajor Proprietary Funds
September 30, 2007
(in 000's)

	<u>Municipal Airports Fund</u>	<u>Municipal Parking Fund</u>	<u>Municipal Golf Fund</u>	<u>Stormwater Utility Fund</u>	<u>Total Nonmajor Enterprise Funds</u>
ASSETS					
Current Assets:					
Cash, Cash Equivalents and Investments	\$ -	\$ 320	\$ -	\$ 11,349	\$ 11,669
Interest Receivable	1	2	-	19	22
Accounts and Other Receivables	222	-	3	1,867	2,092
Inventories (at Cost)	-	-	142	-	142
Deposits and Other	-	-	8	-	8
Total Current Assets	<u>223</u>	<u>322</u>	<u>153</u>	<u>13,235</u>	<u>13,933</u>
Restricted Assets:					
Cash and Cash Equivalents	3,471	27,659	1,332	-	32,462
Cash and Investments Held by Trustee	24	-	-	-	24
Grants Receivable	19,487	-	-	-	19,487
Interest Receivable	-	159	-	-	159
Total Restricted Assets	<u>22,982</u>	<u>27,818</u>	<u>1,332</u>	<u>-</u>	<u>52,132</u>
Total Current Assets	<u>23,205</u>	<u>28,140</u>	<u>1,485</u>	<u>13,235</u>	<u>66,065</u>
Noncurrent Assets:					
Deferred Bond Issue Cost	<u>2</u>	<u>74</u>	<u>19</u>	<u>-</u>	<u>95</u>
Capital Assets (at Cost)					
Land	57,179	1,561	360	-	59,100
Buildings	12,282	3,107	1,336	-	16,725
Improvements Other than Buildings	162,020	99	9,627	-	171,746
Machinery and Equipment	2,237	11	1,983	1,794	6,025
Construction in Progress	21,573	747	1,209	731	24,260
Accumulated Depreciation	<u>(94,278)</u>	<u>(1,836)</u>	<u>(8,598)</u>	<u>(402)</u>	<u>(105,114)</u>
Net Capital Assets	<u>161,013</u>	<u>3,689</u>	<u>5,917</u>	<u>2,123</u>	<u>172,742</u>
Total Assets	<u>184,220</u>	<u>31,903</u>	<u>7,421</u>	<u>15,358</u>	<u>238,902</u>

(continued)

City of Fort Worth, Texas
Combining Statement of Net Assets
Nonmajor Proprietary Funds
September 30, 2007
(in 000's)

	<u>Municipal Airports Fund</u>	<u>Municipal Parking Fund</u>	<u>Municipal Golf Fund</u>	<u>Stormwater Utility Fund</u>	<u>Total Nonmajor Enterprise Funds</u>
LIABILITIES					
Current Liabilities:					
Accounts and Contracts Payable	\$ 79	\$ 751	\$ 105	\$ 677	\$ 1,612
Escrow Accounts	131	-	-	-	131
Accrued Compensation	53	8	98	35	194
Accrued Payroll	49	6	90	95	240
Due to Other Funds	137	-	-	-	137
Payable to Federal Government	-	61	-	-	61
Payable from Restricted Assets:					
Construction and Contracts Payable	18,470	37	-	196	18,703
Current Portion of Enterprise Debt	55	-	286	-	341
Accrued Interest Payable	6	91	12	-	109
Total Current Liabilities	<u>18,980</u>	<u>954</u>	<u>591</u>	<u>1,003</u>	<u>21,528</u>
Long-Term Liabilities:					
Customer Deposits	54	-	-	-	54
Advances from Other Funds	2,018	-	4,457	-	6,475
Compensated Absences	36	-	408	180	624
Net Pension Obligation	233	10	370	131	744
Certificates of Obligation	110	20,935	2,460	-	23,505
Unamortized Bond Premium	-	1,208	1	-	1,209
General Obligation Bonds Payable	-	-	7	-	7
Unamortized Loss on Refunding Bonds	-	-	(3)	-	(3)
Unearned Revenue	764	-	-	-	764
Obligations under Capital Lease	-	-	127	-	127
Total Long-Term Liabilities	<u>3,215</u>	<u>22,153</u>	<u>7,827</u>	<u>311</u>	<u>33,506</u>
Total Liabilities	<u>22,195</u>	<u>23,107</u>	<u>8,418</u>	<u>1,314</u>	<u>55,034</u>
NET ASSETS (DEFICITS)					
Invested in Capital Assets, Net of Related Debt	142,380	3,613	4,122	1,927	152,042
Restricted for:					
Debt Service	-	2,382	275	-	2,657
Unrestricted	19,645	2,801	(5,394)	12,117	29,169
Total Net Assets (Deficits)	<u>\$ 162,025</u>	<u>\$ 8,796</u>	<u>\$ (997)</u>	<u>\$ 14,044</u>	<u>\$ 183,868</u>

(concluded)



Courtesy of the Genealogy, History and Archives Unit, Fort Worth Public Library

City of Fort Worth, Texas
Combining Statement of Revenues, Expenses,
and Changes in Fund Net Assets
Nonmajor Proprietary Funds
For the Year Ended September 30, 2007
(in 000's)

	<u>Municipal Airports Fund</u>	<u>Municipal Parking Fund</u>	<u>Municipal Golf Fund</u>	<u>Stormwater Utility Fund</u>	<u>Total Nonmajor Enterprise Funds</u>
OPERATING REVENUES					
Charges for Services	\$ 2,948	\$ 3,683	\$ 4,337	\$ 15,165	\$ 26,133
Other	302	-	60	1	363
Total Operating Revenues	<u>3,250</u>	<u>3,683</u>	<u>4,397</u>	<u>15,166</u>	<u>26,496</u>
OPERATING EXPENSES					
Personnel Services	1,639	110	2,582	2,269	6,600
Supplies and Materials	649	2	809	718	2,178
Contractual Services	1,359	227	1,138	1,382	4,106
Depreciation	6,912	52	440	366	7,770
Total Operating Expenses	<u>10,559</u>	<u>391</u>	<u>4,969</u>	<u>4,735</u>	<u>20,654</u>
Operating Income (Loss)	<u>(7,309)</u>	<u>3,292</u>	<u>(572)</u>	<u>10,431</u>	<u>5,842</u>
NONOPERATING REVENUES (EXPENSES)					
Investment Income	(2)	918	13	293	1,222
Interest and Service Charges	(64)	(644)	(150)	-	(858)
Gas Leases and Royalties	303	-	-	-	303
Other Revenue (Expense)	52	-	-	136	188
Total Nonoperating Revenue (Expenses)	<u>289</u>	<u>274</u>	<u>(137)</u>	<u>429</u>	<u>855</u>
Income (Loss) before Transfers and Contributions	(7,020)	3,566	(709)	10,860	6,697
Transfers In	536	3,254	3	-	3,793
Transfers Out	(31)	(3,050)	(29)	(17)	(3,127)
Capital Contributions	25,722	-	-	-	25,722
Change in Net Assets	19,207	3,770	(735)	10,843	33,085
Total Net Assets -- Beginning	142,818	5,026	(262)	3,201	150,783
Total Net Assets -- Ending	<u>\$ 162,025</u>	<u>\$ 8,796</u>	<u>\$ (997)</u>	<u>\$ 14,044</u>	<u>\$ 183,868</u>

City of Fort Worth, Texas
Combining Statement of Cash Flows
Nonmajor Proprietary Funds
For the Year Ended September 30, 2007
(in 000's)

	Municipal Airports Fund	Municipal Parking Fund	Municipal Golf Fund	Stormwater Utility Fund	Total Nonmajor Enterprise Funds
Cash Flows from Operating Activities:					
Receipts from Customers	\$ 2,719	\$ 3,683	\$ 4,339	\$ 15,183	\$ 25,924
Receipts from Other Operating Sources	302	-	60	1	363
Payments to Suppliers	(649)	(2)	(795)	(718)	(2,164)
Payments to Employees	(1,595)	(100)	(2,436)	(2,017)	(6,148)
Payments for Contractual Services	(1,416)	510	(1,197)	(706)	(2,809)
Other Payments	(3,722)	-	(15)	-	(3,737)
Net Cash Provided by (Used for) Operating Activities	<u>(4,361)</u>	<u>4,091</u>	<u>(44)</u>	<u>11,743</u>	<u>11,429</u>
Cash Flows from Noncapital Financing Activities:					
Other Nonoperating Revenues	355	-	-	136	491
Advances from (to) Other Funds	(330)	-	779	-	449
Transfers In from Other Funds	536	3,254	3	-	3,793
Transfers Out to Other Funds	(31)	(3,050)	(29)	(17)	(3,127)
Net Cash Provided by Noncapital Financing Activities	<u>530</u>	<u>204</u>	<u>753</u>	<u>119</u>	<u>1,606</u>
Cash Flows from Capital and Related Financing Activities:					
Acquisition and Construction of Property, Plant and Equipment	(9,242)	(710)	(618)	(1,614)	(12,184)
Proceeds from Bond Sales, Net of Issuance Costs	-	22,116	-	-	22,116
Principal Paid on Long-Term Debt	(505)	-	(250)	-	(755)
Interest Paid on Long-Term Obligations	(61)	(540)	(151)	-	(752)
Principal Paid on Capital Lease	-	-	(59)	-	(59)
Contributions	12,691	-	-	-	12,691
Net Cash Provided by (Used for) Capital and Related Financing Activities	<u>2,883</u>	<u>20,866</u>	<u>(1,078)</u>	<u>(1,614)</u>	<u>21,057</u>
Cash Flows from Investing Activities:					
Interest Income Received	(3)	775	16	274	1,062
Net Cash Provided by Investing Activities	<u>(3)</u>	<u>775</u>	<u>16</u>	<u>274</u>	<u>1,062</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(951)	25,936	(353)	10,522	35,154
Cash and Cash Equivalents, Beginning of Year	4,446	2,043	1,685	827	9,001
Cash and Cash Equivalents, End of Year	<u>\$ 3,495</u>	<u>\$ 27,979</u>	<u>\$ 1,332</u>	<u>\$ 11,349</u>	<u>\$ 44,155</u>

