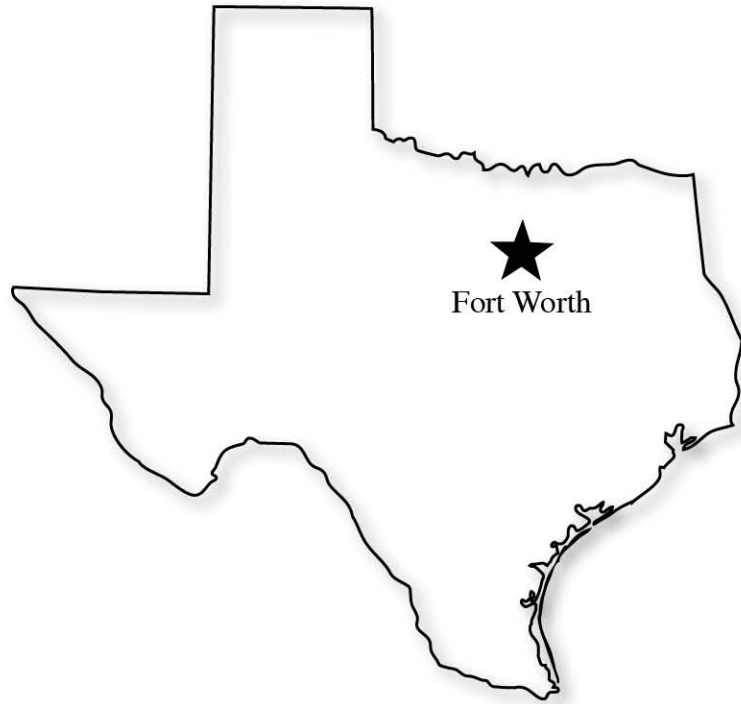




COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended
September 30, 2009
CITY of FORT WORTH, TEXAS





Cover Photograph: Omni Hotel in downtown Fort Worth.

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended
September 30, 2009

CITY OF FORT WORTH, TEXAS

ELECTED OFFICIALS

2009 CITY COUNCIL

Mike Moncrief, Mayor

Kathleen Hicks
Salvador Espino
Chuck Silcox
Danny Scarth
Joel Burns

Jungus Jordan
Carter Burdette
W.B. "Zim" Zimmerman
Frank Moss

CITY MANAGER

Dale A. Fisseler

ASSISTANT CITY MANAGER

Karen L. Montgomery

CHIEF FINANCIAL OFFICER

Lena H. Ellis

INDEPENDENT AUDITORS

Deloitte & Touche LLP

Prepared by the Financial Management Services Department



Q-Edge at 5650 Alliance Gateway Freeway

CITY OF FORT WORTH, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED SEPTEMBER 30, 2009
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INTRODUCTORY SECTION



March 23, 2010

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, 2009.

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, 2009, which follows, was prepared by the Financial Management Services 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 City's compliance with federal and state grant programs for the year ended September 30, 2009, was audited in accordance with OMB Circular A-133 and Texas Uniform Grant Management Standards 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.

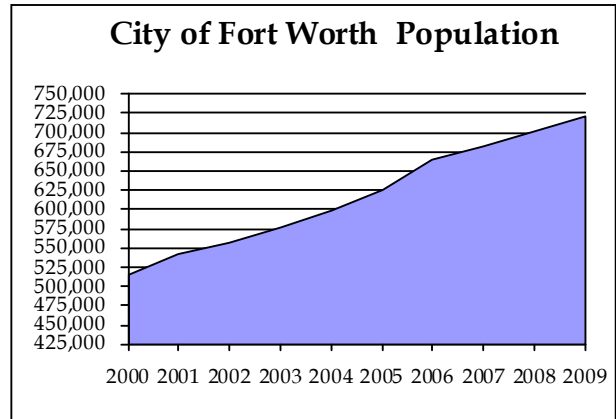
FINANCIAL MANAGEMENT SERVICES DEPARTMENT

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 720,250 people in 350 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, municipal courts, housing, 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 Generally Accepted Accounting Principles (GAAP) in the United States of America, 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

Crime Control and Prevention District
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

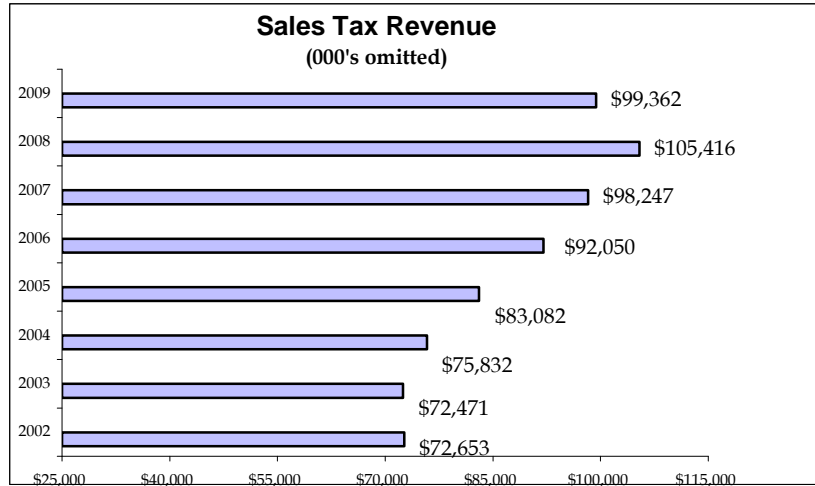
Fort Worth Public Improvement District No. 1
Fort Worth Public Improvement District No. 6
Fort Worth Public Improvement District No. 7
Fort Worth Public Improvement District No. 8
Fort Worth Public Improvement District No. 11
Fort Worth Public Improvement District No. 12
Fort Worth Public Improvement District No. 14
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
Taxing Increment Reinvestment Zone No. 11
Taxing Increment Reinvestment Zone No. 12
Taxing Increment Reinvestment Zone No. 13

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 Information

The City of Fort Worth experienced a decrease in sales tax revenue in the General Fund of \$6.1 million, or 5.74% under fiscal year 2008.



The value of building permits decreased in new residential construction by \$238 million; and commercial and miscellaneous construction decreased by \$461 million.

Commercial Growth

The following entities announced major expansions, new construction, or consolidations in the City of Fort Worth during 2009:

A Belk department store joined Alliance Town Center in far north Fort Worth with an opening in 2008. Alliance Town Center is a 300-acre development of Hillwood Co. and Trademark Property Co.

Texas Oncology-Fort Worth is now home to a Cancer Resource Center from the American Cancer Society. The center, which provides free services such as counseling and support groups, also offers personal care items like wigs, bras and prostheses. The center has also partnered with Cancer Care Services and Moncrief Cancer Resources. A ribbon cutting was held to celebrate the opening of the center, which is located in Texas Oncology's offices at 1001 12th Avenue.

Solar technology company ENTECH leased 71,250 square feet in the Fort Worth section of AllianceTexas for the company's newest site. ENTECH leased the space in AllianceTexas' 142,500-square foot Gateway 23 building located at 13301 Park Vista Blvd. The Gateway 23 building is part of the five-building, 1.8 million-square-foot speculative building program that Hillwood undertook at AllianceTexas beginning in 2007. All five projects have been completed. In addition to Gateway 23, Hillwood completed the 399,000-square-foot Gateway 18 building, the 252,200-square-foot Gateway 52 building, the 472,500-square-foot Gateway 72 building and the 562,500-square-foot Westport 20 building.

After a year and half of discussion and planning, Fort Worth's Kimbell Art Museum unveiled preliminary plans for a new \$70 million neighboring building designed by Italian architectural giant Renzo Piano and funded by the Kimbell Art Foundation. The new building, which the museum's acting director Malcolm

Warner described as “an architectural masterpiece of the future,” will be a standalone two-level facility designed by Piano as a complement to the Kimbell’s landmark Louis I. Kahn structure of 1972. Final blueprints should be completed in late 2009 or early 2010, according to museum officials, with ground breaking in late 2010 and an anticipated grand opening in 2012.

All Church Home for Children held a groundbreaking that celebrated plans to turn the historic Masonic Home and School of Texas in east Fort Worth into the faith-based nonprofit’s new campus. The 93-year-old All Church Home for Children provides services to families and children suffering from a wide range of problems including drug abuse, child neglect, behavioral issues and homelessness. The nonprofit plans to eventually have 100 staff members and 60 residential beds at the Masonic Home site.

Downtown Fort Worth’s Sundance Square welcomed its first new building since 2002 on Dec. 15 as The Carnegie office building held its grand opening. The 280,000-square-foot Class A building made its debut at Downtown Fort Worth Inc.’s quarterly luncheon held at The Carnegie at 421 W. Third St. between Taylor and Lamar streets. The Carnegie currently is 75 percent leased. “The Carnegie has already exceeded our expectations for leasing,” said Ed Bass, of Sundance Square, in a press release. “We are pleased to have EOG Resources and Comerica Bank as our lead tenants. This building is a new landmark in Sundance Square and reflects our commitment to bring Class A office space to the market.”

Janet Z. Capua, personal chef and owner of a catering company, has paired with Samaritan House to open Z’s Café in the Fort Worth Community Arts Center, located at 1300 Gendy Street. The informal restaurant — reborn in the center’s lobby — will once again serve artists, arts organizations and patrons, as well as the general public, who come to the facility for exhibitions, performances, workshops, classes, meetings and special events.

Aldi — the German-owned discount grocery chain known for its low prices and no-frills warehouse format — has secured eight Tarrant County locations where it plans to build stores by the spring of 2010, the company said. The company is committed to building four stores in Fort Worth, and is also under contract on a site in Saginaw, which would bring the number of Tarrant County stores to nine.

Dallas-based Hispanic grocer El Rio Grande Supermercado is working over-time to seal its Metroplex expansion plans, the latest of which includes a 45,600-square-foot location in southeast Fort Worth. El Rio Grande will open its first Fort Worth location at the intersection of Interstate 35 and Berry Street in the former Sack N’ Save space at Southtown Shopping Center, located at 3037 South Freeway.

Dixie House Café, a small chain of home-style restaurants owned by the local couple Dale and Theresa Simon, opened a seventh location in downtown Fort Worth in the STS Tower, near Sundance Square.

TECH Fort Worth signed its first international client, BAP Image Systems, a developer and manufacturer of high-speed cameras for scanners based in Germany. BAPis, which has its headquarters in Erlangen, Germany, and a research operation in Poland, has a large customer base in the United States and plans to use its new Fort Worth office to expand its clients and develop new uses for its technologies, according to TECH Fort Worth officials.

The City Council approved up to \$12.5 million in tax incentives for a developer who plans to build a shopping center at the former Masonic Home at East Berry Street and U.S. 287. FW Mason Heights, a development partnership led by Happy Baggett. The commercial development, called Renaissance Square, consists of 480,000 square feet being divided among 30 retailers. The layout designates a 63,000 square-foot grocery store, an 89,000 square foot department store, a pharmacy, and junior anchor and casual dining restaurants. Baggett will have to invest at least \$46 million and will qualify for the full \$12.5 million only if he and his partners finish the shopping center by 2012 and meet hiring and contracts goals. Construction of the planned shopping and residential development at the former Masonic Home and School in southeast Fort Worth should be in full swing by October.

North Fort Worth’s Alliance Global Logistics Hub will add a nearly 300,000-square-foot tenant as Alliance Brokers Inc., an affiliate of Trans-Trade, moves into the newly finished Alliance Westport 20 building. Alliance Brokers leased 292,500 square feet in the Heavy-Load Container Area to consolidate its employees currently in 64,000 square feet at 105,000 square feet at Alliance Global.

Fort Worth beat out Flower Mound and Coppell to nab a new computer assembly plant, an executive with the Taiwanese company Q-Edge said. Fort Worth is "a very business-friendly city," said Wen Ren, a spokeswoman with Q-Edge who is now based in Fort Worth. "Geographically, this is an ideal place." Q-Edge is a subsidiary of conglomerate FoxConn Electronics.

MiCon Casting, a manufacturer of aluminum parts for Bell Helicopter, Lockheed Martin and other aeronautical companies, leased 9,600 square feet of office and warehouse space at 4137 Stadium Drive.

Nabbing a downtown Fort Worth tenant, the Cultural District's sprawling West 7th development has signed the first lease in its 106,000-square-foot office building dubbed the Northeast Office Tower. Architectural and engineering firm Multitech Engineering Inc. inked a 10,390-square-foot lease in the office portion of Cypress Equities' West 7th project, a 15-acre mixed-use development along Seventh Street in between Fort Worth's central business and cultural districts.

Cook Children's Hospital unveiled a \$250 million project that will nearly double the size of the medical center campus in Fort Worth by enlarging the hospital, particularly its neonatal intensive care unit, and expanding specialty clinics and visitor parking. It is the largest expansion in Cook Children's history and will add 540,000 square feet to the compound of the Fort Worth medical district.

A small corner of far north Fort Worth has become an outpost of the French pet drug industry. Vetoquinol USA officially shifted its New Jersey operations to an industrial park building it had already partly occupied at 4250 N. Sylvania Avenue, making Fort Worth its US headquarters.

LNR Commercial Property group is putting the finishing touches on infrastructure construction at its mixed-use development Presidio Junction in north Fort Worth, which will feature more than 1 million square feet of retail, restaurants, and shops, 1,300 apartment units and 750,000 square feet of fitness, hotel and Class A office space.

Phoenix-based DT Credit Corp., a division of the DriveTime group of companies, has opened a call center in Fort Worth's CentrePort business park with approximately 100 employees.

Newport News, Va.-based Ferguson Enterprises will open its regional headquarters in north Fort Worth as part of an investment property acquisition and lease deal. An unidentified local investment group acquired a 14,000-square-foot industrial building situated on five acres at 13201 Harmon Road in Fort Worth as an investment property with the stipulation that a tenant be ready to lease the property immediately.

Dallas-based Comerica Bank opened its first Leadership in Energy and Environmental Design certified facility in the Fossil Creek area on August 17th. The banking center is located at 4351 Western Center Blvd.

Tarrant County College finally realized its dream of having a downtown campus. The college opened its Trinity River Campus for fall classes at the former Radio Shack headquarters, which was bought in June 2008 for \$238 million after the district changed plans to build a campus spanning the Trinity River.

The University Bookstore is part of a \$1.8 million, two-block Texas Wesleyan-TownSite Development project to help bring jobs, shops and visitors to an area where many homes and businesses now have locked gates and barred windows. Part of the funding comes from a \$490,000 federal grant.

International companies continue to converge in Fort Worth, as South Korea and Los Angeles, California-based Coaire Corp. has moved into its newest manufacturing and distribution center at Northern Crossing Business Park in Fort Worth. The move also will bring 75 new jobs to the Fort Worth region.

After a year of construction, Hanratty Place Apartments in Fort Worth opened at the end of October 2008. The 32-unit apartment complex at 800 S. Jennings Ave. in Fort Worth serves as a home to members of Fort Worth's Mental Health Housing Development Corp.

Arlington-based Bob Moore Construction has completed two new buildings at Mercantile Center, an almost 1,300-acre business park located in Fort Worth. Mercantile Distribution Center 16 is a 136,900-square-foot

facility with 28 dock doors, and Mercantile Distribution Center 17 is an 182,400-square-foot facility with 31 dock doors. Both buildings include skylights and ESFR sprinkler systems.

The Texas Rangers joined downtown Fort Worth's Sundance Square with a 750-square-foot retail lease on the ground floor of the Western Union Building at 316 Main St. The retail store will operate as a full-service ticket office for the Fort Worth area. In addition to the retail store, the Rangers have leased more than 1,000 square feet of space in the Old City National Bank Building.

The Fort Worth Zoo unveiled its new 30,000-square-foot Chesapeake Pavilions, named in honor of Chesapeake Energy, a major donor to the nonprofit zoo. The new event site, which will be available to businesses, families and groups throughout the Metroplex for special events such as corporate and private parties, picnics, class reunions or wedding receptions, is an indoor-outdoor facility constructed with funds donated by Chesapeake, a Fort Worth-based natural gas company.

Creators of The Omni Fort Worth Hotel celebrated the hotel's grand opening Jan. 12, but that's not the only cause for festivity as the property's marketing department reports room bookings through 2015. Construction on the 33-story Omni Fort Worth Hotel began three years ago. The \$225 million luxury hotel, located adjacent to the Fort Worth Convention Center, boasts 614 guest rooms, 89 up-scale condominiums and 68,000 square feet of meeting space. The building measures 447-feet 4-inches, making it the sixth-tallest building in the city, according to Omni officials.

The downtown Fort Worth church completed a renovation. Fort Worth's Hahnfeld Hoffer Stanford Architects completed a 68,000-square-foot addition and renovation for First Presbyterian Church of Fort Worth. The additions included new classrooms, tiered lecture rooms, youth center, choir room, kitchen, interior courtyards, congregating spaces and a multipurpose/worship facility for the downtown Fort Worth church.

Major Initiatives

In fiscal year 2009, the City of Fort Worth continued to focus major efforts on the City Council's strategic goals. These goals drive decision-making and 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.

During fiscal year 2009, the City moved to the next level of performance in achieving Council's strategic goals. Departments offered various innovative programs and initiated new services. Highlights of these efforts are presented below, organized by the Council goal the initiative or program supports.

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

Key Departmental Accomplishments

Police Department:

Declining crime statistics. The Police Department has seen an overall decline in the crime rate for Fort Worth over the prior year, Part I Crimes dropped 5.3%, Violent Crime dropped 7.3% and Property Crimes dropped 5.1%. Nationwide, the fear of crime is cited as a primary factor in the quality of life within communities. These strides help demonstrate the Police Department's commitment to public safety. Fort Worth citizens and prospective residents can be assured that crime prevention is mission critical to the Police Department.

Fort Worth Police COBRA Unit honored. In 2006, the Police Department's formed a specialized unit to address the emerging crime trend of auto theft - the COBRA Unit (“Covert Organized Bait Recovery and Apprehension Unit). “Bait Cars” are equipped with a cellular modem, audio and video devices and when activated allows the Department to disable the engine, lock the doors, and officers can report to the location, apprehend the criminal and use the audio/video feed to prove up the arrest. This type of innovation has allowed the Police Department to experience a 21.9% decrease in crime year to date over the same time

period the prior year. Accordingly, the Unit was recognized for being the most successful bait car unit in the country and was given the prestigious Henry Canales Technology Award.

Crime Control and Prevention District election. The citizens of Fort Worth voted to renew the Crime Control & Prevention District fund for another five (5) years. These funds will allow the Police Department to continue our efforts toward becoming the nation's safest major city. Valuable input gained from public meetings held before the election will assist the Police Department in better understanding citizen expectations for public safety. This information will be used to develop future budget submittals that are more representative of community priorities for crime prevention.

Strategic planning. The Police Department has formed a management focus group to address the growing number of issues that loom on our horizon. The specific areas identified for short and long term planning include a) ensuring that sworn and civilian staffing increase in relation to population growth, b) the creation of a sixth Patrol Division, c) providing adequate equipment and technology for our officers, and d) identifying and ranking police facilities for ongoing replacement and/or improvements.

Fire Department:

The Fort Worth Fire Department plays a key role in the City's overall safety by providing incident prevention measures through fire-safety inspections and education programs, as well as responding to emergencies in order to preserve life and protect property.

The department improved response to emergency incidents by reducing by 21 percent the time it takes a fire company to leave its station after receiving notification of a call.

Two new fire stations were put into service in January 2009:

Station 11, 2301 Texas Drive
Station 41, 11400 Willow Springs Rd.

The department added new command/control vehicles for use in major public safety incidents and disasters.

Over the past year, the department has been participating as an important member of the regional public safety team preparing for the first NFL Super Bowl in North Texas scheduled for Arlington in February 2011.

Storm Water Utility:

With a mission *to protect people and property from harmful storm water runoff*, this division of the Water Department performs a valuable public safety service.

Over the course of fiscal year 2009, Storm Water implemented a number of initiatives to improve organizational efficiency and stretch scarce existing resources, including:

Restructuring the utility's staff toward an increased dependence on contracted work and downsized the in-house workforce.

Contracting for large scale or complex infrastructure maintenance and repair, resulting in a smaller in-house equipment and staff footprint, lower life-cycle cost (predominantly consumable inventories and employee benefit liability), and high-quality work.

Outsourcing the channel mowing program: The channel mowing program in its entirety was outsourced.

Shifting the management of capital projects, representing over \$20 million in annual spending, to consultants instead of City staff.

Developing a GIS mapping and assessment program to establish a solid knowledge of the storm water infrastructure currently in the ground.

Other key Storm Water Division initiatives included customer service training, implementation of advanced hydrology modeling software and incorporation of a Citizen Advisory Committee into the annual budget process.

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

Department of Environmental Management:

Environmental Management reports that in 2009, because of curbside recycling and yard waste collections and the convenience of three drop-off stations, the residents of Fort Worth diverted 21% from landfill disposal of the total waste stream collected. Citizens disposed of 25,186 tons of material at the drop off stations of which over 3,528 tons were recycled including 838 tons of scrap metal. Citizens disposed of 2,522,272 pounds of household hazardous waste at the Environmental Collection Center of which over 24 percent was recycled. The ECC served over 40 other local entities includes cities, counties, and water districts.

Environmental Management remained active in the following initiatives:

- Management of environmental conditions associated with the Trinity River Vision and 121/Southwest Parkway
- Air quality compliance
- Texas Pollutant Discharge Elimination System Storm Water Quality including bacteria sampling, bio-assessments, wet-weather screenings
- Storm water construction and industrial site inspections

When possible, hazardous waste produced by City facilities was recycled, including fluorescent bulbs, paint, used oil and antifreeze.

Code Compliance Department:

Code Compliance contributed to this goal in various ways through its programs that promote clean and safe public and private facilities, as well as healthy pets. Among Code’s major accomplishments in fiscal year 2009 were:

Implementation of the “Safe Neighborhood Initiative,” an intense education and enforcement program, between January and April for the Poly, West Meadowbrook and Diamond Hill neighborhoods. Due to its success, a second Safe Neighborhood Initiative started in July and concluded in October for the Far Greater North Side, Bomber Heights and the expanded Diamond Hill neighborhoods. The team addressed health, safety and animal codes resulting in a significant increase in compliance in these neighborhoods.

Integration into its operations both the Animal Care and Control and Consumer Health Divisions. As part of this integration, cross-training and special initiatives emphasizing cross-divisional collaborations were implemented.

Performed more than 200,000 inspections and demolished 124 substandard and dangerous structures during Fiscal Year 2009.

9,083 inspections of restaurants, day care centers, swimming pools and hotel/motels. This total represents a 10% increase in total inspections from Fiscal Year 2008.

Animal Care and Control Division added a spay/neuter clinic to its scope of operations during Fiscal Year 2009. This allowed for 1,675 pets adopted from the shelter to be spayed or neutered between February and September 2009 prior to leaving the facility.

Facilitated an animal ordinance revision initiative, resulting in City Council approval of numerous ordinance amendments to address the growing challenge of stray, aggressive, unlicensed dogs roaming free in Fort Worth neighborhoods.

Responded to 47,631 field service requests regarding animals, 40,747 within 24 hours.

Health Division educated 19,559 food handlers and day care workers in disease control methodologies to ensure safe environments for consumers.

Implemented a hotel/motel cross-departmental task force to ensure abatement of chronic structural and health hazards identified at hotels/motels.

Consolidated its Animal Care and Control call center functions to the Environmental Management call center, resulting in enhanced efficiencies and a decrease in call-abandonment rates from in excess of 14 percent to less than 5 percent.

Parks and Community Services:

Parks and Community Services (PACS) continued responsibility for \$1.9 million of landscaping and irrigation improvements installed by the Texas Department of Transportation (TXDOT) along the IH30/IH35 corridor.

PACS also manages 10,868 acres of parks, 145.7 miles of medians, 242 lane miles of rights-of-ways, 172 corner clips, and 279 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.

In the second year of recycling at the annual *Concerts In The Garden* event, PACS collaborated with the Department of Environmental Management, the Fort Worth Symphony Orchestra and Abitibi-Bowater to increase the amount of recyclable material diverted from the landfill and put back into the product stream. Numerous improvements implemented during the second year resulted in a six-fold increase over the previous year with 12,020 lbs of material collected and recycled. The recycling rate for 2009 reached 19.9 percent, up from 2.8 percent last year.

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

Housing and Economic Development:

The city’s Housing and Economic Development (HED) Department was honored by the National League of Cities (NLC) National Black Caucus of Local Elected Officials (NBC-LEO) for its efforts to enhance and celebrate cultural diversity.

The 2009 Cultural Diversity Award recognized the city’s Economic Development Incentive Program and its Minority- and Women-Owned Business Enterprise (M/WBE) component.

The incentive program is designed to attract new development projects and diversify the city’s economic base while revitalizing Fort Worth’s Central City, maximizing job opportunities and providing opportunities to small business and those owned by women and minorities. Fort Worth is the only city that requires a (M/WBE) component as part of its Economic Incentive Program.

The city partners with private developers to create quality development and redevelopment projects, including the Montgomery Plaza, Ella Mae Shamblee Library, Hazel Harvey Peace Center for Neighborhoods, the Omni Hotel and Sierra Vista residential development in Southeast Fort Worth.

Additionally, the Fort Worth Business Assistance Center (BAC), also a division of Housing and Economic Development, was recognized by the U.S. General Services Administration (GSA) for providing outstanding service in support of economic development to small businesses. In 2009 the BAC provided educational and technical support to 3,000 small business clients as well as providing hundreds of hours of business counseling.

Community Relations Department:

The Community Relations Department received a \$285,000 grant from the U.S. Department of Health and Human Services to expand the city's Early Childhood Matters program and open two new Early Childhood Resource Centers. The program provides information and instruction to parents and families on activities that they can do at home so that their very young children will be prepared to succeed in kindergarten, an important first step to an educated and productive workforce.

Other diversity initiatives:

City Council adopts recommendations to provide accessibility and accommodations for deaf and hard of hearing residents.

The City Council adopted recommendations by the Human Relations Commission to implement services that promote communication, accessibility and participation in City activities by members of the deaf and hard of hearing community. The recommendations were products of a dialogue with members of the deaf and hard of hearing community that started in fall 2008 during the Let's Talk Fort Worth town hall meetings.

Recommendations included taking steps to:

- Ensure all City owned and operated facilities be fully accessible to the deaf and hard of hearing community by providing appropriate accommodations and technology
- Train City employees on the use of the various technologies in a culturally competent manner
- Update the Police Department's policy regarding the deaf and hard of hearing community
- Provide Fort Worth police officers, cadets and candidates with adequate and up-to-date training on issues pertaining to the deaf and hard of hearing community
- Inform the deaf and hard of hearing community about and encourage registration with the Special Needs Assistance Program (SNAP), which provides emergency response agencies with vital information on residents with disabilities
- Maximize employment opportunities for deaf and hard of hearing job-seekers
- Ensure that accommodations and services for the disabled and deaf and hard of hearing residents be available at City sponsored public meetings if notified 48 hours in advance
- Provide closed captioning on City cable broadcasts and streaming video on the City's website

Fort Worth Human Relations Commission studies expansion of anti-discrimination ordinance.

The Human Relations Commission spent several months of fiscal year 2009 considering issues related to the City's anti-discrimination ordinance. As the fiscal year ended, the Commission was poised to recommend that the City Council expand the ordinance, originally adopted in 1967.

The eventual recommendation – approved by the Council on Nov. 10, 2009 – amended the anti-discrimination ordinance to prohibit discrimination in employment, housing and public accommodation based on transgender, gender identity or gender expression. The prior ordinance prohibited discrimination based on sex, race, national origin, age, disability, religion and sexual orientation.

Police Chief appoints liaison to LGBT community.

In response to the June 2009 Rainbow Lounge incident, Police Chief Jeff Halstead appointed Officer Sara Straten, a 17-year veteran of the department, to serve as liaison to the lesbian, gay, bisexual and transgender (LGBT) community. Straten's assignment was described by Halstead as to build dialogue and to offer guidance to the chief on how the Police Department can heal its relationship with the LGBT community.

City Manager's Diversity Task Force addresses community concerns.

Fort Worth City Manager Dale Fisseler created the Diversity Task Force in July 2009 to advise him on issues affecting the LGBT community.

The 26-member task force – 12 city employees and 14 community representatives – produced recommendations for improving human relations, enhancing opportunities for LGBT residents and strengthening the City's economic health. Included among the recommendations were:

- Recruiting and retaining LGBT job applicants
- Rewarding businesses that provide equal benefits to all employees
- Developing and implementing a marketing campaign to attract LGBT conventions, public events and visitors
- Encouraging City vendors to comply with the anti-discrimination ordinance
- Including the North Texas GLBT Chamber of Commerce in the 2010 Comprehensive Plan as a cooperating agency
- **“Promote orderly and sustainable development”**

Planning and Development Department:

The Planning and Development Department secured adoption of the 2009 Comprehensive Plan, which includes numerous goals and policies related to land use, housing, transportation, parks, etc. to ensure orderly and sustainable growth in the City, and updated the annexation program identifying areas to consider for annexation during the succeeding five-year period.

The department assisted the newly formed Sustainability Task Force in preparing an action plan that will help to improve air and water quality, and to reduce Fort Worth's consumption of energy, water, land, and other resources.

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

Department of Environmental Management:

In the 2009 Fiscal Year, the total number of eight-hour ozone exceedences was 11 in North Central Texas, compared to nine in Fiscal Year 2008.

Participation in the City's Employee Emission Reduction Program was over 16 percent of the City's entire workforce (general and civil service). This year's focus was on changing the work commute, thus increasing available options which directly affected total participation. The Commuter Benefits program for City employees, led by Environmental Management, issued 300 E-Passes, provided monthly prizes and tracked ozone reducing activities.

Planning and Development Department:

The Planning and Development Department also completed a Modern Streetcar Study and secured \$2 million for planning and design of a system that will connect the regional rail system to downtown and urban villages.

Other City Initiatives

Many initiatives funded by the City have been supplemented by grants from various state and federal agencies. Examples of grant awards expended in Fiscal Year 2009 include the following:

1. The U.S. Department of Housing and Urban Development grants, which included \$7,606,180 for the Community Development Block Grant program, \$4,132,873 for the HOME program, and \$254,931 for the Emergency Shelter program.
2. The Texas Department of Housing and Community Affairs grants for Community Services Block Program, for \$1,557,421 which included American Recovery and Reinvestment Act (ARRA) expenditures of \$18,248. TDHCA also funded a Comprehensive Energy Assistance Program grant for \$5,337,584.
3. The U.S. Department of Health and Human Services provided a grant to address Children's Mental Health Issues in an amount of \$530,271. This program ended in Fiscal Year 2008. These funds were carried over with the agency permission. Also from the U.S. Department of Health and Human Services were expenditures related to an Early Child Resource Center in the amount of \$154,692.

4. The U.S. Department of Agriculture provided funds for a Summer Food program in the amount of \$479,993
5. The Texas State Library grants for the Interlibrary Loan program totaled \$303,530 and a Texas Loan Star Library grant for \$144,376.
6. The United States Department of Justice and Office of the Governor, Criminal Justice Division provided grants totaling \$1,720,910 with primary focus on crime reduction.
7. In Fiscal Year 2009, responsibility for most Health related grants was transferred to Tarrant County.
8. The Texas Commission for Environmental Quality provided grants in an amount of \$336,537.
9. The U.S. Department of Transportation and the Texas Department of Transportation (TxDOT) provided Aviation related grants for \$9,852,626. Some of these expenditures represent expenditures processed by TxDOT.
10. The Alliance Airport needs to extend its runway. This project will be funded by the Federal Aviation Administration in the future. However, to complete that project, Highway FM-156 and a portion of the Burlington Northern Santa Fe mainline track must be relocated. The Burlington Northern Santa Fe (BNSF) mainline track must be relocated in order to relocate FM-156 west of the current FM-156 and to accommodate the runway extension project at Fort Worth Alliance Airport. The Texas Department of Transportation (TxDOT) has requested that the City of Fort Worth execute an Advance Funding Agreement to ensure the resources are available to facilitate the relocation. The scope of work and project limits for the agreement extend from south of SH-287 to north of SH-114. TxDOT has provided funds in the amount of \$80 million from those being held in the State Highway 121 Subaccount. This construction is anticipated to begin in Fiscal Year 2011. The runway extension project is a multi-year, multi-phase project that began in January 2001. This project is entirely eligible for Federal Aviation Administration funding, but due to limited funds being available each year the FAA encourages the City to pursue other sources for advanced funding. The FAA allows some latitude with projects such as the Alliance Airport Runway Extension where the project is funded over several fiscal years in various phases and grants. The amount needed for the funding of the BNSF Mainline Track relocation exceeds the funds available from FAA and this Advance Funding Agreement will allow for the project to be completed in a timely manner.

FINANCIAL INFORMATION

The Financial Management Services 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. The fiduciary operation is also recognized on economic resources measurement focus and the accrual basis. 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, 2009.

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. In addition to the financial accounting system, the City utilizes an independent City Auditor's 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. The City's independent auditors have issued a separate report on the City's internal controls dated March 23, 2010.

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 federal and state financial assistance 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 and state financial assistance programs.

Cash Management

Cash balances of all operating and capital project funds 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.

The City staff and an outside 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 is 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 program (other than the self-funded health plan), 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 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 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. The City also purchases and maintains an excess workers' compensation insurance policy that provides statutory coverage, but with a \$750,000 per occurrence self-insured retention (SIR) limit. The policy also provides at no additional cost general liability coverage in the amount of \$1,000,000 per occurrence/\$3,000,000 aggregate limit; and employers' liability coverage in the amount of \$1,000,000 per occurrence. Both additional coverages contain a \$750,000 SIR limit.
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. **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.
4. **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.
5. **Occupational Health Services:** As part of the self-insured workers' compensation insurance 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 2009, the City contracted with Concentra Medical Centers for these occupational health services.

The Human Resources Department-Benefits Division oversees the following city programs:

6. **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.

7. **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. The Aetna Life Insurance Company insures this policy. A \$5,000 death benefit is provided for each eligible retiree by the City with benefits being paid by the Retirement Plan.
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 submits 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 457(b) 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.

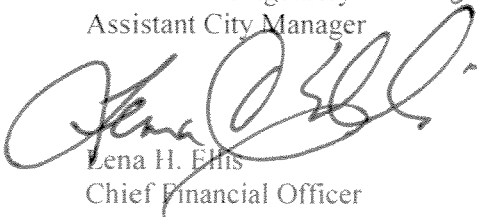
Acknowledgments

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 Financial Management Services 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 Financial Management Services 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

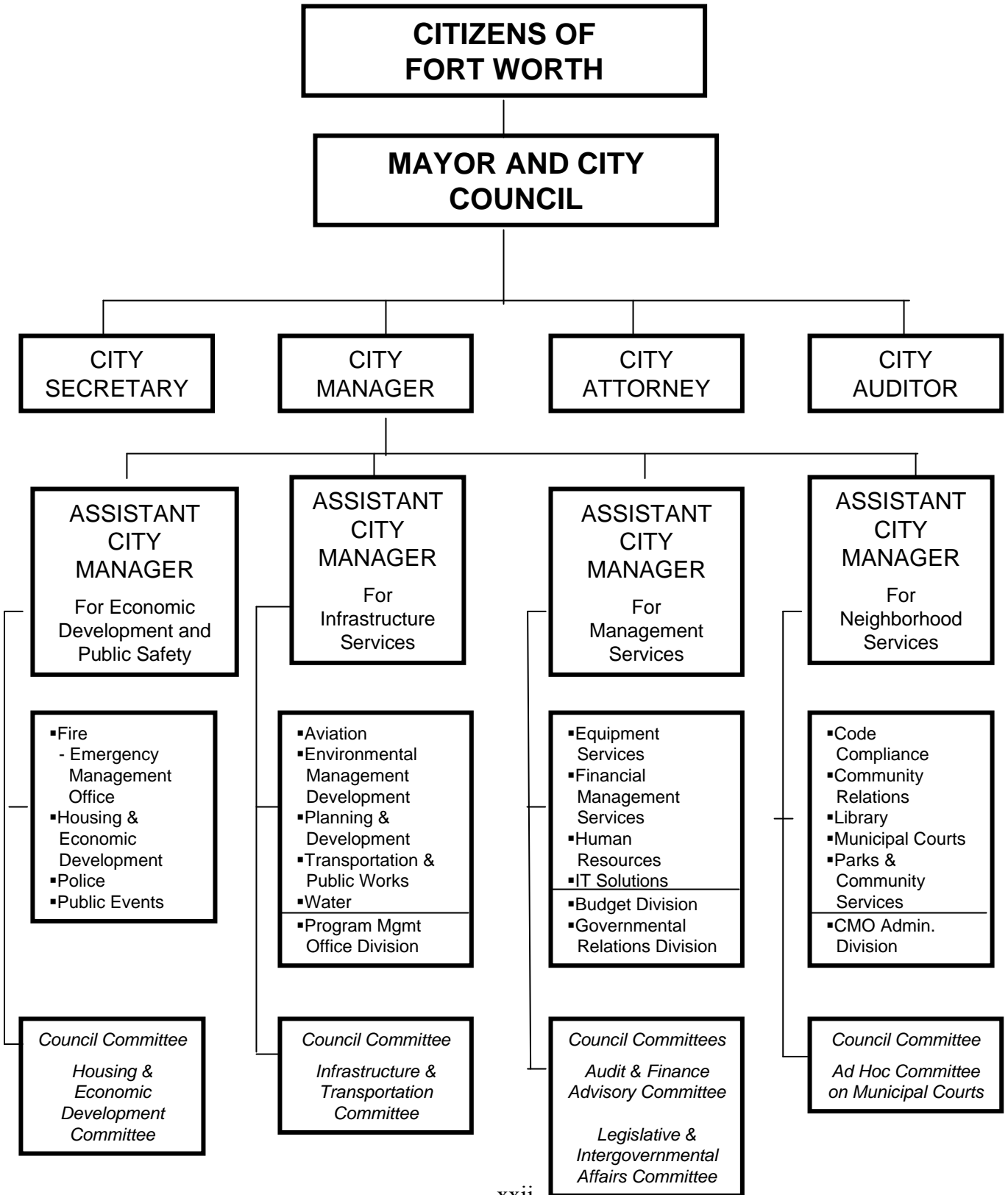


Lena H. Ellis
Chief Financial Officer



Fort Worth Police and Firefighters Memorial located at the north end of Trinity Park along West 7th Street

**CITY OF FORT WORTH, TEXAS
ORGANIZATION OF CITY GOVERNMENT
September 30, 2009**



Elected Officials
City of Fort Worth, Texas
Mayor and Councilmembers for Fiscal Year 2008 - 2009



Mike Moncrief
Mayor



Salvador Espino
Council District 2



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



W.B. 'Zim' Zimmerman
Council District 3 (*sworn in 6/23/09*)



Danny Scarth
Council District 4



Frank Moss
Council District 5



Jungus Jordan
Council District 6



Carter Burdette
Council District 7



Kathleen Hicks
Council District 8



Joel Burns
Council District 9



Houston Street Parking Garage (located next to the Omni Hotel)

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, 2009, 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's management. Our responsibility is to express opinions on the respective financial statements based on our audit. We did not audit the financial statements of the Employees' Retirement Fund of the City of Fort Worth as of and for the year ended September 30, 2009, (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 \$491 million of pension investments without readily ascertainable market value) has been furnished to us, and our opinions, insofar as they relate to the amounts included for the Employees' Retirement Fund, are 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, a blended component unit of the City, as of and for the year ended December 31, 2008, (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 opinions, insofar as they relate to the amounts included for the Villas of Eastwood, are based solely on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The financial statements of the Employees' Retirement Fund of the City of Fort Worth 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 opinions.

