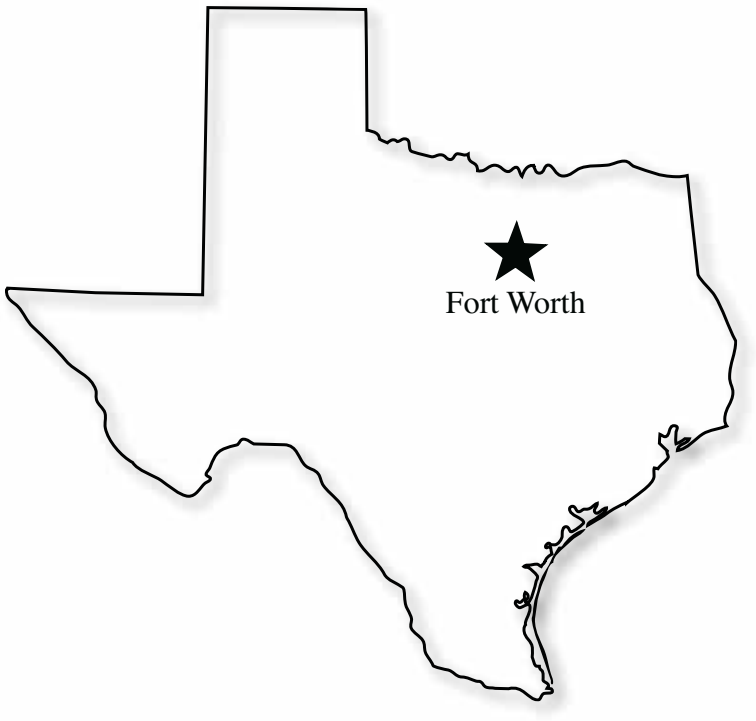
COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended
September 30, 2010

CITY of FORT WORTH, TEXAS



Cover Photograph: Fort Worth Stock Show and Rodeo

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended
September 30, 2010

CITY OF FORT WORTH, TEXAS

ELECTED OFFICIALS

2010 CITY COUNCIL

Mike Moncrief, Mayor

Kathleen Hicks
Salvador Espino
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

Southern traditional dancer tells his story of a great hunt or of a great battle.

CITY OF FORT WORTH, TEXAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED SEPTEMBER 30, 2010
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INTRODUCTORY SECTION

March 22, 2011

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, 2010.

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, 2010, 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, 2010, 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.

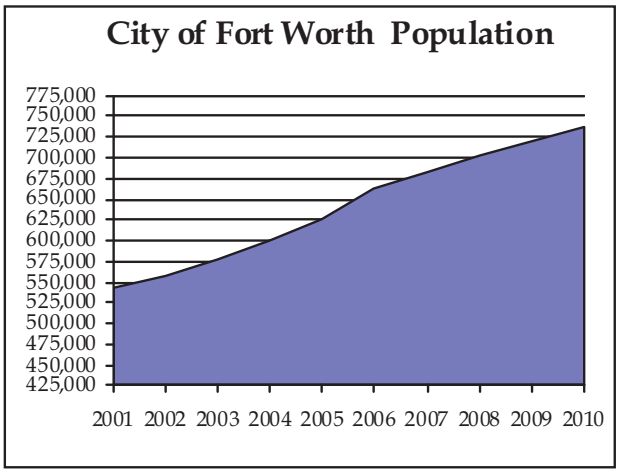
FINANCIAL MANAGEMENT SERVICES DEPARTMENT

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 736,200 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, parking garages, and storm water utility services are provided under an Enterprise Fund concept, with user charges set by the City Council to

ensure adequate coverage of operating expenses and payments of outstanding debt. In addition, the City provides water and wastewater treatment for several neighboring jurisdictions. Equipment maintenance, office services, temporary labor, 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

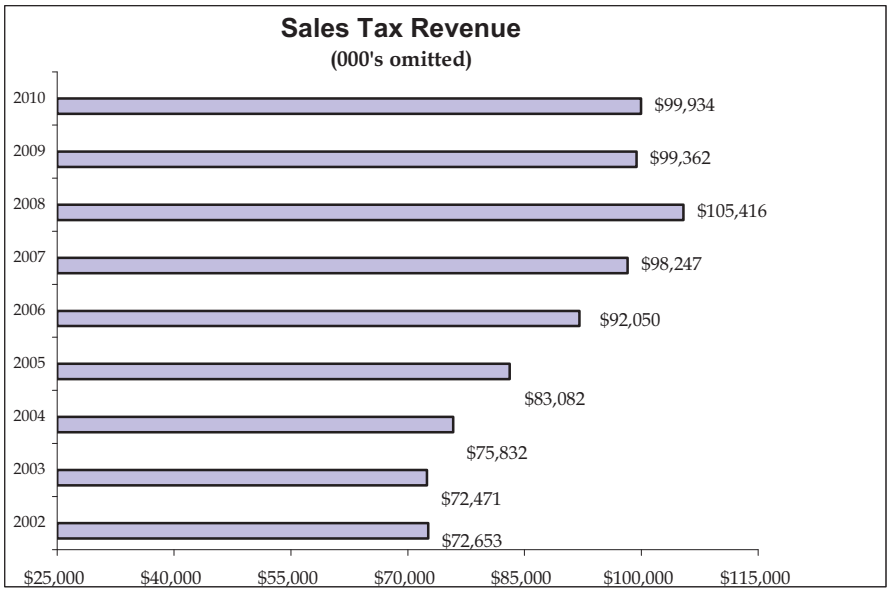
Fort Worth Public Improvement District No. 1
Fort Worth Public Improvement District No. 6
Fort Worth Public Improvement District No. 7
Fort Worth Public Improvement District No. 8
Fort Worth Public Improvement District No. 11
Fort Worth Public Improvement District No. 12
Fort Worth Public Improvement 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 6.7 million.

Current Economic Information

The City of Fort Worth experienced an increase in sales tax revenue in the General Fund of $572 thousand, or 0.58% over fiscal year 2009.



The value of building permits increased in new residential construction by $34 million; and commercial and miscellaneous construction increased by $157 million.

Commercial Growth

The following entities announced major expansions, new construction, or consolidations in the City of Fort Worth during 2010:

Los Angeles-based Coaire Corp., a manufacturer and distributor of energy-efficient heaters, air conditioners and tankless hot-water heaters, opened a distribution center in Fort Worth's Northern Crossing Business Park, creating as many as 70 jobs. The company moved into 64,000 square feet of industrial space at 3051 Northern Cross Boulevard, at Interstate 35W and Northeast Loop 820. During 2011, the company expects to add 60,000 square feet to make solar panels.

CCRA Travel Solutions, a travel distribution and technology consortium serving the hospitality and professional travel planner industries, announced the company will relocate its corporate headquarters from Agoura Hills, California, to Fort Worth during 2010.

The Botanical Research Institute of Texas (BRIT) broke ground on its new headquarters at 3220 Botanic Garden Boulevard just off University Drive in Fort Worth. The new building will cost $47 million and feature 69,000 square feet of office space atop 5.2 acres.

The National Multicultural Western Heritage Museum bought an additional 2.6 acres at 3534 South Berry Street bringing its holdings to nine acres. The organization will begin a $6 million capital campaign to

renovate a vacant, 31,000 square foot grocery store at 3520 East Berry Street for the museum. The group anticipates opening in January 2013.

Texas Health Resources Inc. has purchased 40 acres in the northern section of the county to build a full-service hospital. The hospital, near Interstate-35W and Golden Triangle Boulevard, will include an emergency room, outpatient and surgical services, physician offices and acute care inpatient beds to serve north Fort Worth, Saginaw and Keller. Texas Health Resources plans to break ground in the fall and hopes to open the hospital in late 2011.

The Tarrant Dialysis Center's $4.0 million project located at 500 College Avenue featuring a two story high quality building with state of the art dialysis facility on the second floor and professional administrative offices on the first floor completed construction in late summer 2010.

Construction of the 400,000 square foot Renaissance Square shopping center at the site of the former Masonic Home and School in southeast Fort Worth began in April. The nearly 67-acre Renaissance Square will be located along US 287 near Berry Street. The project, set to open in late 2011, will bring retail services to the area. The shopping center will include a 63,000-square foot grocery store, junior anchor tenants and other retailers, and fast-food and casual-dining restaurants. Lockard Development Co. and Moriah Real Estate Co. plan to redevelop part of the property. The joint venture bought the land from Happy Baggett, who is developing the remaining 100 acres as a residential subdivision called Mason Heights.

Fort Worth will see a new Kroger Signature store opening on the northern end of the city in 2012. The store is set to open in a new center named Shops at Timberland Crossing, located at the northeast corner of Timberland Road and North Beach. The 90,000-square foot Signature store will be a new build and will anchor the center, which will consist of about 20 acres, including three pad sites and 21,000 square feet of additional retail space.

Realty Ventures began construction of a 10,000-square-foot retail center across from Hulen Mall with all but 1,250 square feet pre-leased. Pizza Inn leased 4,000 square feet of space for a prototype location at 4833 South Hulen Street. Five Guys Burgers and Fries, a 24-year-old company, leased 2,500 square feet for its first Fort Worth location and Pacific Dental Services leased 2,500 square feet.

Goodwill Industries of Fort Worth opened its newest super store retail location with 15,000 square feet of space at 6908 Camp Bowie Boulevard in Fort Worth.

Steele & Freeman wrapped up construction on 83,563 square feet of new facilities for Catholic Charities. The new complex, named the Fischer Family Campus, is located in the Seminary Street neighborhood in Fort Worth. The project is comprised of three buildings and an associated work site, and was completed on schedule and within Catholic Charities' budget.

ThinkCash signed a 63,312-square-foot lease renewal with General Electric Credit Equity for space in its International Plaza Building in Fort Worth. The lease includes a 21,176 square foot expansion in the building, which is located at 4150 International Plaza.

The Naval Air Station Fort Worth Joint Reserve Base will receive $7.0 million in facility infrastructure upgrades on 20 of its base facilities thanks to an energy savings performance contract with Naval Facilities Engineering Command Southeast.

Sprouts Farmers Market is set to open its first Cowtown location at Overton Park Plaza at the intersection of Southwest Loop 820 and South Hulen Street. Sprouts will lease 30,243 square feet of space at Overton Park Plaza with an expected opening date in early 2011.

National Presort Inc. leased a 100,875 square foot, Class A office and warehouse building in Fort Worth's CentrePort Business Park to serve as its new headquarters and operations hub. National Presort Inc., a mail-

sorting company, will relocate its headquarters and sorting operations from 3901 La Reunion Parkway in Dallas. The Fort Worth building will house 150 National Presort employees at 14901 Trinity Boulevard.

LG Electronics extended its lease and expanded from about 100,000 square feet to 165,000 square feet of space at 2153 Eagle Parkway in Fort Worth from Alliance No. 1 Building Partners.

Wal-Mart Stores East leased 25,000 square feet of industrial space at 6601 Will Rogers Boulevard. in Fort Worth from Mereken Land & Production Company.

Brand FX is relocating and expanding operations near the intersection of Golden Triangle Boulevard and Interstate 35-W. As part of the Brand FX relocation, two small manufacturing facilities will also relocate to the new site; a metal fabricating facility from Oregon and a fiberglass body fabrication and assembly facility from Iowa. The company will invest at least $1,300,000 in new business personal property improvements by 2012 and employ a minimum of 65 full time employees.

Allens Inc., a vegetable company, acquired the iconic Ranch Style Beans plant from ConAgra Foods to grow its canned food business in Texas, the Southwest and West. The company will create about 100 jobs and put $4.7 million into plant improvements by 2011. The 200,000-square foot facility at 1734 East El Paso Street was formerly used by ConAgra to pack ranch style beans.

Kee Song, owner of the well-known Men's Collections at 3007 South Freeway, plans to open a 16,000-square foot store at 1108 East Berry Street with more than $800,000 in property renovations. Construction was completed in August 2010.

LG Electronics Mobile Communications Co. has consolidated its cell phone repair business to its facility in the Alliance Airport area, in north Fort Worth. To accommodate the consolidation, LG Electronics expanded its current facility in the development by leasing an additional 66,433 square feet from Hillwood in the Commerce Center 4 building. LG Electronics will occupy the entire 165,402-square foot building at 2153 Eagle Parkway. The company will also add 65 employees with as many as 300 seasonal employees.

Texas Health Resources (THR) broke ground on a nearly 59,000-square foot, 50-bed acute rehabilitation hospital in the medical district, which will free up space in Texas Health Harris Methodist Hospital Fort Worth for its specialty services. The new facility is just south of downtown. THR formed a partnership with Centerre Healthcare Corp. to develop the plan. Once built, Centerre will manage and operate the rehab hospital, which will be staffed by 150 to 170 employees and has the potential to add another 10 beds in the future. The new facility should be taking patients within a year.

The Brenham-based dairy and ice cream maker, Blue Bell, recently bought 2,288 acres at 9351 Harmon Road, near Interstate 35W and US 287, where it plans a 12,000 square-foot distribution center.

The Veterans Affairs (VA) clinic on Interstate 20 in south Fort Worth is expected to open in 2010 as one of the VA's largest outpatient clinics in the nation, at 239,000 square feet. The VA signed a contract with a private company to construct the building, and the VA will lease it for 20 years and at total lease cost of $125.0 million.

Fort Worth's West 7th development has inked two new leases to bring its office component close to 80 percent occupied. TW Telecom signed a lease for nearly 9,700 square feet at One West 7th, while WFAA (Channel 8) signed a lease to occupy 1,750 square feet on the second floor.

Pratt Industries Inc. will invest at least $3.0 million in real property improvements and $25.0 million in business personal property improvements by June 2012 for a new corrugated box manufacturing facility in the City of Fort Worth. The company plans to employ a minimum of 140 full-time employees.

RadioShack Corporation plans to invest $60 million in machinery, equipment, and computer software and development.

ATC Logistics & Electronics, Inc. (ATCLE) plans to invest $5.1 million in new machinery and equipment at its Alliance location. The company also plans to create 300 jobs over a five year period.

TD Ameritrade, Inc., (TDA) is renovating its facility at 4600 Alliance Gateway Freeway and expanding to 4700 Alliance Gateway Freeway. TDA plans to invest $11.2 million in construction, machinery and equipment, and information technology. TDA will also create 490 jobs by the end of 2015.

The West 7th development signed a lease with In-N-Out Burger for its first Fort Worth location. Fort Worth's In-N-Out Burger will be located at the northwest corner of West 7th Street and Currie Street in Fort Worth and is expected to open mid-2011.

Fort Worth has won the nod from state officials, clearing the way for private investors to spend almost $53.0 million on nearly 400 affordable housing units. The four Fort Worth projects secured $4.7 million in federal tax credits:

- The Race Street Lofts, northeast of downtown, scored highest in the region, because they replace a blighted apartment building with a new structure that will have 36 units;
- Prince Hall Gardens calls for rehabbing a Section 8, 100-unit housing project that was built in 1968;
- Sedona Ranch, in far north Fort Worth, near Interstate 35W and Western Center Boulevard, with 208 units will rent for about 15 percent lower than the average market rate; and
- San Antonio-based NRP Group plans to build 54 single-family homes on empty lots scattered throughout the area, a few miles east of downtown and the medical district.

Fort Worth plans to leverage that investment by building up to 11 additional homes through the housing finance unit. In the NRP project, after 15 years, tenants can buy the property, probably for about $35,000. Statewide, $68 million in tax credits were awarded to 55 projects in the 12 months ending in July, and that will lead to about 5,560 new units.

Major Initiatives

In fiscal year 2010, 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 2010, 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 on the following pages. They are organized by the Council's goal the initiative or program supports.

"Become the nation's safest major city"

Key Departmental Accomplishments

Police Department:

Objective 1: Work towards the Department's vision to make Fort Worth one of the nation's safest major cities by collectively implementing the Fort Worth Police Department 2010-2014 Strategic Plan.

Progress: The Strategic Plan was completed in the Spring of 2010, and its implementation is currently underway. The Plan identified a total of nine initiatives including:

→ Partnerships and Community Relations
→ Public Awareness: Crime Prevention & Personal Safety

- → Crime Control and Prevention District
- → Intelligence-Led Policing
- → Recruitment and Training
- → Internal Operations / Systems / Staffing
- → Financial Planning & Management
- → Technology
- → Facility Planning & Management

In 2010, the Police Department accomplished several strategic plan goals and action items. Significant accomplishments include the department's patrol realignment, the development of a management dashboard, the implementation of crime suppression in target areas, the formation of a Public Relations Office and the expanded ability to provide better customer service to the residents of Fort Worth through forums, training opportunities and technological advancements. In addition, renovations/construction of the North Division facility, the Central Division facility, and the Crime Lab and Property Room were completed in 2010. A more detailed report of strategic plan accomplishments will be provided to City Council in the Spring of 2011.

Objective 2: Reduce the crime rate from 5,700 to 5,500 Part I crimes (criminal homicide, forcible rape, robbery, aggravated assault, burglary, larceny theft, motor vehicle theft, and arson) per 100,000 population.

Progress: In FY09/10 the Part I crime rate was reduced to 5,081 per 100,000 population from 5,672 per 100,000 in FY08/09. This represents a 10% decrease in Part I Crime in one year. Part I crimes have reduced significantly since the early 1990s.

Objective 3: Increase overall citizen satisfaction with police services and feeling of safety in neighborhoods by 2% as measured by the City of Fort Worth's biannual citizen survey.

Progress: The 2009 Citizen Survey showed an increase of 2% in citizen satisfaction with quality of public safety, from 75% in 2008 to 77% in 2009. Due to budget reductions, the survey was not conducted in 2010, but it is anticipated that the survey will be conducted in March 2011 with results available in April 2011.

Objective 4: Attain a crime rate that ranks Fort Worth as one of the top ten safest major US cities.

Progress: According to the CQ Press' city crime ranking system, for 2010-2011, Fort Worth ranked as the 10th safest city among the 34 major cities with population of 500,000 or more. CQ Press is an independent organization that develops an annual crime ranking report of American cities. For 2009-2010, Fort Worth was ranked as the 11th safest city.

Crime Control & Prevention District (CCPD):

Fiscal Year 2009-2010 was an eventful year for CCPD. The Fiscal Year 2010 began with an operating budget of $50,625,925. On November 3, 2009, the citizens of Fort Worth voted to renew the CCPD fund for another five years, which will enable the Department and the community to continue to strive towards becoming one of the safest major cities.

On February 23, 2010, the budget was revised to $54,300,882 by formal vote by City Council to appropriate $3,674,957 in rollover funds from FY2009 for encumbrance purchases. At this same meeting, the Fort Worth City Council voted to dissolve the existing CCPD Board and replace it with the Mayor and City Council. This measure was taken in response to a change in state law that gave the existing Board authority to levy taxes. The City Council felt that the authority to raise taxes should be the authority of the elected officials instead of individuals appointed by the City Council. On March 23, 2010, the new CCPD Board of Directors were sworn in at the regularly scheduled CCPD Quarterly meeting. A special dinner was held on April 22,

2010 to acknowledge the Police Department's considerable gratitude to the former Board of Directors for their many years of faithful and devoted service.

On April 27, 2010, the CCPD Board adopted a revised mission statement and goals that aligns with the City's Strategic Goal of becoming one of the safest major cities, and more directly aligns with the four key CCPD funding areas as follows:

Vision – To become one of the safest major cities in the United States

Mission Statement – To enhance the Fort Worth Police Department's ability to provide quality service and to work in partnership with the community to reduce crime and to create a safe environment for all.

Goals

1. Manage the budget based on funding priorities.
2. Continue to provide opportunities for citizens to learn about CCPD.
3. Support efforts to reduce violent crime and gang-related activities through enhanced enforcement activities and crime prevention programs.
4. Support efforts to increase the safety of residents and to decrease crime throughout Fort Worth neighborhoods.
5. Support efforts to increase the safety of youth and reduce juvenile crime through crime prevention and intervention programs.
6. Support efforts to enhance crime fighting and prevention tools and efforts through diverse recruitment, training, and retention of high quality officers, technology and equipment, and capital improvements.

Other big events and accomplishments include a Citizen Appreciation Day, which was held on May 15, 2010 as a "thank you" for residents supporting efforts to decrease crime and increase safety in Fort Worth. The event was generously sponsored by the Target Corporation. In addition, on June 24, 2010, the Police Department opened a state-of-the-art Crime Laboratory and expanded Property Room. CCPD funding for this new facility was approved in FY2009.

Throughout the spring of 2010, the Department conducted public meetings with residents and community groups to gauge ongoing funding priorities. The process yielded citizen input about possible areas to reduce programs in order to balance the proposed FY2011 budget. The Department conducted two public hearings before the CCPD Board and two public hearings before the City Council regarding the proposed FY2011 budget. On August 3, 2010, the City Council adopted the FY2011 operating budget of $47,434,839.

For more details regarding CCPD Fiscal Year 2010, please visit www.fortworthpd.com to review the CCPD FY 2010 Annual Report.

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 the time it takes a fire company to leave its station after receiving notification of a call by 2.0 percent, and reducing the time it takes for a fire company to drive to an emergency scene by 2.1 percent.

One new fire station was put into service in June 2010, Station 27, located at 2940 Precinct Line Road. A groundbreaking ceremony for Station 5, located at 850 Irma Street, was held in July 2010.

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

Storm Water Utility:

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

During fiscal year 2010, Storm Water implemented or continued work on a number of initiatives to improve organizational efficiency and manage 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 $25 million in annual spending, to consultants instead of City staff.
- Accomplishing the second year of a four year GIS mapping and condition assessment program to establish a solid knowledge of the storm water infrastructure currently in the ground.

Other key Storm Water Division initiatives included requiring development of a Work Order and Asset Management System, increasing customer service training, incorporation of advanced hydrology modeling software, submitting the City's application for FEMA's Community Rating System (CRS) program to help minimize homeowner flood insurance costs, and initiating a study on the feasibility of a Flood Warning System.

"Create a cleaner and more attractive city"

Department of Environmental Management:

Environmental Management reports that in 2010, 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 24,664 tons of material at the drop off stations of which over 2,068 tons were recycled including 678 tons of scrap metal and 270 tons of electronic waste. Citizens disposed of 2,522,272 pounds of household hazardous waste at the Environmental Collection Center (ECC) of which over 24 percent was recycled. The ECC served over 45 other local entities including 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 and monitoring , including the Natural Gas Air Quality Study;
- Texas Pollutant Discharge Elimination System Storm Water Quality including bacteria sampling, bio-assessments, dry and wet-weather screenings; and
- 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.

Effective October 1, 2010, the Environmental Management Department will be disbanded with the Solid Waste Services Division being integrated into the Code Compliance Department and the Environmental Services Division being integrated in the Transportation /Public Works Department.

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 2010 were:

- Conducted "Safe Neighborhood Initiatives," an intense education and enforcement program, in Hillside, Lynnwood, Fairmount, Far Greater North Side, Historic Carver Heights, United Riverside and East Lancaster neighborhoods. The team addressed health, safety and animal codes resulting in a significant increase in compliance in these neighborhoods;
- Performed more than 200,000 inspections and demolished 190 substandard and dangerous structures during Fiscal Year 2010;
- Inspected 9,697 restaurants, day care centers, swimming pools and hotel/motels. This total represents a 6.5% increase in total inspections from Fiscal Year 2009;
- Added a spay/neuter clinic to Animal Care and Control Division's scope of operations during Fiscal Year 2010. This allowed for 2,228 adopted pets to be spayed or neutered during FY 2010 prior to leaving the facility;
- Responded to 35,625 field service requests regarding animals;
- Educated 19,410 food handlers and day care workers in disease control methodologies to ensure safe environments for consumers; and
- Continued the hotel/motel cross-departmental task force to ensure abatement of chronic structural and health hazards identified at hotels/motels.

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. Irrigation has ceased, as planned, after the successful establishment of trees and other plant materials.

PACS also manages 253 parks, totaling 11,318 acres of park land, 151.9 miles of medians, 357.8 lane miles of rights-of-ways, 223 corner clips, and 316 traffic islands within established mowing cycles. PACS, through the Citywide Mowing Program, mows and cleans approximately 1,730 city properties including tax-foreclosed properties and fee-owned properties every 35 days.

In the third 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 third year resulted in an increase over the previous year of 12,020 pounds of material collected and recycled to 13,140 lbs. collected and recycled. Additionally, this special event received the Greater DFW Recycling Alliance 2010 Recycling Leadership Award for the second year.

"Diversify the economic base and create job opportunities"

Housing and Economic Development:

The Housing & Economic Development Department utilizes local, state and federal incentive programs which are 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 Fort Worth businesses and those owned by women and minorities. The department completed a number of projects during this fiscal year including:

- Designated Enterprise Zone for Alcon Laboratories Inc., Alcon Research Ltd., ATC Logistics & Electronics, Inc., and TD Ameritrade, Inc. that will lead to the creation/retention of 1,500 jobs and new investment of over $80.0 million;

- Utilized Community Development Block Grant (CDBG) funds to renovate and rehabilitate Fire Station No. 10 for use as a community center that will offer community based services for low-to-moderate income residents who reside in South Hemphill Heights;

- Used CDBG funds to acquire 2 tracts of land and a vacant dilapidated nursing home for the Hardy Street development. The City will also utilize the funds to demolish the nursing home and fund infrastructure improvements to make the property ready for the construction of 21 new quality, affordable and accessible single family homes;

- Began development on the Poly row houses, a multifamily development of 26 new, affordable one and two bedroom apartments located in the Polytechnic/Wesleyan Urban Village. The development will utilize university-owned land and incorporate the renovated, historic Polytechnic Heights Fire Station into the development;

- Established a partnership with NRP Holdings, LLC to acquire five lots located between the 2800 and 2900 blocks of Race Street and McLemore Avenue, to demolish the existing structures and construct thirty-six (36) one, two, and three bedroom units ranging in size from 800 to 1,200 square feet;

- Negotiated economic development agreements with a number of companies including: Los Angeles-based Coaire Corp., a manufacturer and distributor of energy- efficient heaters, air conditioners and tankless hot-water heaters; Brand FX, one of the largest producers of advanced composite automotive utility bodies in the world.; Allens Inc., a vegetable company, that acquired the Ranch Style Beans Facility; Pratt Industries Inc. that will develop a new corrugated box manufacturing facility; and Radio Shack Corporation for the retention of a Fortune 500 headquarters and the retention of over 1,300 jobs.

The City's Housing and Economic Development Department was also honored by Southeast Fort Worth Inc. as its Economic Development Ambassador of the Year for its efforts in housing and community development.

Community Relations Department:

The Community Relations Department received a $425,000 grant, effective Sept. 30, 2010, from the U.S. Department of Health and Human Services to support the City's Early Childhood Matters program and four 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 Manager's Diversity Task Force continues to address community concerns.

Fort Worth City Manager Dale Fisseler created the Diversity Task Force in July 2009 to advise him on issues affecting the lesbian, gay, bisexual and transgender (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. The following eighteen recommendations have been implemented:

1. The Human Resources Department, after working with Resource Center Dallas and the Dallas Gay and Lesbian Alliance to develop an appropriate curriculum, is providing four-hour training classes for city employees. The department continues to train approximately 100 employees per month. As of January 27, 2011, 942 employees had been trained. This includes 588 general employees, 90 Police and 264 Fire.
2. The Human Resources Department has established a training program for elected and appointed officials.
3. The Human Resources Department has incorporated appropriate non-discrimination language into all job notices and application forms.
4. The Police Chief has posted a letter on the Police Department's website expressing his support for a diverse police force that welcomes qualified applicants regardless of various characteristics, including sexual orientation and gender identity.
5. The Human Resources Department issued an *ACToday* (employee communication) notice offering to assist interested city employees in the formation of support groups.
6. The Fort Worth Human Relations Commission recommended expanding the City's anti-discrimination ordinance, originally adopted in 1967. The eventual recommendation (approved by the Fort Worth City 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.
7. The City Council adopted the City's federal legislative program, which supported passage of the federal Employment Non-Discrimination Act (ENDA).
8. A campaign centered around the theme "One City. One Community. Zero Discrimination" was rolled out in summer 2010. Promotional and educational materials included magnetic bookmarks, bumper stickers, posters and fans. In addition, quarterly display advertisements were placed in *Dallas Voice* and *Fort Worth Weekly*, and a one-time advertisement was placed in the souvenir program of the Fort Worth Stock Show and Rodeo.
9. The Public Events Department is assisting local organizations that wish to use parades, festivals and other public events to promote Fort Worth as an inclusive community.
10. The City Council adopted an updated tax abatement policy that requires each business applying for city incentives to indicate in its application whether that business provides all benefits to its employees "on an equal and non-discriminatory basis."
11. The Fort Worth Convention and Visitors Bureau has undertaken an LGBT-specific marketing campaign to attract more LGBT visitors to Fort Worth.
12. The Law Department has incorporated language into city contracts to state explicitly that failure to comply with the City's anti-discrimination ordinances constitutes a contract violation.
13. The City included the North Texas GLBT Chamber of Commerce in the 2010 Comprehensive Plan as a cooperating agency and will include appropriate references to the LGBT community in future editions of the Comprehensive Plan.
14. The fiscal year 2011 budget, recommended by the City Manager and adopted by the City Council, provides benefits to the domestic partners of city employees. Effective January 1, 2011, employees may elect to add a domestic partner to their health insurance coverage, with the employee paying 100 percent of the domestic partner's premium. New hires may designate a domestic partner as a survivor to receive monthly pension benefits.

15. The City Manager in August 2010 approved an amendment to the City's Personnel Rules and Regulations, granting family leave benefits to employees with domestic partners, effective January 1, 2011.
16. The City Council in November 2010 endorsed the City's state legislative program, which supports legislation to prohibit discrimination on the basis of sexual orientation, transgender, gender identity or gender expression, consistent with City ordinances.
17. The Human Relations Unit staff has offered support and assistance to a Fairness Fort Worth task force to assist local hospitals in complying with provisions of federal healthcare regulations as they pertain to the recognition of family members.
18. The City Manager's Office held quarterly meetings of the Diversity Task Force to monitor the implementation of Task Force recommendations.

    - City staff has prepared a draft social media policy. The City Manager plans to issue an Administrative Regulation and will authorize staff to begin using social media to communicate more effectively with the LGBT community.
    - The Ad Hoc Committee on Healthcare Benefits has recommended further study about the feasibility of providing coverage for treatments for gender identity disorder. This recommendation requires City Council action.

Fort Worth Human Relations Commission participates in International Human Rights Day.

City Hall hosted a display that encouraged residents to speak out against discrimination. Also, the Fort Worth City Council presented the HRC with a proclamation on December 7, 2010, in honor of Human Rights Day.

Fort Worth Human Relations Commission stages inaugural Movies That Matter.

The City of Fort Worth Human Relations Commission, as part of its observance of Human Rights Day 2010, screened three short-format films that examined human rights issues affecting people in Fort Worth and worldwide. *Movies That Matter: A Night of Human Rights Films* was held December 9 on the TCU campus. There were approximately 65 attendees. The Fort Worth Library was co-sponsor of the event.

Fort Worth Human Relations Commission publishes "Human Relations Resource Guide."

The guide is a directory of human relations groups in the Dallas-Fort Worth area that are interested in bettering community relations.

Fort Worth Human Relations Commission joins North Texas GLBT Chamber of Commerce.

The North Texas GLBT Chamber of Commerce is a private, not-for-profit, membership-driven organization consisting of nearly 300 business entities, community organizations and individuals. Its mission is to achieve equality through economic development and advocacy.

Fort Worth Human Relations Commission uses public events to promote Fort Worth as an inclusive community.

Information booths were set up at several community events that are targeted at diverse audiences. Those included:

- Fort Worth Fourth
- Jazz By the Boulevard
- Harambee Festival
- Gay Pride Week Parade
- Musicarte Latin Arts Festival
- District 8 Annual Town Hall Meeting

City staff, along with volunteers from the Fort Worth Human Relations Commission and the Diversity Task Force, shared information about the City's anti-discrimination efforts and distributed diversity-related promotional items to reinforce that message. Additional events have been identified for participation in the spring and summer of 2011.

Fort Worth Human Relations Commission presents at International Association of Official Human Rights Agencies (IAOHRA).

Two Commissioners made a presentation at IAOHRA's annual conference in Mobile, Alabama. The presentation shared with other cities how Fort Worth turned a negative incident into something positive for the community.

Community Relations Department (CRD) presents fair-housing seminars.

CRD worked with the U.S. Department of Housing and Urban Development and the Patricia Roberts Harris National Fair Housing Training Academy to present free mortgage lending seminars in Fort Worth to address fraudulent, predatory and unfair lending practices. The seminars were open to the public. Classes included:

- *Mortgage Lending Discrimination and Predatory Lending*, targeted at housing and real estate professionals, housing counselors and all others whose business requires this knowledge.
- *Financial Aspects of Lending*, targeted at housing professionals, counselors and homebuyers.

Fort Worth honored for programs that enhance and promote cultural diversity.

Fort Worth was among the cities that received the 2010 City Cultural Diversity Awards, sponsored by the National Black Caucus of Local Elected Officials, a constituency group of the National League of Cities. Fort Worth was recognized as a runner-up for its efforts in creating a Diversity Task Force to advise the City Manager on issues affecting the LGBT community.

Diversity Advisory Committee presents aging forum.

The City's Diversity Advisory Council, an internal employee committee, presented its annual forum in April, 2010. The forum dealt with Aging in the Workplace.

Closed captioning added to City Council, Pre-Council meetings.

In 2009, the Fort Worth Human Relations Commission recommended that the City's website be made accessible to the deaf and hard of hearing community by including closed captioning for the website's videos and by providing American Sign Language (ASL) services. Beginning in September, 2010, closed captioning was made available for Fort Worth City Council and Pre-Council meetings online via webcast and via cable.

"Promote orderly and sustainable development"

Planning and Development Department:

The Planning and Development Department secured adoption of the 2010 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 City Council's Sustainability Task Force in completing 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"

Environmental Management Department:

In calendar year 2010, the total number of eight-hour ozone exceedences was eight in North Central Texas, compared to 12 in year 2009.

