

Independent Auditors' Report on Internal Control Structure

Honorable County Judge, Members of Commissioners Court and Management
Fort Bend County, Texas

In planning and performing our audit of the financial statements of Fort Bend County, Texas (the "County") for the nine months ended September 30, 2002, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure. We noted certain matters involving the internal control and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of internal control that, in our judgment, could adversely affect the County's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements.

Bank Reconciliations

Finding

During the course of our audit, it was noted that General Fund reconciling items in the County's "Treasurers" account were not being cleared on a timely basis. Part of the issue may relate to excessive time taken to process periodic statements from the Treasurer to the County Auditor, although there were some reconciling items that lingered for multiple periods.

Recommendation

The County should consider instituting procedures that allow for bank reconciliations to be completed before the close of the next bank statement cycle at a minimum, and should also consider instituting procedures to ensure that book reconciling items are timely posted and therefore do not cross statement cycles.

This report is intended solely for the use of the Commissioners Court and management and is not intended to be and should not be used by anyone other than these specified parties.

We would like to thank the Commissioners Court and management for their cooperation during the course of our audit. Please feel free to contact us at your convenience to discuss this report or any other concerns that you may have.

A handwritten signature in black ink, appearing to read "Sarah Kaye Belt". The signature is fluid and cursive, with the first name "Sarah" being the most prominent.

Sugar Land, Texas
June 6, 2003



COUNTY AUDITOR
Fort Bend County, Texas

Robert Ed Sturdivant
County Auditor

281-341-3769, 281-341-3744 (fax)
sturdived@co.fort-bend.tx.us

Fort Bend County's Response
To Independent Auditors' Management Letter

Recipients of Fort Bend County's 2002 Comprehensive Annual Financial Report

Ladies and Gentlemen:

We appreciate the comments made by our independent auditors and strongly believe that, working together, continuous improvements can be made in reporting the financial position and operating results of the County to the public. Management has reviewed and responded below to the audit findings communicated in the Independent Auditor's Management Letter.

Bank Reconciliations

Finding

During the course of our audit, it was noted that General Fund reconciling items in the County's "Treasurers" account were not being cleared on a timely basis. Part of the issue may relate to excessive time taken to process periodic statements from the Treasurer to the County Auditor, although there were some reconciling items that lingered for multiple periods.

Corrective Action Plan

The County will implement procedures that will require the Treasurer's Office to complete all bank reconciliations no later than two weeks prior to the end of the following month. The Auditor's Office will then make any necessary reconciling entries and complete an audit of the bank reconciliations by the end of the following month. In addition, all reconciling items will be monitored and cleared from the bank reconciliations by the end of the following month.

Once again, we appreciate the comments and suggestions made by our independent auditors, Sandersen Knox & Belt L.L.P., and feel that our careful attention to these comments and suggestions will benefit both the staff and the public.

Sincerely,

Robert E. Sturdivant CPA
Fort Bend County Auditor
June 6, 2003



FORT BEND COUNTY, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Nine Months Ended September 30, 2002



Prepared by:
County Auditor's Office
Robert Ed Sturdivant, CPA
County Auditor



FORT BEND COUNTY, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Nine Months Ended September 30, 2002

TABLE OF CONTENTS

	<u>Exhibit</u>	<u>Page</u>
INTRODUCTORY SECTION		
Letter of Transmittal		iv-xi
GFOA Certificate of Achievement		xii
List of Principal Officials		xiii
Organizational Charts		xiv-xv
Location Map		xvi
FINANCIAL SECTION		
Independent Auditors' Report		1-2
Management's Discussion and Analysis		3-11
<u>BASIC FINANCIAL STATEMENTS</u>		
Government-wide Financial Statements		
Statement of Net Assets	A-1	12
Statement of Activities	A-2	13-14
Fund Financial Statements		
Governmental Funds Financial Statements		
Balance Sheet	A-3	15
Statement of Revenues, Expenditures, and Changes in Fund Balances	A-4	16
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	A-5	17
Statement of Revenues, Expenditures, and Changes in Fund Balances –		
Budget and Actual – General Fund	A-6	18-19
Budget and Actual – Road and Bridge	A-7	20-21
Proprietary Funds Financial Statements		
Statement of Net Assets	A-8	22
Statement of Revenues, Expenses, and Changes in Fund Net Assets	A-9	23
Statement of Cash Flows	A-10	24
Fiduciary Fund Financial Statements		
Statement of Fiduciary Net Assets	A-11	25
Component Unit Financial Statements		
Statement of Net Assets	A-12	26

FORT BEND COUNTY, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Nine Months Ended September 30, 2002

TABLE OF CONTENTS

	<u>Exhibit</u>	<u>Page</u>
Statement of Activities	A-13	27-28
Notes to Financial Statements	A-14	29-54
<u>REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN MANAGEMENT'S DISCUSSION AND ANALYSIS</u>		
Schedule of Funding Progress - Texas Municipal Retirement System	B-1	55
<u>OTHER SUPPLEMENTARY INFORMATION</u>		
Combining Statements, Budget Schedules and Comparative Statements		
Non-Major Governmental Fund Descriptions		56-64
Combining Balance Sheet – Non-Major Governmental Funds	C-1	85-104
Schedules of Revenues, Expenditures and Changes in Fund Balance -		
Budget and Actual:		
Drainage District Special Revenue Fund	D-1	105
Mobility Project Bonds Debt Service Fund	D-2	106
FBFCWSC Revenue Bonds Series 2001 Debt Service Fund	D-3	107
FBFCWSC Revenue Bonds Series 1995 Debt Service Fund	D-4	108
Combined Debt Service Fund	D-5	109
FBFCWSC Refunding Bonds Series 1999 Debt Service Fund	D-6	110
Comparative Statements:		
Comparative Balance Sheets – Employee Benefits Fund	E-1	111
Comparative Schedule of Revenues, Expenses and Changes in Retained Earnings – Employee Benefits Fund	E-2	112
Comparative Balance Sheets – Workers' Compensation Fund	E-3	113
Comparative Schedule of Revenues, Expenses and Changes in Retained Earnings – Workers' Compensation Fund	E-4	114
Combining Statement of Net Assets – Internal Service Funds	F-1	115
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets – Internal Service Funds	F-2	116
Combining Statement of Cash Flows – Internal Service Funds	F-3	117
Combining Balance Sheet – Discretely Presented Component Units	G-1	118
Combining Statement of Revenues, Expenditures and Changes in Fund Balance – Discretely Presented Component Units	G-2	119

FORT BEND COUNTY, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Nine Months Ended September 30, 2002

TABLE OF CONTENTS

	<u>Exhibit</u>	<u>Page</u>
Capital Assets used in the Operation of Governmental Activities		
Schedule by Source	H-1	120
Schedule by Function and Activity	H-2	121-124
Schedule of Changes by Function and Activity	H-3	125-128
Debt Schedules		
Combining Schedule of General Long-Term Debt by Maturity Date	I-1	129-130

STATISTICAL SECTION

	<u>Table</u>	<u>Page</u>
General Government Expenditures by Function	I-II	131-134
General Government Revenues by Source	III-IV	135-138
Property Tax Levies and Collections	V	139-140
Assessed Value of Taxable Property	VI	141
County Tax Rates	VII	142
Ratio of Net Long-Term Debt to Assessed Value and Net Long-Term Debt Per Capita	VIII	143-144
Computation of Legal Debt Margin	IX	145
Ratio of Annual Debt Service Expenditures for General Long-Term Debt to Total General Expenditures	X	146
Principal Taxpayers	XI	147
Direct and Overlapping Debt	XII	148-151
Property Tax Rates – Direct and Overlapping Governments	XIII	152-157
Miscellaneous Statistics	XIV	158



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COUNTY AUDITOR
Fort Bend County, Texas

Robert Ed Sturdivant
County Auditor

281-341-3769, 281-341-3744 (fax)
sturdived@co.fort-bend.tx.us

June 6, 2003

Honorable District Judges and Members of the
Commissioners Court
Fort Bend County, Texas 77469

Gentlemen:

The Comprehensive Annual Financial Report of Fort Bend County, Texas ("County") for the nine months ended September 30, 2002 is hereby submitted. This report was prepared pursuant to Section 114.025 of the Local Government Code of the State of Texas requiring the County Auditor to submit an annual report to the Commissioners Court and the District Judges of the County. Responsibility for both the accuracy of the data and the completeness and fairness of presentation, including all disclosures, rests with management. To the best of my knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner that presents fairly the financial position and results of operations of the County.

The Comprehensive Annual Financial Report is divided into three sections:

Introductory Section: The introductory section includes this transmittal letter, a copy of the Certificate of Achievement for Excellence in Financial Reporting for the year ended December 31, 2001, functional organization charts, a location map of the County adjoining Houston, and a directory of both elected and appointed officials.

Financial Section: The financial section contains the independent auditors' report on the audited financial statements, management's discussion and analysis (MD&A), the basic financial statements, required supplementary information, and combining and individual fund presentations along with other supplementary information.

Statistical Section: The statistical section contains selected financial trends and other demographic data about Fort Bend County that are also useful in assessing the County's financial condition.

The financial statements of Fort Bend County presented in this report include all of the funds of the primary government (i.e., the County as legally defined), as well as all of its component units for which (1) the primary government is financially accountable and/or (2) exclusion of the component units' activities would cause the County's financial statements to be misleading or incomplete. The following component units have been identified and are presented in a blended format in the County's financial statements: Fort Bend County Drainage District ("District"), Fort Bend Flood Control Water Supply Corporation ("FBFCWSC"), and the Fort Bend Parkway Road District ("FBPRD"). In addition, the following component units have been identified and are presented in a discrete format in the County's financial statements: Fort Bend County Surface Water Supply Corporation ("FBCSWSC"), Fort Bend County Housing Finance Corporation ("Corporation"), and the Fort Bend County Toll Road Authority ("Authority").

COUNTY ADMINISTRATION

The Commissioners Court is the governing body of the County, which is composed of the County Judge and four County Commissioners. It has certain powers granted to it by the state legislature. Its duties include the approval of the budget, determination of the tax rates, approval of contracts, calling elections, issuance of bonds, appointment of certain county officials, and the oversight responsibility of all the funds included in this report.

The County provides a full range of services to the citizens of the area. Among these services are public safety (sheriff, jail facilities, constables and fire marshal), road and bridge maintenance, drainage and flood control, health and welfare (ambulance paramedics, health and sanitation, indigent care, animal control, landfill, etc.), a seven-branch library system, county/district judicial systems, and other state-supported programs.

ECONOMIC CONDITION AND OUTLOOK(1)

Fort Bend County achieved modest growth in each sector of the economy during an extension of the worst economic scenario we have seen in the past 12 years. Growth, in a volatile economic environment, is a remarkable testament to the attractiveness of Fort Bend County for industrial, commercial, and residential investment. The County has experienced modest gains in employment, despite the layoffs from a few of the County's larger employers. Several small industrial locations and expansions, as well as growth in the medical, retail, and service sectors have contributed to the slight job gain. Although activity in 2002 was slow in all industrial sectors, housing continued to benefit from low interest rates, setting another record year in home sales.

Fort Bend County has experienced a 70% growth in population since 1990. The 2002 population is estimated to be approximately 386,000. This continued prosperity is attributable to the low cost business environment conducive to economic growth and an atmosphere that encourages family interaction and involvement.

The County's unemployment rate is approximately 4.2% and the crime rate is considerably below the national average. Many corporations requiring excellence and diversity in their work force are finding a home in Fort Bend County. Texas Instruments, Fluor Daniel, Schlumberger Technology Corporation, Baker Petrolite, Worldcom, Input/Output Inc., UNOCAL, Nalco/Exxon, Graybar Electric, GE Marquette Medical Systems, and Makita are just a few of the companies that now call Fort Bend County home. Over the past fifteen years, the Fort Bend Economic Development Council has assisted over 100 companies in relocating and/or expanding in Fort Bend County, adding over 15,000 new jobs and \$1.5 billion in project costs. Due to this new development, property tax assessments continue to rise. The County and the majority of the cities continue to reduce property tax rates annually. In the 21st century, momentous advancements have been made in infrastructure, higher education, and technology, as well as the way of doing business in Fort Bend County. Once again, it's a new era of the political structure and economic environment. The business community and local governments have seen this as a time of opportunity to plan for the County's future. Several economic development studies are underway to design the County's strategic approach to attracting the next commercial boom in our county and becoming globally competitive.

(1) Source: The Fort Bend Economic Development Council

MAJOR INITIATIVES

Fort Bend County Toll Road Authority

The Fort Bend County Toll Road Authority is organized under the Texas Transportation Corporation Act and the Texas Non-Profit Corporation Act. The Authority is to assist in the planning, designing, financing, and building of county roads and highways. In particular, the Authority is to assist in the construction of the Fort Bend Parkway Toll Road that will extend from the Sam Houston Parkway in Harris County to State Highway 6 in Fort Bend County. The project is divided into five segments that will be under construction almost simultaneously. Construction is anticipated to begin in 2003 and is expected to be completed by 2004.

Higher Education

The University of Houston, Wharton County Junior College, and Houston Community College System have established a partnership to provide Fort Bend County with easy access to a full range of quality higher education opportunities that meet the needs for degrees, training, and research within Fort Bend County. All three institutions have recently undergone or are undergoing expansions. The University of Houston has built a new 57,000 square foot campus on 248 acres in Sugar Land. Classes began at the new campus in the Fall of 2002 with approximately 2000 students. Furthermore, Wharton County Junior College and Texas State Technical College have formed a partnership and have opened a new technical workforce training center in Richmond. Currently, there are over 1,200 students enrolled.

Texas Energy Center

The Fort Bend Economic Development Council is joining forces with the City of Sugar Land, University of Houston and various corporate leaders to form The Texas Energy Center to provide a comprehensive research and development center. The Texas Energy Center will be a national energy center for the development of next generation energy technology, clean power, and technologies to enhance deep offshore natural gas and petroleum extraction.

Mobility Update

- The main lanes of US 59, from the county line to Highway 6, are anticipated to be completed by Summer 2003.
- The interchange at US 59 and US90A is expected to be completed by Fall 2003.
- This past October, the Texas Transportation Commission approved \$93 million in funding for the reconstruction and expansion of US 59 from State Highway 6 to the Grand Parkway.

FINANCIAL INFORMATION

Accounting and Administrative Internal Control Structure

In developing and evaluating the County's accounting system, consideration is given to the adequacy of the internal control structure. The internal control structure is designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition; and (2) the reliability of the financial records for preparing financial statements and maintaining accountability for the assets. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the evaluation of costs and benefits requires estimates and judgements by management.

All of the internal control evaluations occur within the above framework. With an enhanced program of internal auditing maintained by the County Auditor's Office, I believe that the County's internal control structure adequately safeguards assets and provides reasonable assurance that financial transactions are properly recorded.

Budgetary Control

Formal budgets are legally adopted for the General, certain Special Revenue, and certain Debt Service Funds. Budgets for these funds are prepared on a modified accrual basis of accounting. Formal budgets are not legally adopted for the Capital Projects Funds. Effective budgetary control for these funds is maintained through individual project budgeting in accordance with the bond orders and other sources. Encumbrance accounting is utilized in the accounting system as a tool for budgetary control. Budgetary control is maintained at the departmental level of the County budget. Expenditures for current operating funds may not exceed the available budgetary balances of such funds on January 1, plus the estimated revenues of the ensuing year. If actual beginning balances exceed the budget estimates and if unexpected revenues are received, Commissioners Court may amend the budget, provided that it legally declares the existence of an emergency warranting the increase.

General Governmental Revenues

The County derives its revenues from property taxes, fees and fines that are imposed by state laws and collected by the various fee and non-fee officers, state shared revenues, federal and state grants, interest from demand deposits and investments, and other miscellaneous sources. These revenues fund the various services that the County provides to the citizens. General governmental revenues and expenditures are reported in the General, Special Revenue, Debt Service, and Capital Projects Funds.

Revenues from all governmental fund types totaled approximately \$129.3 million for the nine months ended September 30, 2002, a 4.9% decrease over 2001 as follows:

<u>Revenues by Source</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) From 2001</u>	<u>Percent Change</u>
Taxes	\$ 99,578,488	77.0%	\$4,492,688	4.7%
Fees and fines	11,747,190	9.1%	(3,031,621)	(20.5%)
Intergovernmental	11,024,068	8.5%	(3,710,268)	(25.2%)
Earnings on investments	2,815,189	2.2%	(3,370,043)	(54.5%)
Miscellaneous	4,110,450	3.2%	(1,012,853)	(19.8%)
Total	\$129,275,385	100%	(\$6,632,097)	(4.9%)

The decrease in fees and fines, intergovernmental revenue, earnings on investments, and miscellaneous revenue is directly attributable to the County changing its fiscal year in 2002. In 2002, the County changed its fiscal year from December 31 to September 30. Therefore, the current revenue amounts only represent nine months of collections while the 2001 amounts represent twelve months of collections.

Property Taxes

Assessed values of real and personal property in the County increased by 12.9% to approximately \$21.0 billion for the 2001 tax year (2002 fiscal period). Homestead and other tax exemptions increased by 14.1% to approximately \$3.2 billion over the same period, resulting in a net taxable value increase of 12.7% to approximately \$17.7 billion. This increase follows the positive trend that began in the 1990 tax year. Both estimated actual and assessed values were experiencing a downward trend from 1988 through 1989 due to the economic downturn in that period. However, a gradual recovery began in 1990.

The combined 2001 tax levy of approximately \$100.2 million, which was used to finance the 2002 fiscal period, was generated primarily on a tax rate of \$0.5641 per \$100 of assessed valuation. This combined tax rate includes the rates of the County and the Drainage District. The County collected approximately \$96.1 million or 95.9% of the combined 2001 tax levy. Tax collections do not include penalties and interest.

Governmental Expenditures

Expenditures for general governmental purposes totaled approximately \$116.0 million in 2002, a 12.0% decrease from the prior year. The changes in the level of expenditures for all of the major functions from 2001 are as follows:

<u>Expenditures by Function</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) From 2001</u>	<u>Percent Change</u>
General Administration	\$16,260,804	14.0%	\$(2,444,096)	(13.1)%
Financial Administration	3,213,423	2.8%	(1,234,305)	(27.8)%
Administration of Justice	18,291,723	15.8%	(3,183,177)	(14.8)%
Road and Bridge	12,545,989	10.8%	(1,915,041)	(13.2)%
Health and Welfare	10,178,844	8.8%	(2,132,992)	(17.3)%
Cooperative Service	591,257	0.5%	(141,448)	(19.3)%
Public Safety	25,079,460	21.6%	(4,041,763)	(13.9)%
Parks and Recreation	1,230,488	1.1%	(269,031)	(17.9)%
Flood Control	4,326,935	3.7%	(1,335,557)	(23.6)%
Libraries and Education	5,912,073	5.1%	(1,103,545)	(15.7)%
Capital Outlay	7,989,999	6.9%	957,026	13.6%
Debt Service	10,389,935	8.9%	1,075,907	11.6%
Total	\$116,010,930	100%	\$(15,768,022)	(12.0)%

The decrease in expenditures for most functions is directly attributable to the County changing its fiscal year in 2002. In 2002, the County changed its fiscal year from December 31 to September 30. Therefore, the current amounts only represent nine months of expenditures while the 2001 amounts represent twelve months of expenditures.

Honorable District Judges and Members of the
Commissioners Court
June 6, 2003
Page 6

Capital outlay expenditures increased by \$957,026, or 13.6% in 2002. This increase can be attributed to the increase in expenditures for county mobility projects. In 2001, the County spent approximately \$926,000 on mobility projects and spent approximately \$4.9 million during the nine months ended September 30, 2002. The projects are funded by proceeds from the Fort Bend County General Obligation Bonds, Series 2001.

Debt service expenditures increased by \$1,075,907, or 11.6% during the nine months ended September 30, 2002. This increase is a result of the County making the first principal and one additional interest payment on the Fort Bend County General Obligation Bonds, Series 2001. In 2001, the County only made one interest payment.

PROPRIETARY OPERATIONS

The County operates an internal service fund used to account for its modified self-insurance plan that provides health-care benefits to its employees and their dependents. The medical plan has a lifetime limit of \$1,000,000 while the dental plan has an annual limit of \$1,500 per covered employee, retiree, or dependent.

The County has purchased a separate insurance policy that requires the County to pay the first \$75,000 of claims per occurrence. When the claims rise above this threshold, the County continues to pay the claims, however, the policy takes effect and the County is reimbursed for any claims paid above the threshold. The County has experienced such occurrences during the nine months ended 2002 and a receivable has been recorded for the refunds due from the insurance company. In addition to the self-insurance fund, the County maintains an internal service fund to account for all workers' compensation claims.

DEBT ADMINISTRATION

In 2001, Moody's Investors Services assigned a "Aa2" rating to the Fort Bend County, Texas Unlimited Tax Road Bonds. In 2003, Moody's assigned a "Aa2" rating to the Fort Bend County's Unlimited Tax and Subordinate Lien Toll Road Revenue Bonds.

The ratio of the net general long-term debt to assessed value was .48% in 2002 compared to .58% in 2001. Using the census population figure of 386,000, the net general long-term debt per capita is \$222 compared to \$244 in 2001.

CASH MANAGEMENT

Cash that is not needed to meet daily operating requirements is invested in either fully insured or collateralized certificates of deposit, government securities, or in public funds investment pools. The Commissioners Court has adopted a prudent investment policy to safeguard the County's funds by discouraging speculative investing. Cash operating requirements are deposited in demand deposits that are fully collateralized with pledged securities by depository banks in compliance with federal and state laws governing the investment of public funds.

RISK MANAGEMENT

The Risk Manager regularly reviews the adequacy of the insurance coverage of the County's assets against potential losses and liabilities. The County is exposed to various risks related to torts: theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The County's risk management program encompasses various means of protecting the County against loss by obtaining property, casualty, and liability coverage through commercial insurance carriers, self insurance, and from participation in a risk pool. The participation of the County in the risk pool is limited to the payment of premiums. Settled claims have not exceeded insurance coverage in any of the three previous fiscal years. There has not been any significant reduction in insurance coverage from that of the previous year.

CAPITAL PROJECTS

Capital improvement projects are funded mainly with property taxes and proceeds of bond issuances. The funds allocated to capital improvement projects are accounted for in Capital Projects funds until the projects are completed.

INDEPENDENT AUDIT

The Commissioners Court of the County has authorized an annual audit of the financial statements by independent certified public accountants selected during its regular meeting. The independent auditors' report on the financial statements is included in the financial section of this Comprehensive Annual Financial Report (CAFR). The audit was designed to meet the requirements of the state statutes and to conform with the provisions of the Single Audit Act of 1996 and the U.S. Office of Management and Budget's Circular A-133 ("Audits of State and Local Governments"). The independent auditors' reports on the internal control structure and compliance with applicable laws and regulations have been included in a separately issued single audit supplement.

CERTIFICATE OF ACHIEVEMENT

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County for its CAFR for the fiscal year ended December 31, 2001. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded the Certificate of Achievement, a government unit must publish an easily readable and efficiently organized CAFR whose contents conform to program standards. The CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The County has received a Certificate of Achievement for the last sixteen consecutive years. We believe our current report continues to conform to the Certificate of Achievement program requirements and we are submitting it to GFOA.

Honorable District Judges and Members of the
Commissioners Court
June 6, 2003
Page 8

ACKNOWLEDGEMENT

The preparation of this report could not be achieved without the efficient and dedicated services of the staff of the County Auditor's Office and Sandersen Knox & Belt, L.L.P., our independent auditor.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Robert E. Sturdivant", with a large, sweeping flourish at the end.