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, as of September 30, 2009, and the respective changes in financial position and respective cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 23, 2010, on our consideration of City's 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 schedule for the General Fund, the schedule of funding progress for the Employees' Retirement Fund of the City of Fort Worth and the schedule of funding progress for other postemployment benefits 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'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 opinions 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'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'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

March 23, 2010

**CITY OF FORT WORTH, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2009
(in 000's)
(unaudited)**

Management's discussion and analysis (MD&A) provides a narrative overview of the financial activities and changes in the financial position of the City of Fort Worth, Texas (City), for the fiscal year ended September 30, 2009. The MD&A is offered here by the management of the City to the readers of its financial statements. Readers should use the information presented here in conjunction with additional information furnished in our letter of transmittal, which can be found in the Introductory Section of this Comprehensive Annual Financial Report.

Financial Highlights

The assets of the City of Fort Worth exceeded its liabilities at September 30, 2009, by \$2,848,876 (net assets). Of this amount, \$240,890 (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 \$72,924. This increase can be attributed to increases in ad valorem tax revenue, fines and forfeitures, and charges for water and sewer services.

At September 30, 2009, the City's governmental funds reported combined ending fund balances of \$664,251 an increase of \$234,537 in comparison with 2008. Approximately 90.8 percent of this amount, \$603,995 is available for spending at the government's discretion (unreserved fund balance) of which \$443,043 has been designated by the City, within the special revenue and capital project funds.

The City's total long-term liabilities increased by \$288,273 during the current fiscal year. The key factors in this increase was the increase in the City's liability for Other Post Employment Benefits Obligation of \$87,558 and the issuance of \$134,830 of general obligation bonds and \$145,870 of certificates of obligation.

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

Government-wide Financial Statements

The government-wide financial statements include the Statement of Net 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.

CITY OF FORT WORTH, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2009
(in 000's)
(unaudited)
(continued)

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 three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental Funds – These funds are used to account for the majority of the City's activities, which are essentially the same functions reported as governmental activities in the government-wide statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as spendable resources available at the end of the fiscal year for future spending. Such information may be useful in evaluating a government's near-term financing requirements.

The focus of the governmental funds financial statements is narrower than that of the government-wide financial statements. Therefore, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the Governmental Fund Balance Sheet and the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances provide a reconciliation to facilitate this comparison. The reconciliation explains the

CITY OF FORT WORTH, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2009
(in 000's)
(unaudited)
(continued)

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

The City maintains 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, the Debt Service Fund and the Street Improvements Fund, all 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 nonmajor 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 operation, which is considered to be the only major proprietary fund of the City. The nonmajor proprietary funds are combined into a single, aggregated presentation in the proprietary fund financial statements.

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The City reports two Fiduciary Fund types, Pension Trust and Agency. The Pension Trust Fund, The Employees' Retirement Fund, accounts for the assets of the City's retirement plan and issues separately audited financial statements. The City's Agency Funds account for resources held by the City as a trustee or agent.

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, 2009**

**(in 000's)
(unaudited)
(continued)**

Government-Wide Financial Analysis

Total assets of the City at September 30, 2009, were \$5,013,793, while total liabilities were \$2,164,917, resulting in a net asset balance of \$2,848,876.

The largest portion of the City's net assets, \$2,539,850 or 89.2 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, \$57,145 or 2.0 percent, represents resources that are subject to external restrictions on how they may be used. The remaining balance of net assets, \$251,881 may be used to meet the City's ongoing obligations to citizens and creditors.

Condensed Schedule of Assets, Liabilities and Net Assets

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>
Current and other assets	\$ 537,385	\$ 786,730	\$ 480,176	\$ 540,701	\$ 1,017,561	\$ 1,327,431
Capital assets	<u>1,367,839</u>	<u>1,413,807</u>	<u>2,180,766</u>	<u>2,272,555</u>	<u>3,548,605</u>	<u>3,686,362</u>
Total assets	<u>1,905,224</u>	<u>2,200,537</u>	<u>2,660,942</u>	<u>2,813,256</u>	<u>4,566,166</u>	<u>5,013,793</u>
Long-term liabilities						
outstanding	782,564	1,083,686	849,051	845,427	1,631,615	1,929,113
Other liabilities	<u>91,761</u>	<u>101,862</u>	<u>57,613</u>	<u>133,942</u>	<u>149,374</u>	<u>235,804</u>
Total liabilities	<u>874,325</u>	<u>1,185,548</u>	<u>906,664</u>	<u>979,369</u>	<u>1,780,989</u>	<u>2,164,917</u>
Net assets:						
Invested in capital assets, net of related debt	986,163	979,581	1,459,733	1,560,269	2,445,896	2,539,850
Restricted	15,974	15,613	35,859	41,532	51,833	57,145
Unrestricted	<u>28,762</u>	<u>19,795</u>	<u>258,686</u>	<u>232,086</u>	<u>287,448</u>	<u>251,881</u>
Total net assets	<u>\$ 1,030,899</u>	<u>\$ 1,014,989</u>	<u>\$ 1,754,278</u>	<u>\$ 1,833,887</u>	<u>\$ 2,785,177</u>	<u>\$ 2,848,876</u>

At September 30, 2009, 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 \$361 and an increase in the business type activities of \$5,673. The increase in restricted net assets of the business-type activities was a result of the increases in the City's restricted enterprise funds' debt service funds.

CITY OF FORT WORTH, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2009
(in 000's)
(unaudited)
(continued)

Schedule of Changes in Net Assets

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>
Revenues:						
Program Revenues:						
Charges for services	\$ 68,882	\$ 70,017	\$ 372,391	\$ 382,390	\$ 441,273	\$ 452,407
Operating grants and contributions	34,014	35,532	-	-	34,014	35,532
Capital grants and contributions	63,088	40,063	44,127	54,827	107,215	94,890
General revenues:						
Property taxes	317,517	344,172	-	-	317,517	344,172
Other local taxes	183,833	173,559	-	-	183,833	173,559
Franchise Fees	36,749	34,717	-	-	36,749	34,717
Gas Lease and Royalties	28,684	13,866	21,424	5,540	50,108	19,406
Assessments	30	13	-	-	30	13
Investment income	18,615	15,746	18,647	9,605	37,262	25,351
Gain (Loss) disposal of capital assets	401	430	(13,803)	(237)	(13,402)	193
Other	6,896	14,465	7,857	4,202	14,753	18,667
<i>Total revenues</i>	<u>758,709</u>	<u>742,580</u>	<u>450,643</u>	<u>456,327</u>	<u>1,209,352</u>	<u>1,198,907</u>
Expenses:						
General Administration	161,180	111,114	-	-	161,180	111,114
Public Safety	359,813	379,865	-	-	359,813	379,865
Transportation and Public Works	100,276	117,540	-	-	100,276	117,540
Parks and Community Service	51,145	55,110	-	-	51,145	55,110
Public Library	18,633	20,200	-	-	18,633	20,200
Public Health	11,077	1,292	-	-	11,077	1,292
Public Events and Facilities	27,453	32,204	-	-	27,453	32,204
Planning and Development	11,751	14,654	-	-	11,751	14,654
Housing and Economic Development	14,733	27,558	-	-	14,733	27,558
Interest and Service Charges	20,689	26,910	-	-	20,689	26,910
Water & Sewer	-	-	240,960	260,544	240,960	260,544
Municipal Airport	-	-	12,480	12,238	12,480	12,238
Solid Waste	-	-	41,478	44,296	41,478	44,296
Municipal Parking	-	-	586	2,067	586	2,067
Municipal Golf	-	-	6,174	6,126	6,174	6,126
Stormwater Utility	-	-	11,339	14,265	11,339	14,265
<i>Total expenses</i>	<u>776,750</u>	<u>786,447</u>	<u>313,017</u>	<u>339,536</u>	<u>1,089,767</u>	<u>1,125,983</u>
Excess (Deficiency) of Revenues Over						
(Under) Expenditures	(18,041)	(43,867)	137,626	116,791	119,585	72,924
Transfers	19,340	27,957	(19,340)	(27,957)	-	-
Changes in net assets	1,299	(15,910)	118,286	88,834	119,585	72,924
Net assets - Beginning of Year	1,029,600	1,030,899	1,635,992	1,754,278	2,665,592	2,785,177
Change in Accounting Principle	-	-	-	(9,225)	-	(9,225)
Net assets - End of Year	<u>\$ 1,030,899</u>	<u>\$ 1,014,989</u>	<u>\$ 1,754,278</u>	<u>\$ 1,833,887</u>	<u>\$ 2,785,177</u>	<u>\$ 2,848,876</u>

CITY OF FORT WORTH, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
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Overall, the governmental activities net assets decreased by \$15,910 during the current fiscal year and business-type activities increased \$88,834. The major factor that contributed to the governmental activities net asset decrease is the decrease in Capital Grants and Contributions of \$23,025 and the decrease in Gas Lease and Royalties of \$14,818. The increase in net assets of the business-type activities was less than the fiscal year 2008 increase of \$118,286. A major factor in the lower increase was a decrease in Gas Lease and Royalties of \$15,884 and a decrease in Investment Income of \$9,042. Business-type activities also transferred out \$8,617 more than in fiscal year 2008. The Change in Accounting Principal of \$9,225 was due to the City implementing GASB Statement No. 49, *Reporting for Pollution Remediation Obligations*, which is discussed later in the MD&A.

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 total fund balances of \$664,251. Approximately 19.2 percent or \$127,656 constitutes unreserved General Fund balance, which is available for spending at the City's discretion. The City has designated portions of the of unreserved fund balance in the General Fund. These amounts represent management's tentative plans for the designated balances. As of September 30, 2009, the City has designated amounts within the unreserved fund balance for risk financing of \$38,830 and culture and tourism of \$14,887, resulting in an unreserved and undesignated balance in the General Fund of \$73,939. As of September 30, 2008, the City had a General Fund unreserved and undesignated fund balance of \$106,271. Of that amount the balance included earmarked amounts for risk financing totaling \$47,142 and for culture and tourism totaling \$13,501. However, these amounts had not been formally designated in 2008.

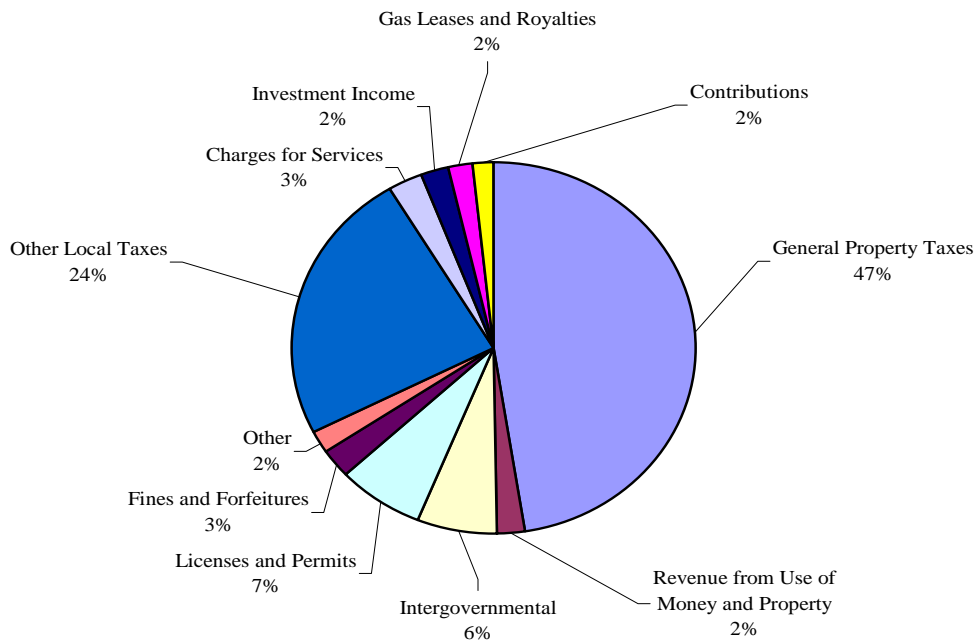
The unreserved, undesignated amount within the General Fund of \$73,939 represents 14.2 percent of General Fund expenditures as of September 30, 2009, compared to \$45,628, or 9.2 percent, excluding earmarked funds, as of September 30, 2008.

An additional \$443,043 or 66.7 percent is unreserved but designated for authorized expenditures, within the capital project and special revenue funds. 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 (\$11,256), inventories (\$4,482), advances (\$5,251), HUD projects (\$8,147), other long-term loans receivable (\$1,917), debt service (\$24,486), and prepaids (\$4,717).

CITY OF FORT WORTH, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2009
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Revenues and Expenditures – Governmental Funds

Revenues by Source - Governmental Funds



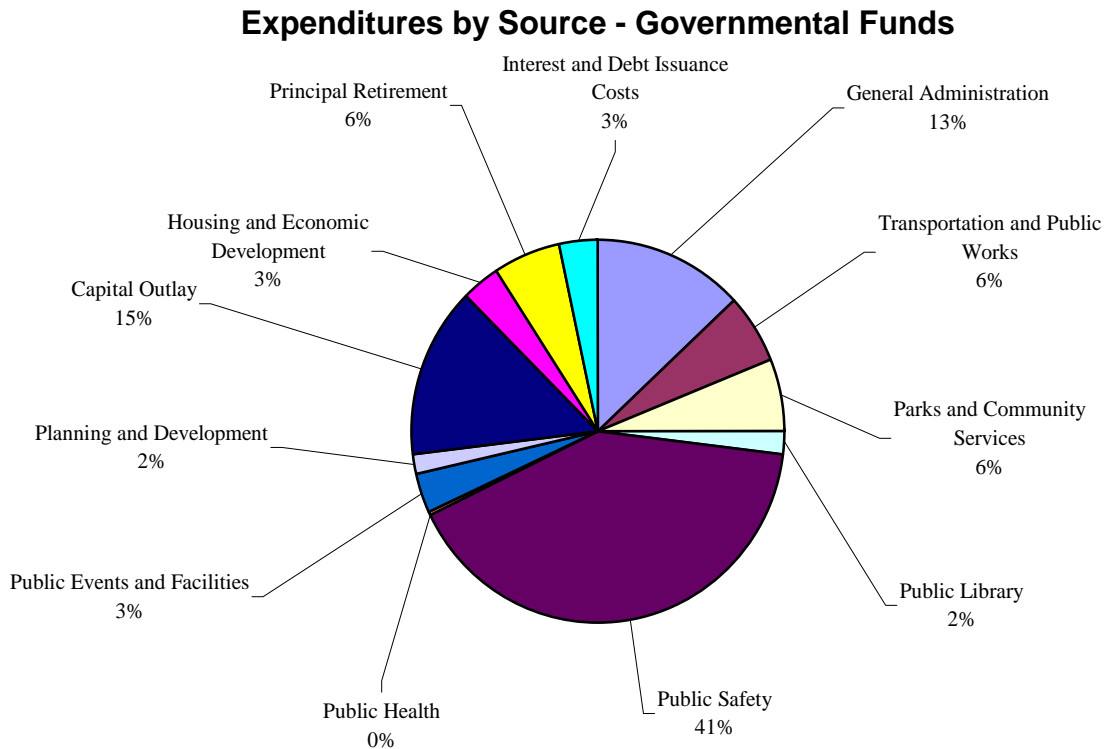
The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unreserved fund balance of the General Fund was \$127,656. As a measure of the General Fund's liquidity, it may be useful to compare the unreserved, undesignated fund balance, the unreserved fund balance, and total fund balance to total fund expenditures. Unreserved, undesignated fund balance represents \$73,939, or 14.2 percent of total General Fund expenditures, unreserved fund balance represents \$127,656, or 24.5 percent of total General Fund expenditures, while total fund balance represents \$143,541, or 27.6 percent of total General Fund expenditures. Fund balance in the General Fund increased by \$20,886 despite decreases in property tax revenue, local tax receipts, and licenses and permits collections from the prior fiscal year. The following are the key factors in the General Fund increase:

- Fines and forfeitures increased by \$1,927, or 14.0 percent over the same category in the previous fiscal year.
- Proceeds from the issuance of Certificates of Obligation Series 2009 of \$15,581 and the related premium of \$600.
- Revenues from use of money and property increased \$1,181, or 13.3 percent from the prior fiscal year.

The Debt Service Fund has a fund balance of \$24,486, substantially all of which is reserved for the payment of future debt service expenditures. The fund balance increased during the year by \$6,727.

The Street Improvement Fund has a fund balance of \$191,871, substantially all of which is designated for future capital project expenditures to improve the City's streets. The fund balance increased during the year by \$119,997, primarily due to the long term debt proceeds of \$135,157 received during fiscal year 2009.

**CITY OF FORT WORTH, TEXAS
MANAGEMENT’S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2009
(in 000's)
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(continued)**



Financial Analysis of the Proprietary Funds

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

Unrestricted net assets for the City’s major Proprietary Fund, the Water and Sewer Fund, was \$170,063 at the end of the fiscal year. Total net assets in the Water and Sewer Fund increased \$76,948. During fiscal year 2009, the City implemented GASB Statement No. 49, *Reporting for Pollution Remediation Obligations*. As a result the beginning net assets were decreased by \$9,225 for the amount of costs incurred in prior years for a remediation that was outstanding as of September 30, 2008. The increase in net assets from operations was \$66,824 primarily due to water charges for services, which exceeded operating expenses by \$66,762. Business-type activities increased the City’s net assets by \$79,609.

The following are significant changes in revenues and expenses when comparing prior year to the current year:

- Charges for services increased by \$9,999 from the previous fiscal year. The Water and Sewer fund had an increase of \$4,993 due to an increase in demand. The Nonmajor Enterprise Funds increased \$5,006.
- Operating expenses increased by \$26,755 due to an increase in personnel services of \$4,935, supplies and materials of \$621, contractual services of \$14,697 and depreciation expense of \$6,635, and a decrease in the landfill closure and postclosure costs of \$133. Operating expenses of the Stormwater Utility increased by \$3,568 or 34.1 percent due to expansion and enhanced maintenance in the storm drainage system.

CITY OF FORT WORTH, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2009
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General Fund Budgetary Highlights

Differences between the original budget and the final amended budget resulted in an \$9,392 increase in appropriations and can be briefly summarized as follows:

- Budget carryforwards of encumbrances resulted in a \$3,630 increase in budget. Significant increases included \$1,227 in General Administration, \$870 in Transportation and Public Works and \$993 in capital outlay.
- \$3,268 increases in Transportation and Public Works for a \$2,559 exit ramp relocation project at Avondale Haslet Road and \$709 for bridge repairs and repainting at 13 locations.
- Capital outlay budget increases included \$3,925 for Public Safety fire equipment using bond proceeds.
- Other net increases in the amount of \$2,662 were approved during the year. Increases of note were \$1,869 for accounting and audit services needed to get annual financial reporting on a current basis and \$656 for improvements at facilities operated using Culture and Tourism monies.
- \$221 of increases for departments which had an excess of actual expenditures over their approved budget.
- \$4,314 of decreases in appropriations was implemented in a mid-year reduction plan in response to projected revenue shortfall. These decreases across all City functions were for unfilled vacancies, lower electricity costs and reduced vehicle repair cost.

The City also increased budgeted revenues by \$3,474 to account for additional other revenues, mainly received from developers and other outside agencies.

There were no significant variances between the final amended budget and actual expenditures. Actual expenditures were \$17,777, or 3.3 percent less than the final amended budget primarily due to a hiring freeze and energy conservation measures.

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, 2009, amounted to \$3,686,362 (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 net capital assets for the current fiscal year was \$137,757 (3.9 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 \$62,293 to capital assets, while developers contributed another \$20,019 in infrastructure.
- Construction in progress in business-type activities increased due to the continued expansion and enhancements of utilities throughout the City.
- Several street projects were initiated during the fiscal year that contributed to the increase in Governmental Construction in Progress.

**CITY OF FORT WORTH, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2009**

**(in 000's)
(unaudited)
(continued)**

Capital Assets, net of Accumulated Depreciation

	Governmental activities		Business-type activities		Total	
	2008	2009	2008	2009	2008	2009
Land/Right of Way	\$ 97,031	\$ 102,229	\$ 70,684	\$ 71,565	\$ 167,715	\$ 173,794
Construction in Progress	179,492	221,615	341,986	301,768	521,478	523,383
Buildings	200,260	196,434	32,704	31,683	232,964	228,117
Machinery and Equipment	41,840	46,277	199,719	219,737	241,559	266,014
Infrastructure	849,216	847,252	1,535,673	1,647,802	2,384,889	2,495,054
Total	\$ 1,367,839	\$ 1,413,807	\$ 2,180,766	\$ 2,272,555	\$ 3,548,605	\$ 3,686,362

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 long-term liabilities of \$1,929,113. Of this amount, \$629,526 comprises debt backed by the full faith and credit of the government, and \$858,606 represents self-supported bonds.

Long-Term Liabilities Outstanding

	Governmental activities		Business-type activities		Total	
	2008	2009	2008	2009	2008	2009
General Obligation Bonds	\$ 295,925	\$ 406,006	\$ 140	\$ 65	\$ 296,065	\$ 406,071
Revenue Bonds	-	-	757,885	710,675	757,885	710,675
Certificates of Obligation	60,230	166,215	30,905	57,240	91,135	223,455
Installment Obligation	6,130	5,585	-	-	6,130	5,585
HUD Installment Obligation	8,808	8,147	-	-	8,808	8,147
Equipment Notes Payable	26,600	22,634	5,730	4,545	32,330	27,179
Helicopter Installment	105	-	-	-	105	-
Service Center	21,450	20,995	-	-	21,450	20,995
Fort Worth Housing Corp	9,395	9,322	-	-	9,395	9,322
Fort Worth Housing Corp Fannie Mae	1,000	-	-	-	1,000	-
Fort Worth Sports Authority	15,903	15,903	-	-	15,903	15,903
Lone Star Local Govt Corp	31,617	31,617	-	-	31,617	31,617
Central City Local Govt Corp	2,596	2,219	-	-	2,596	2,219
State Energy Conserv Loan I & II	4,433	3,730	-	-	4,433	3,730
State Energy Conserv Loan III	5,000	4,397	-	-	5,000	4,397
ESPC Phase IV	-	9,066	-	-	-	9,066
Wells Fargo Loan	269	245	-	-	269	245
Municipal Golf - Capital Lease	-	-	132	69	132	69
Beechwood Bridge Obligation	1,287	1,127	-	-	1,287	1,127
Trinity River Authority	-	-	8,490	8,065	8,490	8,065
Unamort. Bond Discounts, Refundings, Premiums, net	1,951	11,287	9,246	7,254	11,197	18,541
Compensated Absences	99,998	104,251	8,523	9,158	108,521	113,409
Claims Payable	44,161	45,952	-	-	44,161	45,952
HUD Claims Payable	1,151	691	-	-	1,151	691
Arbitrage	38	-	213	152	251	152
Landfill Postclosure Cost	-	-	6,936	7,176	6,936	7,176
Pollution Remediation Liability	-	-	9,225	9,225	9,225	9,225
Other Post Employment Benefits Obligation	74,615	150,295	10,767	22,645	85,382	172,940
Net Pension Obligation	69,902	64,002	10,084	9,158	79,986	73,160
Total	\$ 782,564	\$ 1,083,686	\$ 858,276	\$ 845,427	\$ 1,640,840	\$ 1,929,113

**CITY OF FORT WORTH, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2009
(in 000's)
(unaudited)
(continued)**

The City's indebtedness increased by \$288,273 during fiscal year 2009 mainly due to the issuance of \$134,830 in general obligation bonds and \$145,870 in certificates of obligation. For governmental activities, the City made payments of principal balances for bonded debt of \$24,749.

The City issued revenue bonds for \$4,645 for water and sewer projects. For business-type activities, the City made payments of principal balances for bonded debt of \$51,930.

In fiscal year 2009, the City of Fort Worth had an "AA+" rating from Standard & Poor's, an "Aa2" 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.

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 1.49 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 2009, the economic climate for the City of Fort Worth had most standard economic indicators, such as unemployment, inflation, and new construction, pointing toward a slowdown in the local and regional economies that mimicked a stronger, national trend in the same direction.

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 September 2009, the Unemployment Rate for the City was 8.3 percent, which is slightly higher than that of the Texas average of 8.2 percent for the same month. Unemployment in Fort Worth was significantly lower than the national unemployment rate of 9.8% for the same month.

The fiscal year 2009-10 budget maintains the City's property tax rate at \$0.8550 per \$100 net taxable valuation. The City's property tax roll of net taxable value decreased \$528 million or 1.4 percent from the July 2008 certified roll to the July 2009 certified roll. This is the first decrease of net taxable value in fourteen years. Adjusted Net Value (which is the Net Taxable Value plus the value of incomplete properties and properties under protest) increased \$984 million or 2.4 percent in the same period. As a result, the City is projected to collect \$4.7 million more than in fiscal year 2008-09.

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 \$98,866, a decrease of \$5,670, or 5.4 percent from the fiscal year 2008-09 budget. Actual sales tax collections for fiscal year 2008-09 came in under the fiscal year 2008-09 adopted budget by \$5,175 or 4.95 percent. This revenue is dependent on the level of retail sales.

CITY OF FORT WORTH, TEXAS
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SEPTEMBER 30, 2009
(in 000's)
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Additional adopted budget highlights are: Revenues from licenses and permits are anticipated to be \$1,464 or 3.3 percent lower than the fiscal year 2008-09 budget. This category includes predominately franchise fees on utilities and Cable TV, as well as miscellaneous permit fees. The decrease is primarily attributable to the decline in the TXU Franchise fee. Revenues from other local taxes are anticipated to decrease by \$438 or 4.6 percent from the fiscal year 2008-09 adopted budget. Other local taxes include franchise fees on telephone access lines and revenue from the state mixed beverage tax.

Total revenue from fines and forfeitures are projected to increase from the fiscal year 2008-09 budget by \$640, or 5.1 percent. This category includes revenue collected from traffic and court fines, administrative and penalty fees and miscellaneous court related charges.

Another indicator of the local economic picture is the collection of Hotel/Motel Tax revenue. This revenue is used to fund efforts to promote the City nationally and internationally. The amount of the revenue collected through Hotel/Motel taxation has decreased by 6.5% in the third quarter of fiscal year 08-09, over the same period last fiscal year.

Single-family building permits in the City of Fort Worth remain a consistent indicator of growth in the metroplex. The City of Fort Worth Planning and Development Department reported a 43.16% increase in the number of Single-family building permits issued for the fourth quarter fiscal year 08-09 (July-September) over the same period last year. The increase in the number of permits issued for single-family homes represents a significant change from the historic numbers of permits issued in fiscal year 2005-2006.

In order to reduce operating costs, the City has implemented furlough days for its employees during fiscal year 2009-10.

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, 2009
(in 000's)

	Primary Government			
	Governmental Activities	Business-Type Activities	Total	Component Units
Assets				
Cash, Cash Equivalents and Investments	\$ 641,365	\$ 115,321	\$ 756,686	\$ 22,846
Receivables, net of allowance for uncollectibles:				
Taxes	4,258	-	4,258	-
Grants and Other Governments	44,306	-	44,306	-
Loans	3,365	-	3,365	-
Interest	2,478	798	3,276	93
Accounts and Other	16,235	55,168	71,403	9
Internal Balances	3,519	(3,519)	-	-
Inventories (at cost)	5,452	3,925	9,377	-
Prepays, Deposits, and Other	4,742	3,596	8,338	-
Long-Term Loans Receivables	11,369	-	11,369	-
Restricted Assets:				
Cash, Cash Equivalents and Investments	34,183	317,498	351,681	-
Cash and Cash Equivalents Held by Trustees	12,232	35,026	47,258	-
Grants Receivables	-	500	500	-
Accounts and Other Receivables	-	1,397	1,397	-
Deferred Bond Issue Costs	3,226	10,991	14,217	-
Capital Assets, Net of Accumulated Depreciation:				
Non-depreciable	323,844	373,333	697,177	-
Depreciable	1,089,963	1,899,222	2,989,185	-
Total Assets	<u>2,200,537</u>	<u>2,813,256</u>	<u>5,013,793</u>	<u>22,948</u>
Liabilities				
Accounts Payable	22,987	12,258	35,245	1,900
Escrow Accounts Payable	7,530	1,925	9,455	-
Accrued Payroll	19,050	2,933	21,983	2
Other	341	-	341	-
Payable from Restricted Assets:				
Construction Payable	14,012	12,640	26,652	-
Accrued Interest Payable	8,951	3,958	12,909	-
Accrued Payroll	-	69	69	-
Customer Deposits	-	11,930	11,930	-
Unearned Revenue	28,991	88,229	117,220	-
Long-term Liabilities:				
Due Within One Year	71,306	56,341	127,647	-
Due in More Than One Year	1,012,380	789,086	1,801,466	-
Total Liabilities	<u>1,185,548</u>	<u>979,369</u>	<u>2,164,917</u>	<u>1,902</u>
Net Assets				
Invested in Capital Assets, Net of Related Debt	979,581	1,560,269	2,539,850	-
Restricted for:				
Debt Service	15,613	41,532	57,145	-
Unrestricted	19,795	232,086	251,881	21,046
Total Net Assets	<u>\$ 1,014,989</u>	<u>\$ 1,833,887</u>	<u>\$ 2,848,876</u>	<u>\$ 21,046</u>

See accompanying notes to the basic financial statements.

CITY OF FORT WORTH, TEXAS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2009
(in 000's)

	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Function/Program Activities				
Primary Government:				
Governmental Activities:				
General Administration	\$ 111,114	\$ 19,213	\$ 7,715	\$ 1,939
Public Safety	379,865	22,506	6,425	2,582
Transportation and Public Works	117,540	4,381	1,954	17,751
Parks and Community Services	55,110	1,826	7,028	7,949
Public Library	20,200	668	528	600
Public Health	1,292	312	572	-
Public Events and Facilities	32,204	8,515	-	-
Planning and Development	14,654	10,262	51	5,456
Housing and Economic Development	27,558	2,334	11,259	3,786
Interest and Service Charges	26,910	-	-	-
Total Governmental Activities	786,447	70,017	35,532	40,063
Business-type Activities:				
Water and Sewer	260,544	303,111	-	44,952
Municipal Airports	12,238	3,406	-	9,875
Solid Waste	44,296	45,465	-	-
Municipal Parking	2,067	4,533	-	-
Municipal Golf	6,126	5,072	-	-
Stormwater Utility	14,265	20,803	-	-
Total Business-type Activities	339,536	382,390	-	54,827
Total Primary Government	\$ 1,125,983	\$ 452,407	\$ 35,532	\$ 94,890
Component units:				
Public Improvement Districts	\$ 5,678	\$ -	\$ -	\$ -
Taxing Increment Reinvestment Zones	10,770	-	-	-
Total Component Units	\$ 16,448	\$ -	\$ -	\$ -

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 Year
Change in Accounting Principle
Net Assets - End of 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
\$ (82,247)		\$ (82,247)	
(348,352)		(348,352)	
(93,454)		(93,454)	
(38,307)		(38,307)	
(18,404)		(18,404)	
(408)		(408)	
(23,689)		(23,689)	
1,115		1,115	
(10,179)		(10,179)	
(26,910)		(26,910)	
<u>(640,835)</u>		<u>(640,835)</u>	
	\$ 87,519	87,519	
	1,043	1,043	
	1,169	1,169	
	2,466	2,466	
	(1,054)	(1,054)	
	6,538	6,538	
	<u>97,681</u>	<u>97,681</u>	
<u>(640,835)</u>	<u>97,681</u>	<u>(543,154)</u>	
			\$ (5,678)
			<u>(10,770)</u>
			<u>(16,448)</u>
344,172	-	344,172	16,670
173,559	-	173,559	-
34,717	-	34,717	-
13,866	5,540	19,406	-
13	-	13	-
15,746	9,605	25,351	525
430	(237)	193	-
14,465	4,202	18,667	4,848
27,957	(27,957)	-	-
<u>624,925</u>	<u>(8,847)</u>	<u>616,078</u>	<u>22,043</u>
(15,910)	88,834	72,924	5,595
1,030,899	1,754,278	2,785,177	15,451
-	(9,225)	(9,225)	-
<u>\$ 1,014,989</u>	<u>\$ 1,833,887</u>	<u>\$ 2,848,876</u>	<u>\$ 21,046</u>

CITY OF FORT WORTH, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2009
(in 000's)

	<u>General</u>	<u>Debt Service</u>	<u>Street Improvements Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets					
Cash, Cash Equivalents and Investments	\$ 143,414	\$ 24,831	\$ 189,755	\$ 272,541	\$ 630,541
Receivables, net of allowance for uncollectibles:					
Taxes	3,259	999	-	-	4,258
Grants and Other Governments	17,227	-	-	27,079	44,306
Loans	-	-	-	3,365	3,365
Interest	806	733	142	796	2,477
Accounts and Other	13,904	-	267	2,060	16,231
Due From Other Funds	3,701	-	2,163	527	6,391
Inventories (at cost)	3,123	-	-	1,359	4,482
Advances to Other Funds	4,900	-	-	351	5,251
Prepays, Deposits, and Other	297	-	1,050	3,370	4,717
Long-Term Loans Receivable	-	-	-	11,369	11,369
Restricted Assets:					
Cash and Cash Equivalents	1,052	-	-	29,356	30,408
Cash and Cash Equivalents Held by Trustees	1,186	-	3,307	7,739	12,232
Total Assets	<u>\$ 192,869</u>	<u>\$ 26,563</u>	<u>\$ 196,684</u>	<u>\$ 359,912</u>	<u>\$ 776,028</u>
Liabilities and Fund Balances					
Accounts Payable	\$ 19,216	\$ 1,283	\$ -	\$ 873	\$ 21,372
Construction Payable	-	-	4,782	9,230	14,012
Escrow Accounts	7,442	-	-	88	7,530
Accrued Payroll	15,820	-	31	1,918	17,769
Accrued Interest	-	-	-	78	78
Due to Other Funds	390	-	-	5,864	6,254
Other	271	-	-	70	341
Deferred Revenue	6,189	794	-	37,438	44,421
Total Liabilities	<u>49,328</u>	<u>2,077</u>	<u>4,813</u>	<u>55,559</u>	<u>111,777</u>
Fund Balances:					
Reserved for Encumbrances	7,565	-	-	3,691	11,256
Reserved for Inventories	3,123	-	-	1,359	4,482
Reserved for Advances	4,900	-	-	351	5,251
Reserved for HUD Projects	-	-	-	8,147	8,147
Reserved for Other Long-Term Loans Receivable	-	-	-	1,917	1,917
Reserved for Debt Service	-	24,486	-	-	24,486
Reserved for Prepays	297	-	1,050	3,370	4,717
Unreserved, Designated for Authorized Expenditures:					
Special Revenue Funds	-	-	-	82,632	82,632
Capital Projects Funds	-	-	190,821	169,590	360,411
Unreserved:					
General Fund (note D.2)	127,656	-	-	-	127,656
Special Revenue Funds	-	-	-	33,296	33,296
Total Fund Balances	<u>143,541</u>	<u>24,486</u>	<u>191,871</u>	<u>304,353</u>	<u>664,251</u>
Total Liabilities and Fund Balances	<u>\$ 192,869</u>	<u>\$ 26,563</u>	<u>\$ 196,684</u>	<u>\$ 359,912</u>	<u>\$ 776,028</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, 2009
(in 000's)

Total fund balances--governmental funds \$ 664,251

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets (including internal service fund assets of \$7,974) consist of:

Land	\$	102,229	
Construction in progress		221,615	
Buildings		347,301	
Machinery and equipment		158,362	
Infrastructure		2,055,577	
Accumulated depreciation		<u>(1,471,277)</u>	
Total capital assets		<u>1,413,807</u>	1,413,807

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. 15,430

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 net assets of the internal service funds are included in governmental activities in the statement of net assets. 10,834

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 \$3,817) consist of:

Long-term claims payable		(46,643)	
Long-term compensated absences		(104,251)	
Net pension obligation		(64,002)	
Other post employment benefits obligation		(150,295)	
Accrued interest payable		(8,873)	
Unamortized bond issue costs		3,226	
Long-term debt, including premium/discount/loss on refunding		<u>(718,495)</u>	
Total long-term liabilities		<u>(1,089,333)</u>	(1,089,333)

Net assets of governmental activities \$ 1,014,989

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, 2009
(in 000's)

	<u>General</u>	<u>Debt Service</u>	<u>Street Improvements Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:					
General Property Taxes	\$ 285,757	\$ 58,056	\$ 160	\$ -	\$ 343,973
Other Local Taxes	129,103	-	-	44,456	173,559
Assessments	-	-	13	-	13
Charges for Services	15,178	-	101	5,215	20,494
Licenses and Permits	49,870	-	-	-	49,870
Fines and Forfeitures	15,671	-	-	3,067	18,738
Revenue from Use of Money and Property	10,086	595	-	5,140	15,821
Investment Income	4,342	6,599	690	3,733	15,364
Intergovernmental	896	-	2,272	43,523	46,691
Gas Leases and Royalties	664	-	3,649	9,553	13,866
Other	10,557	-	134	1,901	12,592
Contributions	-	-	1,101	11,162	12,263
Total Revenue	<u>522,124</u>	<u>65,250</u>	<u>8,120</u>	<u>127,750</u>	<u>723,244</u>
Expenditures:					
Current:					
General Administration	95,958	-	-	7,277	103,235
Public Safety	282,602	-	-	37,925	320,527
Transportation and Public Works	37,973	-	55	8,055	46,083
Parks and Community Services	35,008	-	-	11,187	46,195
Public Library	16,665	-	-	486	17,151
Public Health	590	-	-	609	1,199
Public Events and Facilities	23,794	-	-	2,322	26,116
Planning and Development	12,866	-	-	60	12,926
Housing and Economic Development	8,814	-	-	17,468	26,282
Capital Outlay	5,344	-	49,846	59,405	114,595
Debt Service:					
Principal Retirement	1,072	42,010	160	2,924	46,166
Interest and Debt Issuance Costs	220	22,902	-	2,173	25,295
Total Expenditures	<u>520,906</u>	<u>64,912</u>	<u>50,061</u>	<u>149,891</u>	<u>785,770</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,218</u>	<u>338</u>	<u>(41,941)</u>	<u>(22,141)</u>	<u>(62,526)</u>
Other Financing Sources (Uses):					
Proceeds from Long-Term Debt Issued	15,581	2,218	135,157	100,609	253,565
Premium on Issuance	600	1,412	6,780	1,000	9,792
Proceeds from Loans	-	-	-	9,066	9,066
Proceeds from Disposal of Property	139	-	-	910	1,049
Transfers In	35,425	4,829	22,945	24,208	87,407
Transfers Out	<u>(32,077)</u>	<u>(2,070)</u>	<u>(2,944)</u>	<u>(26,725)</u>	<u>(63,816)</u>
Total Other Financing Sources (Uses)	<u>19,668</u>	<u>6,389</u>	<u>161,938</u>	<u>109,068</u>	<u>297,063</u>
Net Change in Fund Balance	20,886	6,727	119,997	86,927	234,537
Fund Balance, Beginning of Year	<u>122,655</u>	<u>17,759</u>	<u>71,874</u>	<u>217,426</u>	<u>429,714</u>
Fund Balance, End of Year	<u>\$ 143,541</u>	<u>\$ 24,486</u>	<u>\$ 191,871</u>	<u>\$ 304,353</u>	<u>\$ 664,251</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, 2009
(in 000's)

Net change in fund balances--total governmental funds \$ 234,537

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

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

Contributed assets	\$	21,125	
Capital outlay expenditures		114,227	
Transfers from enterprise funds		2,255	
Depreciation expense		(89,941)	
Net adjustment		<u>47,666</u>	47,666

The proceeds from the disposal 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. (637)

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. 84

The issuance of long-term debt (e.g., bonds, certificates of obligation) provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net 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		(134,830)	
Certificates of Obligation		(118,735)	
Loans		(9,066)	
Total proceeds		<u>(262,631)</u>	
Premium on debt issued		(9,792)	
Repayments:			
To bondholders		46,171	
Amortization of refunding, premiums, discounts and issue costs		1,254	
Net adjustment		<u>(224,998)</u>	(224,998)

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		(7,088)	
Decrease in arbitrage liability		38	
Decrease in net pension obligation		5,900	
Increase in other post employment benefits obligation		(75,680)	
Increase in estimated claims obligations		(1,331)	
Increase in compensated absences liability		(4,407)	
Net adjustment		<u>(82,568)</u>	(82,568)

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. The net revenue (expense) of the internal service funds is reported with governmental activities. 10,006

Change in net assets of governmental activities \$ (15,910)

See accompanying notes to the basic financial statements.