Participation in the City's Employee Emission Reduction Program was over 11 percent of the City's entire workforce (general and civil service). This year's focus was on changing behavior with special emphasis on the work commute. 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:

In FY10, the department staffed the Mayor's Blue Ribbon Task Force on Transportation Infrastructure, which recommended the establishment of a Transportation User Fee, an increase in the Transportation Impact Fee, and transferring a portion of General Fund revenues from operations and maintenance to debt service for transportation projects. Cumulatively, the recommendations would address nearly 60.0% of the $1.8 billion transportation funding gap over the next 10 years.

The department also secured $7.5 million in federal funds through the Regional Transportation Council for public/private transit-oriented development projects at future passenger rail stations.

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 2010 include the following:

1. U.S. Department of Housing and Urban Development grants, which included $11,358,077 for the Community Development Block Grant program, $2,369,474 for the HOME program, and $216,022 for the Emergency Shelter program;

2. Texas Department of Housing and Community Affairs (TDHCA) grants for Community Services Block Program, for $3,420,608 which included American Recovery and Reinvestment Act (ARRA) expenditures of $1,918,550. TDHCA also funded a Comprehensive Energy Assistance Program grant for $6,968,788;

3. U.S. Department of Health and Human Services grant for an Early Child Resource Center in the amount of $265,962;

4. U.S. Department of Agriculture grant for a Summer Food program in the amount of $532,896;

5. Texas State Library grant for the Interlibrary Loan program totaled $261,817 and a Texas Loan Star Library grant for $183,336;

6. U.S. Department of Justice and Office of the Governor, Criminal Justice Division grants totaling $3,118,407 with primary focus on crime reduction;

7. Texas Commission for Environmental Quality grant in an amount of $317,117 for a study on Fort Worth's air quality;

8. U.S. Department of Transportation and the Texas Department of Transportation (TxDOT) grants for $4,808,202 for aviation, some of these expenditures represent expenditures processed by TxDOT; and

9. Federal Aviation Administration (FAA) and various State agencies' grants will fund the extension of the Alliance Airport runway. However, to complete that project, Highway FM-156 and a portion of the Burlington Northern Santa Fe (BNSF) mainline track must be relocated. 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, 2010.

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 22, 2011.

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 consolidated investment portfolio shall not exceed a 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 2010, 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 $400,000 paid during a calendar year. The level of the specific stop loss coverage changed on January 1, 2010 to these new amounts.

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 through 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's Office for their interest and continued support. Lastly, but certainly not the least, we offer our deepest gratitude to Mayor Mike Moncrief for his eight years of public service, his leadership, and for his stewardship of the City's financial activities.

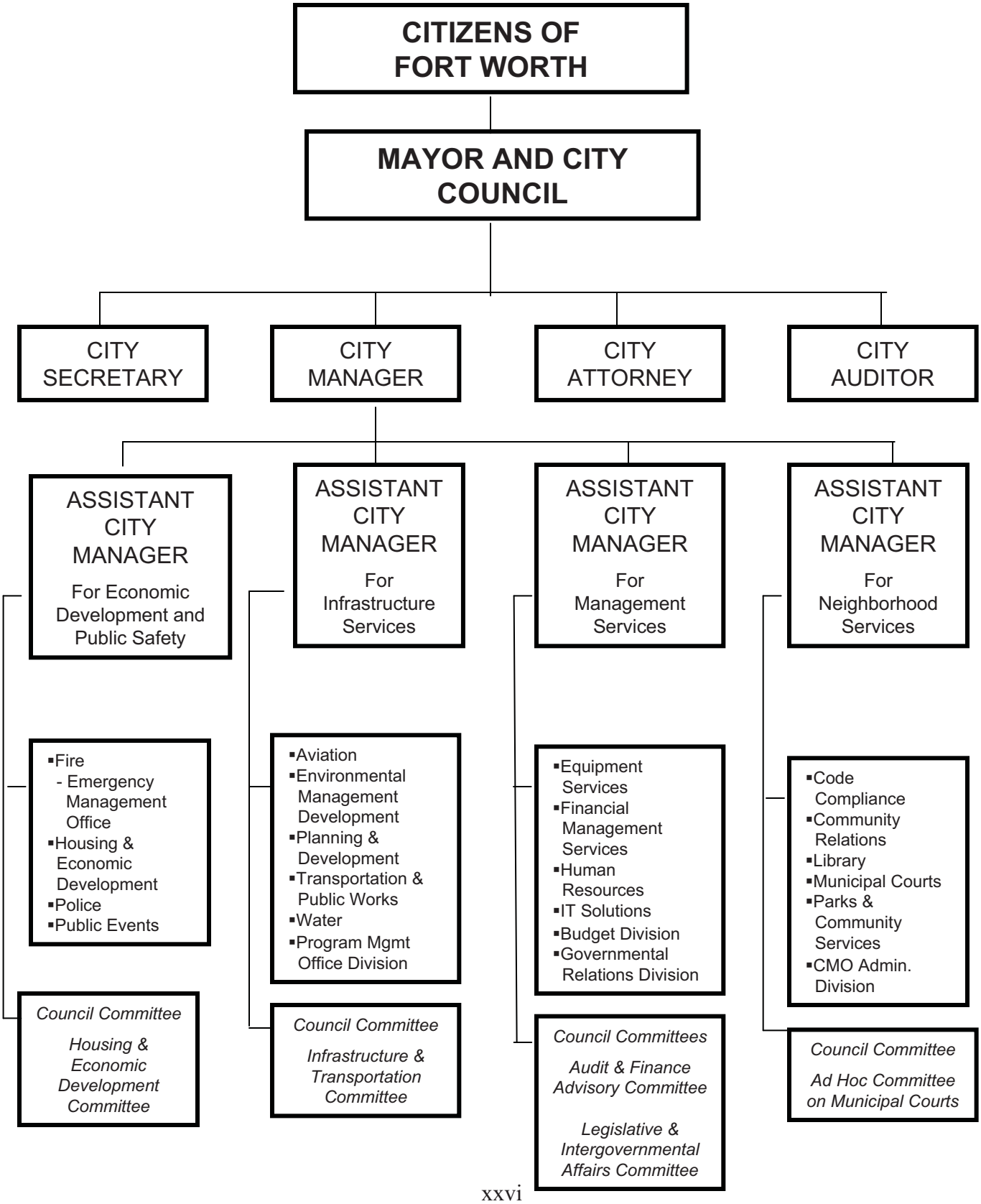
Sincerely,

Karen L. Montgomery
Assistant City Manager

Lena H. Ellis
Chief Financial Officer

Martin Luther King Celebration Parade

CITY OF FORT WORTH, TEXAS
ORGANIZATION OF CITY GOVERNMENT
September 30, 2010



Elected Officials
City of Fort Worth, Texas
Mayor and Councilmembers for Fiscal Year 2009 – 2010

Mike Moncrief
Mayor

Salvador Espino
Council District 2

W.B. Zimmerman
Council District 3

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

Fort Worth Stock Show and Rodeo

FINANCIAL SECTION

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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, and the aggregate discretely presented component units and remaining fund information of the City of Fort Worth, Texas (the "City"), as of and for the year ended September 30, 2010, 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, 2010, (which comprises 99% of the net assets 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 $649 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 of the City of Fort Worth, are based solely on the report of the other auditors. We also did not audit the financial statements of the Villas of Eastwood Terrace LLC, 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, 2009, (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 Terrace LLC, 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, and the aggregate discretely presented component units and remaining fund information of the City, as of September 30, 2010, 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 22, 2011, 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 22, 2011

CITY OF FORT WORTH, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2010
(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, 2010. 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, 2010, by $2,926,245 (net assets). Of this amount, $257,155 (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 $77,369. This increase can be attributed to increases in ad valorem tax revenue, gas lease royalties, and charges for water and sewer services.

At September 30, 2010, the City's governmental funds reported combined ending fund balances of $653,844 a decrease of $10,407 in comparison with 2009. Approximately 88.6 percent of this amount, $579,245 is available for spending at the government's discretion (unreserved fund balance) of which $489,691 has been designated by the City, within the General Fund, special revenue and capital project funds.

The City's total long-term liabilities increased by $114,146 during the current fiscal year. The key factors in this increase were the increase in the City's liability for Other Post Employment Benefits Obligation of $73,710, issuance of $99,290 of revenue bonds, $15,365 of loans and $34,685 of certificates of obligation. The new debt was offset by principal payments of $106,227. The City also issued $98,855 of revenue bonds to refund $108,680 of existing debt.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The reporting focus 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.

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 governmental 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 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

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

The City maintains twenty-two individual governmental funds. Information is presented separately in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances for the General Fund and the Debt Service Fund, 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 enterprise funds are combined into a single, aggregated presentation in the proprietary fund financial statements.

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The City reports one Trust Fund which accounts for the assets of the City's pension and post employment healthcare plan. Separate audited financial statements are available for the City's pension plan.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 31-98 of this report.

Government-Wide Financial Analysis

Total assets of the City at September 30, 2010, were $5,214,022, while total liabilities were $2,287,777, resulting in a net asset balance of $2,926,245.

The largest portion of the City's net assets, $2,538,860 or 86.8 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, $130,230 or 4.5 percent, represents resources that are subject to external restrictions on how they may be used. The remaining balance of net assets, $257,155 may be used to meet the City's ongoing obligations to citizens and creditors.

Condensed Schedule of Assets, Liabilities and Net Assets

	Governmental Activities		Business-type Activities		Total	
	2009	2010	2009	2010	2009	2010
Current and other assets	$ 786,730	$ 782,519	$ 540,701	$ 591,216	$ 1,327,431	$ 1,373,735
Capital assets	1,413,807	1,469,255	2,272,555	2,371,032	3,686,362	3,840,287
Total assets	2,200,537	2,251,774	2,813,256	2,962,248	5,013,793	5,214,022
Long-term liabilities outstanding	1,083,686	1,138,607	845,427	904,652	1,929,113	2,043,259
Other liabilities	101,862	112,156	133,942	132,362	235,804	244,518
Total liabilities	1,185,548	1,250,763	979,369	1,037,014	2,164,917	2,287,777
Net assets:						
Invested in capital assets, net of related debt	979,581	943,984	1,560,269	1,594,876	2,539,850	2,538,860
Restricted	15,613	24,830	41,532	105,400	57,145	130,230
Unrestricted	19,795	32,197	232,086	224,958	251,881	257,155
Total net assets	$ 1,014,989	$ 1,001,011	$ 1,833,887	$ 1,925,234	$ 2,848,876	$ 2,926,245

At September 30, 2010, 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 an increase in restricted net assets reported in the City's governmental activities of $9,217 and an increase in the business type activities of $63,868. The increase in restricted net assets of the governmental activities and the business-type activities were a result of restrictions of impact fees for capital projects.

Condensed Schedule of Changes in Net Assets

	Governmental Activities		Business-type Activities		Total	
	2009	2010	2009	2010	2009	2010
Revenues:						
Program Revenues:						
Charges for services	$ 70,017	$ 65,860	$ 382,390	$ 392,826	$ 452,407	$ 458,686
Operating grants and contributions	35,532	56,798	-	-	35,532	56,798
Capital grants and contributions	40,063	35,987	54,827	31,186	94,890	67,173
General revenues:						
Property taxes	344,172	354,815	-	-	344,172	354,815
Other local taxes	173,559	174,092	-	-	173,559	174,092
Franchise Fees	34,717	35,148	-	-	34,717	35,148
Gas Lease and Royalties	13,866	13,963	5,540	23,708	19,406	37,671
Assessments	13	11	-	-	13	11
Investment income	15,746	11,572	9,605	7,687	25,351	19,259
Gain (Loss) disposal of capital assets	430	352	(237)	-	193	352
Other	14,465	14,688	4,202	5,889	18,667	20,577
Total revenues	742,580	763,286	456,327	461,296	1,198,907	1,224,582
Expenses:						
General Administration	111,114	112,638	-	-	111,114	112,638
Public Safety	379,865	391,755	-	-	379,865	391,755
Transportation and Public Works	117,540	108,481	-	-	117,540	108,481
Parks and Community Service	55,110	55,022	-	-	55,110	55,022
Public Library	20,200	20,531	-	-	20,200	20,531
Public Health	1,292	-	-	-	1,292	-
Public Events and Facilities	32,204	28,020	-	-	32,204	28,020
Planning and Development	14,654	12,520	-	-	14,654	12,520
Housing and Economic Development	27,558	37,944	-	-	27,558	37,944
Interest and Service Charges	26,910	29,220	-	-	26,910	29,220
Water & Sewer	-	-	260,544	269,723	260,544	269,723
Municipal Airport	-	-	12,238	12,656	12,238	12,656
Solid Waste	-	-	44,296	39,241	44,296	39,241
Municipal Parking	-	-	2,067	3,552	2,067	3,552
Municipal Golf	-	-	6,126	5,949	6,126	5,949
Stormwater Utility	-	-	14,265	19,961	14,265	19,961
Total expenses	786,447	796,131	339,536	351,082	1,125,983	1,147,213
Excess (Deficiency) of Revenues Over						
(Under) Expenditures	(43,867)	(32,845)	116,791	110,214	72,924	77,369
Transfers	27,957	18,867	(27,957)	(18,867)	-	-
Changes in net assets	(15,910)	(13,978)	88,834	91,347	72,924	77,369
Net assets - Beginning of Year	1,030,899	1,014,989	1,754,278	1,833,887	2,785,177	2,848,876
Change in Accounting Principle	-	-	(9,225)	-	(9,225)	-
Net assets - End of Year	$ 1,014,989	$ 1,001,011	$ 1,833,887	$ 1,925,234	$ 2,848,876	$ 2,926,245

Overall, the governmental activities net assets decreased by $13,978 during the current fiscal year and business-type activities increased $91,347. The major factors that contributed to the governmental activities net asset decrease were expenditure increases in Public Safety expenditures of $11,890. The increase in net assets of the business-type activities was more than the fiscal year 2009 increase of $88,834. The major factor for the higher increase was an increase in Charges for Services of $10,436. For fiscal year 2010 the Public Health function was provided by Tarrant County, and the City no longer budgets for these services.

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 $653,844. Approximately 21.4 percent or $139,779 constitutes unreserved General Fund balance, which is available for spending at the City's discretion. The City has designated portions of the unreserved fund balance in the General Fund. These amounts represent management's tentative plans for the designated balances. As of September 30, 2010, the City has designated amounts within the unreserved fund balance for risk financing of $40,001, culture and tourism of $16,780, $500 for utility rate case actions, $100 for a saving program and $10,000 for funding high priority capital projects resulting in an unreserved and undesignated balance in the General Fund of $72,398. As of September 30, 2009, the City had a General Fund unreserved fund balance of $127,656. Of that amount the balance included designated amounts for risk financing totaling $38,830 and for culture and tourism totaling $14,887.

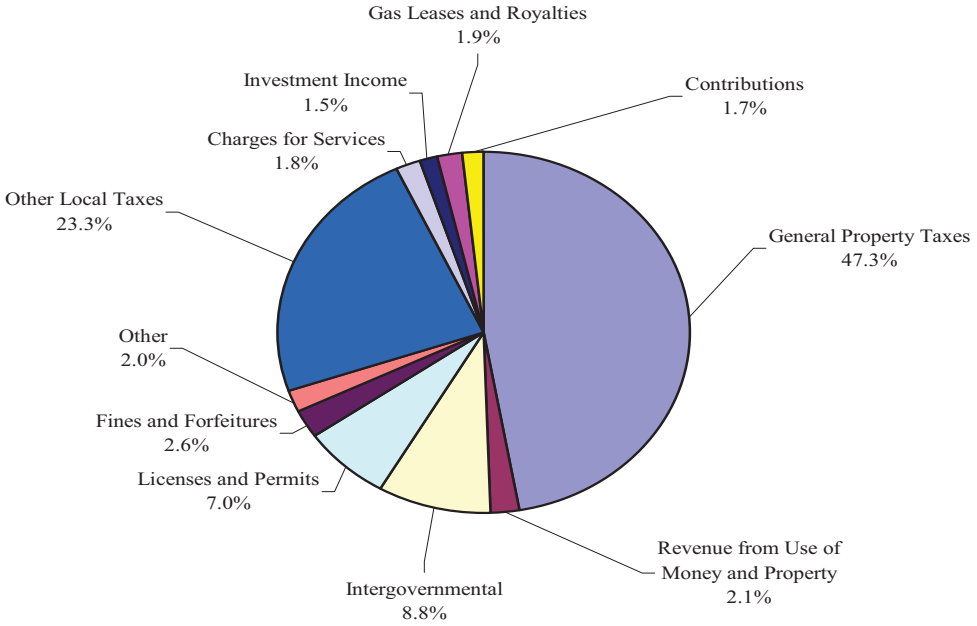
The unreserved, undesignated amount within the General Fund of $72,398 represents 14.1 percent of General Fund expenditures as of September 30, 2010, compared to $73,939, or 14.2 percent, excluding earmarked funds, as of September 30, 2009.

An additional $422,310 or 64.6 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 ($16,597), inventories ($5,638), advances ($6,317), HUD projects ($7,465), other long-term loans receivable ($1,015), debt service ($26,573) and prepaids, deposits and other ($10,994).

Also, special revenue funds have $17,156 of unreserved, undesignated fund balance.

Revenues and Expenditures – Governmental Funds

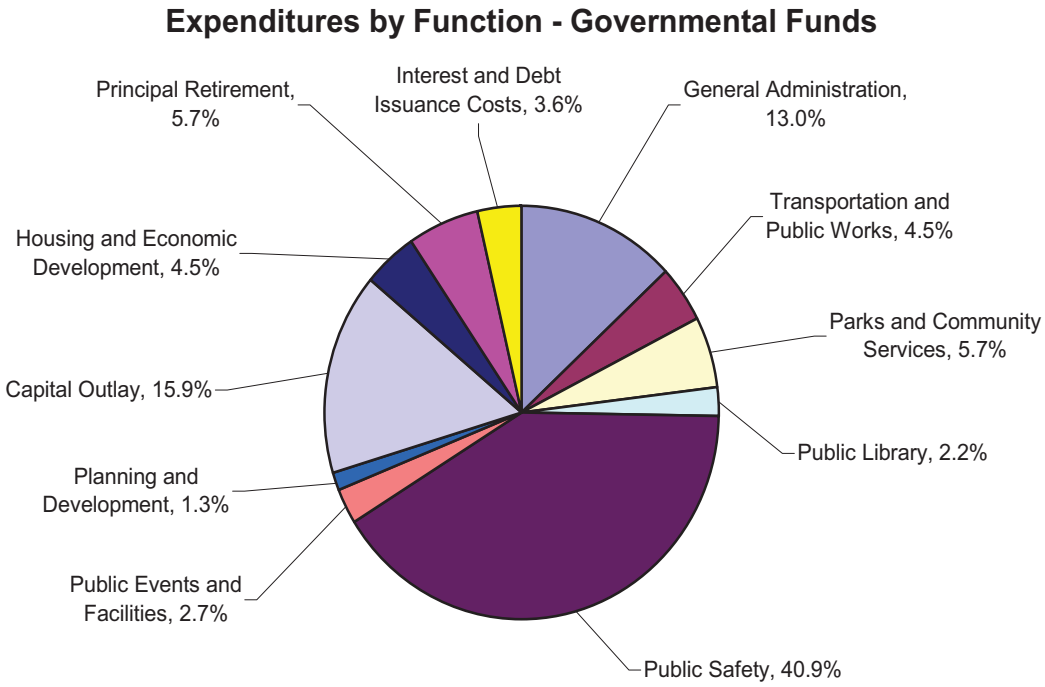
Revenues by Source - Governmental Funds



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 $139,779. 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 $72,398, or 14.1 percent of total General Fund expenditures. Unreserved fund balance represents $139,779, or 27.2 percent of total General Fund expenditures, while total fund balance represents $162,893, or 31.7 percent of total General Fund expenditures. Fund balance in the General Fund increased by $19,352 despite decreases in charges for services, fines and forfeitures, investment income and other revenue collections from the prior fiscal year. The following are the key factors in the General Fund increase:

- Property taxes increased by $7,777, or 2.7 percent over the same category in the previous fiscal year.
- Licenses and permits increased by $2,559 or 5.1 percent from the prior fiscal year.
- Other local taxes increased by $1,850 or 1.4 percent from the prior fiscal year.
- General Fund expenditures decreased by $6,954 or 1.3 percent from the prior fiscal year.

The Debt Service Fund has a fund balance of $26,573, all of which is reserved for the payment of future debt service expenditures. The fund balance increased during the year by $2,087 or 8.5 percent. Fund balance in the Debt Service Fund increased primarily due to increases in property taxes and reductions in operating transfers out.



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 $133,695 at the end of the fiscal year. Total net assets in the Water and Sewer Fund increased $52,366. The increase in net assets from operations was $60,945 primarily due to water charges for services, which exceeded operating expenses by $60,828. Business-type activities increased the City's net assets by $91,347.

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

- Charges for services increased by $10,436 from the previous fiscal year. The Water and Sewer fund and the Nonmajor Enterprise Funds had increases of $1,720 and $8,716, respectively, due to increases in demand.
- Other operating revenue increased in the Nonmajor Enterprise Funds $2,517 due to increase recycling revenue and county required education payments in the Solid Waste Fund.
- Gas leases and royalties increased by $12,804 in the Water and Sewer Fund and by $5,364 in the Nonmajor Enterprise Funds.
- Operating expenses increased by $9,481 due to increases in personnel services of $2,709, contractual services of $5,748 and depreciation expense of $2,864. This was offset by decreases in supplies and materials of $1,600. Operating expenses of stormwater utility increased by $5,192 or 37.0 percent due to

expansion and enhanced maintenance in the storm drainage system. Operating expenses for municipal parking increased by $1,359 due to the operations of a new parking garage.

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget resulted in an $14,770 increase in appropriations and can be briefly summarized as follows:

- Budget carryforwards of encumbrances resulted in a $3,966 increase in budget. Significant increases included $1,152 in Transportation and Public Works, $895 in Housing and Economic Development, $416 in Finance, and $681 in Culture and Tourism.
- $890 increases in Transportation and Public Works for improvements to Berry/Vaughn/Highway 287 interchange and for bridge repair and repainting at various locations. Appropriations increased by $3,504 to provide for improvements at facilities operated using Culture and Tourism funds.
- Other net increases in the amount of $1,459 were approved during the year. Increases of note were $650 for an air quality study, $641 were increased for various purposes and $168 for administration of the Neighborhood and Community Park Dedication Policy.
- The nondepartmental budget was increased by $1,300 for financial consulting services, $2,241 for repayment of prior HUD audit findings, $500 for the capital campaign for the new Museum of Science and History and $762 for Phase IV of the City's energy savings project.
- $148 of the increase was for departments which had an excess of actual expenditures over their approved budget.

The City also increased budgeted revenues by $456 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 $28,327, or 4.95 percent less than the final amended budget primarily due to salary savings and foregoing budgeted funding of $10 million for other postemployment benefits until fiscal year 2011.

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, 2010, amounted to $3,840,287 (net of accumulated depreciation). This investment in capital assets includes land, buildings, equipment, infrastructure and construction in progress. The total increase in the City's capital assets for the current fiscal year was $153,925 (4.2 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 $46,646 to capital assets, while developers contributed another $18,120 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.

Capital Assets, net of Accumulated Depreciation

	Governmental Activities		Business-type Activities		Total	
	2009	2010	2009	2010	2009	2010
Land/Right of Way	$ 102,229	$ 108,634	$ 71,565	$ 73,545	$ 173,794	$ 182,179
Construction in Progress	221,615	255,535	301,768	320,076	523,383	575,611
Buildings	196,434	189,787	31,683	55,153	228,117	244,940
Machinery and Equipment	46,277	45,784	219,737	208,981	266,014	254,765
Infrastructure	847,252	869,515	1,647,802	1,713,277	2,495,054	2,582,792
Total	$ 1,413,807	$ 1,469,255	$ 2,272,555	$ 2,371,032	$ 3,686,362	$ 3,840,287

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 $2,043,259. Of this amount, $622,975 comprises debt backed by the full faith and credit of the government, and $882,608 represents self-supported bonds.

Long-Term Liabilities Outstanding

	Governmental activities		Business-type activities		Total	
	2009	2010	2009	2010	2009	2010
General Obligation Bonds	$ 406,006	$ 380,125	$ 65	$ -	$ 406,071	$ 380,125
Revenue Bonds	-	-	710,675	745,155	710,675	745,155
Certificates of Obligation	166,215	188,655	57,240	54,195	223,455	242,850
Installment Obligation	5,585	5,010	-	-	5,585	5,010
HUD Installment Obligation	8,147	7,465	-	-	8,147	7,465
Equipment Notes Payable	22,634	18,852	4,545	3,319	27,179	22,171
Service Center	20,995	20,520	-	-	20,995	20,520
Fort Worth Housing Corp	9,322	9,244	-	-	9,322	9,244
Fort Worth Sports Authority	15,903	15,442	-	-	15,903	15,442
Lone Star Local Govt Corp	31,617	31,617	-	-	31,617	31,617
Central City Local Govt Corp	2,219	1,809	-	-	2,219	1,809
State Energy Conserv Loan I & II	3,730	3,216	-	-	3,730	3,216
State Energy Conserv Loan III	4,397	4,080	-	-	4,397	4,080
ESPC Phase IV	9,066	8,795	-	-	9,066	8,795
Wells Fargo Loan	245	196	-	-	245	196
Municipal Golf - Capital Lease	-	-	69	5	69	5
Beechwood Bridge Obligation	1,127	724	-	-	1,127	724
Trinity River Authority	-	-	8,065	7,620	8,065	7,620
ESPC Phase V	-	-	-	15,365	-	15,365
Unamort. Bond Discounts, Refundings, Premiums, net	11,287	9,821	7,254	14,622	18,541	24,443
Compensated Absenses	104,251	105,952	9,158	9,236	113,409	115,188
Claims Payable	45,952	42,724	-	-	45,952	42,724
HUD Claims Payable	691	-	-	-	691	-
Arbitrage	-	-	152	69	152	69
Landfill Postclosure Cost	-	-	7,176	3,240	7,176	3,240
Pollution Remediation Liability	-	-	9,225	8,981	9,225	8,981
Other Post Employment Benefits Obligation	150,295	213,969	22,645	32,681	172,940	246,650
Net Pension Obligation	64,002	70,391	9,158	10,164	73,160	80,555
Total	$ 1,083,686	$ 1,138,607	$ 845,427	$ 904,652	$ 1,929,113	$ 2,043,259

The City's indebtedness increased by $114,146 during fiscal year 2010 mainly due to the issuance of bonds in excess of principal payments made during the year. For governmental activities, the City made payments of principal balances for bonded debt of $25,881 and $12,245 on its Certificates of Obligation.

The City issued revenue bonds for $54,100 for water and sewer projects and $98,855 for refunding water and sewer debt. For business-type activities, the City made payments of principal balances for bonded debt of $162,282.

In fiscal year 2010, the City of Fort Worth had an "AA+" rating from Standard & Poor's, an "Aa1" rating from Moody's Investor Service, and "AA+" from Fitch Ratings for general obligation debt. The City's revenue bonds were rated "AA" by Standard & Poor's.

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 1.43 percent.

Additional information on the City's long-term debt can be found in note G.

Economic Factors and Next Year's Budgets and Rates

The recent slow down in the nation's economy has impacted revenues, and the City of Fort Worth is now feeling the effects of the recession. Although the City has not been as negatively impacted as some other cities, it is no longer insulated from the current trends. There have been significant declines in areas such as single family construction, home sales, new commercial construction, and economic development. These are some of the conditions putting downward pressure on revenues.

The City's unemployment rate was 8.8 percent for August 2010, a figure slightly higher than the Texas average of 8.4 percent for the same month. Unemployment in Texas is lower than the national unemployment rate of 9.5 percent for the same month. Unemployment levels are expected to remain flat nationally, as the economic situation continues to be uncertain. The level of unemployment in Fort Worth has tracked lower than the national average partly due to the economic impact of the Barnett Shale and the higher rate of economic growth experienced in the area.

The FY2011 budget maintains the City's property tax rate to $0.8550 per $100 net taxable valuation. The City's property tax roll of net taxable value increased $4.33 billion or 11.5 percent from the July 2009 certified roll to the July 2010 certified roll. Adjusted Net Value (which is the Net Taxable Value plus the value of incomplete properties and properties under protest), decreased $838 million or 2.0 percent in the same time period. Adjusted Net Value is the basis for the City's property tax revenue calculation. As a result of the decline, the City is projected to collect $7.8 million less in General Fund property tax revenue than in FY2010.

For FY2011, 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 $96,351, a decrease of $2,515, or 2.5 percent from the FY2010 budget. Sales tax collections for FY2010 were lower than the FY2010 adopted budget by $2,641 or 2.7 percent. This revenue is dependent on the level of retail sales.

Additional adopted budget highlights are: Revenues from licenses and permits are anticipated to be $47 or 0.1 percent higher than the fiscal year 2009-10 budget. This category includes predominately franchise fees on utilities and Cable TV, as well as miscellaneous permit fees. The increase is primarily attributable to an increase in the TXU franchise fee. Revenues from other local taxes are anticipated to decrease by $274 or 3.0 percent from the fiscal year 2009-10 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 2009-10 budget by $3,231, or 24.5 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 increased by 10.7% in the third quarter of fiscal year 09-10, over the same period last fiscal year. Fort Worth may also see a boost to hotel collections in FY2011 as a result of the 2011 Super Bowl.

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 40.68% decline in the number of single-family building permits issued for the fourth quarter fiscal year 09-10 (July-September) over the same period last year. The decline 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.

During FY2010 a citywide reduction-in-force was necessary to reduce current and long term labor costs. Labor costs represent 43% of the citywide budget and 71% of the total General Fund budget. There are a total of 6,425.50 authorized positions budgeted Citywide, which includes a reduction of 147 positions of which 69 were filled and 78 are vacant. No police or fire civil service positions were eliminated. A similar reduction-in-force was not included in the FY2011 adopted budget.

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 Financial Management Services 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, 2010
(in 000's)

	Primary Government			
	Governmental Activities	Business-Type Activities	Total	Component Units
Assets				
Cash, Cash Equivalents and Investments	$ 632,317	$ 108,597	$ 740,914	$ 30,186
Receivables, net of allowance for uncollectibles:				
Taxes	4,414	-	4,414	-
Grants and Other Governments	43,846	-	43,846	-
Loans	3,973	-	3,973	-
Interest	2,196	328	2,524	103
Accounts and Other	19,016	57,001	76,017	5
Internal Balances	2,753	(2,753)	-	-
Inventories (at cost)	6,355	3,830	10,185	-
Prepaids, Deposits, and Other	10,994	2,798	13,792	-
Long-Term Loans Receivables	13,123	-	13,123	-
Restricted Assets:				
Cash, Cash Equivalents and Investments	26,326	338,577	364,903	-
Cash and Cash Equivalents Held by Trustees	13,985	70,632	84,617	-
Grants Receivables	-	542	542	-
Accounts and Other Receivables	27	1,157	1,184	-
Deferred Bond Issue Costs	3,194	10,507	13,701	-
Capital Assets, Net of Accumulated Depreciation:				
Non-depreciable	364,169	393,621	757,790	-
Depreciable	1,105,086	1,977,411	3,082,497	-
Total Assets	2,251,774	2,962,248	5,214,022	30,294
Liabilities				
Accounts Payable	20,629	9,644	30,273	1,527
Escrow Accounts Payable	8,828	1,757	10,585	-
Accrued Payroll	20,530	3,144	23,674	-
Other	256	-	256	-
Unearned Revenue	32,462	8,062	40,524	-
Restricted Liabilities:				
Construction Payable	15,467	13,532	28,999	-
Accrued Interest Payable	10,362	4,102	14,464	-
Accrued Payroll	-	76	76	-
Due to Other Governments	3,622	-	3,622	-
Customer Deposits	-	12,045	12,045	-
Unearned Revenue	-	80,000	80,000	-
Long-term Liabilities:				
Due Within One Year	84,829	62,117	146,946	-
Due in More Than One Year	1,053,778	842,535	1,896,313	-
Total Liabilities	1,250,763	1,037,014	2,287,777	1,527
Net Assets				
Invested in Capital Assets, Net of Related Debt	943,984	1,594,876	2,538,860	-
Restricted for:				
Debt Service	16,437	37,739	54,176	-
Capital Projects	8,393	67,661	76,054	-
Unrestricted	32,197	224,958	257,155	28,767
Total Net Assets	$ 1,001,011	$ 1,925,234	$ 2,926,245	$ 28,767

See accompanying notes to the basic financial statements.