Robert E. Sturdivant, CPA
County Auditor
Fort Bend County, Texas

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Fort Bend County,
Texas

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2001

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director



FORT BEND COUNTY, TEXAS
LIST OF PRINCIPAL OFFICIALS
September 30, 2002

COMMISSIONERS COURT:

County Judge	James Adolphus
Commissioner, Precinct #1	Tom Stavinoha
Commissioner, Precinct #2	Grady Prestage
Commissioner, Precinct #3	Andy Meyers
Commissioner, Precinct #4	James Patterson

OTHER COUNTY OFFICIALS:

Tax Collector	Marsha Gaines
County Clerk	Dianne Wilson
District Clerk	Glory Hopkins
County Treasurer	Kathy Hynson
County Auditor	Ed Sturdivant
County Sheriff	Milton Wright
Purchasing Agent	Gilbert Jalomo
Budget Officer	Jim Edwards

DISTRICT COURTS:

Judge, 240 th District Court	Thomas Culver III
Judge, 268 th District Court	Brady Elliott
Judge, 328 th District Court	Thomas Stansbury
Judge, 387 th District Court	Robert Kern
Judge, 400 th District Court	Bradley Smith
District Attorney	John Healey

COUNTY COURT-AT-LAW:

Judge, County Court-at-Law #1	Larry Wagenbach
Judge, County Court-at-Law #2	Walter McMeans
Judge, County Court-at-Law #3	Susan Lowery
Judge, County Court-at-Law #4	R.H. "Sandy" Bielstein
County Attorney	Ben Childers

JUSTICES OF THE PEACE:

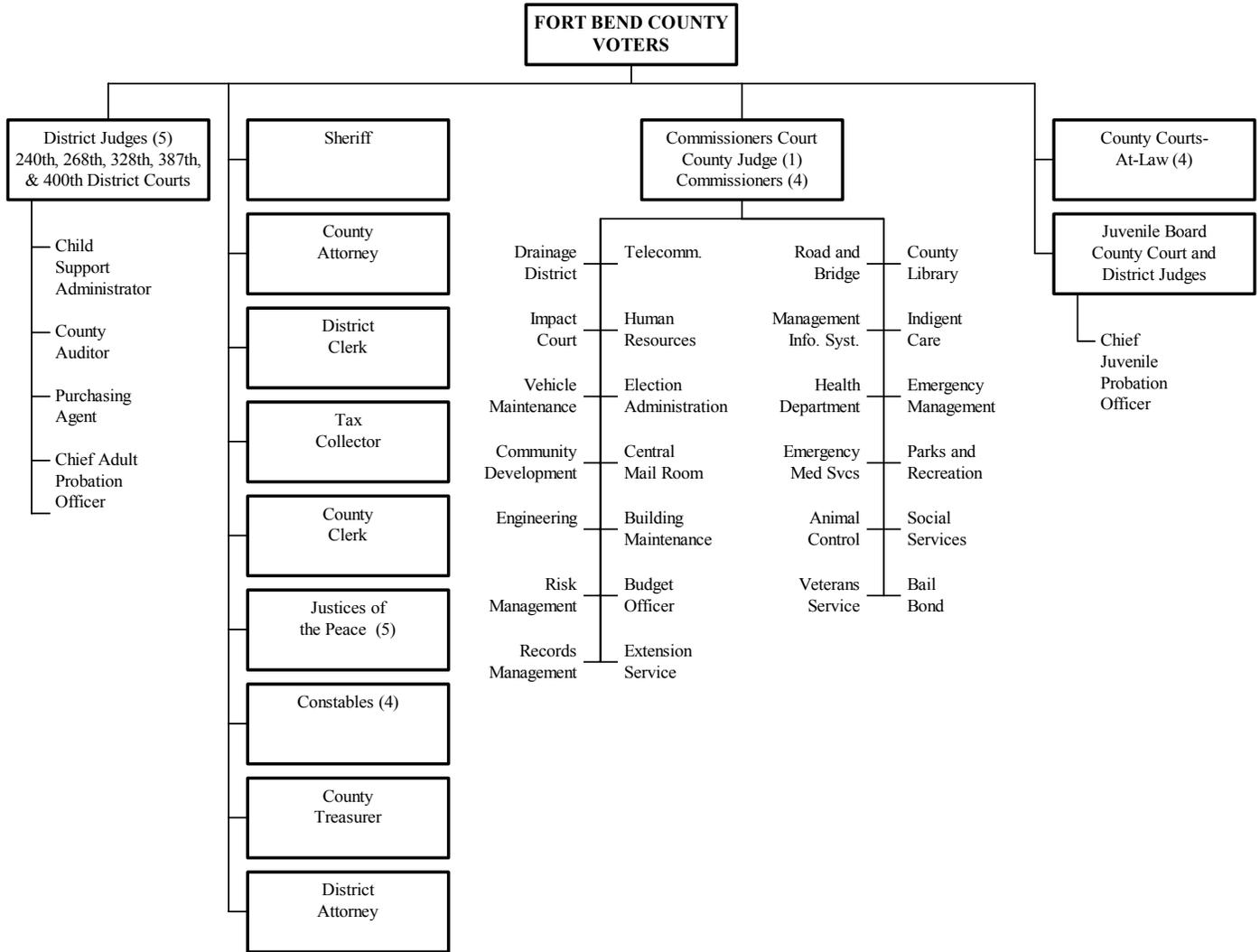
Justice of the Peace, Precinct #1-1	Gary Fredrickson
Justice of the Peace, Precinct #1-2	Gary Geick
Justice of the Peace, Precinct #2	Joel Clouser
Justice of the Peace, Precinct #3	Faye Dettling
Justice of the Peace, Precinct #4	Jim Richard

CONSTABLES:

Constable, Precinct #1	A. J. Dorr
Constable, Precinct #2	Ruben Davis
Constable, Precinct #3	Rob Cook
Constable, Precinct #4	Hal Werlein

FORT BEND COUNTY, TEXAS

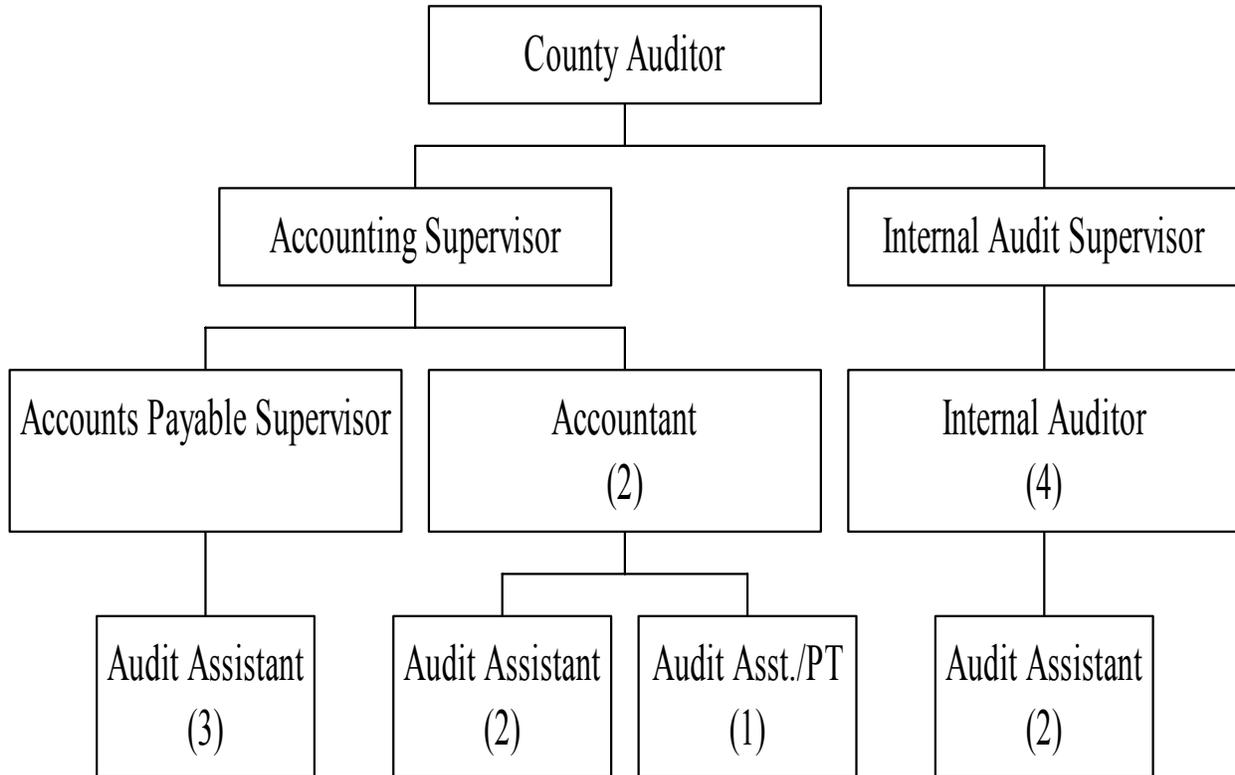
ORGANIZATION CHART



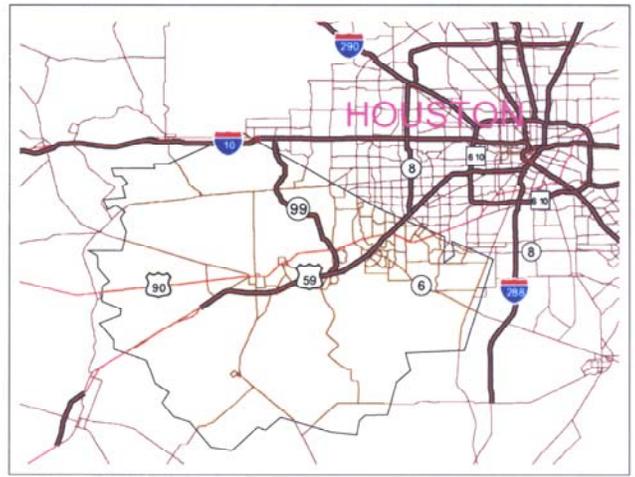
Elected

Appointed

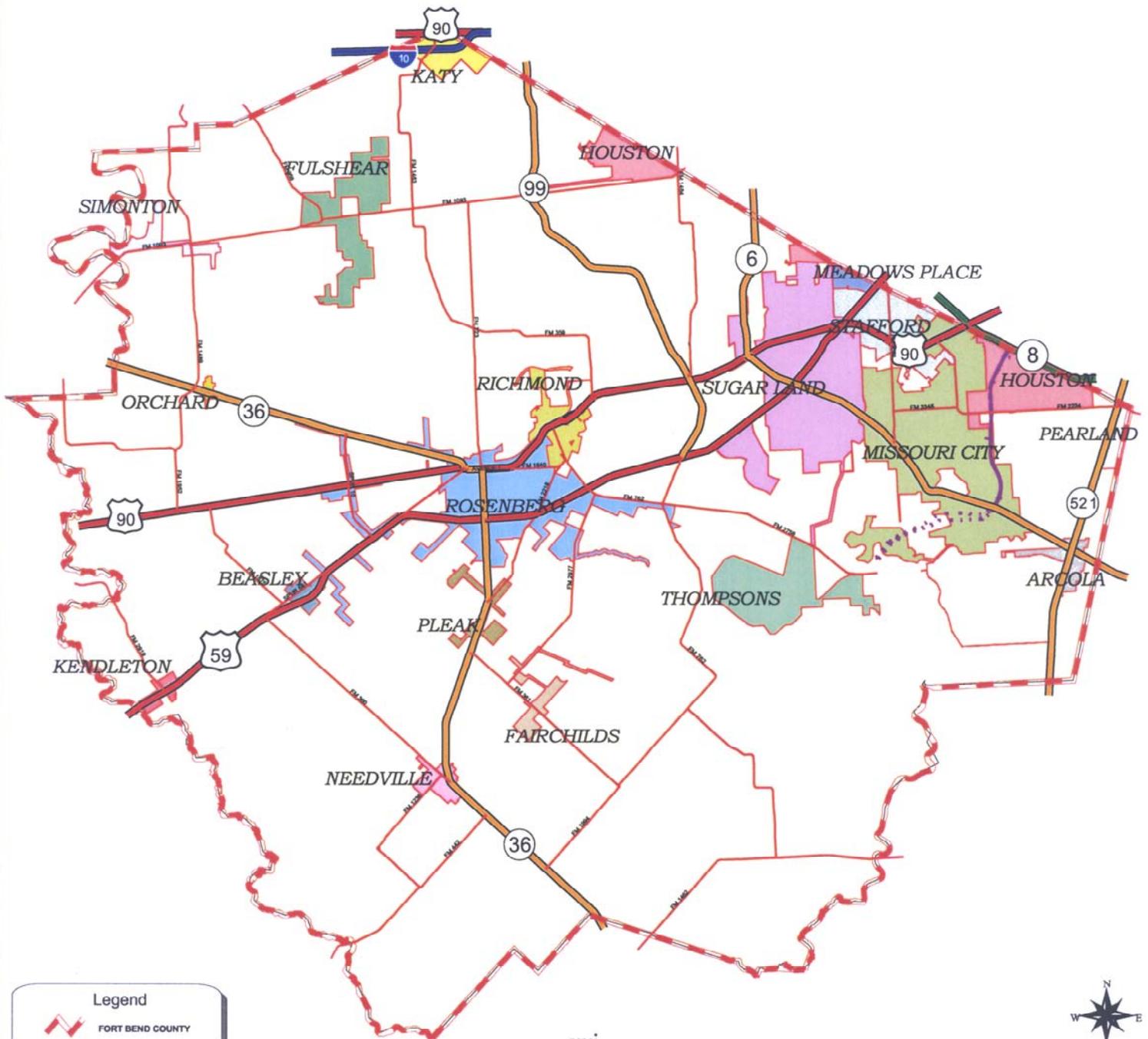
FORT BEND COUNTY AUDITOR'S OFFICE
ORGANIZATIONAL CHART



FORT BEND COUNTY



FORT BEND - HOUSTON VICINITY



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INDEPENDENT AUDITORS' REPORT



Independent Auditors' Report

To the Honorable County Judge and
Members of the Commissioners Court
Fort Bend County, Texas

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of Fort Bend County, Texas, (the "County") as of September 30, 2002, and for the nine months then ended, which collectively comprise the County's basic financial statements as listed in the table of contents. These basic financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards and provisions 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 examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of Fort Bend County, Texas, as of September 30, 2002, and the respective changes in financial position, and the respective budgetary comparison for the General Fund and the Major Special Revenue Fund, thereof, for the nine months then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 1 to the basic financial statements, the County adopted provisions of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments* as of September 30, 2002.

In accordance with *Government Auditing Standards*, we have also issued a report dated June 6, 2003, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of the audit.

The management's discussion and analysis on pages 3 through 11 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. 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 express no opinion on it.

Our audit was made for the purpose of forming opinions on the financial statements that collectively comprise Fort Bend County, Texas' basic financial statements. The introductory section, combining and individual non-major fund financial statements, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual non-major fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements, and, in our opinion, are fairly presented in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

A handwritten signature in black ink, appearing to read "Subhash Bhatt". The signature is fluid and cursive, with the first name "Subhash" written in a larger, more prominent script than the last name "Bhatt".

Sugar Land, Texas
June 6, 2003

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following discussion and analysis of Fort Bend County’s financial performance provides an overview of the County's financial activities for the nine months ended September 30, 2002. Please read this discussion and analysis in conjunction with the transmittal letter at the front of this report and the County's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

The General Fund, on a current financial resource basis (fund level), reported revenues over expenditures and other financing sources and uses of \$15.5 million (Exhibit A-4), as compared to a planned reduction of \$6.4 million (Exhibit A-6).

On a government-wide basis for governmental activities, the County had expenses net of program revenue of \$69.5 million. General revenues of \$4.1 million (Exhibit A-2) were \$65.4 million less than expenses net of program revenue. An explanation of this situation can be found under “Governmental Revenues” in this MD&A.

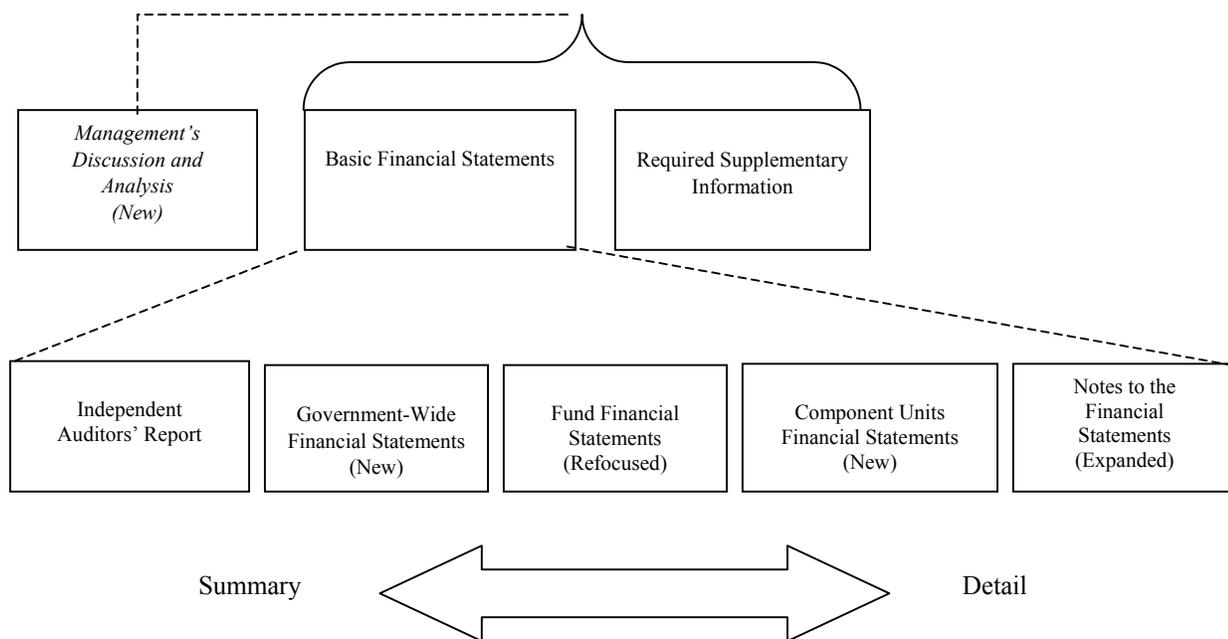
The County’s total net assets excluding discretely presented component units, on a government-wide basis, totaled \$321.4 million at September 30, 2002 (Exhibit A-1).

The County did not issue any new debt during the nine months ended September 30, 2002.

USING THE FINANCIAL SECTION OF THIS COMPREHENSIVE ANNUAL FINANCIAL REPORT

The County’s Comprehensive Annual Financial Report consists of three sections: introductory, financial and statistical. As the following chart shows, the financial section of this report has three components - *management's discussion and analysis* (this section), the *basic financial statements* and *required supplementary information*.

Components of the Financial Section



For the past twenty years, the primary focus of local government financial statements has been on summarized, fund type information, presented on a current financial resource basis. However, this approach has been modified. The new focus is on both the County as a whole (government-wide financial statements) and individual

parts of the County (fund financial statements). The government-wide financial statements, provide both long-term and short-term information about the County's overall financial status. The fund financial statements, on the other hand, focus on individual parts of the County and provide more detail of the County's operations than the government-wide financial statements.

GOVERNMENT-WIDE STATEMENTS

The government-wide financial statements report information about the County as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Assets and the Statement of Activities, which are the government-wide statements, report information about the County as a whole and about its activities in a way that helps answer whether the County is in a better or worse financial position as a result of the current year's activity. These statements include all assets and liabilities on the accrual basis of accounting. All current year revenues and expenses are taken into account regardless of when cash is received or paid.

The Statement of Net Assets presents information on all the County's assets and liabilities, with the difference between the two reported as net assets. Over time, the increase or decreases in net assets provides one indicator as to whether the County's financial health is improving or deteriorating. Other non-financial factors, such as the County's property tax base and the condition of the County's infrastructure, need to be considered to assess the overall health of the County.

The Statement of Activities presents information showing how the County's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Again, this reflects the accrual method of accounting, rather than the modified accrual basis that is used in the fund level financial statements.

In the Statement of Net Assets and the Statement of Activities, the County is divided into two types of activities:

Governmental Activities - Most of the County's basic services are reported here such as health and welfare, cooperative service, public safety, parks and recreation, and libraries and education. Property taxes finance most of these activities.

Component Units - The County includes three separate legal entities in its report - the Fort Bend County Surface Water Supply Corporation, the Fort Bend Toll Road Authority, and the Fort Bend Housing Finance Corporation. Although legally separate, these "component units" are included because of the significance of their operational or financial relationships with the County.

FUND FINANCIAL STATEMENTS

Traditional users of government financial statements will find the fund financial statement presentation more familiar. The fund financial statements provide more detailed information about the County's most significant funds, rather than the County as a whole.

The County has three types of funds:

Governmental Funds - Most of the County's basic services are included in the governmental funds. The governmental funds financial statements provide a detailed short-term view that helps readers of the financial statements determine the availability of financial resources to fund the County's major programs. Because these financial statements do not encompass the additional long-term focus of the government-wide statements, a reconciliation is provided at the bottom of the governmental funds balance sheet (Exhibit A-3) that explains the differences between them.

Proprietary Funds - The County uses internal service funds to report activities that provide services for the County's other programs and activities. The County's internal service funds consist of the Employee Benefits

Fund and the Workers Compensation Fund. The purpose of these funds is to provide for the accumulation of money for employee benefits and workers compensation benefits for county employees.

Fiduciary Funds - The County is the trustee, or fiduciary, for assets which are held by the County as an agent, pending distribution to authorized recipients. As the agent for certain entities, the County collects certain revenues and assessments and then remits the amounts to these entities. All of these assets are reported in a separate statement of fiduciary net assets (Exhibit A-11). However, the County excludes these activities from the government-wide financial statements since the County cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE

In accordance with GASB Statement No. 34, the County is not required to restate prior periods for the purposes of providing comparative information. In future years, however, when prior year information is available, a comparative analysis of government-wide information will be presented.

Statement of Net Assets:

The following table is a condensed Statement of Net Assets:

**SUMMARY OF STATEMENT OF NET ASSETS
September 30, 2002**

	Primary Government		Component
	Governmental Activities		Units
Current and other assets	\$ 129,299,577		\$ 11,961,637
Capital assets, net	296,790,932		7,133,378
Total Assets	426,090,509		19,095,015
Long-term liabilities	82,845,000		
Other liabilities	21,859,418		17,793,390
Total Liabilities	104,704,418		17,793,390
Net Assets:			
Restricted	1,165,334		
Invested in capital assets, net of debt	254,445,300		
Unrestricted	65,775,457		1,301,625
Total Net Assets	\$ 321,386,091		\$ 1,301,625

The County's combined net assets decreased to \$321.4 million from \$386.8 million as a result of the decrease in net assets in the Governmental Activities (Exhibit A-2). The County's unrestricted net assets - the part of net assets that can be used to finance day-to-day operations were \$65.8 million (Exhibit A-1). The component units' net assets of \$1.3 million primarily relates to the Fort Bend Toll Road Authority ("Authority"). The Authority has a loan in the amount of \$15 million that is due to Harris County, Texas. The loan was made to finance the construction of the Fort Bend Toll Road until revenue bonds are issued to cover the entire cost of the project. The loan will be repaid upon issuance of the revenue bonds.