CITY OF FORT WORTH, TEXAS
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
SEPTEMBER 30, 2009
(in 000's)

	Enterprise Funds			Internal Service Funds
	Water and Sewer	Nonmajor Enterprise Funds	Total	
ASSETS				
Current Assets:				
Cash, Cash Equivalents and Investments	\$ 72,463	\$ 42,858	\$ 115,321	\$ 10,824
Interest Receivable	524	274	798	1
Accounts and Other Receivables, net of allowance for uncollectibles	46,052	9,116	55,168	4
Inventories, at Cost	3,770	155	3,925	970
Prepays, Deposits, and Other	-	3,596	3,596	25
Total Current Assets	122,809	55,999	178,808	11,824
Restricted Assets:				
Cash and Cash Equivalents	170,300	147,198	317,498	3,775
Cash and Cash Equivalents Held by Trustees	34,050	976	35,026	-
Grants Receivables	7	493	500	-
Interest Receivable	1,173	224	1,397	-
Total Restricted Assets	205,530	148,891	354,421	3,775
Total Current Assets	328,339	204,890	533,229	15,599
Noncurrent Assets:				
Deferred Bond Issue Costs	9,860	1,131	10,991	-
Capital Assets (at cost):				
Land	12,365	59,200	71,565	1,604
Buildings	41,209	18,806	60,015	6,074
Improvements Other than Buildings	2,037,668	193,433	2,231,101	1,104
Machinery and Equipment	356,122	15,967	372,089	15,769
Construction in Progress	220,058	81,710	301,768	635
Accumulated Depreciation	(632,444)	(131,539)	(763,983)	(17,212)
Net Capital Assets	2,034,978	237,577	2,272,555	7,974
Total Assets	2,373,177	443,598	2,816,775	23,573

(continued)

See accompanying notes to the basic financial statements.

CITY OF FORT WORTH, TEXAS
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
SEPTEMBER 30, 2009
(in 000's)

	Enterprise Funds			Internal Service Funds
	Water and Sewer	Nonmajor Enterprise Funds	Total	
LIABILITIES				
Current Liabilities:				
Accounts Payable	\$ 7,631	\$ 4,627	\$ 12,258	\$ 1,615
Escrow Accounts Payable	1,925	-	1,925	-
Accrued Payroll	2,341	592	2,933	1,281
Due to Other Funds	-	137	137	-
Payable from Restricted Assets:				
Construction Payable	9,026	3,614	12,640	-
Current Portion of Long-Term Liabilities	52,731	3,610	56,341	1,622
Accrued Interest Payable	3,531	427	3,958	-
Accrued Payroll	69	-	69	-
Customer Deposits	11,186	744	11,930	-
Unearned Revenue	1,546	86,683	88,229	-
Total Current Liabilities	89,986	100,434	190,420	4,518
Long-Term Liabilities:				
Advances from Other Funds	-	4,558	4,558	693
Long-Term Liabilities Due in More Than One Year	690,476	98,610	789,086	2,195
Total Long-Term Liabilities	690,476	103,168	793,644	2,888
Total Liabilities	780,462	203,602	984,064	7,406
NET ASSETS				
Invested in Capital Assets, Net of Related Debt	1,378,122	182,147	1,560,269	7,974
Restricted for:				
Debt Service	34,670	6,862	41,532	-
Unrestricted	179,923	50,987	230,910	8,193
Total Net Assets	\$ 1,592,715	\$ 239,996	1,832,711	\$ 16,167
			1,176	
Adjustment to Reflect the Consolidation of Internal Service Funds Activities Related to Enterprise Funds			<u>1,176</u>	
Net Assets of Business-type Activities			<u>\$ 1,833,887</u>	

(concluded)

See accompanying notes to the basic financial statements.



Light Sculpture from the Avenue of Lights on Lancaster Avenue

CITY OF FORT WORTH, TEXAS
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2009
(in 000's)

	Business-type Activities--			
	Enterprise Funds			Internal Service Funds
	Water and Sewer	Nonmajor Enterprise Funds	Total	
OPERATING REVENUES				
Charges for Services	\$ 303,111	\$ 79,279	\$ 382,390	\$ 65,365
Other	62	3,255	3,317	-
Total Operating Revenues	<u>303,173</u>	<u>82,534</u>	<u>385,707</u>	<u>65,365</u>
OPERATING EXPENSES				
Personnel Services	64,806	16,566	81,372	28,757
Supplies and Materials	20,201	3,682	23,883	13,455
Contractual Services	98,304	47,221	145,525	15,041
Landfill Closure and Postclosure Cost	-	240	240	-
Depreciation	53,038	9,945	62,983	1,739
Total Operating Expenses	<u>236,349</u>	<u>77,654</u>	<u>314,003</u>	<u>58,992</u>
Operating Income	<u>66,824</u>	<u>4,880</u>	<u>71,704</u>	<u>6,373</u>
NONOPERATING REVENUES (EXPENSES)				
Investment Income	6,675	2,930	9,605	381
Gain (Loss) on Sale of Property and Equipment	(102)	(135)	(237)	18
Interest and Service Charges	(25,361)	(1,338)	(26,699)	-
Gas Leases and Royalties	274	5,266	5,540	-
Other Revenue	2	883	885	1,873
Total Nonoperating Revenues (Expenses)	<u>(18,512)</u>	<u>7,606</u>	<u>(10,906)</u>	<u>2,272</u>
Income Before Transfers and Contributions	<u>48,312</u>	<u>12,486</u>	<u>60,798</u>	<u>8,645</u>
Transfers In	2,780	868	3,648	2,788
Transfers Out	(19,096)	(12,509)	(31,605)	(677)
Capital Contributions	37,477	9,875	47,352	416
Capital Contributions - Impact Fees	7,475	-	7,475	-
Change in Net Assets	76,948	10,720	87,668	11,172
Total Net Assets - Beginning	1,524,992	229,276	1,754,268	4,995
Change in Accounting Principle	(9,225)	-	(9,225)	-
Total Net Assets - Ending	<u>\$ 1,592,715</u>	<u>\$ 239,996</u>	<u>\$ 1,832,711</u>	<u>\$ 16,167</u>
			1,166	
			<u>\$ 88,834</u>	

Adjustment to Reflect the Consolidation of Internal Service
Funds Activities Related to Enterprise Funds
Change in Net Assets of Business-type Activities

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, 2009
(in 000's)

	Business-type Activities--			
	Enterprise Funds			
	Water and Sewer	Nonmajor Enterprise Funds	Total	Internal Service Funds
Cash Flows from Operating Activities:				
Receipts from Customers	\$ 300,514	\$ 79,273	\$ 379,787	\$ 65,388
Receipts from Other Operating Sources	62	3,255	3,317	-
Payments to Suppliers	(20,185)	(3,677)	(23,862)	(13,653)
Payments to Employees	(55,064)	(14,125)	(69,189)	(28,933)
Payments for Contractual Services	(95,230)	(46,623)	(141,853)	(15,061)
Other Payments	(1,462)	(141)	(1,603)	-
Net Cash Provided by Operating Activities	<u>128,635</u>	<u>17,962</u>	<u>146,597</u>	<u>7,741</u>
Cash Flows from Noncapital Financing Activities:				
Other Nonoperating Revenues	276	6,149	6,425	1,873
Advances from (to) Other Funds	-	386	386	(898)
Transfers In from Other Funds	2,752	868	3,620	2,756
Transfers Out to Other Funds	(17,133)	(12,477)	(29,610)	(357)
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>(14,105)</u>	<u>(5,074)</u>	<u>(19,179)</u>	<u>3,374</u>
Cash Flows from Capital and Related Financing Activities:				
Acquisition and Construction of Property, Plant and Equipment	(81,655)	(36,473)	(118,128)	(966)
Proceeds from Sale of Machinery and Equipment	164	93	257	18
Proceeds from Bond Sales and Capital Leases, Net of Issuance Costs	4,645	26,212	30,857	-
Principal Paid on Long-Term Debt	(51,830)	(2,510)	(54,340)	-
Interest Paid on Long-Term Obligations	(32,218)	(3,663)	(35,881)	-
Principal Paid on Capital Leases	-	(63)	(63)	-
Contributions	884	89,734	90,618	416
Contributions - Impact Fees	7,475	-	7,475	-
Net Cash Provided by (Used for) Capital and Related Financing Activities	<u>(152,535)</u>	<u>73,330</u>	<u>(79,205)</u>	<u>(532)</u>
Cash Flows from Investing Activities:				
Investment Income Received	6,958	3,021	9,979	387
Net Cash Provided by Investing Activities	<u>6,958</u>	<u>3,021</u>	<u>9,979</u>	<u>387</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(31,047)	89,239	58,192	10,970
Cash and Cash Equivalents, Beginning of Year	307,860	101,793	409,653	3,629
Cash and Cash Equivalents, End of Year	<u>\$ 276,813</u>	<u>\$ 191,032</u>	<u>\$ 467,845</u>	<u>\$ 14,599</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, 2009
(in 000's)

	Business-type Activities--			
	Enterprise Funds			
	Water and Sewer	Nonmajor Enterprise Funds	Total	Internal Service Funds
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:				
Operating Income	\$ 66,824	\$ 4,880	\$ 71,704	\$ 6,373
Adjustments Not Affecting Cash:				
Depreciation	53,038	9,945	62,983	1,739
Change in Assets and Liabilities:				
Accounts and Other Receivables	(2,530)	1,309	(1,221)	23
Inventories	16	5	21	1,233
Other Assets	-	(793)	(793)	(20)
Accounts Payable	3,074	598	3,672	(1,431)
Accrued Compensation	9,742	2,441	12,183	(176)
Unearned Revenue	-	(481)	(481)	-
Landfill Closure Costs	-	240	240	-
Customer Deposits	(67)	(41)	(108)	-
Escrow and Other Liabilities	(1,462)	(141)	(1,603)	-
Total Adjustments	<u>61,811</u>	<u>13,082</u>	<u>74,893</u>	<u>1,368</u>
Net Cash Provided by Operating Activities	<u>\$ 128,635</u>	<u>\$ 17,962</u>	<u>\$ 146,597</u>	<u>\$ 7,741</u>
The Cash and Cash Equivalents are reported in the Statement of Net Assets as follows:				
Cash, Cash Equivalents and Investments	\$ 72,463	\$ 42,858	\$ 115,321	\$ 10,824
Restricted Assets:				
Cash and Cash Equivalents	170,300	147,198	317,498	3,775
Cash and Cash Equivalents Held by Trustees	34,050	976	35,026	-
Total Cash and Cash Equivalents	<u>\$ 276,813</u>	<u>\$ 191,032</u>	<u>\$ 467,845</u>	<u>\$ 14,599</u>
Noncash Investing, Capital, and Financing Activities:				
Capital Asset Contributions from Developers	\$ 35,250	\$ -	\$ 35,250	\$ -
Net Capital Assets Transfers (to) from Government	(1,935)	(32)	(1,967)	(288)

See accompanying notes to the basic financial statements.

(concluded)

CITY OF FORT WORTH, TEXAS
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
SEPTEMBER 30, 2009
(in 000's)

	<u>Pension Trust Fund</u>
	<u>Employees' Retirement Pension Trust Fund</u>
ASSETS	
Current Assets:	
Cash and Cash Equivalents	\$ 95
Cash and Investments Held by Trustees	
Asset & Mortgage Backed Obligations	43,555
Corporate Obligations	237,224
Government Agency Obligations	71,447
International Obligations	55,881
US Treasuries	16,122
Short Term Mutual Fund Investments	138,582
Corporate Stock	461,907
Alternative Investments	236,677
Commingled Funds	254,399
Less: Investments in Non-City Funded Staff Plan	(457)
Total Cash and Investments Held by Trustees	<u>1,515,337</u>
Other Receivables	13,914
Due from Broker Securities Sold	<u>64,708</u>
Total Current Assets	<u>1,594,054</u>
Capital Assets (at cost):	
Land	405
Buildings	3,424
Machinery and Equipment	179
Accumulated Depreciation	<u>(72)</u>
Net Capital Assets	<u>3,936</u>
Total Assets	<u>1,597,990</u>
LIABILITIES	
Current Liabilities:	
Accrued Payable	2,969
Due to Broker - net	<u>58,372</u>
Total Current Liabilities	<u>61,341</u>
NET ASSETS	
Held in Trust for Pension Benefits	<u><u>\$ 1,536,649</u></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, 2009
(in 000's)

	<u>Pension Trust Fund</u>	<u>Employees' Retirement Pension Trust Fund</u>
ADDITIONS		
Interest and Dividend Income	\$ 49,618	
Less: Investment Management Fees and Interest Expense	(6,498)	
Net Loss in Fair Value of Investments	(73,069)	
Employer Contributions	59,601	
Employee Contributions	<u>31,521</u>	
Total Additions	<u>61,173</u>	
DEDUCTIONS		
Benefit Payments	111,019	
Refunds	2,992	
Administrative Expenses	<u>2,382</u>	
Total Deductions	<u>116,393</u>	
Change in Net Assets	(55,220)	
Net Assets-Beginning of the Year	<u>1,591,869</u>	
Net Assets-End of the Year	<u>\$ 1,536,649</u>	

See accompanying notes to the basic financial statements.



Museum Place at Seventh Street and Camp Bowie

NOTES TO THE FINANCIAL STATEMENTS

City of Fort Worth, Texas
Notes to the Basic Financial Statements
September 30, 2009
(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 Equity
- Note E:** Restricted Assets
- Note F:** Capital Assets
- Note G:** Debt Obligations
- Note H:** Landfill Closure and Postclosure Care Costs
- Note I:** Investment in D/FW International Airport
- Note J:** Employees' Retirement Fund of the City of Fort Worth, Texas
- Note K:** Employee Benefits
- Note L:** Commitments and Contingencies
- Note M:** Condensed Financial Information for Component Units and Nonmajor Enterprise Funds
- Note N:** Subsequent Events
- Note O:** New Accounting Standards



Grand Opening of the Rockwood Golf Course Practice Facility
located at 1851 Jacksboro Highway

CITY OF FORT WORTH, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2009
(000's omitted)

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the City of Fort Worth, Texas (City) as reflected in the accompanying financial statements for the year ended September 30, 2009, 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 because they provide benefits and services entirely or almost entirely to the City itself:

Crime Control and Prevention District. - The Crime Control and Prevention District was created in March 1995 by a vote of local residents, and renewed in 2000 and 2005. The next renewal will be in 2010. Members of the Board of Directors are appointed by the City Council, but are not considered to be officers of the City of Fort Worth. The City funds this program with sales taxes. Due to the financial management responsibility of the City and the general oversight provided by the City, the Crime Control and Prevention District has been included in the City's basic financial statements as a Nonmajor Special Revenue Fund.

Fort Worth Housing Finance Corporation - The Fort Worth Housing Finance Corporation (FWHFC) was created pursuant to the Texas Housing Finance Corporations Act. The FWHFC was organized for the purpose of financing the cost of residential ownership and development of single-family dwellings for persons of low and moderate income. Although it is legally separate from the City, the members of the Board of the FWHFC and the members of the City Council are 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 Nonmajor 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. Separate financial statements are not available.

CITY OF FORT WORTH, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2009
(000's omitted)

(continued)

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 Nonmajor Special Revenue Fund.

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 Nonmajor Special Revenue Fund (reported with the Other Blended Component Units).

Fort Worth Sports Authority, Inc. - The Fort Worth Sports Authority, Inc. (Sports Authority) was created pursuant to the provisions Section 4B of Article 5190.6, Vernon's Texas Civil Statutes, which authorizes the Sports Authority to jointly assist and act on behalf of the City and to engage in activities in furtherance of the purposes for its creation. The Sports Authority is organized for the purpose of aiding, assisting, and acting on behalf of the City in the performance of its governmental functions to promote the common good and general welfare of the City and in 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 Nonmajor Special Revenue Fund (reported with the Other Blended Component Units).

Lone Star Local Government Corporation - The Lone Star Local Government Corporation was created pursuant to the provisions of Subchapter D, Chapter 431 of the Texas Transportation Code, and Chapter 394 of the Texas Local Government Code. The Lone Star Local Government Corporation is organized for the purpose of aiding, assisting, and acting on behalf of the City in the performance of its governmental functions to promote the common good and general welfare of the City and in undertaking and completing of projects on behalf of the City. 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 Nonmajor Special Revenue Fund (reported with the Other Blended Component Units).

Fort Worth Central City Local Government Corporation - The Fort Worth Central City Local Government Corporation (FWCCLGC) was created pursuant to the provisions of Subchapter D, Chapter 431 of the Texas Transportation Code. The FWCCLGC is organized for the purpose of aiding, assisting and acting on behalf of the City in implementation of project plans for the Magnolia Green Development, including the construction of a parking garage to support the development of the area. 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 Nonmajor Special Revenue Fund (reported with the Other Blended Component Units).

**CITY OF FORT WORTH, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2009
(000's omitted)**

(continued)

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. Each Public Improvement District presented below was created by resolution of the City Council pursuant to Texas Local Government Code, Chapter 372. Each Taxing Increment Reinvestment Zone listed below was created pursuant to the Texas Tax Increment Financing Act, Tax Code, Sections 311.001 through 311.017, as amended. They are each designed to benefit the citizens of Fort Worth in specific areas.

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

Fort Worth Public Improvement District No. 6 - The purpose of District No. 6 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 purpose of District No. 7 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 - District No. 8 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 purpose of District No. 11 is to provide maintenance and landscaping, promotions and marketing, security, transportation and parking, street and sidewalk sweeping, etc. for the Stockyards area.

Fort Worth Public Improvement District No. 12 - District No. 12 known as the Chapel Hill area includes 1,358.02 acres bounded by West Bonds Ranch Road, Business Highway 287 North and Boat Club Road. The purpose of the district is to provide additional services and improvements in this area to include maintenance, landscaping, promotions, marketing, security, transportation, parking, and street sweeping.

Fort Worth Public Improvement District No. 14 - The purpose of District No. 14 is to provide management and improvement services for Trinity Bluff. Initial improvements and services to be provided include a maintenance program, a security enhancement program and a district management program.

Taxing Increment Reinvestment Zone No. 2A - The purpose of Zone No. 2A is to promote the development of the Texas Motor Speedway.

CITY OF FORT WORTH, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2009
(000's omitted)

(continued)

Taxing Increment Reinvestment Zone No. 2B – Zone 2B 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 - 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 - This Zone is an expansion of Taxing Increment Reinvestment Zone No. Three. The purpose of the Zone is to finance public improvements to the downtown area such as construction of an underground parking garage and central park, as well as streetscape improvements along heavily traveled pedestrian corridors.

Taxing Increment Reinvestment Zone No. 4 - The purpose of Zone No. 4 is to promote the development of the Southside Medical District.

Taxing Increment Reinvestment Zone No. 6 - 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 purpose of Zone No. 7 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 - 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 - This Zone was created to provide infrastructure and public space support for a private investment by Cabela's Retail, Inc. mega store.

Taxing Increment Reinvestment Zone No. 11 This Zone was created for right-of-way acquisitions, arterial connections and enhancements associated with the construction of SH-121T, or Southwest Parkway.

Taxing Increment Reinvestment Zone No. 12 - This Zone was created to provide infrastructure improvements (e.g. water, sewer, drainage, roads, sidewalks, etc.) associated with new development and redevelopment projects for the East Berry Renaissance along the East Berry Street corridor.

Taxing Increment Reinvestment Zone No. 13 - This zone was created to help fund infrastructure improvements (e.g. water, sewer, drainage, roads, sidewalks, etc.) associated with new development and redevelopment projects in the Woodhaven Area.

CITY OF FORT WORTH, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2009
(000's omitted)

(continued)

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 3800 Hulen Street, Suite 101, 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 Zoological Association, Fort Worth Botanical Society, Inc., Friends of the Fort Worth Public Library, certain Fort Worth library trusts, the Business Assistance Center Foundation, Inc., Fort Worth South, Inc., and the Trinity River Vision Project.

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

Dallas/Fort Worth International Airport – Dallas/Fort Worth International Airport (DFW Airport) is a local government located between the cities of Fort Worth and Dallas. DFW 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.

Fort Worth Transportation Authority (Transportation Authority) – The Transportation Authority is an independent organization, that provides public transportation services for Tarrant County and the North Central Texas region. Under Texas State Statutes, the responsibility for the administration and operations of the Transportation Authority is vested solely with the Authority's Board of Directors which is composed of nine-members appointed by the Fort Worth City Council and Tarrant County Commissioners Court. The Transportation Authority is dependent on State and Federal funds and user fees.

CITY OF FORT WORTH, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2009
(000's omitted)

(continued)

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 nonmajor funds are aggregated and presented in a single column.

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

The City's fiduciary funds are presented in the fund financial statements. Since by definition these assets are being held for the benefit of a third party (pension 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

CITY OF FORT WORTH, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2009
(000's omitted)

(continued)

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.

Street Improvement 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.

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 fund:

Water and Sewer Fund accounts for the provision of water and sewer services to the residents of the City. Activities of the funds include administration, billing and collection activities, and the operations, maintenance, and construction of the systems. The fund also accounts for the accumulation of resources for and the payment of long-term principal and interest for the water and sewer debt. All costs are financed through charges to utility customers with rates reviewed regularly and adjusted if necessary to ensure the integrity of the system.

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

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds and internal service funds are charges to customers for sales and services. The Water and Sewer Fund also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

CITY OF FORT WORTH, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2009
(000's omitted)

(continued)

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. Those statements can be obtained by contacting the Employee's Retirement Plan of the City of Fort Worth, 3801 Hulen St., Suite 101, Fort Worth, Texas, 76107.

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.

CITY OF FORT WORTH, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
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(continued)

A. 3. MEASUREMENT FOCUS/BASIS OF ACCOUNTING

The government-wide statements of net assets and statements of activities, all proprietary and the pension trust fund 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 statement of net assets 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 is 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, gas leases and royalties and other charges for services are generally considered to be measurable and available when the cash is received. Expenditures are recorded when the related liability is incurred and payment is due, except for principal and interest on long-term debt and certain estimated liabilities which are recorded only when the obligation has matured and is due and payable shortly after year-end as required by GASB Interpretation No. 6.

The statement of net assets, statements of activities, financial statements of the Proprietary Funds and the 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 operating 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, including gas leases and royalties, 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 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.

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

(continued)

Property taxes levied for 2009 have been recorded as receivables, net of allowance for refunds and uncollectible amount. The net receivables collected during 2009 and those considered "available" at September 30, 2009 (i.e., property taxes collected within 60 days of year end) have been recognized as revenues in 2009. The remaining receivables have been reflected as deferred revenue. In the government-wide financial statements, tax revenue is recognized in the year in which it is levied.

The State Constitution limits the tax rate to \$2.50 per \$100 of assessed valuation including debt service. However, the City Charter further limits the tax rate to \$1.90 per \$100 or \$19.00 per \$1,000 of assessed valuation including debt service (amounts are not in thousands).

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

The City pools cash from all funds (excluding the Employees' Retirement 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.

Investments purchased with pooled cash are classified as cash, cash equivalents and investments in the accompanying balance sheet and statement of net assets. The relationship of an individual fund to the pooled cash and investment account is essentially that of a demand deposit account. Individual funds can withdraw cash from the account as needed and therefore all equity that the fund has in the pooled cash and investment account is highly liquid. For the purposes of the accompanying statement of cash flows, the City has chosen to reconcile to "cash, cash equivalents and investments," as all investments of the fund are regarded as cash equivalents.

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 cost, which approximates fair value. Quoted market prices are used to value investments. Investments that do not have quoted market prices are priced from information received from the external manager. This information includes audited financial statements, quarterly valuation statements, adjustments for cash receipts, cash disbursements and securities distributions through September 30, 2009. The fair value of investments without readily determinable fair values may change materially in the near term. Purchases and sales of investments are recorded on a trade-date basis.

The Plan's investments in limited partnerships are valued at estimated fair value based on the Fund'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. Estimates are used by management in determining the fair value of the Plan's investments in limited partnerships. The amount received upon sale of the investments may differ significantly from the recorded amount.

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.

CITY OF FORT WORTH, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2009
(000's omitted)

(continued)

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 2009 represents trades pending settlement and amounts due to foreign currency contracts.

Foreign Currency Transactions – The Plan is a party to financial instruments with off-balance-sheet risk, primarily forward contracts. Forward transactions are contracts or agreements for delayed delivery of commodities, securities, or money market instruments in which the seller agrees to make delivery at a specified future date of a specified commodity or instrument, at a specified price or yield. Entering into these investments involves not only the risk of dealing with counterparties and their ability to meet the terms of the contracts, but also the risk associated with market fluctuations. Notional, face, or contract amounts often are used to express the volume of these transactions, but the amounts potentially subject to credit risk are smaller.

Gains and losses resulting from foreign exchange contracts (transactions denominated in a currency other than the Plan's functional currency - U.S. dollars) are recorded by the Plan based on changes in market values and are combined with similar transactions in the accompanying statements of changes in plan net assets 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, 2009 were converted to the Plan's functional currency at the foreign exchange rates quoted at September 30, 2009. These foreign exchange gains and losses are included in net appreciation (depreciation) in fair value of investments in the accompanying statements of changes in net assets.

A. 6. INVENTORIES & PREPAIDS

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.

Prepaid items are payments made to vendors for services that will benefit periods beyond September 30, 2009. Prepaid items are recorded using the consumption method.

A. 7. CAPITAL ASSETS

Capital assets, which include land, buildings, infrastructure, vehicles, machinery and equipment and construction in progress, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the fund financial statements for proprietary funds. Capital assets are recorded at original cost or estimated fair market value as of the date of 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 or more and a useful life of at least two 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:

CITY OF FORT WORTH, TEXAS
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(continued)

Water and Sewer Meters and Equipment	5-20 years
Water and Sewer Infrastructure	25-75 years
Buildings	30-60 years
Vehicles, Machinery and Equipment	2-20 years
Runways and Taxiways	20-30 years
Infrastructure	10-40 years

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

A. 10. A. RISK MANAGEMENT

The General Fund accounts for the administration of risk management activities and programs in accordance with GASB Statement No. 10. 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 expenses and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. The provision for claims incurred but not reported which are probable and reasonably

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

(continued)

estimable is based on City experience since the inception of the insurance programs. In accordance with GASB Statement No. 10, the estimated claims payables are based on the estimated ultimate cost of settling the claims.

The total estimated claims payable at September 30, 2009, is \$45,952, of which \$28,251 represents workers' compensation case reserve losses, and is reported as long-term liabilities in the government-wide financial statements.

	Balance at October 1, 2007	Additions	Deletions	Balance at September 30, 2008	Additions	Deletions	Balance at September 30, 2009
Judgments and Claims	\$ 41,480	\$ 68,389	\$ (65,708)	\$ 44,161	\$ 70,437	\$ (68,646)	\$ 45,952

Provisions under each type of insurance are presented below:

A. 10. B. LIABILITY INSURANCE

The City largely self-funds the risk for most liability claims, lawsuits and related expenses 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. C. 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. D. 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. E. GROUP HEALTH AND LIFE INSURANCE

The City maintains a group health insurance plan for active and retired employees and their eligible dependents through a self-insured POS II (Point of Service) 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.

CITY OF FORT WORTH, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
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(continued)

A. 10. F. 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.

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 (See Note D.2). The City has the following reservations of fund balance: Reserved for Encumbrances, HUD Projects, Inventories, Advances, Other Long-Term Loans Receivable, Debt Service and Prepays. 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 prepays 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 Other Long-Term Loans Receivable are reservations for HUD Section 108 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 funds, bond premiums and discounts are deferred and amortized over the life of the bonds using the average bond balance method, which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs are deferred and amortized on a straight-line basis over the term of the related debt. In addition, gains and 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.

During fiscal year 2009, the City implemented GASB Statement No. 49, *Reporting for Pollution Remediation Obligations*. As a result of the implementation, the City recorded an immaterial restatement of beginning net assets in the amount of \$9,225 in the Water and Sewer Fund for the amount of expenses incurred in prior years for a remediation that was outstanding as of September 30, 2008.

CITY OF FORT WORTH, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2009
(000's omitted)

(continued)

The City also implemented GASB Statement No. 52, *Land and Other Real Estate Held as Investments by Endowments*. The implementation of this Statement did not impact the City's financial statements.

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.

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. 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 are managed and accounted for separately from those of the City.

The investment policies of the City (exclusive of the Employees' Retirement 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 100 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 a securities lending contract with Morgan Stanley 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 100 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, 2009, the fair value of securities on loan as of September 30, 2009 was \$197 and the fair value of collateral held against the loaned securities was \$204.

State statutes require all time and demand deposits to be fully insured or collateralized. At September 30, 2009, the carrying amount of the City's demand and time deposits and cash on hand was \$251,893. Of the \$257,999 bank balance, \$250 of each interest bearing account and each non-interest bearing account was covered by FDIC deposit insurance with the remainder (less \$321) being collateralized with securities pledged by the City's agent in the City's name. As of September 30, 2009, the City had funds in the amount of \$321 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.

CITY OF FORT WORTH, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2009
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(continued)

As of September 30, 2009, the City's investment portfolio and discretely presented component units' investment portfolios (excluding bank deposits, local government investment pools, money market mutual funds, and amounts held by Trustees) 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 are invested in Blackrock Liquidity T-Fund (\$4), a Wells Fargo 100 percent Treasury Money Fund (\$45,571), and a US Bank Money Market Fund (\$8). 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, 2009, the total fair value of the City's investments in T-Fund, Wells Fargo 100 percent Treasury Money Fund, and US Bank Money Market Fund totaled \$45,583 or 4.92 percent of the total investment portfolio.

All security investments are reported monthly at fair value priced by an independent source. 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's adopted Investment Policy sets general guidelines for maximum maturity dates and maximum weighted average maturity limits. The weighted average maturity (WAM) of the total City investment portfolio is targeted to be a maximum weighted average maturity of two years. The targeted maximum stated maturity of any security is five (5) years.

<u>Maturity</u>	<u>Cash to 1 year</u>	<u>1 - 2 year</u>	<u>2 - 3 year</u>	<u>3 - 4 year</u>	<u>4 - 5 year</u>
Day Range	0	365-730	731-1095	1096-1460	1461-1825
Targeted Portfolio %	43	14.25	14.25	14.25	14.25
Actual %	44.9	15.2	12.7	15.4	11.9

As of September 30, 2009, in the Total Overall Investment Portfolio:

- no holding had a stated maturity date beyond September 30, 2014,
- holdings maturing beyond one year represented 55.11 percent of the total investment portfolio, and
- the weighted average of the combined investment portfolio was 634 days on the total investment portfolio.

As of September 30, 2009, the investment portfolio managed by the City contained structured notes totaling \$344,320 as follows:

CITY OF FORT WORTH, TEXAS
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(000's omitted)

(continued)

Security	Coupon Range	Call Date Range	Maturity Date Range	Structure	Fair Value	WAM [*]
Structured notes past the call date:						
Federal National Mortgage Assoc. (FNMA)	5.25%	6/19/2006	6/19/2012	Quarterly	\$ 5,497	33
Discretely callable securities:						
Federal Home Loan Bank (FHLB)	1.00% - 2.58%	6/08/2010 - 9/30/2010	12/08/2011 - 12/30/2013	One-time Call	30,116	41
Federal Home Loan Mortgage Corp (FHLMC)	1.50% - 3.50%	11/06/2009 - 8/18/2010	3/19/2012 - 9/04/2014	Quarterly, One- Time call, Semi- annually	102,499	44
Federal National Mortgage Assoc. (FNMA)	1.25% - 4.55%	11/06/2009 - 7/28/2011	4/06/2011 - 9/30/2014	Quarterly, One- Time call	180,929	40
Continuously callable securities:						
Federal Home Loan Bank (FHLB)	2.00% - 3.45%	9/11/2009 - 8/19/2011	6/11/2012 - 8/19/2014	Continuous	25,279	42
Total Structured Notes					<u>\$ 344,320</u>	

* Weighted Average Maturity by Months

Credit Risk - The primary stated objective of the City of Fort Worth's adopted Investment Policy is the safety of principal and avoidance of principal loss.