CITY OF FORT WORTH, TEXAS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2010
(in 000's)

		Program Revenues		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Function/Program Activities				
Primary Government:				
Governmental Activities:				
General Administration	$ 112,638	$ 16,903	$ 10,154	$ 2,572
Public Safety	391,755	18,306	7,474	4,079
Transportation and Public Works	108,481	6,469	1,301	22,449
Parks and Community Services	55,022	1,988	10,303	5,454
Public Library	20,531	601	535	-
Public Events and Facilities	28,020	8,838	-	12
Planning and Development	12,520	10,776	399	944
Housing and Economic Development	37,944	1,979	26,632	477
Interest and Service Charges	29,220	-	-	-
Total Governmental Activites	796,131	65,860	56,798	35,987
Business-type Activities:				
Water and Sewer	269,723	304,831	-	26,712
Municipal Airports	12,656	3,987	-	4,460
Solid Waste	39,241	46,710	-	-
Municipal Parking	3,552	6,394	-	14
Municipal Golf	5,949	4,374	-	-
Stormwater Utility	19,961	26,530	-	-
Total Business-type Activities	351,082	392,826	-	31,186
Total Primary Government	$ 1,147,213	$ 458,686	$ 56,798	$ 67,173
Component units:				
Public Improvement Districts	$ 4,816	$ -	$ -	$ -
Taxing Increment Reinvestment Zones	13,520	-	-	-
Total Component Units	$ 18,336	$ -	$ -	$ -

Changes in Net Assets:

General Revenues:

Taxes:

General Property Taxes

Other Local Taxes

Franchise Fees

Gas Lease and Royalties

Assessments

Investment Income

Gain on Disposal of Capital Assets

Other

Transfers

Total General Revenues and Transfers

Change in Net Assets

Net Assets - Beginning of Year

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 Actvities	Total	Component Units
$ (83,009)		$ (83,009)	
(361,896)		(361,896)	
(78,262)		(78,262)	
(37,277)		(37,277)	
(19,395)		(19,395)	
(19,170)		(19,170)	
(401)		(401)	
(8,856)		(8,856)	
(29,220)		(29,220)	
(637,486)		(637,486)	
	$ 61,820	61,820	
	(4,209)	(4,209)	
	7,469	7,469	
	2,856	2,856	
	(1,575)	(1,575)	
	6,569	6,569	
	72,930	72,930	
(637,486)	72,930	(564,556)	
			$ (4,816)
			(13,520)
			(18,336)
354,815	-	354,815	20,331
174,092	-	174,092	-
35,148	-	35,148	-
13,963	23,708	37,671	-
11	-	11	-
11,572	7,687	19,259	451
352	-	352	-
14,688	5,889	20,577	5,275
18,867	(18,867)	-	-
623,508	18,417	641,925	26,057
(13,978)	91,347	77,369	7,721
1,014,989	1,833,887	2,848,876	21,046
$ 1,001,011	$ 1,925,234	$ 2,926,245	$ 28,767

CITY OF FORT WORTH, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2010
(in 000's)

	General	Debt Service	Nonmajor Governmental Funds	Total Governmental Funds
Assets				
Cash, Cash Equivalents and Investments	$ 156,485	$ 25,786	$ 436,943	$ 619,214
Receivables, net of allowance for uncollectibles:				
Taxes	3,403	1,011	-	4,414
Grants and Other Governments	18,714	-	25,132	43,846
Loans	-	-	3,973	3,973
Interest	682	954	516	2,152
Accounts and Other	14,963	-	4,046	19,009
Due From Other Funds	7,049	-	2,690	9,739
Inventories (at cost)	3,448	-	2,190	5,638
Advances to Other Funds	5,966	-	351	6,317
Prepaids, Deposits, and Other	532	-	10,462	10,994
Long-Term Loans Receivable	-	-	13,123	13,123
Restricted Assets:				
Cash and Cash Equivalents	-	-	22,390	22,390
Cash and Cash Equivalents Held by Trustees	-	-	13,985	13,985
Interest Receivable	-	-	27	27
Total Assets	$ 211,242	$ 27,751	$ 535,828	$ 774,821
Liabilities and Fund Balances				
Accounts Payable	$ 14,644	$ 51	$ 2,174	$ 16,869
Construction Payable	-	-	15,467	15,467
Escrow Accounts	8,764	-	64	8,828
Accrued Payroll	17,053	-	2,139	19,192
Accrued Interest	43	145	38	226
Due to Other Funds	390	-	9,212	9,602
Due to Other Governments	2,520	-	1,102	3,622
Other	185	-	71	256
Advances from Other Funds	-	-	1,750	1,750
Deferred Revenue	4,750	982	39,433	45,165
Total Liabilities	48,349	1,178	71,450	120,977
Fund Balances:				
Reserved for Encumbrances	13,168	-	3,429	16,597
Reserved for Inventories	3,448	-	2,190	5,638
Reserved for Advances	5,966	-	351	6,317
Reserved for HUD Projects	-	-	7,465	7,465
Reserved for Long-Term Loans Receivable	-	-	1,015	1,015
Reserved for Debt Service	-	26,573	-	26,573
Reserved for Prepaids, Deposits, and Other	532	-	10,462	10,994
Unreserved, Designated for Authorized Expenditures:				
General Fund	67,381	-	-	67,381
Special Revenue Funds	-	-	75,242	75,242
Capital Projects Funds	-	-	347,068	347,068
Unreserved:				
General Fund	72,398	-	-	72,398
Special Revenue Funds	-	-	17,156	17,156
Total Fund Balances	162,893	26,573	464,378	653,844
Total Liabilities and Fund Balances	$ 211,242	$ 27,751	$ 535,828	$ 774,821

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, 2010
(in 000's)

Total fund balances--governmental funds		$ 653,844
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 $8,263) consist of:		
Land	$ 108,634	
Construction in progress	255,535	
Buildings	350,268	
Machinery and equipment	167,263	
Infrastructure	2,149,707	
Accumulated depreciation	(1,562,152)	
Total capital assets	1,469,255	1,469,255
Some revenues in the governmental funds are deferred because they are not collected within the prescribed time period after year-end. On the accrual basis, however, those revenues would be recognized, regardless of when they are collected.		12,703
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.		10,758
Some long-term assets and liabilities are not due and payable in the current period and therefore are not reported in the funds. Those assets and liabilities (including allocated internal service fund compensated absences of $3,960) consist of:		
Long-term claims payable	(42,724)	
Long-term compensated absences	(105,952)	
Net pension obligation	(70,391)	
Other post employment benefits obligation	(213,969)	
Accrued interest payable	(10,136)	
Unamortized bond issue costs	3,194	
Long-term debt, including premium/discount/loss on refunding	(705,571)	
Total long-term liabilities	(1,145,549)	(1,145,549)
Net assets of governmental activities		$ 1,001,011

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, 2010
(in 000's)

	General	Debt Service	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:				
General Property Taxes	$ 293,534	$ 59,669	$ 403	$ 353,606
Other Local Taxes	130,953	-	43,139	174,092
Assessments	-	-	11	11
Charges for Services	7,571	-	5,742	13,313
Licenses and Permits	52,429	-	-	52,429
Fines and Forfeitures	14,665	-	4,987	19,652
Revenue from Use of Money and Property	9,380	788	5,444	15,612
Investment Income	3,312	5,218	2,855	11,385
Intergovernmental	604	-	65,149	65,753
Gas Leases and Royalties	770	-	13,193	13,963
Other	4,276	294	10,040	14,610
Contributions	313	-	12,281	12,594
Total Revenue	517,807	65,969	163,244	747,020
Expenditures:				
Current:				
General Administration	87,314	-	18,243	105,557
Public Safety	292,094	-	39,435	331,529
Transportation and Public Works	33,284	-	3,130	36,414
Parks and Community Services	32,839	-	13,276	46,115
Public Library	17,141	-	452	17,593
Public Events and Facilities	22,033	-	-	22,033
Planning and Development	10,760	-	111	10,871
Housing and Economic Development	10,948	-	25,497	36,445
Capital Outlay	5,479	-	123,928	129,407
Debt Service:				
Principal Retirement	1,140	42,483	2,774	46,397
Interest and Debt Issuance Costs	920	26,234	2,015	29,169
Total Expenditures	513,952	68,717	228,861	811,530
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,855	(2,748)	(65,617)	(64,510)
Other Financing Sources (Uses):				
Proceeds from Long-Term Debt Issued	-	900	33,785	34,685
Proceeds from Disposal of Property	386	-	-	386
Transfers In	40,307	4,830	41,727	86,864
Transfers Out	(25,196)	(895)	(41,741)	(67,832)
Total Other Financing Sources (Uses)	15,497	4,835	33,771	54,103
Net Change in Fund Balance	19,352	2,087	(31,846)	(10,407)
Fund Balance, Beginning of Year	143,541	24,486	496,224	664,251
Fund Balance, End of Year	$ 162,893	$ 26,573	$ 464,378	$ 653,844

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, 2010
(in 000's)

Net change in fund balances--total governmental funds		$ (10,407)
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	$ 18,120	
Capital outlay expenditures	130,491	
Transfers from internal service funds	575	
Depreciation expense	(93,982)	
Net adjustment	55,204	55,204
In the statement of activities, only the gain on sale of capital assets is reported, whereas in the governmental funds, the proceeds of the sale increase financial resources. Thus, the change in net assets differs from the change in fund balance by the cost of the capital assets.		(45)
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.		(2,727)
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:		
Certificates of Obligation	(34,685)	
Repayments:		
To bondholders	46,397	
Adjustment of State's Application of Loan Principal and Interest	(254)	
Amortization of refunding, premiums, discounts and issue costs	1,434	
Net adjustment	12,892	12,892
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Increase in accrued interest on general obligation bonds & certificates of obligation	(1,263)	
Increase in net pension obligation	(6,389)	
Increase in other post employment benefits obiligation	(63,674)	
Decrease in estimated claims obligations	3,919	
Increase in compensated absences liability	(1,558)	
Net adjustment	(68,965)	(68,965)
Internal service funds are used by management to charge the costs of certain activities, such office services, equipment services, temporary labor, information systems and engineering services, to individual funds. A portion of the net revenue (expense) of the internal service funds is reported with governmental activities.		70
Change in net assets of governmental activities		$ (13,978)

See accompanying notes to the basic financial statements.

CITY OF FORT WORTH, TEXAS
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
SEPTEMBER 30, 2010
(in 000's)

	Enterprise Funds			
	Water and Sewer	Nonmajor Enterprise Funds	Total	Internal Service Funds
ASSETS				
Current Assets:				
Cash, Cash Equivalents and Investments	$ 54,731	$ 53,866	$ 108,597	$ 13,103
Interest Receivable	144	184	328	44
Accounts and Other Receivables, net of allowance for uncollectibles	45,561	11,440	57,001	7
Inventories, at Cost	3,690	140	3,830	717
Prepaids, Deposits, and Other	-	2,798	2,798	-
Total Current Assets	104,126	68,428	172,554	13,871
Noncurrent Assets:				
Restricted Assets:				
Cash and Cash Equivalents	148,556	190,021	338,577	3,936
Cash and Cash Equivalents Held by Trustees	68,425	2,207	70,632	-
Grants Receivables	26	516	542	-
Interest Receivable	535	622	1,157	-
Total Restricted Assets	217,542	193,366	410,908	3,936
Advances to Other Funds	-	1,750	1,750	-
Deferred Bond Issue Costs	9,288	1,219	10,507	-
Capital Assets (at cost):				
Land	12,365	61,180	73,545	1,123
Buildings	41,209	44,182	85,391	5,287
Improvements Other than Buildings	2,142,234	203,026	2,345,260	1,104
Machinery and Equipment	358,161	16,816	374,977	16,195
Construction in Progress	247,366	72,710	320,076	2,323
Accumulated Depreciation	(685,998)	(142,219)	(828,217)	(17,769)
Net Capital Assets	2,115,337	255,695	2,371,032	8,263
Total Noncurrent Assets	2,342,167	452,030	2,794,197	12,199
Total Assets	2,446,293	520,458	2,966,751	26,070

(continued)

See accompanying notes to the basic financial statements.

CITY OF FORT WORTH, TEXAS
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
SEPTEMBER 30, 2010
(in 000's)

	Enterprise Funds			
	Water and Sewer	Nonmajor Enterprise Funds	Total	Internal Service Funds
LIABILITIES				
Current Liabilities:				
Accounts Payable	$ 4,323	$ 5,321	$ 9,644	$ 3,760
Escrow Accounts Payable	1,757	-	1,757	-
Accrued Payroll	2,463	681	3,144	1,338
Due to Other Funds	-	137	137	-
Unearned Revenue	1,516	6,546	8,062	-
Restricted Liabilities:				
Construction Payable	12,013	1,519	13,532	-
Current Portion of Long-Term Liabilities	57,634	4,483	62,117	1,469
Accrued Interest Payable	3,474	628	4,102	-
Accrued Payroll	76	-	76	-
Customer Deposits	11,306	739	12,045	-
Unearned Revenue	-	80,000	80,000	-
Total Current Liabilities	94,562	100,054	194,616	6,567
Long-Term Liabilities:				
Advances from Other Funds	-	5,609	5,609	708
Long-Term Liabilities Due in More Than One Year	706,650	135,885	842,535	2,491
Total Long-Term Liabilities	706,650	141,494	848,144	3,199
Total Liabilities	801,212	241,548	1,042,760	9,766
NET ASSETS				
Invested in Capital Assets, Net of Related Debt	1,408,767	186,109	1,594,876	8,263
Restricted for:				
Debt Service	34,958	2,781	37,739	-
Capital Projects	67,661	-	67,661	-
Unrestricted	133,695	90,020	223,715	8,041
Total Net Assets	$ 1,645,081	$ 278,910	1,923,991	$ 16,304

Adjustment to Reflect the Consolidation of Internal Service Funds Activities Related to Enterprise Funds	1,243
Net Assets of Business-type Activities	$ 1,925,234

(concluded)

See accompanying notes to the basic financial statements.

Dancers at the Fort Worth Hispanic Heritage Celebration

CITY OF FORT WORTH, TEXAS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2010
(in 000's)

	Business-type Activities-- Enterprise Funds			
	Water and Sewer	Nonmajor Enterprise Funds	Total	Internal Service Funds
OPERATING REVENUES				
Charges for Services	$ 304,831	$ 87,995	$ 392,826	$ 64,114
Other	117	5,772	5,889	-
Total Operating Revenues	304,948	93,767	398,715	64,114
OPERATING EXPENSES				
Personnel Services	66,768	17,313	84,081	30,001
Supplies and Materials	19,143	3,140	22,283	14,939
Contractual Services	103,418	47,855	151,273	17,306
Depreciation	54,674	11,173	65,847	1,521
Total Operating Expenses	244,003	79,481	323,484	63,767
Operating Income	60,945	14,286	75,231	347
NONOPERATING REVENUES (EXPENSES)				
Investment Income	3,340	4,347	7,687	187
Gain (Loss) on Sale of Property and Equipment	(360)	50	(310)	11
Interest and Service Charges	(25,396)	(1,889)	(27,285)	-
Gas Leases and Royalties	13,078	10,630	23,708	-
Other Expense	(31)	(39)	(70)	(575)
Other Revenue	-	-	-	78
Total Nonoperating Revenues (Expenses)	(9,369)	13,099	3,730	(299)
Income Before Transfers and Contributions	51,576	27,385	78,961	48
Transfers In	4,010	17,980	21,990	138
Transfers Out	(29,932)	(10,925)	(40,857)	(303)
Capital Contributions	19,881	4,474	24,355	254
Capital Contributions - Impact Fees	6,831	-	6,831	-
Change in Net Assets	52,366	38,914	91,280	137
Total Net Assets - Beginning	1,592,715	239,996	1,832,711	16,167
Total Net Assets - Ending	$ 1,645,081	$ 278,910	$ 1,923,991	$ 16,304

Adjustment to Reflect the Consolidation of Internal Service Funds Activities Related to Enterprise Funds	67
Change in Net Assets of Business-type Activities	$ 91,347

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, 2010
(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	$ 305,274	$ 85,983	$ 391,257	$ 64,115
Receipts from Other Operating Sources	117	5,772	5,889	-
Receipts from Gas Leases and Royalties	13,078	10,630	23,708	-
Other Receipts	-	-	-	78
Payments to Suppliers	(19,063)	(3,125)	(22,188)	(12,541)
Payments to Employees	(57,831)	(14,911)	(72,742)	(29,801)
Payments for Contractual Services	(106,946)	(51,097)	(158,043)	(17,281)
Other Payments	(31)	(39)	(70)	-
Net Cash Provided by Operating Activities	134,598	33,213	167,811	4,570
Cash Flows from Noncapital Financing Activities:				
Advances from (to) Other Funds	-	(699)	(699)	15
Transfers In from Other Funds	3,761	17,980	21,741	138
Transfers Out to Other Funds	(29,932)	(10,925)	(40,857)	(303)
Net Cash Provided by (Used for) Noncapital Financing Activities	(26,171)	6,356	(19,815)	(150)
Cash Flows from Capital and Related Financing Activities:				
Acquisition and Construction of Property, Plant and Equipment	(110,675)	(27,656)	(138,331)	(2,385)
Proceeds from Sale of Machinery and Equipment	99	64	163	7
Proceeds from Loan	15,365	-	15,365	-
Proceeds from Bond Sales	163,562	45,887	209,449	-
Bond Issuance Cost Paid	(2,114)	(134)	(2,248)	-
Principal Paid on Long-Term Debt	(162,727)	(5,719)	(168,446)	-
Interest Paid on Long-Term Obligations	(28,993)	(5,719)	(34,712)	-
Principal Paid on Capital Leases	-	(64)	(64)	-
Contributions	766	4,795	5,561	254
Contributions - Impact Fees	6,831	-	6,831	-
Net Cash Provided by (Used for) Capital and Related Financing Activities	(117,886)	11,454	(106,432)	(2,124)
Cash Flows from Investing Activities:				
Investment Income Received	4,358	4,039	8,397	144
Net Cash Provided by Investing Activities	4,358	4,039	8,397	144
Net Increase (Decrease) in Cash and Cash Equivalents	(5,101)	55,062	49,961	2,440
Cash and Cash Equivalents, Beginning of Year	276,813	191,032	467,845	14,599
Cash and Cash Equivalents, End of Year	$ 271,712	$ 246,094	$ 517,806	$ 17,039

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, 2010
(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	$ 60,945	$ 14,286	$ 75,231	$ 347
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:				
Depreciation	54,674	11,173	65,847	1,521
Change in Assets and Liabilities:				
Accounts and Other Receivables	491	(2,324)	(1,833)	1
Inventories	80	15	95	253
Other Assets	-	798	798	25
Accounts Payable	(3,528)	694	(2,834)	2,145
Accrued Compensation	8,937	2,402	11,339	200
Unearned Revenue	-	(481)	(481)	-
Landfill Closure Costs	-	(3,936)	(3,936)	-
Customer Deposits	120	(5)	115	-
Escrow and Other Liabilities	(168)	-	(168)	-
Gas Leases and Royalties Receipts	13,078	10,630	23,708	-
Other Receipts	-	-	-	78
Other Payments	(31)	(39)	(70)	-
Total Adjustments	73,653	18,927	92,580	4,223
Net Cash Provided by Operating Activities	$ 134,598	$ 33,213	$ 167,811	$ 4,570
The Cash and Cash Equivalents are reported in the Statement of Net Assets as follows:				
Cash, Cash Equivalents and Investments	$ 54,731	$ 53,866	$ 108,597	$ 13,103
Restricted Assets:				
Cash and Cash Equivalents	148,556	190,021	338,577	3,936
Cash and Cash Equivalents Held by Trustees	68,425	2,207	70,632	-
Total Cash and Cash Equivalents	$ 271,712	$ 246,094	$ 517,806	$ 17,039
Noncash Investing, Capital, and Financing Activities:				
Capital Asset Contributions from Developers	$ 18,884	$ -	$ 18,884	$ -
Intra-Government Net Capital Assets Transfers	249	(249)	-	(575)

See accompanying notes to the basic financial statements. (concluded)

CITY OF FORT WORTH, TEXAS
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
SEPTEMBER 30, 2010
(in 000's)

	Pension and Other Employee Benefits Trust Funds
ASSETS	
Current Assets:	
Cash and Cash Equivalents	$ 6,575
Cash and Investments Held by Trustees:	
Asset & Mortgage Backed Obligations	52,712
Corporate Obligations	207,080
Government Agency Obligations	50,265
International Obligations	91,397
Securities Lending Collateral	186,500
US Treasuries	45,108
Short Term Mutual Fund Investments	50,202
Corporate Stock	509,571
Alternative Investments	351,185
Commingled Funds	298,071
Less: Investments in Non-City Funded Staff Plan	(871)
Total Cash and Investments Held by Trustees	1,841,220
Other Receivables	12,119
Due from Broker Securities Sold	83,656
Total Current Assets	1,943,570
Capital Assets (at cost):	
Land	405
Buildings	3,424
Machinery and Equipment	219
Accumulated Depreciation	(185)
Net Capital Assets	3,863
Total Assets	1,947,433
LIABILITIES	
Current Liabilities:	
Accrued Payable	83
Obligations Under Securities Lending	186,412
Due to Broker Securities Purchased	93,440
Total Current Liabilities	279,935
NET ASSETS	
Net Assets Held in Trust for Pension and Other Employee Benefits:	
Benefit Pension Plans	1,657,264
Postemployment Healthcare Plans	10,234
Total Net Assets	$ 1,667,498

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, 2010
(in 000's)

	Pension and Other Employee Benefits Trust Funds
ADDITIONS	
Interest and Dividend Income	$ 40,684
Less: Investment Management Fees and Interest Expense	(7,434)
Net Gain in Fair Value of Investments	116,096
Employer Contributions	75,822
Employee Contributions	31,545
Total Additions	256,713
DEDUCTIONS	
Benefit Payments	119,520
Refunds	3,641
Administrative Expenses	2,703
Total Deductions	125,864
CHANGE IN NET ASSETS	
Benefit Pension Plans	120,615
Postemployment Healthcare Plans	10,234
Total Change in Net Assets	130,849
NET ASSETS - BEGINNING OF YEAR	
Benefit Pension Plans	1,536,649
Postemployment Healthcare Plans	-
Total Beginning Net Assets	1,536,649
NET ASSETS - END OF YEAR	
Benefit Pension Plans	1,657,264
Postemployment Healthcare Plans	10,234
Total Ending Net Assets	$ 1,667,498

See accompanying notes to the basic financial statements.

Fort Worth Stock Show and Rodeo

NOTES TO THE FINANCIAL STATEMENTS

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: D/FW International Airport
Note J: Employees' Retirement Plan of the City of Fort Worth, Texas
Note K: Employee Benefits
Note L: Commitments and Contingencies
Note M: Condensed Financial Information for Component Units and Nonmajor Enterprise Funds
Note N: Subsequent Events
Note O: New Accounting Standards

Trimble Technical High School ROTC participating in the MLK Day Celebration Parade

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, 2010, 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 (CCPD) was created in March 1995 by a vote of local residents, and renewed in 2000, 2005 and 2010. The next renewal will be in 2015. The City funds this program with sales taxes. Although it is legally separate from the City, the members of the board of the CCPD and the members of the City Council are substantively the same. Therefore, the Crime Control and Prevention District has been blended in the City's basic financial statements as a Nonmajor Special Revenue Fund.

Fort Worth Housing Finance Corporation **-** The Fort Worth Housing Finance Corporation (FWHFC) was created pursuant to the Texas Housing Finance Corporations Act. The FWHFC was organized for the purpose of financing the cost of residential ownership and development of single-family dwellings for persons of low and moderate income. Although it is legally separate from the City, the members of the Board of the FWHFC and the members of the City Council are substantively the same. Therefore, the FWHFC has been blended in the City's basic financial statements as a Nonmajor Special Revenue Fund. Included in the FWHFC 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.

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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 substantively the same. Therefore, the FWLDC has been blended 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. Although it is legally separate from the City, the members of the board of the Service Center and the members of the City Council are substantively the same. Therefore, the Service Center has been blended in the City's basic financial statements as a Nonmajor Special Revenue Fund (reported with the Other Blended Component Units).

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

Lone Star Local Government Corporation - The Lone Star Local Government Corporation was created pursuant to the provisions of Subchapter D, Chapter 431 of the Texas Transportation Code, and Chapter 394 of the Texas Local Government Code. The Lone Star Local Government Corporation is organized for the purpose of aiding, assisting, and acting on behalf of the City in the performance of its governmental functions to promote the common good and general welfare of the City and in undertaking and completing of projects on behalf of the City. Although it is legally separate from the City, the members of the board of the Lone Star Local Government Corporation and the members of the City Council are substantively the same. Therefore, the Lone Star Local Government Corporation has been blended in the City's basic financial statements as a Nonmajor Special Revenue Fund (reported with the Other Blended Component Units).

Fort Worth Central City Local Government Corporation – The Fort Worth Central City Local Government Corporation (FWCCLGC) was created pursuant to the provisions of Subchapter D, Chapter 431 of the Texas Transportation Code. The FWCCLGC is organized for the purpose of aiding, assisting and acting on behalf of the City in implementation of project plans for the Magnolia Green Development, including the construction of a parking garage to support the development of the area. Although it is legally separate from the City, the members of the board of the FWCCLGC and the members of the City Council are substantively the same. Therefore, the FWCCLGC has been blended in the City's basic financial statements as a Nonmajor Special Revenue Fund (reported with the Other Blended Component Units).

(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. 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

(continued)

to be provided include a maintenance program, a security enhancement program and a district management program.

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 Tarrant County College 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.

(continued)

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.

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 Pension Trust 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 Employees' Retirement Plan at 3801 Hulen Street, Suite 101, Fort Worth, Texas 76107.

Retiree Healthcare Trust Fund of the City of Fort Worth – The single-employer defined benefit retirement health care system was established under legal authority of the City Charter and is administered by the City. No separate audited financial statements are available for this fiduciary fund of the City. Unaudited financial statements for this individual component unit may be obtained at the City's offices.

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.

(continued)

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 boundries 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 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.

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.

(continued)

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 (General Administration, Public Safety, Transportation and Public Works, etc.).

The City's fiduciary funds are presented in the fund financial statements. Since by definition these assets are being held for the benefit of a third party (pension and retiree healthcare plan participants) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

The following is a brief description of the major funds used by the City.

Governmental Funds

Governmental funds are those through which most governmental functions typically are financed. The measurement focus of governmental funds is on the sources, uses, and balance of financial resources. The City reports the following major governmental funds:

General Fund is the main operating fund of the City. The fund is used to account for all the financial resources that are not accounted for in other funds. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges and capital improvement costs that are not paid through other funds are paid from the General Fund.

Debt Service Fund accounts for the accumulation of financial resources for the payment of principal, interest and related costs on long-term obligations paid primarily from taxes levied by the City. The fund balance of the Debt Service Fund is reserved to signify the amounts that are restricted exclusively for debt service expenditures.

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

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

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

(continued)

Proprietary Funds

Proprietary funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. The accounting objectives are determinations of net income, financial position and cash flows. All assets 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.

Under GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, all enterprise funds will continue to follow Financial Accounting Standards Board (FASB) standards issued on or before November 30, 1989. However, from that date forward, enterprise 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

The Trust 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 fund type:

(continued)

Pension and Other Employee Benefit Trust Funds - For accounting measurement purposes, Pension and Other Employee Benefit Trust Funds are accounted for in essentially the same manner as proprietary funds. The Pension and Other Employee Benefit Trust Funds account for the assets of the City's retirement and post employment healthcare benefit plans. The City's Employees' Retirement Plan 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.

The Fiduciary funds are not included in the government-wide financial statements.

Reconciliation of Government-wide and Fund Financial Statements

A summary reconciliation of the difference between total fund balances as reflected on the governmental funds balance sheet and total net 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.

A. 3. MEASUREMENT FOCUS/BASIS OF ACCOUNTING

The government-wide statements of net assets and statements of activities, all proprietary funds, and the fiduciary funds are reported and accounted for on the economic resources measurement focus and the accrual basis of accounting. With this measurement focus, all assets 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 are recognized when the underlying "exchange" transaction takes place. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been met. Contributions from members are recorded when the employer makes payroll deductions from Plan members. Employer contributions are recognized when due. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

The governmental fund financial statements are reported using the flow of current financial resources measurement focus and the modified accrual basis of accounting. This focus is on the determination of and changes in financial position. Revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the 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,

(continued)

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.

A. 4. PROPERTY TAXES

The City's property taxes are levied each October 1 on the assessed value as of the previous January 1 for all real and personal property. Property taxes attach as an enforceable lien on property as of January 1. Taxes are due October 1 and full payment can be made prior to the following February to avoid penalty and interest charges. Taxpayers also have the option of paying one-half of their taxes by November 30 and the second-half by June 30 to avoid penalty and interest charges.

Property taxes levied for 2010 have been recorded as receivables, net of allowance for refunds and uncollectible amount. The net receivables collected during 2010 and those considered "available" at September 30, 2010 (i.e., property taxes collected within 60 days of year end) have been recognized as revenues in 2010. The remaining receivables have been reflected as deferred revenue. In the government-wide financial statements, tax revenue is recognized in the year in which taxes are levied.

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

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

The City pools cash from all funds (excluding the Pension and Other Employee Benefit Trust Funds) for the purpose of increasing income through investment activities. Investments are carried at fair value based on quoted market prices in accordance with GASB 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.

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

(continued)

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

Valuation of Investments - Investments are stated at fair value. Quoted market prices are used to value investments. Investments that do not have quoted market prices are priced from information received from the external manager. This information includes audited financial statements, quarterly valuation statements, adjustments for cash receipts, cash disbursements and securities distributions through September 30, 2010. Purchases and sales of investments are recorded on a trade-date basis. Interest income is recorded on an accrual basis. Dividends are recorded on the ex-dividend date.

The Plan's investment in limited partnerships are valued at estimated fair value based on the Plan's proportionate share of the partnerships' fair value as recorded in the partnerships' audited financial statements. The limited partnerships allocate gains, losses and expenses to the partners based on the ownership percentage as described in the partnership agreements.

There are certain market risks, credit risks, foreign exchange currency risks, or events that may subject the Plan's investment portfolio to economic changes occurring in certain industries, sectors, or geographies. Net investment income includes net appreciation (depreciation) in the fair value of investments, interest income, dividend income, securities lending income, and investment expense. Investment expense includes custodian and management fees, securities lending expense and all other significant investment-related costs.

Due to/from Broker – The balance due to broker securities purchased and due from broker securities sold in 2010 represents trades pending settlement and amounts due to foreign currency contracts.

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

Gains and losses resulting from foreign exchange contracts (transactions denominated in a currency other than the Plan's functional currency - U.S. dollars) are recorded by the Plan based on changes in market values and are combined with similar transactions in the accompanying statements of changes in plan net 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, 2010 were converted to the Plan's functional currency at the foreign exchange rates quoted at September 30, 2010. These foreign exchange gains and losses are included in net appreciation in fair value of investments in the accompanying statements of changes in net assets.

(continued)

A. 5. C. INVESTMENTS OF THE RETIREE HEALTHCARE TRUST FUND

Valuation of Investments - Investments are stated at fair value. Quoted market prices are used to value investments.

A. 6. INVENTORIES

In governmental funds, inventories are valued at cost using the weighted average method of valuation. Inventories in the proprietary funds are stated at the lower of cost (determined by using weighted average cost or first-in, first-out methods) or fair value. In the Equipment Services Fund (an internal service fund) inventories consist of expendable supplies and automotive parts held for consumption and are accounted for by the consumption method.

A. 7. CAPITAL ASSETS

Capital assets, which include land, buildings, infrastructure, vehicles, machinery and equipment and construction in progress, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the fund financial statements for proprietary funds. Capital assets are recorded at original cost or estimated fair market value as of the date of 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 more than one year. Depreciation is recorded on each class of depreciable property using the straight-line method over estimated useful lives of the assets. Estimated useful lives are as follows:

Water and Sewer Meters and Equipment	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

For the year ended September 30, 2010, the City implemented GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*. It defines an intangible asset's required characteristics, and generally requires that they be treated as capital assets. Implementation of this statement did not have a material effect on the City therefore prior periods were not required to be restated. Included with the City's equipment capital assets, the City has capitalized an intangible asset, computer software. The City follows the same capitalization policy and estimated useful life for its intangible asset as it does for its equipment capital assets. The City also amortizes the intangible asset utilizing the straight-line method.

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A. 8. INTERFUND TRANSACTIONS

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds," (the current portion) or "advances to/from other funds" (the long term portion). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

A. 9. COMPENSATED ABSENCES

City employees earn personal leave, which may either be taken or accumulated until paid upon termination or retirement. Unused sick leave, accrued holidays, and compensated time may be accumulated to a specific maximum amount and is paid upon termination, retirement or death for Civil Service employees. All other employees are paid up to an established limit for personal leave upon retirement or death. Accumulated vacation and sick leave is accrued when incurred in the government-wide statement of net assets, proprietary and fiduciary fund financial statements. A liability for these amounts is reported in governmental fund statements, only if they have matured as a result of employee resignation or retirements in accordance with GASB Interpretation No. 6. For accrued amounts that are paid through proprietary funds, an expense and liability for the total future liability is recorded.

The amount of current year compensated absences related to both governmental and proprietary 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 expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. The provision for claims incurred but not reported which are probable and reasonably estimable is based on City experience since the inception of the insurance programs. In accordance with GASB Statement No. 10, the estimated claims payables are based on the estimated ultimate cost of settling the claims.

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The total estimated claims payable at September 30, 2010, is $42,724, of which $27,342 represents workers' compensation case reserve losses, and is reported as long-term liabilities in the government-wide financial statements.

	Balance at October 1, 2008	Additions	Deletions	Balance at September 30, 2009	Additions	Deletions	Balance at September 30, 2010
Judgments and Claims	$ 44,161	$ 70,437	$ (68,646)	$ 45,952	$ 72,961	$ (76,189)	$ 42,724

Provisions under each type of insurance are presented below:

A. 10. B. LIABILITY INSURANCE

The City largely self-funds the risk for most liability claims, lawsuits and related expenses. However, there are separate commercial liability insurance policies for each of the following: aircraft and airport liability, liquor liability, pollution legal liability, general liability – leased property and general liability for the Fort Worth Herd Program. There were no significant changes in coverage limits for liability insurance.

A. 10. C. PROPERTY AND CASUALTY INSURANCE

An “all risk” property policy is provided by multiple commercial insurance companies for losses in excess of $250 per occurrence for all covered perils. The City self-insures most property losses less than $250. Boiler and machinery insurance, and crime insurance are also maintained on a commercial insurance basis. There were no significant changes in coverage limits for property and casualty insurance.

A. 10. D. WORKERS' COMPENSATION

The City largely self-funds the risk for workers' compensation claims. Catastrophic loss protection for workers’ compensation is provided by a commercial insurer on a policy with a self-insured retention limit of $750 for any single occurrence. Coverage limits for workers’ compensation are the statutory limits required by the Texas Workers’ Compensation Act. In addition, the policy provides Employer’s Liability coverage with limits of insurance set at $1,000 per occurrence. The policy also provides General Liability coverage with limits of insurance set at $1,000 per 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 only covers active employees and is provided by a commercial carrier. The specific stop loss insurance assumes the risk for claims on any individual in excess of $400 paid during a calendar year. This level of the specific stop loss coverage increased from $350 on January 1, 2010.