Statement of Activities:

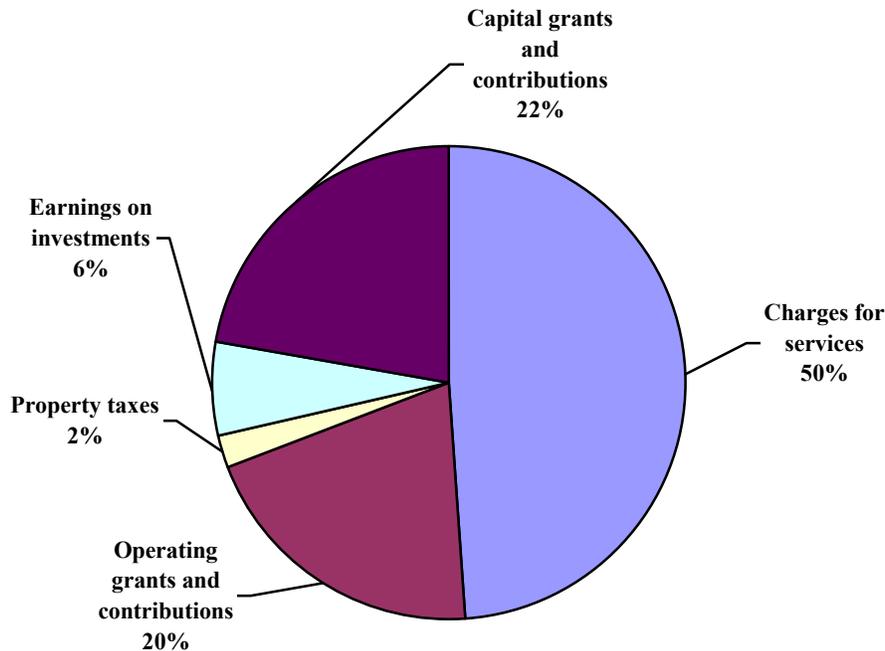
The following table provides a summary of the County's changes in net assets:

**CHANGES IN NET ASSETS
For the None Months Ended September 30, 2002**

	<u>Primary Government</u>	
	<u>Governmental</u>	<u>Component</u>
	<u>Activities</u>	<u>Units</u>
Revenues		
Program revenues:		
Charges for services	\$ 22,272,614	\$ 22,308
Operating grants and contributions	9,305,311	
Capital grants and contributions	10,096,357	
General revenues:		
Property taxes	1,040,511	
Earnings on investments	2,926,689	82,187
Other	91,571	53
Total Revenues	<u>45,733,053</u>	<u>104,548</u>
Expenses		
General administration	18,823,898	
Financial administration	3,248,445	
Administration of justice	18,336,539	
Road and bridge maintenance	17,854,883	
Health and welfare	10,244,700	
Cooperative service	647,302	
Public safety	26,526,213	
Parks and recreation	1,378,188	
Flood control projects	4,324,029	
Libraries and education	6,354,890	
Interest on long-term debt	3,457,863	
FBC Surface Water Supply Corporation		93,074
Fort Bend Housing Finance Corporation		29,600
Total Expenses	<u>111,196,950</u>	<u>122,674</u>
Change in Net Assets	(65,463,897)	(18,126)
Net Assets, Beginning	386,849,988	1,319,751
Net Assets, Ending	<u>\$ 321,386,091</u>	<u>\$ 1,301,625</u>

The following graphic presentations can be used to assist in analyzing the County's activities.

GOVERNMENTAL REVENUES



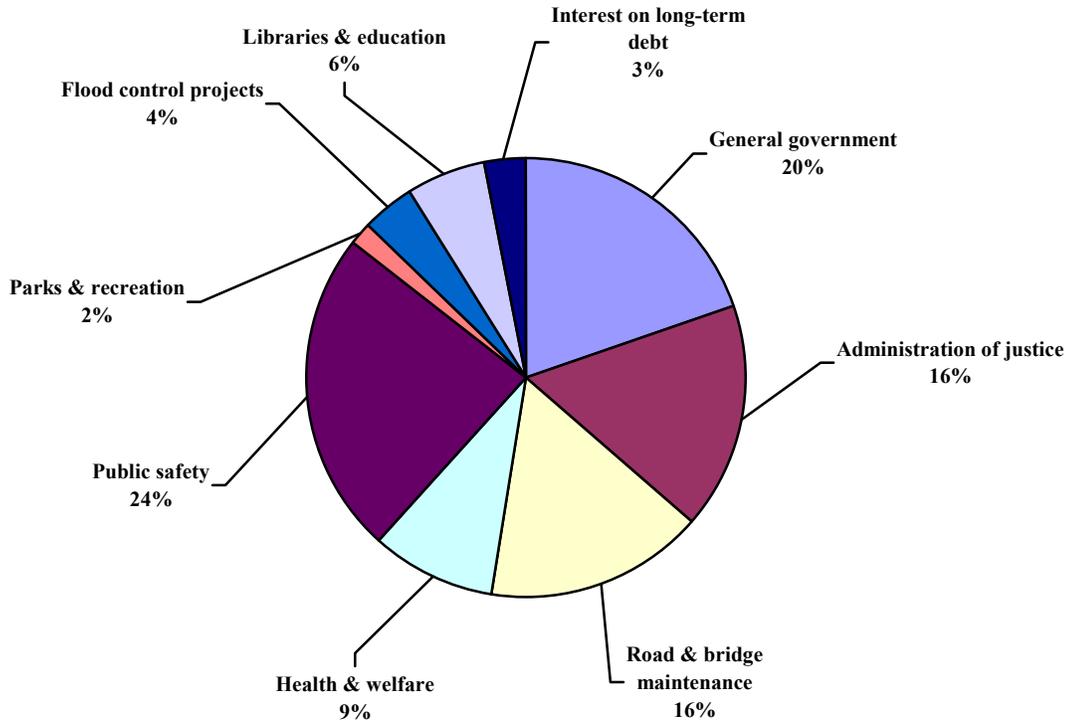
For the nine months ended September 30, 2002, revenues from governmental activities totaled \$45.7 million, as follows:

- Charges for services, \$22.3 million
- Operating grants and contributions, \$9.3 million
- Property taxes, \$1.1 million
- Earnings on investments, \$2.9 million
- Capital grants and contributions, \$10.1 million

“Other” revenue totaled \$91,571, or less than 1% of total revenue, and was therefore not included in the graph above.

Charges for services was the largest revenue sources for the nine months ending September 30, 2002, totaling \$22.3 million. During this same period, property tax revenue accounted for only \$1.1 million; however, property taxes generally account for the majority of governmental revenue. Due to the implementation of GASB Statement 34, all property taxes recorded as deferred revenue at December 31, 2001, were recognized in the restated December 31, 2001 net asset balance. In addition, the County did not levy 2002 (tax year) taxes until after September 30, 2002. Therefore, no tax levy was recognized during the nine months ending September 30, 2002. The tax revenue recorded during this period reflects penalties and interest collected on delinquent taxes. This situation should only occur in this initial year of implementation.

GOVERNMENTAL FUNCTIONAL EXPENSES



For the nine months ended September 30, 2002, expenses for governmental activities totaled \$111.2 million, as follows:

- General government, \$22.1 million
- Administration of justice, \$18.3 million
- Road & bridge maintenance, \$17.9 million
- Health & welfare, \$10.2 million
- Public safety, \$26.5 million
- Parks & recreation, \$2 million
- Flood control projects, \$4.3 million
- Libraries & education, \$6.4 million
- Interest on long-term debt, \$3.5 million

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

Governmental Funds - The focus of the County's governmental funds is to provide information of near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the County's net resources available for spending at the end of the fiscal year.

The County's governmental funds reflect a combined fund balance of \$106 million (Exhibit A-3). Of this total, approximately \$80.5 million is unreserved and available for day-to-day operations of the County while approximately \$24 million is reserved for capital projects, and approximately \$1.5 million is reserved for debt service.

There was an increase in the combined fund balance of \$13.5 million over the prior year. Included in this overall increase (Exhibit A-4) is \$15.5 million in General Fund revenues over expenditures and other financing sources and uses. In addition, the Mobility Capital Projects Fund recorded a \$4.5 million decrease in fund balance during the nine months ended September 30, 2002.

In the Road & Bridge Fund, the County spent \$11.5 million on road and bridge maintenance projects and collected revenues of approximately \$13.7 million, netting a \$2.2 million increase in fund balance. This \$2.2 million increase, along with a beginning fund balance of \$4.5 million, leaves the Road and Bridge Fund with a \$6.7 million fund balance as of September 30, 2002.

Proprietary Funds - The County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail (Exhibits A-8, A-9, and A-10).

The Internal Service Funds have unrestricted net assets of \$369,477 at September 30, 2002. Operating revenue exceeded operating expenses by \$953,209 during the nine months ended September 30, 2002. Lastly, cash and cash equivalents in the internal service funds totaled approximately \$3.9 million at September 30, 2002.

GENERAL FUND BUDGETARY HIGHLIGHTS

	Nine Months Ended September 30, 2002		
	Original Budget	Amended Budget	Actual
<u>Revenues</u>			
Taxes	\$ 78,079,687	\$ 78,079,687	\$ 77,312,187
Other	16,477,925	18,028,324	14,376,320
Total	<u>94,557,612</u>	<u>96,108,011</u>	<u>91,688,507</u>
<u>Expenditures</u>			
Expenditures	<u>99,006,095</u>	<u>95,805,414</u>	<u>69,761,841</u>
<u>Other Financing Sources (Uses)</u>			
Transfers in		87,405	322,165
Transfers (out)		<u>(6,796,577)</u>	<u>(6,793,987)</u>
Total		<u>(6,709,172)</u>	<u>(6,471,822)</u>
Change in Fund Balance	<u><u>\$ (4,448,483)</u></u>	<u><u>\$ (6,406,575)</u></u>	<u><u>\$ 15,454,844</u></u>

Revenue and other financing sources exceeded expenditures and other financing uses by \$15.5 million in the General Fund for the nine months ended September 30, 2002.

Original budgeted General Fund revenues exceeded actual General Fund revenues by approximately \$2.9 million during the nine months ended September 30, 2002. This decrease in revenue can be directly attributed to the change in fiscal year from December 31 to September 30. These budgets were prepared based on a twelve-month fiscal year, however, the actual revenue amounts only represent nine months of activity. In addition, General Fund expenditures were less than both the original and amended budget. General Fund expenditures were approximately \$26 million less than the amended budget. Again, this can be directly attributable to the change in fiscal year. The budgeted amount for General Fund expenditures was prepared based on a twelve-month fiscal year while the actual amounts only represent nine months of activity.

During the nine months ended September 30, 2002, Commissioners Court amended the budget for the following purposes:

- To appropriate grants or donations accepted during the nine months ended September 30, 2002 and could not be foreseen at the time the budget was adopted.
- To declare an emergency for unforeseen repairs to County buildings deemed necessary to protect the health and welfare of the general public.
- To declare an emergency for additional public safety expenditures deemed necessary to protect the safety of the general public.

CAPITAL ASSETS

After the nine months ended September 30, 2002, the County's governmental activities funds had invested approximately \$296.8 million (see Note 7) in a variety of capital assets and infrastructure, as reflected in the following schedule. As required by GASB 34, depreciation is included with the governmental capital assets.

GOVERNMENTAL FUNDS CHANGE IN CAPITAL ASSETS

	Restated Balance <u>Dec. 31, 2001</u>	Net Additions/ Deletions	Balance <u>Sept. 30, 2002</u>
Non-Depreciable Assets			
Land and intangibles	\$ 83,364,269	\$ 3,411,877	\$ 86,776,146
Construction in progress	3,797,057	3,622,824	7,419,881
Other Capital Assets, Net			
Vehicles	3,810,781	212,853	4,023,634
Office furniture and equipment	3,569,436	(636,186)	2,933,250
Machinery and equipment	5,116,630	436,150	5,552,780
Buildings, facilities and improv	58,100,640	1,308,457	59,409,097
Infrastructure	<u>129,259,762</u>	<u>1,416,382</u>	<u>130,676,144</u>
Totals	<u>\$ 287,018,575</u>	<u>\$ 9,772,357</u>	<u>\$ 296,790,932</u>

Construction in progress at year-end represents numerous ongoing projects, the largest of which relate to expansion of the Juvenile Probation Facilities and the County Mobility Projects.

LONG-TERM DEBT

After the nine months ended September 30, 2002, the County had bonds and certificates of obligation outstanding in the amount of \$88.3 million. Of this amount, \$88.1 million is general obligation debt and \$200,000 of certificates of obligation account for \$200,000 of the total debt.

	Governmental Activities
General Obligation Bonds	\$ 88,105,000
Certificates of Obligation	200,000
Total	\$ 88,305,000

The County did not issue any new debt during the nine months ended September 30, 2002. The County's total debt decreased by \$5.3 million during the nine months ended September 30, 2002. More detailed information about the County's long-term liabilities is presented in Note 8 to the financial statements.

ECONOMIC FACTORS

The unemployment rate in the County for 2002 was 4.2%, an increase over the 3.2% rate from the prior year. The U. S. unemployment was 5.6% and for Texas, 6.2%.

In 2002, four new office buildings were constructed, two of which were single tenant buildings. The office market had a direct vacancy rate of approximately 10.5% during 2002. Fort Bend County's industrial market encompasses 16.5 million square feet and had a vacancy rate of approximately 9.7% for 2002. New retail projects also continued to develop throughout the County in 2002. In excess of 497,500 square feet of retail development was completed with another 621,500 square feet under construction. An additional 443,000 square feet is already on the drawing board. (1)

The University of Houston opened a Sugar Land campus with the Fall 2002 semester offering junior, senior, and graduate level classes leading to 32 bachelors and masters degrees. The University is already considering a future expansion.

Construction of a 300-room Marriott Hotel and Conference Center in the Sugar Land Town Square was begun in early 2002 with completion expected in 2003. The Sugar Land Town Square project is to include 200,000 square feet of retail, 750,000 square feet of Class A office space, and a new City Hall, in addition to the hotel.

Commissioners Court approved a \$147.1 million budget for the 2003 fiscal year, not including component units. This represents a 13% increase from the prior year. The budget incorporated a tax rate reduction of 4.5% to \$.53874 per \$100 of valuation.

(1) Source: The Fort Bend Economic Development Council

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of Fort Bend County's finances for all of those with an interest in the County's finances. Questions concerning this report or requests for additional financial information should be directed to Ed Sturdivant, County Auditor, 301 Jackson Suite 533, Richmond, TX 77469, telephone (281) 341-3760.

**BASIC FINANCIAL
STATEMENTS**



GOVERNMENT-WIDE FINANCIAL STATEMENTS



FORT BEND COUNTY, TEXAS**STATEMENT OF NET ASSETS**

September 30, 2002

	<u>Primary Government</u>	
	<u>Governmental Activities</u>	<u>Component Units</u>
<u>Assets</u>		
Cash and cash equivalents	\$ 58,042,357	\$ 11,556,950
Investments	58,435,489	193,078
Receivables:		
Taxes, net	5,790,630	
Grants	153,178	
Fees and fines	1,725,546	
Accrued interest	431,727	
Other	1,369,455	211,609
Prepays	62,765	
Due from component units	807,044	
Due from fiduciary funds	2,481,386	
Capital assets, net	296,790,932	7,133,378
	<hr/>	<hr/>
Total Assets	\$ 426,090,509	\$ 19,095,015
<u>Liabilities</u>		
Accounts payable	\$ 11,179,742	\$ 1,986,346
Accrued payroll	258,569	
Retainage payable	53,371	
Accrued interest payable	360,279	
Compensated absences	4,230,375	
Due to primary government		807,044
Due to other governments	216,482	15,000,000
Due to fiduciary funds	100,600	
Long-term liabilities due within one year	5,460,000	
Long-term liabilities due in more than one year	82,845,000	
	<hr/>	<hr/>
Total Liabilities	104,704,418	17,793,390
<u>Net Assets</u>		
Restricted	1,165,334	
Invested in capital assets, net of related debt	254,445,300	
Unrestricted	65,775,457	1,301,625
	<hr/>	<hr/>
Total Net Assets	\$ 321,386,091	\$ 1,301,625

The accompanying notes are an integral part of these financial statements.

FORT BEND COUNTY, TEXAS

STATEMENT OF ACTIVITIES

Nine Months Ended September 30, 2002

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants & Contributions
Primary Government				
Governmental Activities				
General administration	\$ 18,823,898	\$ 6,409,854	\$ 136,309	\$
Financial administration	3,248,445	1,228,559		
Administration of justice	18,336,539	3,420,406	4,761,294	
Road and bridge maintenance	17,854,883	5,172,861	38,890	10,096,357
Health and welfare	10,244,700	2,232,418	2,484,322	
Cooperative service	647,302		33,960	
Public safety	26,526,213	2,898,221	1,579,982	
Parks and recreation	1,378,188	92,913	176,989	
Flood control projects	4,324,029	547,183		
Libraries and education	6,354,890	162,756	93,565	
Debt service	3,457,863	107,443		
Total Primary Government	111,196,950	22,272,614	9,305,311	10,096,357
Component Units				
FBC Surface Water Supply Corp.	\$ 93,074	\$	\$	\$
FBC Toll Road Authority				
FB Housing Finance Corp.	29,600	22,308		
Total Component Units	\$ 122,674	\$ 22,308	\$	\$

General Revenues:

Property taxes - penalties, and interest

Earnings on investments

Miscellaneous

Total General Revenues

Change in Net Assets

Net Assets, Beginning (Restated)

Net Assets, Ending

The accompanying notes are an integral part of these financial statements.

Net (Expense) Revenue and Changes in Net Assets

Primary Government		
Governmental Activities		Component Units
\$	(12,277,735)	\$
	(2,019,886)	
	(10,154,839)	
	(2,546,775)	
	(5,527,960)	
	(613,342)	
	(22,048,010)	
	(1,108,286)	
	(3,776,846)	
	(6,098,569)	
	(3,350,420)	
	<u>(69,522,668)</u>	
		(93,074)
		<u>(7,292)</u>
\$		\$ <u>(100,366)</u>
\$	1,040,511	\$
	2,926,689	82,187
	91,571	53
	<u>4,058,771</u>	<u>82,240</u>
	(65,463,897)	(18,126)
	386,849,988	1,319,751
\$	<u>321,386,091</u>	\$ <u>1,301,625</u>



FUND FINANCIAL STATEMENTS
GOVERNMENTAL FUNDS

FORT BEND COUNTY, TEXAS

BALANCE SHEET GOVERNMENTAL FUNDS

September 30, 2002

	<u>General</u>	<u>Major Special Revenue - Road & Bridge</u>	<u>Major Capital Project - Mobility</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>Assets</u>					
Cash and cash equivalents	\$ 10,535,028	\$ 2,981,819	\$ 24,522,183	\$ 16,063,852	\$ 54,102,882
Investments	36,142,069	4,146,141		18,147,279	58,435,489
Taxes receivable, net	4,224,966	669,511		896,153	5,790,630
Grants receivable				153,178	153,178
Accrued interest	344,559	35,163		52,005	431,727
Other receivables	773,833	2,086	6,714	538,471	1,321,104
Due from other funds	4,217,541	628,350		1,025,024	5,870,915
Due from component unit	807,044				807,044
Prepaid items	57,401	3,016		2,348	62,765
Total Assets	\$ 57,102,441	\$ 8,466,086	\$ 24,528,897	\$ 36,878,310	\$ 126,975,734
<u>Liabilities</u>					
Accounts payable	\$ 6,152,407	\$ 923,915	\$ 560,548	\$ 1,374,298	\$ 9,011,168
Accrued payroll	192,956	22,509		43,104	258,569
Retainage payable				53,371	53,371
Compensated absences	1,067,201	181,445		144,765	1,393,411
Due to other funds	810,637	802		1,228,915	2,040,354
Due to other governments/units	53,488				53,488
Deferred revenue	4,224,966	669,511		3,234,728	8,129,205
Total Liabilities	12,501,655	1,798,182	560,548	6,079,181	20,939,566
<u>Fund Balances</u>					
Reserved for:					
Debt service				1,525,613	1,525,613
Capital projects			23,968,349		23,968,349
Unreserved	44,600,786	6,667,904		29,273,516	80,542,206
Total Fund Balances	44,600,786	6,667,904	23,968,349	30,799,129	106,036,168
Total Liab. and Fund Balances	\$ 57,102,441	\$ 8,466,086	\$ 24,528,897	\$ 36,878,310	
Adjustments for the Statement of Net Assets:					
Capital assets used in governmental activities are not current financial resources and therefore not reported in the governmental funds.					296,790,932
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.					8,129,205
Receivables are recorded for revenues that may that may be not be collected in the current year or soon thereafter.					1,562,552
Internal service funds are used by management to charge the costs of certain activities such as insurance and therefore, the assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Assets.					369,477
Some liabilities, including bonds payable and accrued interest payable, are not reported as liabilities in the governmental funds.					(91,502,243)
Net Assets of Governmental Activities					\$ 321,386,091

The accompanying notes are an integral part of these financial statements.

FORT BEND COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Nine Months Ended September 30, 2002

	<u>General</u>	<u>Major Special Revenue - Road & Bridge</u>	<u>Major Capital Project - Mobility</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues					
Taxes	\$ 77,312,187	\$ 8,642,732		\$ 13,623,569	\$ 99,578,488
Fees and fines	7,375,204	2,470,875		1,901,111	11,747,190
Intergovernmental	3,405,216	2,263,481		5,355,371	11,024,068
Earnings on investments	1,502,969	223,608	390,708	697,904	2,815,189
Miscellaneous	2,092,931	147,819	6,713	1,862,987	4,110,450
Total Revenues	91,688,507	13,748,515	397,421	23,440,942	129,275,385
Expenditures					
Current:					
General administration	15,777,453			483,351	16,260,804
Financial administration	3,186,488			26,935	3,213,423
Administration of justice	9,968,658			8,323,065	18,291,723
Construction and maintenance	1,086,886	11,347,031		112,072	12,545,989
Health and welfare	7,616,809			2,562,035	10,178,844
Cooperative service	591,257				591,257
Public safety	24,245,261			834,199	25,079,460
Parks and recreation	1,230,362			126	1,230,488
Flood control projects				4,326,935	4,326,935
Libraries and education	5,655,359			256,714	5,912,073
Capital outlay	208,989		4,940,244	2,840,766	7,989,999
Debt Service:					
Principal	188,036	145,852		5,371,643	5,705,531
Interest and fiscal charges	6,283	8,650		4,669,471	4,684,404
Total Expenditures	69,761,841	11,501,533	4,940,244	29,807,312	116,010,930
Excess (Deficiency) of Revenues Over (Under) Expenditures	21,926,666	2,246,982	(4,542,823)	(6,366,370)	13,264,455
Other Financing Sources (Uses)					
Transfers in	322,165			7,052,402	7,374,567
Transfers out	(6,793,987)	(17,209)		(313,371)	(7,124,567)
Total Other Financing Sources (Uses)	(6,471,822)	(17,209)		6,739,031	250,000
Net Change in Fund Balance	15,454,844	2,229,773	(4,542,823)	372,661	13,514,455
Fund balances - Beginning of Year	28,183,929	4,438,131	28,511,172	30,480,404	91,613,636
Prior Period Adjustment	962,013			(53,936)	908,077
Fund balances - Beginning, as Restated	29,145,942	4,438,131	28,511,172	30,426,468	92,521,713
Fund Balances - End of Year	\$ 44,600,786	\$ 6,667,904	\$ 23,968,349	\$ 30,799,129	\$ 106,036,168

The accompanying notes are an integral part of these financial statements.



FORT BEND COUNTY, TEXAS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES
Nine Months Ended September 30, 2002

Net changes in fund balances - governmental funds (Exhibit A-4)	\$ 13,514,455
Adjustments for the Statement of Activities:	
Repayment of bond principal is reported as an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets.	5,705,531
The long-term portion of accrued compensated absences is not due and payable in the current period and is therefore not reported in the governmental funds.	(411,176)
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 and reported as depreciation expense. This is the amount by which depreciation expense (\$9,625,788) exceeded capital outlays (\$9,301,788) in the current period.	(324,000)
Full accrual accounting reports all revenues, not just those received in the current year or soon thereafter.	502,918
Capital contributions of infrastructure is reported in the government-wide financial statements but not in the fund financial statements.	10,096,357
Revenues that do not provide current financial resources are not reported as revenues in the governmental funds. This adjustment reflects the net change in property taxes receivable on the accrual basis of accounting.	(96,610,720)
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 the governmental funds. This adjustment reflects the net change in interest payable on the accrual basis of accounting.	1,226,541
Internal service funds are used by management to charge the costs of certain activities, such as insurance and equipment replacement, to individual funds. The net revenues (expenses) is reported with governmental activities.	836,197
Change in Net Assets of Governmental Activities	<u><u>\$ (65,463,897)</u></u>

The accompanying notes are an integral part of these financial statements.