Credit risk within the City's investment 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 100 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.

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 100 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. The City's Investment Policy also states that the maximum maturity for commercial paper is not to exceed 270 days.

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

As of September 30, 2009 in the City managed investment portfolio:

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

(continued)

- investment in one AAA-rated local government investment pool represented 7.84 percent of the total investment portfolio,
- investment in three AAA-rated, SEC-registered money market funds managed by the City and held with Trustee represented 4.92 percent of the total investment portfolio,
- investment in collateralized certificates of deposit represented 20.58 percent, and
- the remainder of the investments portfolio (66.66 percent) was in United States Government or United States Government Agency securities rated AAA.

Investment pools are money market equivalents and rated 'AAA' meet the highest credit quality standards for underlying assets, diversification, management, and operational capabilities. The investment 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.

See note B.3 for a listing of investments held by the City with weighted average maturity and credit rating information as of September 30, 2009.

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

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

Custodial Credit Risk – To control custody and safekeeping risk, State 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 Financial Institutions Resource and Recovery Enforcement Act. The counter-party of each type transaction is held contractually liable for monitoring and maintaining the required collateral margins on a daily basis.

As of September 30, 2009, the investment portfolios contained certificates of deposit (\$190,735) 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.

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NOTES TO THE BASIC FINANCIAL STATEMENTS
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(000's omitted)

(continued)

B.3. CASH, CASH EQUIVALENTS, AND INVESTMENTS

The City held the following cash, cash equivalents, and investments as of September 30, 2009:

	Fair Value	Weighted Average Maturity by Days	Credit Rating
Pooled Cash, Cash Equivalents and Investments Managed by the City			
Cash	\$ 248,038	N/A	N/A
Cash in Bank - Blended Component Units	1,203	N/A	N/A
Money Market Mutual Funds	931	N/A	AAA
Federal Farm Credit Bank (FFCB)	24,553	968	AAA
Federal Home Loan Bank (FHLB)	101,011	905	AAA
Federal Home Loan Mortgage Corp. (FHLMC)	132,442	1,126	AAA
Federal National Mortgage Assoc. (FNMA)	201,345	1,100	AAA
U. S. Treasury Notes	135,505	379	AAA
Certificates of Deposits	190,735	138	AAA
Local Government Investment Pools	72,603	N/A	AAA
Total Cash, Cash Equivalents and Investments Managed by the City	<u>1,108,366</u>		
Cash, Cash Equivalents and Investments Held by Trustees for the City			
CCS Consulting, L.P. - Cash	323	N/A	N/A
Gas Well Revenue - Cash	138	N/A	N/A
Water and Sewer Reserve Fund - Money Market Mutual Funds	32,789	N/A	AAA
Special Projects - US Bank Cash	2,191	N/A	N/A
Special Projects - US Bank Money Market Mutual Funds	8	N/A	AAA
Fort Worth Local Development Corp - Money Market Mutual Funds	5,421	N/A	AAA
SW Parkway - Money Market Mutual Funds	4,560	N/A	AAA
SE Landfill - Money Market Mutual Funds	966	N/A	AAA
HUD 2004 - Money Market Mutual Funds	863	N/A	AAA
Total Cash and Cash Equivalents Held by Trustees for the City	<u>47,259</u>		
Total Cash, Cash Equivalents and Investments - Primary Government	<u>1,155,625</u>		
Cash and Cash Equivalents Managed by the Employees' Retirement Fund			
Cash in Bank	95	N/A	N/A
Investments Managed by the Employees' Retirement Fund			
Investments	<u>1,515,337</u>	see Note B.4	
Total Cash, Cash Equivalents and Investments - Employees' Retirement Fund	<u>1,515,432</u>		
Cash Equivalents and Investments – Discretely Presented Component Units			
Money Market Mutual Funds	45	N/A	AAA
Federal Farm Credit Bank (FFCB)	1,219	968	AAA
Federal Home Loan Bank (FHLB)	5,014	905	AAA
Federal Home Loan Mortgage Corp. (FHLMC)	6,574	1,126	AAA
Federal National Mortgage Assoc. (FNMA)	9,994	1,100	AAA
Total Cash and Cash Equivalents – Discretely Presented Component Units	<u>22,846</u>		
Total Cash, Cash Equivalents, and Investments	<u>\$ 2,693,903</u>		

CITY OF FORT WORTH, TEXAS
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The following is a reconciliation between note B.3 and the Basic Financial Statements:

Cash, Cash Equivalents, and Investments, per Notes	
Primary Government	\$ 1,155,625
Employees' Retirement Fund	1,515,432
Discretely Presented Component Units	<u>22,846</u>
Total, per Notes	<u>\$ 2,693,903</u>
Cash, Cash Equivalents, and Investments, per Basic Financial Statements	
Statement of Net Assets - Primary Government	\$ 756,686
Statement of Net Assets - Primary Government Restricted	398,939
Statement of Net Assets - Discretely Presented Component Units	22,846
Statement of Fiduciary Net Assets - Cash and Cash Equivalents	95
Statement of Fiduciary Net Assets - Cash and Investments Held by Trustees	<u>1,515,337</u>
Total, per Basic Financial Statements	<u>\$ 2,693,903</u>

B. 4. INVESTMENTS OF THE EMPLOYEES' RETIREMENT FUND (THE "PLAN")

INVESTMENTS

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

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

Custodial Credit Risk - Custodial credit risk is the risk that in the event of failure of the counterparty, the Plan would not be able to recover the value of its investments. The Plan does not have a formal policy for custodial credit risk. As of September 30, 2009 all investments are registered in the name of the Employees' Retirement Fund of the City of Fort Worth or in the name of the Plan's custodian established through a master trust custodial agreement, with the exception of investments in Alternative Investments and Commingled Funds.

Credit Risk of Debt Securities – Credit Risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Plan's investment policy requires that fixed income securities have a weighted average of no less than Investment Grade, as rated by Moody's or Standard & Poor's (S&P). However, the policy does provide for high yield fixed income managers to invest in securities with S&P ratings between BB+ and CCC. The policy limits 25 % of a manager's portfolio to be rated CCC or lower. Unrated securities should be limited to no more than 20% of a manager's portfolio. GASB 40 does not require disclosure of U.S. government obligations explicitly guaranteed.

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Below are the Plan's investments as of September 30, 2009:

<u>Investment Type</u>	<u>S&P Rating</u>	<u>Fair Value</u>
Asset & Mortgage Backed Obligations	AAA	\$ 21,844
Asset & Mortgage Backed Obligations	AA	1,204
Asset & Mortgage Backed Obligations	A	2,814
Asset & Mortgage Backed Obligations	BBB	1,232
Asset & Mortgage Backed Obligations	BB	1,876
Asset & Mortgage Backed Obligations	B	3,068
Asset & Mortgage Backed Obligations	CCC	8,708
Asset & Mortgage Backed Obligations	CC	1,982
Asset & Mortgage Backed Obligations	C	606
Asset & Mortgage Backed Obligations	D	180
Asset & Mortgage Backed Obligations	NR	41
Total Asset & Mortgage Backed Obligations		<u>43,555</u>
Corporate Obligations	AAA	626
Corporate Obligations	AA	9,787
Corporate Obligations	A	56,230
Corporate Obligations	BBB	66,626
Corporate Obligations	BB	66,478
Corporate Obligations	B	14,678
Corporate Obligations	CCC	6,150
Corporate Obligations	CC	1,899
Corporate Obligations	D	1,587
Corporate Obligations	NR	13,163
Total Corporate Obligations		<u>237,224</u>
Government Agency Obligations	AAA	68,908
Government Agency Obligations	AA	311
Government Agency Obligations	A	2,079
Government Agency Obligations	BBB	149
Total Government Agency Obligations		<u>71,447</u>
International Obligations	AAA	18,169
International Obligations	AA	2,894
International Obligations	A	17,182
International Obligations	BBB	15,278
International Obligations	BB	1,674
International Obligations	B	458
International Obligations	CCC	226
Total International Obligations		<u>55,881</u>
Total Fixed Income Subject to Credit Risk		<u>408,107</u>
US Treasuries (Not Subject to Credit Risk)		16,122
Short Term Mutual Fund Investments		138,582
Corporate Stock		461,907
Alternative Investments		236,677
Commingled Funds		254,399
Less investments in Non-City Funded Staff Plan		(457)
Total Investments		<u>\$ 1,515,337</u>

Concentration of Credit Risk – Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The Plan's investment policy addresses concentration limits on a manager basis. As of September 30, 2009 the Plan had two investments with the investment manager Ashmore

CITY OF FORT WORTH, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
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(continued)

Group (approximately \$123 million), where the underlying assets were not registered in the Plan's name that totaled more than 5% of assets of the Plan.

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.

Investment Type	Less Than 1 Year	1-5 Years	6-10 Years	More Than 10 Years	Total Fair Value
Asset & Mortgage Backed	\$ -	\$ 4,681	\$ 370	\$ 38,504	\$ 43,555
Corporate Obligations	8,555	113,466	66,594	48,609	237,224
Gov't Agency Obligations	100	4,487	1,657	65,203	71,447
International Obligations	326	17,990	23,516	14,049	55,881
Total Interest Rate Risk					
Debt Securities	\$ 8,981	\$ 140,624	\$ 92,137	\$ 166,365	\$ 408,107

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, 2009 is presented below:

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Currency	Debt	Equity	Total
Australian Dollar	\$ 5,739	\$ 6,893	\$ 12,632
Brazilian Real	2,979	5,198	8,177
British Pound Sterling	7,549	15,325	22,874
Canadian Dollar	4,918	9,823	14,741
Danish Krone	-	3,328	3,328
Euro Currency Unit	822	46,465	47,287
Hong Kong Dollar	-	10,536	10,536
Indonesian Rupiah	1,530	-	1,530
Iceland Krona	128	-	128
Japanese Yen	-	10,567	10,567
Mexican New Peso	2,572	(555)	2,017
Malaysian Ringgit	2,407	-	2,407
New Zealand Dollar	2,878	-	2,878
Norwegian Krone	1,346	87	1,433
Philippine Peso	-	384	384
Polish Zloty	2,027	-	2,027
Singapore Dollar	140	2,569	2,709
South African Rand	717	-	717
South Korean Won	2,107	1,103	3,210
Swedish Krona	2,667	1,561	4,228
Swiss Franc	-	13,045	13,045
Thai Baht	-	519	519
Turkish Lira	1,553	-	1,553
Total securities subject to foreign currency risk	<u>\$ 42,079</u>	<u>\$ 126,848</u>	<u>\$ 168,927</u>

LENDING SECURITIES

The Plan is authorized 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 and irrevocable letters of credit issued by banks independent of the borrower. At a loan's inception, the value of collateral obtained is equal to 102% for securities of United States issuers, and 105% in the case of securities of non-United States issuers, of the market value of any securities to be loaned, plus any accrued interest.

Cash collateral is to be invested in government securities, bank and corporate notes, bank certificates of deposit, time deposits, bankers' acceptances, repurchase agreements, commercial paper and asset backed securities. The 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.

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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, 2009 the value of the collateral held was \$181,519 and the value of securities out on loan at September 30, 2009 was \$176,704. The Plan earned \$875 on its securities lending activity for the fiscal years ended September 30, 2009.

During September 2008 Northern Trust held Lehman Brothers securities and other longer term debt securities which decreased in value causing the collateral pool investments held at Northern Trust to be valued at less than what was invested. As a result Northern Trust posted a liability to each investor with assets in the collateral pool. The Plan's liability as a result of this deficiency is \$2,930. If the Plan chooses to remove itself from the collateral pool then this liability must be paid. However, if the Plan remains invested in the collateral pool and earnings and longer term securities pay off their values at par this liability will be removed without having to be paid. During November 2009 the liability associated with the collateral pool deficiency was reduced by \$1,918. In December 2009 the Plan paid \$439 for realized losses associated with the collateral pool. As of December 2009, a liability of \$573 remains for the decreased value of the collateral pool.

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 \$2.4 million at September 30, 2009, 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, 2009, the fair value of these contracts is included in other investments of the Plan.

SUBSEQUENT EVENTS

The Plan continues to implement the new target asset allocation approved by the Board in July 2009. Since the end of the fiscal year the Plan has approved the hiring of a new Core Plus Fixed Income manager, a Global Tactical Asset Allocation manager and a new Private Equity consultant. There have been no material events that change the value of assets of liabilities of the Plan.

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NOTE C: RECEIVABLES AND INTERFUND BALANCES

C.1. RECEIVABLES

Receivables at September 30, 2009 for governmental activities of the City's individual major funds and nonmajor and internal service funds in the aggregate, including the applicable allowances for uncollectible accounts, consist of the following:

<u>Receivables</u>	General Fund	Debt Service	Street Improvements	Nonmajor Governmental	Internal Service	Total Governmental Activities
Taxes	\$ 17,487	\$ 5,360	\$ -	\$ -	\$ -	\$ 22,847
Grants and Other Governments	17,227	-	-	27,079	-	44,306
Levied, Unbilled Assessments	-	-	2,082	-	-	2,082
Loans	-	-	-	3,365	-	3,365
Long-term Loans	-	-	-	11,369	-	11,369
Interest	806	733	142	796	1	2,478
Accounts and Other	<u>56,840</u>	<u>-</u>	<u>267</u>	<u>2,216</u>	<u>4</u>	<u>59,327</u>
Total Gross Receivables	<u>92,360</u>	<u>6,093</u>	<u>2,491</u>	<u>44,825</u>	<u>5</u>	<u>145,774</u>
Less Allowance for Doubtful Accounts:						
Taxes	(14,228)	(4,361)	-	-	-	(18,589)
Levied, Unbilled Assessments	-	-	(2,082)	-	-	(2,082)
Accounts and Other	<u>(42,936)</u>	<u>-</u>	<u>-</u>	<u>(2,238)</u>	<u>-</u>	<u>(45,174)</u>
Total Allowance	<u>(57,164)</u>	<u>(4,361)</u>	<u>(2,082)</u>	<u>(2,238)</u>	<u>-</u>	<u>(65,845)</u>
Total Receivables, Net	<u>\$ 35,196</u>	<u>\$ 1,732</u>	<u>\$ 409</u>	<u>\$ 42,587</u>	<u>\$ 5</u>	<u>\$ 79,929</u>

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Receivables at September 30, 2009 for business-type activities of the City's individual major enterprise funds and nonmajor enterprise funds in the aggregate, including the applicable allowances for uncollectible accounts, consist of the following:

<u>Receivables</u>	<u>Water and Sewer Fund</u>	<u>Nonmajor Enterprise</u>	<u>Total Business-type Activities</u>
Interest	\$ 524	\$ 274	\$ 798
Accounts and Other	46,525	9,751	56,276
Grants - Restricted	7	493	500
Interest - Restricted	<u>1,173</u>	<u>224</u>	<u>1,397</u>
Total Gross Receivables	<u>48,229</u>	<u>10,742</u>	<u>58,971</u>
Less Allowance for Doubtful Accounts:			
Accounts and Other	<u>(473)</u>	<u>(635)</u>	<u>(1,108)</u>
Total Allowance	<u>(473)</u>	<u>(635)</u>	<u>(1,108)</u>
Total Receivables, Net	<u>\$ 47,756</u>	<u>\$ 10,107</u>	<u>\$ 57,863</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:

<u>Description</u>	<u>Unavailable</u>	<u>Unearned</u>
Property Taxes	\$ 3,083	\$ -
Grants and Other Governments	12,347	11,312
Loans	-	923
Long-term Loans	-	12,796
Customer Deposits and Other	<u>-</u>	<u>3,960</u>
Total Unavailable / Unearned Revenues	<u>15,430</u>	<u>28,991</u>
Total Deferred Revenue for Governmental Funds		<u>\$ 44,421</u>

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

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<u>Description</u>	Water and Sewer Fund	Nonmajor Enterprise	Total Business-type Activities
Deposits and Rents	\$ 1,546	\$ 6,683	\$ 8,229
Grants	-	80,000	80,000
Total Unearned Revenues	<u>\$ 1,546</u>	<u>\$ 86,683</u>	<u>\$ 88,229</u>

C.2. INTERFUND RECEIVABLES AND PAYABLES

Interfund receivable and payable balances at September 30, 2009, were as follows:

Receivable Fund	Payable Fund	Total
General Fund	Nonmajor Governmental	\$ 3,701
Street Improvements Fund	Nonmajor Governmental	2,163
Nonmajor Governmental	General Fund	390
Nonmajor Governmental	Nonmajor Enterprise	137
Total:		<u>\$ 6,391</u>

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

The \$3,701 receivable in the General Fund from the Nonmajor Governmental Funds consists of the following: \$736 due from the Special Projects Special Revenue Fund to cover a temporary cash deficit and \$2,965 due from the Grants Fund is to cover a temporary cash deficit.

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

The Street Improvement Fund had a receivable of \$1,500 from the 2007 Capital Projects Fund (nonmajor governmental fund) and \$663 from the Grants fund (nonmajor governmental fund) for various street reconstruction projects.

The Fort Worth Local Development Corporation (nonmajor governmental fund) had a receivable of \$390 from the General Fund as allocated for a loan to Cypress Equity for the acquisition, design, and construction of improvements on City owned property.

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C.3. ADVANCES

Advances from/to other funds at September 30, 2009, are as follows:

Receivable Fund	Payable Fund	Total
General Fund	Nonmajor Enterprise	\$ 4,207
General Fund	Internal Service Funds	693
Nonmajor Governmental	Nonmajor Enterprise	351
Total:		<u>\$ 5,251</u>

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

The \$4,207 payable to the General Fund from the Nonmajor Enterprise Funds is due from the Municipal Golf Fund to cover a cash deficit. This advance will be repaid by revenue from operations.

The \$693 payable to the General Fund from the Internal Service Funds consists of an advance to the Office Services fund to cover cash deficits (which will be repaid from future operating revenues).

The \$351 payable to the Nonmajor Governmental Funds from the Nonmajor 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.

C. 4. TRANSFERS

Transfers made during the year are as follows:

	Transfers In:								
	General Fund	Debt Service	Street Improvements	Nonmajor Gov't	Water and Sewer	Nonmajor Enterprise	Internal Service	Gov't Activities	Total
Transfers Out:									
General Fund	\$ -	\$ 4,829	\$ 17,211	\$ 8,188	\$ 878	\$ 631	\$ 340	\$ -	\$ 32,077
Debt Service	-	-	-	-	-	-	2,070	-	2,070
Street Improvements	-	-	-	2,944	-	-	-	-	2,944
Nonmajor Governmental Funds	12,077	-	-	12,191	1,874	237	346	-	26,725
Water & Sewer Fund	16,623	-	-	510	-	-	-	1,963	19,096
Nonmajor Enterprise Funds	6,368	-	5,734	375	-	-	32	-	12,509
Internal Service Funds	<u>357</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>28</u>	<u>-</u>	<u>-</u>	<u>292</u>	<u>677</u>
Total	<u>\$ 35,425</u>	<u>\$ 4,829</u>	<u>\$ 22,945</u>	<u>\$ 24,208</u>	<u>\$ 2,780</u>	<u>\$ 868</u>	<u>\$ 2,788</u>	<u>\$ 2,255</u>	<u>\$ 96,098</u>

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

Significant transfers included the following:

General Fund transfers to Debt Service Fund for \$4,829 to finance fiscal year 2009 debt service payments from property tax.

General Fund transfers to Nonmajor Governmental Funds totaling \$8,188, of which \$5,000 went into the OPEB Healthcare Fund.

The General Fund transferred \$17,211 to the Street Improvements Fund to finance street maintenance programs and for grant matching for grants with Texas Department of Transportation

The Nonmajor Governmental Fund transferred \$12,191 to other Nonmajor Governmental Funds. Part of the total amount transferred included: the Grants Fund transferred \$730 to the HUD 108 Loan Fund for loan payments, and the State Awarded Assets fund for \$17; and the Crime Control and Prevention District Fund transferred \$9,435 to the Specially Funded Capital Projects Fund to design for the renovation of the crime lab and property/evidence facility.

The Nonmajor Governmental Funds transferred \$12,077 to the General Fund. Part of the total amount transferred included: \$5,330 from the Crime Control and Prevention District Fund to finance civil service pay plan; \$2,668 from the Crime Control and Prevention District Fund for increased jail costs; and \$1,334 from the ERP Capital Project Fund for the payroll system.

Water and Sewer Fund transfers to the General Fund include \$16,623 for street rentals and the PILOT (Payments in Lieu of Taxes) program.

Nonmajor Enterprise Funds transfers to the General Fund include \$3,465 for revenues collected from parking meters, court citations, and public events.

Nonmajor Enterprise Funds transferred \$5,734 to the Street Improvements Fund and \$375 to Nonmajor Governmental Funds. Part of the total amount transferred included a total of \$5,819 from both the Solid Waste and Solid Waste Capital Project Funds into the TPW Gas Well Revenues Fund to transfer revenue activity as deemed by City management.

Governmental Activities received capital assets of \$1,963 from the Water and Sewer Fund and \$292 from Nonmajor Enterprise Funds.

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

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(continued)

NOTE D: FUND EQUITY

D.1 FUND DEFICITS

Grants Fund – The current year decrease in fund deficit of \$6,505 was due to reimbursement timing differences and resulted in changing the fund deficit to \$379. Reimbursement for federal, state and local grant expenditures are expected to offset this fund deficit next year.

Office Services – Current year decrease in net assets of \$186 was due to insufficient user fees and resulted in an increased deficit net assets of \$623. This deficit will be offset by user fee increases in future years.

Engineering Services– Current year increase in net assets of \$277 was due to sufficient user fees and increased investment income, however the fund had deficit net assets of \$134. This deficit will be offset by user fee increases in future years.

D.2 UNRESERVED GENERAL FUND BALANCE DESIGNATIONS

The City has designated portions of the of unreserved fund balance in the General Fund. These amounts represent management's tentative plans for the designated balances. As of September 30, 2009, the City has designated amounts within the unreserved fund balance for risk financing of \$38,830 and culture and tourism of \$14,887, resulting in an unreserved and undesignated balance in the General Fund of \$73,939. As of September 30, 2008, the City had a general fund unreserved and undesignated fund balance of \$106,271. Of that amount the balance included earmarked amounts for risk financing totaling \$47,142 and for culture and tourism totaling \$13,501. However, these amounts had not been formally designated in 2008.

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NOTE E: RESTRICTED ASSETS

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

	General Fund	Street Improvements Fund	Nonmajor Governmental Funds	Water and Sewer	Nonmajor Enterprise Funds	Internal Service Funds	Total
Debt Service:							
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ 34,921	\$ 6,912	\$ -	\$ 41,833
	-	-	-	34,921	6,912	-	41,833
Capital Improvements:							
Cash and Cash Equivalents	-	-	-	124,193	133,374	3,775	261,342
Cash and Cash Equivalents Held by Trustees	-	3,307	8	-	-	-	3,315
Grant Receivables	-	-	-	7	493	-	500
Interest Receivable	-	-	-	1,173	224	-	1,397
	-	3,307	8	125,373	134,091	3,775	266,554
Customer Deposits:							
Cash and Cash Equivalents	-	-	-	11,186	744	-	11,930
	-	-	-	11,186	744	-	11,930
Other Restrictions:							
Cash and Cash Equivalents	1,052	-	29,356	-	6,168	-	36,576
Cash and Cash Equivalents Held by Trustees	1,186	-	7,731	34,050	976	-	43,943
	2,238	-	37,087	34,050	7,144	-	80,519
Total	\$ 2,238	\$ 3,307	\$ 37,095	\$ 205,530	\$ 148,891	\$ 3,775	\$ 400,836

The Nonmajor Governmental Funds had \$37,095 in other restricted assets of which \$23,861 is restricted by City Council ordinance for specified purposes.

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(continued)

NOTE F: CAPITAL ASSETS

Capital asset activity for Governmental Activities for the year ended September 30, 2009 was as follows:

	Beginning Balance October 1, 2008	Additions/ Transfers In	Decreases/ Transfers Out	Ending Balance September 30, 2009
Total Governmental Activities				
Capital assets, not being depreciated:				
Land	\$ 97,031	\$ 5,965	\$ (767)	\$ 102,229
Construction in progress	179,492	104,926	(62,803)	221,615
Total capital assets, not being depreciated	<u>276,523</u>	<u>110,891</u>	<u>(63,570)</u>	<u>323,844</u>
Capital assets, being depreciated:				
Buildings	341,514	5,806	(19)	347,301
Vehicles, machinery and equipment	173,525	17,117	(32,280)	158,362
Infrastructure	1,988,109	67,468	-	2,055,577
Total capital assets, being depreciated	<u>2,503,148</u>	<u>90,391</u>	<u>(32,299)</u>	<u>2,561,240</u>
Less accumulated depreciation for:				
Buildings	141,254	9,631	(18)	150,867
Vehicles, machinery and equipment	131,685	12,617	(32,217)	112,085
Infrastructure	1,138,893	69,432	-	1,208,325
Total accumulated depreciation	<u>1,411,832</u>	<u>91,680</u>	<u>(32,235)</u>	<u>1,471,277</u>
Total capital assets, being depreciated, net	<u>1,091,316</u>	<u>(1,289)</u>	<u>(64)</u>	<u>1,089,963</u>
Governmental activities capital assets, net	<u>\$ 1,367,839</u>	<u>\$ 109,602</u>	<u>\$ (63,634)</u>	<u>\$ 1,413,807</u>

Capital asset activity for Business-Type Activities for the year ended September 30, 2009 was as follows:

	Beginning Balance October 1, 2008	Additions/ Transfers In	Decreases/ Transfers Out	Ending Balance September 30, 2009
Business-Type Activities				
Capital assets, not being depreciated:				
Land	\$ 70,684	\$ 931	\$ (50)	\$ 71,565
Construction in progress	341,986	121,066	(161,284)	301,768
Total capital assets, not being depreciated	<u>412,670</u>	<u>121,997</u>	<u>(161,334)</u>	<u>373,333</u>
Capital assets, being depreciated:				
Buildings	59,866	240	(91)	60,015
Vehicles, machinery and equipment	338,884	34,984	(1,779)	372,089
Infrastructure	2,054,146	178,319	(1,364)	2,231,101
Total capital assets, being depreciated	<u>2,452,896</u>	<u>213,543</u>	<u>(3,234)</u>	<u>2,663,205</u>
Less accumulated depreciation for:				
Buildings	27,162	1,256	(86)	28,332
Vehicles, machinery and equipment	139,165	14,955	(1,768)	152,352
Infrastructure	518,473	65,678	(852)	583,299
Total accumulated depreciation	<u>684,800</u>	<u>81,889</u>	<u>(2,706)</u>	<u>763,983</u>
Total capital assets, being depreciated, net	<u>1,768,096</u>	<u>131,654</u>	<u>(528)</u>	<u>1,899,222</u>
Business-Type activities capital assets, net	<u>\$ 2,180,766</u>	<u>\$ 253,651</u>	<u>\$ (161,862)</u>	<u>\$ 2,272,555</u>

CITY OF FORT WORTH, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2009
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(continued)

Depreciation expense was charged as follows for year ended September 30, 2009:

	Depreciation Expense
Governmental Activities	
General Government	\$ 1,586
Public Safety	9,469
Transportation and Public Works	68,652
Parks and Community Services	5,337
Public Library	1,118
Public Events and Facilities	4,837
Planning and Development	70
Housing	611
Total Governmental Depreciation	<u>91,680</u>
Major Business-Type Activities	
Water	53,038
Non-Major Business-Type Activities	
Municipal Airports	7,189
Municipal Golf	449
Municipal Garage	147
Stormwater Utility	1,313
Solid Waste	847
Total Business-Type Depreciation	<u>62,983</u>
Total Depreciation	<u><u>\$ 154,663</u></u>

The Governmental Activities depreciation expense includes \$1,739 of depreciation expense from the Internal Service Funds.

The City capitalizes interest during the construction period in proprietary fund capital projects. For the year ended September 30, 2009, \$5,674, \$1,451, and \$873 of interest was capitalized in the Water and Sewer Fund, Municipal Parking Fund and Stormwater Utility Fund, respectively. Also, the additions/transfer in column in the Business-Type Activities capital asset changes table includes an immaterial adjustment to the cost and accumulated depreciation for infrastructure related to revisions to the unit of measure for pipelines.

CITY OF FORT WORTH, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
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(continued)

NOTE G: DEBT OBLIGATIONS

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

The following is a summary of changes in long-term obligations for the year ended September 30, 2009.

	Balance at			Balance at	Due Within One
	October 1, 2008	Increases	Decreases	September 30, 2009	Year
Governmental Activities:					
General Obligation Bonds	\$ 295,925	\$ 134,830	\$ 24,749	\$ 406,006	\$ 25,881
Certificates of Obligation	60,230	118,735	12,750	166,215	12,245
Convention Center Installment Obligation	6,130	-	545	5,585	575
HUD Installment Obligations	8,808	-	661	8,147	682
Equipment Notes	26,600	-	3,966	22,634	3,782
Helicopter Installment Obligation	105	-	105	-	-
Service Center Obligation	21,450	-	455	20,995	475
Fort Worth Housing Finance Corp Obligation	9,395	-	73	9,322	78
Fort Worth Housing Finance Fannie Mae Loan	1,000	-	1,000	-	-
Fort Worth Sports Authority Obligation	15,903	-	-	15,903	-
Lone Star Local Government Corp Obligation	31,617	-	-	31,617	-
Central City Local Government Corp Obligation	2,596	-	377	2,219	-
State Energy Conservation Loan Phase I & II	4,433	-	703	3,730	619
State Energy Conservation Loan Phase III	5,000	-	603	4,397	466
ESPC Phase IV	-	9,066	-	9,066	268
Wells Fargo Loan	269	-	24	245	39
Beechwood Bridge Obligation	1,287	-	160	1,127	-
Unamortized Bond Premium	6,163	9,792	903	15,052	-
Unamortized Loss on Refunding	(4,192)	-	(447)	(3,745)	-
Unamortized Bond Discount	(20)	-	-	(20)	-
Compensated Absences	99,998	30,449	26,196	104,251	26,196
Risk Management Estimated Claims Payable	44,161	70,437	68,646	45,952	-
HUD Claims Payable	1,151	-	460	691	-
Arbitrage	38	-	38	-	-
Other Post Employment Benefits Obligation	74,615	95,282	19,602	150,295	-
Net Pension Obligation	69,902	46,058	51,958	64,002	-
Total Governmental Activities	<u>782,564</u>	<u>514,649</u>	<u>213,527</u>	<u>1,083,686</u>	<u>71,306</u>

(continued)

CITY OF FORT WORTH, TEXAS
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SEPTEMBER 30, 2009
(000's omitted)

(continued)

	Balance at			Balance at	Due Within One
	October 1, 2008	Increases	Decreases	September 30, 2009	Year
Business-Type Activities:					
Water and Sewer - Revenue Bonds	\$ 733,765	\$ 4,645	\$ 51,335	\$ 687,075	\$ 48,900
Water and Sewer - General Obligations	132	-	70	62	60
Water and Sewer - Trinity River Authority Oblig.	8,490	-	425	8,065	445
Municipal Airport - Certificates of Obligation	110	-	55	55	55
Solid Waste - Equipment Notes	5,730	-	1,185	4,545	1,226
Solid Waste - Certificates of Obligation	7,400	-	440	6,960	435
Municipal Parking - Certificates of Obligation	20,935	27,135	100	47,970	300
Municipal Golf - General Obligations	8	-	5	3	3
Municipal Golf - Certificates of Obligation	2,460	-	205	2,255	205
Stormwater - Revenue Bonds	24,120	-	520	23,600	545
Unamortized Bond Premium	21,554	-	3,019	18,535	-
Unamortized Loss on Refunding	(12,308)	-	(1,027)	(11,281)	-
Municipal Golf - Capital Lease	132	-	63	69	64
Compensated Absences	8,523	4,738	4,103	9,158	4,103
Arbitrage	213	152	213	152	-
Landfill Closure and Postclosure Liab.	6,936	240	-	7,176	-
Pollution Remediation Liability	9,225	-	-	9,225	-
Other Post Employment Benefits Obligation	10,767	14,707	2,829	22,645	-
Net Pension Obligation	10,084	6,569	7,495	9,158	-
Total Business-Type Activities	<u>858,276</u>	<u>58,186</u>	<u>71,035</u>	<u>845,427</u>	<u>56,341</u>
Total Long-Term Liabilities	<u>\$ 1,640,840</u>	<u>\$ 572,835</u>	<u>\$ 284,562</u>	<u>\$ 1,929,113</u>	<u>\$ 127,647</u>

(concluded)

CITY OF FORT WORTH, TEXAS
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(000's omitted)

(continued)

Governmental Activities long-term debt is summarized as follows:					
	Interest Rate %	Year of Issue	Year of Maturity	Original Amount	Amount Outstanding
General obligation bonds:					
Series 1992A	4.5-7.5	1992	2010	\$ 18,060	\$ 67
Series 2001 Refunding	4.0-5.25	2001	2021	17,260	4,760
Series 2001A	4.5-5.0	2001	2021	19,000	5,700
Series 2002 Refunding	3.0-5.0	2002	2013	23,005	3,819
Series 2003	3.0-4.625	2003	2023	42,560	29,810
Series 2003A	3.0-5.0	2003	2023	37,365	24,310
Series 2003B Refunding	3.0-5.25	2003	2022	42,700	35,410
Series 2004 Refunding	3.0-5.0	2004	2021	46,230	41,625
Series 2007	4.48	2007	2027	50,000	45,000
Series 2007A	4.38-4.531	2007	2027	100,000	87,835
Series 2008	4.64	2008	2018	49,650	42,490
Series 2009	2.5-5.0	2009	2029	85,180	85,180
Total general obligation bonds					<u>406,006</u>
Certificates of obligation:					
Series 2001	4.5-5.25	2001	2021	5,125	1,020
Series 2002	2.5-5.0	2002	2022	25,335	11,385
Series 2005	5.0-6.0	2005	2025	7,200	1,810
Series 2005A	4.5	2005	2025	7,700	6,160
Series 2007	5.0-5.25	2007	2027	40,250	36,220
Series 2008	4.64	2008	2018	63,150	54,035
Series 2009	3.0-4.375	2009	2029	55,585	55,585
Total certificates of obligation					<u>166,215</u>
Convention center installment obligation:					
Series 1997	5.0-5.8	1997	2017	10,000	<u>5,585</u>
HUD installment obligation:					
Series 2000A	4.46-6.8	2000	2017	3,475	2,120
Series 2005	4.46-6.8	2005	2020	7,500	<u>6,027</u>
Total HUD installment obligation					<u>8,147</u>
Equipment notes:					
Series 2004	2.66	2004	2011	3,200	914
Series 2008	2.66	2008	2015	25,000	<u>21,720</u>
Total equipment notes					<u>22,634</u>
Service center obligation:					
Series 2004	2.6-4.75	2004	2034	22,725	<u>20,995</u>
Fort Worth Housing Finance Corp obligation:					
Series 2002	6.267	2002	2044	9,588	<u>9,322</u>
Fort Worth Sports Authority obligation	n/a	1997	2026	9,712	<u>15,903</u>
Lone Star Local Gov't Corp. obligation	4.75	2006	2024	31,617	<u>31,617</u>
Central City Local Gov't Corp. obligation:					
Series 2006	4.75	2006	2016	3,574	<u>2,219</u>

(continued)

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NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2009
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(continued)

Governmental Activities long-term debt is summarized as follows:					
	Interest Rate %	Year of Issue	Year of Maturity	Original Amount	Amount Outstanding
State energy conservation loans:					
Phase I & II	3.0	2004	2018	\$ 4,992	\$ 3,730
Phase III	3.0	2007	2019	5,000	4,397
Total State energy conservation loans					<u>8,127</u>
ESPC IV	2.7	2009	2024	9,066	<u>9,066</u>
Wells Fargo loan:					
Series 2004	4.725	2004	2013	467	<u>245</u>
Beechwood Bridge obligation	n/a	2007	2012	1,719	<u>1,127</u>
Net unamortized bond premium/discount and loss on refunding				n/a	11,287
Compensated absences	n/a	n/a	n/a	n/a	104,251
Estimated claims payable	n/a	n/a	n/a	n/a	45,952
HUD claims payable	n/a	n/a	n/a	n/a	691
Other post employment benefits obligation	n/a	n/a	n/a	n/a	150,295
Net pension obligation	n/a	n/a	n/a	n/a	<u>64,002</u>
Total Governmental Activities long-term debt					<u>\$ 1,083,686</u>

(concluded)

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

CITY OF FORT WORTH, TEXAS
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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 1998 TWDB	3.65-4.25	1998	2018	\$ 60,980	\$ 33,510
Series 1999 TWDB	3.8-4.5	1999	2019	38,000	22,830
Series 1999A TWDB	3.25-4.95	1999	2020	61,750	40,300
Series 2000	5.0	2000	2012	25,000	3,660
Series 2000B Refunding	4.85-5.75	2000	2020	103,730	22,300
Series 2001	5.0-5.625	2001	2022	49,125	22,520
Series 2001 TWDB	3.05-4.15	2001	2021	8,080	5,495
Series 2002 TWDB	2.7-4.35	2002	2022	34,310	24,820
Series 2003 Refunding	3.0-5.5	2003	2023	86,495	50,515
Series 2003A Refunding	2.0-5.25	2003	2015	50,370	46,000
Series 2005	3.0-5.25	2005	2025	120,400	105,735
Series 2005A Refunding	3.0-5.0	2005	2020	73,075	68,515
Series 2005 TWDB	.35-2.4	2005	2025	7,890	6,485
Series 2005A TWDB	2.2-3.5	2005	2025	11,500	10,070
Series 2005B TWDB	4.45-6.25	2005	2025	64,520	56,100
Series 2007	5.0	2007	2027	100,000	94,060
Series 2007A TWDB	1.75-2.55	2007	2027	33,560	32,100
Series 2008 Refunding	3.88	2008	2024	44,085	42,060
Total revenue bonds					<u>687,075</u>
General obligation bonds:					
Series 1992A - Water & Sewer	3.5-5.75	1992	2010	5,590	3
Series 2002 - Water & Sewer	5.0	2002	2010	794	59
Total general obligation bonds					<u>62</u>
Trinity River Authority obligations:					
Series 2002	4.0-5.0	2002	2022	10,560	8,065
Total Water and Sewer					<u>695,202</u>
Municipal Airport:					
Certificate of Obligation, Series 2000A	5.5-5.9	2000	2019	1,000	55
Solid Waste:					
Equipment notes:					
Series 2003	3.61	2003	2013	173	76
Series 2003A	3.42	2003	2013	1,336	589
Series 2003B	3.454	2003	2011	9,576	3,880
Total equipment notes					<u>4,545</u>
Certificate of Obligation, Series 2005A	4.5	2005	2025	7,400	6,960
Total Solid Waste					<u>11,505</u>

(continued)

CITY OF FORT WORTH, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
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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
Municipal Parking:					
Certificiates of Obligation:					
Series 2007	5.0-5.25	2007	2033	20,935	\$ 20,835
Series 2009	5.0-5.25	2009	2033	27,135	27,135
Total Municipal Parking					<u>47,970</u>
Municipal Golf:					
General Obligation, Series 2002 - Golf	5.0	2002	2010	32	3
Certificate of Obligation, Series 1999	4.6-6.0	1999	2020	4,100	2,255
Total Municipal Golf					<u>2,258</u>
Stormwater Utility:					
Series 2007	4.25-5.0	2008	2033	24,430	23,600
Net unamortized bond premium/discount and loss on refunding				n/a	7,254
Municipal Golf capital lease	3.24	2006	2010	302	69
Compensated absences	n/a	n/a	n/a	n/a	9,158
Arbitrage payable	n/a	n/a	n/a	n/a	152
Landfill closure and postclosure liability	n/a	n/a	n/a	n/a	7,176
Pollution remediation liability	n/a	n/a	n/a	n/a	9,225
Other post employment benefits obligation	n/a	n/a	n/a	n/a	22,645
Net pension obligation	n/a	n/a	n/a	n/a	9,158
Total Business-type long-term debt					<u>\$ 845,427</u>

(concluded)

G. 2. GOVERNMENTAL ACTIVITIES' DEBT

Long-term liabilities consist of General Obligation Bonds and Certificates of Obligation, as well as other long-term liabilities. Principal and interest payments on debt obligations are secured solely or in part by ad valorem taxes levied on all taxable property within the City.