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A. 10. F. UNEMPLOYMENT COMPENSATION

The City is a reimbursing agency for Unemployment Compensation. The Texas Workforce Commission (TWC) sends quarterly reports to the City concerning claims paid on behalf of the City to eligible former employees. A third party administrator reviews the claims and files reports to TWC accordingly. There were no significant changes in coverage levels for unemployment compensation.

A. 11. FUND BALANCE/NET ASSETS

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change. The City has the following reservations of fund balance: Reserved for Encumbrances, HUD Projects, Inventories, Advances, Other Long-Term Loans Receivable, Debt Service and Prepaids, Deposits and Other. Amounts Reserved for Encumbrances are for contracts and purchase orders outstanding at the end of the fiscal year that will be fulfilled in the next fiscal year. The reservations for inventories and prepaids, deposits, and other 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 and in the business-type activities on the government-wide statement of net assets.

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.

A. 13. USE OF ESTIMATES

The preparation of the basic financial statements in conformity with GAAP requires the City's management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the basic financial statements and/or the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates, but the City believes that the differences will be insignificant.

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A. 14. IMPLEMENTATION OF NEW ACCOUNTING STANDARDS

During fiscal year 2010, the City implemented GASB issued Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*. For additional information, see footnote A.7. The Implementation of this Statement did not impact the City's Financial Statements.

The City also implemented GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*. The Implementation of this Statement did not have an impact the City's Financial Statements except for the Employees' Retirement Fund, see footnote B.5 for additional information.

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 Pension and Other Employee Benefit Trust Funds. 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 Pension and Other Employee Benefit Trust Funds are managed and accounted for separately from those of the City.

The investment policies of the City (exclusive of the Pension and Other Employee Benefit Trust Funds) 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, 2010, the fair value of securities on loan was $398,000 and the fair value of collateral held against the loaned securities was $406,000.

State statutes require all time and demand deposits to be fully insured or collateralized. At September 30, 2010, the carrying amount of the City's demand and time deposits and cash on hand was $269,300. Of the $271,282 bank balance, $250 of each interest bearing account and the entire balance of each non-interest bearing account was covered by FDIC deposit insurance with the remainder being collateralized with securities pledged by the City's agent in the City's name. As of September 30, 2010, the City had no funds which were uninsured or 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

(continued)

agreements be limited to federal government securities having a market value of at least 102 percent of the cost of the repurchase agreement.

The City maintains a Consolidated Investment Portfolio in which it pools funds for investment purposes. As of September 30, 2010, the City's Consolidated Investment Portfolio, which includes the discretely presented component units' investments, (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 ($5), a Wells Fargo 100 percent Treasury Money Fund ($61,236), and Deutsche Bank Market Fund ($15,289). 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, 2010, 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 $76,530 or 7.60 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, such as the City's investments in Local Government Investment 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 maximum weighted average maturity (WAM) of the total City Consolidated Investment Portfolio is two (2) years. The maximum stated maturity of any security is five (5) years.

Maturity	Cash to 1 year	1 - 2 years	2 - 3 years	3 - 4 years	4 - 5 years
Day Range	0-364	365-730	731-1,095	1,096-1,460	1,461-1,825
Targeted Portfolio %	43.00	14.25	14.25	14.25	14.25
Actual %	42.85	14.92	14.70	14.13	13.40

As of September 30, 2010, in the total Consolidated Investment Portfolio:

- no holding had a stated maturity date beyond September 9, 2015,
- holdings maturing beyond one year represented 57.15 percent of the total Consolidated Investment Portfolio, and
- the WAM of the Consolidated Investment Portfolio was 669 days.

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As of September 30, 2010, the investment portfolio managed by the City contained structured notes totaling $350,788 as follows:

Security	Coupon Range	Call Date Range	Maturity Date Range	Structure	Fair Value	WAM*
Structured notes past the call date:						
Federal Home Loan Bank (FHLB)	5.25%	6/19/2006	6/19/2012	Quarterly, One-Time Call	$ 5,406	21
Federal National Mortgage Assoc (FNMA)	4.75%	2/21/2006	2/21/2013	One-time Call	10,950	29
Discretely callable securities:						
Federal Home Loan Bank (FHLB)	0.75% - 2.25%	10/15/2010 - 9/10/2012	5/24/2012 - 10/28/2014	Quarterly, One-Time Call	115,700	38
Federal Home Loan Mortgage Corp (FHLMC)	1.00% - 2.15%	11/24/2010 - 8/24/2011	8/24/2012 - 8/24/2015	Annually, One-Time Call	20,053	45
Federal National Mortgage Assoc. (FNMA)	1.00% - 3.00%	12/10/2010 - 8/25/2011	5/25/2012 - 9/9/2015	Quarterly, One-Time Call, Two-Time Call	174,579	43
Continuously callable securities:						
Federal Home Loan Bank (FHLB)	2.35% - 3.45%	10/28/2010 - 8/19/2011	6/3/2013 - 10/28/2014	Continuous	24,100	41
Total Structured Notes					$ 350,788	

* 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.

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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, 2010 in the Primary Government and Discretely Presented Component Units investment portfolio:

- investment in one AAA-rated local government investment pool represented less than 0.01 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 7.60 percent of the total investment portfolio,
- investment in collateralized certificates of deposit represented 5.53 percent, and
- the remainder of the investments portfolio (86.86 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, 2010.

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, 2010, the investment portfolios contained certificates of deposit ($55,742) 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.

(continued)

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.

B.3. CASH, CASH EQUIVALENTS, AND INVESTMENTS

The City held the following cash, cash equivalents, and investments as of September 30, 2010:

Pooled Cash, Cash Equivalents and Investments Managed by the City	Fair Value	Weighted Average Maturity by Days	Credit Rating
Cash	$ 204,518	N/A	N/A
Cash in Bank - Blended Component Units	948	N/A	N/A
Money Market Mutual Funds	5	N/A	AAA
Federal Farm Credit Bank (FFCB)	55,067	819	AAA
Federal Home Loan Bank (FHLB)	196,367	1,030	AAA
Federal Home Loan Mortgage Corp. (FHLMC)	80,173	766	AAA
Federal National Mortgage Assoc. (FNMA)	226,607	1,190	AAA
U. S. Treasury Notes	286,386	301	AAA
Certificates of Deposits	55,742	777	N/A
Local Government Investment Pools	4	N/A	AAA
Total Cash, Cash Equivalents and Investments Managed by the City	1,105,817		
Cash, Cash Equivalents and Investments Held by Trustees for the City			
Gas Well Revenue - Cash	2,901	N/A	N/A
Department of Justice Grant - Cash	5,191	N/A	N/A
Water and Sewer Reserve Fund - Money Market Mutual Funds	25,596	N/A	AAA
2010B City of Fort Worth Escrow - Money Market Mutual Funds	27,372	N/A	AAA
Texas Acquisition Fund - Money Market Mutual Funds	15,289	N/A	AAA
Fort Worth Local Development Corp - Money Market Mutual Funds	4,995	N/A	AAA
SW Parkway - Money Market Mutual Funds	1,960	N/A	AAA
SE Landfill - Money Market Mutual Funds	1,313	N/A	AAA
Total Cash and Cash Equivalents Held by Trustees for the City	84,617		
Total Cash, Cash Equivalents and Investments - Primary Government	1,190,434		
Cash and Cash Equivalents Managed by the Employees' Retirement Fund			
Cash in Bank	152	N/A	N/A
Investments Managed by the Employees' Retirement Fund			
Investments	1,837,409	see Note B.5	
Total Cash, Cash Equivalents and Investments - Employees' Retirement Fund	1,837,561		

(continued)

(continued)

Cash and Cash Equivalents Managed by the Retiree Healthcare Fund			
Cash in Bank	$ 6,423	N/A	N/A
Investments Managed by the Retiree Healthcare Fund			
Investments	3,811	N/A	see Note B.4
Total Cash, Cash Equivalents and Investments - Retiree Healthcare Fund	10,234		
Cash Equivalents and Investments – Discretely Presented Component Units			
Federal Farm Credit Bank (FFCB)	2,978	819	AAA
Federal Home Loan Bank (FHLB)	10,619	1,030	AAA
Federal Home Loan Mortgage Corp. (FHLMC)	4,335	766	AAA
Federal National Mortgage Assoc. (FNMA)	12,254	1,190	AAA
Total Cash and Cash Equivalents – Discretely Presented Component Units	30,186		
Total Cash, Cash Equivalents, and Investments	$ 3,068,415		

(concluded)

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

Cash, Cash Equivalents, and Investments, per note	
Primary Government	$ 1,190,434
Employees' Retirement Fund	1,837,561
Retiree Healthcare Fund	10,234
Discretely Presented Component Units	30,186
Total, per note	$ 3,068,415
Cash, Cash Equivalents, and Investments, per Basic Financial Statements	
Statement of Net Assets - Primary Government	$ 740,914
Statement of Net Assets - Primary Government Restricted	449,520
Statement of Net Assets - Discretely Presented Component Units	30,186
Statement of Fiduciary Net Assets - Cash and Cash Equivalents	6,575
Statement of Fiduciary Net Assets - Cash and Investments Held by Trustees	1,841,220
Total, per Basic Financial Statements	$ 3,068,415

B. 4. INVESTMENTS OF THE RETIREE HEALTHCARE FUND (THE "OPEB PLAN")

INVESTMENTS

Substantially all of the OPEB Plan's investments are held by its trustee/custodian. The City Council has authorized its portfolio manager to manage investments within certain policies as set forth by the City Council. 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:

(continued)

Custodial Credit Risk - Custodial credit risk is the risk that in the event of failure of the counterparty, the OPEB Plan would not be able to recover the value of its investments. The OPEB Plan does not have a formal policy for custodial credit risk. As of September 30, 2010 all investments are registered in the name of the City of Fort Worth Public Agency Retirement Services (PARS) Post-Retirement Health Care Plan or in the name of the OPEB Plan's custodian established through a master trust custodial agreement.

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 OPEB Plan does not have a formal policy for credit risk of debt securities. Below are the OPEB Plan's investments as of September 30, 2010:

Investment Type	Rating	Fair Value
Fixed Income Mutual Funds:		
Barclay Usage B	A	$ 1,430
Vanguard Short-Term Investment	BBB	754
Total Fixed Income Mutual Funds		2,184
Equity Mutual Funds:		
Cohen & St Realty	N/A	99
MSCI Eafe Idx	N/A	177
MSCI Emerg Mkt	N/A	116
TR Russell MCP GR	N/A	128
TR Russell MCP VL	N/A	153
S&P SMLCP Grow	N/A	101
S&P SMLCP Value	N/A	142
S&P 500 Index	N/A	302
S&P 500 Value	N/A	219
S&P 500 Grow	N/A	190
Total Equity Mutual Funds		1,627
Total Investments		$ 3,811

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 OPEB Plan's investment policy addresses concentration limits on a manager basis. As of September 30, 2010 the OPEB Plan did not have any investments in commingled funds, where the underlying assets were not registered in the Fund's name that totaled more than 5% of assets of the Fund.

Interest Rate Risk – Interest rate risk is the risk that changes in interest rates of debt investments will adversely affect the fair value of an investment. The OPEB 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.

B.5. 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.

(continued)

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, 2010 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.

Below are the Plan's investments as of September 30, 2010:

Investment Type	S&P Rating	Fair Value
Asset & Mortgage Backed Obligations	AAA	$ 22,728
Asset & Mortgage Backed Obligations	AA	2,300
Asset & Mortgage Backed Obligations	A	5,807
Asset & Mortgage Backed Obligations	BBB	3,395
Asset & Mortgage Backed Obligations	BB	2,128
Asset & Mortgage Backed Obligations	B	4,606
Asset & Mortgage Backed Obligations	CCC	5,976
Asset & Mortgage Backed Obligations	CC	3,277
Asset & Mortgage Backed Obligations	C	1,142
Asset & Mortgage Backed Obligations	D	717
Asset & Mortgage Backed Obligations	NR	636
Total Asset & Mortgage Backed Obligations		52,712
Corporate Obligations	AAA	1,079
Corporate Obligations	AA	9,441
Corporate Obligations	A	51,869
Corporate Obligations	BBB	71,044
Corporate Obligations	BB	16,095
Corporate Obligations	B	32,923
Corporate Obligations	CCC	12,576
Corporate Obligations	CC	109
Corporate Obligations	D	3,752
Corporate Obligations	NR	8,192
Total Corporate Obligations		207,080

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Government Agency Obligations	AAA	$ 45,384
Government Agency Obligations	AA	1,315
Government Agency Obligations	A	3,149
Government Agency Obligations	BBB	114
Government Agency Obligations	NR	303
Total Government Agency Obligations		50,265
International Obligations	AAA	32,446
International Obligations	AA	4,975
International Obligations	A	27,687
International Obligations	BBB	22,856
International Obligations	BB	3,210
International Obligations	CCC	223
Total International Obligations		91,397
Securities Lending Collateral	AAA	46,887
Securities Lending Collateral	AA	6,326
Securities Lending Collateral	A	113,481
Securities Lending Collateral	BBB	534
Securities Lending Collateral	BB	16
Securities Lending Collateral	B	124
Securities Lending Collateral	CCC	9
Securities Lending Collateral	NR	19,123
Total Securities Lending Collateral		186,500
Total Fixed Income Subject to Credit Risk		587,954
US Treasuries (Not Subject to Credit Risk)		45,108
Short Term Mutual Fund Investments		46,391
Corporate Stock		509,571
Alternative Investments		351,185
Commingled Funds		298,071
Less investments in Non-City Funded Staff Plan		(871)
Total Investments		$ 1,837,409

(concluded)

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, 2010 the Plan did not have any investments in commingled funds, where the underlying assets were not registered in the Fund's name that totaled more than 5% of assets of the Fund.

Interest Rate Risk – Interest rate risk is the risk that changes in interest rates of debt investments will adversely affect the fair value of an investment. The Plan does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from changing interest rates.

(continued)

Investment Type	Less Than 1 Year	1 - 5 Years	6 - 10 Years	More Than 10 Years	Total Fair Value
Asset & Mortgage Backed Obligations	$ 221	$ 3,050	$ 762	$ 48,679	$ 52,712
Corporate Obligations	1,189	91,667	70,550	43,674	207,080
Government Agency Obligations	-	3,137	4,202	42,926	50,265
International Obligations	4,613	43,078	23,148	20,558	91,397
Securities Lending Collateral	186,500	-	-	-	186,500
Total Interest Rate Risk Debt Securities	$ 192,523	$ 140,932	$ 98,662	$ 155,837	$ 587,954

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, 2010 is presented below:

Currency	Debt	Equity	Total
Australian Dollar	$ 6,462	$ 8,259	$ 14,721
Brazilian Real	2,926	4,716	7,642
British Pound Sterling	4,932	24,267	29,199
Canadian Dollar	6,754	10,925	17,679
Chinese Yuan Renminbi	3,676	-	3,676
Danish Krone	-	2,607	2,607
Euro Currency Unit	333	53,895	54,228
Hong Kong Dollar	777	14,822	15,599
Hungarian Forint	1,278	-	1,278
Indonesian Rupiah	2,393	-	2,393
Japanese Yen	(264)	15,340	15,076
Mexican New Peso	3,765	1,359	5,124
Malaysian Ringgit	2,098	-	2,098
New Taiwan Dollar	694	-	694
New Zealand Dollar	2,607	-	2,607
Norwegian Krone	1,557	96	1,653
Philippine Peso	-	577	577
Polish Zloty	2,274	-	2,274
Singapore Dollar	155	2,357	2,512

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South African Rand	$ 523	$ -	$ 523
South Korean Won	2,727	1,963	4,690
Swedish Krona	1,864	1,959	3,823
Swiss Franc	-	13,768	13,768
Thai Baht	-	1,039	1,039
Turkish Lira	1,391	-	1,391
Total securities subject to foreign currency risk	$ 48,922	$ 157,949	$ 206,871

(concluded)

DERIVATIVE FINANCIAL INSTRUMENTS

The Plan's investment managers are permitted to invest in derivatives subject to guidelines established by the Board. Derivatives are financial instruments that derive their value, usefulness, and marketability from an underlying instrument which represents direct ownership of an asset or an obligation of an issuer. The Plan's derivative positions are marked to market daily and managers may only trade with counterparties with a credit rating of A-/A3 as defined by Standard & Poor's (S&P) and Moody's respectively. Substitution and risk control are the only strategies permitted; speculation is strictly prohibited. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative. Fair value is determined based on quoted market prices, if available, or based on differences in cash flows between the fixed and variable rates in each contract as of the measurement date. Gains and losses from derivatives are included in net investment income. For financial reporting purposes, all Plan derivatives are classified as investment derivatives. The Plan was in possession of the following types of derivatives at September 30, 2010:

Futures Contracts - A futures contract represents an agreement to buy (long position) or sell (short position) an underlying asset at a specified future date for a specified price. Payment for the transaction is delayed until a future date, which is referred to as the settlement or expiration date. Futures contracts are standardized contracts traded on organized exchanges.

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

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

(continued)

The Investment Derivatives schedule listed below reports the fair value and changes in fair value and notional amounts of derivatives outstanding as of September 30, 2010, classified by type:

	Changes in Fair Value		Fair Value	
Derivative Type	Classification	Amount	Amount	Notional
Fidiciary Funds				
Investment Derivatives				
Futures Contracts	Investment Income	$ -	$ -	$ 150,000
Forward Contracts	Investment Income	(1,154)	(765)	194,449
Swap Agreements	Investment Income	71	596	(86,160)
Rights and Warrants	Investment Income	(29)	-	-
	Totals	$ (1,112)	$ (169)	$ 258,289

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

The following Credit Risk Analysis schedule discloses the counterparty credit ratings of the Plan's investment derivatives by type, as of September 30, 2010. These amounts represent the maximum loss that would be recognized if all counterparties fail to perform as contracted, without respect to any collateral or other security or netting arrangement. The schedule displays the fair value of the investments by credit rating in increasing magnitude of risk. Investments are classified by S&P rating. If the investment does not have an S&P rating, the Moody's rating that corresponds to the S&P rating is used. As of September 30, 2010 the Plan has a net exposure to credit risk of $169.

Derivative Type	AAA	AA	A	Total Fair Value
Forward Contracts	$ (25)	$ (627)	$ (113)	$ (765)
Swap Agreements	-	685	(89)	596
Total	$ (25)	$ 58	$ (202)	$ (169)

Interest Rate Risk - The interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Interest rate swaps are an example of an investment that has a fair value that is highly sensitive to interest rate changes. These investments, as of September 30, 2010, are disclosed on the following table.

(continued)

Derivative Type	Notional Amount	Total Fair Value
Interest Rate Swaps	$ 32,200	$ 746
Swaptions	(127,700)	(250)
Total	$ (95,500)	$ 496

Foreign Currency Risk - For those forward contracts and swap agreements that are securities issued by foreign countries and foreign businesses there is an exposure to foreign currency risk. Currency forward contracts represent foreign exchange contracts that are used to control currency exposure and facilitate the settlement of international security purchase and sale transactions. The net exposure column of the schedule below indicates the Plan's net foreign currency risk related to derivatives as of September 30, 2010.

Currency	Forward Contracts	Swap Agreements	Net Exposure
Australian Dollar	$ (310)	$ 93	$ (217)
Brazilian Real	(173)	248	75
British Pound Sterling	(100)	-	(100)
Canadian Dollar	(62)	-	(62)
Chinese Yuan Renminbi	5	-	5
Euro Currency Unit	(346)	25	(321)
Hungarian Forint	102	-	102
Mexican New Peso	(82)	50	(32)
New Zealand Dollar	31	-	31
Norwegian Krone	48	-	48
Polish Zloty	(101)	-	(101)
South Korean Won	21	-	21
Swedish Krona	10	-	10
Taiwan Dollar	2	-	2
Turkish Lira	190	-	190
Totals	$ (765)	$ 416	$ (349)

The values shown are for the positions that the Plan holds directly. The Plan may also have an indirect exposure to derivatives via its commingled funds. The Plan owns units of the commingled fund and the comingled fund holds the actual positions. Indirect exposures via these types of investments are not shown here.

SECURITIES LENDING

The Plan is authorized to contractually lend securities to borrowers in accordance with policy established by the Board of Trustees. The Plan 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.

(continued)

Cash collateral is to be invested in government securities, bank and corporate notes, bank certificates of deposit, time deposits, bankers' acceptances, repurchase agreements, commercial paper and asset backed securities. The contracts with Mellon Bank and Northern Trust specify guidelines for allowable investments, maturities, and diversification. The Plan does not have the ability to pledge or sell collateral securities without borrower default. The amount of collateral held exceeds the value of the assets on loan.

The Plan earns income from fees paid by the borrowers and interest earned from investing the cash collateral. The contract requires the custodian bank to purchase any loaned securities with collateral provided, however, if the collateral is insufficient to cover the loss, the Plan is liable for the loss. The cash collateral received on each loan was invested in the collateral pool at Northern Trust. Because the loans are terminable at will, their duration generally did not match the duration of the investments made with cash collateral. In addition, the Plan had no credit risk exposure to borrowers. As of September 30, 2010 the value of the collateral held was $188,297 and the value of securities out on loan at September 30, 2010 was $183,419. The Plan earned $544 (prior to payment for collateral losses discussed below) on its securities lending activity for the fiscal years ended September 30, 2010.

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. In March 2010 the remaining liability of $573 was removed and no additional losses were recognized from the 2008 event.

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 $765 and $2,400 at September 30, 2010 and 2009, respectively, 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, 2010, the fair value of these contracts is included in due to/from broker.

SUBSEQUENT EVENTS

The Plan continues to implement the new target asset allocation approved by the Board in July 2009. At the October 27, 2010 meeting the Board voted to hire the Segal Company as the Plan's new actuary. Segal will perform the January 1, 2011 valuation for the City Plan. During November and December 2010 the Fort Worth City Council approved several resolutions notifying the Board of their intention to modify the Plan. The specifics of the changes have not been identified so the potential impact to the Plan can not be determined. There have been no material events that change the value of assets or liabilities of the Plan.

(continued)

NOTE C: RECEIVABLES AND INTERFUND BALANCES

C.1. RECEIVABLES

Receivables at September 30, 2010 for governmental activities of the City's individual major funds and nonmajor and internal service funds in the aggregate, including the applicable allowances for uncollectible accounts, consist of the following:

Receivables	General Fund	Debt Service	Nonmajor Governmental	Internal Service	Total Governmental Activities
Taxes	$ 18,271	$ 5,428	$ -	$ -	$ 23,699
Grants and Other Governments	18,714	-	25,132	-	43,846
Levied, Unbilled Assessments	-	-	2,082	-	2,082
Loans	-	-	3,973	-	3,973
Long-term Loans	-	-	13,123	-	13,123
Interest	682	954	516	44	2,196
Interest - Restricted	-	-	27	-	27
Accounts and Other	59,017	-	4,119	7	63,143
Total Gross Receivables	96,684	6,382	48,972	51	152,089
Less Allowance for Doubtful Accounts:					
Taxes	(14,868)	(4,417)	-	-	(19,285)
Levied, Unbilled Assessments	-	-	(2,082)	-	(2,082)
Accounts and Other	(44,054)	-	(73)	-	(44,127)
Total Allowance	(58,922)	(4,417)	(2,155)	-	(65,494)
Total Receivables, Net	$ 37,762	$ 1,965	$ 46,817	$ 51	$ 86,595

(continued)

Receivables at September 30, 2010 for business-type activities of the City's individual major enterprise funds and nonmajor enterprise funds in the aggregate, including the applicable allowances for uncollectible accounts, consist of the following:

Receivables	Water and Sewer Fund	Nonmajor Enterprise	Total Business-type Activities
Interest	$ 144	$ 184	$ 328
Accounts and Other	47,062	12,309	59,371
Grants - Restricted	26	516	542
Interest - Restricted	535	622	1,157
Total Gross Receivables	47,767	13,631	61,398
Less Allowance for Doubtful Accounts:			
Accounts and Other	(1,501)	(869)	(2,370)
Total Allowance	(1,501)	(869)	(2,370)
Total Receivables, Net	$ 46,266	$ 12,762	$ 59,028

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:

Description	Unavailable	Unearned
Property Taxes	$ 4,292	$ -
Grants and Other Governments	8,411	14,938
Loans	-	3,973
Long-term Loans	-	12,108
Other	-	1,443
Total Unavailable / Unearned Revenues	$ 12,703	32,462
Total Deferred Revenue for Governmental Funds		$ 45,165

(continued)

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

Description	Water and Sewer Fund	Nonmajor Enterprise	Total Business-type Activities
Deposits and Rents	$ 1,516	$ 6,546	$ 8,062
Grants	-	80,000	80,000
Total Unearned Revenues	$ 1,516	$ 86,546	$ 88,062

C.2. INTERFUND RECEIVABLES AND PAYABLES

Interfund receivable and payable balances at September 30, 2010, were as follows:

Receivable Fund	Payable Fund	Total
General Fund	Nonmajor Governmental	$ 7,049
Nonmajor Governmental	General Fund	390
Nonmajor Governmental	Nonmajor Governmental	2,163
Nonmajor Governmental	Nonmajor Enterprise	137
Total:		$ 9,739

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

The General Fund had a receivable of $4,084 due from the Special Projects Special Revenue Fund (non-major governmental fund) to cover various special capital projects and a receivable of $2,965 due from the Grants Fund (non-major governmental fund) is to cover a temporary cash deficit.

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

The Fort Worth Local Development Corporation (non-major 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.

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

(continued)

C.3. ADVANCES

Advances from/to other funds at September 30, 2010, are as follows:

Receivable Fund	Payable Fund	Total
General Fund	Nonmajor Enterprise	$ 5,258
General Fund	Internal Service Funds	708
Nonmajor Governmental	Nonmajor Enterprise	351
Nonmajor Enterprise	Nonmajor Governmental	1,750
Total:		$ 8,067

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

The $5,258 payable to the General Fund from the Non-major Enterprise Funds is due from the Municipal Golf Fund to cover a cash deficit. This advance will be repaid by revenue from operations.

The $708 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 Non-major Governmental Funds from the Non-major Enterprise Funds is due from the Municipal Airport Fund to the Capital Projects Reserve Fund for airport improvements. This advance will be repaid from future operating revenues.

The $1,750 payable to the Non-major Enterprise Funds from the Non-major Governmental Funds is due from the Street Improvement Fund to the Municipal Airports Fund for major street reconstruction projects. This advance will be repaid from future revenues.

C. 4. TRANSFERS

Transfers made during the year are as follows:

	Transfers In:						
	General Fund	Debt Service	Nonmajor Gov't	Water and Sewer	Nonmajor Enterprise	Internal Service	Total
Transfers Out:							
General Fund	$ -	$ 4,830	$ 19,276	$ 427	$ 525	$ 138	$ 25,196
Debt Service	-	-	895	-	-	-	895
Nonmajor Governmental Funds	11,560	-	9,391	3,335	17,455	-	41,741
Water & Sewer Fund	20,245	-	9,687	-	-	-	29,932
Nonmajor Enterprise Funds	8,234	-	2,443	248	-	-	10,925
Internal Service Funds	268	-	35	-	-	-	303
Total	$ 40,307	$ 4,830	$ 41,727	$ 4,010	$ 17,980	$ 138	$ 108,992

(continued)

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 $4,830 to finance fiscal year 2010 debt service payments from property tax.

General Fund transfers to Nonmajor Governmental Funds totaling $19,276, of which $15,872 was used to finance street maintenance programs.

Transfers between Nonmajor Governmental Funds totaling $9,391, of which $6,373 was transferred for the City's match on a Texas Department of Transportation grant to widen Golden Triangle Boulevard.

The Nonmajor Governmental Funds transferred $17,455 to a Non-major Enterprise Fund for gas well revenues generated to be used for Aviation purposes.

The Nonmajor Governmental Funds transferred $11,560 to the General Fund. Part of the total amount transferred included $7,998 from the Crime Control Fund to finance civil service pay plan.

The Water and Sewer Fund transferred $20,245 to the General Fund of which $18,157 into the Finance Department for street rentals and $1,030 for the PILOT (Payments in Lieu of Taxes) program.

The Water and Sewer Fund transferred $9,687 to Non-major Governmental Funds of which $5,360 was related to gas leases and $4,289 for funding of special capital projects.

Nonmajor Enterprise Funds transfers to the General Fund include $3,129 for revenues collected from parking meters, court citations, and public events.

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

NOTE D: FUND EQUITY

D.1 FUND DEFICITS

Office Services Internal Services Fund – Current year decrease in net assets of $79 was due to insufficient user fees and resulted in an increased deficit net assets of $702. 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 unreserved fund balance in the General Fund. These amounts represent management's tentative plans for the designated balances. As of September 30, 2010, the City has designated amounts within the unreserved fund balance for risk financing of $40,001, culture and tourism of $16,780, $500

(continued)

for utility rate case actions, $100 for a saving program and $10,000 for funding high priority capital projects resulting in an unreserved and undesignated balance in the General Fund of $72,398. As of September 30, 2009, the City had a General Fund unreserved and undesignated fund balance of $127,656. Of that amount the balance included earmarked amounts for risk financing totaling $38,830 and for culture and tourism totaling $14,887.

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:

	Nonmajor Governmental Funds	Water and Sewer	Nonmajor Enterprise Funds	Internal Service Funds	Total
Debt Service:					
Cash and Cash Equivalents	$ -	$ 36,352	$ 3,362	$ -	$ 39,714
Cash and Cash Equivalents Held by Trustees	-	2,264	-	-	2,264
Interest Receivable	-	192	49	-	241
	-	38,808	3,411	-	42,219
Capital Improvements:					
Cash and Cash Equivalents	18,847	100,898	184,847	3,936	308,528
Cash and Cash Equivalents Held by Trustees	3,531	66,161	894	-	70,586
Grant Receivables	-	26	517	-	543
Interest Receivable	-	343	572	-	915
	22,378	167,428	186,830	3,936	380,572
Customer Deposits:					
Cash and Cash Equivalents	-	11,306	739	-	12,045
	-	11,306	739	-	12,045
Other Restrictions:					
Cash and Cash Equivalents	13,997	-	1,073	-	15,070
Cash and Cash Equivalents Held by Trustees	-	-	1,313	-	1,313
Interest Receivable	27	-	-	-	27
	14,024	-	2,386	-	16,410
Total	$ 36,402	$ 217,542	$193,366	$ 3,936	$ 451,246

The Nonmajor Governmental Funds had $14,024 in other restricted assets of which $8,494 is restricted by City Council ordinance for specified purposes.

(continued)

NOTE F: CAPITAL ASSETS

Capital asset activity for Governmental Activities for the year ended September 30, 2010 was as follows:

	Beginning Balance October 1, 2009	Additions/ Transfers In	Decreases/ Transfers Out	Ending Balance September 30, 2010
Total Governmental Activities				
Capital assets, not being depreciated:				
Land	$ 102,229	$ 6,440	$ (35)	$ 108,634
Construction in progress	221,615	119,811	(85,891)	255,535
Total capital assets, not being depreciated	323,844	126,251	(85,926)	364,169
Capital assets, being depreciated:				
Buildings	347,301	3,030	(63)	350,268
Vehicles, machinery and equipment	158,362	13,476	(4,575)	167,263
Infrastructure	2,055,577	94,130	-	2,149,707
Total capital assets, being depreciated	2,561,240	110,636	(4,638)	2,667,238
Less accumulated depreciation for:				
Buildings	150,867	9,677	(63)	160,481
Vehicles, machinery and equipment	112,085	13,959	(4,565)	121,479
Infrastructure	1,208,325	71,867	-	1,280,192
Total accumulated depreciation	1,471,277	95,503	(4,628)	1,562,152
Total capital assets, being depreciated, net	1,089,963	15,133	(10)	1,105,086
Governmental activities capital assets, net	$ 1,413,807	$ 141,384	$ (85,936)	$ 1,469,255

Capital asset activity for Business-Type Activities for the year ended September 30, 2010 was as follows:

	Beginning Balance October 1, 2009	Additions/ Transfers In	Decreases/ Transfers Out	Ending Balance September 30, 2010
Business-Type Activities				
Capital assets, not being depreciated:				
Land	$ 71,565	$ 1,980	$ -	$ 73,545
Construction in progress	301,768	143,554	(125,246)	320,076
Total capital assets, not being depreciated	373,333	145,534	(125,246)	393,621
Capital assets, being depreciated:				
Buildings	60,015	25,377	(1)	85,391
Vehicles, machinery and equipment	372,089	4,285	(1,397)	374,977
Infrastructure	2,231,101	114,925	(766)	2,345,260
Total capital assets, being depreciated	2,663,205	144,587	(2,164)	2,805,628
Less accumulated depreciation for:				
Buildings	28,332	1,907	(1)	30,238
Vehicles, machinery and equipment	152,352	15,023	(1,379)	165,996
Infrastructure	583,299	48,994	(310)	631,983
Total accumulated depreciation	763,983	65,924	(1,690)	828,217
Total capital assets, being depreciated, net	1,899,222	78,663	(474)	1,977,411
Business-Type activities capital assets, net	$ 2,272,555	$ 224,197	$ (125,720)	$ 2,371,032

(continued)

Depreciation expense was charged as follows for year ending September 30, 2010:

	Depreciation Expense
Governmental Activities	
General Government	$ 1,471
Public Safety	11,054
Transportation and Public Works	70,775
Parks and Community Services	5,582
Public Library	1,109
Public Events and Facilities	4,827
Planning and Development	81
Housing	604
Total Governmental Depreciation	95,503
Major Business-Type Activities	
Water	54,674
Non-Major Business-Type Activities	
Municipal Airports	7,588
Municipal Golf	447
Municipal Garage	740
Stormwater Utility	1,479
Solid Waste	919
Total Business-Type Depreciation	65,847
Total Depreciation	$ 161,350

The Governmental Activities depreciation expense includes $1,521 of depreciation expense from the Internal Service Funds. Capital assets were transferred to business-type activities from governmental activities during fiscal year 2010 with related accumulated depreciation of $77. This amount is included in the *Additions/Transfers In* amount included in the business-type activities capital asset activity schedule.

The City capitalizes interest during the construction period in proprietary fund capital projects. For the year ended September 30, 2010, $4,344, $1,968, and $1,952 of interest was capitalized in the Water and Sewer Fund, Municipal Parking Fund and Stormwater Utility Fund, respectively.