(continued)

City of Fort Worth, Texas
Combining Statement of Cash Flows
Nonmajor Proprietary Funds
For the Year Ended September 30, 2007
(in 000's)

	<u>Municipal Airports Fund</u>	<u>Municipal Parking Fund</u>	<u>Municipal Golf Fund</u>	<u>Stormwater Utility Fund</u>	<u>Total Nonmajor Enterprise Funds</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:					
Operating Income (Loss)	\$ (7,309)	\$ 3,292	\$ (572)	\$ 10,431	\$ 5,842
Adjustments Not Affecting Cash:					
Depreciation	6,912	52	440	366	7,770
Change in Assets and Liabilities:					
Accounts and Other Receivables	(222)	-	(1)	18	(205)
Inventories	-	-	14	-	14
Increase in Other Assets	-	-	3	-	3
Accounts and Contracts Payable	(57)	737	(59)	676	1,297
Accrued Compensation	44	10	146	252	452
Due To Other Funds	(3,853)	-	-	-	(3,853)
Customer Deposits	(7)	-	-	-	(7)
Escrow and Other Liabilities	131	-	(15)	-	116
Total Adjustments	<u>2,948</u>	<u>799</u>	<u>528</u>	<u>1,312</u>	<u>5,587</u>
Net Cash Provided by Operating Activities	<u>\$ (4,361)</u>	<u>\$ 4,091</u>	<u>\$ (44)</u>	<u>\$ 11,743</u>	<u>\$ 11,429</u>

(concluded)



Courtesy of the Genealogy, History and Archives Unit, Fort Worth Public Library

INTERNAL SERVICE FUNDS

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

Office Services Fund

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

Equipment Services Fund

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

Temporary Labor Fund

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

Information Systems Fund

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

Engineering Services Fund

The Engineering Services Fund is used to account for general engineering services provided to various City departments.

City of Fort Worth, Texas
Combining Statement of Net Assets
Internal Service Funds
September 30, 2007
(in 000's)

	<u>Office Services</u>	<u>Equipment Services</u>	<u>Temporary Labor</u>	<u>Information Systems</u>	<u>Engineering Services</u>	<u>Total</u>
ASSETS						
Current Assets:						
Cash, Cash Equivalents and Investments	\$ -	\$ -	\$ 478	\$ -	\$ 1,115	\$ 1,593
Accounts and Other Receivables	-	-	-	53	-	53
Inventories (at Cost)	172	473	-	186	-	831
Deposits and Others	-	-	-	138	50	188
Total Current Assets	<u>172</u>	<u>473</u>	<u>478</u>	<u>377</u>	<u>1,165</u>	<u>2,665</u>
Capital Assets (at cost):						
Land	-	1,708	-	-	261	1,969
Buildings	-	5,531	-	642	-	6,173
Improvements Other than Buildings	-	979	-	-	91	1,070
Machinery and Equipment	784	2,127	-	9,743	2,251	14,905
Construction in Progress	-	-	-	14	-	14
Accumulated Depreciation	(755)	(5,813)	-	(6,008)	(1,531)	(14,107)
Net Capital Assets	<u>29</u>	<u>4,532</u>	<u>-</u>	<u>4,391</u>	<u>1,072</u>	<u>10,024</u>
Total assets	<u>201</u>	<u>5,005</u>	<u>478</u>	<u>4,768</u>	<u>2,237</u>	<u>12,689</u>
LIABILITIES						
Current Liabilities:						
Accounts and Contracts Payable	94	603	-	1,794	52	2,543
Accrued Payroll	30	223	65	354	409	1,081
Accrued Compensation	60	367	5	357	441	1,230
Total Current Liabilities	<u>184</u>	<u>1,193</u>	<u>70</u>	<u>2,505</u>	<u>902</u>	<u>4,854</u>
Long-Term Liabilities:						
Advances from Other Funds	197	1,050	-	2,886	-	4,133
Accrued Compensation	10	646	-	711	1,151	2,518
Total Long-Term Liabilities	<u>207</u>	<u>1,696</u>	<u>-</u>	<u>3,597</u>	<u>1,151</u>	<u>6,651</u>
Total Liabilities	<u>391</u>	<u>2,889</u>	<u>70</u>	<u>6,102</u>	<u>2,053</u>	<u>11,505</u>
NET ASSETS (DEFICIT)						
Invested in Capital Assets, Net of Related Debt	29	4,532	-	4,391	1,072	10,024
Unrestricted	(219)	(2,416)	408	(5,725)	(888)	(8,840)
Total Net Assets (Deficit)	<u>\$ (190)</u>	<u>\$ 2,116</u>	<u>\$ 408</u>	<u>\$ (1,334)</u>	<u>\$ 184</u>	<u>\$ 1,184</u>

City of Fort Worth, Texas
Combining Statement of Revenues, Expenses,
and Changes in Fund Net Assets
Internal Service Funds
For the Year Ended September 30, 2007
(in 000's)

	<u>Office Services</u>	<u>Equipment Services</u>	<u>Temporary Labor</u>	<u>Information Systems</u>	<u>Engineering Services</u>	<u>Total</u>
OPERATING REVENUES						
Charges for Services	\$ 2,265	\$ 22,124	\$ 2,054	\$ 25,454	\$ 13,256	\$ 65,153
Total Operating Revenues	<u>2,265</u>	<u>22,124</u>	<u>2,054</u>	<u>25,454</u>	<u>13,256</u>	<u>65,153</u>
OPERATING EXPENSES						
Personnel Services	855	7,210	1,863	9,099	11,569	30,596
Supplies and Materials	328	10,774	-	4,808	546	16,456
Contractual Services	1,222	4,384	19	8,494	2,093	16,212
Depreciation	20	261	-	1,415	230	1,926
Total Operating Expenses	<u>2,425</u>	<u>22,629</u>	<u>1,882</u>	<u>23,816</u>	<u>14,438</u>	<u>65,190</u>
Operating Income (Loss)	<u>(160)</u>	<u>(505)</u>	<u>172</u>	<u>1,638</u>	<u>(1,182)</u>	<u>(37)</u>
NONOPERATING REVENUES (EXPENSES)						
Investment Income	5	1	1	3	62	72
Gain (Loss) on Sale of Capital Assets	-	-	-	-	8	8
Gas Leases and Royalties	-	-	-	-	4	4
Other Revenue	89	84	-	1	28	202
Total Nonoperating Revenues (Expenses)	<u>94</u>	<u>85</u>	<u>1</u>	<u>4</u>	<u>102</u>	<u>286</u>
Income (Loss) Before Transfers and Contributions	(66)	(420)	173	1,642	(1,080)	249
Transfers In	-	9	-	1,287	28	1,324
Transfers Out	(12)	(151)	(5)	(1,183)	(123)	(1,474)
Capital Contributions	-	-	-	176	-	176
Change in Net Assets (Deficit)	<u>(78)</u>	<u>(562)</u>	<u>168</u>	<u>1,922</u>	<u>(1,175)</u>	<u>275</u>
Total Net Assets (Deficit) - Beginning	<u>(112)</u>	<u>2,678</u>	<u>240</u>	<u>(3,256)</u>	<u>1,359</u>	<u>909</u>
Total Net Assets (Deficit) - Ending	<u>\$ (190)</u>	<u>\$ 2,116</u>	<u>\$ 408</u>	<u>\$ (1,334)</u>	<u>\$ 184</u>	<u>\$ 1,184</u>

City of Fort Worth, Texas
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended September 30, 2007
(in 000's)

	Office Services	Equipment Services	Temporary Labor	Information Systems	Engineering Services	Total Internal Service Funds
Cash Flows from Operating Activities:						
Receipts from Customers	\$ 2,265	\$ 22,124	\$ 2,054	\$ 25,505	\$ 13,256	\$ 65,204
Payments to Suppliers	(326)	(10,555)	-	(4,253)	(508)	(15,642)
Payments to Employees	(858)	(7,117)	(1,878)	(8,947)	(11,460)	(30,260)
Payments for Contractual Services	(1,222)	(4,384)	(19)	(8,632)	(2,076)	(16,333)
Net Cash Provided by (Used for) Operating Activities	(141)	68	157	3,673	(788)	2,969
Cash Flows from Noncapital Financing Activities:						
Other Nonoperating Revenues	89	84	-	1	40	214
Transfers In from Other Funds	-	9	-	1,287	28	1,324
Transfers Out to Other Funds	(12)	(151)	(5)	(1,183)	(123)	(1,474)
Advances from (to) Other Funds	58	239	-	(3,606)	-	(3,309)
Net Cash Provided by (Used for) Noncapital Financing Activities	135	181	(5)	(3,501)	(55)	(3,245)
Cash Flows from Capital and Related Financing Activities:						
Acquisition of Property, Plant and Equipment	-	(250)	-	(1,225)	(376)	(1,851)
Contributions	-	-	-	176	-	176
Net Cash Used for Capital and Related Financing Activities	-	(250)	-	(1,049)	(376)	(1,675)
Cash Flows from Investing Activities:						
Interest Income Received	6	1	1	3	79	90
Net Cash Provided by Investing Activities	6	1	1	3	79	90
Net Increase (Decrease) in Cash and Cash Equivalents						
Cash and Cash Equivalents, Beginning of Year	-	-	325	874	2,255	3,454
Cash and Cash Equivalents, End of Year	\$ -	\$ -	\$ 478	\$ -	\$ 1,115	\$ 1,593
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:						
Operating Income (Loss)	\$ (160)	\$ (505)	\$ 172	\$ 1,638	\$ (1,182)	\$ (37)
Adjustments Not Affecting Cash:						
Depreciation	20	261	-	1,415	230	1,926
Change in Assets and Liabilities:						
Decrease in Accounts and Other Receivables	-	-	-	51	-	51
Decrease in Inventories	77	212	-	15	-	304
Increase (Decrease) in Deposits and Other	-	-	-	(138)	17	(121)
Increase (Decrease) in Accounts and Contracts Payable	(75)	7	-	540	38	510
Increase (Decrease) in Accrued Payroll / Compensation	(3)	93	(15)	152	109	336
Net Cash Provided by (Used for) Operating Activities	\$ (141)	\$ 68	\$ 157	\$ 3,673	\$ (788)	\$ 2,969