General Obligation Bonds and Certificates of Obligation indentures require the City to levy the tax required to fund interest and principal at maturity or at least 2 percent of the principal whichever is greater. At September 30, 2009, \$24,831 of cash and investments is available in the Debt Service Fund to service General Obligation Bonds and Certificates of Obligation for governmental activities. Long-term liabilities other than debt have typically been liquidated from the General Fund.

In October 2008, the City issued General Obligation Bonds Series 2008 in the amount of \$49,650 for streets, storm sewer improvements, and library system improvements. The issuance was authorized by the 2004 and 2008 bond programs. The bonds will mature on March 1 of each year from 2009 to 2018 payable in installments ranging from \$2,240 to \$24,585. Interest is payable on March 1 and September 1 of each year commencing in March 2009 at an interest rate of 4.64 percent.

In September 2009, the City issued General Obligation Bonds Series 2009 in the amount of \$85,180 to fund capital projects authorized by the 2004 and 2008 bond programs. The bonds will mature on March 1 of each year from 2010 to 2029 payable in installments ranging from \$4,225 to \$4,260. Interest is payable on March 1 and September 1 of each year commencing in March 2010 with interest rates ranging from 2.5 to 5.0 percent.

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In October 2008, the City issued Certificates of Obligation Series 2008 in the amount of \$63,150 to fund critical capital projects. The certificates will mature on March 1 of each year from 2009 to 2018 payable in installments ranging from \$2,845 to \$31,275. Interest is payable on March 1 and September 1 of each year commencing in March 2009 at an interest rate of 4.64 percent.

In September 2009, the City issued Certificates of Obligation Series 2009 in the amount of \$55,585 to fund critical capital projects. The certificates will mature on March 1 of each year from 2010 to 2029 payable in installments ranging from \$1,990 to \$6,375. Interest is payable on March 1 and September 1 of each year commencing in March 2010 with interest rates ranging from 3.0 to 4.375 percent.

During fiscal year 2009 the City borrowed \$9,066 from Suntrust Equipment Finance and Leasing (ESPC Phase IV) at an interest rate of 2.7 percent. The funds were used to purchase energy efficient equipment to used throughout the City. The principal and interest are due quarterly beginning in November 2009 through August 2024.

As of September 30, 2009, 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	\$ 42,695
Parks and Community Services Improvement	2/7/2004	21,615	2,040
Street Improvements	5/10/2008	150,000	86,260
Total Unissued		<u>\$ 404,515</u>	<u>\$ 130,995</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 2009.

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.

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(continued)

In accordance with the revenue bond ordinances, a reserve for debt service is maintained. At September 30, 2009, \$41,833 of cash and investments 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 February 2009, the City issued Will Rogers Memorial Center Complex Revenue Certificates of Obligation Series 2009 in the amount of \$27,135 to fund capital improvements to improve the parking system at the Will Rogers Memorial Center. These certificates will mature on March 1 of each year from 2012 to 2033 payable in installments ranging from \$280 to \$2,215. Interest is payable March 1 and September 1 of each year commencing September 2009 with interest rates ranging from 4.45 to 6.25 percent. The City has pledged future parking lot revenues, to repay the certificates.

In December 2008, the City drew down the seventh installment of the Water and Sewer System Subordinate Lien Revenue Bonds, Series 2005B of \$4,645. These bonds were also sold to the Texas Water Development Board. The seventh installment will mature on March 1 of each year from 2024 to 2025. Interest is payable March 1 and September 1 of each year commencing March 2009. Total interest requirements for the revenue bonds, at a rate of 2.95 percent, aggregate \$2,210 for seventh installment. The City has pledged future water and sewer customer revenues to pay \$56,100 Water and Sewer System Subordinate Lien Revenue Bonds, Series 2005B issued in fiscal years 2005 through 2009. Proceeds from the bonds provided financing for the extending and improving the City's combined water and sewer system and extending and improving the City's water system. The bonds are payable solely from water and sewer customer revenues and are payable through 2025.

Net revenues of the City's enterprise funds defined as net operating income, plus depreciation expense, plus investment income, plus gas lease revenues have been pledged for repayment of long-term bonded debt incurred by these funds. The amount pledged is equal to the remaining outstanding debt service requirements for these bonds. The pledge continues for the life of the bonds. For the year ended September 30, 2009, net pledged revenue by fund was as follows:

Fund	FY2009 Net Pledged Revenues	FY2009 Debt Service	Purpose of Debt
Water & Sewer Fund	\$ 126,811	\$ 83,849	Extending and improving the water and sewer system
Municipal Airport	3,693	58	Airport capital improvements
Municipal Golf	187	332	Capital improvements and equipment for golf facilities
Solid Waste Fund	6,466	2,109	Landfill improvements
Storm Water Fund	8,964	1,678	Improvements of storm drains, roadways, and erosion protection
Municipal Parking	3,710	1,995	Construction of City owned parking garage
	<u>\$ 149,831</u>	<u>\$ 90,021</u>	

All future improvements to the City's Water and Sewer system are funded through the sale of Water and Sewer Revenue Bonds, the City's Water and Sewer Operating Budget, or alternative forms of debt.

The City has pledged airport, golf, solid waste, storm water and municipal parking net revenues to repay long-term bonded debt. The City reports the net revenues in nonmajor proprietary funds.

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The City is responsible for environmental cleanup of Riverside Park. The City is required to report the estimated liability for pollution remediation activities in accordance with GASB Statement No. 49, *Reporting for Pollution Remediation Obligations*. As of September 30, 2009 the City's liability was \$9,225. The City's estimated outlays for the cleanup were generated using the expected cash flows technique. The amount of the estimated pollution remediation liability assumes that there will be no major increases in the cost of providing these cleanup services. These estimates are subject to changes as a result of price increases, changes in technology, and new laws and regulations. Recoveries are made through federal funding to offset the costs of the cleanup. A realizable recovery is recognized as a receivable on the balance sheet and a reduction in current year expenses on the operating statement of the Water and Sewer Fund. The City estimated that \$4,827 of expected recoveries will be made. These expected recoveries reduced the recorded pollution remediation obligation and related expense.

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, 2009, is disclosed by Governmental type as shown on the following pages.

Governmental Activities:								
Year Ending	Convention Center							
September	Certificates of		Installment		Equipment Notes			
30,	Obligation		Obligation					
	General Obligations	Obligation	Obligation	Obligation				
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2010	\$ 25,881	\$ 18,199	\$ 12,245	\$ 7,202	\$ 575	\$ 316	\$ 3,782	\$ 687
2011	26,515	17,080	9,160	6,780	605	285	3,897	563
2012	24,385	15,971	9,170	6,403	635	252	3,555	438
2013	24,500	14,897	9,190	6,026	675	217	3,675	317
2014	24,545	13,800	10,470	5,598	710	178	3,800	193
2015-2019	145,045	49,976	73,380	19,263	2,385	282	3,925	65
2020-2024	91,720	24,999	26,235	14,310	-	-	-	-
2025-2029	43,415	140,163	16,365	2,479	-	-	-	-
	<u>\$ 406,006</u>	<u>\$ 295,085</u>	<u>\$ 166,215</u>	<u>\$ 68,061</u>	<u>\$ 5,585</u>	<u>\$ 1,530</u>	<u>\$ 22,634</u>	<u>\$ 2,263</u>

(continued)

CITY OF FORT WORTH, TEXAS
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(000's omitted)

(continued)

Governmental Activities:									
Year Ending	Wells Fargo		HUD Installment		Service Center		Fort Worth Housing		
September	Loan		Obligations		Obligation		Finance Corp		
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>	
2010	\$ 39	\$ 11	\$ 682	\$ 477	\$ 475	\$ 1,433	\$ 78	\$ 582	
2011	49	9	704	437	490	1,428	83	577	
2012	62	6	727	395	515	918	88	572	
2013	75	3	752	351	535	897	94	566	
2014	20	1	778	306	555	875	100	560	
2015-2019	-	-	3,802	817	3,170	3,986	605	2,694	
2020-2024	-	-	702	39	3,935	3,215	826	2,472	
2025-2029	-	-	-	-	4,975	2,176	1,130	2,169	
2030-2034	-	-	-	-	6,345	803	1,544	1,755	
2035-2039	-	-	-	-	-	-	2,111	1,188	
2040-2044	-	-	-	-	-	-	2,663	415	
	<u>\$ 245</u>	<u>\$ 30</u>	<u>\$ 8,147</u>	<u>\$ 2,822</u>	<u>\$ 20,995</u>	<u>\$ 15,731</u>	<u>\$ 9,322</u>	<u>\$ 13,550</u>	

(continued)

Governmental Activities:									
Year Ending	State Energy		State Energy		ESPC Phase IV		Total Governmental		
September	Conservation Loan		Conservation Loan		ESPC Phase IV		Activities		
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>	
2010	\$ 619	\$ 108	\$ 466	\$ 133	\$ 268	\$ 915	\$ 45,110	\$ 30,063	
2011	637	89	481	119	444	410	43,065	27,777	
2012	657	70	495	104	535	388	40,824	25,517	
2013	677	50	510	89	532	362	41,215	23,775	
2014	697	29	526	73	581	336	42,782	21,949	
2015-2019	443	15	1,919	127	3,726	1,199	238,400	78,424	
2020-2024	-	-	-	-	2,980	394	126,398	45,429	
2025-2029	-	-	-	-	-	-	65,885	146,987	
2030-2034	-	-	-	-	-	-	7,889	2,558	
2035-2039	-	-	-	-	-	-	2,111	1,188	
2040-2044	-	-	-	-	-	-	2,663	415	
	<u>\$ 3,730</u>	<u>\$ 361</u>	<u>\$ 4,397</u>	<u>\$ 645</u>	<u>\$ 9,066</u>	<u>\$ 4,004</u>	<u>\$ 656,342</u>	<u>\$ 404,082</u>	

(concluded)

The City has three blended component units whose long-term debt is paid through revenues transferred from discretely presented component units (TIFs). TIF 2A makes debt service payments on Fort Worth Sports Authority's \$15,903 debt obligation. TIF4 makes debt service payments on Central City Local Government Corp's \$2,219 debt obligation. TIF10 makes debt service payments on Lone Star Local Government Corp's \$31,617 debt obligation. Debt payments by these TIFs are determined based on the revenue that each TIF

CITY OF FORT WORTH, TEXAS
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(continued)

receives during the year. Therefore, no definitive payment schedule has been determined. In addition, the City has an additional obligation with no predeterminable debt payment schedules – Beechwood Bridge Obligation, \$1,127.

The annual requirements to amortize all Major Fund Business-Type bonded and contractual debt outstanding as of September 30, 2009 is as follows:

Major Business-Type Activities:									
Year	Water and Sewer		Water and Sewer		Water and Sewer		Total		
Ending	Revenue		GO		TRA		Major		
September							Business-Type		
30,	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	
2010	\$ 48,900	\$ 29,550	\$ 60	\$ 2	\$ 445	\$ 358	\$ 49,405	\$ 29,910	
2011	51,045	27,368	2	-	470	339	51,517	27,707	
2012	53,270	25,043	-	-	495	320	53,765	25,363	
2013	49,960	22,694	-	-	520	299	50,480	22,993	
2014	52,320	20,341	-	-	545	277	52,865	20,618	
2015-2019	250,855	66,565	-	-	3,205	984	254,060	67,549	
2020-2024	142,975	21,456	-	-	2,385	183	145,360	21,639	
2025-2029	37,750	2,106	-	-	-	-	37,750	2,106	
	<u>\$ 687,075</u>	<u>\$ 215,123</u>	<u>\$ 62</u>	<u>\$ 2</u>	<u>\$ 8,065</u>	<u>\$ 2,760</u>	<u>\$ 695,202</u>	<u>\$ 217,885</u>	

The annual requirements to amortize all Nonmajor Fund Business-Type bonded and contractual debt outstanding as of September 30, 2009 is as follows:

Non-Major Business-Type Activities:									
Year	Municipal		Municipal		Municipal		Municipal Airports		
Ending	Golf		Golf		Parking		CO		
September	GO		CO		CO		CO		
30,	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	
2010	\$ 3	\$ -	\$ 205	\$ 111	\$ 300	\$ 2,651	\$ 55	\$ 1	
2011	-	-	205	101	480	2,632	-	-	
2012	-	-	205	91	785	2,601	-	-	
2013	-	-	205	80	830	2,562	-	-	
2014	-	-	205	70	1,310	2,511	-	-	
2015-2019	-	-	1,025	189	7,560	11,542	-	-	
2020-2024	-	-	205	5	9,905	9,200	-	-	
2025-2029	-	-	-	-	13,175	5,940	-	-	
2030-2034	-	-	-	-	13,625	1,651	-	-	
	<u>\$ 3</u>	<u>\$ -</u>	<u>\$ 2,255</u>	<u>\$ 647</u>	<u>\$ 47,970</u>	<u>\$ 41,290</u>	<u>\$ 55</u>	<u>\$ 1</u>	

(continued)

CITY OF FORT WORTH, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2009
(000's omitted)

(continued)

Non-Major Business-Type Activities (continued):								
Year	Solid		Solid		Stormwater		Total	
Ending	Waste		Waste		Utility		Non-Major	
September	CO		Equipment Notes		Revenue		Business-Type	
30,	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2010	\$ 435	\$ 303	\$ 1,226	\$ 146	\$ 545	\$ 1,135	\$ 2,769	\$ 4,347
2011	435	284	2,975	65	570	1,112	4,665	4,194
2012	435	264	169	10	595	1,087	2,189	4,053
2013	435	245	175	5	620	1,061	2,265	3,953
2014	435	225	-	-	650	1,034	2,600	3,840
2015-2019	2,175	832	-	-	3,710	4,692	14,470	17,255
2020-2024	2,175	343	-	-	4,740	3,659	17,025	13,207
2025-2029	435	10	-	-	6,085	2,312	19,695	8,262
2030-2034	-	-	-	-	6,085	628	19,710	2,279
	<u>\$ 6,960</u>	<u>\$ 2,506</u>	<u>\$ 4,545</u>	<u>\$ 226</u>	<u>\$ 23,600</u>	<u>\$ 16,720</u>	<u>\$ 85,388</u>	<u>\$ 61,390</u>

(concluded)

G.6. ARBITRAGE

The City frequently issues bonds for capital construction projects. These bonds are subject to the arbitrage regulations. At September 30, 2009, the liability for rebate of arbitrage was \$152 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 Golf Fund (Nonmajor Proprietary Fund). 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, 2009:

Capital lease obligations, October 1, 2008	\$ 132
Principal payments	<u>63</u>
Capital lease obligations, September 30, 2009	<u>\$ 69</u>

Future minimum lease payments for this lease are as follows:

Year Ending	Lease
September 30,	Payments
2010	\$ 66
2011	<u>5</u>
Total minimum future lease payments	71
Less: Amount representing interest	<u>(2)</u>
Present value of net minimum lease payments	<u>\$ 69</u>

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

(continued)

The following schedule provides an analysis of the City's investment in capital assets under lease arrangements as of September 30, 2009:

Equipment	\$ 302
Less: Accumulated depreciation	(242)
Total net book value of lease assets	<u>\$ 60</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, 2009:

	Year Ending <u>September 30,</u>	
	2010	\$ 3,481
	2011	3,245
	2012	2,194
	2013	1,406
	2014	635
Total minimum payments required		<u>\$ 10,961</u>

Total rental expense for the year was \$3,417.

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 contract is payable solely from the incremental taxes. Incremental taxes were projected to produce 100 percent of the debt service requirements over the life of the contract. Total principal and interest remaining on the contract is \$15,903, payable through 2026. The Texas Motor Speedway also has an agreement with Fort Worth Sports Authority to lease back the facility for \$50 to \$100 annually over the 30 year lease. The lease term extends to 2026 with renewal options to extend for an additional 10 years. The lease is accounted for by the City as an operating lease.

The Lone Star Local Government Corporation (a blended component unit) entered into an agreement with Cabela's to finance a museum inside Cabela's Fort Worth facility. Annual payments consist of property tax increment revenues from TIF 10. Lone Star Local Government Corporation is obligated for tax increment revenues collected through 2024, with the total principal payment price not to exceed \$31,617. The contract is payable solely from the incremental taxes. Incremental taxes were projected to produce 100 percent of the debt service requirements over the life of the contract. Total principal and interest remaining on the contract is \$31,617, payable through 2024. Interest rate for this agreement is 4.75 percent. As of September 30, 2009 there was \$6,129 in accrued interest that has been recorded in the governmental activities statement of net assets. 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.

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

(continued)

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, 2009, the following outstanding bonds are considered defeased:

General Obligation Bonds and Certificates of Obligation <i>Series 1990 through 2005</i>	\$ 39,000
Water and Sewer System Revenue Bonds <i>Series 1997 through 2001</i>	<u>41,365</u>
Bonds defeased	<u>\$ 80,365</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, 2009. 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 \$6,050 is outstanding as of September 30, 2009. 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, 2009, \$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, 2009, \$357,130 is outstanding. The bonds do not constitute a debt of the Authority or of the City of Fort Worth.

H: LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS

State and federal laws and regulations require the City to place a final cover on its Southeast landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the City reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The City has contracted 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.

CITY OF FORT WORTH, TEXAS
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(000's omitted)

(continued)

The City reported \$7,176 as landfill closure and postclosure care liability in the Solid Waste Fund at September 30, 2009. This represents the cumulative amount reported to date based on the use of 68 percent of the estimated current permitted capacity of the landfill. The City will recognize the remaining estimated cost of closure and postclosure care of \$3,317 as the remaining estimated capacity is filled. The City expects to close the landfill in 14 years from the end of the current fiscal year, or the year 2023. The total cost of closure and postclosure is an estimate and is subject to changes resulting from inflation, deflation, technology changes, or changes in applicable laws and regulations.

Furthermore, at September 30, 2009, the City reported cash and cash equivalents of \$6,168 as restricted assets for closure and postclosure care and has \$966 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 INTERNATIONAL AIRPORT

The Dallas/Fort Worth International Airport (Airport) is a local government entity located between the cities of Fort Worth and Dallas (Cities). The Airport's Board of Directors (the Board) 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.

Joint 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 to any other obligations payable from the revenues of the Airport. Outstanding debt and related debt service are accounted for by the Dallas/Fort Worth International Airport. The current portion of the Joint Revenue Bonds payable totaled \$13,795 and the long-term portion was \$3,568,480 as of September 30, 2009.

The following condensed financial information has been taken from the Airport's September 30, 2009 financial statements.

Total Assets	\$ 5,446,089
Total Liabilities	4,008,807
Net Assets	<u>\$ 1,437,282</u>
Operating Revenues	\$ 499,840
Operating Expenses	565,599
Non-Operating Revenues (Expenses)	(80,019)
Capital Contributions	44,609
Change in Net Assets	<u><u>\$ (101,169)</u></u>

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(000's omitted)

(continued)

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. Separate audited financial statements which are publicly available and can be obtained by contacting the Airport at 3200 East Airfield Drive, P.O. Box 619428 DFW Airport, Texas 75261.

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

Plan Description

The Employees' Retirement Plan of the City of Fort Worth (Plan) is a single-employer defined benefit retirement system was established under legal authority of the City Charter and is administered by the City, covering all regular fulltime employees of the City of Fort Worth. The Plan is administered by the Retirement Fund's Board of Directors and has an actuarial valuation completed each year, and its funded status based on current and projected assets and liabilities.

The City has received a favorable letter of determination from the Internal Revenue Service (IRS) that its Plan is qualified under Section 401(a) of the Internal Revenue Code. The authority to define or amend employer and employee contribution rates or benefits is given to the Fort Worth City Council (the City Council). The City Plan is considered part of the City's financial reporting entity and is included in the City's basic financial statements as a pension trust fund. The City's payroll for employees covered by the City Plan for the years ended September 30, 2009 was approximately \$371,000 and total payroll was approximately \$384,000.

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

CITY OF FORT WORTH, TEXAS
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(continued)

During 2006 the Plan moved its actuarial valuation from a fiscal year end to calendar year end to more closely match how the membership's benefits are calculated.

As of January 1, 2009 (date of most recent actuarial valuation) and January 1, 2008, the Plan's membership consisted of the following members:

	January 1, 2009	January 1, 2008
Retirees and beneficiaries currently receiving benefits	3,304	3,204
Terminated employees entitled to benefits but not yet paid	240	249
	<u>3,544</u>	<u>3,453</u>
Active members	<u>6,379</u>	<u>6,399</u>
Total	<u>9,923</u>	<u>9,852</u>

Vesting

Members vest in the Plan after five years of credited service. Vested members are eligible for normal retirement on the last day of the month in which the earlier of the following occurs: the member's age plus years of credited service equal 80 ("Rule of 80"), or the member reaches age 65. Vested members may elect early retirement at age 50 at a reduced pension. The City has adopted a 25-year-and-out program for police officers, which allows for full retirement after 25 years of service, regardless of age. Members terminating employment prior to vesting are entitled to receive their contributions plus interest (currently 5.25% annually). Members who are vested have the option of receiving their contributions plus interest or leaving their contributions in the fund and receiving retirement benefits as described above.

Pension Benefits

A member's annual pension at normal or subsequent retirement date equals 3% of compensation base multiplied by total credited years of service with the City. A member's normal retirement date is determined using the Rule of 80. Police officers who retire after completing 25 years of service receive 3% of compensation base multiplied by total credited years of service with the City. For early retirements or vested terminations, the benefit formula is 2.75% of compensation base multiplied by total years of credited service with the City; however, vested terminations who wait to receive benefits until what would have been their normal retirement date receive a 3% multiplier. Beginning April 1, 1999, compensation base is computed as the employee's highest three calendar years of average annual compensation. Prior to April 1, 1999, compensation base was computed using the employee's highest five calendar years of average annual compensation. Any terminated vested member will have his or her benefits calculated using the method in effect at the time of his or her termination. Members who elect early retirement shall have their benefits reduced by 5/12% for each month that early retirement precedes normal retirement.

During fiscal year 2008 the City of Fort Worth passed a new ad-hoc Cost of Living Adjustment (COLA) program effective January 1, 2008. All non-vested members as of December 31, 2007 are enrolled in the ad-hoc COLA program. All vested members and retired members were given the opportunity to select if they wanted to change their current guaranteed 2% COLA to participate in the ad-hoc COLA. Members that did not make a selection were treated as if they chose the current 2% COLA. Members that selected the ad-hoc COLA and non-vested

CITY OF FORT WORTH, TEXAS
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(000's omitted)

(continued)

members will have their COLAs determined based upon the funding status of the Plan based upon the previous year's actuarial valuation. These COLAs are compounded based on the benefit received the previous calendar year and could be 0%, 2%, 3% or 4%. Retired members that selected the ad-hoc COLA received a 2% COLA January 1, 2008. As allowed by GAAP, any future payments of ad-hoc COLA have not been included in the calculation of the unfunded actuarial liability until formally approved.

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

In September 2007, the Board voted to allow members that have entered the Deferred Retirement Option Program (DROP) to leave a part or all of their DROP balance with the Plan. Members that elect this option are credited the same earnings as the Plan on a monthly basis, and are subject to losses if the Plan incurs negative earnings on Plan assets.

If any member terminates employment with the City prior to vesting, the member shall be entitled to receive the amount of his or her contributions plus interest at 5.25% compounded annually. If a member terminates employment after vesting, the member shall be entitled to receive full pension benefits at normal retirement or a reduced benefit as early as age 50. Any vested terminating member may elect to receive a refund of contributions, plus interest, in lieu of retirement benefits either at date of termination or at any time thereafter prior to commencement of retirement benefits, but by doing so shall forfeit all rights under the Plan and thereafter be entitled to no further benefits.

Death and Disability Benefits

Upon the death of a retired member, the surviving spouse shall receive a monthly pension equal to 75% of the amount being paid to the retired member. If a vested member dies before retirement, the surviving spouse shall receive a monthly pension equal to 75% of the member's accrued pension, subject to certain minimum benefits. Active employees who become totally disabled while in the line of duty receive annual disability benefits that are equal to normal retirement benefits that would have accrued had the member worked to the normal retirement date. Vested members who become totally disabled while not in the line of duty receive disability benefits that are equal to retirement benefits that have accumulated as of the time they become disabled. Non-vested members who become totally disabled receive a refund of contributions, plus interest.

Obligation to Contribute to the Plan – Effective the first payroll of fiscal year 2008 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 City Council, through its budget appropriation, has the right to contribute an additional amount over and above the members' contributions, in accordance with state law, plus the cost of administration of the Plan. This contribution rate was an increase from the previous year's rate of 10.74% and 11.46% for sworn police officers. No additional contributions were made during 2009. Employees of the City, as a condition of employment, commencing on the effective date of their membership in the Plan, shall contribute 8.25% (8.73% for sworn police officers) of their salary to the Plan until the date of their actual retirement or earlier termination of employment. The employer and employee contribution rates are not used when the actuary determines the annual required contributions to the Plan.

Funding Status

The Plans' actuary conducts an annual valuation for each plan to determine the adequacy of the current employer contribution rates, to describe the current financial condition of the plans, and to analyze changes in the Plans'

CITY OF FORT WORTH, TEXAS
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condition. The January 1, 2009, valuation shows that the unfunded accrued actuarial liability of the City Plan increased by approximately \$357,000 from the valuation prepared as of January 1, 2008 due mainly to the decline of the financial markets in the fourth quarter of calendar year 2008. The funded ratio of the City Plan decreased from 88.5% to 72.9%, with an infinite funding period (the funding period for 2008 was 13.8 years). The table below represents the most recent actuarial determined funding progress of the Plan, an historical schedule of funding progress can be found following the financial statement notes in the required supplementary information to be used to determine trend information about the funding status of the Plan (all amounts presented in 000's except percentages).

Valuation Date	Actuarial Value of Assets (AVA)	Actuarial Liability (AAL)	Unfunded Actuarial Liability (UAAL)	Funded Ratio	Annual Covered Payroll	UAAL as % of Payroll
			(3)-(2)	(2)/(3)		(4)/(6)
<u>(1)</u>	<u>(2)</u>	<u>(3)</u>	<u>(4)</u>	<u>(5)</u>	<u>(6)</u>	<u>(7)</u>
1/1/2009	\$ 1,596,300	\$ 2,192,100	\$ 595,800	72.8%	\$ 372,900	159.8%

Actuarial Methods and Assumptions

The following are the significant actuarial assumptions used for the January 1, 2009 actuarial valuation:

Valuation Date	January 1, 2009
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%

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

(continued)

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

	<u>September 30, 2007</u>	<u>September 30, 2008</u>	<u>September 30, 2009</u>
Annual required contribution	\$ 60,144	\$ 70,369	\$ 50,266
Interest on net pension obligation	3,527	5,572	6,824
Adjustment to annual required contribution	<u>(2,663)</u>	<u>(3,536)</u>	<u>(4,463)</u>
Annual pension cost	61,008	72,405	52,627
Contributions made	<u>37,308</u>	<u>57,624</u>	<u>59,453</u>
Increase (decreases) in net pension obligation	23,700	14,781	(6,826)
Net pension obligation beginning of year	41,505	65,205	79,986
Net pension obligation end of year	<u>\$ 65,205</u>	<u>\$ 79,986</u>	<u>\$ 73,160</u>
Percentage of annual pension cost contributed	61.2%	79.6%	113.0%

The net pension obligation as of September 30, 2009 is reported in the Governmental Activities and Business-Type Activities statement of net assets as \$64,002 and \$9,158, respectively.

NOTE K: EMPLOYEE BENEFITS

K. 1. POST EMPLOYMENT BENEFITS

Plan Descriptions

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. The single-employer plan coverage is offered to all employees who retire from the City in accordance with criteria listed in Note J. However, some retirees elect not to continue the health coverage during their retirement. Currently 2,469 retirees and beneficiaries meet those eligibility requirements. The City also provided a \$5 lump sum death benefit single-employer plan for beneficiaries of retired employees who retired on or after January 1, 1970. Neither of these plans issues stand-alone financial statements.

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 fiscal year 2008, the City implemented GASB Statement No. 45 *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. As a result, the City now records in its financial statements the benefits paid to employees other than pensions as a liability to paid in future years. The City's health care plan and death benefit plan qualify for reporting under GASB 45. In accordance with GASB 45, the City will perform actuarial studies once every two years. The actuarial information presented in the notes and in the required supplementary section represent the fiscal year 2008 actuarial valuation.

CITY OF FORT WORTH, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2009
(000's omitted)

(continued)

Funding Policies

For the health care benefits and the death benefit, contractual requirements for the City are established and may be amended by the City Council. During the fiscal year 2009, 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 2009, the cost for health care benefits for retirees, dependents and surviving spouses was \$22,127. For fiscal year 2009, death benefit payments totaled \$304.

Annual OPEB Costs

The City's annual other postemployment benefit (OPEB) cost (expense) for each plan is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The City's annual OPEB cost for fiscal years ended September 30, 2008 and September 30, 2009 and the related information for each plan are as follows (dollar amounts in thousands):

Funding Policy and Annual OPEB Cost	Healthcare		Death Benefit	
	9/30/2008	9/30/2009	9/30/2008	9/30/2009
Contribution Rates				
City	33% - 100% *		100%	
Plan members	0% - 67% *		N/A	
Annual required contribution	\$ 102,562	\$ 108,616	\$ 872	\$ 924
Interest on net OPEB obligation	-	3,282	-	20
Adjustment to annual required contribution	-	(2,805)	-	(48)
Annual OPEB cost (expense)	102,562	109,093	872	896
Contributions made	(17,720)	(22,127)	(332)	(304)
Increase in net OPEB obligation	84,842	86,966	540	592
Net OPEB obligation—beginning of year	-	84,842	-	540
Net OPEB obligation—end of year	\$ 84,842	\$ 171,808	\$ 540	\$ 1,132
Percentage of annual OPEB cost contributed	17.3%	20.3%	38.1%	33.9%

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

At September 30, 2009, the total liability of \$172,940 for Net OPEB obligation was \$150,295 for governmental activities and \$22,645 for business-type activities.

CITY OF FORT WORTH, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2009
(000's omitted)

(continued)

The aggregate contribution rate as a percentage of payroll as of January 1, 2009 was 15.96% for the City and 8.39% for participants for a total of 24.35%.

Funded Status and Funding Progress

The funded status of the plan as of September 30, 2008 was as follows:

	<u>Healthcare</u>	<u>Death Benefit</u>
Actuarial accrued liability (a)	\$ 976,135	\$ 10,253
Actuarial value of plan assets (b)	-	-
Unfunded actuarial accrued liability (funding excess) (a) – (b)	<u>\$ 976,135</u>	<u>\$ 10,253</u>
Funded ratio (b) / (a)	<u>0%</u>	<u>0%</u>
Covered payroll (c)	359,308	359,308
Unfunded actuarial accrued liability (funding excess) as a percentage of covered payroll $[(a) - (b)] / (c)$	272%	3%

The City did not perform an actuarial study of the total liability for both plans during fiscal year 2009. The ARC and OPEB liability for fiscal year 2009 was based on the September 30, 2008 actuarial study.

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

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

Significant methods and assumptions were as follows:

CITY OF FORT WORTH, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2009
(000's omitted)

(continued)

	<u>Healthcare</u>	<u>Death Benefit</u>
Actuarial valuation date	9/30/2008	9/30/2008
Actuarial cost method	Unit Credit	Unit Credit
Amortization method	Straight-line	Straight-line
Remaining amortization period	30	30
Asset valuation method	N/A	N/A
Actuarial assumptions:		
Investment rate of return*	4%	4%
Healthcare inflation rate*	11% initial, 5% ultimate	11% initial, 5% ultimate
* Includes an inflation assumption of 5.0 percent.		

K. 2. DEFERRED COMPENSATION PLAN (THE “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. 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.

NOTE L: COMMITMENTS AND CONTINGENCIES

The City has executed a long-term supply agreement with Tarrant Regional Water District (District) for all of its raw water needs whereby the City makes monthly payments to fund its water purchases. The fiscal year 2009 payments to the District under the agreement were \$43,022. 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, 2009, the City has recorded a pollution remediation liability of \$9,225 in accordance with GASB Statement No. 49, *Reporting for Pollution Remediation Obligations*. No other liabilities have been specifically identified and no such costs have been accrued other than those disclosed.

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

CITY OF FORT WORTH, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2009
(000's omitted)

(continued)

The City has significant construction commitments at September 30, 2009, composed of the following:

	Project Authorization	Expended to September 30, 2009	Committed
Governmental Activities			
Capital Assets	\$ 460,546	\$ 223,280	\$ 237,266
Water and Sewer	384,205	227,393	156,812
Total	<u>\$ 844,751</u>	<u>\$ 450,673</u>	<u>\$ 394,078</u>

Various other claims and lawsuits are pending against the City. At September 30, 2009 the City had potential losses from pending litigation that are reasonably possible totaling \$2,736 that have not been recorded. At September 30, 2009, the City recorded liabilities of \$45,952 for such judgments and claims. In addition to these potential liabilities, a U.S. Department of Housing and Urban Development grant (HUD) liability of \$691 is reflected in the financial statements, pending resolution of certain Single Audit findings.