(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, 2010.

	Balance at October 1, 2009	Increases	Decreases	Balance at September 30, 2010	Due Within One Year
Governmental Activities:					
General Obligation Bonds	$ 406,006	$ -	$ 25,881	$ 380,125	$ 26,515
Certificates of Obligation	166,215	34,685	12,245	188,655	9,160
Convention Center Installment Obligation	5,585	-	575	5,010	605
HUD Installment Obligations	8,147	-	682	7,465	704
Equipment Notes	22,634	-	3,782	18,852	3,897
Service Center Obligation	20,995	-	475	20,520	490
Fort Worth Housing Finance Corp Obligation	9,322	-	78	9,244	83
Fort Worth Sports Authority Obligation	15,903	-	461	15,442	-
Lone Star Local Government Corp Obligation	31,617	-	-	31,617	-
Central City Local Government Corp Obligation	2,219	-	410	1,809	-
State Energy Conservation Loan Phase I & II*	3,730	104	618	3,216	637
State Energy Conservation Loan Phase III*	4,397	150	467	4,080	481
ESPC Phase IV	9,066	-	271	8,795	444
Wells Fargo Loan	245	-	49	196	52
Beechwood Bridge Obligation	1,127	-	403	724	-
Unamortized Bond Premium	15,052	-	1,783	13,269	-
Unamortized Loss on Refunding	(3,745)	-	(317)	(3,428)	-
Unamortized Bond Discount	(20)	-	-	(20)	-
Compensated Absences	104,251	25,764	24,063	105,952	24,063
Risk Management Estimated Claims Payable	45,952	72,961	76,189	42,724	17,698
HUD Claims Payable	691	-	691	-	-
Other Post Employment Benefits Obligation	150,295	63,674	-	213,969	-
Net Pension Obligation	64,002	6,389	-	70,391	-
Total Governmental Activities	1,083,686	203,727	148,806	1,138,607	84,829

*Adjusted for State application of principal and interest payments made by the City.

(continued)

(continued)

	Balance at October 1, 2009	Increases	Decreases	Balance at September 30, 2010	Due Within One Year
Business-Type Activities:					
Water and Sewer - Revenue Bonds	$ 687,075	$ 152,955	$ 162,220	$ 677,810	$ 54,015
Water and Sewer - General Obligations	62	-	62	-	-
Water and Sewer - Trinity River Authority Oblig.	8,065	-	445	7,620	470
Water and Sewer - ESPC Phase V	-	15,365	-	15,365	-
Municipal Airport - Certificates of Obligation	55	-	55	-	-
Solid Waste - Equipment Notes	4,545	-	1,226	3,319	1,269
Solid Waste - Certificates of Obligation	6,960	-	435	6,525	435
Municipal Parking - Certificates of Obligation	47,970	-	300	47,670	480
Municipal Golf - General Obligations	3	-	3	-	-
Municipal Golf - Certificates of Obligation	2,255	-	2,255	-	-
Stormwater - Revenue Bonds	23,600	45,190	1,445	67,345	1,515
Unamortized Bond Premium	18,535	11,116	3,223	26,428	-
Unamortized Loss on Refunding	(11,281)	(1,821)	(1,296)	(11,806)	-
Municipal Golf - Capital Lease	69	-	64	5	5
Compensated Absences	9,158	3,938	3,860	9,236	3,859
Arbitrage	152	-	83	69	69
Landfill Closure and Postclosure Liab.	7,176	-	3,936	3,240	-
Pollution Remediation Liability	9,225	-	244	8,981	-
Other Post Employment Benefits Obligation	22,645	10,036	-	32,681	-
Net Pension Obligation	9,158	1,006	-	10,164	-
Total Business-Type Activities	845,427	237,785	178,560	904,652	62,117
Total Long-Term Liabilities	$ 1,929,113	$ 441,512	$ 327,366	$ 2,043,259	$ 146,946

(concluded)

(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 2001 Refunding	4.0-5.25	2001	2021	$ 17,260	$ 3,575
Series 2001A	4.5-5.0	2001	2021	19,000	5,700
Series 2002 Refunding	3.0-5.0	2002	2013	23,005	1,385
Series 2003	3.0-4.625	2003	2023	42,560	27,685
Series 2003A	3.0-5.0	2003	2023	37,365	24,310
Series 2003B Refunding	3.0-5.25	2003	2022	42,700	33,435
Series 2004 Refunding	3.0-5.0	2004	2021	46,230	37,410
Series 2007	4.48	2007	2027	50,000	42,500
Series 2007A	4.38-4.531	2007	2027	100,000	82,955
Series 2008	4.64	2008	2018	49,650	40,250
Series 2009	2.5-5.0	2009	2029	85,180	80,920
Total general obligation bonds					380,125
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	1,545
Series 2005A	4.5	2005	2025	7,700	5,775
Series 2007	5.0-5.25	2007	2027	40,250	34,205
Series 2008	4.64	2008	2018	63,150	51,190
Series 2009	3.0-4.375	2009	2029	55,585	48,850
Series 2010	2.0-4.25	2010	2031	34,685	34,685
Total certificates of obligation					188,655
Convention center installment obligation:					
Series 1997	5.0-5.8	1997	2017	10,000	5,010
HUD installment obligation:					
Series 2000A	4.46-6.8	2000	2017	3,475	1,855
Series 2005	4.46-6.8	2005	2020	7,500	5,610
Total HUD installment obligation					7,465
Equipment notes:					
Series 2004	2.66	2004	2011	3,200	457
Series 2008	2.66	2008	2015	25,000	18,395
Total equipment notes					18,852
Service center obligation:					
Series 2004	2.6-4.75	2004	2034	22,725	20,520
Fort Worth Housing Finance Corp obligation:					
Series 2002	6.267	2002	2044	9,588	9,244
Fort Worth Sports Authority obligation	n/a	1997	2026	20,000	15,442
Lone Star Local Gov't Corp. obligation	4.75	2006	2024	31,617	31,617
Central City Local Gov't Corp. obligation:					
Series 2006	4.75	2006	2016	3,574	1,809

(continued)

(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	$ 3,216
Phase III	3.0	2007	2019	5,000	4,080
Total State energy conservation loans					7,296
ESPC IV	2.7	2009	2024	9,066	8,795
Wells Fargo loan:					
Series 2004	4.725	2004	2013	467	196
Beechwood Bridge obligation	n/a	2007	2012	1,719	724
Net unamortized bond premium/discount and loss on refunding				n/a	9,821
Compensated absences	n/a	n/a	n/a	n/a	105,952
Estimated claims payable	n/a	n/a	n/a	n/a	42,724
Other post employment benefits obligation	n/a	n/a	n/a	n/a	213,969
Net pension obligation	n/a	n/a	n/a	n/a	70,391
Total Governmental Activities long-term debt					$ 1,138,607

(concluded)

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

(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 2001	5.0-5.625	2001	2022	$ 49,125	$ 20,490
Series 2001 TWDB	3.05-4.15	2001	2021	8,080	5,125
Series 2002 TWDB	2.7-4.35	2002	2022	34,310	23,310
Series 2003 Refunding	3.0-5.5	2003	2023	86,495	43,005
Series 2003A Refunding	2.0-5.25	2003	2015	50,370	40,440
Series 2005	3.0-5.25	2005	2025	120,400	103,895
Series 2005A Refunding	3.0-5.0	2005	2020	73,075	60,505
Series 2005 TWDB	.35-2.4	2005	2025	7,890	6,130
Series 2005A TWDB	2.2-3.5	2005	2025	11,500	9,570
Series 2005B TWDB	4.45-6.25	2005	2025	64,520	53,190
Series 2007	5.0	2007	2027	100,000	90,755
Series 2007A TWDB	1.75-2.55	2007	2027	33,560	30,610
Series 2007B TWDB	2.2-2.55	2007	2017	19,440	15,515
Series 2008 Refunding	3.88	2008	2024	44,085	39,955
Series 2009 TWDB	-	2009	2030	11,470	7,570
Series 2010 Refunding	4.0-5.0	2010	2020	98,855	98,855
Series 2010A	0.36-2.62	2010	2030	890	890
Series 2010B	0.15-2.85	2010	2030	28,000	28,000
Total revenue bonds					677,810
Trinity River Authority obligations:					
Series 2002	4.0-5.0	2002	2022	10,560	7,620
ESPC Phase V	3.68	2010	2018	15,365	15,365
Total Water and Sewer					700,795
Solid Waste:					
Equipment notes:					
Series 2003	3.61	2003	2013	173	58
Series 2003A	3.42	2003	2013	1,336	449
Series 2003B	3.454	2003	2011	9,576	2,812
Total equipment notes					3,319
Certificate of Obligation, Series 2005A	4.5	2005	2025	7,400	6,525
Total Solid Waste					9,844

(continued)

(continued)

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

	Interest Rate %	Year of Issue	Year of Maturity	Original Amount	Amount Outstanding
Municipal Parking:					
Revenue bonds:					
Series 2007	5.0-5.25	2007	2033	$ 20,935	$ 20,535
Series 2009	5.0-5.25	2009	2033	27,135	27,135
Total Municipal Parking					47,670
Stormwater Utility:					
Revenue bonds:					
Series 2007	4.25-5.0	2008	2033	24,430	23,055
Series 2009	2.0-4.3	2009	2035	45,190	44,290
Stormwater Utility Total					67,345
Net unamortized bond premium/discount and loss on refunding				n/a	14,622
Municipal Golf capital lease	3.24	2006	2010	302	5
Compensated absences	n/a	n/a	n/a	n/a	9,236
Arbitrage payable	n/a	n/a	n/a	n/a	69
Landfill closure and postclosure liability	n/a	n/a	n/a	n/a	3,240
Pollution remediation liability	n/a	n/a	n/a	n/a	8,981
Other post employment benefits obligation	n/a	n/a	n/a	n/a	32,681
Net pension obligation	n/a	n/a	n/a	n/a	10,164
Total Business-type long-term debt					$ 904,652

(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, 2010, $25,786 of cash and investments is available in the Debt Service Fund to service General Obligation Bonds and Certificates of Obligation for governmental activities.

In July 2010, the City issued Certificates of Obligation, Series 2010 in the amount of $34,685 to fund improvements to the Will Rogers Memorial Center. The bonds will mature on March 1 of each year from 2012 to 2031, payable in installment ranging from $1,165 to $2,455. Interest is payable of March 1 and September 1 of each year commencing in March 2011 at interest rates ranging from 2.0 percent to 4.25 percent.

(continued)

As of September 30, 2010, 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	$ 21,515
Parks and Community Services Improvement	2/7/2004	21,615	2,040
Street Improvements	5/10/2008	150,000	86,260
Total		$ 404,515	$ 109,815

G. 3. COMMMERCIAL 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 have outstanding, at any one time, cannot exceed $125 million. There was no outstanding commercial paper at year end. No commercial paper was issued during fiscal year 2010.

G. 4. ENTERPRISE DEBT

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

In accordance with the revenue bond ordinances, a reserve for debt service is maintained. At September 30, 2010, $42,219 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 October 2009, the City issued Drainage Utility System Revenue Bonds, Series 2009 in the amount of $45,190 to fund capital improvements to the drainage utility system over the next two years. These bonds will mature on February 15 of each year from 2010 to 2035 payable in installments ranging from $900 to $2,985. Interest is payable February 15 and August 15 of each year commencing February 2010 with interest rates ranging from 2.0 percent to 4.3 percent. The City has pledged future storm water revenues, to repay these bonds.

During 2010 the City drew down the first six installments of the Water and Sewer System Revenue Bonds, Series 2009 as follows: January 28th $405, April 28th $285, May 21st $1,660, July 14th $1,550, September 10th $1,405 and September 20th $2,265. These bonds were issued for water sytem improvements. The installments will mature on February 15 of each year from 2021 to 2030 payable in installments ranging from $810 to $815. These bonds bear no interest. Proceeds from the bonds provide financing for the extending and improving the City's water system. The City has pledged future water and sewer customer revenues, to repay these revenue bonds.

(continued)

Also during 2010 the City drew down the second, third and fourth installments of the Water and Sewer Subordinate Lien Revenue Bonds, Series 2007B as follows: February 26th $5,080, September 17th $10,435, and September 20th $2,125. These bonds were obtained for the construction of a water treatment plant and other water system improvements. The installments will mature on March 1 of each year from 2010 to 2017 payable in installments ranging from $1,800 to $2,445. Interest is payable on March 1 and September 1 of each year commencing in March 2010 with interest rates ranging from 2.25 percent to 2.55 percent. The City has pledged future water and sewer customer revenue to repay these revenue bonds.

In May 2010, the City issued Water and Sewer Revenue refunding bonds, Series 2010 in the amount of $98,855 to refund $108,680 water and sewer system bonds and to pay the cost associated with the bond issue. These bonds will mature on February 15 of each year from 2011 to 2020 in installments ranging from $5,550 to $12,035. Interest is payable on February 15 and August 15 of each year commencing August 2010 with interest rates ranging from 4.0 percent to 5.0 percent. U.S. Government, State, and Local Government Series (SLGS) were purchased and placed in a irrevocable trust for the purpose of generating resources for all future debt service payments of the refunded $108,680 of water and sewer bonds. As a result, the refunded bonds are considered to be defeased and the liability is not reflected in the statement of net assets. This current refunding was undertaken due to the lower interest rates available under the current market condition. This refunding resulted in an economic gain of $11,555 and a reduction of $12,216 in future debt service payments. The City has pledged future water and sewer customer revenues to repay $98,855 Water and Sewer Revenue refunding bonds, Series 2010.

In June 2010, the City drew down the first installment of Water and Sewer Revenue Bonds, Series 2010A, in the amount of $890 to fund improvements to the improvements to the sewer system. The first installment will mature on February 15. Interest is payable on February 15 and August 15 of each year commencing August 2010 with interest rates ranging from 0.36 percent to 2.62 percent. The City has pledged future water and sewer customer revenues, to repay the revenue bonds.

In June 2010, the City had a cash defeasance of Water and Sewer Revenue Bonds, Series 2000, in the amount of $2,515. The City utilized excess Water and Sewer Fund debt service balance to establish an escrow account for the outstanding water and sewer revenue pledged debt.

In July 2010, the City had a cash defeasance of Combination Tax and Revenue, Certificates of Obligation, Series 1999, in the amount of $2,050. The City utilized excess Muncipal Golf Fund debt service balance to establish an escrow account for the outstanding golf debt.

In September 2010, the City issued Water and Sewer Revenue Bonds, Series 2010B, in the amount of $28,000 to fund improvements to the sewer system. These bonds will mature on February 15 of each year from 2011 to 2030. Interest is payable February 15 and August 15 of each year commencing February 15, 2011 with interest rates ranging from 0.15 percent to 2.85 percent. The City has pledged future water and sewer customer revenue to pay these revenue bonds.

In September 2010, the City borrowed $15,365 from Banc of America Public Capital Corporation (ESPC Phase V) at an interest rate of 3.68 percent. The funds are to be used for energy efficient equipment for water projects. The principal and interest are not due until completion of the final project and will be paid by 2018.

(continued)

Net revenues of the City's enterprise funds is defined as net operating income, excluding 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, 2010, net pledged revenue by fund was as follows:

Fund	FY2010 Net Pledged Revenues	FY2010 Debt Service	Purpose of Debt
Water & Sewer Fund	$ 132,037	$ 79,617	Extending and improving the water and sewer system
Solid Waste Fund	14,821	2,152	Landfill improvements
Storm Water Fund	10,049	4,197	Improvements of storm drains, roadways, and erosion protection
Municipal Parking	4,354	2,951	Construction of City owned parking garage
	$ 161,261	$ 88,917	

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 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.

The City is responsible for environmental cleanup of Riverside Park by the Water and Sewer Fund and asbestos removal before demolition of City owned buildings by the Enviromental Management Fund (nonmajor governmental). The City is required to report the estimated liability for pollution remediation activities in accordance with GASB Statement No. 49, *Reporting for Pollution Remediation Obligations*. As of September 30, 2010 the City's liability was $8,981 for the Water and Sewer Fund and $394 is shown as a current year liability in the nonmajor governmental funds. 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.

(continued)

G.5. ANNUAL REQUIREMENTS TO AMORTIZE BONDED AND CONTRACTUAL DEBT OBLIGATION

The annual requirements to amortize all bonded and contractual debt outstanding as of September 30, 2010, is disclosed by Governmental type as shown on the following pages.

Governmental Activities:

Year Ending September 30,	General Obligations		Certificates of Obligation		Convention Center Installment Obligation		Equipment Notes	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2011	$ 26,515	$ 17,080	$ 9,160	$ 8,287	$ 605	$ 285	$ 3,897	$ 563
2012	24,385	15,971	10,335	7,636	635	252	3,555	438
2013	24,500	14,897	10,400	7,236	675	217	3,675	317
2014	24,545	13,800	11,730	6,783	710	178	3,800	193
2015	24,690	12,670	11,790	6,280	750	138	3,925	65
2016-2020	142,925	43,196	76,190	21,155	1,635	144	-	-
2021-2025	80,790	15,776	33,695	9,059	-	-	-	-
2026-2030	31,775	2,368	22,900	2,573	-	-	-	-
2031	-	-	2,455	52	-	-	-	-
	$ 380,125	$ 135,758	$ 188,655	$ 69,061	$ 5,010	$ 1,214	$ 18,852	$ 1,576

(continued)

Governmental Activities:

Year Ending September 30,	Wells Fargo Loan		HUD Installment Obligations		Service Center Obligation		Fort Worth Housing Finance Corp	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2011	$ 52	$ 8	$ 704	$ 437	$ 490	$ 938	$ 83	$ 577
2012	66	6	727	395	515	918	88	572
2013	78	2	752	351	535	897	94	566
2014	-	-	778	306	555	876	100	560
2015	-	-	805	260	580	851	106	553
2016-2020	-	-	3,699	596	3,310	3,846	644	2,655
2021-2025	-	-	-	-	4,115	3,033	880	2,419
2026-2030	-	-	-	-	5,225	1,928	1,202	2,096
2031-2035	-	-	-	-	5,195	522	1,644	1,655
2036-2040	-	-	-	-	-	-	2,247	1,052
2041-2045	-	-	-	-	-	-	2,156	263
	$ 196	$ 16	$ 7,465	$ 2,345	$ 20,520	$ 13,809	$ 9,244	$ 12,968

(continued)

(continued)

Governmental Activities:

Year Ending September 30,	State Energy Conservation Loan Phase I & II		State Energy Conservation Loan Phase III		ESPC Phase IV		Total Governmental Activities	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2011	$ 637	$ 89	$ 481	$ 119	$ 444	$ 410	$ 43,068	$ 28,793
2012	657	70	495	104	535	388	41,993	26,750
2013	677	50	510	89	532	362	42,428	24,984
2014	697	29	526	73	581	336	44,022	23,134
2015	548	6	542	57	642	308	44,378	21,188
2016-2020	-	-	1,526	121	3,564	1,025	233,493	72,738
2021-2025	-	-	-	-	2,497	261	121,977	30,548
2026-2030	-	-	-	-	-	-	61,102	8,965
2031-2035	-	-	-	-	-	-	9,294	2,229
2036-2040	-	-	-	-	-	-	2,247	1,052
2041-2045	-	-	-	-	-	-	2,156	263
	$ 3,216	$ 244	$ 4,080	$ 563	$ 8,795	$ 3,090	$ 646,158	$ 240,644

(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 $15,442 debt obligation. TIF4 makes debt service payments on Central City Local Government Corp's $1,809 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 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 ($724).

(continued)

The annual requirements to amortize all Major Fund Business-Type bonded and contractual debt outstanding as of September 30, 2010 is as follows:

Major Business-Type Activities:

Year Ending September 30,	Water and Sewer Revenue		Water and Sewer TRA		Total Major Business-Type	
	Principal	Interest	Principal	Interest	Principal	Interest
2011	$ 54,015	$ 27,659	$ 470	$ 339	$ 54,485	27,998
2012	55,290	25,495	495	320	55,785	25,815
2013	53,335	23,167	520	299	53,855	23,466
2014	55,755	20,757	545	277	56,300	21,034
2015	57,010	18,262	575	253	57,585	18,515
2016-2020	244,785	72,381	3,380	831	248,165	73,212
2021-2025	130,215	17,304	1,635	83	131,850	17,387
2026-2030	27,405	1,444	-	-	27,405	1,444
	$ 677,810	$ 206,469	$ 7,620	$ 2,402	$ 685,430	$ 208,871

The annual requirements to amortize all Nonmajor Fund Business-Type bonded and contractual debt outstanding as of September 30, 2010 is as follows:

Nonmajor Business-Type Activities:

Year Ending September 30,	Municipal Parking CO		Solid Waste CO		Solid Waste Equipment Notes		Stormwater Utility Revenue		Total Non-Major Business-Type	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2011	$ 480	$ 2,632	$ 435	$ 260	$ 1,269	$ 72	$ 1,515	$ 2,858	$ 3,699	$ 5,822
2012	785	2,601	435	243	1,300	42	1,590	2,804	4,110	5,690
2013	830	2,562	435	225	750	11	1,665	2,737	3,680	5,535
2014	1,310	2,511	435	207	-	-	1,745	2,678	3,490	5,396
2015	1,370	2,449	435	189	-	-	1,830	2,621	3,635	5,259
2016-2020	7,950	11,151	2,175	673	-	-	10,585	11,852	20,710	23,676
2021-2025	10,490	6,620	2,175	224	-	-	13,325	9,228	25,990	16,072
2026-2030	13,945	5,166	-	-	-	-	16,905	5,938	30,850	11,104
2031-2035	10,510	946	-	-	-	-	18,185	1,853	28,695	2,799
	$ 47,670	$ 36,638	$ 6,525	$ 2,021	$ 3,319	$ 125	$ 67,345	$ 42,569	$ 124,859	$ 81,353

The Water and Sewer Fund's ESPC Phase V will not have a definitive debt payment schedule until after the projects being funded have been completed.

(continued)

G.6. ARBITRAGE

The City frequently issues bonds for capital construction projects. These bonds are subject to the arbitrage regulations. At September 30, 2010, the liability for rebate of arbitrage was $69 for business-type activities. This amount is included in the "Current Portion of Long-Term Liabilities" portion of long-term liabilities 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, 2010:

Capital lease obligations, October 1, 2009	$	69
Principal payments		64
Capital lease obligations, September 30, 2010	$	5

Future minimum lease payments for this lease are as follows:

Year Ending September 30,	Lease Payments	
2011	$	5
Less: Amount representing interest		-
Present value of minimum lease payments	$	5

The following schedule provides an analysis of the City's investment in capital assets under lease arrangements as of September 30, 2010:

Equipment	$	302
Less: Accumulated depreciation		(260)
Total net book value of lease assets	$	42

(continued)

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 108 months. The following is a schedule by years of future minimum rental payments required under the operating leases as of September 30, 2010:

Year Ending September 30,	
2011	$ 3,599
2012	2,580
2013	1,720
2014	832
2015	220
2016-2019	879
Total minimum payments required	$ 9,830

Total rental expense for the year was $4,168.

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 $15,442, 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. The agreement also includes management fees charged by Cabela's that are to be paid by giving the museum to Cabela's at the end of the agreement.

G. 8. DEFEASANCE OF PRIOR DEBT

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

(continued)

At September 30, 2010, the following outstanding bonds are considered defeased:

General Obligation Bonds and Certificates of Obligation *Series 1990 through 2005*	$ 31,040
Water and Sewer System Revenue Bonds *Series 1997 through 2001*	14,995
Bonds defeased	$ 46,035

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, 2010. 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 $5,470 is outstanding as of September 30, 2010. 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, 2010, $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, 2010, $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. During fiscal year 2010, the City applied for, and had approved, a permit to significantly increase the airspace capacity of the landfill.

The City reported $3,240 as landfill closure and postclosure care liability in the Solid Waste Fund at September 30, 2010. This represents the cumulative amount reported to date based on the use of 26 percent of the estimated current permitted capacity of the landfill. This liability decreased from fiscal year 2009 as a result of the permit approval for the increase in the airspace capacity of the landfill. The City will recognize the remaining estimated cost of closure and postclosure care of $9,206 as the remaining estimated capacity is filled. The City expects to

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close the landfill in 66 years from the end of the current fiscal year, or the year 2076. 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, 2010, the City reported cash and cash equivalents of $1,927 as restricted assets for closure and postclosure care and has $1,313 in a trust instrument for these costs provided from its contractor (Allied Waste, Inc). The City expects that future closure and postclosure care costs and inflation costs will be completely covered by the trust instrument, in accordance with the contractual agreement with Allied Waste, Inc. Allied will operate and close the landfill once it has reached capacity, and maintain and monitor the landfill during the postclosure care period.

NOTE I: D/FW INTERNATIONAL AIRPORT

The Dallas/Fort Worth International Airport (Airport) is a local government entity located between the cities of Fort Worth and Dallas (Cities). The Airport's Board of Directors (the Board) 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 $37,095 and the long-term portion was $3,531,385 as of September 30, 2010.

The following condensed financial information has been taken from the Airport's September 30, 2010 financial statements.

Total Assets	$ 5,316,851
Total Liabilities	3,964,013
Net Assets	$ 1,352,838
Operating Revenues	$ 500,953
Operating Expenses	552,252
Non-Operating Revenues (Expenses)	(63,053)
Capital Contributions	29,907
Change in Net Assets	$ (84,445)

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

(continued)

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 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 is based on current and projected assets and liabilities. The Plan 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.

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 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 year ended September 30, 2010 was approximately $350,000 and total payroll was approximately $363,000.

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.

As of January 1, 2010 (date of most recent actuarial valuation) and January 1, 2009, the Plan's membership consisted of the following members:

	January 1, 2010	January 1, 2009
Retirees and beneficiaries currently receiving benefits	3,449	3,304
Terminated employees entitled to benefits but not yet paid	290	240
	3,739	3,544
Active members	6,277	6,379
Total	10,016	9,923

(continued)

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 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

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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. No additional contributions were made during 2010. 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' condition. The January 1, 2010, valuation shows that the unfunded accrued actuarial liability of the Plan decreased by approximately $164,100 from the valuation prepared as of January 1, 2009 due mainly to the strong investment performance of the fund's assets for calendar year 2009. The funded ratio of the Plan increased from 72.8% to 81.2%, with a funding period of 40.5 years (the funding period for 2009 was infinite). The table below represents the most recent actuarial determined funding progress of the Plan, a 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 Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Annual Covered Payroll	UAAL as % of Payroll
			(3)–(2)	(2)/(3)		(4)/(6)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1/1/2010	$ 1,868,800	$ 2,300,500	$ 431,700	81.2%	$ 368,300	117.2%

(continued)

Actuarial Methods and Assumptions

The following are the significant actuarial assumptions used for the January 1, 2010 actuarial valuation:

Valuation Date	January 1, 2010
Actuarial cost method	Entry Age Normal
Amortization method	Level Percent of Pay, open
Remaining amortization period	30 years
Assets valuation method	5-year smoothed market
Actuarial assumptions:	
Investment rate return	8.5%
Projected salary increases	5.25%-29.75%
Cost-of-living adjustments	2.0%
Includes inflation at:	3.0%

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

	September 30, 2008	September 30, 2009	September 30, 2010
Annual required contribution	$ 70,369	$ 50,266	$ 71,154
Interest on net pension obligation	5,572	6,824	6,213
Adjustment to annual required contribution	(3,536)	(4,463)	(4,399)
Annual pension cost	72,405	52,627	72,968
Contributions made	57,624	59,453	65,573
Increase (decreases) in net pension obligation	14,781	(6,826)	7,395
Net pension obligation beginning of year	65,205	79,986	73,160
Net pension obligation end of year	$ 79,986	$ 73,160	$ 80,555
Percentage of annual pension cost contributed	79.6%	113.0%	89.9%
Percentage of annual required contribution contributed	81.9%	118.3%	92.2%

The net pension obligation as of September 30, 2010 is reported in the Governmental Activities and Business-Type Activities statement of net assets as $70,391 and $10,164, 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 2,521

(continued)

retirees and beneficiaries meet those eligibility requirements. The City also provides a $5 lump sum death benefit single-employer plan for beneficiaries of retired employees who retired on or after January 1, 1970. Neither of these plans issue stand-alone financial statements. Provided below are the statement of fiduciary net assets and the statement of changes in fiduciary net assets for the post Retiree Healthcare Plan as of and for the year ended September 30, 2010.

ASSETS	
Current Assets:	
Cash and Cash Equivalents	$ 6,423
Cash and Investments Held by Trustees:	
Short Term Mutual Fund Investments	3,811
Total Current Assets	10,234
NET ASSETS HELD IN TRUST FOR PENSION AND OTHER EMPLOYEE BENEFITS	
Postemployment Healthcare Plan	$ 10,234
ADDITIONS	
Interest and Dividend Income	$ 50
Less: Investment Management Fees and Interest Expense	(11)
Employer Contributions	10,195
Total Additions	10,234
Change in Net Assets	10,234
Net Assets-Beginning of the Year	-
Net Assets-End of the Year	$ 10,234

For those employees who terminate and are vested in the City's retirement plan, health care benefits may continue until the employee retires by paying the full cost of coverage. For all other employees who terminate without retirement, health care benefits continue for 30 days after termination. At that time the former employee has continuation rights to health insurance coverage under the Consolidated Omnibus Reconciliation Act of 1985. 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 December 31, 2009 actuarial valuation.

(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 2010, 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 78 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 2010, the cost for health care benefits for retirees, dependents and surviving spouses was $24,625. For fiscal year 2010, death benefit payments totaled $270.

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, 2009 and September 30, 2010 and the related information for each plan are as follows (dollar amounts in thousands):

Funding Policy and Annual OPEB Cost	Healthcare			Death Benefit		
Contribution Rates						
City	33% - 100% *			100%		
Plan members	0% - 67% *			N/A		
	9/30/2008	9/30/2009	9/30/2010	9/30/2008	9/30/2009	9/30/2010
Annual required contribution	$102,562	$108,616	$103,633	$ 872	$ 924	$ 2,842
Interest on net OPEB obligation	-	3,282	7,044	-	20	46
Adjustment to annual required contribution	-	(2,805)	(10,006)	-	(48)	(274)
Annual OPEB cost (expense)	102,562	109,093	100,671	872	896	2,614
Contributions made	(17,720)	(22,127)	(29,305)	(332)	(304)	(270)
Increase in net OPEB obligation	84,842	86,966	71,366	540	592	2,344
Net OPEB obligation—beginning of year	-	84,842	171,808	-	540	1,132
Net OPEB obligation—end of year	$ 84,842	$171,808	$243,174	$ 540	$ 1,132	$ 3,476
Percentage of annual OPEB cost contributed	17.3%	20.3%	29.1%	38.1%	33.9%	10.3%
Percentage of annual required contribution contributed	17.3%	20.4%	28.3%	38.1%	32.9%	9.5%

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

At September 30, 2010, the total liability of $246,650 for Net OPEB obligation was $213,969 for governmental activities and $32,681 for business-type activities. The employer's required contribution rate as a percentage of payroll for fiscal year 2010 was 31.8%.

(continued)

Funded Status and Funding Progress

The funded status of the plan as of December 31, 2009 was as follows:

	Healthcare	Death Benefit
Actuarial accrued liability (a)	$ 989,851	$ 10,631
Actuarial value of plan assets (b)	5,000	-
Unfunded actuarial accrued liability (a) – (b)	$ 984,851	$ 10,631
Funded ratio (b) / (a)	0.5%	0.0%
Covered payroll (c)	334,726	334,726
percentage of covered payroll ([(a) – (b)] / (c))	294%	3%

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

Actuarial Methods and Assumptions

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

Significant methods and assumptions were as follows:

	Healthcare	Death Benefit
Actuarial valuation date	12/31/2009	12/31/2009
Actuarial cost method	Projected Unit Credit	Projected Unit Credit
Amortization method	Level Dollar, Open	Level Dollar, Open
Remaining amortization period	30	30
Asset valuation method	N/A	N/A
Actuarial assumptions:		
Investment rate of return	4.1%	4.1%
Healthcare inflation rate	11% Initial,	N/A
	5% Ultimate	N/A

(continued)

K. 2. DEFERRED COMPENSATION PLAN

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The City's Deferred Compensation Plan is administered by two trustees; the International City Management Association Retirement Corporation (ICMARC) and the Nationwide Retirement Solutions. In 1997, the City implemented the requirements of GASB No. 32, *Accounting and Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. In accordance with this statement and recent tax law changes, the City amended their trust agreements, which establish that all assets and income of the trust are for the exclusive benefit of eligible employees and their beneficiaries. Due to the implementation of these changes, the City does not have any fiduciary responsibility or administrative duties relating to the deferred compensation plan other than remitting employees' contributions to the trustees. Accordingly, the City has not presented the assets and liabilities from the Deferred Compensation Plan in these basic financial statements. Deferred compensation investments are held by outside trustees. The City's Deferred Compensation 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 City's Deferred Compensation Plan, available to all permanent City employees, permits them to defer until future years up to $16.5. 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 2010 payments to the District under the agreement were $44,086. Future payments will be a direct result of future water usage.

The City is subject to extensive and rapidly changing Federal and State environmental regulations governing wastewater discharges, solid and hazardous waste management and site remediation and restoration activities. The City's policy is to accrue environmental and related remediation costs when it is probable that a liability has been incurred and the amount can be reasonably estimated. As discussed in Note G.4., as of September 30, 2010, the City has recorded a pollution remediation liability of $9,375 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.

The City has significant construction commitments at September 30, 2010, composed of the following:

	Project Authorization	Expended to September 30, 2010	Committed
Governmental Activities			
Capital Assets	$ 1,662,059	$ 1,369,898	$ 292,161
Water and Sewer	427,491	228,242	199,249
Total	$ 2,089,550	$ 1,598,140	$ 491,410

(continued)

Various other claims and lawsuits are pending against the City. At September 30, 2010, the City had potential losses from pending litigation that are reasonably possible totaling $4,233 that have not been recorded. At September 30, 2010, the City recorded liabilities of $42,724 for probable judgments and claims.