FORT BEND COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND

Nine Months Ended September 30, 2002
With Comparative Totals For The Year Ended December 31, 2001

	Original Budget	Budget as Amended	Actual
Revenues			
Property taxes	\$ 78,079,687	\$ 78,079,687	\$ 77,312,187
Fees and fines	7,531,525	7,231,525	7,375,204
Intergovernmental	3,598,000	5,228,098	3,405,216
Earnings on investments	3,150,000	3,150,000	1,502,969
Miscellaneous	2,198,400	2,418,701	2,092,931
Total Revenues	94,557,612	96,108,011	91,688,507
Expenditures			
Current:			
General administration	26,258,790	29,625,161	15,777,453
Financial Administration	4,430,605	3,810,800	3,186,488
Administration of justice	12,255,582	11,460,109	9,968,658
Construction and maintenance	1,504,456	1,376,556	1,086,886
Health and welfare	11,070,605	10,866,448	7,616,809
Cooperative service	813,305	738,769	591,257
Public safety	30,806,006	27,730,903	24,245,261
Parks and recreation	1,384,438	1,613,977	1,230,362
Flood control projects			
Libraries and education	7,458,733	6,662,079	5,655,359
Capital outlay	3,023,575	1,726,293	208,989
Debt Service			
Principal retirement			
Interest and fiscal charges		194,319	194,319
Total Expenditures	99,006,095	95,805,414	69,761,841
Revenues Over (Under) Expenditures	(4,448,483)	302,597	21,926,666
Other Financing Sources (Uses)			
Transfers in		87,405	322,165
Transfers (out) to component unit			
Transfers (out)		(6,796,577)	(6,793,987)
Total Other Financing Sources (Uses)		(6,709,172)	(6,471,822)
Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	(4,448,483)	(6,406,575)	15,454,844
Fund Balances, Beginning of Year	28,183,929	28,183,929	28,183,929
Prior Period Adjustment			962,013
Fund Balance, As Restated, January 1	28,183,929	28,183,929	29,145,942
Fund Balances, End of Year	\$ 23,735,446	\$ 21,777,354	\$ 44,600,786

The accompanying notes are an integral part of these financial statements.

Variance from Amended Over (Under)	2001 Actual
\$ (767,500)	\$ 74,738,891
143,679	9,253,606
(1,822,882)	5,538,342
(1,647,031)	3,391,706
(325,770)	2,543,043
<u>(4,419,504)</u>	<u>95,465,588</u>
13,847,708	18,146,648
624,312	4,353,918
1,491,451	11,258,083
289,670	1,591,842
3,249,639	9,299,576
147,512	732,317
3,485,642	28,783,761
383,615	1,391,491
1,006,720	6,467,965
1,517,304	182,010
	225,821
	17,909
<u>26,043,573</u>	<u>82,451,341</u>
21,624,069	13,014,247
234,760	15,408
	(93,000)
2,590	(10,059,069)
<u>237,350</u>	<u>(10,136,661)</u>
21,861,419	2,877,586
	26,947,647
962,013	(1,641,304)
<u>962,013</u>	<u>25,306,343</u>
<u>\$ 22,823,432</u>	<u>\$ 28,183,929</u>

FORT BEND COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
ROAD AND BRIDGE

Nine Months Ended September 30, 2002
With Comparative Totals For The Year Ended December 31, 2001

	Original Budget	Budget as Amended	Actual
Revenues			
Property taxes	\$ 8,767,089	\$ 8,767,089	\$ 8,642,732
Fees and fines	2,874,000	2,874,000	2,470,875
Intergovernmental	2,187,000	2,187,000	2,263,481
Earnings on investments	365,000	365,000	223,608
Miscellaneous	150,450	150,450	147,819
Total Revenues	14,343,539	14,343,539	13,748,515
Expenditures			
Current:			
Construction and maintenance	14,557,372	13,408,155	11,347,031
Capital outlay			
Debt Service			
Principal retirement		145,852	145,852
Interest and fiscal charges		8,650	8,650
Total Expenditures	14,557,372	13,562,657	11,501,533
Revenues Over (Under) Expenditures	(213,833)	780,882	2,246,982
Other Financing Sources (Uses)			
Transfers in			
Transfers (out)		(17,209)	(17,209)
Total Other Financing Sources (Uses)		(17,209)	(17,209)
Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	(213,833)	763,673	2,229,773
Fund Balances, Beginning of Year	4,438,131	4,438,131	4,438,131
Fund Balances, End of Year	\$ 4,224,298	\$ 5,201,804	\$ 6,667,904

The accompanying notes are an integral part of these financial statements.

Variance from Amended Over (Under)	2001 Actual
\$ (124,357)	\$ 8,327,259
(403,125)	3,159,316
76,481	2,220,601
(141,392)	478,788
(2,631)	252,656
<u>(595,024)</u>	<u>14,438,620</u>
2,061,124	12,774,923
	314,212
	501,392
	28,392
<u>2,061,124</u>	<u>13,618,919</u>
1,466,100	819,701
	314,212
	<u>(574,776)</u>
	<u>(260,564)</u>
1,466,100	559,137
	3,878,994
<u>\$ 1,466,100</u>	<u>\$ 4,438,131</u>



FUND FINANCIAL STATEMENTS
PROPRIETARY FUNDS

FORT BEND COUNTY, TEXAS
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
September 30, 2002

	<u>Governmental Activities- Internal Service Funds</u>
<u>Assets</u>	
Cash and cash equivalents	\$ 3,939,475
Due from other funds	50,225
Other receivables	48,351
Total Assets	<u>4,038,051</u>
Total Assets	<u>\$ 4,038,051</u>
 <u>Liabilities and Net Assets</u>	
<u>Liabilities</u>	
Accounts payable	60,373
Benefits payable	2,108,201
Due to other funds	1,500,000
Total Liabilities	<u>3,668,574</u>
Total Liabilities	<u>3,668,574</u>
 <u>Net Assets</u>	
Unrestricted	<u>\$ 369,477</u>

The accompanying notes are an integral part of these financial statements.

FORT BEND COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
Nine Months Ended September 30, 2002

	Governmental Activities- Internal Service Funds
<u>Operating Revenues</u>	
Charges for services	\$ 11,482,118
Total Operating Revenues	11,482,118
<u>Operating Expenses</u>	
Current operations - general administration	2,403,519
Benefits provided	8,125,390
Total Operating Expenses	10,528,909
Operating Income	953,209
<u>Non-Operating Revenues</u>	
Earnings on investments	111,500
Total Non-Operating Revenues	111,500
Income Before Transfers	1,064,709
Transfers (out)	(250,000)
Change in Net Assets	814,709
Net (Deficit), Beginning	(445,232)
Net Assets, Ending	\$ 369,477

The accompanying notes are an integral part of these financial statements.

FORT BEND COUNTY, TEXAS
COMBINING STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For The Nine Months Ended September 30, 2002

	<u>Governmental Activities - Internal Service Funds</u>
Cash Flows From Operating Activities	
Charges for services	\$ 12,905,629
Payment of benefits	(7,901,819)
Payment of general administration expenses	(2,438,821)
	<hr/>
Net Cash Provided (Used) by Operating Activities	<u>2,564,989</u>
Cash Flows From Noncapital Financing Activities	
Operating transfers (out)	(250,000)
	<hr/>
Net Cash (Used) by Noncapital Financing Activities	<u>(250,000)</u>
Cash Flows From Investing Activities	
Interest earned on investments	111,500
	<hr/>
Net Increase in Cash and Cash Equivalents	2,426,489
Cash and Cash Equivalents, January 1	<u>1,512,986</u>
Cash and Cash Equivalents, September 30	<u><u>\$ 3,939,475</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities	
Operating income (loss)	\$ 953,209
Prior period adjustment	21,510
Change in assets and liabilities	
(Increase) decrease in other receivables	57,065
(Increase) decrease in due from other funds	1,173,511
Increase (decrease) in accounts payable	(35,302)
Increase (decrease) in benefits payable	144,996
Increase (decrease) in due to other funds	250,000
	<hr/>
Net Cash Provided by Operating Activities	<u><u>\$ 2,564,989</u></u>

The accompanying notes are an integral part of these financial statements.

FUND FINANCIAL STATEMENTS
FIDUCIARY FUNDS

FORT BEND COUNTY, TEXAS
STATEMENT OF FIDUCIARY NET ASSETS
September 30, 2002

	Agency Funds
<u>Assets</u>	
Cash and cash equivalents	\$ 17,571,026
Due from other funds	100,600
Miscellaneous receivables	90
Total Assets	\$ 17,671,716
 <u>Liabilities</u>	
Due to other funds	\$ 2,481,386
Due to other units	15,190,330
Total Liabilities	\$ 17,671,716

The accompanying notes are an integral part of these financial statements.

FUND FINANCIAL STATEMENTS
COMPONENT UNITS



FORT BEND COUNTY, TEXAS

STATEMENT OF NET ASSETS

COMPONENT UNITS

September 30, 2002

	FBC Surface Water Supply Corporation	Fort Bend Toll Road Authority	Fort Bend Housing Finance Corporation	Totals
<u>Assets</u>				
Cash and cash equivalents	\$ 7,674	\$ 11,518,011	\$ 31,265	\$ 11,556,950
Investments			193,078	193,078
Receivables			211,609	211,609
Capital assets, net		7,133,378		7,133,378
Total Assets	\$ 7,674	\$ 18,651,389	\$ 435,952	\$ 19,095,015
 <u>Liabilities and Net Assets</u>				
<u>Liabilities</u>				
Accounts payable	\$	\$ 1,974,782	\$ 11,564	\$ 1,986,346
Due to primary government		807,044		807,044
Due to other governments		15,000,000		15,000,000
Total Liabilities		17,781,826	11,564	17,793,390
 <u>Net Assets</u>				
Unrestricted	7,674	869,563	424,388	1,301,625
Total Net Assets	\$ 7,674	\$ 869,563	\$ 424,388	\$ 1,301,625

The accompanying notes are an integral part of these financial statements.

FORT BEND COUNTY, TEXAS

STATEMENT OF ACTIVITIES

COMPONENT UNITS

Nine Months Ended September 30, 2002

Functions/Programs	Expenses	Program Revenues	FBC Surface Water Supply Corporation
		Charges for Services	
FBC Surface Water Supply Corporation			
Health and Welfare	\$ 93,074	\$	\$ (93,074)
Total FBC Surface Water Supply Corporation	93,074		(93,074)
Fort Bend Toll Road Authority			
Toll Road			
Total Fort Bend Toll Road Authority			
Fort Bend Housing Finance Corporation			
General administration	29,600	22,308	
Total Fort Bend Housing Finance Corporation	29,600	22,308	
Total Component Units	\$ 122,674	\$ 22,308	\$ (93,074)

General Revenues:

Earnings on investments	\$ 1,034
Miscellaneous	
Total General Revenues	1,034
Change in Net Assets	(92,040)
Net Assets, Beginning of Year	99,714
Net Assets, End of Year	\$ 7,674

The accompanying notes are an integral part of these financial statements.

<u>Net (Expense) Revenue and Changes in Net Assets</u>		
<u>Fort Bend Toll Road Authority</u>	<u>Fort Bend Housing Finance Corporation</u>	<u>Totals</u>
\$	\$	\$ (93,074)
		(93,074)
	(7,292)	(7,292)
	(7,292)	(7,292)
\$	\$ (7,292)	\$ (100,366)
\$ 75,563	\$ 5,590	\$ 82,187
	53	53
<u>75,563</u>	<u>5,643</u>	<u>82,240</u>
75,563	(1,649)	(18,126)
794,000	426,037	1,319,751
<u>\$ 869,563</u>	<u>\$ 424,388</u>	<u>\$ 1,301,625</u>

FORT BEND COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2002

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Financial Reporting Entity

Fort Bend County, Texas ("County") is a public corporation and a political subdivision of the State of Texas. The Commissioners Court, composed of four County Commissioners and the County Judge, all of whom are elected officials, govern the County.

The County is considered an independent entity for financial reporting purposes and is considered a primary government. As required by generally accepted accounting principles, these financial statements have been prepared based on considerations regarding the potential for inclusion of other entities, organizations, or functions as part of the County's financial reporting entity.

Considerations regarding the potential for inclusion of other entities, organizations, or functions in the County's financial reporting entity are based on criteria prescribed by generally accepted accounting principles. These same criteria are evaluated in considering whether the County is a part of any other governmental or other type of reporting entity. The overriding elements associated with prescribed criteria considered in determining that the County's financial reporting entity status is that of a primary government are that it has a separately elected governing body; it is legally separate; and it is fiscally independent of other state and local governments. Additionally, prescribed criteria under generally accepted accounting principles include considerations pertaining to organizations for which the primary government is financially accountable; and considerations pertaining to other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Blended Component Units

Blended component units, although legally separate entities, are, in substance, part of the County's operations and so data of these units are combined with data of the County. Each of the County's blended component units has a September 30 year-end. The following component units have been identified and are presented in a blended format in the government-wide financial statements:

Fort Bend County Drainage District ("District") - Established under Section 59 of Article XVI of the Constitution of Texas, the District includes all of the property within Fort Bend County. The District was created for the purpose of reclamation and drainage of its lands. Commissioners Court acts as the governing body of the District.

Fort Bend Flood Control Water Supply Corporation ("FBFCWSC") - The FBFCWSC is a non-profit corporation organized for the benefit of the County to provide for the acquisition, construction and financing of flood control and drainage projects for the County. Upon completion, these projects are maintained by the County. Commissioners Court appoints the Board of Directors and approves all budgets and expenditures.

Fort Bend Parkway Road District ("FBPRD") - The FBPRD, a limited purpose political subdivision, was created as a vehicle to provide cost participation for the development and construction of the Fort Bend Parkway in eastern Fort Bend County. The governing body is Commissioners Court.

FORT BEND COUNTY, TEXAS

NOTES TO FINANCIAL STATEMENTS

September 30, 2002

Discretely Presented Component Units

Discretely presented component units are presented in a separate column in the government-wide statements to emphasize that they are legally separate from the County. Each of the County's discretely presented component units has a September 30 year-end. The following component units have been identified and are presented in a discrete format in the County's financial statements:

Fort Bend Toll Road Authority - The Fort Bend Toll Road Authority (“the Authority”) is organized under the Texas Transportation Corporation Act and the Texas Non-Profit Corporation Act. The Authority was created to assist in the planning, designing, financing and building of county roads and highways. In particular, the Authority is to assist in the building of the Fort Bend Toll Road that will extend from Sam Houston Parkway in Harris County to State Highway 6 in Fort Bend County. Commissioners Court appoints the Authority’s governing body. The County has financial accountability because it appoints a voting majority of the Board and the County can impose will. Separately issued financial statements are not prepared for the Authority. All financial data relating to the Authority can be found in Exhibits A-12 and A-13 of this report. Additional copies of this financial report can be obtained in the Auditor’s Office at the William B. Travis Building located at 301 Jackson, Suite 533, Richmond, Texas 77469.

Fort Bend Surface Water Supply Corporation - The Fort Bend County Surface Water Supply Corporation (“the Corporation”) was established for the purpose of conducting a feasibility study of a surface water facility in the area. Currently, revenue sources are primarily from special districts, private corporations, and other entities interested in the study. Commissioners Court appoints the Corporation’s governing body. The County has financial accountability because it appoints a voting majority of the Board and the County can impose will. Separately issued financial statements are not prepared for the Corporation. All financial data relating to the Corporation can be found in Exhibits A-12 and A-13 of this report. Additional copies of this financial report can be obtained in the Auditor’s Office at the William B. Travis Building located at 301 Jackson, Suite 533, Richmond, Texas 77469.

Fort Bend County Housing Finance Corporation - The Fort Bend County Housing Finance Corporation was established under the Texas Housing Finance Corporation Act. The Corporation provides down payment assistance programs for individuals meeting certain income guidelines and serves as a conduit for activity related to bond issues for affordable housing in Fort Bend County. The tax-exempt bonds issued by the Corporation do not constitute a debt or a pledge of faith by the Corporation, but are payable by the user pursuant to terms defined in the loan agreements underlying each issue. Commissioners Court appoints the Corporation’s governing body. The County has financial accountability because it appoints a voting majority of the Board and the County can impose will. Complete financial statements for The Fort Bend Housing Finance Corporation are prepared and can be obtained at the East Fort Bend County Annex Building located at 3030 Texas Parkway, Suite 213, Missouri City, Texas.

B. Financial Statement Presentation

In June 1999, the Governmental Accounting Standards Board (GASB) issued Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*. GASB Statement No. 34 establishes new requirements and a new reporting model for the annual reports of state and local governments. The Statement was developed to make annual reports easier to understand and more useful to the people who use governmental financial information to make decisions.

FORT BEND COUNTY, TEXAS

NOTES TO FINANCIAL STATEMENTS

September 30, 2002

Management's Discussion and Analysis

GASB Statement No. 34 requires that financial statements be accompanied by a narrative introduction and analytical overview of the government's financial activities in the form of "management's discussion and analysis" (MD&A). This analysis is similar to the analysis that private sector companies provide in their annual reports.

Government-wide Financial Statements

The reporting model includes financial statements prepared using full accrual accounting for all of the government's activities. This approach includes not just current assets and liabilities, but also capital assets and long-term liabilities, if appropriate (such as buildings and infrastructure, including roads and bridges, and general obligation debt). Accrual accounting reports all of the revenues and costs of providing services each year, not just those received or paid in the current year or soon thereafter, as is the case with the modified accrual basis of accounting.

Schedule of Net Assets

The Schedule of Net Assets is designed to display the financial position of the primary government (governmental and business-type activities) and its discretely presented component units. Governments report all capital assets, including infrastructure, in the government-wide Schedule of Net Assets and report related depreciation expense, the cost of "using up" capital assets, in the Schedule of Activities. The net assets of a government are broken down into three categories: 1) invested in capital assets, net of related debt; 2) restricted; and 3) unrestricted.

Statement of Activities

The new government-wide statement of activities reports expenses and revenues in a format that focuses on the cost of each of the government's functions. The expense of individual functions is compared to the revenues generated directly by the function (such as user charges or intergovernmental grants).

Budgetary Comparison Schedules

Demonstrating compliance with the adopted budget is an important component of a government's accountability to the public. Many citizens participate in one way or another 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. Many governments revise their original budgets throughout the year for a variety of reasons. Under the new reporting model, governments will continue to provide budgetary comparison information in their annual reports. An important change, however, is a requirement to add the government's original budget to the current comparison of the final budget and actual results.

C. Government-wide and Fund Accounting

The basic financial statements include both government-wide (based on the County as a whole) and fund financial statements. While the previous reporting model emphasized fund types (the total of all funds of a particular type), the new reporting model focuses on either the County as a whole or on major individual funds (within the fund financial statements). Typically, both the government-wide and fund financial statements (within the basic financial statements) categorize primary activities as either governmental or business-type. All primary activities of the County are considered to be governmental type activities; therefore no business type activities are presented within the basic financial statements. In the government-wide Statement of Net Assets, governmental activities are presented on a full accrual, economic resource basis, which incorporates long-term assets and receivables, as well as long-term debt and obligations.

FORT BEND COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2002

The government-wide Statement of Activities reflects both the gross and net cost per functional category (general administration, financial administration, public safety, etc.), which are otherwise being supported by general government revenues (property taxes, earnings on investments, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues. The program revenues must be directly associated with the function (general administration, financial administration, public safety, etc.).

The governmental funds major fund statements in the fund financial statements are presented on a current financial resource and modified accrual basis of accounting. This is the manner in which these funds are normally budgeted. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental column, a reconciliation is presented which briefly explains the adjustments necessary to reconcile fund-based financial statements with the governmental column of the government-wide presentation.

The County's fiduciary funds are presented in the fund financial statements by type. Since, by definition, these assets are being held for the benefit of a third party and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements. Since the County only reports agency funds, a statement of changes in fiduciary net assets is not presented. All assets reported in agency funds should be offset by a corresponding liability, resulting in zero net assets.

The focus of the revised reporting model is on the County as a whole and the fund financial statements, including the major individual funds of the governmental categories, as well as the fiduciary funds and the component units. Each presentation provides valuable information that can be analyzed and compared to enhance the usefulness of the information.

In the fund financial statements, the accounts of the County are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Following is a description of the various funds:

Governmental Funds

Governmental funds are those funds through which most governmental functions are typically financed.

General Fund - The General Fund is used to account for all financial transactions not properly includable in other funds. The principal source of revenue is local property taxes. Expenditures include all costs associated with the daily operations of the County.

Special Revenue Funds - Special Revenue Funds are used to account for proceeds of specific revenue sources (other than capital projects) which are legally restricted to expenditures for specified purposes. All Special Revenue Funds, except Road & Bridge, are considered non-major funds for reporting purposes.

Debt Service Funds - Debt Service Funds are used to account for payment of principal and interest on long-term debt of the County. The primary source of revenue for debt service is local property taxes. All Debt Service Funds are considered non-major funds for reporting purposes.

FORT BEND COUNTY, TEXAS

NOTES TO FINANCIAL STATEMENTS

September 30, 2002

Capital Projects Funds - The Capital Projects Funds are used to account for the expenditures of resources accumulated for the construction and acquisition of major capital facilities. The Mobility Projects fund is the only Capital Projects Fund that is considered a major fund for financial reporting purposes.

Proprietary Fund Types (Unbudgeted)

Proprietary Funds are used to account for activities that are similar to those often found in the private sector. All assets, liabilities, equities, revenues, expenses, and transfers relating to the government's business activities are accounted for through proprietary funds. The measurement focus is on determination of net income, financial position, and cash flows. Operating revenues include charges for services. Operating expenses include general administration, insurance premiums, and benefits provided. Proprietary fund types follow generally accepted accounting principles prescribed by the Governmental Accounting Standards Board (the GASB), and all Financial Accounting Standards Board's standards issued prior to November 30, 1989. Subsequent to this date, the County accounts for its proprietary funds as prescribed by the GASB.

Internal Service Funds - Internal Service Funds are used to account for the County's modified self-insurance plans which provide health-care benefits to employees and their dependents and workers' compensation benefits to employees. The internal service funds are included in governmental activities for government-wide reporting purposes.

Fiduciary Fund Type

Agency Funds - Agency Funds are used to account for assets, which are held by the County as an agent, pending distribution to, authorized recipients. As the agent for certain legal entities, the County (through its various fee officers) collects certain revenues and assessments from taxpayers and other units and remits the amounts to respective legal entities. Fiduciary funds are not included in the government-wide statements.

D. Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund-types are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing resources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The government-wide statements of net assets and statements of activities and all proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operations of these activities are included on the balance sheet. Proprietary fund equity consists of retained earnings. Proprietary fund-type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets.

The accounts of the Governmental Fund Types (the General Fund, Special Revenue Funds, Debt Service Funds, and Capital Projects Funds), certain Component Units, and Agency Funds are maintained, and the financial statements have been prepared, on the modified accrual basis of accounting. Under this basis of accounting, revenues are recognized when they become susceptible to accrual (i.e., both measurable and available). Available means collectible within the current year or soon enough thereafter to be used to pay liabilities of the current year. Substantially all revenues, except property taxes, are considered to be

FORT BEND COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2002

susceptible to accrual. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Principal and interest on long-term debt are recognized as expenditures when due.

The accrual basis of accounting is used for the proprietary fund types and certain component units. This basis of accounting recognizes revenues in the accounting period in which they are earned and become measurable, and expenses in the accounting period in which they are incurred and become measurable.

The statements of net assets, statements of activities, and financial statements of proprietary fund types are presented on the accrual basis of accounting. Under this method of accounting, revenues are recognized in the accounting period in which they are earned, and expenses in the accounting period in which they are incurred.

E. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is used as an extension of formal budgetary control. Encumbrances outstanding at year-end are reported as reservations of fund balances and do not constitute expenditures or liabilities of the current year and are reappropriated in the budget of the subsequent year. Unencumbered appropriations lapse at the end of the year.

F. Cash and Cash Equivalents

The County's cash and cash equivalents are considered to be cash on hand, demand deposits, balances in a privately managed public funds investment pool ("LOGIC"), and short-term investments with original maturities of three months or less from the date of acquisition. For the purpose of the statement of cash flows, the Proprietary Fund Types consider temporary investments with maturities of three months or less when purchased to be cash equivalents.

G. Temporary Investments

The County's temporary investments are comprised of U.S. Government Securities, collateralized mortgage obligations, and deposits in pooled investment accounts. Obligations with maturities of one year or less when purchased are reported on the balance sheet at their amortized cost, which approximates fair value. All other investments are reported at fair value. The investments in U.S. Government Securities and collateralized mortgage obligations are generally held to maturity.

H. Receivables

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

I. Due to and Due From Other Funds

During the course of operations, transactions occur between individual funds for specified purposes. These receivables and payables are classified as "due from other funds" or "due to other funds" or "due from component unit/primary government" or "due to component unit/primary government" if the transactions are between the primary government and its component unit.

FORT BEND COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2002

J. Interest Receivable

Interest on investments is recorded as revenue in the year the interest is earned and available to pay liabilities of the current period.

K. Capital Assets

Capital assets used in governmental fund types of the government are recorded as expenditures of the General, Special Revenue and Capital Projects Funds and as assets in the government-wide financial statements to the extent the County's capitalization threshold is met, currently \$5,000. In accordance with GASB Statement No. 34, infrastructure has been capitalized retroactively. Depreciation is recorded on capital assets on a government-wide basis. Major outlays for capital assets and improvements are capitalized as projects are constructed and subsequently depreciated over their estimated useful lives on a straight-line basis at both the fund and government-wide levels. All capital assets are valued at historical cost or estimated historical cost if actual cost was not available. Donated fixed assets are valued at their estimated fair value on the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are charged to operations when incurred. Expenditures that materially change capacities or extend useful lives are capitalized. Upon sale or retirement of capital assets, the cost and related accumulated depreciation, if applicable, are eliminated from the respective accounts and resulting gain or loss is included in the results of operations.

The County applies a half-year convention for depreciation on all assets. Therefore, one half of a year of depreciation is charged to operations the first and last year that an asset is in service. Depreciation has been provided for plant and equipment using the straight-line method over the following estimated useful life for the type of assets as follows:

Asset Description	Estimated Useful Life
Vehicles	5 to 7 years
Office furniture and fixtures	5 to 7 years
Machinery and equipment	7 to 15 years
Buildings, facilities and land improvements	10 to 39 years
Infrastructure	20 to 40 years

L. Accrued Compensated Absences

All full-time employees accumulate vacation benefits in varying annual number of days up to a maximum of twenty days a year. Accumulated vacation exceeding twenty days lapses on December 31 of each year. Compensatory time exceeding 240 hours is paid to nonexempt employees except for the nonexempt law enforcement officers who are paid when hours exceed 480. In the event of termination, an employee is paid for all maximum allowable accumulation of vacation and compensatory time.

Sick leave benefits are earned by all full-time employees at a rate of eight days per year and may be accumulated without limit. In the event of termination, an employee is not paid for any unused sick leave.

FORT BEND COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2002

A major portion of compensatory absences accrued at September 30, 2002, is expected to be paid with current resources and is presented in the current liabilities section of the balance sheets of the respective funds. However, a portion of the liability is not expected to be paid with current resources and is included with long-term debt in the government-wide financial statements.

M. Debt Service

Required amounts for debt service are provided by the debt service portion of the annual tax levy and interest earned in the Debt Service Funds.

N. Reclassifications

Certain reclassifications to prior year balances have been made to conform to current year presentation. Such reclassifications have had no effect on the excess of revenues over expenditures.

O. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires 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 financial statements and the reported amounts of revenues and expenses during the reporting period. Actual amounts could differ from those estimates.

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgets

Formal budgets are legally adopted on a GAAP basis for the General Fund, certain Special Revenue Funds (Road and Bridge and the Drainage District) and all Debt Service Funds except for the Fort Bend Parkway Road District Unlimited Tax Bonds Debt Service Fund. The debt service requirements relating to these bonds are funded solely from property taxes levied on property within the Road District.

Formal budgets (annualized budgeting) are not adopted in the Capital Projects Funds. Effective budgetary control in those funds is achieved through individual project budgeting in conformance with the provisions of bond orders and other sources.

The County Budget Officer prepares the proposed budget and submits the data to the Commissioners Court. A public hearing is held on the budget before finalizing it. The Court may increase or decrease the amounts requested by the departments. In the final budget, which is usually adopted in the last quarter of the year, appropriations of the budgeted funds cannot exceed the available fund balances in such funds at October 1, plus the estimated revenues for the ensuing year. During the year, the Court may increase budgeted revenues and expenditures for unexpected revenues or beginning fund balances in excess of budget estimates, provided the Court rules that a state of emergency exists. The legal level of budgetary control takes place at the departmental level. Budgetary transfers between departments cannot be made without Commissioners Court approval. There were no significant increases in the adopted budget.

Amounts reported in the accompanying financial statements represent the original budgeted amount plus all supplemental appropriations.

FORT BEND COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2002

B. Deficit Net Assets**Employee Benefits**

The deficit retained earnings balance of \$40,134 represents the unfunded portion of claims that have been incurred but not reported. Through proper budgeting and funding, this deficit should be avoided in the future.

NOTE 3 – CASH AND INVESTMENTS**A. Cash and Cash Equivalents**

Cash and cash equivalents at year-end consists of cash deposits and deposits in the Local Government Investment Cooperative ("LOGIC"), with maturities of three months or less when purchased. LOGIC is a private investment pool. Cash and cash equivalents are stated at cost, which approximates market value.

State law provides that collateral pledged as security for bank deposits must have a market value of not less than the amount of the deposits and must consist of: (1) obligations of the United States or its agencies and instrumentalities; (2) direct obligations of the State of Texas or its agencies; (3) other obligations, the principal and interest on which are unconditionally guaranteed or insured by the State of Texas; and/or (4) obligations of states, agencies, counties, cities, and other political subdivisions of any state having been rated as to investment quality by a nationally recognized investment rating firm and having received a rating of not less than A or its equivalent.

The County's cash and cash equivalents at September 30, 2002, are summarized as follows:

	<u>Credit Risk</u>	<u>Carrying Amount</u>
Cash deposits	1	\$ 33,081,606
Investments considered cash and cash equivalents		<u>42,531,777</u>
Total Cash and Cash Equivalents		<u><u>\$ 75,613,383</u></u>

The discretely presented component units' cash and cash equivalents at September 30, 2002, are summarized as follows:

	<u>Credit Risk</u>	<u>Carrying Amount</u>
Cash deposits	1	\$ 6,529,488
Investments considered cash and cash equivalents		<u>5,027,462</u>
Total Cash and Cash Equivalents		<u><u>\$ 11,556,950</u></u>

The cash deposits held at financial institutions can be categorized according to three levels of risk. These three levels of risk are:

Category 1 - Deposits that are insured or collateralized with securities held by the entity or by its agent in the entity's name.

Category 2 - Deposits, which are collateralized with securities, held by the pledging financial institution's trust department or agent in the entity's name.

Category 3 - Deposits which are not collateralized.

FORT BEND COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2002

Short Term Investments – LOGIC & MBIA

The investments in Local Government Investment Cooperative (LOGIC) and Municipal Bonds Insurers Association (MBIA) in the amounts of \$42,531,777 and \$5,027,462 respectively, which approximate market value, represent investments in external investment pools. These investments are not evidenced by securities that exist in physical or book entry form, and accordingly, are not categorized by risk (see investments below). However, the nature of these funds requires that they be used to purchase investments authorized by the Public Funds Investment Act. The primary objective of investment pools is to provide a safe environment for the placement of public funds in short-term, fully collateralized investments.

B. Investments

Commissioners Court has adopted a written investment policy regarding the investment of its funds as defined by the Public Funds Investment Act of 1995 (Chapter 2256, Texas Government Code). The investments of the County are in compliance with this policy. State statutes authorize the County to invest in fully collateralized or insured time deposits, direct debt obligations of the United States, and certain repurchase agreements. Investments in security repurchase agreements are authorized when the investment has a defined termination date, is secured by obligations described in the Public Funds Investment Act, is pledged to the County, deposited with a third party selected and approved by the entity, and is placed through a primary government securities dealer or national bank domiciled in the state or national banks domiciled in the State of Texas. The County did not invest in repurchase agreements for the nine-months ended September 30, 2002.

To comply with the reporting requirements of GASB Statement No. 3, "Investments (including Repurchase Agreements), and Reverse Repurchase Agreements", the County's investments are categorized under "Investment Categories" to give an indication of credit risk assumed by the County at September 30, 2002. Credit risk is the risk that another party to a deposit or investment transaction will not fulfill its obligations. This is not to be confused with market risk, which is the risk that the market value of an investment, collateral protecting a deposit, or securities underlying a repurchase agreement, will decline. Market risk is not depicted in this note.

Similar to cash deposits, investments held at a financial institution can be categorized according to three levels of risk. These three levels of risk are:

Category 1 - Investments that are insured, registered, or held by the entity or by its agent in the entity's name.

Category 2 - Investments that are uninsured and unregistered held by the counterparty's trust department or agent in the entity's name.

Category 3 - Uninsured and unregistered investments held by the counterparty, its trust department, or its agent, but not in the entity's name.

The investments in the external investment pools are not categorized securities because they are not evidenced by securities that exist in physical or book entry form. The fair value of the position in the external investment pool is the same as the value of the pool shares. The primary objective of these investment pools is to provide a safe environment for the placement of public funds in short-term, fully collateralized investments.

The County's carrying amount of investments at September 30, 2002, which approximates fair value, is summarized as follows:

FORT BEND COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2002

	<u>Investment Category</u>	<u>Carrying Amount</u>
Certificates of deposit	1	<u>\$ 15,808,279</u>
U.S. Government Securities		
U.S. Agency Securities	1	42,070,464
Collateralized mortgage obligations	1	<u>556,746</u>
Investments Not Subject to Categorization		
LOGIC Investments		<u>42,531,777</u>
Total Investments		<u><u>\$ 85,158,987</u></u>

The discretely presented component units' carrying amount of investments at September 30, 2002, which approximates fair value, is summarized as follows:

	<u>Investment Category</u>	<u>Carrying Amount</u>
Certificates of deposit	1	<u>\$ 193,078</u>
Investments Not Subject to Categorization		
MBIA Investments		<u>5,027,462</u>
Total Investments		<u><u>\$ 5,220,540</u></u>

The County generally holds all U.S. Government Securities to their maturity date. At the date of purchase, all of the U.S. Government Securities had maturity dates greater than three months. The County did not purchase any derivative securities during the nine months ended September 30, 2002.

The fair values of the U.S. Government and Agency Securities are based on quoted market prices. The investments are reported at fair value in accordance with Governmental Accounting Standards Board Statement (GASB) No. 31 "Accounting and Financial Reporting for Certain Investments and for External Investment Pools." The increase or decrease in the fair value of investments is recorded as investment income. The amount of increase or decrease in the fair value of investments during the nine months ended September 30, 2002, was not significant.

FORT BEND COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2002

NOTE 4 – RECEIVABLES

Receivables, including applicable allowances for uncollectible accounts, as of September 30, 2002 are as follows:

A. Primary Government:

	Governmental Activities					Total
	General	Major Special Revenue - Road & Bridge	Major Capital Project - Mobility	Other Nonmajor Governmental Funds	Internal Service	
Receivables						
Taxes, net	\$ 4,224,966	\$ 669,511	\$	\$ 896,153	\$	\$ 5,790,630
Grants				153,178		153,178
Fees & fines	1,725,546					1,725,546
Interest	344,559	35,163		52,005		431,727
Other	773,833	2,086	6,714	538,471	48,351	1,369,455
Total	\$ 7,068,904	\$ 706,760	\$ 6,714	\$ 1,639,807	\$ 48,351	\$ 9,470,536

B. Component Units:

	Fort Bend Housing Finance Corporation	Total
Receivables		
Bond Fees	\$ 210,671	\$ 210,671
Interest	938	938
Total	\$ 211,609	\$ 211,609

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. As of September 30, 2002 the various components of deferred revenue reported in the governmental funds are as follows:

	Unavailable	Unearned
Delinquent property taxes (general fund)	4,224,966	
Delinquent property taxes (road and bridge fund)	669,511	
Delinquent property taxes (debt service funds)	896,153	
Grant funds received prior to meeting all eligibility requirements		2,338,575
Total deferred revenue for governmental funds	\$ 5,790,630	\$ 2,338,575

FORT BEND COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2002

NOTE 5 – PROPERTY TAXES

The County's tax year covers the period October 1 through September 30. The County's property taxes are levied annually in October on the basis of the Fort Bend Central Appraisal District's ("CAD") assessed values as of January 1 of that calendar year. Such taxes become delinquent on February 1 of the subsequent calendar year. The CAD establishes appraised values at 100% of market value less exemptions. The County's property taxes are billed and collected by the County's Tax Assessor/Collector.

A. 2001 Tax Year

Property taxes are prorated between the General, certain Special Revenue, and Debt Service Funds based on rates adopted for the year of the levy. For the 2002 fiscal year (2001 tax year), the County levied property taxes of \$0.5641 per \$100 of assessed valuation. The 2001 rates resulted in total tax levies of approximately \$100.2 million based on a total adjusted valuation of approximately \$17.7 billion. The total tax rate in the 2001 tax year was prorated as follows:

	2001 Rate	2001 Limit
Fort Bend County, Texas		
General, certain special revenue, and debt service	\$ 0.4875	\$ 0.8000
Special road & bridge funds	0.0501	0.1500
Farm-to-market and lateral roads funds		0.3000
Fort Bend County Drainage District	0.0265	0.2500
Total Tax Rate	\$ 0.5641	\$ 1.5000

The tax rate for the Fort Bend Parkway Road District for the 2001 tax year was \$0.4990 per \$100 of assessed valuation.

B. Fort Bend Central Appraisal District

The Fort Bend Central Appraisal District ("CAD"), a separate governmental entity, is responsible for the recording and appraisal of property for all taxing units in the County.

The CAD is required by state law to assess property at 100% of its appraised value. Further, real property must be appraised at least every four years. Under certain circumstances, the taxpayers and taxing units, including the County, may challenge orders of the CAD's Appraisal Review Board through various appeals and, if necessary, legal action may be taken.

The Commissioners Court will continue to set the tax rates on the property. State law also provides that, if approved by the qualified voters in the County, collection functions may be assigned to the CAD.

FORT BEND COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2002

NOTE 6 – INTERFUND RECEIVABLES AND PAYABLES

At September 30, 2002, the interfund receivables and payables were as follows:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 4,217,541	\$ 810,637
Special Revenue Funds		
Road and Bridge	628,350	802
Drainage District	52,490	
County Law Library	14,340	5,348
Alternative Dispute Resolution	4,800	54,067
DWI Video	90	
Probate Court Training	600	
JP Technology	5,732	
Juvenile Probation Special	730	1,597
District Attorney Supplement Salary		3,911
District Attorney Bad Check Collection Fee	786	2,437
Records Management - County Clerk	34,728	529
County Attorney Supplement		5,369
Records Management - Fort Bend County	5,967	10,569
V.I.T. Interest		3,369
Courthouse Security	19,847	15,900
District Attorney Asset Forfeiture State		341
Juvenile Foster Care Title IV-E	1,240	
Community Development Combined Funds		33,041
Community Development Block Grants		55
Home Programs		1
Juvenile Justice Alternative Education		2,333
Juvenile Probation State Aid	741	42,067
Juvenile Probation CCAP	4,139	37,067
Juvenile Salary Adjustment		25
Juvenile Special Needs	413	241
Adult Probation - Basic Supervision	31,122	
Adult Probation - CCP		115
Adult Probation - TAIP	300	67
Adult Probation - DTP		6,121

FORT BEND COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2002

Victim Services Program	8,732	30,838
Juvenile Probation	77,780	3,312
Total Special Revenue Funds	<u>892,927</u>	<u>259,522</u>
Debt Service Funds		
Mobility Bonds Series 2000	2,470	
FBFCWSC Revenue Bonds Series 2001	1,181	
FBFCWSC Revenue Bonds Series 1995	1,066	
Combined Debt Service	6,416	
FBFCWSC Refunding Bonds Series 1999	1,904	
Total Special Debt Service Funds	<u>13,037</u>	<u>-</u>
Capital Projects Funds		
Capital Improvements		740,135
Chimney Rock Road Project		104
Road & Bridge Capital Projects		248
Needville JP/Constable Office		51
Travis Building Renovation	747,410	888
South Post Oak Community Center		200,106
Juvenile Expansion Project		28,663
Total Capital Projects Funds	<u>747,410</u>	<u>970,195</u>
Trust and Agency Funds		
Taxes Holding Accounts		799,257
Payroll		756,694
FBC 125 Employee Benefits		57,098
Fee Officers' Account		863,642
Bail Bonds Securities		5
Compensation to Victims of Crime	30,418	61
Appellate Judicial System	2,415	53
Judicial Court Training	3,179	8
Criminal Justice Planning	125	
Department of Public Safety Arrest Fees	4,115	11
Law Enforcement Officers Standards Education	31	
Operator/Chauffeurs' License		4,282
Bond Fees to Crime Stoppers	19	
Comprehensive Rehabilitation	25	6
Traffic	7	

FORT BEND COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2002

On-Site Waste Water		2
Consolidated Court Costs	60,265	260
Unclaimed Property		6
Total Capital Projects Funds	<u>100,599</u>	<u>2,481,385</u>
Internal Service Funds		
Employee Benefits	46,563	1,250,000
Workers Comp/Unemployment Insurance	<u>3,662</u>	<u>250,000</u>
Total Internal Service Funds	<u>50,225</u>	<u>1,500,000</u>
Component Units		
General Fund	807,044	
Toll Road Authority		<u>807,044</u>
Total Internal Service Funds	<u>807,044</u>	<u>807,044</u>
Total Interfund Transactions	<u>\$ 6,828,783</u>	<u>\$ 6,828,783</u>

NOTE 7 – CAPITAL ASSETS

A summary of changes in primary government capital assets for the nine months ended September 30, 2002, follows:

	Primary Government			Balance Sept. 30, 2002
	Balance Jan. 1, 2002	Increases	(Decreases)	
Governmental Activities:				
Capital assets not being depreciated:				
Land and intangibles	\$ 83,364,269	\$ 3,411,877	\$	\$ 86,776,146
Construction in progress	<u>3,797,057</u>	<u>6,731,695</u>	<u>(3,108,871)</u>	<u>7,419,881</u>
Total capital assets not being depreciated	<u>87,161,326</u>	<u>10,143,572</u>	<u>(3,108,871)</u>	<u>94,196,027</u>
Other capital assets:				
Vehicles	8,742,727	1,299,397	(721,386)	9,320,738
Office furniture and fixtures	8,912,697	301,171	(404,316)	8,809,552
Machinery and equipment	14,607,115	1,110,018	(606,968)	15,110,165
Buildings, facilities and improvements	89,702,334	3,108,871	(35,887)	92,775,318
Infrastructure	<u>173,325,342</u>	<u>6,684,480</u>	<u></u>	<u>180,009,822</u>
Total other capital assets	<u>295,290,215</u>	<u>12,503,937</u>	<u>(1,768,557)</u>	<u>306,025,595</u>
Less accumulated depreciation for:				
Vehicles	(4,931,946)	(976,110)	610,952	(5,297,104)
Office furniture and equipment	(5,343,261)	(920,751)	387,710	(5,876,302)
Machinery and equipment	(9,490,485)	(673,413)	606,513	(9,557,385)
Buildings, facilities and improvements	(31,601,694)	(1,787,416)	22,889	(33,366,221)
Infrastructure	<u>(44,065,580)</u>	<u>(5,268,098)</u>	<u></u>	<u>(49,333,678)</u>
Total accumulated depreciation	<u>(95,432,966)</u>	<u>(9,625,788)</u>	<u>1,628,064</u>	<u>(103,430,690)</u>
Other capital assets, net	<u>199,857,249</u>	<u>2,878,149</u>	<u>(140,493)</u>	<u>202,594,905</u>
Totals	<u>\$ 287,018,575</u>	<u>\$ 13,021,721</u>	<u>\$ (3,249,364)</u>	<u>\$ 296,790,932</u>

FORT BEND COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2002

Accumulated depreciation balances at December 31, 2001 were restated to record accumulated depreciation in accordance with the adoption of GASB Statement No. 34. Accumulated depreciation balances as of December 31, 2001 were restated as follows:

Balance, December 31, 2001	\$
Restatement	<u>(95,432,966)</u>
Restated Balance, December 31, 2001	<u>\$ (95,432,966)</u>

Depreciation was charged to governmental functions as follows:

General administration	\$ 739,451
Financial administration	49,911
Administration of justice	217,374
Road & bridge maintenance	5,863,514
Health and welfare	177,030
Cooperative service	56,045
Public safety	1,527,013
Parks and recreation	197,936
Drainage	372,686
Library	<u>424,828</u>
Total Governmental Activities Depreciation Expense	<u>\$ 9,625,788</u>

Construction in progress and remaining commitments under related construction contracts for general government construction projects at September 30, 2002, follows:

<u>Project Description</u>	<u>Authorized Contract(1)</u>	<u>Contract Expenditures</u>	<u>Other Costs</u>	<u>Total In Progress</u>	<u>Remaining Commitment</u>
Four Corners Park	\$	\$	\$ 21,691	\$ 21,691	\$
Juvenile Detention Center	1,089,691	1,052,038	291,480	1,343,518	37,653
5th Street Headstart Bldg.			16,020	16,020	
Fairgrounds Restrooms			9,075	9,075	
Katy Library			12,035	12,035	
Joann Street			10,200	10,200	
Travis Building Renovation			131,444	131,444	
Mustang Community Center			9,285	9,285	
Mobility Projects			5,866,613	5,866,613	
Totals	<u>\$ 1,089,691</u>	<u>\$ 1,052,038</u>	<u>\$ 6,367,843</u>	<u>\$ 7,419,881</u>	<u>\$ 37,653</u>

(1) Several capital projects have begun and various costs have been incurred, however, as of September 30, 2002 a construction contract has not been signed.

FORT BEND COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2002

A summary of changes in discretely presented component unit capital assets for the nine months ended September 30, 2002, follows:

	Discretely Presented Component Units			
	Balance			Balance
	Jan. 1, 2002	Increases	(Decreases)	Sept. 30, 2002
Capital assets not being depreciated:				
Construction in progress	\$ 2,322,627	\$ 4,810,751	\$	\$ 7,133,378
Total capital assets not being depreciated	\$ 2,322,627	\$ 4,810,751	\$	\$ 7,133,378

Construction in progress and remaining commitments under related construction contracts for discretely presented component unit construction projects at September 30, 2002, follows:

Project Description	Authorized Contract(1)	Contract Expenditures	Other Costs	Total In Progress	Remaining Commitment
Fort Bend Toll Road	\$	\$	\$ 7,133,378	\$ 7,133,378	\$
	\$	\$	\$ 7,133,378	\$ 7,133,378	\$

(1) This capital project has begun and various costs have been incurred, however, as of September 30, 2002 a construction contract has not been signed.

NOTE 8 - LONG-TERM DEBT

A. General Obligation Bonds and Certificates of Obligation

Long-term liabilities applicable to the County's governmental activities are not due and payable in the current period, and accordingly, are not reported as fund liabilities in the governmental funds. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.