FIDUCIARY FUNDS

FIDUCIARY FUNDS

Fiduciary funds are used to account for resources held by the city as a trustee or agent. Agency Funds are a type of fiduciary fund that are created when the City becomes a custodian of and is responsible for distributing assets to their real owners. The City's Agency Funds are:

RAILTRAN FUND

This fund is used to record the cash that the City is investing for Railtran.

DEATH BENEFITS FUND

This fund is used to record the death benefits paid to beneficiaries of retired employees who died during the year and who retired on or after January 1, 1970.

City of Fort Worth, Texas
Combining Statement of Changes in Assets and Liabilities
All Agency Funds
For the Year Ended September 30, 2007
(in 000's)

	BALANCE			BALANCE		
	FY2006	ADDITIONS	DELETIONS	FY2007		
ASSETS						
Current Assets:						
Cash, Cash Equivalents and Net Investments	\$ 11	\$ -	\$ -	\$ 11		
Total assets	\$ 11	\$ -	\$ -	\$ 11		

LIABILITIES						
Current Liabilities:						
Payable to Railtran	\$ 11	\$ -	\$ -	\$ 11		
Total Liabilities	\$ 11	\$ -	\$ -	\$ 11		

DEATH BENEFITS FUND

ASSETS						
Current Assets:						
Cash and Investments Held by Trustees	\$ 549	\$ 19	\$ 248	\$ 320		
Total Assets	\$ 549	\$ 19	\$ 248	\$ 320		

LIABILITIES						
Current Liabilities:						
Death Benefits Payable	\$ 549	\$ 19	\$ 248	\$ 320		
Total Liabilities	\$ 549	\$ 19	\$ 248	\$ 320		

TOTAL AGENCY FUNDS

ASSETS						
Current Assets:						
Cash, Cash Equivalents and Net Investments	\$ 11	\$ -	\$ -	\$ 11		
Cash and Investments Held by Trustees	549	19	248	320		
Total Assets	\$ 560	\$ 19	\$ 248	\$ 331		

LIABILITIES						
Current Liabilities:						
Payable to Railtran	\$ 11	\$ -	\$ -	\$ 11		
Death Benefits Payable	549	19	248	320		
Total Liabilities	\$ 560	\$ 19	\$ 248	\$ 331		

STATISTICAL SECTION AND OTHER (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.	5-8
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.	9-13
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.	14-15
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.	16-18

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



Courtesy of the Genealogy, History and Archives Unit, Fort Worth Public Library

FINANCIAL TRENDS

City of Fort Worth, Texas
Net Assets by Component
Last Six Fiscal Years (Unaudited)
(accrual basis of accounting)
(in 000's)

Table 1

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Governmental Activities:						
Invested in Capital Assets, net of Related Debt	\$ 293,407	\$ 269,106	\$ 592,052	\$ 709,290	\$ 891,173	\$ 967,070
Restricted for Capital Projects	20,874	55,765	5,691	9,539	-	-
Restricted for Debt Service	28,561	26,198	31,318	36,055	45,988	7,376
Restricted for Other	78,362	46,510	9,447	15,560	-	-
Unrestricted (Deficit)	(33,346)	13,586	45,622	8,572	32,168	55,154
Total Governmental Activities						
Net Assets	<u>\$ 387,858</u>	<u>\$ 411,165</u>	<u>\$ 684,130</u>	<u>\$ 779,016</u>	<u>\$ 969,329</u>	<u>\$ 1,029,600</u>
Business-type Activities:						
Invested in Capital Assets, net of Related Debt	\$ 829,014	\$ 859,608	\$ 1,066,225	\$ 1,129,489	\$ 1,272,031	\$ 1,416,439
Restricted for Capital Projects	108,040	200,139	-	-	-	-
Restricted for Debt Service	42,100	14,229	269	88	225	29,668
Unrestricted	84,461	28,792	121,748	191,719	219,651	189,885
Total Business-type Activities						
Net Assets	<u>\$ 1,063,615</u>	<u>\$ 1,102,768</u>	<u>\$ 1,188,242</u>	<u>\$ 1,321,296</u>	<u>\$ 1,491,907</u>	<u>\$ 1,635,992</u>
Primary Government:						
Invested in Capital Assets, net of Related Debt	\$ 1,122,421	\$ 1,128,714	\$ 1,658,277	\$ 1,838,779	\$ 2,163,204	\$ 2,383,509
Restricted for Capital Projects	128,914	255,904	5,691	9,539	-	-
Restricted for Debt Service	70,661	40,427	31,587	36,143	46,213	37,044
Restricted for Other	78,362	46,510	9,447	15,560	-	-
Unrestricted	51,115	42,378	167,370	200,291	251,819	245,039
Total Primary Government						
Net Assets	<u>\$ 1,451,473</u>	<u>\$ 1,513,933</u>	<u>\$ 1,872,372</u>	<u>\$ 2,100,312</u>	<u>\$ 2,461,236</u>	<u>\$ 2,665,592</u>

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

Note: Accrual-basis financial information for the City as a whole is only available back to 2002, the year GASB Statement 34 was implemented.

City of Fort Worth, Texas
Change in Net Assets
Last Six Fiscal Years (Unaudited)
(accrual basis of accounting)
(in 000's)

Table 2

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Expenses						
Governmental Activities:						
General Government	\$ 34,292	\$ 28,037	\$ 67,455	\$ 87,687	\$ 94,239	\$ 110,802
Public Safety	212,708	214,399	240,176	263,491	292,220	319,561
Transportation and Public Works	63,487	63,663	76,757	75,631	100,626	106,543
Parks and Community Services	37,681	32,488	33,768	35,898	41,291	44,533
Public Library	14,329	13,966	15,220	16,440	17,843	19,493
Public Health	7,234	8,350	9,665	11,532	10,791	11,707
Public Events and Facilities	17,776	20,778	23,213	22,445	23,937	28,167
Non-Departmental	27,644	33,667	-	-	-	-
Planning and Development	8,185	8,951	9,594	9,126	11,303	13,106
Finance	5,510	5,006	5,096	4,519	-	-
Housing	10,382	10,548	11,562	10,192	10,613	15,437
Interest on Long-term Debt	19,734	18,323	16,080	15,150	15,793	22,216
Total Governmental Activities	<u>458,962</u>	<u>458,176</u>	<u>508,586</u>	<u>552,111</u>	<u>618,656</u>	<u>691,565</u>
Business-type activities:						
Water and Sewer	181,880	198,069	185,491	177,071	237,405	221,774
Municipal Airports	7,976	7,514	7,783	10,197	11,942	10,623
Solid Waste	26,616	40,056	30,988	35,173	36,647	39,389
Municipal Parking	459	490	428	410	314	1,035
Municipal Golf	6,162	4,945	4,338	4,614	5,437	5,119
Stormwater Utility	-	-	-	-	483	4,735
Total Business-type Activities	<u>223,093</u>	<u>251,074</u>	<u>229,028</u>	<u>227,465</u>	<u>292,228</u>	<u>282,675</u>
Total Primary Government Expenses	<u>\$ 682,055</u>	<u>\$ 709,250</u>	<u>\$ 737,614</u>	<u>\$ 779,576</u>	<u>\$ 910,884</u>	<u>\$ 974,240</u>
Program Revenues						
Governmental Activities:						
Charges for Services						
General Government	\$ 50,064	\$ 37,402	\$ 50,858	\$ 12,425	\$ 16,384	\$ 16,133
Public Safety	21,029	35,524	23,328	23,301	18,667	21,252
Transportation and Public Works	1,111	1,196	1,635	2,266	3,022	3,140
Parks and Community Services	897	2,254	812	2,253	763	1,047
Public Library	464	420	495	527	629	644
Public Health	2,755	2,396	2,341	2,715	3,077	3,284
Public Events and Facilities	5,652	5,828	6,689	7,359	6,833	5,772
Non-Departmental	1,151	623	-	-	-	-
Planning and Development	5,622	6,160	6,500	9,268	9,128	10,422
Finance	2,918	6,883	961	749	-	-
Housing	10	726	239	883	2,275	2,244
Operating Grants and Contributions	32,973	19,595	38,735	44,766	52,702	47,334
Capital Grants and Contributions	14,389	14,171	77,184	103,477	86,145	90,172
Total Governmental Activities	<u>139,035</u>	<u>133,178</u>	<u>209,777</u>	<u>209,989</u>	<u>199,625</u>	<u>201,444</u>
Business-type Activities:						
Charges for Services:						
Water and Sewer	192,790	208,197	221,939	247,255	293,792	257,989
Municipal Airports	3,027	3,104	3,275	3,432	3,003	2,948
Solid Waste	25,198	27,607	26,966	35,581	37,259	40,632
Municipal Parking	604	528	589	625	3,645	3,683
Municipal Golf	4,797	4,179	4,084	3,630	4,542	4,337
Stormwater Utility	-	-	-	-	3,670	15,165
Capital Grants and Contributions	28,736	27,902	57,516	78,833	118,749	87,818
Total Business-type Activities	<u>255,152</u>	<u>271,517</u>	<u>314,369</u>	<u>369,356</u>	<u>464,660</u>	<u>412,572</u>
Total Primary Government Program Revenues	<u>\$ 394,187</u>	<u>\$ 404,695</u>	<u>\$ 524,146</u>	<u>\$ 579,345</u>	<u>\$ 664,285</u>	<u>\$ 614,016</u>