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), Taxing Increment Reinvestment Zone No. 2A (TIRZ #2A), No. 3 (TIRZ #3), No. 4 (TIRZ #4), No. 8 (TIRZ #8) and No. 9 (TIRZ #9) are the significant discretely presented component units. Fort Worth Public Improvement Districts No. 7, No. 8, No. 11, No. 12, and No. 14, and Taxing Increment Reinvestment Zones No. 2B, 3A, 6, 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:

Condensed Schedule of Net Assets:

	FWPID #1	FWPID #6	TIRZ #2A	TIRZ #3	TIRZ #4	TIRZ #8	TIRZ #9	OTHER	TOTAL
Current Assets	$ 933	$ 723	$ 1,126	$ 3,752	$ 11,046	$ 4,048	$ 3,605	$ 4,953	$ 30,186
Receivables	5	5	4	9	36	13	14	22	108
Liabilities	202	193	655	63	140	-	-	274	1,527
Total Net Assets	$ 736	$ 535	$ 475	$ 3,698	$ 10,942	$ 4,061	$ 3,619	$ 4,701	$ 28,767

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

	FWPID #1	FWPID #6	TIRZ #2A	TIRZ #3	TIRZ #4	TIRZ #8	TIRZ #9	OTHER	TOTAL
Revenues	$ 2,024	$ 1,349	$ 1,053	$ 4,256	$ 6,667	$ 3,008	$ 2,080	$ 5,620	$ 26,057
Expenses	1,720	1,230	890	3,752	2,149	2,608	1,000	4,987	18,336
Change In Net Assets	304	119	163	504	4,518	400	1,080	633	7,721
Total Net Assets Beginning	432	416	312	3,194	6,424	3,661	2,539	4,068	21,046
Total Net Assets Ending	$ 736	$ 535	$ 475	$ 3,698	$ 10,942	$ 4,061	$ 3,619	$ 4,701	$ 28,767

(continued)

M.2. NONMAJOR ENTERPRISE FUNDS

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

	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	$ 4,038	$ 1,811	$ 500	$ 22,155	$ 39,924	$ 68,428
Other assets	123,069	10,109	1,958	57,632	3,567	196,335
Capital assets	159,098	48,697	5,376	29,276	13,248	255,695
Total assets	286,205	60,617	7,834	109,063	56,739	520,458
Liabilities						
Due to other funds	137	-	-	-	-	137
Other current liabilities	81,682	1,307	375	4,634	11,919	99,917
Advances from other funds	351	-	5,258	-	-	5,609
Other noncurrent liabilities	994	48,548	1,933	70,256	14,154	135,885
Total liabilities	83,164	49,855	7,566	74,890	26,073	241,548
Net assets						
Invested in capital assets, net of related debt	158,746	6,007	5,369	12,583	3,404	186,109
Restricted	-	748	-	1,929	104	2,781
Unrestricted	44,295	4,007	(5,101)	19,661	27,158	90,020
Total net assets	$ 203,041	$ 10,762	$ 268	$ 34,173	$ 30,666	$ 278,910
Condensed Schedule of Revenues, Expenses and Changes in Net Assets						
Operating revenues	$ 4,255	$ 6,409	$ 4,380	$ 26,549	$ 52,174	$ 93,767
Depreciation expense	7,588	740	447	1,479	919	11,173
Other operating expenses	5,027	2,189	5,389	17,737	37,966	68,308
Operating income (loss)	(8,360)	3,480	(1,456)	7,333	13,289	14,286
Nonoperating revenues (expenses):						
Investment income	2,386	134	27	1,237	563	4,347
Interest and Service Charges	(2)	(623)	(113)	(745)	(406)	(1,889)
Gas leases and royalties	9,968	-	662	-	-	10,630
Other nonoperating revenues (expenses)	(39)	-	-	-	50	11
Capital contributions	4,460	14	-	-	-	4,474
Transfers in	17,461	2	11	28	478	17,980
Transfers out	(640)	(3,141)	(176)	(1,898)	(5,070)	(10,925)
Change in net assets	25,234	(134)	(1,045)	5,955	8,904	38,914
Beginning net assets	177,807	10,896	1,313	28,218	21,762	239,996
Ending net assets	$ 203,041	$ 10,762	$ 268	$ 34,173	$ 30,666	$ 278,910
Condensed Schedule of Cash Flows						
Net cash provided (used) by:						
Operating activities	$ 8,042	$ 4,625	$ (72)	$ 10,099	$ 10,519	$ 33,213
Noncapital financing activities	15,071	(3,139)	886	(1,870)	(4,592)	6,356
Capital and related financing activities	(1,685)	(14,747)	(2,706)	33,347	(2,755)	11,454
Investing activities	1,996	315	23	1,060	645	4,039
Net increase (decrease)	23,424	(12,946)	(1,869)	42,636	3,817	55,062
Beginning cash and cash equivalents	97,965	23,905	4,168	31,466	33,528	191,032
Ending cash and cash equivalents	$ 121,389	$ 10,959	$ 2,299	$ 74,102	$ 37,345	$ 246,094

(continued)

NOTE N: SUBSEQUENT EVENTS

During October 2010, the City drew down the fifth and sixth (final) installments of the Water and Sewer System Subordinate Lien Revenue Bonds, Series 2007B totaling $30,145. See Note G for interest and maturity date information.

On October 19, 2010, the City issued General Purpose Bonds, Series 2010 in the amount of $20,590. The proceeds will be used to construct permanent street improvements and storm sewer improvements related to such street improvements. Interest is payable March 1 and September 1 of each year. The interest rates on the bonds are from 2.0% to 4.0% and have a final maturity date of March 1, 2030.

On October 19, 2010, the City issued Combination Tax and Revenue Certificates of Obligation, Series 2010A in the amount of $42,595. The proceeds will be used for (i) the construction and equipping of improvements to fire stations and police stations; (ii) construction of street improvements (including freeway interchanges and arterial access) and related drainage and sidewalk improvements, and the acquisition of related traffic and communications equipment; (iii) the acquisition of equipment with respect to traffic safety programs of the City; (iv) the acquisition and construction of improvements to street and off-street parking, including the acquisition of pay and display parking stations, improvement to the Commerce Street parking garage and the acquisition of equipment related thereto; (v) the acquisition of security systems for the Commerce Street and Houston Street garages; and (vi) the construction of a communications tower for City information technology communications; Interest is payable March 1 and September 1 of each year. The interest rates on the bonds are from 3.0% to 5.0% with a final maturity date of March 1, 2030.

On October 19, 2010, the City issued Water and Sewer System Revenue Bonds, Series 2010C in the amount of $45,870. The proceeds will be used to fund improvements and extensions to the System. Interest is payable February 15 and August 15 of each year. The interest rates on the bonds are from 4.0% to 5.25% with a final maturity date of February 15, 2030.

The City drew down the seventh (October 2010), eighth (December 2010), ninth (December 2010), and tenth (January 2011) installments of the Texas Water and Sewer System Revenue Bonds, Series 2009 totaling $1,335. See Note G for interest and maturity date information.

The City drew down the second (October 2010), third (November 2010), fourth (December 2010), and fifth (January 2011) installments of the Water and Sewer System Revenue Bonds, Series 2010A totaling of $2,550. See Note G for interest and maturity date information.

NOTE O: NEW ACCOUNTING STANDARDS

In March 2009, 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 October 1, 2010.

In December 2009, 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-

(continued)

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 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 October 1, 2011.

In June 2010, GASB issued Statement No. 59, *Financial Instruments Omnibus*. This Statement is intended to update and improve existing standards regarding financial reporting of certain financial instruments and external investment pools. Specifically, GASB 59 provides financial reporting guidance by doing the following:

- Emphasizing the applicability of SEC requirements to certain external investment pools (known as 2a7-like pools) to provide users more consistent information on qualifying pools;
- Addressing the applicability of GASB 53, *Accounting and Financial Reporting for Derivative Instruments*, to certain financial instruments to clarify which financial instruments are within the scope of that pronouncement and to provide greater consistency in financial reporting; and
- Applying the reporting provisions for interest-earning investment contracts of GASB 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, to unallocated insurance contracts to improve the consistency of reporting by pension and other postemployment benefit plans.

This Statement is effective for the City's financial periods beginning October 1, 2010.

In November 2010, GASB issued Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*. This Statement addresses how to account for and report service concession arrangements (SCAs), a type of public-private or public-public partnership that state and local governments are increasingly entering into. Common examples of SCAs include long-term arrangements in which a government (the "transferor") engages a company or another government (the "operator") to operate a major capital asset in return for the right to collect fees from users of the capital asset. In these SCAs, the operator generally makes a large up-front payment to the transferor. Alternatively, the operator may build a new capital asset for the transferor and operate it on the transferor's behalf. This Statement is effective for the City's financial periods beginning October 1, 2012.

In November 2010, GASB issued Statement No. 61, *The Financial Reporting Entity - Omnibus -- An Amendment of GASB Statements No. 14 and No. 34*. This Statement is designed to improve financial reporting for governmental entities by amending the requirements of GASB Statement No. 14, *The Financial Reporting Entity*, and GASB Statement No. 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments*, to better meet the needs of users and address reporting entity issues that have come to light since GASB 14 and GASB 34 were issued in 1991 and 1999, respectively. This Statement is intended to improve the information presented about the financial reporting entity, which is comprised of a primary government and related entities (component units). In addition, this Statement amends the criteria for blending - reporting component units as if they were part of the primary government - in certain circumstances. This Statement is effective for the City's financial periods beginning after October 1, 2012.

(concluded)

In December 2010, GASB issued Statement No. 62 *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. The objective of this Statement is to incorporate into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in the following pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements:

- Financial Accounting Standards Board (FASB) Statements and Interpretations
- Accounting Principles Board Opinions
- Accounting Research Bulletins of the American Institute of Certified Public Accountants' (AICPA) Committee on Accounting Procedure.

Hereinafter, these pronouncements collectively are referred to as the "FASB and AICPA pronouncements." This Statement also supersedes Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, thereby eliminating the election provided in paragraph 7 of that Statement for enterprise funds and business-type activities to apply post-November 30, 1989 FASB Statements and Interpretations that do not conflict with or contradict GASB pronouncements. However, those entities can continue to apply, as other accounting literature, post-November 30, 1989 FASB pronouncements that do not conflict with or contradict GASB pronouncements, including this Statement. This Statement is effective for the City's financial periods beginning October 1, 2012.

The City has not finalized its determination of the effect that implementation of these new accounting standards will have on the City's financial statements or disclosures, as of the date of this report.

REQUIRED SUPPLEMENTAL INFORMATION

Dancers at the Fort Worth Hispanic Heritage Celebration

CITY OF FORT WORTH, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
GENERAL FUND - BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2010
(in 000's)
(Unaudited)

	Budgeted Amounts		Budgetary Basis	Variance with Final Budget - Positive
	Original	Final	Actual	(Negative)
Revenues and Other Financing Sources:				
Revenues:				
General Property Taxes	$ 292,441	$ 292,441	$ 293,534	$ 1,093
Sales Taxes	98,866	98,866	99,934	1,068
Other Local Taxes	30,021	30,021	31,019	998
Charges for Services	23,720	23,720	20,838	(2,882)
Licenses and Permits	42,758	42,758	44,709	1,951
Fines and Forfeitures	13,168	13,169	14,656	1,487
Revenue from Use of Money and Property	13,763	13,768	13,192	(576)
Intergovernmental	1,263	1,289	1,320	31
Other	1,101	1,525	1,923	398
Total Revenue	517,101	517,557	521,125	3,568
Other Financing Sources:				
Transfers In - Other Funds	40,311	42,336	39,258	(3,078)
Intrafund Transfer In - Other General	-	-	3,386	3,386
Total Other Financing Sources	40,311	42,336	42,644	308
Total Revenue and Other Financing Sources	557,412	559,893	563,769	3,876
Expenditures:				
Departmental:				
City Manager	5,311	5,348	5,102	246
Internal Audit	2,352	2,359	2,317	42
City Secretary	1,021	1,030	971	59
Legal	5,851	6,163	5,920	243
Financial Management Services	5,848	6,303	5,854	449
Human Resources	4,068	4,099	3,885	214
Code Compliance	14,207	14,429	14,429	-
Environmental Management	723	729	729	-
Nondepartmental	66,695	71,092	58,519	12,573
Police	178,049	178,151	175,778	2,373
Fire	105,132	105,185	104,182	1,003
Municipal Court	13,229	13,371	13,120	251
Transportation and Public Works	51,475	53,734	50,192	3,542
Parks and Community Services	33,786	34,288	33,673	615
Public Library	17,435	17,722	17,175	547
Culture and Tourism	29,011	33,196	29,374	3,822
Planning and Development	11,695	12,420	10,855	1,565
Housing and Economic Development	6,966	7,907	7,566	341
Community Relations	4,558	4,656	4,214	442
Total Expenditures	557,412	572,182	543,855	28,327
Source / (Use) of Fund Balance	$ -	$ (12,289)	$ 19,914	$ 32,203

(continued)

See accompanying notes to the required supplementary information.

CITY OF FORT WORTH, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
GENERAL FUND - BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2010
(in 000's)
(Unaudited)

Explanation of Differences Between Budgetary Source / (Use) of Fund Balance and GAAP Net Change in Fund Balance

Source / (Use) of Fund Balance (Budgetary Basis)	$	19,914
Differences - Budgetary to GAAP		
Current year non-budgeted activities treated as revenue for financial reporting purposes but not as a budgetary inflows.		4,395
Current year non-budgeted transfers treated as other financing sources for financial reporting purposes but not as a budgetary inflows.		3,044
Current year non-budgeted activities treated as expenditures for financial reporting purposes but not as a budgetary outflows.		(5,695)
Current year non-budgeted transfers treated as other financing uses for financial reporting purposes but not as a budgetary outflows.		(2,306)
Net Change in Fund Balance (GAAP Basis)	$	19,352

(concluded)

See accompanying notes to the required supplementary information.

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2010
(000's omitted)
(Unaudited)

ADOPTED BUDGET

Demonstrating compliance with the adopted budget is an important component of a government's accountability to the public. Many citizens participate in the process of establishing the annual operating budgets of state and local governments, and have a keen interest in following the actual financial progress of their governments over the course of the year. The City and many other governments revise their original budgets over the course of the year for a variety of reasons.

The City adheres to the following procedures in establishing the operating budget:

On or before August 15 of each year, the City Manager submits to the City Council a proposed budget for the fiscal year beginning the following October 1. The operating budget includes proposed expenditures and the means of financing them. Public hearings are conducted. The budget is legally enacted by the City Council through passage of appropriation and tax levying ordinances prior to September 30 and is published under a separate cover.

An annual budget, including debt service requirements, is legally adopted for the General Fund on a modified accrual basis consistent with generally accepted accounting principles. Certain revenues, expenditures, other financing sources, administrative costs, indirect costs, and transfers are not budgeted. Therefore a reconciliation is presented on the Budgetary Comparison Schedule to reconcile the Budgetary Basis Source/(Use) of Fund Balance to the GAAP Basis Net Change in Fund Balance. 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 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 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 $14,770 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 INFROMATION
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)	Funded Ratio	Annual Covered Payroll	UAAL as % of Payroll
			(3)–(2)	(2)/(3)		(4)/(6)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
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%
1/1/2010	1,868,800	2,300,500	431,700	81.2%	368,300	117.2%

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

Year Ended	Annual Required Contribution	Percentage Contributed	Net Pension Obligation
9/30/2005	$ 43,455	73%	$ 23,089
9/30/2006	52,057	66%	41,505
9/30/2007	60,144	62%	65,205
9/30/2008	70,369	82%	79,986
9/30/2009	50,266	118%	73,160
9/30/2010	71,154	92%	80,555

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 INFROMATION
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 Accrued Liability (AAL) (b)	Unfunded Actuarial Accrued Liability (UAAL) (b – a)	Funded Ratio (a / b)	Annual Covered Payroll (c)	UAAL as % of Payroll ((b – a) / c)
Healthcare						
9/30/2008	$ -	$ 976,135	$ 976,135	0%	$ 359,308	272%
12/31/2009	5,000	989,851	984,851	1%	334,726	294%
Death Benefit						
9/30/2008	$ -	$ 10,253	$ 10,253	0%	$ 359,308	3%
12/31/2009	-	10,631	10,631	0%	334,726	3%

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

Year Ended	Annual Required Contribution	Percentage Contributed	Net OPEB Obligation
Healthcare			
9/30/2008	$ 102,562	17%	$ 84,842
9/30/2009	108,616	20%	171,808
9/30/2010	103,633	28%	243,174
Death Benefit			
9/30/2008	$ 872	38%	$ 540
9/30/2009	924	33%	1,132
9/30/2010	2,842	10%	3,476

Note: The City first implemented the provisions of GASB Statement 45, *Accounting and Finacial Reporting by Employers for Posemployment Benefits Other Than Pensions* for the year ended September 30, 2008.

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 projects, 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.

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

Other Blended Component Units 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).

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

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

Capital Projects Funds

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

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

Street 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.

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 West 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.

Martin Luther King Celebration Parade

CITY OF FORT WORTH, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2010
(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	$ 24,094	$ 7,739	$ 6,742	$ 2,111
Receivables, net of allowance for uncollectibles:				
Grants and Other Governments	7,694	-	-	-
Loans	-	-	922	-
Interest	76	25	42	7
Accounts and Other	9	364	4	25
Due from Other Funds	-	-	-	390
Inventories (at Cost)	-	-	1,930	260
Advances to Other Funds	-	-	-	-
Prepaids, Deposits, and Other	-	-	77	-
Long-Term Loans Receivable	-	-	715	-
Restricted Assets:				
Cash and Cash Equivalents	-	-	5,483	-
Cash and Cash Equivalents Held by Trustees	-	-	-	-
Interest Receivable	-	-	-	-
Total Assets	$ 31,873	$ 8,128	$ 15,915	$ 2,793
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	$ -	$ -	$ -	$ -
Construction Payable	479	1,057	41	109
Escrow Accounts	-	-	-	-
Accrued Payroll	1,267	71	-	-
Due to Other Governments	-	-	1,102	-
Accrued Interest	-	20	-	-
Due to Other Funds	-	-	-	-
Other	-	-	71	-
Advances from Other Funds	-	-	-	-
Deferred Revenue	-	-	1,640	-
Total Liabilities	1,746	1,148	2,854	109
Fund Balances (Deficit):				
Reserved for Encumbrances	3,409	-	-	-
Reserved for Inventories	-	-	1,930	260
Reserved for Advances	-	-	-	-
Reserved for HUD Projects	-	-	-	-
Reserved for Long-Term Loans Receivables	-	-	-	-
Reserved for Prepaids, Deposits, and Other	-	-	77	-
Unreserved:				
Designated for Authorized Expenditures	26,718	-	11,054	2,424
Undesignated	-	6,980	-	-
Total Fund Balances	30,127	6,980	13,061	2,684
Total Liabilities and Fund Balances	$ 31,873	$ 8,128	$ 15,915	$ 2,793

Special Revenue Funds							
HUD 108 Loan	Special Projects	OPEB Healthcare Fund	Grants Fund	Other Blended Component Units	Other Special Revenue Fund	The Fort Worth Fund	Special Revenue Funds Subtotal
$ 82	$ 37,090	$ -	$ 11,736	$ 739	$ 5,072	$ -	$ 95,405
-	-	-	17,438	-	-	-	25,132
-	-	-	3,051	-	-	-	3,973
2	43	-	39	-	14	-	248
-	-	-	-	755	-	966	2,123
-	-	-	-	-	-	-	390
-	-	-	-	-	-	-	2,190
-	-	-	-	-	-	-	-
-	-	-	10,220	-	-	-	10,297
1,015	-	-	10,541	-	-	-	12,271
-	20	-	-	-	-	8,494	13,997
4,995	268	-	5,191	-	-	-	10,454
-	-	-	-	-	-	27	27
$ 6,094	$ 37,421	$ -	$ 58,216	$ 1,494	$ 5,086	$ 9,487	$ 176,507
$ -	$ 268	$ -	$ -	$ -	$ 1,835	$ -	$ 2,103
-	1,829	-	4,363	2	170	1	8,051
-	-	-	62	-	2	-	64
-	131	-	537	-	3	-	2,009
-	-	-	-	-	-	-	1,102
-	-	-	-	-	-	-	20
-	4,084	-	3,628	-	-	-	7,712
-	-	-	-	-	-	-	71
-	-	-	-	-	-	-	-
-	-	-	36,941	-	-	-	38,581
-	6,312	-	45,531	2	2,010	1	59,713
-	20	-	-	-	-	-	3,429
-	-	-	-	-	-	-	2,190
-	-	-	-	-	-	-	-
7,465	-	-	-	-	-	-	7,465
1,015	-	-	-	-	-	-	1,015
-	-	-	10,220	-	-	-	10,297
-	31,089	-	2,465	1,492	-	-	75,242
(2,386)	-	-	-	-	3,076	9,486	17,156
6,094	31,109	-	12,685	1,492	3,076	9,486	116,794
$ 6,094	$ 37,421	$ -	$ 58,216	$ 1,494	$ 5,086	$ 9,487	$ 176,507

(continued)

CITY OF FORT WORTH, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2010
(in 000's)

	Capital Projects Funds			
	Fire Protection Improvements Fund	Street Improvements Fund	Parks and Community Services Improvements	Public Events Improvements Fund
ASSETS				
Cash, Cash Equivalents and Investments	$ 1,435	$ 158,602	$ 49,995	$ 35,373
Receivables, net of allowance for uncollectibles:				
Grants and Other Governments	-	-	-	-
Loans	-	-	-	-
Interest	-	103	126	-
Accounts and Other	-	-	271	-
Due from Other Funds	-	2,163	-	-
Inventories (at Cost)	-	-	-	-
Advances to Other Funds	-	-	-	-
Prepaids, Deposits, and Other	-	-	-	-
Long-Term Loans Receivable	-	-	-	-
Restricted Assets:				
Cash and Cash Equivalents	-	8,393	-	-
Cash and Cash Equivalents Held by Trustees	-	2,901	630	-
Interest Receivable	-	-	-	-
Total Assets	$ 1,435	$ 172,162	$ 51,022	$ 35,373
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	$ -	$ -	$ -	$ 1
Construction Payable	2	4,610	616	-
Escrow Accounts	-	-	-	-
Accrued Payroll	-	20	40	-
Due to Other Governments	-	-	-	-
Accrued Interest	-	18	-	-
Due to Other Funds	-	-	-	-
Other	-	-	-	-
Advances from Other Funds	-	1,750	-	-
Deferred Revenue	-	-	-	-
Total Liabilities	2	6,398	656	1
Fund Balances (Deficit):				
Reserved for Encumbrances	-	-	-	-
Reserved for Inventories	-	-	-	-
Reserved for Advances	-	-	-	-
Reserved for HUD Projects	-	-	-	-
Reserved for Long -Term Loans Receivables	-	-	-	-
Reserved for Prepaids, Deposits, and Other	-	-	-	-
Unreserved:				
Designated for Authorized Expenditures	1,433	165,764	50,366	35,372
Undesignated	-	-	-	-
Total Fund Balances	1,433	165,764	50,366	35,372
Total Liabilities and Fund Balances	$ 1,435	$ 172,162	$ 51,022	$ 35,373

Capital Projects Funds						
Library Improvements Fund	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
$ 1,646	$ 38	$ 10,980	$ 678	$ 82,791	$ 341,538	$ 436,943
-	-	-	-	-	-	25,132
-	-	-	-	-	-	3,973
-	-	39	-	-	268	516
-	-	1,652	-	-	1,923	4,046
-	-	137	-	-	2,300	2,690
-	-	-	-	-	-	2,190
-	-	351	-	-	351	351
-	-	-	-	165	165	10,462
-	-	852	-	-	852	13,123
-	-	-	-	-	8,393	22,390
-	-	-	-	-	3,531	13,985
-	-	-	-	-	-	27
$ 1,646	$ 38	$ 14,011	$ 678	$ 82,956	$ 359,321	$ 535,828
$ -	$ -	$ -	$ -	70	$ 71	$ 2,174
513	36	1	27	1,611	7,416	15,467
-	-	-	-	-	-	64
3	-	-	2	65	130	2,139
-	-	-	-	-	-	1,102
-	-	-	-	-	18	38
-	-	-	-	1,500	1,500	9,212
-	-	-	-	-	-	71
-	-	-	-	-	1,750	1,750
-	-	852	-	-	852	39,433
516	36	853	29	3,246	11,737	71,450
-	-	-	-	-	-	3,429
-	-	-	-	-	-	2,190
-	-	351	-	-	351	351
-	-	-	-	-	-	7,465
-	-	-	-	-	-	1,015
-	-	-	-	165	165	10,462
1,130	2	12,807	649	79,545	347,068	422,310
-	-	-	-	-	-	17,156
1,130	2	13,158	649	79,710	347,584	464,378
$ 1,646	$ 38	$ 14,011	$ 678	$ 82,956	$ 359,321	$ 535,828

(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, 2010
(in 000's)

	Special Revenue Funds			
	Crime Control and Prevention District	Environmental Management	Fort Worth Housing Finance Corporation	Fort Worth Local Development Corporation
Revenues:				
Property Tax	$ -	$ -	$ -	$ -
Other Local Taxes	43,139	-	-	-
Assessments	-	-	-	-
Charges for Services	-	3,951	-	-
Fines and Forfeitures	-	-	-	-
Revenue from Use of Money and Property	-	-	1,273	335
Investment Income	355	118	224	33
Intergovernmental	4,227	-	594	-
Gas Leases and Royalties	-	-	25	126
Other Revenue	197	37	33	-
Contributions	-	-	173	-
Total Revenue	47,918	4,106	2,322	494
Expenditures:				
Current:				
General Administration	-	4,865	1,234	-
Public Safety	34,751	-	-	-
Transportation and Public Works	-	-	-	-
Parks and Community Services	886	-	-	-
Public Library	-	-	-	-
Planning and Development	-	-	-	-
Housing	-	-	2,681	612
Capital Outlay	4,515	16	-	-
Debt Service:				
Principal Retirement	-	265	78	-
Interest and Service Charges	-	-	-	-
Total Expenditures	40,152	5,146	3,993	612
Excess (Deficiency) of Revenues Over (Under) Expenditures	7,766	(1,040)	(1,671)	(118)
Other Financing Sources (Uses):				
Long Term Debt Issued	-	-	-	-
Transfers In	112	380	-	-
Transfers Out	(7,998)	(316)	-	-
Total Other Financinng Sources (Uses)	(7,886)	64	-	-
Net Change in Fund Balances	(120)	(976)	(1,671)	(118)
Fund Balances, Beginning of Year	30,247	7,956	14,732	2,802
Fund Balances, End of Year	$ 30,127	$ 6,980	$ 13,061	$ 2,684

Special Revenue Funds							
HUD 108 Loan	Special Projects	OPEB Healthcare Fund	Grants Fund	Other Blended Component Units	Other Special Revenue Fund	The Fort Worth Fund	Special Revenue Funds Subtotal
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-	-	43,139
-	-	-	-	-	-	-	-
-	1,058	-	-	-	539	-	5,548
-	762	-	-	-	4,225	-	4,987
-	319	-	140	1,312	-	-	3,379
9	314	-	247	3	61	120	1,484
-	654	-	56,319	-	-	-	61,794
-	-	-	-	-	-	2,745	2,896
-	1,220	-	-	6	27	-	1,520
-	7,907	-	19	1,789	-	-	9,888
9	12,234	-	56,725	3,110	4,852	2,865	134,635
-	2,669	5,000	4,453	4	-	-	18,225
-	1,128	-	3,556	-	-	-	39,435
-	4	-	681	-	2,037	-	2,722
-	2,141	-	10,157	-	-	5	13,189
-	-	-	452	-	-	-	452
-	2	-	91	-	-	-	93
3	280	-	21,495	408	-	18	25,497
1	18,068	-	11,024	-	-	-	33,624
682	-	-	-	1,346	-	-	2,371
477	-	-	-	1,520	-	-	1,997
1,163	24,292	5,000	51,909	3,278	2,037	23	137,605
(1,154)	(12,058)	(5,000)	4,816	(168)	2,815	2,842	(2,970)
-	-	-	-	-	-	-	-
731	7,989	-	9,080	-	-	-	18,292
-	(2,545)	-	(832)	-	(747)	(17,700)	(30,138)
731	5,444	-	8,248	-	(747)	(17,700)	(11,846)
(423)	(6,614)	(5,000)	13,064	(168)	2,068	(14,858)	(14,816)
6,517	37,723	5,000	(379)	1,660	1,008	24,344	131,610
$ 6,094	$ 31,109	$ -	$ 12,685	$ 1,492	$ 3,076	$ 9,486	$ 116,794

(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, 2010
(in 000's)

	Capital Projects Funds			
	Fire Protection Improvements Fund	Street Improvements Fund	Parks and Community Services Improvements	Public Events Improvements Fund
Revenues:				
Property Tax	$ -	$ 403	$ -	$ -
Other Local Taxes	-	-	-	-
Assessments	-	11	-	-
Charges for Services	-	149	45	-
Fines and Forfeitures	-	-	-	-
Revenue from Use of Money and Property	-	-	-	-
Investment Income	2	590	587	-
Intergovernmental	-	1,620	-	-
Gas Leases and Royalties	-	2,023	3,753	-
Other	-	8,483	37	-
Contributions	-	2,164	228	-
Total Revenue	2	15,443	4,650	-
Expenditures:				
Current:				
General Administration	-	-	-	-
Public Safety	-	-	-	-
Transportation and Public Works	-	408	-	-
Parks and Community Services	-	-	87	-
Public Library	-	-	-	-
Planning and Development	-	-	-	-
Housing	-	-	-	-
Capital Outlay	2,022	50,442	3,293	4
Debt Service:				
Principal Retirement	-	403	-	-
Interest and Service Charges	-	18	-	-
Total Expenditures	2,022	51,271	3,380	4
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,020)	(35,828)	1,270	(4)
Other Financing Sources (Uses):				
Long-Term Debt Issued	-	-	-	33,785
Transfers In	-	17,407	-	-
Transfers Out	-	(7,686)	(520)	-
Total Other Financing Sources (Uses)	-	9,721	(520)	33,785
Net Change in Fund Balance	(2,020)	(26,107)	750	33,781
Fund Balances, Beginning of Year	3,453	191,871	49,616	1,591
Fund Balances, End of Year	$ 1,433	$ 165,764	$ 50,366	$ 35,372

Capital Projects Funds						
Library Improvements Fund	Animal Shelter Improvements Fund	Capital Projects Reserve Fund	Certificate of Obligation Special Projects	2007 Critical Capital Projects	Capital Project Funds Subtotal	Total Nonmajor Governmental Funds
$ -	$ -	$ -	$ -	$ -	$ 403	$ 403
-	-	-	-	-	-	43,139
-	-	-	-	-	11	11
-	-	-	-	-	194	5,742
-	-	-	-	-	-	4,987
-	-	2,065	-	-	2,065	5,444
1	-	191	-	-	1,371	2,855
-	-	-	-	1,735	3,355	65,149
-	-	4,521	-	-	10,297	13,193
-	-	-	-	-	8,520	10,040
-	-	1	-	-	2,393	12,281
1	-	6,778	-	1,735	28,609	163,244
-	-	18	-	-	18	18,243
-	-	-	-	-	-	39,435
-	-	-	-	-	408	3,130
-	-	-	-	-	87	13,276
-	-	-	-	-	-	452
-	-	18	-	-	18	111
-	-	-	-	-	-	25,497
2,440	39	-	1,194	30,870	90,304	123,928
-	-	-	-	-	403	2,774
-	-	-	-	-	18	2,015
2,440	39	36	1,194	30,870	91,256	228,861
(2,439)	(39)	6,742	(1,194)	(29,135)	(62,647)	(65,617)
-	-	-	-	-	33,785	33,785
-	-	6,028	-	-	23,435	41,727
-	-	(3,397)	-	-	(11,603)	(41,741)
-	-	2,631	-	-	45,617	33,771
(2,439)	(39)	9,373	(1,194)	(29,135)	(17,030)	(31,846)
3,569	41	3,785	1,843	108,845	364,614	496,224
$ 1,130	$ 2	$ 13,158	$ 649	$ 79,710	$ 347,584	$ 464,378

(concluded)

CITY OF FORT WORTH, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS - OTHER BLENDED COMPONENT UNITS
SEPTEMBER 30, 2010
(in 000's)

	Special Revenue Funds				
	Service Center Relocation, Inc. (James Street)	Fort Worth Sports Authority	Lone Star Local Development Corporation	Central City Local Government Corporation	Total Other Blended Component Units
ASSETS					
Cash, Cash Equivalents and Investments	$ -	$ 109	$ 1	$ 629	$ 739
Receivables:					
Accounts and Other	-	755	-	-	755
Total Assets	$ -	$ 864	$ 1	$ 629	$ 1,494
LIABILITIES AND FUND BALANCES					
Liabilities:					
Construction Payable	$ -	$ -	$ -	$ 2	$ 2
Total Liabilities	-	-	-	2	2
Fund Balances (Deficit):					
Unreserved:					
Designated for Authorized Expenditures	-	864	1	627	1,492
Total Fund Balances	-	864	1	627	1,492
Total Liabilities and Fund Balances	$ -	$ 864	$ 1	$ 629	$ 1,494

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, 2010
(in 000's)

	Special Revenue Funds				
	Service Center Relocation, Inc. (James Street)	Fort Worth Sports Authority	Lone Star Local Government Corporation	Central City Local Government Corporation	Total Other Blended Component Units
Revenues:					
Revenue from Use of Money and Property	$ 1,242	$ 70	$ -	$ -	$ 1,312
Investment Income	-	2	-	1	3
Other Revenue	-	-	-	6	6
Contributions	-	755	427	607	1,789
Total Revenue	1,242	827	427	614	3,110
Expenditures:					
Current:					
General Administration	-	-	4	-	4
Housing	-	378	-	30	408
Debt Service:					
Principal Retirement	475	461	-	410	1,346
Interest and Service Charges	957	-	426	137	1,520
Total Expenditures	1,432	839	430	577	3,278
Net Change in Fund Balances	(190)	(12)	(3)	37	(168)
Fund Balances, Beginning of Year	190	876	4	590	1,660
Fund Balances, End of Year	$ -	$ 864	$ 1	$ 627	$ 1,492

CITY OF FORT WORTH, TEXAS
BUDGETARY BASIS COMPARISON SCHEDULE
CRIME CONTROL AND PREVENTION DISTRICT FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2010
(in 000's)

	Budgeted Amounts (Budgetary Basis)		Actual Amounts (Budgetary Basis)	Variance with Final Budget-- Positive (Negative)
	Original	Final		
Revenues and Other Financing Sources:				
Revenues:				
Other Local Taxes	$ 45,655	$ 45,655	$ 43,139	$ (2,516)
Interest Income	907	907	355	(552)
Intergovernmental	4,090	4,090	4,227	137
Other	164	164	197	33
Total Revenue	50,816	50,816	47,918	(2,898)
Other Financing Sources:				
Transfers in	-	-	112	112
Total Other Financing Sources	-	-	112	112
Total Revenues and Other Financing Sources	50,816	50,816	48,030	(2,786)
Expenditures:				
Department:				
Police	49,356	53,016	47,264	5,752
Parks and Community Services	1,270	1,285	886	399
Total Expenditures	50,626	54,301	48,150	6,151
Source / (Use) of Fund Balance	$ 190	$ (3,485)	$ (120)	$ 3,365

NON-MAJOR PROPRIETARY FUNDS

Nonmajor Enterprise Funds

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

Municipal Airports Fund

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

Municipal Parking Fund

The Municipal Parking Fund is used to account for the operation of the Equestrian Center garage, a six story municipal parking garage, Convention Center parking garage, Houston Street parking garage, Western Heritage parking garage and several surface lots located in the downtown area. The fund's operations are financed by parking and office space rentals and concession fees.