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

M.1. COMPONENT UNITS

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

Condensed financial information for all component units is presented below:

CITY OF FORT WORTH, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2009
(000's omitted)

(continued)

Condensed Schedule of Net Assets:

	FWPID #1	FWPID #6	FWPID #7	TIRZ #3	TIRZ #3A	TIRZ #4	TIRZ #6	TIRZ #8	TIRZ #9	OTHER	TOTAL
Cash and investments	\$ 717	\$ 523	\$ 477	\$ 3,345	\$ 2,209	\$ 6,425	\$ 633	\$ 3,675	\$ 2,645	\$ 2,197	\$22,846
Receivables	12	5	5	18	6	25	6	7	2	16	102
Liabilities	297	112	283	169	-	26	-	21	108	886	1,902
Total Net Assets	<u>\$ 432</u>	<u>\$ 416</u>	<u>\$ 199</u>	<u>\$ 3,194</u>	<u>\$ 2,215</u>	<u>\$ 6,424</u>	<u>\$ 639</u>	<u>\$ 3,661</u>	<u>\$ 2,539</u>	<u>\$ 1,327</u>	<u>\$21,046</u>

Condensed Schedule of Revenues, Expenses, and Changes in Fund Net Assets:

	FWPID #1	FWPID #6	FWPID #7	TIRZ #3	TIRZ #3A	TIRZ #4	TIRZ #6	TIRZ #8	TIRZ #9	OTHER	TOTAL
Revenues	\$ 2,122	\$ 1,375	\$ 1,317	\$ 4,525	\$ 724	\$ 5,039	\$ 170	\$ 2,470	\$ 1,269	\$ 3,032	\$22,043
Expenses	2,405	1,467	1,393	4,210	-	1,823	-	550	1,576	3,024	16,448
Change In Net Assets	(283)	(92)	(76)	315	724	3,216	170	1,920	(307)	8	5,595
Total Net Assets Beginning	715	508	275	2,879	1,491	3,208	469	1,741	2,846	1,319	15,451
Total Net Assets Ending	<u>\$ 432</u>	<u>\$ 416</u>	<u>\$ 199</u>	<u>\$ 3,194</u>	<u>\$ 2,215</u>	<u>\$ 6,424</u>	<u>\$ 639</u>	<u>\$ 3,661</u>	<u>\$ 2,539</u>	<u>\$ 1,327</u>	<u>\$21,046</u>

M.2. NONMAJOR ENTERPRISE FUNDS

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

CITY OF FORT WORTH, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2009
(000's omitted)

(continued)

	Municipal Airports Fund	Municipal Parking Fund	Municipal Golf Fund	Stormwater Utility Fund	Solid Waste Fund	Total Nonmajor Enterprise Funds
Condensed Schedule of Net Assets						
Assets						
Current assets	\$ 100,192	\$ 24,128	\$ 4,339	\$ 36,153	\$ 40,078	\$ 204,890
Other assets	1	937	16	157	20	1,131
Capital assets	160,228	38,044	5,554	20,249	13,502	237,577
Total assets	<u>260,421</u>	<u>63,109</u>	<u>9,909</u>	<u>56,559</u>	<u>53,600</u>	<u>443,598</u>
Liabilities						
Due to other funds	137	-	-	-	-	137
Other current liabilities	81,325	3,222	749	2,286	12,715	100,297
Advances from other funds	351	-	4,207	-	-	4,558
Other noncurrent liabilities	801	48,991	3,640	26,055	19,123	98,610
Total liabilities	<u>82,614</u>	<u>52,213</u>	<u>8,596</u>	<u>28,341</u>	<u>31,838</u>	<u>203,602</u>
Net assets						
Invested in capital assets, net of related debt	159,869	4,191	3,218	7,944	6,925	182,147
Restricted	70	3,708	1,388	1,612	84	6,862
Unrestricted	17,868	2,997	(3,293)	18,662	14,753	50,987
Total net assets	<u>\$ 177,807</u>	<u>\$ 10,896</u>	<u>\$ 1,313</u>	<u>\$ 28,218</u>	<u>\$ 21,762</u>	<u>\$ 239,996</u>
Condensed Schedule of Revenues, Expenses and Changes in Net Assets						
Operating revenues	\$ 3,625	\$ 4,533	\$ 5,078	\$ 20,803	\$ 48,495	\$ 82,534
Depreciation expense	7,189	147	449	1,313	847	9,945
Other operating expenses	5,046	1,423	5,553	12,711	42,976	67,709
Operating income (loss)	<u>(8,610)</u>	<u>2,963</u>	<u>(924)</u>	<u>6,779</u>	<u>4,672</u>	<u>4,880</u>
Nonoperating revenues (expenses):						
Investment income	422	600	89	872	947	2,930
Interest expense	(3)	(497)	(124)	(241)	(473)	(1,338)
Gas leases and royalties	4,693	-	573	-	-	5,266
Other nonoperating revenues (expenses)	(192)	1	1	21	917	748
Capital contributions	9,875	-	-	-	-	9,875
Transfers in	262	11	64	77	454	868
Transfers out	(136)	(2,850)	(21)	(824)	(8,678)	(12,509)
Change in net assets	6,311	228	(342)	6,684	(2,161)	10,720
Beginning net assets	171,496	10,668	1,655	21,534	23,923	229,276
Ending net assets	<u>\$ 177,807</u>	<u>\$ 10,896</u>	<u>\$ 1,313</u>	<u>\$ 28,218</u>	<u>\$ 21,762</u>	<u>\$ 239,996</u>
Condensed Schedule of Cash Flows						
Net cash provided (used) by:						
Operating activities	\$ (514)	\$ 3,356	\$ 33	\$ 9,102	\$ 5,985	\$ 17,962
Noncapital financing activities	4,820	(2,838)	1,003	(747)	(7,312)	(5,074)
Capital and related financing activities	80,096	7,040	(837)	(10,746)	(2,223)	73,330
Investing activities	433	609	92	899	988	3,021
Net increase (decrease)	84,835	8,167	291	(1,492)	(2,562)	89,239
Beginning cash and cash equivalents	13,130	15,738	3,877	32,958	36,090	101,793
Ending cash and cash equivalents	<u>\$ 97,965</u>	<u>\$ 23,905</u>	<u>\$ 4,168</u>	<u>\$ 31,466</u>	<u>\$ 33,528</u>	<u>\$ 191,032</u>

CITY OF FORT WORTH, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2009
(000's omitted)

(continued)

NOTE N: SUBSEQUENT EVENTS

On October 27, 2009, the City issued Drainage Utility System Revenue Bonds, Series 2009 in the amount of \$45,190. The proceeds will be used to finance capital improvements to the drainage utility system that are scheduled over the next two years. Major categories of projects included in the Capital Improvements Program are storm drain improvements, roadway culvert improvements, erosion protection improvements and the rehabilitation and replacement of existing infrastructure due to age and capacity deficiencies. The interest rates on the bonds are from 2.0% to 4.3% with a final maturity date of February 15, 2035.

On January 22, 2010, the City issued Texas Water and Sewer System Revenue Bonds, Series 2009 in the amount of \$16,265 and drew down the first installment of \$405. The proceeds will be used to finance City water system improvements. Such improvements include the construction of a 14 million gallon per day reclaimed water pump station at the Village Creek Wastewater Treatment Plant and 57 linear feet of 36-inch to 16-inch reclaimed water transmission mains. These non-interest bearing bonds are related to President Obama's Stimulus Initiative, with a final maturity date of February 15, 2030.

On February 26, 2010, the City drew down the second installment of the Water and Sewer System Subordinate Lien Revenue Bonds, Series 2007B of \$5,080. Interest is payable March 1 and September 1 of each year commencing March 2010. Total interest requirements for the revenue bonds, at a rate ranging from 2.25% to 2.30%, aggregate \$86 for the second installment. The bonds have a final maturity date of March 1, 2012.

As of January, 2010, the City had received eight grants and one non-interest bearing bond (see above) related to President Obama's Stimulus Initiative totaling \$39,782. The grants address Homelessness, Energy Efficiency and Conservation, Law Enforcement, Sidewalk and ADA Ramps, Weatherization, and Job Training and Support.

The current landfill operating permit for the Southeast Landfill is MSW Permit 218B. The landfill operator, Allied Waste Inc. under a lease agreement with the City, has submitted a permit amendment application in the name of the City for a major expansion of the landfill. This permit amendment application is under technical review by the Texas Commission on Environmental Quality, the state regulatory agency. If approved, this permit amendment will change the City's operating permit number from 218B to 218C. The remaining capacity of the landfill is 4,331 cubic yards as of August 31, 2009. The life of site based upon this remaining capacity is approximately 14 years. If the permit amendment application is approved, the capacity of the landfill will increase by 24,955 cubic yards and the life of site will be extended 30 additional years.

NOTE O: NEW ACCOUNTING STANDARDS

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 is 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.

CITY OF FORT WORTH, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2009
(000's omitted)

(continued)

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.

In March 2009, the GASB issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This Statement is intended to improve the usefulness of information provided to financial report users about fund balance by providing clearer, more structured fund balance classifications, and by clarifying the definitions of existing governmental fund types. Fund balance amounts will be reported in the following classifications: restricted, committed, assigned, and unassigned. This statement is effective for the City's financial periods beginning after June 15, 2010.

In December 2009, the GASB issued Statement No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*. This Statement amends Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, to permit an agent employer that has an individual-employer OPEB plan with fewer than 100 total plan members to use the alternative measurement method, at its option, regardless of the number of total plan members in the agent multiple-employer OPEB plan in which it participates. This Statement also amends a Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, requirement that a defined benefit OPEB plan obtain an actuarial valuation. The amendment permits the requirement to be satisfied for an agent multiple-employer OPEB plan by reporting an aggregation of results of actuarial valuations of the individual-employer OPEB plans or measurements resulting from use of the alternative measurement method for individual-employer OPEB plans that are eligible. In addition, this Statement clarifies that when actuarially determined OPEB measures are reported by an agent multiple-employer OPEB plan and its participating employers. The provisions related to the use and reporting of the alternative method are effective immediately. The provisions related to the frequency and timing of measurements are effective for actuarial valuations first used to report funded status information in OPEB plans financial statements for City's financial periods beginning after June 15, 2011.

In December 2009, the GASB issued Statement No. 58, *Accounting and Financial Reporting for Chapter 9 Bankruptcies*. The objective of this Statement is to provide accounting and financial reporting guidance for governments that have petitioned for protection from creditors by filing for bankruptcy under Chapter 9 of the United States Bankruptcy Code. It requires governments to remeasure liabilities that are adjusted in bankruptcy when the bankruptcy court confirms a new payment plan. 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.



Grand Opening of the Gateway Park Natural Grass Fields
located at 1701 North Beach Street

REQUIRED SUPPLEMENTAL INFORMATION

CITY OF FORT WORTH, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2009
(in 000's)

	Budgeted Amounts (GAAP Basis)		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
General Property Taxes	\$ 293,056	\$ 293,056	\$ 285,757	\$ (7,299)
Other Local Taxes	135,080	135,080	129,103	(5,977)
Charges for Services	15,714	15,714	15,178	(536)
Licenses and Permits	53,574	53,574	49,870	(3,704)
Fines and Forfeitures	12,528	12,528	15,671	3,143
Revenue from Use of Money and Property	8,466	8,466	10,086	1,620
Investment Income	5,660	5,660	4,342	(1,318)
Intergovernmental	1,171	1,371	896	(475)
Gas Leases and Royalties	409	409	664	255
Other	3,089	6,363	10,557	4,194
Total Revenue	<u>528,747</u>	<u>532,221</u>	<u>522,124</u>	<u>(10,097)</u>
Expenditures:				
Current:				
General Administration	100,327	103,131	95,958	7,173
Public Safety	286,090	284,769	282,602	2,167
Transportation and Public Works	36,734	40,837	37,973	2,864
Parks and Community Services	35,805	35,693	35,008	685
Public Library	16,852	16,935	16,665	270
Public Health	472	597	590	7
Public Events and Facilities	23,133	23,794	23,794	-
Planning and Development	15,321	14,844	12,866	1,978
Housing and Economic Development	11,163	9,533	8,814	719
Capital Outlay	2,102	7,258	5,344	1,914
Debt Service:				
Principal Retirement	1,072	1,072	1,072	-
Interest and Service Charges	220	220	220	-
Total Expenditures	<u>529,291</u>	<u>538,683</u>	<u>520,906</u>	<u>17,777</u>
Excess of Revenues Over Expenditures	<u>(544)</u>	<u>(6,462)</u>	<u>1,218</u>	<u>7,680</u>
Other Financing Sources (Uses):				
Proceeds from Long-Term Debt Issued	-	15,581	15,581	-
Premium on Issuance	-	600	600	-
Proceeds from Disposal of Property	-	-	139	139
Transfers In - Other Funds	33,249	36,340	35,425	(915)
Transfers Out - Other Funds	(32,328)	(34,560)	(32,077)	2,483
Total Other Financing Sources (Uses)	<u>921</u>	<u>17,961</u>	<u>19,668</u>	<u>1,707</u>
Net Change in Fund Balance	377	11,499	20,886	9,387
Fund Balance, Beginning of Year	<u>122,655</u>	<u>122,655</u>	<u>122,655</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 123,032</u>	<u>\$ 134,154</u>	<u>\$ 143,541</u>	<u>\$ 9,387</u>

**CITY OF FORT WORTH, TEXAS
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2009
(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 \$9,392 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.

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

Valuation Date	Actuarial Value of Assets (AVA)	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL) (3)-(2)	Funded Ratio (2)/(3)	Annual Covered Payroll (6)	UAAL as % of Payroll (4)/(6)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
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	355,900	79.5%	286,700	124.1%
10/1/2005	1,482,900	1,894,300	411,400	78.3%	317,100	129.7%
1/1/2007	1,658,200	2,068,800	410,600	80.2%	338,500	121.3%
1/1/2008	1,821,700	2,059,200	237,500	88.5%	359,300	66.1%
1/1/2009	1,596,300	2,192,100	595,800	72.8%	372,900	159.8%

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

Year Ended	Annual Pension Cost	Percentage Contributed	Net Pension Obligation
September 30, 2004	\$ 40,188	72%	\$ 11,077
September 30, 2005	43,760	73%	23,089
September 30, 2006	52,683	65%	41,505
September 30, 2007	61,008	61%	65,205
September 30, 2008	72,405	80%	79,986
September 30, 2009	52,627	113%	73,160

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

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

Valuation Date	Actuarial Value of Assets (AVA) (a)	Actuarial Liability (AAL) (b)	Unfunded Actuarial Liability (UAAL) (b - a)	Funded Ratio (a / b)	Annual Covered Payroll (c)	UAAL as % of Payroll ((b - a) / c)
Healthcare 9/30/08	\$ -	\$ 976,135	\$ 976,135	0%	\$ 359,308	272%
Death Benefit 9/30/08	\$ -	\$ 10,253	\$ 10,253	0%	\$ 359,308	3%

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

Year Ended	Annual OPEB Cost	Percentage Contributed	Net OPEB Obligation
Healthcare			
9/30/08	\$ 102,562	17%	\$ 84,842
9/30/09	109,093	20%	171,808
Death Benefit			
9/30/08	872	38%	540
9/30/09	896	34%	1,132

Note: The City first implemented the provisions of GASB Statement 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* for the year ended June 30, 2008. An actuarial valuation as of September 30, 2009 was not performed.

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

NON-MAJOR GOVERNMENTAL FUNDS

Nonmajor Governmental Funds

Special Revenue Funds

The Special Revenue Funds are used to account for the proceeds from specific revenue sources (other than expendable trusts, major capital projects, or proprietary funds) that are legally restricted to expenditures for specified purposes.

Crime Control and Prevention District Fund is used to promote and enhance the feeling of safety for all citizens in all areas of the City, including neighborhoods, commercial areas, parks and public facilities.

Environmental Management Fund is used to accumulate revenue to pay for any environmental program or service as such services are required by state or federal mandates.

Fort Worth Housing Finance Corporation Fund is used to finance the cost of residential ownership and development of single-family dwellings for persons of low and moderate income. This fund also includes its component units, Villas of Eastwood Terrace, LLC, 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 and Fort Worth Construction Company, LLC, which was organized to administer a proposed low-interest rate program for business development in and around the Stockyards area, in accordance with the Economic Development Administration Block Grant Program.

Fort Worth Local Development Corporation 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.

OPEB Healthcare Fund was created in 2009 to account for monies set aside (not in a trust) by the City to fund the other post employment benefit liability.

Other Blended Component Units is used to combine Service Center Relocation, Inc. (which was set up to build a new service center for Transportation and Public Works and Equipment Services), Fort Worth Sports Authority (used to purchase the Texas Motor Speedway and spur economic growth), Lone Star Local Development Corporation (used for the construction of a museum, exhibition space, and certain public infrastructure in the vicinity of Cabela's retail facility), and Central City Local Government Corporation (organized for the purpose of aiding, assisting, and acting on behalf of the City in implementation of project plans for the Magnolia Green Development, including construction of a parking garage to support development).

Grants Fund is used to account for grant resources received from various local, state and federal agencies and organizations. The use of these resources is restricted to a particular function of the City by each grantor.

Other Special Revenue Funds is used to report the financial activity of new minor funds whose proceeds of specific revenue sources require separate accounting because of legal or regulatory provisions or administrative action.

The Fort Worth Fund is used to aggregate specific gas well revenues from Water and Sewer Fund, Airport Fund, and Parks and Community land for the purpose of establishing a fund that only the residual revenue will be spent for specific purposes.

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.

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 the Convention Center and repair of Will Rogers Auditorium, Cowtown Coliseum and the Water Gardens Plaza

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 and construction of neighborhood libraries.

Animal Shelter Improvements Fund is used to account for the construction of an animal control shelter and clinic 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 is used 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.



Gateway Park at 1701 North Beach Street

**CITY OF FORT WORTH, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2009
(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	\$ 24,291	\$ 7,851	\$ 8,244	\$ 2,125
Receivables, net of allowance for uncollectibles:				
Grants and Other Governments	7,234	-	-	-
Loans	-	-	923	-
Interest	209	54	77	6
Accounts and Other	-	376	1	-
Due from Other Funds	-	-	-	390
Inventories (at Cost)	-	-	1,078	281
Advances to Other Funds	-	-	-	-
Prepays, Deposits, and Other	-	-	76	-
Long-Term Loans Receivable	-	-	-	-
Restricted Assets:				
Cash and Cash Equivalents	-	-	5,475	-
Cash and Cash Equivalents Held by Trustees	-	-	-	-
Total Assets	<u>\$ 31,734</u>	<u>\$ 8,281</u>	<u>\$ 15,874</u>	<u>\$ 2,802</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ -	\$ -	\$ 39	\$ -
Construction Payable	257	185	50	-
Escrow Accounts	-	-	-	-
Accrued Payroll	1,230	62	-	-
Accrued Interest	-	78	-	-
Due to Other Funds	-	-	-	-
Other	-	-	70	-
Deferred Revenue	-	-	983	-
Total Liabilities	<u>1,487</u>	<u>325</u>	<u>1,142</u>	<u>-</u>
Fund Balances (Deficit):				
Reserved for Encumbrances	3,675	16	-	-
Reserved for HUD Projects	-	-	-	-
Reserved for Long Term Loans Receivables	-	-	-	-
Reserved for Inventories	-	-	1,078	281
Reserved for Advances	-	-	-	-
Reserved for Prepays	-	-	76	-
Unreserved:				
Designated for Authorized Expenditures	26,572	-	13,578	2,521
Undesignated	-	7,940	-	-
Total Fund Balances (Deficit)	<u>30,247</u>	<u>7,956</u>	<u>14,732</u>	<u>2,802</u>
Total Liabilities and Fund Balances	<u>\$ 31,734</u>	<u>\$ 8,281</u>	<u>\$ 15,874</u>	<u>\$ 2,802</u>

Special Revenue Funds

HUD 108 Loan	Special Projects	OPEB Healthcare Fund	Other Blended Component Units	Grants	Other Special Revenue Fund	The Fort Worth Fund	Special Revenue Funds Subtotal
\$ 84	\$ 37,313	\$ 5,000	\$ 903	\$ 8,424	\$ 1,714	\$ -	\$ 95,949
-	-	-	-	19,845	-	-	27,079
-	-	-	-	2,442	-	-	3,365
3	60	-	-	59	-	-	468
-	261	-	794	-	-	484	1,916
-	-	-	-	-	-	-	390
-	-	-	-	-	-	-	1,359
-	-	-	-	-	-	-	-
-	-	-	-	1,394	-	-	1,470
1,015	-	-	-	9,452	-	-	10,467
-	20	-	-	-	-	23,861	29,356
5,421	2,310	-	-	-	-	-	7,731
<u>\$ 6,523</u>	<u>\$ 39,964</u>	<u>\$ 5,000</u>	<u>\$ 1,697</u>	<u>\$ 41,616</u>	<u>\$ 1,714</u>	<u>\$ 24,345</u>	<u>\$ 179,550</u>
\$ -	\$ 111	\$ -	\$ -	\$ -	\$ 584	\$ -	\$ 734
6	1,248	-	37	2,353	121	1	4,258
-	33	-	-	54	1	-	88
-	113	-	-	407	-	-	1,812
-	-	-	-	-	-	-	78
-	736	-	-	3,628	-	-	4,364
-	-	-	-	-	-	-	70
-	-	-	-	35,553	-	-	36,536
<u>6</u>	<u>2,241</u>	<u>-</u>	<u>37</u>	<u>41,995</u>	<u>706</u>	<u>1</u>	<u>47,940</u>
-	-	-	-	-	-	-	3,691
8,147	-	-	-	-	-	-	8,147
1,015	-	-	-	-	-	-	1,015
-	-	-	-	-	-	-	1,359
-	-	-	-	-	-	-	-
-	-	-	-	1,394	-	-	1,470
(2,645)	37,723	5,000	1,656	(1,773)	-	-	82,632
-	-	-	4	-	1,008	24,344	33,296
<u>6,517</u>	<u>37,723</u>	<u>5,000</u>	<u>1,660</u>	<u>(379)</u>	<u>1,008</u>	<u>24,344</u>	<u>131,610</u>
<u>\$ 6,523</u>	<u>\$ 39,964</u>	<u>\$ 5,000</u>	<u>\$ 1,697</u>	<u>\$ 41,616</u>	<u>\$ 1,714</u>	<u>\$ 24,345</u>	<u>\$ 179,550</u>

(continued)

**CITY OF FORT WORTH, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2009
(in 000's)**

	Capital Projects Funds			
	Fire Protection Improvements Fund	Parks and Community Services Improvements	Public Events Improvements Fund	Library Improvements Fund
	Fund	Improvements	Fund	Fund
ASSETS				
Cash, Cash Equivalents and Investments	\$ 3,726	\$ 49,817	\$ 1,592	\$ 3,848
Receivables, net of allowance for uncollectibles:				
Grants and Other Governments	-	-	-	-
Loans	-	-	-	-
Interest	3	261	-	-
Accounts and Other	-	50	-	-
Due from Other Funds	-	-	-	-
Inventories (at Cost)	-	-	-	-
Advances to Other Funds	-	-	-	-
Prepays, Deposits, and Other	-	-	-	-
Long-Term Loans Receivable	-	-	-	-
Restricted Assets:				
Cash and Cash Equivalents	-	-	-	-
Cash and Cash Equivalents Held by Trustees	-	8	-	-
Total Assets	<u>\$ 3,729</u>	<u>\$ 50,136</u>	<u>\$ 1,592</u>	<u>\$ 3,848</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ -	\$ -	\$ 1	\$ -
Construction Payable	275	506	-	277
Escrow Accounts	-	-	-	-
Accrued Payroll	1	14	-	2
Accrued Interest	-	-	-	-
Due to Other Funds	-	-	-	-
Other	-	-	-	-
Deferred Revenue	-	-	-	-
Total Liabilities	<u>276</u>	<u>520</u>	<u>1</u>	<u>279</u>
Fund Balances (Deficit):				
Reserved for Encumbrances	-	-	-	-
Reserved for HUD Projects	-	-	-	-
Reserved for Long -Term Loans Receivables	-	-	-	-
Reserved for Inventories	-	-	-	-
Reserved for Advances	-	-	-	-
Reserved for Prepays	-	-	-	-
Unreserved:				
Designated for Authorized Expenditures	3,453	49,616	1,591	3,569
Undesignated	-	-	-	-
Total Fund Balances (Deficit)	<u>3,453</u>	<u>49,616</u>	<u>1,591</u>	<u>3,569</u>
Total Liabilities and Fund Balances	<u>\$ 3,729</u>	<u>\$ 50,136</u>	<u>\$ 1,592</u>	<u>\$ 3,848</u>

Capital Projects Funds

Animal Shelter Improvements Fund	Capital Projects Reserve Fund	Certificate of Obligations Special Projects	2007 Critical Capital Projects	Capital Project Funds Subtotal	Total Nonmajor Governmental Funds
\$ 41	\$ 3,230	\$ 2,245	\$ 112,093	\$ 176,592	\$ 272,541
-	-	-	-	-	27,079
-	-	-	-	-	3,365
-	64	-	-	328	796
-	94	-	-	144	2,060
-	137	-	-	137	527
-	-	-	-	-	1,359
-	351	-	-	351	351
-	-	-	1,900	1,900	3,370
-	902	-	-	902	11,369
-	-	-	-	-	29,356
-	-	-	-	8	7,739
<u>\$ 41</u>	<u>\$ 4,778</u>	<u>\$ 2,245</u>	<u>\$ 113,993</u>	<u>\$ 180,362</u>	<u>\$ 359,912</u>
\$ -	\$ -	\$ -	138	\$ 139	\$ 873
-	91	400	3,423	4,972	9,230
-	-	-	-	-	88
-	-	2	87	106	1,918
-	-	-	-	-	78
-	-	-	1,500	1,500	5,864
-	-	-	-	-	70
-	902	-	-	902	37,438
-	993	402	5,148	7,619	55,559
-	-	-	-	-	3,691
-	-	-	-	-	8,147
-	902	-	-	902	1,917
-	-	-	-	-	1,359
-	351	-	-	351	351
-	-	-	1,900	1,900	3,370
41	2,532	1,843	106,945	169,590	252,222
-	-	-	-	-	33,296
<u>41</u>	<u>3,785</u>	<u>1,843</u>	<u>108,845</u>	<u>172,743</u>	<u>304,353</u>
<u>\$ 41</u>	<u>\$ 4,778</u>	<u>\$ 2,245</u>	<u>\$ 113,993</u>	<u>\$ 180,362</u>	<u>\$ 359,912</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, 2009
(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	\$ 44,456	\$ -	\$ -	\$ -
Charges for Services	-	3,921	-	-
Fines and Forfeitures	-	-	-	-
Revenue from Use of Money and Property	-	-	1,589	403
Investment Income	715	190	341	67
Intergovernmental	3,863	-	423	-
Gas Leases and Royalties	-	-	13	4
Other Revenue	33	251	65	-
Contributions	-	-	1	-
Total Revenue	<u>49,067</u>	<u>4,362</u>	<u>2,432</u>	<u>474</u>
Expenditures:				
Current				
General Administration	-	3,023	-	-
Public Safety	34,335	-	-	-
Transportation and Public Works	-	-	-	-
Parks and Community Service:	1,071	-	-	-
Public Library	-	-	-	-
Public Health	-	-	-	-
Public Events and Facilities	-	-	-	-
Planning and Development	-	-	-	-
Housing	-	-	4,507	440
Capital Outlay	2,874	46	28	-
Debt Service:				
Principal Retirement	105	253	1,073	-
Interest and Service Charges	2	48	28	-
Total Expenditures	<u>38,387</u>	<u>3,370</u>	<u>5,636</u>	<u>440</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>10,680</u>	<u>992</u>	<u>(3,204)</u>	<u>34</u>
Other Financing Sources (Uses):				
Long Term Debt Issued	-	-	-	-
Premium on Issuance	-	-	-	-
Proceeds from Loans	-	-	-	-
Proceeds from Disposal of Property	175	2	-	-
Transfers In	216	389	2,000	-
Transfers Out	(17,733)	(323)	-	-
Total Other Financing Sources (Uses)	<u>(17,342)</u>	<u>68</u>	<u>2,000</u>	<u>-</u>
Net Change in Fund Balances	(6,662)	1,060	(1,204)	34
Fund Balances (Deficit), Beginning of Year	36,909	6,896	15,936	2,768
Fund Balances (Deficit), End of Year	<u>\$ 30,247</u>	<u>\$ 7,956</u>	<u>\$ 14,732</u>	<u>\$ 2,802</u>

Special Revenue Funds

HUD 108 Loan	Special Projects	OPEB Healthcare Fund	Other Blended Component Units	Grants	Other Special Revenue Fund	The Fort Worth Fund	Special Revenue Funds Subtotal
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 44,456
-	1,101	-	-	-	184	-	5,206
-	873	-	-	-	2,194	-	3,067
104	311	-	1,501	28	-	-	3,936
30	417	-	6	324	29	574	2,693
-	2,050	-	-	37,062	-	-	43,398
-	-	-	-	-	-	6,026	6,043
-	1,538	-	7	-	1	-	1,895
-	3,819	-	6,832	-	-	-	10,652
<u>134</u>	<u>10,109</u>	<u>-</u>	<u>8,346</u>	<u>37,414</u>	<u>2,408</u>	<u>6,600</u>	<u>121,346</u>
-	1,205	-	-	2,668	-	-	6,896
-	713	-	-	2,877	-	-	37,925
-	6,599	-	-	55	1,367	34	8,055
-	2,102	-	-	7,368	-	7	10,548
-	-	-	-	486	-	-	486
-	31	-	-	578	-	-	609
-	2,322	-	-	-	-	-	2,322
-	-	-	-	60	-	-	60
-	333	-	129	12,059	-	-	17,468
221	6,779	-	-	8,529	-	-	18,477
661	-	-	832	-	-	-	2,924
516	-	-	1,579	-	-	-	2,173
<u>1,398</u>	<u>20,084</u>	<u>-</u>	<u>2,540</u>	<u>34,680</u>	<u>1,367</u>	<u>41</u>	<u>107,943</u>
<u>(1,264)</u>	<u>(9,975)</u>	<u>-</u>	<u>5,806</u>	<u>2,734</u>	<u>1,041</u>	<u>6,559</u>	<u>13,403</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	9,066	-	-	-	-	-	9,066
-	733	-	-	-	-	-	910
730	11,372	5,000	-	4,501	-	-	24,208
(293)	(3,848)	-	-	(730)	(258)	(136)	(23,321)
<u>437</u>	<u>17,323</u>	<u>5,000</u>	<u>-</u>	<u>3,771</u>	<u>(258)</u>	<u>(136)</u>	<u>10,863</u>
(827)	7,348	5,000	5,806	6,505	783	6,423	24,266
7,344	30,375	-	(4,146)	(6,884)	225	17,921	107,344
<u>\$ 6,517</u>	<u>\$ 37,723</u>	<u>\$ 5,000</u>	<u>\$ 1,660</u>	<u>\$ (379)</u>	<u>\$ 1,008</u>	<u>\$ 24,344</u>	<u>\$ 131,610</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, 2009
(in 000's)**

	Capital Projects Funds			
	Fire Protection Improvements Fund	Parks and Community Services Improvements	Public Events Improvements Fund	Library Improvements Fund
Revenues:				
Other Local Taxes	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	9	-	-
Fines and Forfeitures	-	-	-	-
Revenue from Use of Money and Property	-	-	-	-
Investment Income	8	951	-	-
Intergovernmental	-	-	-	125
Gas Leases and Royalties	-	3,318	-	-
Other	-	6	-	-
Contributions	-	493	-	-
Total Revenue	<u>8</u>	<u>4,777</u>	<u>-</u>	<u>125</u>
Expenditures:				
General Administration	-	-	-	-
Public Safety	-	-	-	-
Transportation and Public Works	-	-	-	-
Parks and Community Services	-	639	-	-
Public Library	-	-	-	-
Public Health	-	-	-	-
Public Events and Facilities	-	-	-	-
Planning and Development	-	-	-	-
Housing	-	-	-	-
Capital Outlay	2,661	4,557	51	1,547
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Service Charges	-	-	-	-
Total Expenditures	<u>2,661</u>	<u>5,196</u>	<u>51</u>	<u>1,547</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,653)</u>	<u>(419)</u>	<u>(51)</u>	<u>(1,422)</u>
Other Financing Sources (Uses):				
Long-Term Debt Issued	-	4,575	-	4,715
Premium on Issuance	-	-	-	-
Proceeds from Loans	-	-	-	-
Proceeds from Disposal of Property	-	-	-	-
Transfers In	-	-	-	-
Transfers Out	-	(1,477)	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>3,098</u>	<u>-</u>	<u>4,715</u>
Net Change in Fund Balance	<u>(2,653)</u>	<u>2,679</u>	<u>(51)</u>	<u>3,293</u>
Fund Balances (Deficit), Beginning of Year	6,106	46,937	1,642	276
Fund Balances (Deficit), End of Year	<u>\$ 3,453</u>	<u>\$ 49,616</u>	<u>\$ 1,591</u>	<u>\$ 3,569</u>

Capital Projects Funds

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
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 44,456
-	-	-	-	9	5,215
-	-	-	-	-	3,067
-	1,204	-	-	1,204	5,140
-	81	-	-	1,040	3,733
-	-	-	-	125	43,523
-	192	-	-	3,510	9,553
-	-	-	-	6	1,901
-	1	-	16	510	11,162
-	1,478	-	16	6,404	127,750
-	381	-	-	381	7,277
-	-	-	-	-	37,925
-	-	-	-	-	8,055
-	-	-	-	639	11,187
-	-	-	-	-	486
-	-	-	-	-	609
-	-	-	-	-	2,322
-	-	-	-	-	60
-	-	-	-	-	17,468
318	-	961	30,833	40,928	59,405
-	-	-	-	-	-
-	-	-	-	-	2,924
-	-	-	-	-	2,173
318	381	961	30,833	41,948	149,891
(318)	1,097	(961)	(30,817)	(35,544)	(22,141)
498	-	400	90,421	100,609	100,609
-	-	-	1,000	1,000	1,000
-	-	-	-	-	9,066
-	-	-	-	-	910
-	-	-	-	-	24,208
-	-	-	(1,927)	(3,404)	(26,725)
498	-	400	89,494	98,205	109,068
180	1,097	(561)	58,677	62,661	86,927
(139)	2,688	2,404	50,168	110,082	217,426
\$ 41	\$ 3,785	\$ 1,843	\$ 108,845	\$ 172,743	\$ 304,353

(concluded)

CITY OF FORT WORTH, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS - OTHER BLENDED COMPONENT UNITS
SEPTEMBER 30, 2009
(in 000's)

	Special Revenue Funds				Total Other Blended Component Units
	Service Center Relocation, Inc. (James Street)	Fort Worth Sports Authority	Lone Star Local Development Corporation	Central City Local Government Corporation	
ASSETS					
Cash, Cash Equivalents and Investments	\$ 190	\$ 82	\$ 4	\$ 627	\$ 903
Receivables:					
Accounts and Other	-	794	-	-	794
Total Assets	<u>\$ 190</u>	<u>\$ 876</u>	<u>\$ 4</u>	<u>\$ 627</u>	<u>\$ 1,697</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Construction Payable	\$ -	\$ -	\$ -	\$ 37	\$ 37
Accrued Interest	-	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>37</u>	<u>37</u>
Fund Balances (Deficit):					
Unreserved:					
Designated for Authorized Expenditures	190	876	-	590	1,656
Undesignated	-	-	4	-	4
Total Fund Balances	<u>190</u>	<u>876</u>	<u>4</u>	<u>590</u>	<u>1,660</u>
Total Liabilities and Fund Balances	<u>\$ 190</u>	<u>\$ 876</u>	<u>\$ 4</u>	<u>\$ 627</u>	<u>\$ 1,697</u>

**CITY OF FORT WORTH, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS - OTHER BLENDED COMPONENT UNITS
FOR THE YEAR ENDED SEPTEMBER 30, 2009
(in 000's)**

	Special Revenue Funds				Total Other Blended Component Units
	Service Center Relocation, Inc. (James Street)	Fort Worth Sports Authority	Lone Star Local Government Corporation	Central City Local Government Corporation	
Revenues:					
Revenue from Use of Money and Property	\$ 1,431	\$ 70	\$ -	\$ -	\$ 1,501
Investment Income	1	2	-	3	6
Other Revenue	-	-	-	7	7
Contributions	-	794	5,421	617	6,832
Total Revenue	<u>1,432</u>	<u>866</u>	<u>5,421</u>	<u>627</u>	<u>8,346</u>
Expenditures:					
Current					
Housing	-	59	-	70	129
Debt Service:					
Principal Retirement	455	-	-	377	832
Interest and Service Charges	976	-	447	156	1,579
Total Expenditures	<u>1,431</u>	<u>59</u>	<u>447</u>	<u>603</u>	<u>2,540</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1</u>	<u>807</u>	<u>4,974</u>	<u>24</u>	<u>5,806</u>
Other Financing Sources (Uses):					
Transfers In	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	1	807	4,974	24	5,806
Fund Balances, Beginning of Year	189	69	(4,970)	566	(4,146)
Fund Balances, End of Year	<u>\$ 190</u>	<u>\$ 876</u>	<u>\$ 4</u>	<u>\$ 590</u>	<u>\$ 1,660</u>

**CITY OF FORT WORTH, TEXAS
BUDGETARY COMPARISON SCHEDULE
CRIME CONTROL AND PREVENTION DISTRICT FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2009
(in 000's)**

	Budgeted Amounts (GAAP Basis)		Actual Amounts	Variance with Final Budget-- Positive (Negative)
	Original	Final		
Revenues:				
Other Local Taxes	\$ 46,535	\$ 46,535	\$ 44,456	\$ (2,079)
Interest Income	907	907	715	(192)
Intergovernmental	3,736	3,736	3,863	127
Other	164	164	33	(131)
Total Revenue	<u>51,342</u>	<u>51,342</u>	<u>49,067</u>	<u>(2,275)</u>
Expenditures:				
Current:				
Public Safety	37,420	37,649	34,335	3,314
Parks and Community Services	1,106	1,106	1,071	35
Capital Outlay	4,708	6,898	2,874	4,024
Debt Service:				
Principal Retirement	108	108	105	3
Interest and Service Charges	2	2	2	-
Total Expenditures	<u>43,344</u>	<u>45,763</u>	<u>38,387</u>	<u>7,376</u>
Excess of Revenues Over Expenditures	<u>7,998</u>	<u>5,579</u>	<u>10,680</u>	<u>5,101</u>
Other Financing Sources (Uses):				
Proceeds from Sale of Property	-	-	175	175
Transfers In - Other Funds	-	-	216	216
Transfers Out - Other Funds	(7,998)	(17,616)	(17,733)	(117)
Total Other Financing Sources (Uses)	<u>(7,998)</u>	<u>(17,616)</u>	<u>(17,342)</u>	<u>274</u>
Net Change in Fund Balance	-	(12,037)	(6,662)	5,375
Fund Balance, Beginning of Year	<u>36,909</u>	<u>36,909</u>	<u>36,909</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 36,909</u>	<u>\$ 24,872</u>	<u>\$ 30,247</u>	<u>\$ 5,375</u>

NON-MAJOR PROPRIETARY FUNDS

Nonmajor Proprietary Funds

Nonmajor 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, Convention Center 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.