(continued)

City of Fort Worth
Change in Net Assets
Last Six Fiscal Years (Unaudited)
(accrual basis of accounting)
(in 000's)

Table 2

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Net (Expense) Revenue						
Governmental Activities	\$ (319,927)	\$ (324,998)	\$ (298,809)	\$ (342,122)	\$ (419,031)	\$ (490,121)
Business-type Activities	32,059	20,443	85,341	141,891	172,432	129,897
Total Primary Government Net Expense	<u>\$ (287,868)</u>	<u>\$ (304,555)</u>	<u>\$ (213,468)</u>	<u>\$ (200,231)</u>	<u>\$ (246,599)</u>	<u>\$ (360,224)</u>
General Revenues and Other Changes in Net Assets						
Governmental Activities:						
Taxes:						
General Property Taxes	\$ 190,153	\$ 209,483	\$ 223,615	\$ 235,874	\$ 256,630	\$ 288,725
Other Local Taxes	128,983	129,424	134,240	145,514	162,076	172,621
Franchise Fees	-	-	-	31,741	34,764	33,316
Gas Lease and Royalties	-	-	-	-	5,143	12,154
Assessments	656	507	357	426	1	868
Investment Income	14,611	5,738	9,612	8,939	12,191	19,974
Change in Fair Value of Investments	-	-	(3,930)	(2,342)	-	-
Other	99	(61)	230	100	6,384	8,376
Gain (Loss) on Disposal of Capital Assets	-	-	(17)	(20)	1,227	63
Transfers	(372)	3,214	7,352	16,776	19,420	14,295
Total Governmental Activities	<u>334,130</u>	<u>348,305</u>	<u>371,459</u>	<u>437,008</u>	<u>497,836</u>	<u>550,392</u>
Business-type Activities:						
Investment Income	14,120	5,457	3,760	3,858	9,279	14,638
Gas Lease and Royalties					4,197	8,542
Other	11,928	16,181	2,933	4,078	5,185	6,582
Gain (Loss) on Disposal of Capital Assets	-	286	(41)	3	(1,062)	(1,279)
Transfer	372	(3,214)	(7,352)	(16,776)	(19,420)	(14,295)
Total Business-type Activities	<u>26,420</u>	<u>18,710</u>	<u>(700)</u>	<u>(8,837)</u>	<u>(1,821)</u>	<u>14,188</u>
Total Primary Government	<u>\$ 360,550</u>	<u>\$ 367,015</u>	<u>\$ 370,759</u>	<u>\$ 428,171</u>	<u>\$ 496,015</u>	<u>\$ 564,580</u>
Change in Net Assets						
Governmental Activities	\$ 14,203	\$ 23,307	\$ 72,650	\$ 94,886	\$ 78,805	\$ 60,271
Business-type Activities	58,479	39,153	84,641	133,054	170,611	144,085
Total Primary Government	<u>\$ 72,682</u>	<u>\$ 62,460</u>	<u>\$ 157,291</u>	<u>\$ 227,940</u>	<u>\$ 249,416</u>	<u>\$ 204,356</u>

(concluded)

Note: Accrual-basis financial information for the City as a whole is only available back to 2002, the year GASB Statement 34 was implemented.

City of Fort Worth, Texas
Fund Balances, Governmental Funds
Last Ten Fiscal Years (Unaudited)
(modified accrual basis of accounting)
(in 000's)

	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
General Fund					
Reserved for:					
Encumbrances	\$ 115	\$ 1,372	\$ 1,996	\$ 1,384	\$ 1,384
Inventories	1,904	2,065	1,776	2,621	2,073
Advances	-	-	-	-	-
Prepays	-	-	-	-	-
Unreserved	61,660	58,278	58,998	56,106	53,643
Total General Fund	<u>63,679</u>	<u>61,715</u>	<u>62,770</u>	<u>60,111</u>	<u>57,100</u>
All Other Governmental Funds					
Reserved for:					
Inventories	-	-	-	-	-
Advances	-	-	-	-	-
Loans	7,487	8,102	11,796	12,126	11,790
Debt Service	5,718	6,404	5,727	6,048	31,257
HUD Projects	-	-	-	-	-
Prepays	-	-	-	-	-
Unreserved, Designated for Authorized Expenditures:					
Special Revenue Funds	32,791	30,763	37,630	41,198	57,538
Capital Project Funds	65,665	73,808	89,658	95,603	61,596
Debt Service Funds	10,807	9,480	14,587	20,692	-
Unreserved, Undesignated:					
Special Revenue Funds	-	-	-	-	-
Total all Other Governmental Funds	<u>122,468</u>	<u>128,557</u>	<u>159,398</u>	<u>175,667</u>	<u>162,181</u>
Total all Governmental Funds	<u>\$ 186,147</u>	<u>\$ 190,272</u>	<u>\$ 222,168</u>	<u>\$ 235,778</u>	<u>\$ 219,281</u>

Source: Comprehensive Annual Financial Report for the respective years.

Table 3

2003	2004	2005	2006	2007
\$ 1,144	\$ 1,014	\$ 884	\$ 8,537	\$ 952
2,315	2,753	2,467	3,091	3,092
-	-	13,476	15,154	11,112
-	-	-	3,077	1,599
70,022	76,056	82,886	74,002	85,271
<u>73,481</u>	<u>79,823</u>	<u>99,713</u>	<u>103,861</u>	<u>102,026</u>
-	-	-	583	935
-	-	488	351	351
7,898	9,447	15,015	26,132	1,089
31,875	31,318	36,055	45,988	11,920
-	-	-	-	9,449
-	-	-	79	342
53,181	42,331	49,668	66,229	75,040
97,585	79,798	72,823	47,042	211,210
-	-	-	-	-
-	-	-	(29,445)	2,155
<u>190,539</u>	<u>162,894</u>	<u>174,049</u>	<u>156,959</u>	<u>312,491</u>
<u><u>\$ 264,020</u></u>	<u><u>\$ 242,717</u></u>	<u><u>\$ 273,762</u></u>	<u><u>\$ 260,820</u></u>	<u><u>\$ 414,517</u></u>

City of Fort Worth, Texas
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years (Unaudited)
(modified accrual basis)
(in 000's)

	1998	1999	2000	2001	2002
REVENUES:					
General Property Tax	\$ 140,833	\$ 147,760	\$ 157,430	\$ 172,908	\$ 191,563
Other Local Taxes	109,499	117,289	124,834	126,502	128,983
Assessments	394	416	334	634	656
Charges for Services	15,463	15,472	14,455	13,959	16,456
Licenses and Permits	34,255	35,065	37,287	47,531	43,482
Fines and Forfeitures	11,316	12,064	12,761	13,314	13,685
Revenue from Use of Money and Property	25,861	18,721	26,947	33,212	14,271
Interest Income	-	-	-	-	14,473
Change in Fair Value Investments	-	-	-	-	-
Intergovernmental	30,706	31,688	32,596	26,472	29,029
Gas Leases and Royalties	-	-	-	-	-
Other	1,370	999	1,821	4,465	7,357
Contributions	6,508	8,524	12,844	11,463	14,757
Total Revenues	376,205	387,998	421,309	450,460	474,712
EXPENDITURES:					
Current					
General Administration	24,069	25,279	25,519	29,154	36,680
Public Safety	141,885	160,580	172,911	190,432	204,906
Transportation and Public Works	28,177	26,446	33,533	30,029	32,656
Parks and Community Services	19,574	21,298	22,507	25,817	27,214
Public Library	9,254	10,194	11,413	12,881	13,615
Public Health	6,160	6,322	5,762	6,501	7,046
Public Events and Facilities	14,594	13,740	15,123	15,274	15,309
Non-Departmental	22,706	22,612	23,536	29,136	27,240
Employment and Training	6,571	4,291	2,990	27	-
Planning and Development	5,079	5,982	6,584	7,297	8,152
Finance	4,106	4,540	4,686	5,001	5,349
Housing	6,569	7,761	8,980	10,798	10,265
Claims and Premiums	-	-	-	-	2,427
Capital Outlay	50,683	66,075	54,904	67,605	90,579
Debt Service:					
Principal Retirement	38,885	36,697	38,386	40,060	41,042
Interest and Service Charges	17,050	15,651	17,807	17,397	17,135
Total Expenditures	395,362	427,468	444,641	487,409	539,615
Excess (deficiency) of revenues over expenditures	(19,157)	(39,470)	(23,332)	(36,949)	(64,903)
OTHER FINANCING SOURCES (USES):					
Long-Term Debt Issued	4,300	60,000	44,811	53,745	28,664
Proceeds from Loans	750	750	3,475	-	-
Proceeds from Owner Advance	-	-	-	-	-
Proceeds from Sale of Property	-	-	-	-	-
Refunding Bonds Issued	-	-	-	10,000	23,304
Premium on Issuance of Bonds	-	-	-	-	-
Payment to Bond Escrow Agent	-	-	-	(9,127)	(23,093)
Transfers In	64,312	61,400	65,227	65,876	72,564
Transfers Out	(66,648)	(78,555)	(65,200)	(69,935)	(72,763)
Total Other Financing Sources (Uses)	2,714	43,595	48,313	50,559	28,676
Restatements	7,060	-	-	-	-
Net Change in Fund Balance	\$ (9,383)	\$ 4,125	\$ 24,981	\$ 13,610	\$ (36,227)
Debt service as a percentage of noncapital expenditures	16.48%	13.96%	14.47%	13.36%	12.08%

Source: Comprehensive Annual Financial Report for the respective years.