Municipal Golf Fund

The Municipal Golf Fund is used to account for the operation of five municipal golf courses. The fund's operations are financed by course fees, golf equipment rentals and merchandise and concession sales to the public. The City resumed management of the Z Boaz and Rockwood golf courses in 1998.

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 ENTERPRISE FUNDS
SEPTEMBER 30, 2010
(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	$ 978	$ 1,806	$ 350	$ 16,933	$ 33,799	$ 53,866
Interest Receivable	4	-	-	62	118	184
Accounts and Other Receivables, net of allowance for uncollectibles	2,470	5	4	2,954	6,007	11,440
Inventories , at Cost	-	-	140	-	-	140
Prepaids, Deposits, and Other	586	-	6	2,206	-	2,798
Total Current Assets	4,038	1,811	500	22,155	39,924	68,428
Noncurrent Assets:						
Restricted Assets:						
Cash and Cash Equivalents	119,517	9,153	1,949	57,169	2,233	190,021
Cash and Cash Equivalents Held by Trustees	894	-	-	-	1,313	2,207
Grants Receivable	516	-	-	-	-	516
Interest Receivable	392	34	7	187	2	622
Total Restricted Assets	121,319	9,187	1,956	57,356	3,548	193,366
Advances to Other Funds	1,750	-	-	-	-	1,750
Deferred Bond Issue Cost	-	922	2	276	19	1,219
Capital Assets (at Cost)						
Land	58,144	1,561	360	18	1,097	61,180
Buildings	12,199	28,420	1,315	63	2,185	44,182
Improvements Other than Buildings	174,352	1,027	9,323	2,519	15,805	203,026
Machinery and Equipment	3,244	21	1,946	9,130	2,475	16,816
Construction in Progress	26,700	20,437	1,923	23,650	-	72,710
Accumulated Depreciation	(115,541)	(2,769)	(9,491)	(6,104)	(8,314)	(142,219)
Net Capital Assets	159,098	48,697	5,376	29,276	13,248	255,695
Total Noncurrent Assets	282,167	58,806	7,334	86,908	16,815	452,030
Total Assets	286,205	60,617	7,834	109,063	56,739	520,458

(continued)

CITY OF FORT WORTH, TEXAS
COMBINING STATEMENT OF NET ASSETS
NONMAJOR ENTERPRISE FUNDS
SEPTEMBER 30, 2010
(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	$ 615	$ 336	$ 72	$ 1,211	$ 3,087	$ 5,321
Accrued Payroll	61	46	123	271	180	681
Due to Other Funds	137	-	-	-	-	137
Unearned Revenue	535	-	-	-	6,011	6,546
Restricted Liabilities:						
Construction Payable	352	196	2	969	-	1,519
Current Portion of Long-Term Liabilities	85	510	178	1,815	1,895	4,483
Accrued Interest Payable	-	219	-	368	41	628
Customer Deposits	34	-	-	-	705	739
Unearned Revenue	80,000	-	-	-	-	80,000
Total Current Liabilities	81,819	1,307	375	4,634	11,919	100,054
Long-Term Liabilities:						
Advances from Other Funds	351	-	5,258	-	-	5,609
Long-Term Liabilities Due in More Than One Year	994	48,548	1,933	70,256	14,154	135,885
Total Long-Term Liabilities	1,345	48,548	7,191	70,256	14,154	141,494
Total Liabilities	83,164	49,855	7,566	74,890	26,073	241,548
NET ASSETS						
Invested in Capital Assets, Net of Related Debt	158,746	6,007	5,369	12,583	3,404	186,109
Restricted for:						
Debt Service	-	748	-	1,929	104	2,781
Unrestricted	44,295	4,007	(5,101)	19,661	27,158	90,020
Total Net Assets	$ 203,041	$ 10,762	$ 268	$ 34,173	$ 30,666	$ 278,910

(concluded)

Native American Grass Dancer makes a clearing for others to follow by stomping the grass to make a path. The motion of the fringe on the regalia symbolizes the waving of the prairie grass as the wind flows throughout the plains.

CITY OF FORT WORTH, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2010
(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	$ 3,987	$ 6,394	$ 4,374	$ 26,530	$ 46,710	$ 87,995
Other	268	15	6	19	5,464	5,772
Total Operating Revenues	4,255	6,409	4,380	26,549	52,174	93,767
OPERATING EXPENSES						
Personnel Services	1,643	911	3,123	6,860	4,776	17,313
Supplies and Materials	216	103	740	993	1,088	3,140
Contractual Services	3,168	1,175	1,526	9,884	32,102	47,855
Depreciation	7,588	740	447	1,479	919	11,173
Total Operating Expenses	12,615	2,929	5,836	19,216	38,885	79,481
Operating Income (Loss)	(8,360)	3,480	(1,456)	7,333	13,289	14,286
NONOPERATING REVENUES (EXPENSES)						
Investment Income	2,386	134	27	1,237	563	4,347
Gain on Sale of Equipment	-	-	-	-	50	50
Interest and Service Charges	(2)	(623)	(113)	(745)	(406)	(1,889)
Gas Leases and Royalties	9,968	-	662	-	-	10,630
Other Expense	(39)	-	-	-	-	(39)
Total Nonoperating Revenues (Expenses)	12,313	(489)	576	492	207	13,099
Income (Loss) before Transfers and Contributions	3,953	2,991	(880)	7,825	13,496	27,385
Transfers In	17,461	2	11	28	478	17,980
Transfers Out	(640)	(3,141)	(176)	(1,898)	(5,070)	(10,925)
Capital Contributions	4,460	14	-	-	-	4,474
Change in Net Assets	25,234	(134)	(1,045)	5,955	8,904	38,914
Total Net Assets - Beginning of year	177,807	10,896	1,313	28,218	21,762	239,996
Total Net Assets - Ending of year	$ 203,041	$ 10,762	$ 268	$ 34,173	$ 30,666	$ 278,910

CITY OF FORT WORTH, TEXAS
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2010
(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	$ 2,661	$ 6,397	$ 4,377	$ 25,985	$ 46,563	$ 85,983
Receipts from Other Operating Sources	268	15	6	19	5,464	5,772
Receipts from Gas Leases and Royalties	9,968	-	662	-	-	10,630
Payments to Suppliers	(216)	(103)	(725)	(993)	(1,088)	(3,125)
Payments to Employees	(1,436)	(785)	(2,742)	(5,815)	(4,133)	(14,911)
Payments for Contractual Services	(3,164)	(899)	(1,650)	(9,097)	(36,287)	(51,097)
Other Payments	(39)	-	-	-	-	(39)
Net Cash Provided by (Used for) Operating Activities	8,042	4,625	(72)	10,099	10,519	33,213
Cash Flows from Noncapital Financing Activities:						
Advances from (to) Other Funds	(1,750)	-	1,051	-	-	(699)
Transfers In from Other Funds	17,461	2	11	28	478	17,980
Transfers Out to Other Funds	(640)	(3,141)	(176)	(1,898)	(5,070)	(10,925)
Net Cash Provided by (Used For) Noncapital Financing Activities	15,071	(3,139)	886	(1,870)	(4,592)	6,356
Cash Flows from Capital and Related Financing Activities:						
Acquisition and Construction of Property, Plant and Equipment	(6,409)	(11,820)	(276)	(8,419)	(732)	(27,656)
Proceeds from Sale of Machinery and Equipment	-	-	-	-	64	64
Proceeds from Bond Sales	-	-	-	45,887	-	45,887
Bond Issuance Costs Paid	-	(2)	(2)	(130)	-	(134)
Principal Paid on Long-Term Debt	(55)	(300)	(2,258)	(1,445)	(1,661)	(5,719)
Interest Paid on Long-Term Obligations	(2)	(2,639)	(106)	(2,546)	(426)	(5,719)
Principal Paid on Capital Lease	-	-	(64)	-	-	(64)
Contributions	4,781	14	-	-	-	4,795
Net Cash Provided by (Used for) Capital and Related Financing Activities	(1,685)	(14,747)	(2,706)	33,347	(2,755)	11,454
Cash Flows from Investing Activities:						
Investment Income Received	1,996	315	23	1,060	645	4,039
Net Cash Provided by Investing Activities	1,996	315	23	1,060	645	4,039
Net Increase (Decrease) in Cash and Cash Equivalents	23,424	(12,946)	(1,869)	42,636	3,817	55,062
Cash and Cash Equivalents, Beginning of Year	97,965	23,905	4,168	31,466	33,528	191,032
Cash and Cash Equivalents, End of Year	$ 121,389	$ 10,959	$ 2,299	$ 74,102	$ 37,345	$ 246,094

(continued)

CITY OF FORT WORTH, TEXAS
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2010
(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)	$ (8,360)	$ 3,480	$ (1,456)	$ 7,333	$ 13,289	$ 14,286
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:						
Depreciation	7,588	740	447	1,479	919	11,173
Change in Assets and Liabilities:						
Accounts and Other Receivables	(1,888)	(5)	-	(772)	341	(2,324)
Inventories	-	-	15	-	-	15
Other Assets	560	8	3	227	-	798
Accounts Payable	4	276	(124)	787	(249)	694
Accrued Compensation	207	126	381	1,045	643	2,402
Unearned Revenue	-	-	-	-	(481)	(481)
Landfill Closure Costs	-	-	-	-	(3,936)	(3,936)
Customer Deposits	2	-	-	-	(7)	(5)
Gas Leases and Royalties Receipts	9,968	-	662	-	-	10,630
Other Payments	(39)	-	-	-	-	(39)
Total Adjustments	16,402	1,145	1,384	2,766	(2,770)	18,927
Net Cash Provided by (Used For) Operating Activities	$ 8,042	$ 4,625	$ (72)	$ 10,099	$ 10,519	$ 33,213
The Cash and Cash Equivalents are reported in the Statement of Net Assets as follows:						
Cash, Cash Equivalents and Investments	$ 978	$ 1,806	$ 350	$ 16,933	$ 33,799	$ 53,866
Restricted Assets:						
Cash and Cash Equivalents	119,517	9,153	1,949	57,169	2,233	190,021
Cash and Investments Held by Trustees	894	-	-	-	1,313	2,207
Total Cash and Cash Equivalents	$ 121,389	$ 10,959	$ 2,299	$ 74,102	$ 37,345	$ 246,094
Noncash Investing, Capital, and Financing Activities:						
Intra-Government Net Capital Assets Transfers	$ -	$ -	$ -	$ (249)	$ -	$ (249)

(concluded)

Fort Worth Stock Show and Rodeo

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, 2010
(in 000's)

	Office Services	Equipment Services	Temporary Labor	Information Systems	Engineering Services	Total
ASSETS						
Current Assets:						
Cash, Cash Equivalents and Investments	$ -	$ 863	$ 495	$ 9,697	$ 2,048	$ 13,103
Interest Receivable	-	-	2	34	8	44
Accounts and Other Receivables	-	-	-	3	4	7
Inventories (at Cost)	158	467	-	92	-	717
Total Current Assets	158	1,330	497	9,826	2,060	13,871
Noncurrent Assets:						
Restricted Assets:						
Cash and Cash Equivalents	-	-	-	3,936	-	3,936
Capital Assets (at cost):						
Land	-	1,119	-	-	4	1,123
Buildings	-	4,693	-	594	-	5,287
Improvements Other than Buildings	-	1,013	-	-	91	1,104
Machinery and Equipment	585	2,181	-	11,082	2,347	16,195
Construction in Progress	-	-	-	2,323	-	2,323
Accumulated Depreciation	(585)	(5,792)	-	(9,416)	(1,976)	(17,769)
Net Capital Assets	-	3,214	-	4,583	466	8,263
Total Noncurrent Assets	-	3,214	-	8,519	466	12,199
Total Assets	158	4,544	497	18,345	2,526	26,070
LIABILITIES						
Current Liabilities:						
Accounts Payable	61	898	-	2,742	59	3,760
Accrued Payroll	29	356	57	343	553	1,338
Current Portion of Long-Term Liabilities	41	389	4	461	574	1,469
Total Current Liabilities	131	1,643	61	3,546	1,186	6,567
Long-Term Liabilities:						
Advances from Other Funds	708	-	-	-	-	708
Long-Term Liabilities Due in More Than One Year	21	575	-	618	1,277	2,491
Total Long-Term Liabilities	729	575	-	618	1,277	3,199
Total Liabilities	860	2,218	61	4,164	2,463	9,766
NET ASSETS (DEFICIT)						
Invested in Capital Assets, Net of Related Debt	-	3,214	-	4,583	466	8,263
Unrestricted	(702)	(888)	436	9,598	(403)	8,041
Total Net Assets (Deficit)	$ (702)	$ 2,326	$ 436	$ 14,181	$ 63	$ 16,304

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, 2010
(in 000's)

	Office Services	Equipment Services	Temporary Labor	Information Systems	Engineering Services	Total
OPERATING REVENUES						
Charges for Services	$ 1,966	$ 23,497	$ 1,205	$ 23,163	$ 14,283	$ 64,114
Total Operating Revenues	1,966	23,497	1,205	23,163	14,283	64,114
OPERATING EXPENSES						
Personnel Services	851	8,093	1,165	7,918	11,974	30,001
Supplies and Materials	248	12,090	-	2,220	381	14,939
Contractual Services	939	2,937	28	11,871	1,531	17,306
Depreciation	10	516	-	744	251	1,521
Total Operating Expenses	2,048	23,636	1,193	22,753	14,137	63,767
Operating Income (Loss)	(82)	(139)	12	410	146	347
NONOPERATING REVENUES (EXPENSES)						
Investment Income	-	-	10	139	38	187
Gain on Sale of Capital Assets	-	6	-	-	5	11
Other Expense	-	(575)	-	-	-	(575)
Other Revenue	-	67	-	-	11	78
Total Nonoperating Revenues (Expenses)	-	(502)	10	139	54	(299)
Income (Loss) Before Transfers and Contributions	(82)	(641)	22	549	200	48
Transfers In	4	67	-	23	44	138
Transfers Out	(1)	(112)	-	(143)	(47)	(303)
Capital Contributions	-	-	-	254	-	254
Change in Net Assets (Deficit)	(79)	(686)	22	683	197	137
Total Net Assets (Deficit) - Beginning	(623)	3,012	414	13,498	(134)	16,167
Total Net Assets (Deficit) - Ending	$ (702)	$ 2,326	$ 436	$ 14,181	$ 63	$ 16,304

CITY OF FORT WORTH, TEXAS
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2010
(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	$ 1,966	$ 23,497	$ 1,205	$ 23,164	$ 14,283	$ 64,115
Payments to Suppliers	(169)	(11,720)	-	(316)	(336)	(12,541)
Payments to Employees	(876)	(8,143)	(1,170)	(8,086)	(11,526)	(29,801)
Payments for Contractual Services	(939)	(2,937)	(28)	(11,846)	(1,531)	(17,281)
Other Receipts	-	67	-	-	11	78
Net Cash Provided by (Used for) Operating Activities	(18)	764	7	2,916	901	4,570
Cash Flows from Noncapital Financing Activities:						
Transfers In from Other Funds	4	67	-	23	44	138
Transfers Out to Other Funds	(1)	(112)	-	(143)	(47)	(303)
Advances from Other Funds	15	-	-	-	-	15
Net Cash Provided by (Used for) Noncapital Financing Activities	18	(45)	-	(120)	(3)	(150)
Cash Flows from Capital and Related Financing Activities:						
Acquisition of Property, Plant and Equipment	-	(332)	-	(1,879)	(174)	(2,385)
Proceeds from Sale of Equipment	-	6	-	-	1	7
Contributions	-	-	-	254	-	254
Net Cash Used for Capital and Related Financing Activities	-	(326)	-	(1,625)	(173)	(2,124)
Cash Flows from Investing Activities						
Investment Income Received	-	-	8	105	31	144
Net Cash Provided by Investing Activities	-	-	8	105	31	144
Net Increase in Cash and Cash Equivalents	-	393	15	1,276	756	2,440
Cash and Cash Equivalents, Beginning of Year	-	470	480	12,357	1,292	14,599
Cash and Cash Equivalents, End of Year	$ -	$ 863	$ 495	$ 13,633	$ 2,048	$ 17,039
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:						
Operating Income (Loss)	$ (82)	$ (139)	$ 12	$ 410	$ 146	$ 347
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:						
Depreciation	10	516	-	744	251	1,521
Change in Assets and Liabilities:						
Accounts and Other Receivables	-	-	-	1	-	1
Inventories	136	62	-	55	-	253
Other Assets	-	-	-	25	-	25
Accounts Payable	(57)	308	-	1,849	45	2,145
Accrued Compensation	(25)	(50)	(5)	(168)	448	200
Other Receipts	-	67	-	-	11	78
Total Adjustments	64	903	(5)	2,506	755	4,223
Net Cash Provided by (Used for) Operating Activities	$ (18)	$ 764	$ 7	$ 2,916	$ 901	$ 4,570
The Cash and Cash Equivalents are reported in the Statement of Net Assets as follows:						
Cash, Cash Equivalents and Investments	$ -	$ 863	$ 495	$ 9,697	$ 2,048	$ 13,103
Restricted Assets:						
Cash and Cash Equivalents	-	-	-	3,936	-	3,936
Total Cash and Cash Equivalents	$ -	$ 863	$ 495	$ 13,633	$ 2,048	$ 17,039
Noncash Investing, Capital, and Financing Activities:						
Intra-Government Net Capital Assets Transfers	$ -	$ (575)	$ -	$ -	$ -	$ (575)

FIDUCIARY FUNDS

FIDUCIARY FUNDS

Fiduciary funds are used to account for resources held by the City as a trustee or agent. Fiduciary Funds account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. The City reports the following fiduciary funds:

Employees' Retirement Pension Trust Fund

For accounting measurement purposes, the Employees' Retirement Pension Fund is accounted for in essentially the same manner as proprietary funds. The Employees' Retirement Pension Fund accounts for the assets of the City's retirement plan and issues separately audited financial statements. Those statements can be obtained by contacting the Employee's Retirement Plan of the City of Fort Worth, 3801 Hulen St., Suite 101, Fort Worth, Texas, 76107.

Retiree Healthcare Trust Fund

For accounting measurement purposes, the Retiree Healthcare Trust Fund is accounted for in essentially the same manner as proprietary funds. The Retiree Healthcare Trust Fund accounts for the assets of the City's post employment healthcare benefit.

CITY OF FORT WORTH, TEXAS
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
PENSION AND OTHER EMPLOYEE BENEFITS TRUST FUNDS
SEPTEMBER 30, 2010
(in 000's)

	Employees' Retirement Pension Trust Fund	Retiree Healthcare Trust Fund	Total
ASSETS			
Current Assets:			
Cash and Cash Equivalents	$ 152	$ 6,423	$ 6,575
Cash and Investments Held by Trustees:			
Asset & Mortgage Backed Obligations	52,712	-	52,712
Corporate Obligations	207,080	-	207,080
Government Agency Obligations	50,265	-	50,265
International Obligations	91,397	-	91,397
Securities Lending Collateral	186,500	-	186,500
US Treasuries	45,108	-	45,108
Short Term Mutual Fund Investments	46,391	3,811	50,202
Corporate Stock	509,571	-	509,571
Alternative Investments	351,185	-	351,185
Commingled Funds	298,071	-	298,071
Less: Investments in Non-City Funded Staff Plan	(871)	-	(871)
Total Cash and Investments Held by Trustees	1,837,409	3,811	1,841,220
Other Receivables	12,119	-	12,119
Due from Broker Securities Sold	83,656	-	83,656
Total Current Assets	1,933,336	10,234	1,943,570
Capital Assets (at cost):			
Land	405	-	405
Buildings	3,424	-	3,424
Machinery and Equipment	219	-	219
Accumulated Depreciation	(185)	-	(185)
Net Capital Assets	3,863	-	3,863
Total Assets	1,937,199	10,234	1,947,433
LIABILITIES			
Current Liabilities:			
Accrued Payable	83	-	83
Obligations Under Securities Lending	186,412	-	186,412
Due to Broker Securities Purchased	93,440	-	93,440
Total Current Liabilities	279,935	-	279,935
NET ASSETS			
Net Assets Held in Trust for Pension and Other Employee Benefits:			
Benefit Pension Plans	1,657,264	-	1,657,264
Postemployment Healthcare Plans	-	10,234	10,234
Total Net Assets	$ 1,657,264	$ 10,234	$ 1,667,498

CITY OF FORT WORTH, TEXAS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
PENSION AND OTHER EMPLOYEE BENEFITS TRUST FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2010
(in 000's)

	Employees' Retirement Pension Trust Fund	Retiree Healthcare Trust Fund	Total
ADDITIONS			
Interest and Dividend Income	$ 40,634	$ 50	$ 40,684
Less: Investment Management Fees and Interest Expense	(7,423)	(11)	(7,434)
Net Gain in Fair Value of Investments	116,096	-	116,096
Employer Contributions	65,627	10,195	75,822
Employee Contributions	31,545	-	31,545
Total Additions	246,479	10,234	256,713
DEDUCTIONS			
Benefit Payments	119,520	-	119,520
Refunds	3,641	-	3,641
Administrative Expenses	2,703	-	2,703
Total Deductions	125,864	-	125,864
Change in Net Assets	120,615	10,234	130,849
Net Assets-Beginning of the Year	1,536,649	-	1,536,649
Net Assets-End of the Year	$ 1,657,264	$ 10,234	$ 1,667,498

Local Boy Scout Troop participating in the MLK Day Celebration Parade

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. Special assessments are levied on property within the District to pay for these services.

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. Special assessments are levied on property within the District to pay for these services.

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. Special assessments are levied on property within the District to pay for these services.

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. Improvements and services to be provided include a maintenance program, a security enhancement program and a district management program. Special assessments are levied on property within the District to pay for these services.

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 Tarrant County College 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, 2010
(in 000's)

	FWPID #1	FWPID #6	FWPID #7	FWPID #8	FWPID #11	FWPID #12	FWPID #14	TIRZ #2A	TIRZ #2B
ASSETS									
Cash, Cash Equivalents and Investments	$ 933	$ 723	$ 452	$ 409	$ 3	$ 3	$ 14	$ 1,126	$ 155
Interest Receivable	4	3	3	2	-	-	-	4	-
Accounts and Other Receivables	1	2	2	-	-	-	-	-	-
Total Assets	938	728	457	411	3	3	14	1,130	155
LIABILITIES									
Accounts Payable	202	193	126	35	-	-	10	655	99
Total Liabilities	202	193	126	35	-	-	10	655	99
NET ASSETS									
Unreserved	736	535	331	376	3	3	4	475	56
Total Net Assets - Unrestricted	$ 736	$ 535	$ 331	$ 376	$ 3	$ 3	$ 4	$ 475	$ 56

TIRZ #3	TIRZ #3A	TIRZ #4	TIRZ #6	TIRZ #7	TIRZ #8	TIRZ #9	TIRZ #10	TIRZ #11	TIRZ #12	TIRZ #13	Total
$ 3,752	$ 2,897	$ 11,046	$ 15	$ 385	$ 4,048	$ 3,605	$ 1	$ 234	$ 241	$ 144	$ 30,186
9	9	36	3	1	13	14	-	1	1	-	103
-	-	-	-	-	-	-	-	-	-	-	5
3,761	2,906	11,082	18	386	4,061	3,619	1	235	242	144	30,294
63	-	140	4	-	-	-	-	-	-	-	1,527
63	-	140	4	-	-	-	-	-	-	-	1,527
3,698	2,906	10,942	14	386	4,061	3,619	1	235	242	144	28,767
$ 3,698	$ 2,906	$ 10,942	$ 14	$ 386	$ 4,061	$ 3,619	$ 1	$ 235	$ 242	$ 144	$ 28,767

CITY OF FORT WORTH, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET ASSETS
DISCRETELY PRESENTED COMPONENT UNITS
SEPTEMBER 30, 2010
(in 000's)

	FWPID #1	FWPID #6	FWPID #7	FWPID #8	FWPID #11	FWPID #12	FWPID #14	TIRZ #2A	TIRZ #2B
Revenues:									
General Property Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,036	$ 298
Investment Income	21	14	13	7	1	1	-	17	2
Other	2,003	1,335	1,419	393	55	52	18	-	-
Total Revenues	2,024	1,349	1,432	400	56	53	18	1,053	300
Expenses:									
General Administration	1,720	1,230	1,300	412	74	66	14	890	444
Transportation and Public Works	-	-	-	-	-	-	-	-	-
Total Expenses	1,720	1,230	1,300	412	74	66	14	890	444
Change in Net Assets	304	119	132	(12)	(18)	(13)	4	163	(144)
Total Net Assets - Beginning of Year	432	416	199	388	21	16	-	312	200
Total Net Assets - End of Year	$ 736	$ 535	$ 331	$ 376	$ 3	$ 3	$ 4	$ 475	$ 56

TIRZ #3	TIRZ #3A	TIRZ #4	TIRZ #6	TIRZ #7	TIRZ #8	TIRZ #9	TIRZ #10	TIRZ #11	TIRZ #12	TIRZ #13	Total
$ 4,213	$ 650	$ 6,524	$ 722	$ 1,233	$ 2,952	$ 2,016	$ 424	$ 110	$ 96	$ 57	$ 20,331
43	41	143	14	5	56	64	2	3	3	1	451
-	-	-	-	-	-	-	-	-	-	-	5,275
4,256	691	6,667	736	1,238	3,008	2,080	426	113	99	58	26,057
3,752	-	2,114	1,361	878	2,608	1,000	426	-	7	5	18,301
-	-	35	-	-	-	-	-	-	-	-	35
3,752	-	2,149	1,361	878	2,608	1,000	426	-	7	5	18,336
504	691	4,518	(625)	360	400	1,080	-	113	92	53	7,721
3,194	2,215	6,424	639	26	3,661	2,539	1	122	150	91	21,046
$ 3,698	$ 2,906	$ 10,942	$ 14	$ 386	$ 4,061	$ 3,619	$ 1	$ 235	$ 242	$ 144	$ 28,767

A shawl dancer is also called the Butterfly dancer for it tells of a journey all butterflies take during their migration.

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.

Fort Worth Hispanic Heritage Celebration

FINANCIAL TRENDS

CITY OF FORT WORTH, TEXAS **TABLE 1**
NET ASSETS BY COMPONENT
LAST NINE FISCAL YEARS (Unaudited)
(accrual basis of accounting)
(in 000's)

	2002	2003	2004	2005	2006	2007	2008	2009	2010
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	$ 943,984
Restricted for Capital Projects	20,874	55,765	5,691	9,539	-	-	-	-	8,393
Restricted for Debt Service	28,561	26,198	31,318	36,055	45,988	7,376	15,974	15,613	16,437
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	32,197
Total Governmental Activities Net Assets	$ 387,858	$ 411,165	$ 684,130	$ 779,016	$ 969,329	$ 1,029,600	$ 1,030,899	$ 1,014,989	$ 1,001,011
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	$ 1,594,876
Restricted for Debt Service	42,100	14,229	269	88	225	29,668	35,859	41,532	37,739
Restricted for Capital Projects	108,040	200,139	-	-	-	-	-	-	67,661
Unrestricted	84,461	28,792	121,748	191,719	219,651	189,885	258,686	232,086	224,958
Total Business-type Activities Net Assets	$ 1,063,615	$ 1,102,768	$ 1,188,242	$ 1,321,296	$ 1,491,907	$ 1,635,992	$ 1,754,278	$ 1,833,887	$ 1,925,234
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	$ 2,538,860
Restricted for Capital Projects	128,914	255,904	5,691	9,539	-	-	-	-	76,054
Restricted for Debt Service	70,661	40,427	31,587	36,143	46,213	37,044	51,833	57,145	54,176
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	257,155
Total Primary Government Net Assets	$ 1,451,473	$ 1,513,933	$ 1,872,372	$ 2,100,312	$ 2,461,236	$ 2,665,592	$ 2,785,177	$ 2,848,876	$ 2,926,245

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

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 **TABLE 2**

CHANGE IN NET ASSETS

LAST NINE FISCAL YEARS (Unaudited)

(accrual basis of accounting)

(in 000's)

	2002	2003	2004	2005	2006	2007	2008	2009	2010
Expenses									
Governmental Activities:									
General Administration	$ 34,292	$ 28,037	$ 67,455	$ 87,687	$ 94,239	$ 110,802	$ 161,180	$ 111,114	$ 112,638
Public Safety	212,708	214,399	240,176	263,491	292,220	319,561	359,813	379,865	391,755
Transportation and Public Works	63,487	63,663	76,757	75,631	100,626	106,543	100,276	117,540	108,481
Parks and Community Services	37,681	32,488	33,768	35,898	41,291	44,533	51,145	55,110	55,022
Public Library	14,329	13,966	15,220	16,440	17,843	19,493	18,633	20,200	20,531
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	28,020
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	12,520
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	37,944
Interest on Long-term Debt	19,734	18,323	16,080	15,150	15,793	22,216	20,689	26,910	29,220
Total Governmental Activities	458,962	458,176	508,586	552,111	618,656	691,565	776,750	786,447	796,131
Business-type activities:									
Water and Sewer	181,880	198,069	185,491	177,071	237,405	221,774	240,960	260,544	269,723
Municipal Airports	7,976	7,514	7,783	10,197	11,942	10,623	12,480	12,238	12,656
Solid Waste	26,616	40,056	30,988	35,173	36,647	39,389	41,478	44,296	39,241
Municipal Parking	459	490	428	410	314	1,035	586	2,067	3,552
Municipal Golf	6,162	4,945	4,338	4,614	5,437	5,119	6,174	6,126	5,949
Stormwater Utility	-	-	-	-	483	4,735	11,339	14,265	19,961
Total Business-type Activities	223,093	251,074	229,028	227,465	292,228	282,675	313,017	339,536	351,082
Total Primary Government Expenses	$ 682,055	$ 709,250	$ 737,614	$ 779,576	$ 910,884	$ 974,240	$ 1,089,767	$ 1,125,983	$ 1,147,213
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	$ 16,903
Public Safety	21,029	35,524	23,328	23,301	18,667	21,252	21,374	22,506	18,306
Transportation and Public Works	1,111	1,196	1,635	2,266	3,022	3,140	4,415	4,381	6,469
Parks and Community Services	897	2,254	812	2,253	763	1,047	1,392	1,826	1,988
Public Library	464	420	495	527	629	644	724	668	601
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	8,838
Non-Departmental	1,151	623	-	-	-	-	-	-	-
Planning and Development	5,622	6,160	6,500	9,268	9,128	10,422	11,659	10,262	10,776
Finance	2,918	6,883	961	749	-	-	-	-	-
Housing and Economic Development	10	726	239	883	2,275	2,244	1,608	2,334	1,979
Operating Grants and Contributions	32,973	19,595	38,735	44,766	52,702	47,334	34,014	35,532	56,798
Capital Grants and Contributions	14,389	14,171	77,184	103,477	86,145	90,172	63,088	40,063	35,987
Total Governmental Activities	139,035	133,178	209,777	209,989	199,625	201,444	165,984	145,612	158,645
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	304,831
Municipal Airports	3,027	3,104	3,275	3,432	3,003	2,948	3,157	3,406	3,987
Solid Waste	25,198	27,607	26,966	35,581	37,259	40,632	44,095	45,465	46,710
Municipal Parking	604	528	589	625	3,645	3,683	4,099	4,533	6,394
Municipal Golf	4,797	4,179	4,084	3,630	4,542	4,337	5,169	5,072	4,374
Stormwater Utility	-	-	-	-	3,670	15,165	17,753	20,803	26,530
Capital Grants and Contributions	28,736	27,902	57,516	78,833	118,749	87,818	44,127	54,827	31,186
Total Business-type Activities	255,152	271,517	314,369	369,356	464,660	412,572	416,518	437,217	424,012
Total Primary Government Program Revenues	$ 394,187	$ 404,695	$ 524,146	$ 579,345	$ 664,285	$ 614,016	$ 582,502	$ 582,829	$ 582,657

(continued)

CITY OF FORT WORTH, TEXAS **TABLE 2**

CHANGE IN NET ASSETS

LAST NINE FISCAL YEARS (Unaudited)

(accrual basis of accounting)

(in 000's)

	2002	2003	2004	2005	2006	2007	2008	2009	2010
Net (Expense) Revenue									
Governmental Activities	$ (319,927)	$ (324,998)	$ (298,809)	$ (342,122)	$ (419,031)	$ (490,121)	$ (610,766)	$ (640,835)	$ (637,486)
Business-type Activities	32,059	20,443	85,341	141,891	172,432	129,897	103,501	97,681	72,930
Total Primary Government Net Expense	$ (287,868)	$ (304,555)	$ (213,468)	$ (200,231)	$ (246,599)	$ (360,224)	$ (507,265)	$ (543,154)	$ (564,556)
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	$ 354,815
Other Local Taxes	128,983	129,424	134,240	145,514	162,076	172,621	183,833	173,559	174,092
Franchise Fees	-	-	-	31,741	34,764	33,316	36,749	34,717	35,148
Gas Lease and Royalties	-	-	-	-	5,143	12,154	28,684	13,866	13,963
Assessments	656	507	357	426	1	868	30	13	11
Investment Income	14,611	5,738	9,612	8,939	12,191	19,974	18,615	15,746	11,572
Change in Fair Value of Investments	-	-	(3,930)	(2,342)	-	-	-	-	-
Other	99	(61)	230	100	6,384	8,376	6,896	14,465	14,688
Gain (Loss) on Disposal of Capital Assets	-	-	(17)	(20)	1,227	63	401	430	352
Transfers	(372)	3,214	7,352	16,776	19,420	14,295	19,340	27,957	18,867
Total Governmental Activities	334,130	348,305	371,459	437,008	497,836	550,392	612,065	624,925	623,508
Business-type Activities:									
Investment Income	14,120	5,457	3,760	3,858	9,279	14,638	18,647	9,605	7,687
Gas Lease and Royalties	-	-	-	-	4,197	8,542	21,424	5,540	23,708
Other	11,928	16,181	2,933	4,078	5,185	6,582	7,857	4,202	5,889
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)	(18,867)
Total Business-type Activities	26,420	18,710	(700)	(8,837)	(1,821)	14,188	14,785	(8,847)	18,417
Total Primary Government	$ 360,550	$ 367,015	$ 370,759	$ 428,171	$ 496,015	$ 564,580	$ 626,850	$ 616,078	$ 641,925
Change in Net Assets									
Governmental Activities	$ 14,203	$ 23,307	$ 72,650	$ 94,886	$ 78,805	$ 60,271	$ 1,299	$ (15,910)	$ (13,978)
Business-type Activities	58,479	39,153	84,641	133,054	170,611	144,085	118,286	88,834	91,347
Total Primary Government	$ 72,682	$ 62,460	$ 157,291	$ 227,940	$ 249,416	$ 204,356	$ 119,585	$ 72,924	$ 77,369
Change in Accounting Principle	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (9,225)	$ -

(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)

	2001	2002	2003	2004	2005
General Fund					
Reserved for:					
Encumbrances	$ 1,384	$ 1,384	$ 1,144	$ 1,014	$ 884
Inventories	2,621	2,073	2,315	2,753	2,467
Advances	-	-	-	-	13,476
Prepaids, Deposits and Other	-	-	-	-	-
Unreserved	56,106	53,643	70,022	76,056	82,886
Total General Fund	60,111	57,100	73,481	79,823	99,713
All Other Governmental Funds					
Reserved for:					
Encumbrances	-	-	-	-	-
Inventories	-	-	-	-	-
Advances	-	-	-	-	488
Loans	12,126	11,790	7,898	9,447	15,015
Debt Service	6,048	31,257	31,875	31,318	36,055
HUD Projects	-	-	-	-	-
Prepaids	-	-	-	-	-
Unreserved, Designated for Authorized Expenditures:					
Special Revenue Funds	41,198	57,538	53,181	42,331	49,668
Capital Project Funds	95,603	61,596	97,585	79,798	72,823
Debt Service Funds	20,692	-	-	-	-
Unreserved, Undesignated:					
Special Revenue Funds	-	-	-	-	-
Total all Other Governmental Funds	175,667	162,181	190,539	162,894	174,049
Total all Governmental Funds	$ 235,778	$ 219,281	$ 264,020	$ 242,717	$ 273,762

Source: Comprehensive Annual Financial Report for the respective years.