Solid Waste Fund

The Solid Waste Fund is used to account for solid waste services provided to the residents of the City. The fund's operations are financed by trash collection utility fees and cart rentals.

CITY OF FORT WORTH, TEXAS
COMBINING STATEMENT OF NET ASSETS
NONMAJOR PROPRIETARY FUNDS
SEPTEMBER 30, 2009
(in 000's)

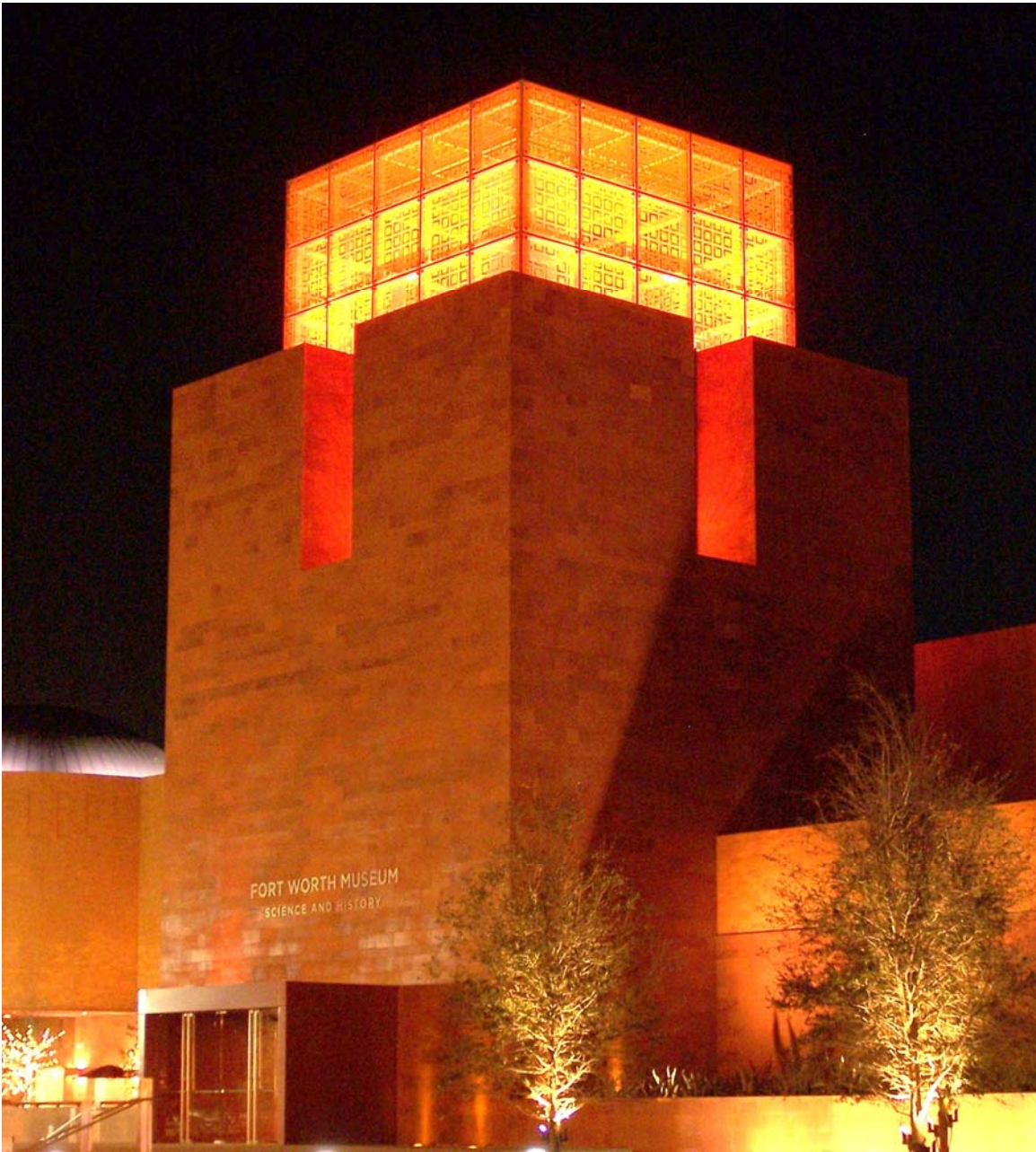
	Municipal Airports Fund	Municipal Parking Fund	Municipal Golf Fund	Stormwater Utility Fund	Solid Waste Fund	Total Nonmajor Enterprise Funds
ASSETS						
Current Assets:						
Cash, Cash Equivalents and Investments	\$ 1,148	\$ 325	\$ 64	\$ 15,427	\$ 25,894	\$ 42,858
Interest Receivable	-	-	-	72	202	274
Accounts and Other Receivables, net of allowance for uncollectibles	582	-	4	2,182	6,348	9,116
Inventories , at Cost	-	-	155	-	-	155
Prepays, Deposits, and Other	1,146	8	9	2,433	-	3,596
Total Current Assets	2,876	333	232	20,114	32,444	55,999
Restricted Assets:						
Cash and Cash Equivalents	96,807	23,580	4,104	16,039	6,668	147,198
Cash and Cash Equivalents Held by Trustees	10	-	-	-	966	976
Grants Receivable	493	-	-	-	-	493
Interest Receivable	6	215	3	-	-	224
Total Restricted Assets	97,316	23,795	4,107	16,039	7,634	148,891
Total Current Assets	100,192	24,128	4,339	36,153	40,078	204,890
Noncurrent Assets:						
Deferred Bond Issue Cost	1	937	16	157	20	1,131
Capital Assets (at Cost)						
Land	56,182	1,561	360	-	1,097	59,200
Buildings	12,199	3,107	1,315	-	2,185	18,806
Improvements Other than Buildings	165,555	1,027	9,323	1,723	15,805	193,433
Machinery and Equipment	3,206	13	1,946	8,629	2,173	15,967
Construction in Progress	31,039	34,366	1,654	14,651	-	81,710
Accumulated Depreciation	(107,953)	(2,030)	(9,044)	(4,754)	(7,758)	(131,539)
Net Capital Assets	160,228	38,044	5,554	20,249	13,502	237,577
Total Assets	260,421	63,109	9,909	56,559	53,600	443,598

(continued)

CITY OF FORT WORTH, TEXAS
COMBINING STATEMENT OF NET ASSETS
NONMAJOR PROPRIETARY FUNDS
SEPTEMBER 30, 2009
(in 000's)

	Municipal Airports Fund	Municipal Parking Fund	Municipal Golf Fund	Stormwater Utility Fund	Solid Waste Fund	Total Nonmajor Enterprise Funds
LIABILITIES						
Current Liabilities:						
Accounts Payable	\$ 611	\$ 60	\$ 196	\$ 424	\$ 3,336	\$ 4,627
Accrued Payroll	59	41	121	224	147	592
Due to Other Funds	137	-	-	-	-	137
Payable from Restricted Assets:						
Construction Payable	304	2,592	9	657	52	3,614
Current Portion of Long-Term Liabilities	128	318	414	836	1,914	3,610
Accrued Interest Payable	-	211	9	145	62	427
Customer Deposits	32	-	-	-	712	744
Unearned Revenue	80,191	-	-	-	6,492	86,683
Total Current Liabilities	<u>81,462</u>	<u>3,222</u>	<u>749</u>	<u>2,286</u>	<u>12,715</u>	<u>100,434</u>
Long-Term Liabilities:						
Advances from Other Funds	351	-	4,207	-	-	4,558
Long-Term Liabilities Due in More Than One Year	801	48,991	3,640	26,055	19,123	98,610
Total Long-Term Liabilities	<u>1,152</u>	<u>48,991</u>	<u>7,847</u>	<u>26,055</u>	<u>19,123</u>	<u>103,168</u>
Total Liabilities	<u>82,614</u>	<u>52,213</u>	<u>8,596</u>	<u>28,341</u>	<u>31,838</u>	<u>203,602</u>
NET ASSETS (DEFICITS)						
Invested in Capital Assets, Net of Related Debt	159,869	4,191	3,218	7,944	6,925	182,147
Restricted for:						
Debt Service	70	3,708	1,388	1,612	84	6,862
Unrestricted	17,868	2,997	(3,293)	18,662	14,753	50,987
Total Net Assets (Deficits)	<u>\$ 177,807</u>	<u>\$ 10,896</u>	<u>\$ 1,313</u>	<u>\$ 28,218</u>	<u>\$ 21,762</u>	<u>\$ 239,996</u>

(concluded)



Fort Worth Museum of Science and History at 1600 Gendy Street

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, 2009
(in 000's)

	Municipal Airports Fund	Municipal Parking Fund	Municipal Golf Fund	Stormwater Utility Fund	Solid Waste Fund	Total Nonmajor Enterprise Funds
OPERATING REVENUES						
Charges for Services	\$ 3,406	\$ 4,533	\$ 5,072	\$ 20,803	\$ 45,465	\$ 79,279
Other	219	-	6	-	3,030	3,255
Total Operating Revenues	<u>3,625</u>	<u>4,533</u>	<u>5,078</u>	<u>20,803</u>	<u>48,495</u>	<u>82,534</u>
OPERATING EXPENSES						
Personnel Services	1,857	991	3,213	6,061	4,444	16,566
Supplies and Materials	208	111	952	1,288	1,123	3,682
Contractual Services	2,981	321	1,388	5,362	37,169	47,221
Landfill Closure and Postclosure Cost	-	-	-	-	240	240
Depreciation	7,189	147	449	1,313	847	9,945
Total Operating Expenses	<u>12,235</u>	<u>1,570</u>	<u>6,002</u>	<u>14,024</u>	<u>43,823</u>	<u>77,654</u>
Operating Income (Loss)	<u>(8,610)</u>	<u>2,963</u>	<u>(924)</u>	<u>6,779</u>	<u>4,672</u>	<u>4,880</u>
NONOPERATING REVENUES (EXPENSES)						
Investment Income	422	600	89	872	947	2,930
Gain (Loss) on Sale of Equipment	(193)	-	-	21	37	(135)
Interest and Service Charges	(3)	(497)	(124)	(241)	(473)	(1,338)
Gas Leases and Royalties	4,693	-	573	-	-	5,266
Other Revenue	1	1	1	-	880	883
Total Nonoperating Revenue	<u>4,920</u>	<u>104</u>	<u>539</u>	<u>652</u>	<u>1,391</u>	<u>7,606</u>
Income (Loss) before Transfers and Contributions	<u>(3,690)</u>	<u>3,067</u>	<u>(385)</u>	<u>7,431</u>	<u>6,063</u>	<u>12,486</u>
Transfers In	262	11	64	77	454	868
Transfers Out	(136)	(2,850)	(21)	(824)	(8,678)	(12,509)
Capital Contributions	9,875	-	-	-	-	9,875
Change in Net Assets	<u>6,311</u>	<u>228</u>	<u>(342)</u>	<u>6,684</u>	<u>(2,161)</u>	<u>10,720</u>
Total Net Assets - Beginning of year	<u>171,496</u>	<u>10,668</u>	<u>1,655</u>	<u>21,534</u>	<u>23,923</u>	<u>229,276</u>
Total Net Assets - Ending of year	<u>\$ 177,807</u>	<u>\$ 10,896</u>	<u>\$ 1,313</u>	<u>\$ 28,218</u>	<u>\$ 21,762</u>	<u>\$ 239,996</u>

CITY OF FORT WORTH, TEXAS
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2009
(in 000's)

	Municipal Airports Fund	Municipal Parking Fund	Municipal Golf Fund	Stormwater Utility Fund	Solid Waste Fund	Total Nonmajor Enterprise Funds
Cash Flows from Operating Activities:						
Receipts from Customers	\$ 3,662	\$ 4,525	\$ 5,072	\$ 20,779	\$ 45,235	\$ 79,273
Receipts from Other Operating Sources	219	-	6	-	3,030	3,255
Payments to Suppliers	(208)	(111)	(947)	(1,288)	(1,123)	(3,677)
Payments to Employees	(1,594)	(768)	(2,805)	(5,118)	(3,840)	(14,125)
Payments for Contractual Services	(2,452)	(290)	(1,293)	(5,271)	(37,317)	(46,623)
Other Payments	(141)	-	-	-	-	(141)
Net Cash Provided by (Used for) Operating Activities	<u>(514)</u>	<u>3,356</u>	<u>33</u>	<u>9,102</u>	<u>5,985</u>	<u>17,962</u>
Cash Flows from Noncapital Financing Activities:						
Other Nonoperating Revenues	4,694	1	574	-	880	6,149
Advances from Other Funds	-	-	386	-	-	386
Transfers In from Other Funds	262	11	64	77	454	868
Transfers Out to Other Funds	(136)	(2,850)	(21)	(824)	(8,646)	(12,477)
Net Cash Provided by (Used For) Noncapital Financing Activities	<u>4,820</u>	<u>(2,838)</u>	<u>1,003</u>	<u>(747)</u>	<u>(7,312)</u>	<u>(5,074)</u>
Cash Flows from Capital and Related Financing Activities:						
Acquisition and Construction of Property, Plant and Equipment	(9,614)	(17,231)	(442)	(9,035)	(151)	(36,473)
Proceeds from Sale of Machinery and Equipment	35	-	-	21	37	93
Proceeds from Bond Sales, Net of Issuance Costs	-	26,266	-	(54)	-	26,212
Principal Paid on Long-Term Debt	(55)	(100)	(210)	(520)	(1,625)	(2,510)
Interest Paid on Long-Term Obligations	(4)	(1,895)	(122)	(1,158)	(484)	(3,663)
Principal Paid on Capital Lease	-	-	(63)	-	-	(63)
Contributions	89,734	-	-	-	-	89,734
Net Cash Provided by (Used for) Capital and Related Financing Activities	<u>80,096</u>	<u>7,040</u>	<u>(837)</u>	<u>(10,746)</u>	<u>(2,223)</u>	<u>73,330</u>
Cash Flows from Investing Activities:						
Investment Income Received	433	609	92	899	988	3,021
Net Cash Provided by Investing Activities	<u>433</u>	<u>609</u>	<u>92</u>	<u>899</u>	<u>988</u>	<u>3,021</u>
Net Increase (Decrease) in Cash and Cash Equivalents	84,835	8,167	291	(1,492)	(2,562)	89,239
Cash and Cash Equivalents, Beginning of Year	13,130	15,738	3,877	32,958	36,090	101,793
Cash and Cash Equivalents, End of Year	<u>\$ 97,965</u>	<u>\$ 23,905</u>	<u>\$ 4,168</u>	<u>\$ 31,466</u>	<u>\$ 33,528</u>	<u>\$ 191,032</u>

(continued)

CITY OF FORT WORTH, TEXAS
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2009
(in 000's)

	Municipal Airports Fund	Municipal Parking Fund	Municipal Golf Fund	Stormwater Utility Fund	Solid Waste Fund	Total Nonmajor Enterprise Funds
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:						
Operating Income (Loss)	\$ (8,610)	\$ 2,963	\$ (924)	\$ 6,779	\$ 4,672	\$ 4,880
Adjustments Not Affecting Cash:						
Depreciation	7,189	147	449	1,313	847	9,945
Change in Assets and Liabilities:						
Accounts and Other Receivables	1,267	-	-	(252)	294	1,309
Inventories	-	-	5	-	-	5
Other Assets	(1,013)	(8)	-	228	-	(793)
Accounts Payable	529	31	95	91	(148)	598
Accrued Compensation	263	223	408	943	604	2,441
Unearned Revenue	-	-	-	-	(481)	(481)
Landfill Closure Costs	-	-	-	-	240	240
Customer Deposits	2	-	-	-	(43)	(41)
Escrow and Other Liabilities	(141)	-	-	-	-	(141)
Total Adjustments	8,096	393	957	2,323	1,313	13,082
Net Cash Provided by (Used For) Operating Activities	\$ (514)	\$ 3,356	\$ 33	\$ 9,102	\$ 5,985	\$ 17,962
The Cash and Cash Equivalents are reported in the Statement of Net Assets as follows:						
Cash, Cash Equivalents and Investments	\$ 1,148	\$ 325	\$ 64	\$ 15,427	\$ 25,894	\$ 42,858
Restricted Assets:						
Cash and Cash Equivalents	96,807	23,580	4,104	16,039	6,668	147,198
Cash and Investments Held by Trustees	10	-	-	-	966	976
Total Cash and Cash Equivalents	\$ 97,965	\$ 23,905	\$ 4,168	\$ 31,466	\$ 33,528	\$ 191,032
Noncash Investing, Capital, and Financing Activities:						
Net Capital Assets Transfers to Government	\$ -	\$ -	\$ -	\$ -	\$ (32)	\$ (32)
						(concluded)



Hazel Harvey Peace Center at 818 Missouri Avenue

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, 2009
(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	\$ -	\$ 470	\$ 480	\$ 8,582	\$ 1,292	\$ 10,824
Interest Receivable	-	-	-	-	1	1
Accounts and Other Receivables	-	-	-	4	-	4
Inventories (at Cost)	295	528	-	147	-	970
Prepays, Deposits, and Other	-	-	-	25	-	25
Total Current Assets	<u>295</u>	<u>998</u>	<u>480</u>	<u>8,758</u>	<u>1,293</u>	<u>11,824</u>
Restricted Assets:						
Cash and Cash Equivalents	-	-	-	3,775	-	3,775
Total Restricted Assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,775</u>	<u>-</u>	<u>3,775</u>
Capital Assets (at cost):						
Land	-	1,600	-	-	4	1,604
Buildings	-	5,480	-	594	-	6,074
Improvements Other than Buildings	-	1,013	-	-	91	1,104
Machinery and Equipment	585	1,973	-	10,958	2,253	15,769
Construction in Progress	-	-	-	635	-	635
Accumulated Depreciation	(576)	(6,092)	-	(8,739)	(1,805)	(17,212)
Net Capital Assets	<u>9</u>	<u>3,974</u>	<u>-</u>	<u>3,448</u>	<u>543</u>	<u>7,974</u>
Total Assets	<u>304</u>	<u>4,972</u>	<u>480</u>	<u>15,981</u>	<u>1,836</u>	<u>23,573</u>
LIABILITIES						
Current Liabilities:						
Accounts Payable	118	590	-	893	14	1,615
Accrued Payroll	43	339	60	374	465	1,281
Current Portion of Long-Term Liabilities	<u>73</u>	<u>516</u>	<u>6</u>	<u>518</u>	<u>509</u>	<u>1,622</u>
Total Current Liabilities	<u>234</u>	<u>1,445</u>	<u>66</u>	<u>1,785</u>	<u>988</u>	<u>4,518</u>
Long-Term Liabilities:						
Advances from Other Funds	693	-	-	-	-	693
Long-Term Liabilities Due in More Than One Year	<u>-</u>	<u>515</u>	<u>-</u>	<u>698</u>	<u>982</u>	<u>2,195</u>
Total Long-Term Liabilities	<u>693</u>	<u>515</u>	<u>-</u>	<u>698</u>	<u>982</u>	<u>2,888</u>
Total Liabilities	<u>927</u>	<u>1,960</u>	<u>66</u>	<u>2,483</u>	<u>1,970</u>	<u>7,406</u>
NET ASSETS (DEFICIT)						
Invested in Capital Assets, Net of Related Debt	9	3,974	-	3,448	543	7,974
Unrestricted	(632)	(962)	414	10,050	(677)	8,193
Total Net Assets (Deficit)	<u>\$ (623)</u>	<u>\$ 3,012</u>	<u>\$ 414</u>	<u>\$ 13,498</u>	<u>\$ (134)</u>	<u>\$ 16,167</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, 2009
(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	\$ 2,210	\$ 24,559	\$ 896	\$ 25,373	\$ 12,327	\$ 65,365
Total Operating Revenues	<u>2,210</u>	<u>24,559</u>	<u>896</u>	<u>25,373</u>	<u>12,327</u>	<u>65,365</u>
OPERATING EXPENSES						
Personnel Services	1,071	8,076	876	9,101	9,633	28,757
Supplies and Materials	302	12,232	1	593	327	13,455
Contractual Services	1,031	3,429	25	8,876	1,680	15,041
Depreciation	10	266	-	1,211	252	1,739
Total Operating Expenses	<u>2,414</u>	<u>24,003</u>	<u>902</u>	<u>19,781</u>	<u>11,892</u>	<u>58,992</u>
Operating Income (Loss)	<u>(204)</u>	<u>556</u>	<u>(6)</u>	<u>5,592</u>	<u>435</u>	<u>6,373</u>
NONOPERATING REVENUES						
Investment Income	-	-	11	333	37	381
Gain on Sale of Capital Assets	-	14	-	4	-	18
Other Revenue	-	34	-	1,826	13	1,873
Total Nonoperating Revenues	<u>-</u>	<u>48</u>	<u>11</u>	<u>2,163</u>	<u>50</u>	<u>2,272</u>
Income (Loss) Before Transfers and Contributions	(204)	604	5	7,755	485	8,645
Transfers In	23	164	1	2,504	96	2,788
Transfers Out	(5)	(279)	-	(89)	(304)	(677)
Capital Contributions	-	-	-	416	-	416
Change in Net Assets (Deficit)	<u>(186)</u>	<u>489</u>	<u>6</u>	<u>10,586</u>	<u>277</u>	<u>11,172</u>
Total Net Assets (Deficit) - Beginning	<u>(437)</u>	<u>2,523</u>	<u>408</u>	<u>2,912</u>	<u>(411)</u>	<u>4,995</u>
Total Net Assets (Deficit) - Ending	<u>\$ (623)</u>	<u>\$ 3,012</u>	<u>\$ 414</u>	<u>\$ 13,498</u>	<u>\$ (134)</u>	<u>\$ 16,167</u>

CITY OF FORT WORTH, TEXAS
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2009
(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	\$ 2,210	\$ 24,559	\$ 896	\$ 25,396	\$ 12,327	\$ 65,388
Payments to Suppliers	(358)	(11,964)	(1)	(156)	(1,174)	(13,653)
Payments to Employees	(1,067)	(7,984)	(851)	(9,128)	(9,903)	(28,933)
Payments for Contractual Service:	(1,031)	(3,429)	(25)	(8,896)	(1,680)	(15,061)
Net Cash Provided by (Used for) Operating Activities	<u>(246)</u>	<u>1,182</u>	<u>19</u>	<u>7,216</u>	<u>(430)</u>	<u>7,741</u>
Cash Flows from Noncapital Financing Activities:						
Other Nonoperating Revenues	-	34	-	1,826	13	1,873
Transfers In from Other Funds	23	132	1	2,504	96	2,756
Transfers Out to Other Funds	(5)	(172)	-	(89)	(91)	(357)
Advances from (to) Other Funds	228	(687)	-	(439)	-	(898)
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>246</u>	<u>(693)</u>	<u>1</u>	<u>3,802</u>	<u>18</u>	<u>3,374</u>
Cash Flows from Capital and Related Financing Activities:						
Acquisition of Property, Plant and Equipment	-	(33)	-	(780)	(153)	(966)
Proceeds from Sale of Equipment	-	14	-	4	-	18
Contributions	-	-	-	416	-	416
Net Cash Used for Capital and Related Financing Activities	<u>-</u>	<u>(19)</u>	<u>-</u>	<u>(360)</u>	<u>(153)</u>	<u>(532)</u>
Cash Flows from Investing Activities						
Investment Income Received	-	-	12	338	37	387
Net Cash Provided by Investing Activities	<u>-</u>	<u>-</u>	<u>12</u>	<u>338</u>	<u>37</u>	<u>387</u>
Net Increase (Decrease) in Cash and Cash Equivalents						
Cash and Cash Equivalents, Beginning of Year	-	-	448	1,361	1,820	3,629
Cash and Cash Equivalents, End of Year:	<u>\$ -</u>	<u>\$ 470</u>	<u>\$ 480</u>	<u>\$ 12,357</u>	<u>\$ 1,292</u>	<u>\$ 14,599</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:						
Operating Income (Loss)	\$ (204)	\$ 556	\$ (6)	\$ 5,592	\$ 435	\$ 6,373
Adjustments Not Affecting Cash:						
Depreciation	10	266	-	1,211	252	1,739
Change in Assets and Liabilities:						
Accounts and Other Receivables	-	-	-	23	-	23
Inventories	(131)	1,313	-	51	-	1,233
Other Assets	-	-	-	(20)	-	(20)
Accounts Payable	75	(1,045)	-	386	(847)	(1,431)
Accrued Compensation	4	92	25	(27)	(270)	(176)
Total Adjustments	<u>(42)</u>	<u>626</u>	<u>25</u>	<u>1,624</u>	<u>(865)</u>	<u>1,368</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$ (246)</u>	<u>\$ 1,182</u>	<u>\$ 19</u>	<u>\$ 7,216</u>	<u>\$ (430)</u>	<u>\$ 7,741</u>
The Cash and Cash Equivalents are reported in the Statement of Net Assets as follows:						
Cash, Cash Equivalents and Investments	\$ -	\$ 470	\$ 480	\$ 8,582	\$ 1,292	\$ 10,824
Restricted Assets:						
Cash and Cash Equivalents	-	-	-	3,775	-	3,775
Total Cash and Cash Equivalent:	<u>\$ -</u>	<u>\$ 470</u>	<u>\$ 480</u>	<u>\$ 12,357</u>	<u>\$ 1,292</u>	<u>\$ 14,599</u>
Noncash Investing, Capital, and Financing Activities:						
Net Capital Assets Transfers to Government	\$ -	\$ (75)	\$ -	\$ -	\$ (213)	\$ (288)

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 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, 2009
(in 000's)**

	BALANCE			BALANCE		
	FY2008	ADDITIONS	DELETIONS	FY2009		
RAILTRAN FUND						
ASSETS						
Current Assets:						
Cash, Cash Equivalents and Net Investments	\$ 11	\$ -	\$ 11	\$ -		
Total Assets	<u>\$ 11</u>	<u>\$ -</u>	<u>\$ 11</u>	<u>\$ -</u>		
LIABILITIES						
Current Liabilities:						
Payable to Railtran	\$ 11	\$ -	\$ 11	\$ -		
Total Liabilities	<u>\$ 11</u>	<u>\$ -</u>	<u>\$ 11</u>	<u>\$ -</u>		
DEATH BENEFITS FUND						
ASSETS						
Current Assets:						
Cash and Investments Held by Trustees	\$ 222	\$ 269	\$ 491	\$ -		
Total Assets	<u>\$ 222</u>	<u>\$ 269</u>	<u>\$ 491</u>	<u>\$ -</u>		
LIABILITIES						
Current Liabilities:						
Death Benefits Payable	\$ 222	\$ 269	\$ 491	\$ -		
Total Liabilities	<u>\$ 222</u>	<u>\$ 269</u>	<u>\$ 491</u>	<u>\$ -</u>		
TOTAL AGENCY FUNDS						
ASSETS						
Current Assets:						
Cash, Cash Equivalents and Net Investments	\$ 11	\$ -	\$ 11	\$ -		
Cash and Investments Held by Trustees	222	269	491	-		
Total Assets	<u>\$ 233</u>	<u>\$ 269</u>	<u>\$ 502</u>	<u>\$ -</u>		
LIABILITIES						
Current Liabilities:						
Payable to Railtran	\$ 11	\$ -	\$ 11	\$ -		
Death Benefits Payable	222	269	491	-		
Total Liabilities	<u>\$ 233</u>	<u>\$ 269</u>	<u>\$ 502</u>	<u>\$ -</u>		

DISCRETELY PRESENTED COMPONENT UNITS

DISCRETELY PRESENTED COMPONENT UNITS

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

FORT WORTH PUBLIC IMPROVEMENT DISTRICT NO. 1

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

FORT WORTH PUBLIC IMPROVEMENT DISTRICT NO. 6

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

FORT WORTH PUBLIC IMPROVEMENT DISTRICT NO. 7

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

FORT WORTH PUBLIC IMPROVEMENT DISTRICT NO. 8

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

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.

FORT WORTH PUBLIC IMPROVEMENT DISTRICT NO. 12

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

FORT WORTH PUBLIC IMPROVEMENT DISTRICT NO. 14 –

The Fort Worth Public Improvement District No. 14 was created by resolution of the City Council pursuant to Chapter 372, Local Government Code. The purpose of the District is to provide management and improvement services for Trinity Bluff. Initial improvements and services to be provided include a maintenance program, a security enhancement program and a district management program. There was no activity in this component unit, therefore a Statement of Net Assets and Statement of Revenues, Expenses and Changes in Net Assets is not presented.

TAXING INCREMENT REINVESTMENT ZONE NO. 2A

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

TAXING INCREMENT REINVESTMENT ZONE NO. 2B

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

TAXING INCREMENT REINVESTMENT ZONE NO. 3

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

TAXING INCREMENT REINVESTMENT ZONE NO. 3A

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

TAXING INCREMENT REINVESTMENT ZONE NO. 4

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

TAXING INCREMENT REINVESTMENT ZONE NO. 6

The Taxing Increment Reinvestment Zone Number Six was created pursuant to the Texas Tax Increment Financing Act, Tax Code, Sections 311.001 through 311.017, as amended. This Zone encompasses the property that is home to 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.

TAXING INCREMENT REINVESTMENT ZONE NO. 11

The Taxing Increment Reinvestment Zone Number Eleven was created pursuant to the Texas Tax Increment Financing Act, Tax Code, Sections 311.001 through 311.017, as amended. This Zone was created for right-of-way acquisitions, arterial connections and enhancements associated with the construction of SH-121T, or Southwest Parkway.

TAXING INCREMENT REINVESTMENT ZONE NO. 12

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

TAXING INCREMENT REINVESTMENT ZONE NO. 13

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

CITY OF FORT WORTH, TEXAS
COMBINING STATEMENT OF NET ASSETS
DISCRETELY PRESENTED COMPONENT UNITS
SEPTEMBER 30, 2009
(in 000's)

	<u>FWPID #1</u>	<u>FWPID #6</u>	<u>FWPID #7</u>	<u>FWPID #8</u>	<u>FWPID #11</u>	<u>FWPID #12</u>	<u>TIRZ #2A</u>	<u>TIRZ #2B</u>
ASSETS								
Cash, Cash Equivalents and Investments	\$ 717	\$ 523	\$ 477	\$ 409	\$ 30	\$ 73	\$ 1,096	\$ 199
Interest Receivable	9	2	2	5	-	-	10	1
Accounts and Other Receivables	3	3	3	-	-	-	-	-
Total Assets	<u>729</u>	<u>528</u>	<u>482</u>	<u>414</u>	<u>30</u>	<u>73</u>	<u>1,106</u>	<u>200</u>
LIABILITIES								
Accounts Payable	297	112	283	26	9	57	794	-
Accrued Payroll	-	-	-	-	-	-	-	-
Total Liabilities	<u>297</u>	<u>112</u>	<u>283</u>	<u>26</u>	<u>9</u>	<u>57</u>	<u>794</u>	<u>-</u>
NET ASSETS								
Total Net Assets - Unrestricted	<u>\$ 432</u>	<u>\$ 416</u>	<u>\$ 199</u>	<u>\$ 388</u>	<u>\$ 21</u>	<u>\$ 16</u>	<u>\$ 312</u>	<u>\$ 200</u>

TIRZ #3	TIRZ #3A	TIRZ #4	TIRZ #6	TIRZ #7	TIRZ #8	TIRZ #9	TIRZ #10	TIRZ #11	TIRZ #12	TIRZ #13	Total
\$ 3,345	\$ 2,209	\$ 6,425	\$ 633	\$ 26	\$ 3,675	\$ 2,645	\$ 1	\$ 122	\$ 150	\$ 91	\$ 22,846
18	6	25	6	-	7	2	-	-	-	-	93
-	-	-	-	-	-	-	-	-	-	-	9
<u>3,363</u>	<u>2,215</u>	<u>6,450</u>	<u>639</u>	<u>26</u>	<u>3,682</u>	<u>2,647</u>	<u>1</u>	<u>122</u>	<u>150</u>	<u>91</u>	<u>22,948</u>
169	-	24	-	-	21	108	-	-	-	-	1,900
-	-	2	-	-	-	-	-	-	-	-	2
<u>169</u>	<u>-</u>	<u>26</u>	<u>-</u>	<u>-</u>	<u>21</u>	<u>108</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,902</u>
<u>\$ 3,194</u>	<u>\$ 2,215</u>	<u>\$ 6,424</u>	<u>\$ 639</u>	<u>\$ 26</u>	<u>\$ 3,661</u>	<u>\$ 2,539</u>	<u>\$ 1</u>	<u>\$ 122</u>	<u>\$ 150</u>	<u>\$ 91</u>	<u>\$ 21,046</u>

**CITY OF FORT WORTH, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET ASSETS
DISCRETELY PRESENTED COMPONENT UNITS
SEPTEMBER 30, 2009
(in 000's)**

	FWPID #1	FWPID #6	FWPID #7	FWPID #8	FWPID #11	FWPID #12	TIRZ #2A	TIRZ #2B	TIRZ #3
Revenues:									
General Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,024	\$ 436	\$ 4,435
Investment Income	34	23	18	14	1	2	17	4	90
Other	2,088	1,352	1,299	1	55	53	-	-	-
Total Revenues	<u>2,122</u>	<u>1,375</u>	<u>1,317</u>	<u>15</u>	<u>56</u>	<u>55</u>	<u>1,041</u>	<u>440</u>	<u>4,525</u>
Expenses:									
General Administration	2,405	1,467	1,393	269	60	84	1,170	291	4,210
Transportation and Public Works	-	-	-	-	-	-	-	-	-
Total Expenditures	<u>2,405</u>	<u>1,467</u>	<u>1,393</u>	<u>269</u>	<u>60</u>	<u>84</u>	<u>1,170</u>	<u>291</u>	<u>4,210</u>
Change in Net Assets	(283)	(92)	(76)	(254)	(4)	(29)	(129)	149	315
Total Net Assets - Beginning of Year	715	508	275	642	25	45	441	51	2,879
Total Net Assets - End of Year	<u>\$ 432</u>	<u>\$ 416</u>	<u>\$ 199</u>	<u>\$ 388</u>	<u>\$ 21</u>	<u>\$ 16</u>	<u>\$ 312</u>	<u>\$ 200</u>	<u>\$ 3,194</u>

TIRZ #3A	TIRZ #4	TIRZ #6	TIRZ #7	TIRZ #8	TIRZ #9	TIRZ #10	TIRZ #11	TIRZ #12	TIRZ #13	Total
\$ 676	\$ 4,920	\$ 160	\$ 644	\$ 2,400	\$ 1,201	\$ 446	\$ 108	\$ 121	\$ 99	\$ 16,670
48	119	10	1	70	68	1	2	2	1	525
-	-	-	-	-	-	-	-	-	-	4,848
<u>724</u>	<u>5,039</u>	<u>170</u>	<u>645</u>	<u>2,470</u>	<u>1,269</u>	<u>447</u>	<u>110</u>	<u>123</u>	<u>100</u>	<u>22,043</u>
-	1,814	-	687	550	1,576	447	-	7	9	16,439
-	9	-	-	-	-	-	-	-	-	9
-	<u>1,823</u>	-	<u>687</u>	<u>550</u>	<u>1,576</u>	<u>447</u>	-	<u>7</u>	<u>9</u>	<u>16,448</u>
724	3,216	170	(42)	1,920	(307)	-	110	116	91	5,595
1,491	3,208	469	68	1,741	2,846	1	12	34	-	15,451
<u>\$ 2,215</u>	<u>\$ 6,424</u>	<u>\$ 639</u>	<u>\$ 26</u>	<u>\$ 3,661</u>	<u>\$ 2,539</u>	<u>\$ 1</u>	<u>\$ 122</u>	<u>\$ 150</u>	<u>\$ 91</u>	<u>\$ 21,046</u>



Early Childhood Matters Initiative – Fort Worth Zoo outing

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.