Table 4

2003	2004	2005	2006	2007
\$ 208,112	\$ 222,111	\$ 235,643	\$ 259,483	\$ 289,177
129,424	134,240	145,514	162,076	172,621
507	357	426	1	868
17,814	19,471	22,765	19,546	20,231
44,596	44,588	38,026	49,642	49,552
13,751	14,894	14,099	11,690	12,512
12,882	11,928	13,805	16,088	14,784
4,844	8,372	7,488	12,108	19,902
-	(3,902)	(2,342)	51,167	-
24,141	27,375	53,845	5,142	53,854
-	-	-	-	12,150
3,343	3,023	7,015	6,233	8,040
16,651	16,527	23,356	25,436	24,513
<u>476,065</u>	<u>498,984</u>	<u>559,640</u>	<u>618,612</u>	<u>678,204</u>
33,281	64,484	77,883	86,908	104,662
208,453	224,543	244,857	265,353	281,149
32,189	33,341	32,181	36,039	35,284
28,614	29,089	30,886	36,690	38,090
13,489	14,055	14,725	15,849	17,369
8,266	9,436	11,180	10,164	10,837
15,158	15,379	16,466	17,764	19,529
33,719	-	-	-	-
-	-	-	-	-
8,892	9,197	8,762	10,765	12,151
5,048	4,846	4,343	-	-
10,503	11,236	9,694	9,981	14,497
-	-	-	-	-
62,038	55,823	149,894	115,783	111,127
64,045	34,281	31,466	36,954	85,409
15,352	17,723	15,063	16,477	20,329
<u>539,047</u>	<u>523,433</u>	<u>647,400</u>	<u>658,727</u>	<u>750,433</u>
(62,982)	(24,449)	(87,760)	(40,115)	(72,229)
74,032	-	99,237	3,574	200,910
-	988	615	1,781	6,409
-	-	279	-	1,923
-	-	-	1,350	-
68,833	42,700	46,230	-	-
-	2,262	4,460	-	2,239
(39,514)	(44,518)	(50,209)	-	-
76,133	80,027	92,413	113,815	120,646
<u>(71,763)</u>	<u>(73,386)</u>	<u>(74,220)</u>	<u>(93,347)</u>	<u>(106,201)</u>
<u>107,721</u>	<u>8,073</u>	<u>118,805</u>	<u>27,173</u>	<u>225,926</u>
-	-	-	-	-
<u>\$ 44,739</u>	<u>\$ (16,376)</u>	<u>\$ 31,045</u>	<u>\$ (12,942)</u>	<u>\$ 153,697</u>
17.27%	11.03%	7.74%	8.83%	16.40%

REVENUE CAPACITY



Courtesy of the Genealogy, History and Archives Unit, Fort Worth Public Library

City of Fort Worth, Texas
Assessed Value and Estimated Actual Value
of Taxable Property
Last Ten Fiscal Years (Unaudited)
(in 000's)

Table 5

Fiscal Year	Net Assessed Valuation ^(a)			Total Direct Tax Rate ^(b)
	Real	Personal	Total Taxable	
1998	\$ 10,898,875	\$ 4,395,389	\$ 15,294,264	\$ 9.2000
1999	11,815,661	4,765,118	16,580,779	8.9750
2000	12,847,388	4,937,741	17,785,129	8.8500
2001	14,731,532	5,016,039	19,747,571	8.7500
2002	16,553,403	5,699,994	22,253,397	8.6500
2003	18,131,441	5,289,965	23,421,406	8.6500
2004	20,912,940	4,051,797	24,964,737	8.6500
2005	21,583,075	5,290,362	26,873,437	8.6500
2006	23,781,759	5,484,162	29,265,921	8.6500
2007	27,269,005	6,387,383	33,656,388	8.6000

(a) The Assessed Value is 100%.

(b) Per \$1,000 of valuation.

Source: Tarrant Appraisal District

City of Fort Worth, Texas
Property Tax Rates - All Direct and Overlapping Tax Rates
(Per \$1,000 of Assessed Value)
Last Ten Fiscal Years (Unaudited)

Table 6

Fiscal Year Ended Sept. 30	City Direct Rates			Fort Worth ISD ^(b, c)	Overlapping Rates ^(b)		
	Operating General Rates	General Obligation Debt Service	Total Direct		Tarrant County District ^(a, c)	Hospital District	Junior College District
1998	6.069%	3.131%	9.200%	14.850%	2.650%	2.340%	1.060%
1999	6.076	2.899	8.975	14.850	2.650	2.340	1.060
2000	6.274	2.576	8.850	15.150	2.650	2.340	1.060
2001	6.312	2.438	8.750	16.410	2.750	2.340	1.060
2002	6.467	2.183	8.650	16.410	2.730	2.340	1.390
2003	6.707	1.943	8.650	16.860	2.730	2.320	1.390
2004	6.799	1.851	8.650	16.580	2.730	2.350	1.390
2005	7.107	1.543	8.650	16.540	2.730	2.350	1.390
2006	7.107	1.543	8.650	16.540	2.730	2.350	1.390
2007	7.259	1.341	8.600	15.140	2.720	2.350	1.390

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

(b) Source - Tarrant County Appraisal District.

(c) In September of 1987, the City of Fort Worth annexed 5,619.8 acres of land along the southwest quadrant of Denton County for the Alliance Airport. Residents living in this area may be levied taxes for Denton County and the Northwest Independent School District. Tax rates for Denton County and all other ISD's which may be assessing taxes on Fort Worth residents are listed on Table 12.

City of Fort Worth, Texas
Property Tax Levies and Collections
Last Ten Fiscal Years (Unaudited)
(in 000's)

Table 7

Fiscal Year	Taxes Levied for the Fiscal Year	Collection Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Current tax collections	Percentage of Levy		Total Tax Collections	Percentage of Levy
1998	\$ 140,707	\$ 136,669	97.13%	\$ 2,427	\$ 139,096	98.86%
1999	143,457	144,372	100.64%	1,993	146,365	102.03%
2000	157,398	153,217	97.34%	2,304	155,521	98.81%
2001	172,791	170,722	98.80%	2,804	173,526	100.43%
2002	192,492	187,827	97.58%	2,603	190,430	98.93%
2003	204,974	199,774	97.46%	3,497	203,271	99.17%
2004	222,012	216,524	97.53%	4,017	220,541	99.34%
2005	232,455	230,241	99.05%	4,611	234,852	101.03%
2006	253,150	253,028	99.95%	4,421	257,449	101.70%
2007	289,445	286,805	99.09%	4,031	290,836	100.48%

Source: Tarrant Appraisal District

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	2007			1998		
		Taxable Assessed Valuation	Rank	Percent of Total Taxable Assessed Valuation	Taxable Assessed Valuation	Rank	Percent of Total Taxable Assessed Valuation
TXU Electric	Electric Utility	\$ 358,806	1	1.07%	\$ 286,792	2	1.87%
Southwestern Bell Telephone Co.	Telephone Utility	303,850	2	0.90%	218,024	3	1.42%
AMR Corp./American Airlines	Air Travel	255,388	3	0.76%	379,742	1	2.48%
City Center Development	Developer	244,925	4	0.73%	102,563	8	0.67%
Alcon Laboratories, Inc.	Pharmaceuticals	173,024	5	0.51%	156,589	5	1.02%
Behringer Harvard Burnett Plz	Commercial Real Estate	166,343	6	0.49%	-	-	-
KAN AM Riverfront Campus LP	Corporate Campus	157,165	7	0.47%	-	-	-
DRH Worthington Owner LP	Hotel	133,136	8	0.40%	-	-	-
BNSF Railway Co	Rail Transportation	122,366	9	0.36%	-	-	-
Crescent Real Estate	Developer	121,608	10	0.36%	-	-	-
Bell Helicopter-Textron, Inc.	Aircraft Manufacturing	-	-	-	169,545	4	1.11%
Tandy Corporation	Electronics Manufacturing&Retail	-	-	-	147,926	6	0.97%
Miller Brewing	Beer Brewing	-	-	-	110,196	7	0.72%
Albertson's Inc.	Retail Grocery Chain	-	-	-	102,309	9	0.67%
Motorola, Inc	Electronics Manufacturer	-	-	-	67,362	10	0.44%
		<u>\$ 2,036,611</u>		<u>6.05%</u>	<u>\$ 1,741,048</u>		<u>11.37%</u>

Source: Tarrant Appraisal District Supplemental Certification Report

DEBT CAPACITY



Courtesy of the Genealogy, History and Archives Unit, Fort Worth Public Library

City of Fort Worth, Texas
Ratio of Outstanding Debt by Type
Last Ten Years (Unaudited)
(in 000's)