Long-term bonded debt and certificates of obligation at September 30, 2002, are listed on the following page:

FORT BEND COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2002

<u>Issue</u>	<u>Description</u>	<u>Interest Rate %</u>	<u>Matures</u>	<u>Debt Outstanding</u>
General Obligation Bonds				
35,475,000	Permanent Improvement Refunding Bonds, Series 1993	2.50 - 5.00	2011	28,615,000
6,850,000	Fort Bend Flood Control Water Supply Corporation Bonds, Series 1995	5.30	2008	4,035,000
5,000,000	Library Permanent Improvement Bonds, Series 1997	4.50 - 6.50	2016	4,295,000
14,060,000	Fort Bend Flood Control Water Supply Corp. Bonds, Series 1999 Refunding	4.00 - 5.00	2008	9,930,000
29,000,000	Fort Bend General Obligation Bonds, Series 2001	4.00 - 5.00	2021	28,675,000
11,650,000	Fort Bend Flood Control Water Supply Refunding Bonds, Series 2001	2.85 - 5.38	2021	<u>11,510,000</u>
	Total Direct General Obligation Bonds			87,060,000
1,520,000	Fort Bend Parkway Road District Unlimited Tax Bonds, Series 1990	8.20 - 8.63	2010	<u>1,045,000</u>
	Total General Obligation Bonds			<u><u>88,105,000</u></u>
Certificates of Obligation				
500,000	Fairgrounds Arena Certificates of Obligation, Series 1991	6.57	2006	<u>200,000</u>
	Total Certificates of Obligation			<u><u>200,000</u></u>

A summary of long-term liability transactions of the County for the nine months ended September 30, 2002, follows:

	<u>January 1, 2002</u>			<u>September 30,</u>	<u>Amounts Due</u>
	<u>Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>2002</u>	<u>Within One</u>
				<u>Balance</u>	<u>Year</u>
General Obligation Bonds	\$ 93,350,000	\$	\$ 5,245,000	\$ 88,105,000	\$ 5,410,000
Certificates of Obligation	240,000		40,000	200,000	50,000
Capital Leases Payable	420,531		420,531		
Totals	<u>94,010,531</u>		<u>5,705,531</u>	<u>88,305,000</u>	<u>5,460,000</u>
Accrued Compensated Absences	3,819,199	411,176		4,230,375	
Totals	<u>3,819,199</u>	<u>411,176</u>		<u>4,230,375</u>	
Total Long Term Liabilities	<u><u>\$ 97,829,730</u></u>	<u><u>\$ 411,176</u></u>	<u><u>\$ 5,705,531</u></u>	<u><u>\$ 92,535,375</u></u>	<u><u>\$ 5,460,000</u></u>

FORT BEND COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2002

Annual debt service requirements (excluding accrued compensated absences) to maturity are summarized as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2003	\$ 5,460,000	\$ 4,285,527	\$ 9,745,527
2004	5,590,000	4,028,847	9,618,847
2005	5,730,000	3,760,377	9,490,377
2006	6,000,000	3,478,987	9,478,987
2007	6,260,000	3,178,954	9,438,954
2008	6,485,000	2,861,248	9,346,248
2009	6,850,000	2,564,677	9,414,677
2010	6,815,000	2,232,231	9,047,231
2011	6,600,000	1,900,408	8,500,408
2012	3,315,000	1,553,376	4,868,376
2013	3,365,000	1,389,802	4,754,802
2014	3,490,000	1,217,469	4,707,469
2015	3,510,000	1,041,081	4,551,081
2016	3,510,000	867,441	4,377,441
2017	3,075,000	691,297	3,766,297
2018	3,075,000	535,625	3,610,625
2019	3,075,000	381,875	3,456,875
2020	3,050,000	228,750	3,278,750
2021	3,050,000	76,250	3,126,250
Totals	\$ 88,305,000	\$ 36,274,222	\$ 124,579,222

B. Capital Lease Obligations

During the nine months ending September 30, 2002, the County retired all existing capital lease obligations. In addition, the County did not enter into any new lease agreements. Therefore, no capital lease obligations exist as of September 30, 2002.

C. Conduit Debt

The Fort Bend County Housing Finance Corporation is authorized to finance residential housing by issuing tax-exempt revenue bonds to acquire mortgage loans as security for the payment of the principal and interest of such revenue bonds. The tax-exempt bonds issued by the Corporation do not constitute a debt or pledge of faith of the Corporation, but are payable by the user pursuant to terms defined in the loan agreement underlying each issue. During 1998, the corporation's first Single Family Mortgage Revenue Bonds (GNMA and FNMA Mortgage-Backed Securities Program) Series 1998 were issued in the amount of \$18,750,000. Since then, an additional \$53,914,000 of bonds have been issued. As of September 30, 2002, approximately \$44.9 million of total bonds are outstanding.

FORT BEND COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2002

NOTE 9 - RESERVED FUND BALANCES

The County records fund balance reserves on the fund level to indicate that a portion of the fund balance is legally restricted for a specific future use or to indicate that a portion of the fund balance is not available for expenditures. The following is a list of fund balance reserves recognized by the County.

	Major Capital Project - Mobility	Other Governmental Funds
Capital projects	\$ 23,968,349	\$
Debt service		1,525,613
Totals	\$ 23,968,349	\$ 1,525,613

NOTE 10 – CHANGE IN ACCOUNTING PRINCIPLE

As of September 30, 2002, the County has implemented GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis – for State and Local Governments*. The following table shows beginning governmental activities net assets restated for the effects of implementation of GASB Statement No. 34 and change in accounting policy:

Fund balance at December 31, 2001	\$ 92,521,713
GASB Statement No. 34 and Accounting Policy Adjustments	
Long-term liabilities	(96,436,319)
Net capital assets	287,018,575
Accrued interest on long-term debt	(1,586,820)
Internal service net assets	(466,720)
Recorded receivable for fees and fines	1,059,634
Recorded deferred revenue of taxes	104,739,925
Restated Net Assets as of December 31, 2001	\$ 386,849,988

FORT BEND COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2002

NOTE 11 - INTERFUND TRANSACTIONS

A summary of interfund transactions for the nine months ended September 30, 2002 is as follows:

	Operating Transfers In	Operating Transfers Out
General Fund	\$ 322,165	\$ 6,793,987
Special Revenue Funds		
Road and Bridge		17,209
Drainage District		274,095
Law Enforcement Academy		1,008
Juvenile Probation Special	116	
Records Management		56,639
Child Protective Services	167,225	
Juvenile Incentive Block Grant		116
Adult Probation - Basic Supervision		(18,487)
Adult Probation - CCP	26,155	
Adult Probation - DTP	(44,642)	
Juvenile Probation	5,268,077	
Total Special Revenue Funds	5,416,931	330,580
Debt Service Funds		
FBFCWSC Revenue Bonds Series 1999	271,071	
Total Special Debt Service Funds	271,071	-
Capital Projects Funds		
Capital Improvements	517,618	
Road & Bridge Capital Projects	5,715	
Travis Building Renovation	750,503	
Juvenile Expansion Project	90,564	
Total Capital Projects Funds	1,364,400	-
Internal Service Funds		
Employee Benefits		
Workers Compensation		250,000
Total Internal Service Funds	-	250,000
Total Interfund Transactions	\$ 7,374,567	\$ 7,374,567

FORT BEND COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2002

NOTE 12 – EMPLOYEE RETIREMENT SYSTEM

A. Plan Description

The County provides retirement, disability, and death benefits for all of its full-time employees through a nontraditional defined benefit pension plan in the statewide Texas County and District Retirement System (TCDRS). The Board of Trustees of TCDRS is responsible for the administration of the statewide agent multiple-employer public employee retirement system consisting of 493 nontraditional defined benefit pension plans. TCDRS in the aggregate issues a comprehensive annual financial report (CAFR) on a calendar year basis. The CAFR is available upon written request from the TCDRS Board of Trustees at P.O. Box 2034, Austin, Texas 78768-2034.

The plan provisions are adopted by the governing body of the employer, within the options available in the Texas state statutes governing TCDRS (TCDRS Act). Members can retire at ages 60 and above with eight or more years of service, with 30 years of service regardless of age, or when the sum of their age and years of service equals 75 or more. Members are vested after eight years of service but must leave their accumulated contributions in the plan to receive any employer-financed benefit. Members who withdraw their personal contributions in a lump sum are not entitled to any amounts contributed by their employer.

Benefit amounts are determined by the sum of the employee's contributions to the plan, with interest, and employer-financed monetary credits. The level of these monetary credits is adopted by the governing body of the employer within the actuarial constraints imposed by the TCDRS Act so that the resulting benefits can be expected to be adequately financed by the employer's commitment to contribute. At retirement, death, or disability, the benefit is calculated by converting the sum of the employee's accumulated contributions and the employer-financed monetary credits to a monthly annuity using annuity purchase rates prescribed by the TCDRS Act.

B. Contributions

The employer has elected the annually determined contribution rate (ADCR) plan provisions of the TCDRS Act. The plan is funded by monthly contributions from both employee members and the employer based on the covered payroll of employee members. Under the TCDRS Act, the contribution rate of the employer is actuarially determined annually. It was 10.47% for calendar year 2002. The contribution rate payable by the employee members is the rate of 7% as adopted by the governing body of the employer. The employee contribution rate and the employer contribution rate may be changed by the governing body of the employer within the options available in the TCDRS Act.

For the nine months ended September 30, 2002, the pension cost for the TCDRS plan and the actual contributions made were \$4,337,601. Because all contributions are made as required, no pension obligation existed at September 30, 2002.

FORT BEND COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2002

The following is a summary of the actuarial assumptions:

Actuarial valuation date	12/31/99	12/31/00	12/31/01
Actuarial cost method	entry age	entry age	entry age
Amortization method	level percentage of payroll, open	level percentage of payroll, open	level percentage of payroll, open
Amortization period in years	20	20	20
Asset valuation method	long-term appreciation with adjustment	long-term appreciation with adjustment	long-term appreciation with adjustment
Assumptions:			
Investment return ⁽¹⁾	8.00%	8.00%	8.00%
Projected salary increases ⁽¹⁾	5.9%	5.9%	5.5%
Inflation	4.0%	4.0%	3.5%
Cost of living adjustments	0.0%	0.0%	0.0%

⁽¹⁾ includes inflation at the stated rate

NOTE 13 - DEFERRED COMPENSATION PLAN

The County offers all of its full-time employees a deferred compensation plan created in accordance with Section 457 of the Internal Revenue Code. Nationwide Retirement Solutions and Security Benefit Life have been appointed as plan administrators. The plan permits employees to defer a portion of their salary until future years. The deferred compensation is not available to the employees until termination, retirement, death, or emergency. Amounts of compensation deferred by employees under the plan provisions are disbursed to the plan administrators after each pay period. The plan administrators hold all funds invested in the plan and disburse funds to employees in accordance with plan provisions. The County does not maintain significant oversight of the plan administrators' activities.

NOTE 14 - CONTINGENCIES AND COMMITMENTS

A. Construction Contract Commitments

The County had several capital improvement commitments at September 30, 2002. A contract between two parties does not result immediately in the recognition of a liability. Instead, a liability is incurred when performance has occurred under the contract. Until such time as performance takes place, these contracts represent a commitment rather than a liability. These commitments and their related construction in progress are summarized in Note 7.

B. Litigation and Other Contingencies

The County is contingently liable with respect to lawsuits and other claims in the ordinary course of its operations. The settlement of such contingencies under the budgetary process would not materially affect the financial position of the County as of September 30, 2002.

FORT BEND COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2002

NOTE 15 - RISK MANAGEMENT

The County is exposed to various risks related to torts: theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The County's risk management program encompasses various means of protecting the County against loss through self-insurance and obtaining property, casualty, and liability coverage through commercial insurance carriers. Settled claims have not exceeded insurance coverage in any of the previous three fiscal years. There has not been any significant reduction in insurance coverage from that of the previous year.

NOTE 16 – RESTATEMENTS

A. General Fund

In 1998, \$805,000 was transferred from the General Fund to the Fort Bend Toll Road Authority Fund, after the Toll Road Authority was created. At that time, the transaction was recorded as an operating transfer out of the General Fund. However, it was Commissioners Court's intention that this transaction was a loan that is to be repaid once the Toll Road Authority issues bonds. Therefore, beginning fund balance was increased by \$805,000 to reflect this loan made to the Toll Road Authority.

In addition, the General Fund beginning fund balance was increased by \$157,013 for interest earned in the Capital Improvements Fund. Over prior periods, interest earned while projects were being completed has accumulated in the Capital Improvements Fund. However, a portion of the monies in this fund represent advances made from the General Fund. Therefore, the portion of interest earned on the General Fund's monies should not have been returned to the General Fund. Further explanation can be found in "Capital Improvements" below.

B. FBFCWSC Revenue Bonds Series 2001

At the time these bonds were sold in 2001, the proceeds received included \$103,077 of accrued interest. This accrued interest was improperly recorded as a liability in the County's 2001 annual financial report. The \$103,077 was used to assist in paying the March 2002 debt interest payment and the beginning fund balance was increased by this amount.

C. Capital Improvements

The Capital Improvements fund is used to account for various construction projects throughout the County. Advances of cash are often made to this fund from the General Fund so that a project may begin before actual funding for the project is received. Therefore, the interest earned on these cash advances belongs to the General Fund. However, this interest has accumulated over time in the Capital Improvements Fund and has not been moved to the General Fund. The beginning fund balance in Capital Improvements Fund has been decreased by \$157,013 for the interest owed to the General Fund.

FORT BEND COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2002

D. Fort Bend Toll Road Authority

In 1998, \$805,000 was transferred from the General Fund to the Fort Bend Toll Road Authority Fund, after the Toll Road Authority was created. At that time, the Toll Road Authority recorded the transaction as an operating transfer in. However, it was Commissioners Court's intention that this transaction was a loan that is to be repaid once the Toll Road Authority issues bonds. Therefore, beginning fund balance was decreased by \$805,000 to reflect this loan that is payable to the General Fund.

NOTE 17 – CHANGE IN FISCAL YEAR

The County changed the fiscal year-end in the current year from December 31, 2002 to September 30, 2002. The financial statements for the nine months ended September 30, 2002 represent transactions from January 1, 2002 through September 30, 2002.



**REQUIRED SUPPLEMENTARY INFORMATION
OTHER THAN MANAGEMENT'S
DISCUSSION AND ANALYSIS (UNAUDITED)**

FORT BEND COUNTY, TEXAS
TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM-
SCHEDULE OF FUNDING PROGRESS
September 30, 2002

For the nine months ended September 30, 2002, the employer's annual pension cost for the TCDRS plan for its employees and the actual contributions made were \$4,337,601 for the County. Because all contributions are made as required, no pension obligation existed at September 30, 2002.

Fiscal year	2002	2001	2000
Actuarial valuation date	12/31/2001	12/31/2000	12/31/1999
Actuarial value of assets	\$ 102,204,452	\$ 90,338,832	\$ 80,360,321
Actuarial accrued liability	127,698,481	114,189,244	102,520,762
Percentage funded	80%	79%	78%
Unfunded actuarial accrued liability	25,494,029	23,850,412	22,160,441
Annual covered payroll	51,598,587	48,437,675	44,380,920
Unfunded actuarial accrued liability (UAAL)% of covered payroll	49%	49%	50%

Fiscal year	2002(1)	2001	2000
Net pension obligation (NPO) at the beginning of period			
Annual required contributions (ARC)	4,337,601	5,410,846	5,053,400
Contributions made	4,337,601	5,410,846	5,053,400
NPO at end of period	\$	\$	\$

(1) Due to a change in fiscal year, the 2002 amounts represent only nine months of required contributions while the amounts for 2001 and 2000 represent twelve months of required contributions.

**OTHER SUPPLEMENTARY
INFORMATION**



COMBINING STATEMENTS, BUDGET SCHEDULES
AND COMPARATIVE STATEMENTS

FORT BEND COUNTY, TEXAS
NON-MAJOR GOVERNMENTAL FUNDS
September 30, 2002

SPECIAL REVENUE FUNDS

Drainage District

This fund is used to account for the receipts and disbursements related to the reclamation and drainage of lands located within the County. Revenues are derived mainly from ad valorem taxes and impact fees assessed against the taxable properties.

Lateral Road

This fund is used to account for the receipts and disbursements of funds received from the State that are restricted for constructing new County roads and maintaining existing ones.

County Historical Commission

This fund is used to account for funds donated to the County by private citizens and are to be spent for Texas historical markers.

City Water Assistance

This fund is used to account for the receipts and disbursements related to the donations made by the City of Sugar Land and its residents for the benefit of those who need assistance in the payment of their water bills.

Emergency Heat Relief

This fund is used to account for the receipts and disbursements related to a donation from Houston Lighting & Power Company to assist Fort Bend County residents who demonstrate an inability to pay their electric bills. The amount is not to exceed a one time assistance of \$600 per customer per program year.

Entex Contributions

This fund is used to account for the receipts and disbursements related to the donations made by Entex (a natural gas utility company) and its customers for the benefit of those who need assistance paying their gas bills.

HL&P Contributions

This fund is used to account for the receipts and disbursements related to the donations from Houston Lighting & Power and some of its customers to benefit those who are in need of assistance in paying their electric bills.

County Law Library

The law library fund was created by Commissioners Court pursuant to Article 1702h, Revised Texas Civil Statutes, for the establishment and maintenance of the County Law Library. Revenues are derived from law library fees assessed against each civil case filed in the County Court, County Court-at-Law, and the District Courts, except tax law suits.

Law Enforcement Academy

This fund is used to account for the transactions of the school operations of the County Law Enforcement Academy. The program is mainly funded from reimbursements from the State via the Houston-Galveston Area Council.

Alternative Dispute Resolution

This fund is used to account for court costs collected by the District Clerk pursuant to Vernon's Texas Code Annotated Civil Practice and Remedies Code Section 152.004 - Financing for a fee of \$10.

FORT BEND COUNTY, TEXAS
NON-MAJOR GOVERNMENTAL FUNDS - CONTINUED
September 30, 2002

Ambulance Service Paramedics

This fund is used to account for revenues obtained from donations and fund raising events for the benefit of the ambulance and paramedics department.

Library Donations

This fund is used to account for donations by private citizens used for the purchase of books and equipment for the County library system.

Mission West Park

This fund is used to account for donations received from a developer to be used for park maintenance of Mission West Park.

Narcotics Asset Forfeiture Sheriff (State)

This fund is used to account for the receipts and disbursements of funds awarded by the court and confiscated from drug traffickers. This fund is being used to deter drug trafficking activities in the County.

Driving While Intoxicated (DWI) Video Fee

This fund is used to account for fees collected from defendants for the cost of the equipment used to video-tape the observations of the defendants while being interrogated or tested by the law enforcement officers.

Probate Court Training

This fund is used to account for the collection of certain probate fees to be used for the continuing education of the probate staff.

JP Technology

This fund is used to account for technology fees, not to exceed \$4, collected as a cost of court from defendants convicted of misdemeanor offenses. The fund may be used only to finance the purchase of technological enhancements for a justice court and is administered by the Commissioners' Court.

Juvenile Alert Program

This fund is used to account for fees collected from the parent, guardian, or custodian of a juvenile who participates in the alternative rehabilitation program administered by Juvenile Probation.

Juvenile Probation Special

This fund is used to account for fees collected from the parent, guardian, or custodian of a juvenile who by order of a court, is required to pay the fee. The fees collected may only be used for juvenile probation or correction services or facilities.

District Attorney Supplemental Salary

This fund is used to account for funds received from the State to supplement the salary of personnel in the District Attorney's Office.

District Attorney Asset Forfeiture (Federal)

This fund is used to account for the receipts and disbursements related to funds from forfeiture of property that is contraband and seized by the District Attorney's office.

FORT BEND COUNTY, TEXAS
NON-MAJOR GOVERNMENTAL FUNDS - CONTINUED
September 30, 2002

District Attorney Bad Check Collection Fee

This fund is used to account for the fees earned by the District Attorney for the collection of bad checks issued in the County. The District Attorney has the sole discretion to dispose of the fees.

Gus George Memorial

This fund is used to account for the receipts and disbursements of funds that were donated to the County in memory of the late Gus George, former County Sheriff. The funds are to be used for law enforcement activities of the Sheriff's department.

Records Management

This fund is used to account for the fees collected by the County Clerk after filing and recording a document in the records of the Clerk's office which are to be used for records management and preservation.

District Attorney Special Fun Run

This fund is used to account for receipts and disbursements from proceeds of an annual fun run sponsored by local merchants through the District Attorney's office. The money is disbursed to Crime Victims Alliance Corporation with Commissioners Court approval.

County Attorney Supplement

This fund is used to account for funds received from the State to supplement the salary of the County Attorney.

Records Management - County

This fund is used to account for fees assessed and collected in criminal cases to fund records management and preservation services performed by the County.

VIT Interest

This fund is used to account for interest earned on prepayments of vehicle inventory taxes by automobile dealers. The money is held in an escrow bank account by the Tax Collector and the interest is used by the Tax Collector to defray the costs of administration.

Courthouse Security

This fund is used to account for receipts and expenditures related to financing items for the purpose of providing security services for buildings housing a district or county court.

Elections Contract

This fund is used to account for receipts and expenditures related to money paid to the county election officer under an election services contract. As per Section 31.093, Texas Election Code the fund is administered by the Elections Administrator and audited by the County Auditor.

Narcotics Asset Forfeiture (Federal)

This fund is used to account for the receipts and disbursements of monies confiscated from drug traffickers and awarded by a court to the County.

Sheriff's Allocation Forfeiture/Assets (State)

This fund is used to account for the receipts and disbursements of the sheriff's portion of funds awarded by the courts and confiscated from drug traffickers. These forfeitures are being used to deter drug trafficking activities in the County.

FORT BEND COUNTY, TEXAS
NON-MAJOR GOVERNMENTAL FUNDS - CONTINUED
September 30, 2002

Sheriff's Allocation Forfeiture/Assets (Federal)

This fund is used to account for the receipts and disbursements of the sheriff's portion of funds awarded by the courts and confiscated from drug traffickers. These forfeitures are being used to deter drug trafficking activities in the County.

Constable Precinct 2 Asset Forfeiture

This fund is used to account for the receipts and disbursements of the constable's portion of funds awarded by the courts and confiscated from drug traffickers. The forfeitures are being used to deter drug trafficking activities in the County.

Asset Forfeiture Constable Precinct 4

This fund is used to account for the receipts and disbursements of the constable's portion of funds awarded by the courts and confiscated from drug traffickers. The forfeitures are being used to deter drug trafficking activities in the County.

Environmental Projects

This fund is used to account for voluntary contributions, approved by the Texas Natural Resource Conservation Commission, that are made by violators of health laws. The monies are to be used to clean up potential health hazards associated with failing septic tanks and disposal fields for individual homeowners.

District Attorney Asset Forfeiture (State)

This fund is used to account for the receipts and disbursements related to funds from forfeiture of property that is contraband and seized by the District Attorney's office.

Utility Assistance

This fund is used to account for the receipts and disbursements related to a private donation made to Fort Bend County. The monies are to be used to assist Fort Bend County residents that demonstrate an inability to pay their electric bills.

Dewitt-Wallace Library Grant

This fund is used to account for monies received from the DeWitt-Wallace Readers's Digest Fund which provides high-quality after school educational enrichment and career development programs for low-income youth.

U.T. Health Science Center Grant

This fund is used to account for the George Video Communications Network for a T-1 line, network connectivity devices and maintenance contracts.

Law Enforcement Officers Standards Education Grant

This fund is used to account for funds provided to law enforcement officers for Texas Certified Law Enforcement Officers' Standard Education certification to be used for education and training.

Katy Library Appropriations

This fund is used to account for monies appropriated for building a new library in Katy.

Temporary Emergency Relief

This fund is used to account for the receipts and disbursements of the funds received from the State which are used to assist those who need assistance in the payment of the utility and food bills in emergency cases.

FORT BEND COUNTY, TEXAS
NON-MAJOR GOVERNMENTAL FUNDS - CONTINUED
September 30, 2002

Emergency Food And Shelter Program

This fund is used to account for the receipts and disbursements of the funds provided by the Federal Emergency Management Agency which are used to assist those who need assistance in the payment of their food and utility bills in emergency situations.