Early Childhood Matters Initiative – Book Making Activity
at Worth Heights Community Center at 3551 New York Avenue

FINANCIAL TRENDS

CITY OF FORT WORTH, TEXAS
NET ASSETS BY COMPONENT
LAST EIGHT 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>	<u>2008</u>	<u>2009</u>
Governmental Activities:								
Invested in Capital Assets, net of Related Debt	\$ 293,407	\$ 269,106	\$ 592,052	\$ 709,290	\$ 891,173	\$ 967,070	\$ 986,163	\$ 979,581
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	15,974	15,613
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	28,762	19,795
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>	<u>\$ 1,030,899</u>	<u>\$ 1,014,989</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	\$ 1,459,733	\$ 1,560,269
Restricted for Debt Service	42,100	14,229	269	88	225	29,668	35,859	41,532
Restricted for Capital Projects	108,040	200,139	-	-	-	-	-	-
Unrestricted	84,461	28,792	121,748	191,719	219,651	189,885	258,686	232,086
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>	<u>\$ 1,754,278</u>	<u>\$ 1,833,887</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	\$ 2,445,896	\$ 2,539,850
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	51,833	57,145
Restricted for Other	78,362	46,510	9,447	15,560	-	-	-	-
Unrestricted	51,115	42,378	167,370	200,291	251,819	245,039	287,448	251,881
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>	<u>\$ 2,785,177</u>	<u>\$ 2,848,876</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 EIGHT 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>	<u>2008</u>	<u>2009</u>
Expenses								
Governmental Activities:								
General Administration	\$ 34,292	\$ 28,037	\$ 67,455	\$ 87,687	\$ 94,239	\$ 110,802	\$ 161,180	\$ 111,114
Public Safety	212,708	214,399	240,176	263,491	292,220	319,561	359,813	379,865
Transportation and Public Works	63,487	63,663	76,757	75,631	100,626	106,543	100,276	117,540
Parks and Community Services	37,681	32,488	33,768	35,898	41,291	44,533	51,145	55,110
Public Library	14,329	13,966	15,220	16,440	17,843	19,493	18,633	20,200
Public Health	7,234	8,350	9,665	11,532	10,791	11,707	11,077	1,292
Public Events and Facilities	17,776	20,778	23,213	22,445	23,937	28,167	27,453	32,204
Non-Departmental	27,644	33,667	-	-	-	-	-	-
Planning and Development	8,185	8,951	9,594	9,126	11,303	13,106	11,751	14,654
Finance	5,510	5,006	5,096	4,519	-	-	-	-
Housing and Economic Development	10,382	10,548	11,562	10,192	10,613	15,437	14,733	27,558
Interest on Long-term Debt	19,734	18,323	16,080	15,150	15,793	22,216	20,689	26,910
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>	<u>776,750</u>	<u>786,447</u>
Business-type activities:								
Water and Sewer	181,880	198,069	185,491	177,071	237,405	221,774	240,960	260,544
Municipal Airports	7,976	7,514	7,783	10,197	11,942	10,623	12,480	12,238
Solid Waste	26,616	40,056	30,988	35,173	36,647	39,389	41,478	44,296
Municipal Parking	459	490	428	410	314	1,035	586	2,067
Municipal Golf	6,162	4,945	4,338	4,614	5,437	5,119	6,174	6,126
Stormwater Utility	-	-	-	-	483	4,735	11,339	14,265
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>	<u>313,017</u>	<u>339,536</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>	<u>\$ 1,089,767</u>	<u>\$ 1,125,983</u>
Program Revenues								
Governmental Activities:								
Charges for Services								
General Government	\$ 50,064	\$ 37,402	\$ 50,858	\$ 12,425	\$ 16,384	\$ 16,133	\$ 17,549	\$ 19,213
Public Safety	21,029	35,524	23,328	23,301	18,667	21,252	21,374	22,506
Transportation and Public Works	1,111	1,196	1,635	2,266	3,022	3,140	4,415	4,381
Parks and Community Services	897	2,254	812	2,253	763	1,047	1,392	1,826
Public Library	464	420	495	527	629	644	724	668
Public Health	2,755	2,396	2,341	2,715	3,077	3,284	3,300	312
Public Events and Facilities	5,652	5,828	6,689	7,359	6,833	5,772	6,861	8,515
Non-Departmental	1,151	623	-	-	-	-	-	-
Planning and Development	5,622	6,160	6,500	9,268	9,128	10,422	11,659	10,262
Finance	2,918	6,883	961	749	-	-	-	-
Housing and Economic Development	10	726	239	883	2,275	2,244	1,608	2,334
Operating Grants and Contributions	32,973	19,595	38,735	44,766	52,702	47,334	34,014	35,532
Capital Grants and Contributions	14,389	14,171	77,184	103,477	86,145	90,172	63,088	40,063
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>	<u>165,984</u>	<u>145,612</u>
Business-type Activities:								
Charges for Services:								
Water and Sewer	192,790	208,197	221,939	247,255	293,792	257,989	298,118	303,111
Municipal Airports	3,027	3,104	3,275	3,432	3,003	2,948	3,157	3,406
Solid Waste	25,198	27,607	26,966	35,581	37,259	40,632	44,095	45,465
Municipal Parking	604	528	589	625	3,645	3,683	4,099	4,533
Municipal Golf	4,797	4,179	4,084	3,630	4,542	4,337	5,169	5,072
Stormwater Utility	-	-	-	-	3,670	15,165	17,753	20,803
Capital Grants and Contributions	28,736	27,902	57,516	78,833	118,749	87,818	44,127	54,827
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>	<u>416,518</u>	<u>437,217</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>	<u>\$ 582,502</u>	<u>\$ 582,829</u>

(continued)

CITY OF FORT WORTH, TEXAS
CHANGE IN NET ASSETS
LAST SEVEN 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>	<u>2008</u>	<u>2009</u>
Net (Expense) Revenue								
Governmental Activities	\$ (319,927)	\$ (324,998)	\$ (298,809)	\$ (342,122)	\$ (419,031)	\$ (490,121)	\$ (610,766)	\$ (640,835)
Business-type Activities	32,059	20,443	85,341	141,891	172,432	129,897	103,501	97,681
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>	<u>\$ (507,265)</u>	<u>\$ (543,154)</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	\$ 317,517	\$ 344,172
Other Local Taxes	128,983	129,424	134,240	145,514	162,076	172,621	183,833	173,559
Franchise Fees	-	-	-	31,741	34,764	33,316	36,749	34,717
Gas Lease and Royalties	-	-	-	-	5,143	12,154	28,684	13,866
Assessments	656	507	357	426	1	868	30	13
Investment Income	14,611	5,738	9,612	8,939	12,191	19,974	18,615	15,746
Change in Fair Value of Investments	-	-	(3,930)	(2,342)	-	-	-	-
Other	99	(61)	230	100	6,384	8,376	6,896	14,465
Gain (Loss) on Disposal of Capital Assets	-	-	(17)	(20)	1,227	63	401	430
Transfers	(372)	3,214	7,352	16,776	19,420	14,295	19,340	27,957
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>	<u>612,065</u>	<u>624,925</u>
Business-type Activities:								
Investment Income	14,120	5,457	3,760	3,858	9,279	14,638	18,647	9,605
Gas Lease and Royalties	-	-	-	-	4,197	8,542	21,424	5,540
Other	11,928	16,181	2,933	4,078	5,185	6,582	7,857	4,202
Gain (Loss) on Disposal of Capital Assets	-	286	(41)	3	(1,062)	(1,279)	(13,803)	(237)
Transfer	372	(3,214)	(7,352)	(16,776)	(19,420)	(14,295)	(19,340)	(27,957)
Change in Accounting Principle	-	-	-	-	-	-	-	(9,225)
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>	<u>14,785</u>	<u>(18,072)</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>	<u>\$ 626,850</u>	<u>\$ 606,853</u>
Change in Net Assets								
Governmental Activities	\$ 14,203	\$ 23,307	\$ 72,650	\$ 94,886	\$ 78,805	\$ 60,271	\$ 1,299	\$ (15,910)
Business-type Activities	58,479	39,153	84,641	133,054	170,611	144,085	118,286	79,609
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>	<u>\$ 119,585</u>	<u>\$ 63,699</u>

(concluded)

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

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
General Fund					
Reserved for:					
Encumbrances	\$ 1,996	\$ 1,384	\$ 1,384	\$ 1,144	\$ 1,014
Inventories	1,776	2,621	2,073	2,315	2,753
Advances	-	-	-	-	-
Prepays	-	-	-	-	-
Unreserved	58,998	56,106	53,643	70,022	76,056
Total General Fund	<u>62,770</u>	<u>60,111</u>	<u>57,100</u>	<u>73,481</u>	<u>79,823</u>
All Other Governmental Funds					
Reserved for:					
Encumbrances					
Inventories	-	-	-	-	-
Advances	-	-	-	-	-
Loans	11,796	12,126	11,790	7,898	9,447
Debt Service	5,727	6,048	31,257	31,875	31,318
HUD Projects	-	-	-	-	-
Prepays	-	-	-	-	-
Unreserved, Designated for Authorized Expenditures:					
Special Revenue Funds	37,630	41,198	57,538	53,181	42,331
Capital Project Funds	89,658	95,603	61,596	97,585	79,798
Debt Service Funds	14,587	20,692	-	-	-
Unreserved, Undesignated:					
Special Revenue Funds	-	-	-	-	-
Total all Other Governmental Funds	<u>159,398</u>	<u>175,667</u>	<u>162,181</u>	<u>190,539</u>	<u>162,894</u>
Total all Governmental Funds	<u>\$ 222,168</u>	<u>\$ 235,778</u>	<u>\$ 219,281</u>	<u>\$ 264,020</u>	<u>\$ 242,717</u>

Source: Comprehensive Annual Financial Report for the respective years.

TABLE 3

2005	2006	2007	2008	2009
\$ 884	\$ 8,537	\$ 952	\$ 4,230	\$ 7,565
2,467	3,091	3,092	3,201	3,123
13,476	15,154	11,112	5,933	4,900
-	3,077	1,599	3,020	297
82,886	74,002	85,271	106,271	127,656
<u>99,713</u>	<u>103,861</u>	<u>102,026</u>	<u>122,655</u>	<u>143,541</u>
		-	2,384	3,691
-	583	935	914	1,359
488	351	351	351	351
15,015	26,132	1,089	1,089	1,917
36,055	45,988	11,920	17,759	24,486
-	-	9,449	8,808	8,147
-	79	342	6,315	4,420
49,668	66,229	75,040	75,915	82,632
72,823	47,042	211,210	176,829	360,411
-	-	-	-	-
-	(29,445)	2,155	16,695	33,296
<u>174,049</u>	<u>156,959</u>	<u>312,491</u>	<u>307,059</u>	<u>520,710</u>
<u><u>\$ 273,762</u></u>	<u><u>\$ 260,820</u></u>	<u><u>\$ 414,517</u></u>	<u><u>\$ 429,714</u></u>	<u><u>\$ 664,251</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)

	2000	2001	2002	2003	2004
REVENUES:					
General Property Tax	\$ 157,430	\$ 172,908	\$ 191,563	\$ 208,112	\$ 222,111
Other Local Taxes	124,834	126,502	128,983	129,424	134,240
Assessments	334	634	656	507	357
Charges for Services	14,455	13,959	16,456	17,814	19,471
Licenses and Permits	37,287	47,531	43,482	44,596	44,588
Fines and Forfeitures	12,761	13,314	13,685	13,751	14,894
Revenue from Use of Money and Property	26,947	33,212	14,271	12,882	11,928
Interest Income	-	-	14,473	4,844	8,372
Change in Fair Value Investments	-	-	-	-	(3,902)
Intergovernmental	32,596	26,472	29,029	24,141	27,375
Gas Leases and Royalties	-	-	-	-	-
Other	1,821	4,465	7,357	3,343	3,023
Contributions	12,844	11,463	14,757	16,651	16,527
Total Revenues	421,309	450,460	474,712	476,065	498,984
EXPENDITURES:					
Current					
General Administration	25,519	29,154	36,680	33,281	64,484
Public Safety	172,911	190,432	204,906	208,453	224,543
Transportation and Public Works	33,533	30,029	32,656	32,189	33,341
Parks and Community Services	22,507	25,817	27,214	28,614	29,089
Public Library	11,413	12,881	13,615	13,489	14,055
Public Health	5,762	6,501	7,046	8,266	9,436
Public Events and Facilities	15,123	15,274	15,309	15,158	15,379
Non-Departmental	23,536	29,136	27,240	33,719	-
Employment and Training	2,990	27	-	-	-
Planning and Development	6,584	7,297	8,152	8,892	9,197
Finance	4,686	5,001	5,349	5,048	4,846
Housing and Economic Development	8,980	10,798	10,265	10,503	11,236
Claims and Premiums	-	-	2,427	-	-
Capital Outlay	54,904	67,605	90,579	62,038	55,823
Debt Service:					
Principal Retirement	38,386	40,060	41,042	64,045	34,281
Interest and Service Charges	17,807	17,397	17,135	15,352	17,723
Total Expenditures	444,641	487,409	539,615	539,047	523,433
Excess (deficiency) of revenues over expenditures	(23,332)	(36,949)	(64,903)	(62,982)	(24,449)
OTHER FINANCING SOURCES (USES):					
Long-Term Debt Issued	44,811	53,745	28,664	74,032	-
Proceeds from Loans	3,475	-	-	-	988
Proceeds from Owner Advance	-	-	-	-	-
Proceeds from Sale of Property	-	-	-	-	-
Refunding Bonds Issued	-	10,000	23,304	68,833	42,700
Premium on Issuance of Bonds	-	-	-	-	2,262
Payment to Bond Escrow Agent	-	(9,127)	(23,093)	(39,514)	(44,518)
Transfers In	65,227	65,876	72,564	76,133	80,027
Transfers Out	(65,200)	(69,935)	(72,763)	(71,763)	(73,386)
Total Other Financing Sources (Uses)	48,313	50,559	28,676	107,721	8,073
Net Change in Fund Balances	\$ 24,981	\$ 13,610	\$ (36,227)	\$ 44,739	\$ (16,376)
Debt service as a percentage of noncapital expenditures	14.47%	13.36%	12.08%	17.27%	11.03%

Source: Comprehensive Annual Financial Report for the respective years.

TABLE 4

2005	2006	2007	2008	2009
\$ 235,643	\$ 259,483	\$ 289,177	\$ 317,920	\$ 343,973
145,514	162,076	172,621	183,833	173,559
426	1	868	30	13
22,765	19,546	20,231	22,323	20,494
38,026	49,642	49,552	52,475	49,870
14,099	11,690	12,512	15,513	18,738
13,805	16,088	14,784	14,319	15,821
7,488	12,108	19,902	18,449	15,364
(2,342)	51,167	-	-	-
53,845	5,142	53,854	32,204	46,691
-	-	12,150	28,658	13,866
7,015	6,233	8,040	6,815	12,592
23,356	25,436	24,513	12,213	12,263
<u>559,640</u>	<u>618,612</u>	<u>678,204</u>	<u>704,752</u>	<u>723,244</u>
77,883	86,908	104,662	105,942	103,235
244,857	265,353	281,149	308,374	320,527
32,181	36,039	35,284	35,420	46,083
30,886	36,690	38,090	41,507	46,195
14,725	15,849	17,369	17,626	17,151
11,180	10,164	10,837	10,706	1,199
16,466	17,764	19,529	22,806	26,116
-	-	-	-	-
-	-	-	-	-
8,762	10,765	12,151	11,768	12,926
4,343	-	-	-	-
9,694	9,981	14,497	14,461	26,282
-	-	-	-	-
149,894	115,783	111,127	103,778	114,595
31,466	36,954	85,409	38,368	46,160
15,063	16,477	20,329	24,542	25,301
<u>647,400</u>	<u>658,727</u>	<u>750,433</u>	<u>735,298</u>	<u>785,770</u>
<u>(87,760)</u>	<u>(40,115)</u>	<u>(72,229)</u>	<u>(30,546)</u>	<u>(62,526)</u>
99,237	3,574	200,910	-	253,565
615	1,781	6,409	26,241	9,066
279	-	1,923	-	-
-	1,350	-	336	1,049
46,230	-	-	-	-
4,460	-	2,239	-	9,792
(50,209)	-	-	-	-
92,413	113,815	120,646	117,591	87,407
(74,220)	(93,347)	(106,201)	(98,425)	(63,816)
<u>118,805</u>	<u>27,173</u>	<u>225,926</u>	<u>45,743</u>	<u>297,063</u>
<u>\$ 31,045</u>	<u>\$ (12,942)</u>	<u>\$ 153,697</u>	<u>\$ 15,197</u>	<u>\$ 234,537</u>
7.74%	8.83%	16.40%	9.36%	10.00%



Early Childhood Matters Initiative – Developmental Reading Program
at Worth Heights Community Center at 3551 New York Avenue

REVENUE CAPACITY

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 ^(c)	Personal ^(d)	Total Taxable	
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
2008	30,647,633	6,823,075	37,470,708	8.5500
2009	31,656,681	6,700,445	38,357,126	8.5500

(a) The Assessed Value is 100%.

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

(c) Includes the following categories: Residential, Commercial, Industrial, Mineral Lease, and Agricultural

(d) Includes the following categories: Residential and Industrial

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 ^(a, c)	Hospital District	Junior College District
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
2008	7.209	1.341	8.550	11.900	2.665	2.300	1.390
2009	7.109	1.441	8.550	12.570	2.640	2.279	1.380

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

(b) Source - Tarrant 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
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%
2008	320,668	315,147	98.28%	3,822	318,969	99.47%
2009	350,946	343,530	97.89%	4,049	347,579	99.04%

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	2009			2000		
		Taxable Assessed Valuation	Rank	Percent of Total Taxable Assessed Valuation	Taxable Assessed Valuation	Rank	Percent of Total Taxable Assessed Valuation
Oncor Electric Delivery Co LLC	Electric Utility	\$ 356,389	1	0.93%	\$ 337,348	2	1.88%
Bell Helicopter Inc.	Aircraft Manufacturing	333,258	2	0.87%	157,673	5	0.88%
XTO Energy Inc	Oil/Gas Producer	252,803	3	0.66%	-	-	-
KAN AM Riverfront Campus LP	Corporate Campus	236,952	4	0.62%	-	-	-
Chesapeake Operating (wi)	Natural Gas Producer	234,469	5	0.61%	-	-	-
Southwestern Bell	Telephone Utility	170,277	6	0.44%	221,871	3	1.24%
Alcon Laboratories, Inc.	Pharmaceuticals	168,516	7	0.44%	172,604	4	0.96%
Mercantile Partners	Land Subdividers and Developers	163,552	8	0.43%	-	-	-
American Airlines Inc.	Air Travel	158,841	9	0.41%	387,089	1	2.16%
Behringer Harvard Burnett Plz	Commercial Real Estate	144,555	10	0.38%	-	-	-
City Center Development	Developer	-	-	-	115,397	6	0.64%
Sprint Communications Co.	Telephone Utilities	-	-	-	113,671	7	0.63%
Tandy Corporation	Electronics Manufacturing&Retail	-	-	-	112,979	8	0.63%
AT&T Wireless	Telephone Utilities	-	-	-	112,776	9	0.63%
Miller Brewing	Beer Brewing	-	-	-	111,165	10	0.62%
		<u>\$ 2,219,612</u>		<u>5.79%</u>	<u>\$ 1,842,573</u>		<u>10.27%</u>

Source: Tarrant Appraisal District Supplemental Certification Report

DEBT CAPACITY



Sycamore Community Center Splash Pad at 2525 E. Rosedale Street

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

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
Governmental:				
General Obligation Bonds	\$ 218,364	\$ 210,279	\$ 176,526	\$ 228,815
Certificates of Obligation	67,570	89,015	107,800	121,410
General Purpose Commercial Paper	30,000	29,000	29,000	-
Installment Obligation	9,645	9,270	8,880	8,475
Equipment Notes Payable	411	3,111	1,019	7,734
HUD Installment Obligation	10,755	10,296	9,822	9,121
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	-	-	-	-
ESPC Phase IV	-	-	-	-
Wells Fargo Loan	-	-	-	-
Beechwood Bridge Obligation	-	-	-	-
Business-type:				
General Obligation Bonds	5,695	3,901	2,494	1,949
Revenue Bonds	550,415	577,125	626,675	635,055
Certificates of Obligation	7,100	6,515	5,930	5,345
Municipal Golf Capital Lease	-	-	-	-
Equipment Notes Payable	694	595	496	11,309
Trinity River Authority	6,330	6,125	16,465	16,000
Tarrant County Municipal Utility District #1	795	235	-	-
Total Primary Government	<u>\$ 907,774</u>	<u>\$ 945,467</u>	<u>\$ 985,107</u>	<u>\$ 1,045,213</u>
Personal Income (a)	\$ 6,541,169	\$ 10,274,483	\$ 10,543,341	\$ 10,937,273
Debt as a Percentage of Personal Income	14%	9%	9%	10%
Population (b)	516	543	557	578
Debt Per Capita	\$ 1,759	\$ 1,741	\$ 1,769	\$ 1,808

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

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

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

TABLE 9

	2004	2005	2006	2007	2008	2009
\$	246,271	\$ 235,486	\$ 212,909	\$ 322,296	\$ 295,925	\$ 406,006
	73,350	69,960	62,610	67,605	60,230	166,215
	-	-	-	-	-	-
	8,050	7,605	7,135	6,645	6,130	5,585
	6,070	7,150	5,030	3,160	26,600	22,634
	8,600	15,560	14,656	9,449	8,808	8,147
	-	22,725	22,315	21,890	21,450	20,995
	895	706	512	312	105	-
	-	9,588	9,528	9,464	9,395	9,322
	-	-	-	1,000	1,000	-
	-	894	-	-	-	-
	-	9,265	8,077	16,359	15,903	15,903
	-	31,617	31,617	31,617	31,617	31,617
	-	-	3,074	2,933	2,596	2,219
	-	-	3,200	4,610	4,433	3,730
	-	-	-	3,794	5,000	4,397
	-	-	-	-	-	9,066
	-	-	306	296	269	245
	-	-	-	1,449	1,287	1,127
	1,488	1,448	706	284	140	65
	645,328	658,528	653,690	737,480	757,885	710,675
	4,760	3,800	10,940	31,165	30,905	57,240
	-	-	246	187	132	69
	10,383	16,650	8,081	6,875	5,730	4,545
	15,415	14,800	14,150	8,895	8,490	8,065
	-	-	-	-	-	-
\$	1,020,610	\$ 1,105,782	\$ 1,068,782	\$ 1,287,765	\$ 1,294,030	\$ 1,487,867
\$	11,334,992	\$ 11,834,034	\$ 12,577,390	\$ 13,008,252	\$ 13,311,276	\$ 13,640,815
	9%	9%	8%	10%	10%	11%
	599	625	664	687	703	703
\$	1,704	\$ 1,769	\$ 1,610	\$ 1,875	\$ 1,841	\$ 2,117

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

TABLE 10

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 ^(d)	Certificates of Obligation ^(d)	Total				
2000	\$ 218,364	\$ 67,570	\$ 285,934	\$ 17,785,129	1.61%	516	\$ 554
2001	210,279	89,015	299,294	19,747,571	1.52%	543	551
2002	176,526	107,800	284,326	22,253,397	1.28%	557	510
2003	228,815	121,410	350,225	23,421,406	1.50%	578	606
2004	246,271	73,350	319,621	24,964,737	1.28%	599	534
2005	235,486	69,960	305,446	26,873,437	1.14%	625	489
2006	212,909	62,610	275,519	29,265,921	0.94%	664	415
2007	322,296	67,605	389,901	33,656,388	1.16%	687	568
2008	295,925	60,230	356,155	37,470,708	0.95%	703	507
2009	406,006	166,215	572,221	38,357,126	1.49%	703	814

(a) Assessed value is 100%

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

(c) Rounded to nearest whole dollar.

(d) This does not include General Obligation Bonds and Certificates of Obligations from enterprise funds.

CITY OF FORT WORTH, TEXAS
LEGAL DEBT MARGIN INFORMATION
SEPTEMBER 30, 2009 (Unaudited)
(in 000's)

TABLE 11

Assessed Valuation, 2009 tax roll \$ 38,357,126

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>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>
General Fund	\$ 7.109	\$ 7.209	\$ 7.259	\$ 7.107	\$ 7.107	\$ 6.799	\$ 6.707	\$ 6.467	\$ 6.312	\$ 6.274
Debt Service Fund	<u>1.441</u>	<u>1.341</u>	<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>
Total City Tax Rate	<u>\$ 8.550</u>	<u>\$ 8.550</u>	<u>\$ 8.600</u>	<u>\$ 8.650</u>	<u>\$ 8.650</u>	<u>\$ 8.650</u>	<u>\$ 8.650</u>	<u>\$ 8.650</u>	<u>\$ 8.750</u>	<u>\$ 8.850</u>

Source: Tarrant Appraisal District

CITY OF FORT WORTH, TEXAS
DIRECT AND OVERLAPPING GOVERNMENTAL
ACTIVITIES DEBT
YEAR ENDED SEPTEMBER 30, 2009
(in 000's)
(Unaudited)

TABLE 12

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^(b)</u>	<u>Estimated Share of Overlapping Debt</u>
Arlington Independent School District	\$ 405,251	0.05 %	\$ 203
Azle Independent School District	25,865	2.98	771
Birdville Independent School District	255,639	2.90	7,414
Burleson Independent School District	294,804	14.05	41,420
Castleberry Independent School District	17,345	38.91	6,749
Crowley Independent School District	309,935	72.65	225,167
Eagle Mountain-Saginaw Independent School District	455,228	44.24	201,393
Everman Independent School District	61,585	64.86	39,944
Fort Worth Independent School District	682,665	76.05	519,167
Hurst-Euless-Bedford Independent School District	212,152	25.95	55,053
Keller Independent School District	735,369	40.24	295,913
Kennedale Independent School District	50,330	0.24	121
Lake Worth Independent School District	79,735	39.21	31,264
Northwest Independent School District	512,159	26.80	137,259
White Settlement Independent School District	180,294	50.32	90,724
Denton County	374,336	2.14	8,010
Tarrant County	322,210	36.30	116,962
Tarrant County Hospital District	28,810	35.15	10,127
Tarrant County Junior College District	42,785	36.30	15,531
Wise County	14,080	0.06	8
Subtotal, overlapping debt	<u>5,060,577</u>		<u>1,803,200</u>
City of Fort Worth Net Direct Debt	<u>547,735</u>	100.00 %	<u>547,735</u>
Total direct and overlapping debt	<u>\$ 5,608,312</u>		<u>\$ 2,350,935</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.

^(b) The estimated percentage is based on a formula using assessed values of property.

Source: Municipal Advisory Council of Texas

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

TABLE 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)							
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
2008	313,388	170,069	143,319	46,198	34,353	80,551	1.78
2009	310,122	183,311	126,811	51,831	32,018	83,849	1.51
Municipal Parking^(e)							
2000	\$ 467	\$ 245	\$ 222	\$ 149	\$ 238	\$ 387	1
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
2008	5,404	445	4,959	-	1,150	1,150	4.31
2009	5,133	1,423	3,710	100	1,895	1,995	1.86

^(a) Exclusive of other expenses and contributions and includes interest income.

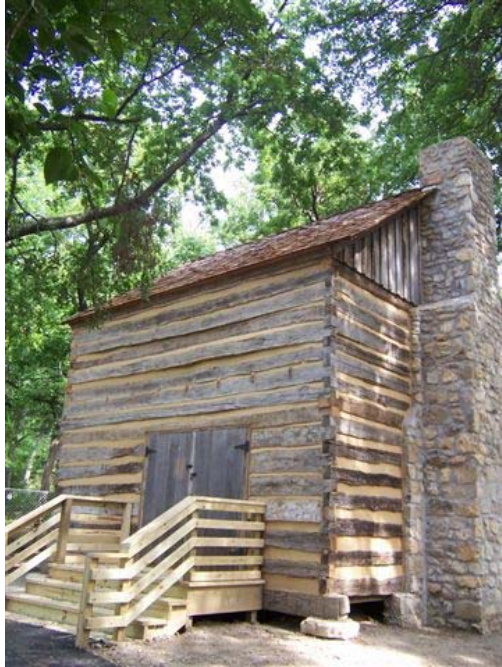
^(b) Exclusive of depreciation charges.

^(c) Bond Coverage is computed by dividing Net Revenue by Annual Requirements.

^(d) Secured by revenues of the City's Water and Sewer System.

^(e) Secured by revenues of the City's Will Rogers Memorial Center Parking Facilities.

Source: Comprehensive Annual Financial Report for the respective years.



Restored Howard Cabin at Log Cabin Village

DEMOGRAPHIC AND ECONOMIC INFORMATION

**CITY OF FORT WORTH, TEXAS
 DEMOGRAPHIC 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)
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 ^(c)	15,730	5.8%
2002	556,700	10,543,341,300	18,939 ^(d)	31.2 ^(c)	21,907	7.8%
2003	577,500	10,937,272,500	18,939 ^(d)	31.2 ^(c)	23,083	8.2%
2004	598,500	11,334,991,500	18,939 ^(d)	31.2 ^(c)	20,676	7.2%
2005	624,850	11,834,034,150	18,939 ^(d)	31.2 ^(c)	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%
2008	702,850	13,311,276,150	18,939 ^(d)	31.2 ^(d)	16,534	5.2%
2009	720,250	13,640,814,750	18,939 ^(d)	31.2 ^(d)	26,751	8.0%

(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 2000

(d) Source: U. S. Bureau of Census 2006-2008 American Community Survey

**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	2009			2000		
	Employees	Rank	Percentage of Total Employment ^(g)	Employees ^(f)	Rank	Percentage of Total Employment ^(e)
Lockheed Martin Tactical Aircraft Systems	13.5 ^(d)	1	2.52%	10.5	3	2.33%
Fort Worth Independent School District	11.7 ^(a)	2	2.19%	11.9	2	2.65%
AMR Corp./American Airlines	6.5 ^(d)	3	1.22%	28.6	1	6.36%
City of Fort Worth	6.4 ^(e)	4	1.20%	5.4	7	1.20%
NAS Fort Worth Joint Reserve Base	5.4 ^(d)	5	1.01%	-	-	-
JPS Health Network/John Peter Smith Hospital	4.3 ^(d)	6	0.80%	2.7	15	0.60%
Harris Methodist Hospital (b)	4.0 ^(d)	7	0.75%	3.8	11	0.84%
Bell Helicopter-Textron, Inc.	3.8 ^(d)	8	0.71%	6.4	6	1.42%
Cook Children's Medical Center	3.1 ^(d)	9	0.58%	2.7	14	0.60%
Burlington Northern Santa Fe Railway	3.1 ^(d)	10	0.58%	3.5	12	0.78%
Texas Health Resources				6.7	4	1.49%
Arlington Independent School District				6.7	5	1.49%
Tandy Corp.				4.6	8	1.02%
U. S. Postal Service				4.3	9	0.96%
Tarrant County Government				4.0	10	0.89%
	<u>61.8</u>		<u>11.56%</u>	<u>101.8</u>		<u>22.63%</u>

^(a) Source: Fort Worth ISD Internal Audit Report

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

^(c) Total employment in the year 2000 equals 449,793 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: City of Fort Worth, Texas CAFR For the Fiscal Year Ended September 30, 2000.

^(g) Estimated total employment of 534,850 for 2009 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	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General Government										
Mayor and Council	22	25	28	27	25	25	29	28	28	26
City Manager	127	121	121	126	125	111	111	106	103	41
Budget and Management Services ^(a)						21	19	16	17	9
Housing	43	43	46	48	48	47	50	49	50	83
Development	82	77	81	86	88	89	119	151	136	140
Community Relations	14	15	15	16	29	24	24	35	29	72
Internal Audit	15	14	15	14	15	14	16	16	16	14
City Secretary	8	6	7	7	7	7	8	7	8	11
Legal	36	37	41	41	40	42	44	46	46	51
Finance	71	68	66	61	61	63	60	68	67	70
Human Resources	189	163	143	150	128	162	166	143	101	126
Risk Management ^(b)	13	13	-	-	-	-	-	-	-	-
Economic and Community Development ^(c)	-	-	20	23	26	30	29	35	38	-
Transportation Public Works ^(d)	396	398	391	375	398	400	400	443	426	559
Planning	21	23	21	21	22	21	22	-	-	-
Code Compliance ^(e)		65	76	90	99	110	103	110	116	173
Public Events	127	140	143	136	132	135	132	135	126	132
Municipal Court	151	157	154	169	172	167	166	173	174	180
Public Health	113	119	121	128	129	137	144	149	130	-
Environmental Management	47	121	125	133	118	113	124	123	115	107
Parks and Community Services	748	783	793	759	812	846	860	714	809	756
Zoo (Contract) ^(f)	211	5	5	5	4	3	2	-	-	-
Library	249	262	273	272	261	258	273	283	259	260
Retirement	6	6	6	7	6	7	8	-	-	-
Subtotal	2,689	2,661	2,691	2,694	2,745	2,832	2,909	2,830	2,794	2,810
Enterprise Fund										
Water/Wastewater	720	751	758	782	766	807	805	833	812	880
Aviation	34	35	32	29	37	34	33	28	27	24
Subtotal	754	786	790	811	803	841	838	861	839	904
Internal Service Fund										
IT Solutions	98	101	93	94	102	115	114	123	118	99
Equipment Services ^(g)	286	143	133	118	124	116	121	126	120	119
Engineering	155	149	143	144	153	168	170	161	171	-
Subtotal	539	393	369	356	379	399	405	410	409	218
Public Safety										
Police-Uniform	1,225	1,261	1,276	1,304	1,350	1,381	1,399	1,470	1,521	1,538
Police-Civilian	573	607	601	591	581	625	653	647	658	675
Fire-Uniform	771	776	763	797	812	799	828	892	923	891
Fire-Civilian	47	58	47	44	47	52	45	49	48	57
Subtotal	2,616	2,702	2,687	2,736	2,790	2,857	2,925	3,058	3,150	3,161
Total	6,598	6,542	6,537	6,597	6,717	6,929	7,077	7,159	7,192	7,093

^(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.

Source: City of Fort Worth Human Resources Department

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

Function/Program	2000	2001	2002	2003
<u>Public Safety</u>				
Fire				
Calls for Service - Fire	6,184 ^(a)	6,352 ^(a)	3,101 ^(a)	3,529
Calls for Service - EMS	31,595 ^(a)	35,448 ^(a)	37,247 ^(a)	38,058
Police				
Calls for Service	296,061	320,021	329,679	305,463
<u>Library</u>				
Libraries	15	16	16	16
Books and audio/visual materials (millions)	2.4	2.3	2.4	2.4
Average Monthly Circulation	405,619 ^(c)	195,719	219,861	229,301
<u>Building Permits (000's Omitted)</u>				
Permits issued	9.1	8.1	11.4	12.6
Estimated Value	\$ 999,622	\$ 1,223,655	\$ 1,406,170	\$ 1,683,676
<u>Airport</u>				
Airport Operations (Takeoffs and Landings)	301,059 ^(d)	440,645	351,621	287,159
<u>Utilities</u>				
Number of Water & Sewer Accounts (000'a Omitted)	154.6	152.7	154.9	159.8
Water Usage - Peak (million of gallons)	321	312	273	331
Water Usage - Average (million of gallons)	171	162	160	165
System Storage Capacity (gallons per day)	73	76	76	76

^(a) Estimated calls for 2000-2002 per City of Fort Worth Fire Department.

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

^(c) For 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

Source: City of Fort Worth Fire, Police, Library, Code Compliance, Aviation, Water and Waste Water Departments

TABLE 17

<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
2,723	3,825	2,906	2,287	3,486	2,776
38,580	37,725	37,819	49,892	51,401	52,566
303,159	310,056	317,446	314,132	312,219	314,942
15	15	15	15	15	15
2.4	2.3	1.1 (b)	1.1 (b)	1.1 (b)	1.1 (b)
286,317	302,096	311,050	320,791	337,768	349,247
16.1	13.8	17.0	12.0	12.0	9.7
\$ 1,778,279	\$ 1,809,740	\$ 2,444,399	\$ 2,216,067	\$ 2,186,348	\$ 1,487,296
265,917	223,873	230,068	257,983	318,191	263,077
166.2	176.4	186.0	212.2	215.8	220.0
266	304	344	271	335	323
159	174	208	172	183	178
75	75	75	75	88	92

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

Function/Program	2000	2001	2002	2003	2004
<u>Public Safety</u>					
Police Stations Owned	9	9	9	9	9
Police Stations Leased	9	10	10	10	10
Fire Stations	38	38	38	39	39
<u>Public Works</u>					
Streets - Linear Miles Maintained Annually	N/A	N/A	6,519	6,561	6,638
Lane Miles - Resurfaced	N/A	N/A	304	166	269
Traffic Signals	N/A	574	592	609	628
Street Lights	N/A	52,375	53,114	54,595	55,300
<u>Parks and Recreation</u>					
Parks and Public Spaces	210	216	219	220	223
Parks Acres	10,196	10,484	10,500	10,542	10,595
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 Centers and CAP	23	22	21	21	21
<u>Water</u>					
Water Mains (Miles)	2,448	2,537	2,625	2,654	2,767
Fire Hydrants	12,084	12,772	13,076	13,270	14,002
<u>Wastewater</u>					
Miles of Sanitary Sewers	2,383	2,460	2,589	2,655	2,726
<u>Stormwater</u>					
Miles of Channels	N/A	N/A	N/A	N/A	191
Miles of Storm Pipes	N/A	N/A	N/A	N/A	648

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

N/A= Information not available

Source: City of Fort Worth Police, Fire, Transportation and Public Works, Parks and Community Services, Water and Waste Water Departments

TABLE 18

<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
9	9	9	10	11
10	10	10	11	10
40	41	40	40	41
6,830	7,000	7,173	7,218	7,291
274	219	152	177	208
653	696	603 (a)	588 (a)	620 (a)
56,592	58,565	60,026	60,950	61,593
227	231	236	243	249
10,715	10,762	10,832	10,929	11,094
59	60	58	60	63
7	7	7	7	7
175	178	184	181	181
1	1	1	1	1
16	16	16	16	16
82	82	82	82	82
105	105	106	107	107
5	5	5	5	5
21	21	21	21	21
2,837	3,177	3,292	3,395	3,449
14,803	16,929	17,040	17,580	17,947
2,804	3,218	3,315	3,380	3,421
236	281	327	326	333
700	750	680	700	714



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FINANCE DEPARTMENT
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