	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
Governmental:					
General Obligation Bonds	\$ 258,317	\$ 254,140	\$ 218,364	\$ 210,279	\$ 176,526
Certificates of Obligation	27,600	25,425	67,570	89,015	107,800
General Purpose Commercial Paper	-	30,000	30,000	29,000	29,000
Installment Obligation	10,000	10,000	9,645	9,270	8,880
Equipment Notes Payable	-	-	411	3,111	1,019
HUD Installment Obligation	7,185	7,590	10,755	10,296	9,822
Service Center Obligation	-	-	-	-	-
Helicopter Installment Obligation	-	-	-	-	-
Fort Worth Housing Corp Obligation	-	-	-	-	-
Fort Worth Housing Fannie Mae Loan	-	-	-	-	-
Villas of Eastwood Terrace	-	-	-	-	-
Fort Worth Sports Authority	-	-	-	-	-
Lone Star Local Govt Corp Obligation	-	-	-	-	-
Central City Local Govt Corp Obligation	-	-	-	-	-
State Energy Conservation Loan Phase I & II	-	-	-	-	-
State Energy Conservation Loan Phase III	-	-	-	-	-
Wells Fargo Loan	-	-	-	-	-
Beechwood Bridge Obligation	-	-	-	-	-
Business-type:					
General Obligation Bonds	8,869	7,565	5,695	3,901	2,494
Revenue Bonds	401,609	490,939	550,415	577,125	626,675
Commercial Paper	20,000	-	-	-	-
Certificates of Obligation	2,650	6,425	7,100	6,515	5,930
Municipal Golf Capital Lease	-	-	-	-	-
Equipment Notes Payable	-	-	694	595	496
Trinity River Authority	6,705	6,525	6,330	6,125	16,465
Tarrant County Municipal Utility District #1	-	-	795	235	-
Total Primary Government	<u>\$ 742,935</u>	<u>\$ 838,609</u>	<u>\$ 907,774</u>	<u>\$ 945,467</u>	<u>\$ 985,107</u>
Personal Income	\$ 6,216,107	\$ 6,391,628	\$ 6,541,169	\$ 10,274,483	\$ 10,543,341
Debt as a Percentage of Personal Income	12%	13%	14%	9%	9%
Population	491	504	516	543	557
Debt Per Capita	\$ 1,513	\$ 1,663	\$ 1,759	\$ 1,741	\$ 1,769

Source: Comprehensive Annual Financial Report for the respective years.

Table 9

	2003	2004	2005	2006	2007
\$	228,815	\$ 246,271	\$ 235,486	\$ 212,909	\$ 322,296
	121,410	73,350	69,960	62,610	67,605
	-	-	-	-	-
	8,475	8,050	7,605	7,135	6,645
	7,734	6,070	7,150	5,030	3,160
	9,121	8,600	15,560	14,656	9,449
	-	-	22,725	22,315	21,890
	-	895	706	512	312
	-	-	9,588	9,528	9,464
	-	-	-	-	1,000
	-	-	894	-	-
	-	-	9,265	8,077	16,359
	-	-	31,617	31,617	31,617
	-	-	-	3,074	2,933
	-	-	-	3,200	4,610
	-	-	-	-	3,794
	-	-	-	306	296
	-	-	-	-	1,449
	1,949	1,488	1,448	706	284
	635,055	645,328	658,528	653,690	737,480
	-	-	-	-	-
	5,345	4,760	3,800	10,940	31,165
	-	-	-	246	187
	11,309	10,383	16,650	8,081	6,875
	16,000	15,415	14,800	14,150	8,895
	-	-	-	-	-
\$	1,045,213	\$ 1,020,610	\$ 1,105,782	\$ 1,068,782	\$ 1,287,765
\$	10,937,273	\$ 11,334,992	\$ 11,834,034	\$ 12,577,390	\$ 13,008,252
	10%	9%	9%	9%	9%
	578	599	625	664	687
\$	1,808	\$ 1,704	\$ 1,769	\$ 1,610	\$ 1,875

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
(in 000's)
(Unaudited)

Table 10

Fiscal Year	General Bonded Debt Outstanding				Assessed Value ^(a)	Percent Outstanding General Debt to Assessed Value	Estimated Population ^(b)	Outstanding General Debt Per Capita ^(c)
	General Obligation Bonds	Certificates of Obligation	Other Obligations	Total				
1998	\$ 258,317	\$ 27,600	\$ 10,000	\$ 295,917	\$ 15,294,264	1.93%	491	\$ 603
1999	254,140	25,425	40,000	319,565	16,580,779	1.93%	504	634
2000	218,364	67,570	40,056	325,990	17,785,129	1.83%	516	632
2001	210,279	89,015	41,381	340,675	19,747,571	1.73%	543	627
2002	176,526	107,800	43,405	327,731	22,253,397	1.47%	557	588
2003	228,815	121,410	16,209	366,434	23,421,406	1.56%	577	635
2004	246,271	73,350	15,015	334,636	24,964,737	1.34%	599	559
2005	235,486	69,960	15,461	320,907	26,873,437	1.19%	625	513
2006	212,909	62,610	12,677	288,196	29,265,921	0.98%	664	434
2007	150,000	40,250	-	190,250	33,656,388	0.57%	687	277

(a) Assessed value is 100%

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

(c) Rounded to nearest whole dollar.

City of Fort Worth, Texas
Legal Debt Margin Information
September 30, 2007 (Unaudited)
(in 000's)

Table 11

Assessed Valuation, 2007 tax roll \$ 33,656,388

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 516,150 (amount is not in thousands); therefore, the ten percent limitation does not apply.

City Tax Rate Distribution
Last Ten Fiscal Years
(Per \$1,000 of Assessed Value)
(Unaudited)

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>
General Fund	\$ 7.259	\$ 7.107	\$ 7.107	\$ 6.799	\$ 6.707	\$ 6.467	\$ 6.312	\$ 6.274	\$ 6.076	\$ 6.069
Debt Service Fund	<u>1.341</u>	<u>1.543</u>	<u>1.543</u>	<u>1.851</u>	<u>1.943</u>	<u>2.183</u>	<u>2.438</u>	<u>2.576</u>	<u>2.899</u>	<u>3.131</u>
Total City Tax Rate	<u>\$ 8.600</u>	<u>\$ 8.650</u>	<u>\$ 8.750</u>	<u>\$ 8.850</u>	<u>\$ 8.975</u>	<u>\$ 9.200</u>				

City of Fort Worth, Texas
Direct and Overlapping Governmental Activities Debt
Year Ended September 30, 2007
(in 000's)
(Unaudited)

Table 12

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Arlington Independent School District	\$ 440,243	0.05 %	\$ 220
Azle Independent School District	29,185	3.13	914
Birdville Independent School District	251,475	2.90	7,293
Burleson Independent School District	147,910	14.05	20,781
Castleberry Independent School District	18,930	38.91	7,366
Crowley Independent School District	242,667	72.65	176,297
Eagle Mountain-Saginaw Independent School District	373,946	44.24	165,434
Everman Independent School District	38,865	48.81	18,970
Fort Worth Independent School District	326,291	76.05	248,144
Hurst-Euless-Bedford Independent School District	217,605	16.60	36,123
Keller Independent School District	612,852	40.24	246,612
Kennedale Independent School District	52,535	0.24	126
Lake Worth Independent School District	82,495	39.21	32,347
Northwest Independent School District	402,719	26.80	107,929
White Settlement Independent School District	168,635	47.47	80,051
Denton County	272,515	2.17	5,914
Tarrant County	264,920	28.95	76,694
Tarrant County Fresh Water Supply District #1	-	4.95	-
Tarrant County Hospital District	30,330	28.95	8,781
Tarrant County Junior College District	54,995	28.95	15,921
Subtotal, overlapping debt	<u>4,029,113</u>		<u>1,255,915</u>
City of Fort Worth Net Direct Debt	<u>190,250</u>	100.00 %	<u>190,250</u>
Total direct and overlapping debt	<u><u>\$ 4,219,363</u></u>		<u><u>\$ 1,446,165</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 is General Obligation Bonds plus Certificates of Obligation less available in the Debt Service Fund.

Source: Municipal Advisory Council of Texas

City of Fort Worth, Texas
Pledged-Revenue Coverage
Last Ten Fiscal Years (Unaudited)
(in 000's)

Table 13

Fiscal Year	Revenues			Debt Service Requirements			Bond Coverage ^(c)
	Total Revenues ^(a)	Less: Operating Expense ^(b)	Net Revenue	Principal	Interest	Annual Requirement	
Water and Sewer^(d)							
1998	\$ 186,474	\$ 103,458	\$ 83,016	\$ 24,270	\$ 20,668	\$ 44,938	1.85
1999	191,307	105,720	85,587	29,053	24,395	53,448	1.60
2000	203,864	116,447	87,417	32,734	27,091	59,825	1.46
2001	224,420	120,695	103,725	35,407	28,152	63,559	1.63
2002	216,474	124,386	92,088	38,494	29,939	68,433	1.35
2003	222,909	129,122	93,787	39,381	33,987	73,368	1.28
2004	237,243	131,852	105,391	43,071	31,498	74,569	1.41
2005	265,569	124,389	141,180	43,472	31,344	74,816	1.89
2006	303,144	151,940	151,204	42,480	30,514	72,994	2.07
2007	276,263	151,982	124,281	43,395	29,865	73,260	1.70
Municipal Parking^(e)							
1998	\$ 571	\$ 208	\$ 363	\$ 178	\$ 209	\$ 387	0.94
1999	471	233	238	-	-	-	-
2000	467	245	222	149	238	387	0.57
2001	648	199	449	-	-	-	-
2002	681	258	423	124	263	387	1.09
2003	558	295	263	-	-	-	-
2004	795	227	568	103	284	387	1.47
2005	654	208	446	-	-	-	-
2006	3,728	225	3,503	88	199	287	12.21
2007	4,601	339	4,262	-	599	599	7.12