Juvenile Foster Care, Title IV-E

This fund is used to account for federal funds received for eligible juvenile probation children and for administrative costs related to administering the Title IV-E program.

Child Protective Services

This fund is used to account for all monies received by Children's Protective Services ("CPS"). CPS receives money from the County, the State, and from other miscellaneous sources.

Community Development Combined Funds

This fund is used to account for monies received from various housing programs. The majority of monies are received from the U.S. Department of Housing and Urban Development (HUD) and are to be used for housing rehabilitation projects.

Summer Food Service Program

This fund is used to account for receipts and expenditures related to a grant from the Texas Department of Human Services for the cost of preparation, packaging, and delivery of individual lunches to certain site locations in the County for certain persons qualifying for this program.

Community Development Block Grant

These funds are used to account for grant money received from the U.S. Department of Housing and Urban Development (HUD) to provide a wide range of community development activities directed toward neighborhood revitalization, economic development, and improved facilities and services for low and moderate income citizens.

Home Program

These funds are used to account for grant money received from the U.S. Department of Housing and Urban Development (HUD) to implement local housing strategies designed to increase home ownership and affordable housing opportunities for low-and very low-income persons.

HOPE 3 Implementation And Program Sales Funds

These funds are used to account for the Hope 3 Planning Grant money received from the U.S. Department of Housing and Urban Development (HUD) to develop a home ownership program for low and moderate income families.

Emergency Shelter

This fund is used to account for grant money received from the U.S. Department of Housing and Urban Development (HUD) to provide safe and sanitary shelter, supportive services, and other assistance to homeless people and families.

Child Support Title IV-D Reimbursement

This fund is used to account for monies received for processing child support payments. The amount of receipts depend on the number of child support payments processed. Expenditures from this fund are used for salaries, equipment and other costs related to the processing of child support payments.

FORT BEND COUNTY, TEXAS
NON-MAJOR GOVERNMENTAL FUNDS - CONTINUED
September 30, 2002

Local Law Enforcement Block Grants

These funds are used to account for federal funds that are to be used by county law enforcement agencies for the purpose of purchasing technological equipment and to assist the agencies in their overall operations.

Grant Administration

This fund is used to account for grant monies received from various state, federal, and local agencies. The programs accounted for in this fund do not require separate accountability.

Juvenile Incentive Block Grant

This fund is used to account for state monies that are to be used to reduce juvenile crime and to hold juvenile offenders accountable for their actions.

Juvenile Justice Alternative Education

This fund is used to account for amounts received to be used as start-up costs for a juvenile justice alternative education program. If funding exceeds start-up costs, the excess may be used for other costs incurred in operating the program.

Household Agricultural Waste Collection Grant

This fund is used to account for monies used to hold annual hazardous waste collection events in the County. The monies are received from various state and local governmental entities. Citizens are encouraged to deliver hazardous waste such as tires and toxic chemicals which can then be properly disposed.

Juvenile Probation - State Aid

This fund is used to account for revenues received from the Texas Juvenile Probation Commission ("TJPC"). The funds must be disbursed in accordance with TJPC regulations. The probation cases are usually non-aggravated in nature.

Juvenile Probation Community Corrections Assistance Program (CCAP)

This fund is used to account for money received from the Texas Juvenile Probation Commission ("TJPC") to provide more intensive supervision and surveillance to juveniles who are repeat offenders or probation violators and whose cases are severe in nature. The fund must be disbursed in accordance with TJPC regulations.

Juvenile Salary Adjustment

This fund is used to account for revenues received from the Texas Juvenile Probation Commission ("TJPC") which provide funding for the juvenile probation, detention and correction officer salary adjustment from appropriations originating in the 77th Texas Legislature 2001. The funds must be disbursed in accordance with TJPC regulations.

Juvenile Salary Adjustment

This fund is used to account for money received from the Texas Juvenile Probation Commission ("TJPC") to provide services to juvenile offenders with serious mental health needs. The funds must be disbursed in accordance with TJPC regulations.

Adult Probation - Supervision

This fund is used to account for Adult Probation revenues and fees received from probationers and funds received from TAPC for regular probation cases. The funds must be disbursed in accordance with TAPC regulations.

FORT BEND COUNTY, TEXAS
NON-MAJOR GOVERNMENTAL FUNDS - CONTINUED
September 30, 2002

Adult Probation - Diversionary Target Program (DTP)

This fund is used to account for State funds known as DTP funds. This fund combines the Pre-Trial, Community Service & Restitution Work Crew, Mental Impairment, Work Place Skills, and Day Reporting programs.

Adult Probation - Community Corrections Program (CCP)

This fund is used to account for State funds known as CCP funds. The fund combines the following programs: Non-English Speaking, Intensive Supervision, Computerized Literacy, Young Offenders, and Sex Offenders.

Adult Probation - Treatment Alternative To Incarceration Program (TAIP)

This fund is used to account for State funds known as TAIP funds. The purpose of TAIP is to provide referred offenders with screening, evaluation, assessment, referral, and placement into a licensed and approved chemical dependency program.

Victims Services Program

This fund is used to account for money received from the Criminal Justice Division of the Office of the Governor to provide services for victims of crime during the post-adjudication phase of offenders placed under community supervision. The money is used to cover the salary and benefits of a Court Liaison and direct operating expenses of this program.

Tobacco Compliance Grant

This fund is used to account for funds to employ off-duty deputies to conduct tobacco inspections, sting operations and present educational programs.

Juvenile Probation

This fund is used to account for the receipts and disbursements of the Fort Bend County Juvenile Probation department. Monies deposited into this fund are received from the Fort Bend County General Fund as well as various state and federal agencies.

DEBT SERVICE FUNDS

Fort Bend County Combined Debt Service Fund

This fund is used to account for the debt service transactions relating to the following bond issues: Library Permanent Improvement Bonds Series 1997, Fair Arena Certificate of Obligation Series 1991, Permanent Improvement Bonds 1992, Permanent Improvements Refunding Bonds 1993.

Fort Bend Parkway Road District Unlimited Tax Bonds Series 1990

This fund is used to account for the debt service transactions associated with the District's 1990 Series bonds. Revenues in this fund are comprised of property taxes levied against property located in the District.

Fort Bend County Mobility Project Bonds

This fund is used to account for the debt service transactions relating to the issuance of the Revenue Bonds Series 2001 for the construction and improvement of various road projects throughout the County.

FORT BEND COUNTY, TEXAS
NON-MAJOR GOVERNMENTAL FUNDS - CONTINUED
September 30, 2002

Fort Bend Flood Control Water Supply Corporation (FBFCWSC)
Revenue Bonds Series 1995

This fund is used to account for the debt service transactions relating to the issuance of the Revenue Bonds Series 1995 for the construction and improvement of the drainage facilities located within the County. The bonds will mature serially through 2008 payable from impact fees and property taxes.

Fort Bend Flood Control Water Supply Corporation (FBFCWSC)
Refunding Bonds 1999

This fund is used to account for the debt service transactions relating to the issuance of the Refunding Bonds Series 1999 which were issued for the purpose of refunding the Revenue Bonds Series 1989 at a lower interest rate. The refunding bonds will mature serially through 2008 payable from impact fees and property taxes.

Fort Bend Flood Control Water Supply Corporation (FBFCWSC)
Revenue Bonds Series 2001

This fund is used to account for the debt service transactions relating to the issuance of the Revenue Bonds Series 2001 for the construction and improvement of the drainage facilities located within the County. The bonds will mature serially through 2021 payable from impact fees and property taxes.

CAPITAL PROJECTS FUNDS

Drainage District Capital Improvements

This fund is used to account for the receipts and disbursements of funds transferred from the Drainage District for the purpose of improving the District's facilities.

Upper Oyster Creek

This fund is used to account for the receipts and disbursements related to the construction of a flood control project.

Capital Improvements

This fund is used to account for the receipts and disbursements related to the construction or purchase of a property or facility of the County.

Clear Creek

This fund is used to account for the receipts and disbursements of the settlement collected from Browning Ferris Industries (per agreement) to be used to finance the Clear Creek project.

Lower Oyster Creek

This fund is used to account for the receipts and disbursements related to the construction or improvements of a flood control project.

Big Creek

This fund is used to account for the receipts and disbursements related to the construction of a flood control project.

Chimney Rock Road Project

This fund is used to account for the receipts and disbursements related to the improvement of Chimney Rock road.

FORT BEND COUNTY, TEXAS
NON-MAJOR GOVERNMENTAL FUNDS - CONTINUED
September 30, 2002

5th Street Project

This fund is used to account for the receipts and disbursements related to the improvement of 5th Street.

Grand Mission Crossing

This fund is used to account for the receipts and disbursements related to the construction of a railroad crossing. A developer provided financing.

Road & Bridge Capital Projects

This fund is used to account for the receipts and disbursements related to miscellaneous road and bridge infrastructure construction and improvements by the Road and Bridge department.

Library Building

This fund is used to account for the proceeds of the Library Permanent Improvement Bonds Series 1990 which are to be used primarily to finance the construction of two branch libraries and the renovation and improvement of two existing libraries.

Needville JP And Constable Office Projects

This fund is used to account for the receipts and disbursements related to the renovation of an existing building to be used by the Justice of the Peace and Constable from precinct one.

Travis Building Renovation

This fund is used to account for the receipts and disbursements related to the renovation of the Travis Building to improve space utilization.

Fort Bend Parkway

This fund is used to account for the receipts and disbursements of the proceeds of the Fort Bend Parkway Road District Unlimited Tax Bonds Series 1990 which are being used to pay administrative, engineering, and environmental assessments and other operational costs associated with the design of the parkway project.

South Post Oak Community Center

This fund is used to account for the receipts and disbursements related to the construction of a community center on South Post Oak to be used primarily by the Boys and Girls Club. However this building is available for use by the residents of Fort Bend County.

Juvenile Expansion Project

This fund is used to account for the receipts and disbursements related to the renovation and construction of the Fort Bend County juvenile probation detention facility.

Bates Allen Park

This fund is used to account for the receipts and disbursements related to the construction of a County park. The project is being funded by a grant from the Texas Department of Wildlife. In addition, approximately 235 acres of land were donated to the County to be used for the park.

Fort Bend Flood Control Water Supply Corporation Construction
Held By Fort Bend County

This fund is used to account for the receipts and disbursements related to the proceeds of the issuance of Revenue Bonds Series 1989 for the construction of drainage facilities located within the County.



FORT BEND COUNTY, TEXAS

COMBINING BALANCE SHEET

NON-MAJOR GOVERNMENTAL FUNDS

September 30, 2002

Assets	Special Revenue Funds			
	Drainage District	Lateral Road	County Historical Commission	City Water Assistance
Cash and temporary investments:				
Cash and cash equivalents	\$ 639,844	\$ 74,684	\$ 6,540	\$ 8,611
Investments	2,339,000			
Receivables:				
Taxes - delinquent	402,345			
Less allowance for estimated uncollectibles	(16,094)			
Federal and state grants				
Interest	5,854			
Other receivables				
Due from other funds	52,490			
Prepaid expenditures	294			
Total Assets	\$ 3,423,733	\$ 74,684	\$ 6,540	\$ 8,611
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 331,231	\$ 57,141	\$	\$ 45
Accrued compensated absences	60,442			
Accrued payroll	11,126			
Retainage payable				
Due to other funds				
Deferred revenues	386,251			
Total Liabilities	789,050	57,141		45
Fund Balances:				
Reserved for debt service				
Unreserved and undesignated	2,634,683	17,543	6,540	8,566
Total Fund Balances	2,634,683	17,543	6,540	8,566
Total Liabilities and Fund Balances	\$ 3,423,733	\$ 74,684	\$ 6,540	\$ 8,611

The accompanying notes are an integral part of these financial statements.

Special Revenue Funds

<u>Emergency Heat Relief</u>	<u>Entex Contributions</u>	<u>HL&P Contributions</u>	<u>County Law Library</u>	<u>Law Enforcement Academy</u>	<u>Alternative Dispute Resolution</u>
\$ 805	\$ 1,196	\$ 14	\$ 230,387	\$ 176,329	\$ 74,492
			5,750 14,340	35,107	4,800
<u>\$ 805</u>	<u>\$ 1,196</u>	<u>\$ 14</u>	<u>\$ 250,477</u>	<u>\$ 211,436</u>	<u>\$ 79,292</u>
\$	\$	\$	\$ 9,505	\$ 12,561	\$
			183		
			5,348		54,067
			<u>15,036</u>	<u>12,561</u>	<u>54,067</u>
<u>805</u>	<u>1,196</u>	<u>14</u>	<u>235,441</u>	<u>198,875</u>	<u>25,225</u>
<u>805</u>	<u>1,196</u>	<u>14</u>	<u>235,441</u>	<u>198,875</u>	<u>25,225</u>
<u>\$ 805</u>	<u>\$ 1,196</u>	<u>\$ 14</u>	<u>\$ 250,477</u>	<u>\$ 211,436</u>	<u>\$ 79,292</u>

FORT BEND COUNTY, TEXAS
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
September 30, 2002

	Special Revenue Funds			
	Ambulance Service Paramedics	Library Donation	Mission West Park	Narcotics Fund - Asset Forfeiture State
Assets				
Cash and temporary investments:				
Cash and cash equivalents	\$ 14,434	\$ 123,660	\$ 46,332	\$ 54,416
Investments				
Receivables:				
Taxes - delinquent				
Less allowance for estimated uncollectibles				
Federal and state grants				
Interest				
Other receivables				
Due from other funds				
Prepaid expenditures				
Total Assets	\$ 14,434	\$ 123,660	\$ 46,332	\$ 54,416
 Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$	\$ 580	\$ 28	\$
Accrued compensated absences				
Accrued payroll				
Retainage payable				
Due to other funds				
Deferred revenues				
Total Liabilities		580	28	
Fund Balances:				
Reserved for debt service				
Unreserved and undesignated	14,434	123,080	46,304	54,416
Total Fund Balances	14,434	123,080	46,304	54,416
Total Liabilities and Fund Balances	\$ 14,434	\$ 123,660	\$ 46,332	\$ 54,416

The accompanying notes are an integral part of these financial statements.

Special Revenue Funds

<u>D.W.I. Video Fee</u>	<u>Probate Court Training</u>	<u>J.P. Technology</u>	<u>Juvenile Alert Program</u>	<u>Juvenile Probation Special</u>	<u>District Attorney Supplemental Salary</u>
\$ 3,300	\$ 10,529	\$ 74,189	\$ 9,710	\$ 163,235	\$ 5,452
90	600	5,732	330	1,230 730	
<u>\$ 3,390</u>	<u>\$ 11,129</u>	<u>\$ 79,921</u>	<u>\$ 10,040</u>	<u>\$ 165,195</u>	<u>\$ 5,452</u>
\$	\$ 155	\$	\$	\$ 2,568	\$
				1,597	3,911
	155			4,165	3,911
<u>3,390</u>	<u>10,974</u>	<u>79,921</u>	<u>10,040</u>	<u>161,030</u>	<u>1,541</u>
<u>3,390</u>	<u>10,974</u>	<u>79,921</u>	<u>10,040</u>	<u>161,030</u>	<u>1,541</u>
<u>\$ 3,390</u>	<u>\$ 11,129</u>	<u>\$ 79,921</u>	<u>\$ 10,040</u>	<u>\$ 165,195</u>	<u>\$ 5,452</u>

FORT BEND COUNTY, TEXAS

COMBINING BALANCE SHEET

NON-MAJOR GOVERNMENTAL FUNDS

September 30, 2002

Assets	Special Revenue Funds			
	District Attorney Forfeiture - Federal	District Attorney Bad Check Collection	Gus George Memorial	Records Management
Cash and temporary investments:				
Cash and cash equivalents	\$ 12,746	\$ 108,247	\$ 7,136	\$ 891,647
Investments				
Receivables:				
Taxes - delinquent				
Less allowance for estimated uncollectibles				
Federal and state grants				
Interest				
Other receivables		3,433		38,859
Due from other funds		786		34,728
Prepaid expenditures		281		
Total Assets	\$ 12,746	\$ 112,747	\$ 7,136	\$ 965,234
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 621	\$ 2,727	\$	\$ 60,382
Accrued compensated absences				
Accrued payroll		89		176
Retainage payable				
Due to other funds		2,437		529
Deferred revenues				
Total Liabilities	621	5,253		61,087
Fund Balances:				
Reserved for debt service				
Unreserved and undesignated	12,125	107,494	7,136	904,147
Total Fund Balances	12,125	107,494	7,136	904,147
Total Liabilities and Fund Balances	\$ 12,746	\$ 112,747	\$ 7,136	\$ 965,234

The accompanying notes are an integral part of these financial statements.

Special Revenue Funds

<u>District Attorney Special Fun Run</u>	<u>County Attorney Supplement</u>	<u>Records Management - County</u>	<u>VIT Interest</u>	<u>Courthouse Security</u>	<u>Elections Contract</u>
\$ 19,979	\$ 101,166	\$ 146,051	\$ 6,165	\$ 1,145,509	\$ 51,900
		4,257 5,967		14,865 19,847	24
			1,408		
<u>\$ 19,979</u>	<u>\$ 101,166</u>	<u>\$ 156,275</u>	<u>\$ 7,573</u>	<u>\$ 1,180,221</u>	<u>\$ 51,924</u>
\$	\$	\$ 7,141	\$	\$ 16,088	\$ 693
		284		968	
	5,369	10,569	3,369	15,900	
	<u>5,369</u>	<u>17,994</u>	<u>3,369</u>	<u>32,956</u>	<u>693</u>
<u>19,979</u>	<u>95,797</u>	<u>138,281</u>	<u>4,204</u>	<u>1,147,265</u>	<u>51,231</u>
<u>19,979</u>	<u>95,797</u>	<u>138,281</u>	<u>4,204</u>	<u>1,147,265</u>	<u>51,231</u>
<u>\$ 19,979</u>	<u>\$ 101,166</u>	<u>\$ 156,275</u>	<u>\$ 7,573</u>	<u>\$ 1,180,221</u>	<u>\$ 51,924</u>

FORT BEND COUNTY, TEXAS

COMBINING BALANCE SHEET

NON-MAJOR GOVERNMENTAL FUNDS

September 30, 2002

Assets	Special Revenue Funds			
	Narcotics Fund - Asset Forfeiture Federal	Sheriff's Allocation Forfeiture/ State	Sheriff's Allocation Forfeiture/ Federal	Constable Precinct 2 Asset Forfeiture
Cash and temporary investments:				
Cash and cash equivalents	\$ 209,897	\$ 35,849	\$ 13,035	\$ 4,678
Investments				
Receivables:				
Taxes - delinquent				
Less allowance for estimated uncollectibles				
Federal and state grants				
Interest				
Other receivables		4,500		
Due from other funds				
Prepaid expenditures				
Total Assets	\$ 209,897	\$ 40,349	\$ 13,035	\$ 4,678
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 3,056	\$ 410	\$	\$
Accrued compensated absences				
Accrued payroll				
Retainage payable				
Due to other funds				
Deferred revenues				
Total Liabilities	3,056	410		
Fund Balances:				
Reserved for debt service				
Unreserved and undesignated	206,841	39,939	13,035	4,678
Total Fund Balances	206,841	39,939	13,035	4,678
Total Liabilities and Fund Balances	\$ 209,897	\$ 40,349	\$ 13,035	\$ 4,678

The accompanying notes are an integral part of these financial statements.

<u>Special Revenue Funds</u>					
<u>Constable Precinct 4 Asset Forfeiture</u>	<u>Environmental Projects</u>	<u>District Attorney Asset Forfeiture State</u>	<u>Utility Assistance</u>	<u>DeWitt - Wallace Library Grant</u>	<u>UT-Health Science Center Grant</u>
\$ 106	\$ 48,081	\$ 55,385	\$ 318	\$ 6,321	\$ 3,895
	180				
<u>\$ 106</u>	<u>\$ 48,261</u>	<u>\$ 55,385</u>	<u>\$ 318</u>	<u>\$ 6,321</u>	<u>\$ 3,895</u>
\$	\$	\$ 764	\$ 262	\$ 3,487	\$ 268
		341			
		<u>1,105</u>	<u>262</u>	<u>3,487</u>	<u>268</u>
<u>106</u>	<u>48,261</u>	<u>54,280</u>	<u>56</u>	<u>2,834</u>	<u>3,627</u>
<u>106</u>	<u>48,261</u>	<u>54,280</u>	<u>56</u>	<u>2,834</u>	<u>3,627</u>
<u>\$ 106</u>	<u>\$ 48,261</u>	<u>\$ 55,385</u>	<u>\$ 318</u>	<u>\$ 6,321</u>	<u>\$ 3,895</u>

FORT BEND COUNTY, TEXAS

COMBINING BALANCE SHEET

NON-MAJOR GOVERNMENTAL FUNDS

September 30, 2002

Assets	Special Revenue Funds			
	Gates Foundation Grant	LEOSE Training	Katy Library Appropriations	Temporary Emergency Relief
Cash and temporary investments:				
Cash and cash equivalents	\$	\$ 66,206	\$ 31,077	\$ 1,582
Investments				
Receivables:				
Taxes - delinquent				
Less allowance for estimated uncollectibles				
Federal and state grants				
Interest				
Other receivables				
Due from other funds				
Prepaid expenditures				
Total Assets	\$	\$ 66,206	\$ 31,077	\$ 1,582
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$	\$ 3,927	\$ 4,659	\$ 641
Accrued compensated absences				
Accrued payroll				
Retainage payable				
Due to other funds				
Deferred revenues				941
Total Liabilities		3,927	4,659	1,582
Fund Balances:				
Reserved for debt service				
Unreserved and undesignated		62,279	26,418	
Total Fund Balances		62,279	26,418	
Total Liabilities and Fund Balances	\$	\$ 66,206	\$ 31,077	\$ 1,582

The accompanying notes are an integral part of these financial statements.

Special Revenue Funds					
Emergency Food and Shelter Program	Juvenile Foster Care Title IV-E	Child Protective Services	Community Development Combined Funds	Community Development Block Grants	Home Programs
\$ 9,236	\$ 455,832	\$ 472,363	\$ 35,375	\$ 3,855	\$ 17,067
			52,734	37,191	
	78,254 1,240		365		
<u>\$ 9,236</u>	<u>\$ 535,326</u>	<u>\$ 472,363</u>	<u>\$ 88,474</u>	<u>\$ 41,046</u>	<u>\$ 17,067</u>
\$ 9,104	\$ 4,064	\$ 6,903	\$ 53,918	\$ 39,205	\$ 878
	561		1,515		
132	530,701		33,041	55 1,786	1 15,390
<u>9,236</u>	<u>535,326</u>	<u>6,903</u>	<u>88,474</u>	<u>41,046</u>	<u>16,269</u>
		465,460			798
		465,460			798
<u>\$ 9,236</u>	<u>\$ 535,326</u>	<u>\$ 472,363</u>	<u>\$ 88,474</u>	<u>\$ 41,046</u>	<u>\$ 17,067</u>

FORT BEND COUNTY, TEXAS

COMBINING BALANCE SHEET

NON-MAJOR GOVERNMENTAL FUNDS

September 30, 2002

Assets	Special Revenue Funds			
	HOPE 3 Program Sales	Emergency Shelter 2000	Child Support Title IV-D Reimbursement	Local Law Enforcement Block Grants
Cash and temporary investments:				
Cash and cash equivalents	\$ 108,661	\$	\$ 110,068	\$ 114,515
Investments				
Receivables:				
Taxes - delinquent				
Less allowance for estimated uncollectibles				
Federal and state grants				
Interest				
Other receivables			1,678	
Due from other funds				
Prepaid expenditures				
Total Assets	\$ 108,661	\$	\$ 111,746	\$ 114,515
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 7,686	\$	\$	\$
Accrued compensated absences				
Accrued payroll				
Retainage payable				
Due to other funds				
Deferred revenues	100,975		111,746	114,515
Total Liabilities	108,661	\$	111,746	114,515
Fund Balances:				
Reserved for debt service				
Unreserved and undesignated				
Total Fund Balances	\$	\$	\$	\$
Total Liabilities and Fund Balances	\$ 108,661	\$	\$ 111,746	\$ 114,515

The accompanying notes are an integral part of these financial statements.