TABLE 3

2006	2007	2008	2009	2010
$ 8,537	$ 952	$ 4,230	$ 7,565	$ 13,168
3,091	3,092	3,201	3,123	3,448
15,154	11,112	5,933	4,900	5,966
3,077	1,599	3,020	297	532
74,002	85,271	106,271	127,656	139,779
103,861	102,026	122,655	143,541	162,893
-	-	2,384	3,691	3,429
583	935	914	1,359	2,190
351	351	351	351	351
26,132	1,089	1,089	1,917	1,015
45,988	11,920	17,759	24,486	26,573
-	9,449	8,808	8,147	7,465
79	342	6,315	4,420	10,462
66,229	75,040	75,915	82,632	75,242
47,042	211,210	176,829	360,411	347,068
-	-	-	-	-
(29,445)	2,155	16,695	33,296	17,156
156,959	312,491	307,059	520,710	490,951
$ 260,820	$ 414,517	$ 429,714	$ 664,251	$ 653,844

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

	2001	2002	2003	2004	2005
REVENUES:					
General Property Tax	$ 172,908	$ 191,563	$ 208,112	$ 222,111	$ 235,643
Other Local Taxes	126,502	128,983	129,424	134,240	145,514
Assessments	634	656	507	357	426
Charges for Services	13,959	16,456	17,814	19,471	22,765
Licenses and Permits	47,531	43,482	44,596	44,588	38,026
Fines and Forfeitures	13,314	13,685	13,751	14,894	14,099
Revenue from Use of Money and Property	33,212	14,271	12,882	11,928	13,805
Investment Income	-	14,473	4,844	8,372	7,488
Change in Fair Value Investments	-	-	-	(3,902)	(2,342)
Intergovernmental	26,472	29,029	24,141	27,375	53,845
Gas Leases and Royalties	-	-	-	-	-
Other	4,465	7,357	3,343	3,023	7,015
Contributions	11,463	14,757	16,651	16,527	23,356
Total Revenues	450,460	474,712	476,065	498,984	559,640
EXPENDITURES:					
Current					
General Administration	29,154	36,680	33,281	64,484	77,883
Public Safety	190,432	204,906	208,453	224,543	244,857
Transportation and Public Works	30,029	32,656	32,189	33,341	32,181
Parks and Community Services	25,817	27,214	28,614	29,089	30,886
Public Library	12,881	13,615	13,489	14,055	14,725
Public Health	6,501	7,046	8,266	9,436	11,180
Public Events and Facilities	15,274	15,309	15,158	15,379	16,466
Non-Departmental	29,136	27,240	33,719	-	-
Employment and Training	27	-	-	-	-
Planning and Development	7,297	8,152	8,892	9,197	8,762
Finance	5,001	5,349	5,048	4,846	4,343
Housing and Economic Development	10,798	10,265	10,503	11,236	9,694
Claims and Premiums	-	2,427	-	-	-
Capital Outlay	67,605	90,579	62,038	55,823	149,894
Debt Service:					
Principal Retirement	40,060	41,042	64,045	34,281	31,466
Interest and Service Charges	17,397	17,135	15,352	17,723	15,063
Total Expenditures	487,409	539,615	539,047	523,433	647,400
Excess (deficiency) of revenues over expenditures	(36,949)	(64,903)	(62,982)	(24,449)	(87,760)
OTHER FINANCING SOURCES (USES):					
Long-Term Debt Issued	53,745	28,664	74,032	-	99,237
Proceeds from Loans	-	-	-	988	615
Proceeds from Owner Advance	-	-	-	-	279
Proceeds from Disposal of Property	-	-	-	-	-
Refunding Bonds Issued	10,000	23,304	68,833	42,700	46,230
Premium on Issuance of Bonds	-	-	-	2,262	4,460
Payment to Bond Escrow Agent	(9,127)	(23,093)	(39,514)	(44,518)	(50,209)
Transfers In	65,876	72,564	76,133	80,027	92,413
Transfers Out	(69,935)	(72,763)	(71,763)	(73,386)	(74,220)
Total Other Financing Sources (Uses)	50,559	28,676	107,721	8,073	118,805
Net Change in Fund Balances	$ 13,610	$ (36,227)	$ 44,739	$ (16,376)	$ 31,045
Debt service as a percentage of noncapital expenditures	13.36%	12.08%	17.27%	11.03%	7.74%

Source: Comprehensive Annual Financial Report for the respective years.

TABLE 4

2006	2007	2008	2009	2010
$ 259,483	$ 289,177	$ 317,920	$ 343,973	$ 353,606
162,076	172,621	183,833	173,559	174,092
1	868	30	13	11
19,546	20,231	22,323	20,494	13,313
49,642	49,552	52,475	49,870	52,429
11,690	12,512	15,513	18,738	19,652
16,088	14,784	14,319	15,821	15,612
12,108	19,902	18,449	15,364	11,385
51,167	-	-	-	-
5,142	53,854	32,204	46,691	65,753
-	12,150	28,658	13,866	13,963
6,233	8,040	6,815	12,592	14,610
25,436	24,513	12,213	12,263	12,594
618,612	678,204	704,752	723,244	747,020
86,908	104,662	105,942	103,235	105,557
265,353	281,149	308,374	320,527	331,529
36,039	35,284	35,420	46,083	36,414
36,690	38,090	41,507	46,195	46,115
15,849	17,369	17,626	17,151	17,593
10,164	10,837	10,706	1,199	-
17,764	19,529	22,806	26,116	22,033
-	-	-	-	-
-	-	-	-	-
10,765	12,151	11,768	12,926	10,871
-	-	-	-	-
9,981	14,497	14,461	26,282	36,445
-	-	-	-	-
115,783	111,127	103,778	114,595	129,407
36,954	85,409	38,368	46,160	46,397
16,477	20,329	24,542	25,301	29,169
658,727	750,433	735,298	785,770	811,530
(40,115)	(72,229)	(30,546)	(62,526)	(64,510)
3,574	200,910	-	253,565	34,685
1,781	6,409	26,241	9,066	-
-	1,923	-	-	-
1,350	-	336	1,049	386
-	-	-	-	-
-	2,239	-	9,792	-
-	-	-	-	-
113,815	120,646	117,591	87,407	86,864
(93,347)	(106,201)	(98,425)	(63,816)	(67,832)
27,173	225,926	45,743	297,063	54,103
$ (12,942)	$ 153,697	$ 15,197	$ 234,537	$ (10,407)
8.83%	16.40%	9.36%	10.00%	10.27%

Fort Worth Stock Show and Rodeo

REVENUE CAPACITY

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

Fiscal Year	Net Assessed Valuation [a]			Total Direct Tax Rate [b]
	Real [c]	Personal [d]	Total Taxable	
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
2010	32,716,055	7,008,775	39,724,830	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			Overlapping Rates [b]			
	Operating General Rates	General Obligation Debt Service	Total Direct	Fort Worth ISD [b, c]	Tarrant County District [a, c]	Hospital District	Junior College District
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
2010	7.109	1.441	8.550	13.220	2.640	2.279	1.376

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

(b) Source - Tarrant County Appraisal District.

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

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

Fiscal Year	Taxes Levied for the Fiscal Year	Collection Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Current tax collections	Percentage of Levy		Total Tax Collections	Percentage of Levy
2001	$ 172,791	$ 170,722	98.80%	$ 1,904	$ 172,626	99.90%
2002	193,293	187,827	97.17%	2,603	190,430	98.52%
2003	204,974	199,774	97.46%	3,718	203,492	99.28%
2004	221,999	216,524	97.53%	4,073	220,597	99.37%
2005	235,296	230,241	97.85%	3,583	233,824	99.37%
2006	257,957	253,028	98.09%	2,996	256,024	99.25%
2007	292,466	286,805	98.06%	2,595	289,400	98.95%
2008	320,668	315,147	98.28%	2,861	318,008	99.17%
2009	350,946	343,530	97.89%	3,268	346,798	98.82%
2010	362,551	354,605	97.81%	-	354,605	97.81%

Source: Tarrant County Tax Office

CITY OF FORT WORTH, TEXAS **TABLE 8**
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO (Unaudited)
(in 000's)

		2010			2001		
Name of Taxpayer	**Nature of Property**	**Taxable Assessed Valuation**	**Rank**	**Percentage of Total Taxable Assessed Valuation**	**Taxable Assessed Valuation**	**Rank**	**Percentage of Total Taxable Assessed Valuation**
TU Electric/Oncor Electric Delivery Co, LLC	Electric Utility	$ 348,188	1	0.88%	$ 332,490	2	1.66%
Bell Helicopter Inc.	Aircraft Manufacturing	323,958	2	0.82%	133,158	6	0.67%
XTO Energy Inc	Oil/Gas Producer	280,520	3	0.71%	-		-
Chesapeake Operating (WI)	Natural Gas Producer	218,163	4	0.55%	-		-
DDR/DTC City Investments, LP	Real Estate	197,509	5	0.50%	-		-
Alcon Laboratories, Inc.	Pharmaceuticals	181,227	6	0.46%	156,154	5	0.78%
AMR Corp/American Airlines, Inc.	Air Travel	173,420	7	0.44%	394,193	1	1.97%
Mercantile Partners	Land Subdividers and Developers	154,204	8	0.39%	-		-
Southwestern Bell	Telephone Utility	150,925	9	0.38%	232,047	3	1.16%
Quicksilver Resources, Inc.	Quicksilver Resources, Inc.	142,984	10	0.36%	-		-
AT & T Wireless	Telephone Utility	-		-	173,687	4	0.87%
City Center Development	Developer	-		-	115,462	7	0.58%
Sprint Communications Co.	Telephone Utility	-		-	121,479	8	0.61%
Tandy Corporation	Electronics Manufacturing & Retail	-		-	119,966	9	0.60%
Miller Brewing	Beer Brewing	-		-	113,786	10	0.57%
		$ 2,171,098		5.47%	$ 1,892,422		9.47%

Source: Tarrant Appraisal District Supplemental Certification Report

DEBT CAPACITY

Traditional dancer wearing Cheyenne dog soldier Regalia

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

	2001	2002	2003
Governmental:			
General Obligation Bonds	$ 210,279	$ 176,526	$ 228,815
Certificates of Obligation	89,015	107,800	121,410
General Purpose Commercial Paper	29,000	29,000	-
Installment Obligation	9,270	8,880	8,475
Equipment Notes Payable	3,111	1,019	7,734
HUD Installment Obligation	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 Phave IV	-	-	-
Wells Fargo Loan	-	-	-
Beechwood Bridge Obligation	-	-	-
Business-type:			
General Obligation Bonds	3,901	2,494	1,949
Revenue Bonds	577,125	626,675	635,055
Certificates of Obligation	6,515	5,930	5,345
Municipal Golf Capital Lease	-	-	-
Equipment Notes Payable	595	496	11,309
Trinity River Authority	6,125	16,465	16,000
ESPC Phave V			
Tarrant County Municipal Utility District #1	235	-	-
Total Primary Government	$ 945,467	$ 985,107	$ 1,045,213
Personal Income (a)	$ 10,274,483	$ 10,543,341	$ 10,937,273
Debt as a Percentage of Personal Income	9%	9%	10%
Population (b)	543	557	578
Debt Per Capita	$ 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	2010
$ 246,271	$ 235,486	$ 212,909	$ 322,296	$ 295,925	$ 406,006	$ 380,125
73,350	69,960	62,610	67,605	60,230	166,215	188,655
-	-	-	-	-	-	-
8,050	7,605	7,135	6,645	6,130	5,585	5,010
6,070	7,150	5,030	3,160	26,600	22,634	18,852
8,600	15,560	14,656	9,449	8,808	8,147	7,465
-	22,725	22,315	21,890	21,450	20,995	20,520
895	706	512	312	105	-	-
-	9,588	9,528	9,464	9,395	9,322	9,244
-	-	-	1,000	1,000	-	-
-	894	-	-	-	-	-
-	9,265	8,077	16,359	15,903	15,903	15,442
-	31,617	31,617	31,617	31,617	31,617	31,617
-	-	3,074	2,933	2,596	2,219	1,809
-	-	3,200	4,610	4,433	3,730	3,216
-	-	-	3,794	5,000	4,397	4,080
-	-	-	-	-	9,066	8,795
-	-	306	296	269	245	196
-	-	-	1,449	1,287	1,127	724
1,488	1,448	706	284	140	65	-
645,328	658,528	653,690	737,480	757,885	710,675	745,155
4,760	3,800	10,940	31,165	30,905	57,240	54,195
-	-	246	187	132	69	5
10,383	16,650	8,081	6,875	5,730	4,545	3,319
15,415	14,800	14,150	8,895	8,490	8,065	7,620
						15,365
-	-	-	-	-	-	-
$ 1,020,610	$ 1,105,782	$ 1,068,782	$ 1,287,765	$ 1,294,030	$ 1,487,867	$ 1,521,409
$ 11,334,992	$ 11,834,034	$ 12,577,390	$ 13,008,252	$ 13,311,276	$ 13,640,815	$ 17,334,565
9%	9%	8%	10%	10%	11%	9%
599	625	664	687	703	720	736
$ 1,704	$ 1,769	$ 1,610	$ 1,875	$ 1,841	$ 2,066	$ 2,067

CITY OF FORT WORTH, TEXAS **TABLE 10**

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

LAST TEN FISCAL YEARS (Unaudited)

(in 000's)

	General Bonded Debt Outstanding						
Fiscal Year	General Obligation Bonds [d]	Certificates of Obligation [d]	Total	Assessed Value [a]	Percent Outstanding General Debt to Assessed Value	Estimated Population [b]	Outstanding General Debt Per Capita [c]
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
2010	380,125	188,655	568,780	39,724,830	1.43%	736	773

(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 Certficates of Obligations from enterprise funds.

CITY OF FORT WORTH, TEXAS **TABLE 11**

LEGAL DEBT MARGIN INFORMATION

SEPTEMBER 30, 2010 (Unaudited)

(in 000's)

Assessed Valuation, 2010 tax roll	$ 39,724,830

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)

	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
General Fund	$ 7.109	$ 7.109	$ 7.209	$ 7.259	$ 7.107	$ 7.107	$ 6.799	$ 6.707	$ 6.467	$ 6.312
Debt Service Fund	1.441	1.441	1.341	1.341	1.543	1.543	1.851	1.943	2.183	2.438
Total City Tax Rate	$ 8.550	$ 8.550	$ 8.550	$ 8.600	$ 8.650	$ 8.650	$ 8.650	$ 8.650	$ 8.650	$ 8.750

Source: Tarrant Appraisal District

CITY OF FORT WORTH, TEXAS **TABLE 12**
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
YEAR ENDED SEPTEMBER 30, 2010
(in 000's)
(Unaudited)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable [b]	Estimated Share of Overlapping Debt
Arlington Independent School District	$ 450,540	0.04 %	$ 180
Azle Independent School District	24,180	2.33	563
Birdville Independent School District	237,995	6.17	14,684
Burleson Independent School District	307,303	17.00	52,242
Castleberry Independent School District	16,375	42.87	7,020
Crowley Independent School District	302,404	72.87	220,362
Eagle Mountain-Saginaw Independent School District	527,095	58.33	307,455
Everman Independent School District	60,750	63.33	38,473
Fort Worth Independent School District	690,815	86.53	597,762
Hurst-Euless-Bedford Independent School District	205,152	27.43	56,273
Keller Independent School District	725,718	43.76	317,574
Kennedale Independent School District	49,245	0.76	374
Lake Worth Independent School District	78,443	46.36	36,366
Mansfield Independent School District	666,805	0.01	67
Northwest Independent School District	558,007	34.79	194,131
White Settlement Independent School District	177,020	50.44	89,289
Tarrant County	301,025	36.56	110,055
Tarrant County Hospital District	28,000	36.56	10,237
Tarrant County Junior College District	36,495	36.56	13,343
Wise County	11,675	0.09	11
Denton County	496,900	1.94	9,640
Subtotal, overlapping debt	5,951,943		2,076,100
City of Fort Worth Net Direct Debt	542,207	100.00 %	542,207
Total direct and overlapping debt	$ 6,494,150		$ 2,618,307

[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 **TABLE 13**

PLEDGED-REVENUE COVERAGE

LAST TEN FISCAL YEARS (Unaudited)

(in 000's)

	Revenues			Debt Service Requirements			
Fiscal Year	Total Revenues [a]	Less: Operating Expense [b]	Net Revenue	Principal	Interest	Annual Requirement	Bond Coverage [c]
Water and Sewer [d]							
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
2010	321,366	189,329	132,037	51,025	28,592	79,617	1.66
Municipal Parking [e]							
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
2010	6,543	2,189	4,354	300	2,651	2,951	1.48
Solid Waste [f]							
2001	24,374	23,692	682	99	44	143	4.77
2002	25,793	25,734	59	100	32	132	0.45
2003	27,913	39,162	(11,249)	99	290	389	(28.92)
2004	29,897	30,138	(241)	1,099	361	1,460	(0.17)
2005	39,011	33,812	5,199	1,133	363	1,496	3.48
2006	41,019	35,578	5,441	1,169	601	1,770	3.07
2007	45,727	38,267	7,460	1,206	578	1,784	4.18
2008	52,243	40,343	11,900	1,145	535	1,680	7.08
2009	49,442	42,976	6,466	1,625	484	2,109	3.07
2010	52,787	37,966	14,821	1,661	491	2,152	6.89
Stormwater [g]							
2008	18,968	10,024	8,944	310	907	1,217	7.35
2009	21,675	12,711	8,964	520	1,158	1,678	5.34
2010	27,786	17,737	10,049	1,445	2,752	4,197	2.39

[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.

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

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

Martin Luther King Day Celebration Parade

DEMOGRAPHIC AND ECONOMIC INFORMATION

CITY OF FORT WORTH, TEXAS **TABLE 14**

DEMOGRAPHIC AND ECONOMIC STATISTICS

LAST TEN FISCAL YEARS (Unaudited)

Fiscal Year	Population [a]	Personal Income	Per Capita Personal Income	Median Age	Unemployment [b]	Unemployment Rate [b]
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%
2010	736,200	17,334,565,200	23,546 [d]	31.9 [d]	27,002	7.9%

(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 **TABLE 15**

PRINCIPAL EMPLOYERS

FORT WORTH METROPOLITAN AREA

CURRENT YEAR AND NINE YEARS AGO (Unaudited)

(in 000's)

	2010				2001		
Name of Employers	**Employees**		**Rank**	**Percentage of Total Employment [g]**	**Employees [f]**	**Rank**	**Percentage of Total Employment [c]**
Lockheed Martin Tactical Aircraft Systems	13.5	[d]	1	2.49%	11.4	3	2.53%
NAS Fort Worth Joint Reserve Base	11.4	[d]	2	2.09%	-	-	-
Fort Worth Independent School District	10.7	[a]	3	1.97%	12.5	2	2.78%
AMR Corp./American Airlines	6.5	[d]	4	1.20%	28.5	1	6.34%
City of Fort Worth	6.3	[e]	5	1.15%	5.4	7	1.20%
JPS Health Network/John Peter Smith Hospital	4.3	[d]	6	0.79%	3.0	13	0.67%
Harris Methodist Hospital (b)	4.0	[d]	7	0.73%	3.7	10	0.82%
Bell Helicopter-Textron, Inc.	3.8	[d]	8	0.70%	6.0	6	1.33%
Alcon Laboratories Inc	3.3	[d]	9	0.61%	-	-	-
Cook Children's Medical Center	3.1	[d]	10	0.57%	2.8	14	0.62%
Burlington Northern Santa Fe Railway					3.5	11	0.78%
Texas Health Resources					8.8	4	1.96%
Arlington Independent School District					6.7	5	1.49%
Tandy Corp.					4.3	8	0.96%
U. S. Postal Service					3.4	12	0.76%
Tarrant County Government					4.2	9	0.93%
	66.8			12.31%	104.2		23.17%

[a] Source: Fort Worth ISD Profile

[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, 2001.

[g] Estimated total employment of 542,452 for 2010 per North Central Texas Council of Governments.

OPERATING INFORMATION

CITY OF FORT WORTH, TEXAS **TABLE 16**

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION / PROGRAM LAST TEN FISCAL YEARS (Unaudited)

Function/Program	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General Government										
Mayor and Council	25	28	27	25	25	29	28	28	26	26
City Manager	121	121	126	125	111	111	106	103	41	52
Budget and Management Services[a]	-	-	-	-	21	19	16	17	9	8
Housing	43	46	48	48	47	50	49	50	83	85
Development	77	81	86	88	89	119	151	136	140	137
Community Relations	15	15	16	29	24	24	35	29	72	45
Workforce Development	-	-	-	-	-	-	-	-	-	-
Internal Audit	14	15	14	15	14	16	16	16	14	14
City Secretary	6	7	7	7	7	8	7	8	11	12
Legal	37	41	41	40	42	44	46	46	51	52
Finance	68	66	61	61	63	60	68	67	70	71
Human Resources	163	143	150	128	162	166	143	101	126	103
Risk Management[b]	13	-	-	-	-	-	-	-	-	-
Economic and Community Development[c]	-	20	23	26	30	29	35	38	-	-
Transportation Public Works[d]	398	391	375	398	400	400	443	426	559	550
Planning	23	21	21	22	21	22	-	-	-	-
Code Compliance[e]	65	76	90	99	110	103	110	116	173	173
Public Events	140	143	136	132	135	132	135	126	132	127
Municipal Court	157	154	169	172	167	166	173	174	180	177
Public Health	119	121	128	129	137	144	149	130	-	-
Environmental Management	121	125	133	118	113	124	123	115	107	113
Parks and Community Services	783	793	759	812	846	860	714	809	756	705
Zoo (Contract) [f]	5	5	5	4	3	2	-	-	-	-
Library	262	273	272	261	258	273	283	259	260	275
Retirement	6	6	7	6	7	8	-	-	-	-
Subtotal	2,661	2,691	2,694	2,745	2,832	2,909	2,830	2,794	2,810	2,725
Enterprise Fund										
Water/Wastewater	751	758	782	766	807	805	833	812	880	891
Aviation	35	32	29	37	34	33	28	27	24	22
Subtotal	786	790	811	803	841	838	861	839	904	913
Internal Service Fund										
IT Solutions	101	93	94	102	115	114	123	118	99	90
Equipment Services[g]	143	133	118	124	116	121	126	120	119	104
Engineering	149	143	144	153	168	170	161	171	0	-
Subtotal	393	369	356	379	399	405	410	409	218	194
Public Safety										
Police-Uniform	1,261	1,276	1,304	1,350	1,381	1,399	1,470	1521	1538	1,524
Police-Civilian	607	601	591	581	625	653	647	658	675	660
Fire-Uniform	776	763	797	812	799	828	892	923	891	869
Fire-Civilian	58	47	44	47	52	45	49	48	57	55
Subtotal	2,702	2,687	2,736	2,790	2,857	2,925	3,058	3,150	3,161	3,108
Total	6,542	6,537	6,597	6,717	6,929	7,077	7,159	7,192	7,093	6,940

[a] Department established FY05, previously division of City Manager office.

[b] Risk Management functions absorbed into Human Resources and Finance departments as of October 1, 2001.

[c] Prior to April 2002, department was division of City Manager office.

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

[e] Department established July 17, 2001, previously division of City Services Department.

[f] Employees of City of Fort Worth working for Fort Worth Zoo Association.

[g] Previously City Services Department which included Code division and separated as of July 17, 2001.

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

Function/Program	2001	2002	2003	2004
Public Safety				
Fire				
Calls for Service - Fire	6,352 [a]	3,101 [a]	3,529	2,723
Calls for Service - EMS	35,448 [a]	37,247 [a]	38,058	38,580
Police				
Calls for Service	320,021	329,679	305,463	303,159
Library				
Libraries	16	16	16	15
Books and audio/visual materials (millions)	2.3	2.4	2.4	2.4
Average Monthly Circulation	195,719	219,861	229,301	286,317
Building Permits (000's Omitted)				
Permits issued	8.1	11.4	12.6	16.1
Estimated Value	$ 1,223,655	$ 1,406,170	$ 1,683,676	$ 1,778,279
Airport				
Airport Operations (Takeoffs and Landings)	440,645	351,621	287,159	265,917
Utilities				
Number of Water & Sewer Accounts (000'a Omitted)	152.7	154.9	159.8	166.2
Water Usage - Peak (million of gallons)	312	273	331	266
Water Usage - Average (million of gallons)	162	160	165	159
System Storage Capacity (gallons per day)	76	76	76	75

N/A = Information not available

[a] Estimated calls for 1997-2002 per City of Fort Worth Fire Department.

[b] Amount does not include approximately 1 million governmental documents.

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

[d] Operations for Alliance Airport

TABLE 17

2005	2006	2007	2008	2009	2010
3,825	2,906	2,287	3,486	2,776	2,281
37,725	37,819	49,892	51,401	52,566	53,837
310,056	317,446	314,132	312,219	314,942	312,061
15	15	15	15	15	15
2.3	1.1 [(b)]	1.1 [(b)]	1.1 [(b)]	1.1 [(b)]	1.1 [(b)]
302,096	311,050	320,791	337,768	349,247	339,556
13.8	17.0	12.0	12.0	9.7	0.8
$ 1,809,740	$ 2,444,399	$ 2,216,067	$ 2,186,348	$ 1,487,296	$ 91,660
223,873	230,068	257,983	312,799	263,077	229,845
176.4	186.0	212.2	215.8	220.4	229.6
304	344	271	335	322.7	313.1
174	208	172	183	178.0	170.3
75	75	75	88	91.8	93.8

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

Function/Program	2001	2002	2003	2004	2005
Public Safety					
Police Stations Owned	9	9	9	9	9
Police Stations Leased	10	10	10	10	10
Fire Stations	38	38	39	39	40
Public Works					
Streets - Linear Miles Maintained Annually	N/A	6,519	6,561	6,638	6,830
Lane Miles - Resurfaced	N/A	304	166	269	274
Traffic Signals	574	592	609	628	653
Street Lights	52,375	53,114	54,595	55,300	56,592
Parks and Recreation					
Parks and Public Spaces	216	219	220	223	227
Parks Acres	10,484	10,500	10,542	10,595	10,715
Miles of Trails (Jogging, Hiking & Biking)	58	58	58	58	59
Swimming Pools	7	7	7	7	7
Athletic Fields (Soccer, Football, Baseball & Rugby)	175	175	175	175	175
Tennis Centers	1	1	1	1	1
Number of Tennis Courts	16	16	16	16	16
Neighborhood Tennis Courts	82	82	82	82	82
Multi-use Courts	105	105	105	105	105
Golf Courses	5	5	5	5	5
Community and N.R.D. Centers	22	21	21	21	21
Water					
Water Mains (Miles)	2,537	2,625	2,654	2,767	2,837
Fire Hydrants	12,772	13,076	13,270	14,002	14,803
Wastewater					
Miles of Sanitary Sewers	2,460	2,589	2,655	2,726	2,804
Stormwater					
Miles of Channels	N/A	N/A	N/A	191	236
Miles of Storm Pipes	N/A	N/A	N/A	648	700

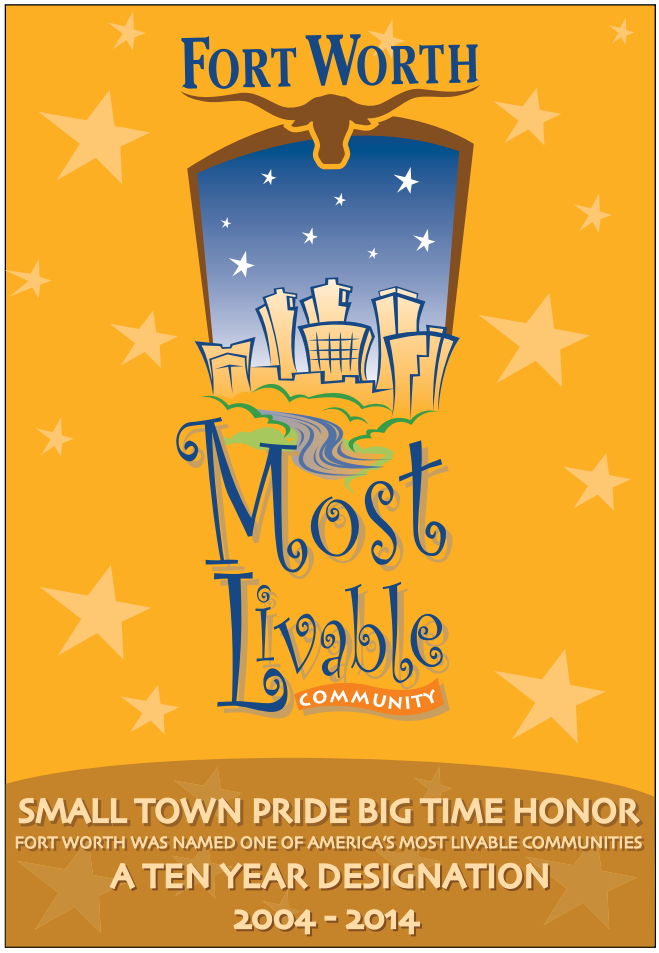
(a) The City also maintains 97 Traffic Signals owned by TXDOT

N/A= Information not available

TABLE 18

2006	2007	2008	2009	2010
9	9	10	11	11
10	10	11	10	9
41	40	40	41	41
7,000	7,173	7,218	7,291	7,317
219	152	177	208	164
696	603 (a)	588 (a)	620 (a)	635 (a)
58,565	60,026	60,950	61,593	62,075
231	236	243	249	253
10,762	10,832	10,929	11,094	11,292
60	58	60	63	64
7	7	7	7	7
178	184	181	181	181
1	1	1	1	1
16	16	16	16	16
82	82	82	82	82
105	106	107	107	107
5	5	5	5	5
21	21	21	21	21
3,177	3,292	3,395	3,449	3,505
16,929	17,040	17,580	17,947	18,275
3,218	3,315	3,380	3,421	3,454
281	327	326	333	327
750	680	700	714	800

A grass dancer of the Ogallala-Lakota Sioux Nation.



COMPREHENSIVE ANNUAL FINANCIAL REPORT
CITY of FORT WORTH
FINANCIAL MANAGEMENT SERVICES
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FORT WORTH, TEXAS 76102
www.fortworthgov.org