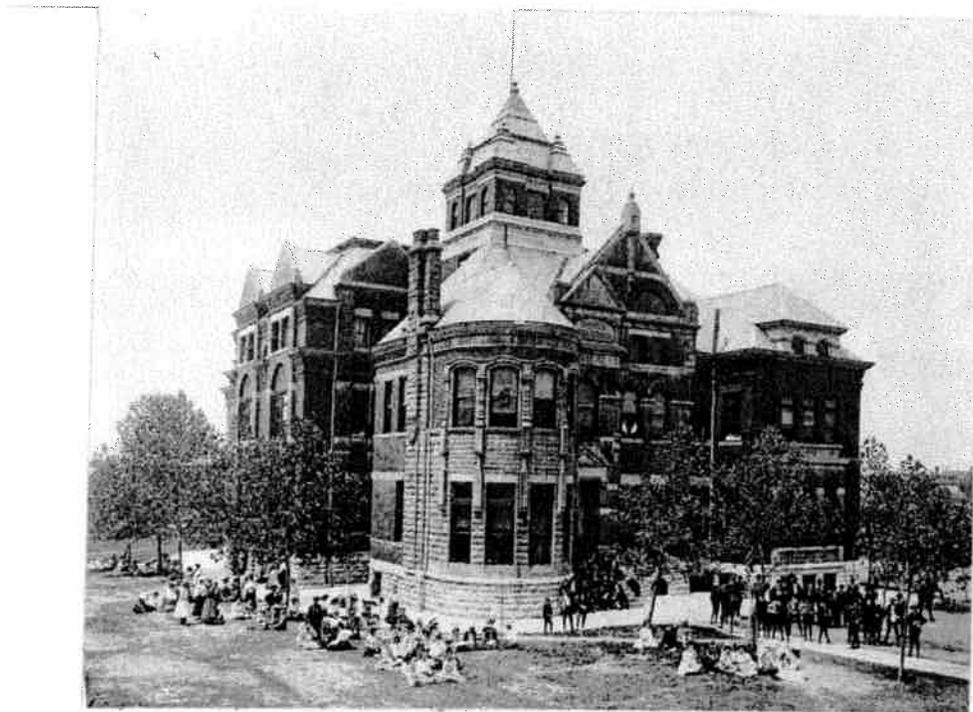
^(a) Exclusive of other expenses and contributions.

^(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.



Courtesy of the Genealogy, History and Archives Unit, Fort Worth Public Library

DEMOGRAPHIC AND ECONOMIC INFORMATION

City of Fort Worth, Texas
Demographic Statistics And Economic Statistics
Last Ten Fiscal Years (Unaudited)

Table 14

Fiscal Year	Population ^(a)	Personal Income	Per Capita Personal Income	Median Age	Unemployment ^(b)	Unemployment Rate ^(b)
1998	490,500	\$ 6,216,106,500	\$ 12,673 ^(d)	32.3 ^(d)	11,834	4.5%
1999	504,350	6,391,627,550	12,673 ^(c)	32.3 ^(c)	11,445	4.2%
2000	516,150	6,541,168,950	12,673 ^(c)	32.3 ^(c)	12,551	4.7%
2001	542,504	10,274,483,256	18,939 ^(d)	31.2 ^(d)	15,730	5.8%
2002	556,700	10,543,341,300	18,939 ^(d)	31.2 ^(d)	21,907	7.8%
2003	577,500	10,937,272,500	18,939 ^(d)	31.2 ^(d)	23,083	8.2%
2004	598,500	11,334,991,500	18,939 ^(d)	31.2 ^(d)	20,676	7.2%
2005	624,850	11,834,034,150	18,939 ^(d)	31.2 ^(d)	16,156	5.4%
2006	664,100	12,577,389,900	18,939 ^(d)	31.2 ^(d)	15,375	5.0%
2007	686,850	13,008,252,150	18,939 ^(d)	31.2 ^(d)	14,058	4.5%

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

(b) Source: BLS Local Area Unemployment Statistics.

(c) Source: U. S. Bureau of Census statistics as of April 1, 1990

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

City of Fort Worth, Texas
Principal Employers
Fort Worth Metropolitan Area
Current Year and Nine Years Ago (Unaudited)
(in 000's)

Table 15

Name of Employers	2007			1998		
	Employees	Rank	Percentage of Total Employment ^(g)	Employees ^(f)	Rank	Percentage of Total Employment ^(c)
Lockheed Martin Tactical Aircraft Systems	16.4 ^(d)	1	3.25%	11.0	2	2.79%
AMR Corp./American Airlines	7.5 ^(d)	2	1.49%	18.0	1	4.56%
City of Fort Worth	7.2 ^(e)	3	1.42%	5.3	5	1.34%
Bell Helicopter-Textron, Inc.	5.6 ^(d)	4	1.11%	-	-	-
NAS Fort Worth Joint Reserve Base	5.4 ^(d)	5	1.06%	-	-	-
Radio Shack	5.1 ^(d)	6	1.00%	-	-	-
Harris Methodist Hospital ^(b)	4.6 ^(d)	7	0.90%	-	-	-
Cook Children's Medical Center	3.9 ^(d)	8	0.77%	-	-	-
JPS Health Network	3.8 ^(d)	9	0.76%	2.5	14	0.63%
Burlington Northern Santa Fe Railway	3.4 ^(d)	10	0.67%	-	-	-
Fort Worth Independent School District				8.0	3	2.03%
Delta Airlines, Inc. ^(a)				4.6	7	1.17%
Tandy Corp.				4.7	6	1.19%
U. S. Postal Service				4.3	8	1.09%
Texas Health Resources				6.3	4	1.60%
Winn Dixie Texas, Inc				4.1	9	1.04%
Tarrant County				4.0	10	1.01%
	63.0		12.44%	72.8		18.44%

^(a) Located outside of the incorporated area of the City of Fort Worth.

^(b) During 1997, Harris Methodist Health System Hospitals merged with Presbyterian Hospitals.

^(c) Estimated total employment of 394,796 is average of 1995 and 2000 employment per North Central Texas Council of Governments.

^(d) Source: North Central Texas Council of Governments

^(e) Source: City of Fort Worth Human Resources Department

^(f) Source: The Business Press, North Central Texas Council of Governments and www.dfwinfo.com

^(g) Estimated total employment of 504,441 for 2005 per North Central Texas Council of Governments.

OPERATING INFORMATION

City of Fort Worth, Texas
Full-Time Equivalent City Government Employees
by Function / Program
Last Ten Fiscal Years (Unaudited)

Table 16

Function/Program	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
General Government										
Mayor and Council	23	20	22	25	28	27	25	25	29	28
City Manager	115	118	127	121	121	126	125	111	111	106
Budget and Management Services ^(a)								21	19	16
Housing	41	41	43	43	46	48	48	47	50	49
Development	69	78	82	77	81	86	88	89	119	151
Community Relations	9	9	14	15	15	16	29	24	24	35
Workforce Development	1	1	-	-	-	-	-	-	-	-
Internal Audit	13	15	15	14	15	14	15	14	16	16
City Secretary	5	8	8	6	7	7	7	7	8	7
Legal	39	38	36	37	41	41	40	42	44	46
Finance	70	70	71	68	66	61	61	63	60	68
Human Resources	206	188	189	163	143	150	128	162	166	143
Risk Management ^(b)	13	13	13	13	-	-	-	-	-	-
Economic and Community Development ^(c)	-	-	-	-	20	23	26	30	29	35
Transportation Public Works ^(d)	375	385	396	398	391	375	398	400	400	443
Planning	18	21	21	23	21	21	22	21	22	-
Code Compliance ^(e)				65	76	90	99	110	103	110
Public Events	134	136	127	140	143	136	132	135	132	135
Municipal Court	127	154	151	157	154	169	172	167	166	173
Public Health	114	111	113	119	121	128	129	137	144	149
Environmental Management	42	44	47	121	125	133	118	113	124	123
Parks and Community Services	747	783	748	783	793	759	812	846	860	714
Zoo (Contract) ^(f)	193	220	211	5	5	5	4	3	2	-
Library	242	246	249	262	273	272	261	258	273	283
Retirement	6	6	6	6	6	7	6	7	8	-
Subtotal	2,602	2,705	2,689	2,661	2,691	2,694	2,745	2,832	2,909	2,830
Enterprise Fund										
Water/Wastewater	713	726	720	751	758	782	766	807	805	833
Aviation	29	30	34	35	32	29	37	34	33	28
Subtotal	742	756	754	786	790	811	803	841	838	861
Internal Service Fund										
IT Solutions	100	100	98	101	93	94	102	115	114	123
Equipment Services ^(g)	287	287	286	143	133	118	124	116	121	126
Engineering	155	160	155	149	143	144	153	168	170	161
Subtotal	542	547	539	393	369	356	379	399	405	410
Public Safety										
Police-Uniform	1,220	1,208	1,225	1,261	1,276	1,304	1,350	1,381	1,399	1,470
Police-Civilian	499	531	573	607	601	591	581	625	653	647
Fire-Uniform	699	736	771	776	763	797	812	799	828	892
Fire-Civilian	41	35	47	58	47	44	47	52	45	49
Subtotal	2,459	2,510	2,616	2,702	2,687	2,736	2,790	2,857	2,925	3,058
Total	6,345	6,518	6,598	6,542	6,537	6,597	6,717	6,929	7,077	7,159

^(a) Department established FY05, previously division of City Manager office.

^(b) Risk Management functions absorbed into Human Resources and Finance departments as of October 1, 2001.

^(c) Prior to April 2002, department was division of City Manager office.

^(d) Street services is a division of Transportation Public Works Department.

^(e) Department established July 17, 2001, previously division of City Services Department.

^(f) Employees of City of Fort Worth working for Fort Worth Zoo Association.

^(g) Previously City Services Department which included Code division and separated as of July 17, 2001.

City of Fort Worth, Texas
Operating Indicators by Function/Program
Last Ten Fiscal Years (Unaudited)

Function/Program	1998	1999	2000	2001
Public Safety				
Fire				
Calls for Service - Fire	4,192 ^(a)	5,020 ^(a)	6,184 ^(a)	6,352 ^(a)
Calls for Service - EMS	21,204 ^(a)	25,150 ^(a)	31,595 ^(a)	35,448 ^(a)
Police				
Calls for Service	269,183	281,747	296,061	320,021
Library				
Libraries	14	14	15	16
Books and audio/visual materials (millions)	2.1	2.3	2.4	2.3
Average Monthly Circulation	437,757 ^(c)	413,739 ^(c)	405,619 ^(c)	195,719
Building Permits (000's Omitted)				
Permits issued	7.3	8.1	9.1	8.1
Estimated Value	974,554	915,552	999,622	1,223,655
Airport				
Airport Operations (Takeoffs and Landings)	384,588 ^(d)	338,255 ^(d)	301,059 ^(d)	440,645
Utilities				
Number of Water & Sewer Accounts (000'a Omitted)	148.0	151.3	154.6	152.7
Water Usage - Peak (million of gallons)	314	291	321	312
Water Usage - Average (million of gallons)	157	153	171	162
System Storage Capacity (gallons per day)	68	73	73	76

N/A = Information not available

^(a) Estimated calls for 1997-2002 per City of Fort Worth Fire Department.

^(b) Amount does not include approximately 1 million governmental documents.

^(c) For 1997-2000, circulation reported includes in-house circulation and each piece of a "multi-piece" item is counted as a separate circulation.

^(d) Operations for Alliance Airport

Table 17

<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
3,101 ^(a)	3,529	2,723	3,825	2,906	2,287
37,247 ^(a)	38,058	38,580	37,725	37,819	49,892
329,679	305,463	303,159	310,056	317,446	314,132
16	16	15	15	15	15
2.4	2.4	2.4	2.3	1.1 (b)	1.1 (b)
219,861	229,301	286,317	302,096	311,050	320,791
11.4	12.6	16.1	13.8	17.0	12.0
1,406,170	1,683,676	1,778,279	1,809,740	2,444,399	2,216,067
351,621	287,159	265,917	223,873	230,068	257,983
154.9	159.8	166.2	176.4	186.0	212.2
273	331	266	304	344	271
160	165	159	174	208	172
76	76	75	75	75	75

City of Fort Worth, Texas
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years (Unaudited)

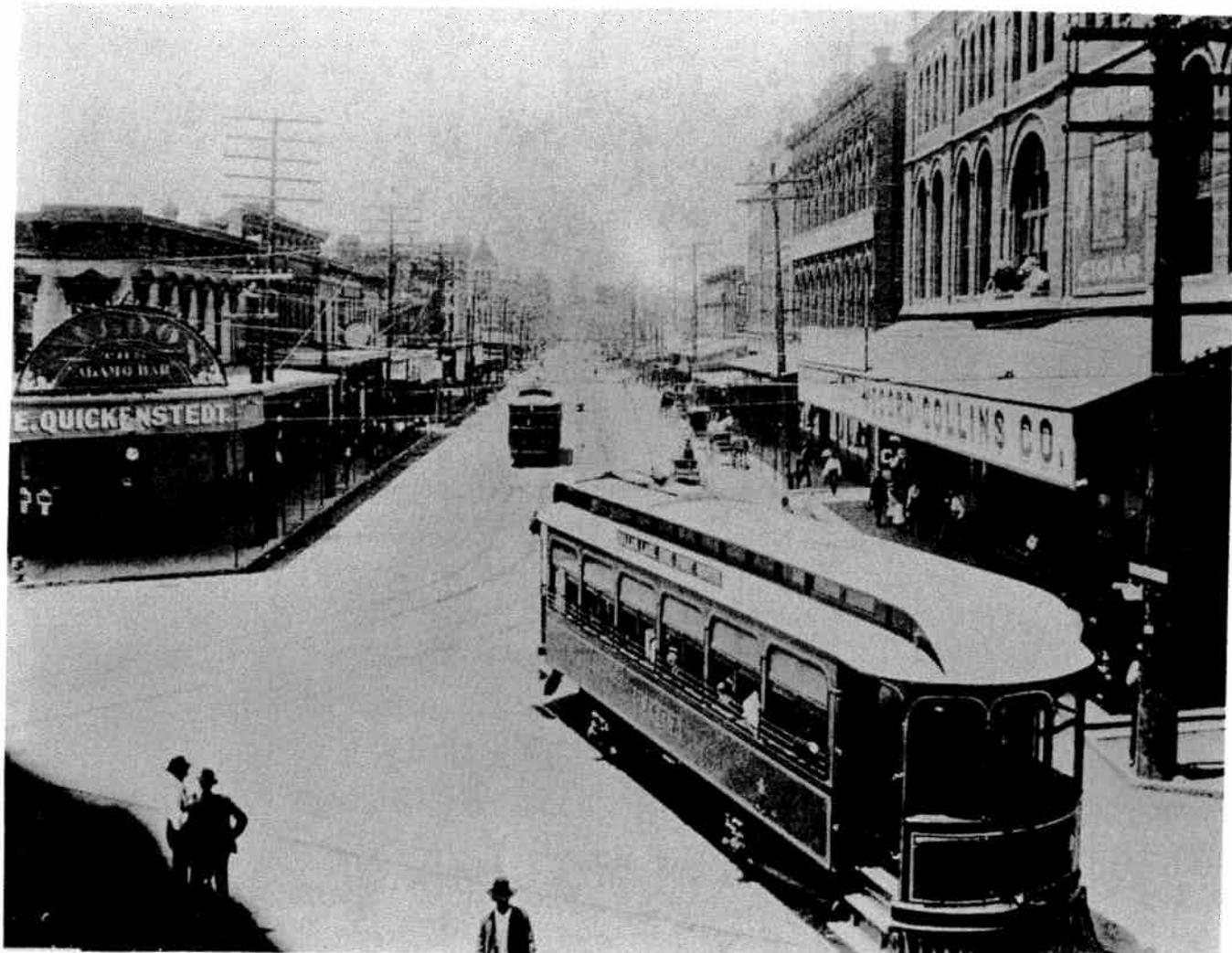
Function/Program	1998	1999	2000	2001	2002
<u>Public Safety</u>					
Police Stations Owned	9	9	9	9	9
Police Stations Leased	8	8	9	10	10
Fire Stations	35	37	38	38	38
<u>Public Works</u>					
Streets - Linear Miles Maintained Annually	N/A	N/A	N/A	N/A	6,519
Lane Miles - Resurfaced	N/A	N/A	N/A	N/A	304
Traffic Signals	N/A	N/A	N/A	574	592
Street Lights	N/A	N/A	N/A	52,375	53,114
<u>Parks and Recreation</u>					
Parks and Public Spaces	200	203	210	216	219
Parks Acres	10,075	10,143	10,196	10,484	10,500
Miles of Trails (Jogging, Hiking & Biking)	58	58	58	58	58
Swimming Pools	7	7	7	7	7
Athletic Fields (Soccer, Football, Baseball & Rugby)	175	175	175	175	175
Tennis Centers	1	1	1	1	1
Number of Tennis Courts	16	16	16	16	16
Neighborhood Tennis Courts	82	82	82	82	82
Multi-use Courts	105	105	105	105	105
Golf Courses	5	5	5	5	5
Community and N.R.D. Centers	22	23	23	22	21
<u>Water</u>					
Water Mains (Miles)	2,413	2,436	2,448	2,537	2,625
Fire Hydrants	11,631	11,923	12,084	12,772	13,076
<u>Wastewater</u>					
Miles of Sanitary Sewers	2,338	2,367	2,383	2,460	2,589
<u>Stormwater</u>					
Miles of Channels	N/A	N/A	N/A	N/A	N/A
Miles of Storm Pipes	N/A	N/A	N/A	N/A	N/A

(a) The City also maintains 97 Traffic Signals owned by TXDOT

N/A= Information not available

Table 18

<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
9	9	9	9	9
10	10	10	10	10
39	39	40	41	40
6,561	6,638	6,830	7,000	7,173
166	269	274	219	152
609	628	653	696	603 (a)
54,595	55,300	56,592	58,565	60,026
220	223	227	231	236
10,542	10,595	10,715	10,762	10,832
58	58	59	60	58
7	7	7	7	7
175	175	175	178	184
1	1	1	1	1
16	16	16	16	16
82	82	82	82	82
105	105	105	105	106
5	5	5	5	5
21	21	21	21	21
2,654	2,767	2,837	3,177	3,292
13,270	14,002	14,803	16,929	17,040
2,655	2,726	2,804	3,218	3,315
N/A	191	236	281	327
N/A	648	700	750	680



Courtesy of the Genealogy, History and Archives Unit, Fort Worth Public Library



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1000 THROCKMORTON STREET
FORT WORTH, TEXAS 76102
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