Special Revenue Funds					
Grant Administration	Juvenile Incentive Block Grant	Juvenile Justice Alternative Education	Household A/G Waste Collection Grant	Juvenile Probation State Aid	Juvenile Probation CCAP
\$ 16,643	\$	\$ 282,703	\$ 11	\$ 5,492	\$ 127,456
				50,345	9,521
		6,410		741	4,139
<u>\$ 16,643</u>	<u>\$</u>	<u>\$ 289,113</u>	<u>\$ 11</u>	<u>\$ 56,578</u>	<u>\$ 141,116</u>
\$ 3,925	\$	\$ 1,497	\$	\$ 13,120	\$ 103,594
		191		1,391	455
		2,333		42,067	37,067
		285,092			
<u>3,925</u>		<u>289,113</u>		<u>56,578</u>	<u>141,116</u>
<u>12,718</u>			<u>11</u>		
<u>12,718</u>			<u>11</u>		
<u>\$ 16,643</u>	<u>\$</u>	<u>\$ 289,113</u>	<u>\$ 11</u>	<u>\$ 56,578</u>	<u>\$ 141,116</u>

FORT BEND COUNTY, TEXAS

COMBINING BALANCE SHEET

NON-MAJOR GOVERNMENTAL FUNDS

September 30, 2002

Assets	Special Revenue Funds			
	Juvenile Salary Adjustment	Juvenile Special Needs	Adult Probation Supervision	Adult Probation DTP
Cash and temporary investments:				
Cash and cash equivalents	\$ 48	\$ 8,831	\$ 1,088,758	\$ 93,629
Investments				
Receivables:				
Taxes - delinquent				
Less allowance for estimated uncollectibles				
Federal and state grants		3,387		
Interest				
Other receivables			36,969	
Due from other funds		413	31,122	
Prepaid expenditures				
Total Assets	\$ 48	\$ 12,631	\$ 1,156,849	\$ 93,629
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 23	\$ 12,219	\$ 108,120	\$ 14,115
Accrued compensated absences			84,323	
Accrued payroll		171	5,984	1,853
Retainage payable				
Due to other funds	25	241		6,121
Deferred revenues			958,422	71,540
Total Liabilities	48	12,631	1,156,849	93,629
Fund Balances:				
Reserved for debt service				
Unreserved and undesignated				
Total Fund Balances				
Total Liabilities and Fund Balances	\$ 48	\$ 12,631	\$ 1,156,849	\$ 93,629

The accompanying notes are an integral part of these financial statements.

Special Revenue Funds					Debt Service Fund
Adult Probation CCP	Adult Probation TAIP	Victims Services Program	Tobacco Compliance Grant	Juvenile Probation	Fort Bend County Combined Debt Service
\$ 126,272	\$ 58,799	\$ 24,317	\$ 4,190	\$ 1,869,308	\$ 104,973
					326,591
					(13,064)
	300	8,732		15,695 77,780	6,416
<u>\$ 126,272</u>	<u>\$ 59,099</u>	<u>\$ 33,049</u>	<u>\$ 4,190</u>	<u>\$ 1,962,783</u>	<u>\$ 424,916</u>
\$ 15,971	\$ 25,236	\$ 952	\$	\$ 312,286	\$
1,858	114	126		16,059	
115	67	30,838		3,312	
108,328	33,682	1,133	4,190		313,528
<u>126,272</u>	<u>59,099</u>	<u>33,049</u>	<u>4,190</u>	<u>331,657</u>	<u>313,528</u>
				1,631,126	111,388
				1,631,126	111,388
<u>\$ 126,272</u>	<u>\$ 59,099</u>	<u>\$ 33,049</u>	<u>\$ 4,190</u>	<u>\$ 1,962,783</u>	<u>\$ 424,916</u>

FORT BEND COUNTY, TEXAS

COMBINING BALANCE SHEET

NON-MAJOR GOVERNMENTAL FUNDS

September 30, 2002

	Debt Service Funds			
	Fort Bend Parkway Unlimited Tax Bonds Series 1990	Fort Bend County Mobility Project Bonds	FBFCWSC Revenue Bonds Series 1995	FBFCWSC Refunding Bonds Series 1999
Assets				
Cash and temporary investments:				
Cash and cash equivalents	\$ 82,676	\$ 323,250	\$ 7,018	\$ 890,514
Investments				
Receivables:				
Taxes - delinquent	6,166	18,545	20,215	152,336
Less allowance for estimated uncollectibles	(247)	(742)	(809)	(6,094)
Federal and state grants				
Interest				
Other receivables				
Due from other funds		2,470	1,066	1,904
Prepaid expenditures				
Total Assets	\$ 88,595	\$ 343,523	\$ 27,490	\$ 1,038,660
 Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$	\$	\$	\$
Accrued compensated absences				
Accrued payroll				
Retainage payable				
Due to other funds				
Deferred revenues	5,919	17,803	19,406	146,243
Total Liabilities	5,919	17,803	19,406	146,243
Fund Balances:				
Reserved for debt service	82,676	325,720	8,084	892,417
Unreserved and undesignated				
Total Fund Balances	82,676	325,720	8,084	892,417
Total Liabilities and Fund Balances	\$ 88,595	\$ 343,523	\$ 27,490	\$ 1,038,660

The accompanying notes are an integral part of these financial statements.

Debt Service Fund	Capital Projects Funds				
FBFCWSC Revenue Bonds Series 2001	Drainage District Capital Improvements	Upper Oyster Creek	Capital Improvements	Clear Creek	Lower Oyster Creek
\$ 104,147	\$ 14,254	\$ 237,849 2,300,598	\$ 1,444,218	\$ 51,481 789,467	\$ 202,428 946,484
7,297					
(292)					
1,181		11,293		3,875 138,100	4,645
<u>\$ 112,333</u>	<u>\$ 14,254</u>	<u>\$ 2,549,740</u>	<u>\$ 1,444,218</u>	<u>\$ 982,923</u>	<u>\$ 1,153,557</u>
\$	\$	\$	\$ 35,226	\$	\$
7,005			740,135		
7,005			775,361		
105,328	14,254	2,549,740	668,857	982,923	1,153,557
105,328	14,254	2,549,740	668,857	982,923	1,153,557
<u>\$ 112,333</u>	<u>\$ 14,254</u>	<u>\$ 2,549,740</u>	<u>\$ 1,444,218</u>	<u>\$ 982,923</u>	<u>\$ 1,153,557</u>

FORT BEND COUNTY, TEXAS

COMBINING BALANCE SHEET

NON-MAJOR GOVERNMENTAL FUNDS

September 30, 2002

Assets	Capital Projects Funds			
	Big Creek	Chimney Rock Project	Fifth Street Project	Grand Mission Crossing
Cash and temporary investments:				
Cash and cash equivalents	\$ 151,919	\$ 70,025	\$ 105,369	\$ 19,757
Investments	771,730			
Receivables:				
Taxes - delinquent				
Less allowance for estimated uncollectibles				
Federal and state grants				
Interest	3,788			
Other receivables				
Due from other funds				
Prepaid expenditures				
Total Assets	\$ 927,437	\$ 70,025	\$ 105,369	\$ 19,757
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$	\$	\$ 10,200	\$
Accrued compensated absences				
Accrued payroll				
Retainage payable				
Due to other funds		104		
Deferred revenues				
Total Liabilities		104	10,200	
Fund Balances:				
Reserved for debt service				
Unreserved and undesignated	927,437	69,921	95,169	19,757
Total Fund Balances	927,437	69,921	95,169	19,757
Total Liabilities and Fund Balances	\$ 927,437	\$ 70,025	\$ 105,369	\$ 19,757

The accompanying notes are an integral part of these financial statements.

Capital Projects Funds

<u>Road & Bridge Capital Projects</u>	<u>Library Building</u>	<u>Needville JP/Constable Office</u>	<u>Travis Building Renovation</u>	<u>Fort Bend Parkway</u>
\$ 164,898	\$ 93,458	\$ 34,423	\$ 593,236	\$ 27,051
			747,410	
<u>\$ 164,898</u>	<u>\$ 93,458</u>	<u>\$ 34,423</u>	<u>\$ 1,340,646</u>	<u>\$ 27,051</u>
\$ 1,805	\$	\$	\$ 28,893	\$
248		51	888	
<u>2,053</u>		<u>51</u>	<u>29,781</u>	
<u>162,845</u>	<u>93,458</u>	<u>34,372</u>	<u>1,310,865</u>	<u>27,051</u>
<u>162,845</u>	<u>93,458</u>	<u>34,372</u>	<u>1,310,865</u>	<u>27,051</u>
<u>\$ 164,898</u>	<u>\$ 93,458</u>	<u>\$ 34,423</u>	<u>\$ 1,340,646</u>	<u>\$ 27,051</u>

FORT BEND COUNTY, TEXAS

COMBINING BALANCE SHEET

NON-MAJOR GOVERNMENTAL FUNDS

September 30, 2002

Assets	Capital Projects Funds			
	S. Post Oak Community Center	Juvenile Expansion Project	Bates Allen Park	FBFCWSC Construction County
Cash and temporary investments:				
Cash and cash equivalents	\$ 47,276	\$ 288,634	\$ 10,635	\$ 1,275,799
Investments				11,000,000
Receivables:				
Taxes - delinquent				
Less allowance for estimated uncollectibles				
Federal and state grants				
Interest				22,550
Other receivables	152,830			
Due from other funds				
Prepaid expenditures				
Total Assets	\$ 200,106	\$ 288,634	\$ 10,635	\$ 12,298,349
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$	\$ 46,418	\$	\$
Accrued compensated absences				
Accrued payroll				
Retainage payable		53,371		
Due to other funds	200,106	28,663		
Deferred revenues				
Total Liabilities	200,106	128,452		
Fund Balances:				
Reserved for debt service				
Unreserved and undesignated		160,182	10,635	12,298,349
Total Fund Balances		160,182	10,635	12,298,349
Total Liabilities and Fund Balances	\$ 200,106	\$ 288,634	\$ 10,635	\$ 12,298,349

The accompanying notes are an integral part of these financial statements.

Totals

\$ 16,063,852
18,147,279
933,495
(37,342)
153,178
52,005
538,471
1,025,024
2,348

\$ 36,878,310

\$ 1,374,298
144,765
43,104
53,371
1,228,915
3,234,728

6,079,181

1,525,613
29,273,516

30,799,129

\$ 36,878,310

FORT BEND COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
For The Nine Months Ended September 30, 2002

	<u>Special Revenue Funds</u>			
	<u>Drainage District</u>	<u>Lateral Road</u>	<u>County Historical Commission</u>	<u>City Water Assistance</u>
Revenues				
Taxes	\$ 4,639,295	\$	\$	\$
Fees and fines				
Intergovernmental				
Earnings on investments	95,740	1,756	93	148
Miscellaneous	316,316			1,119
Total Revenues	<u>5,051,351</u>	<u>1,756</u>	<u>93</u>	<u>1,267</u>
Expenditures				
Current				
General administration				
Financial administration				
Administration of justice				
Construction and maintenance		112,072		
Health and welfare				1,792
Public safety				
Parks and recreation				
Flood control projects	4,128,823			
Libraries and education				
Capital outlay				
Debt service				
Principal retirement	86,643			
Interest and fiscal charges	3,154			
Total Expenditures	<u>4,218,620</u>	<u>112,072</u>	<u>93</u>	<u>1,792</u>
Revenues Over (Under) Expenditures	832,731	(110,316)	93	(525)
Other Financing Sources (Uses)				
Operating transfers in				
Operating transfers (out)	(274,095)			
Total Other Financing Sources (Uses)	<u>(274,095)</u>			
Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	558,636	(110,316)	93	(525)
Fund Balances, January 1	2,076,047	127,859	6,447	9,091
Prior Period Adjustment				
Fund Balances, As Restated, January 1	<u>2,076,047</u>	<u>127,859</u>	<u>6,447</u>	<u>9,091</u>
Fund Balances, September 30	<u>\$ 2,634,683</u>	<u>\$ 17,543</u>	<u>\$ 6,540</u>	<u>\$ 8,566</u>

The accompanying notes are an integral part of these financial statements.

Special Revenue Funds

<u>Emergency Heat Relief</u>	<u>Entex Contribution</u>	<u>HL&P Contribution</u>	<u>County Law Library</u>	<u>Law Enforcement Academy</u>	<u>Alternative Dispute Resolution</u>
\$	\$	\$	\$	\$	\$
			131,545		40,365
15	9	384	3,139	90,378	768
	1,075	21,541	84	37,156	
<u>15</u>	<u>1,084</u>	<u>21,925</u>	<u>134,768</u>	<u>130,119</u>	<u>41,133</u>
			117,575		54,067
	2,319	70,946		83,023	
	<u>2,319</u>	<u>70,946</u>	<u>117,575</u>	<u>83,023</u>	<u>54,067</u>
15	(1,235)	(49,021)	17,193	47,096	(12,934)
				(1,008)	
				(1,008)	
15	(1,235)	(49,021)	17,193	46,088	(12,934)
790	2,431	49,035	218,248	152,787	38,159
<u>790</u>	<u>2,431</u>	<u>49,035</u>	<u>218,248</u>	<u>152,787</u>	<u>38,159</u>
<u>\$ 805</u>	<u>\$ 1,196</u>	<u>\$ 14</u>	<u>\$ 235,441</u>	<u>\$ 198,875</u>	<u>\$ 25,225</u>

FORT BEND COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
For The Nine Months Ended September 30, 2002

	Special Revenue Funds			
	Ambulance Service Paramedics	Library Donation	Mission West Park	Narcotics Fund Asset Forfeiture State
Revenues				
Taxes	\$	\$	\$	\$
Fees and fines				
Intergovernmental				
Earnings on investments	208	2,024	666	752
Miscellaneous	550	32,760		38,381
Total Revenues	<u>758</u>	<u>34,784</u>	<u>666</u>	<u>39,133</u>
Expenditures				
Current				
General administration				
Financial administration				
Administration of justice				
Construction and maintenance				
Health and welfare	465			
Public safety				151,177
Parks and recreation			126	
Flood control projects				
Libraries and education		52,686		
Capital outlay				
Debt service				
Principal retirement				
Interest and fiscal charges				
Total Expenditures	<u>465</u>	<u>52,686</u>	<u>126</u>	<u>151,177</u>
Revenues Over (Under) Expenditures	293	(17,902)	540	(112,044)
Other Financing Sources (Uses)				
Operating transfers in				
Operating transfers (out)				
Total Other Financing Sources (Uses)				
Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	293	(17,902)	540	(112,044)
Fund Balances, January 1	14,141	140,982	45,764	166,460
Prior Period Adjustment				
Fund Balances, As Restated, January 1	<u>14,141</u>	<u>140,982</u>	<u>45,764</u>	<u>166,460</u>
Fund Balances, September 30	<u>\$ 14,434</u>	<u>\$ 123,080</u>	<u>\$ 46,304</u>	<u>\$ 54,416</u>

The accompanying notes are an integral part of these financial statements.

Special Revenue Funds					
D.W.I. Video Fee	Probate Court Training	J.P. Technology	Juvenile Alert Program	Juvenile Probation Special	District Attorney Supplemental Salary
\$ 510	\$ 4,948	\$ 63,522	\$	\$	\$
75	127	591	124	11,655	25,133
<u>585</u>	<u>5,075</u>	<u>64,113</u>	<u>3,632</u>	<u>47,118</u>	<u>84</u>
			<u>3,756</u>	<u>58,773</u>	<u>25,217</u>
	1,578		110	69,361	24,985
3,205					
<u>3,205</u>	<u>1,578</u>	<u>64,113</u>	<u>110</u>	<u>69,361</u>	<u>24,985</u>
(2,620)	3,497	64,113	3,646	(10,588)	232
				116	
				<u>116</u>	
(2,620)	3,497	64,113	3,646	(10,472)	232
6,010	7,477	15,808	6,394	171,502	1,309
<u>6,010</u>	<u>7,477</u>	<u>15,808</u>	<u>6,394</u>	<u>171,502</u>	<u>1,309</u>
<u>\$ 3,390</u>	<u>\$ 10,974</u>	<u>\$ 79,921</u>	<u>\$ 10,040</u>	<u>\$ 161,030</u>	<u>\$ 1,541</u>

FORT BEND COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

NON-MAJOR GOVERNMENTAL FUNDS

For The Nine Months Ended September 30, 2002

	Special Revenue			
	District Attorney Forfeiture - Federal	District Attorney Bad Check Collection	Gus George Memorial	Records Management
Revenues				
Taxes	\$	\$	\$	\$
Fees and fines		48,707		323,219
Intergovernmental		4,895		
Earnings on investments	313		105	12,393
Miscellaneous				
Total Revenues	313	53,602	105	335,612
Expenditures				
Current				
General administration				282,004
Financial administration				
Administration of justice	15,496	57,786		
Construction and maintenance				
Health and welfare				
Public safety			299	
Parks and recreation				
Flood control projects				
Libraries and education				
Capital outlay				
Debt service				
Principal retirement				
Interest and fiscal charges				
Total Expenditures	15,496	57,786	299	282,004
Revenues Over (Under) Expenditures	(15,183)	(4,184)	(194)	53,608
Other Financing Sources (Uses)				
Operating transfers in				
Operating transfers (out)				(56,639)
Total Other Financing Sources (Uses)				(56,639)
Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	(15,183)	(4,184)	(194)	(3,031)
Fund Balances, January 1	27,308	111,678	7,330	907,178
Prior Period Adjustment				
Fund Balances, As Restated, January 1	27,308	111,678	7,330	907,178
Fund Balances, September 30	\$ 12,125	\$ 107,494	\$ 7,136	\$ 904,147

The accompanying notes are an integral part of these financial statements.

Special Revenue Funds

<u>District Attorney Special Fun Run</u>	<u>County Attorney Supplement</u>	<u>Records Management - County</u>	<u>VIT Interest</u>	<u>Courthouse Security</u>	<u>Elections Contract</u>
\$	\$	\$	\$	\$	\$
		60,281		192,917	
	50,850				
217	1,046	2,236	26,784	18,662	733
25,053				55	162,013
<u>25,270</u>	<u>51,896</u>	<u>62,517</u>	<u>26,784</u>	<u>211,634</u>	<u>162,746</u>
		35,638			165,709
			26,935		
5,406	39,024	52,202			
				462,344	
<u>5,406</u>	<u>39,024</u>	<u>87,840</u>	<u>26,935</u>	<u>462,344</u>	<u>165,709</u>
19,864	12,872	(25,323)	(151)	(250,710)	(2,963)
19,864	12,872	(25,323)	(151)	(250,710)	(2,963)
115	82,925	163,604	4,355	1,397,975	54,194
<u>115</u>	<u>82,925</u>	<u>163,604</u>	<u>4,355</u>	<u>1,397,975</u>	<u>54,194</u>
<u>\$ 19,979</u>	<u>\$ 95,797</u>	<u>\$ 138,281</u>	<u>\$ 4,204</u>	<u>\$ 1,147,265</u>	<u>\$ 51,231</u>

FORT BEND COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
For The Nine Months Ended September 30, 2002

	Special Revenue Funds			
	Narcotics Fund - Asset Forfeiture Federal	Sheriff's Forfeiture Allocation/ State	Sheriff's Forfeiture Allocation/ Federal	Constable Precinct 2 Asset Forfeiture
Revenues				
Taxes	\$	\$	\$	\$
Fees and fines				
Intergovernmental				
Earnings on investments	1,854	401	235	77
Miscellaneous	120,656	28,798		
Total Revenues	<u>122,510</u>	<u>29,199</u>	<u>235</u>	<u>77</u>
Expenditures				
Current				
General administration				
Financial administration				
Administration of justice				
Construction and maintenance				
Health and welfare				
Public safety	74,204	410	5,693	1,580
Parks and recreation				
Flood control projects				
Libraries and education				
Capital outlay				
Debt service				
Principal retirement				
Interest and fiscal charges				
Total Expenditures	<u>74,204</u>	<u>410</u>	<u>5,693</u>	<u>1,580</u>
Revenues Over (Under) Expenditures	48,306	28,789	(5,458)	(1,503)
Other Financing Sources (Uses)				
Operating transfers in				
Operating transfers (out)				
Total Other Financing Sources (Uses)				
Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	48,306	28,789	(5,458)	(1,503)
Fund Balances, January 1	158,535	11,150	18,493	6,181
Prior Period Adjustment				
Fund Balances, As Restated, January 1	<u>158,535</u>	<u>11,150</u>	<u>18,493</u>	<u>6,181</u>
Fund Balances, September 30	<u>\$ 206,841</u>	<u>\$ 39,939</u>	<u>\$ 13,035</u>	<u>\$ 4,678</u>

The accompanying notes are an integral part of these financial statements.

Special Revenue Funds					
Constable Precinct 4 Asset Forfeiture	Environmental Projects	District Attorney Asset Forfeiture/State	Utility Assistance	DeWitt - Wallace Library Grant	UT-Health Science Center Grant
\$	\$	\$	\$	\$	\$
1	821	904	42	939	24
		19,379			4,200
1	821	20,283	42	939	4,224
		19,303			
	24,690		3,089		
				133,991	2,386
	24,690	19,303	3,089	133,991	2,386
1	(23,869)	980	(3,047)	(133,052)	1,838
1	(23,869)	980	(3,047)	(133,052)	1,838
105	72,130	53,300	3,103	135,886	1,789
105	72,130	53,300	3,103	135,886	1,789
\$ 106	\$ 48,261	\$ 54,280	\$ 56	\$ 2,834	\$ 3,627

FORT BEND COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
For The Nine Months Ended September 30, 2002

	<u>Special Revenue Funds</u>			
	<u>Gates Foundation Grant</u>	<u>LEOSE Training</u>	<u>Katy Library Appropriations</u>	<u>Temporary Emergency Relief</u>
Revenues				
Taxes	\$	\$	\$	\$
Fees and fines				
Intergovernmental		35,456		820
Earnings on investments		968	17	25
Miscellaneous			32,500	
Total Revenues		<u>36,424</u>	<u>32,517</u>	<u>845</u>
Expenditures				
Current				
General administration				
Financial administration				
Administration of justice				
Construction and maintenance				
Health and welfare				845
Public safety		25,352		
Parks and recreation				
Flood control projects				
Libraries and education			6,099	
Capital outlay				
Debt service				
Principal retirement				
Interest and fiscal charges				
Total Expenditures		<u>25,352</u>	<u>6,099</u>	<u>845</u>
Revenues Over (Under) Expenditures		11,072	26,418	
Other Financing Sources (Uses)				
Operating transfers in				
Operating transfers (out)				
Total Other Financing Sources (Uses)				
Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)		11,072	26,418	
Fund Balances, January 1		51,207		
Prior Period Adjustment				
Fund Balances, As Restated, January 1		<u>51,207</u>		
Fund Balances, September 30	<u>\$</u>	<u>\$ 62,279</u>	<u>\$ 26,418</u>	<u>\$</u>

The accompanying notes are an integral part of these financial statements.

Special Revenue Funds					
Emergency Food and Shelter Program	Juvenile Foster Care Title IV-E	Child Protective Services	Community Development Combined Funds	Community Development Block Grants	Home Programs
\$	\$	\$	\$	\$	\$
214,657	105,379	11,182	587,842	1,186,956	296,707
807	5,505	5,936		33	882
		358,410			1,358
<u>215,464</u>	<u>110,884</u>	<u>375,528</u>	<u>587,842</u>	<u>1,186,989</u>	<u>298,947</u>
	110,884				
215,464		77,293	587,842	1,186,989	308,266
<u>215,464</u>	<u>110,884</u>	<u>77,293</u>	<u>587,842</u>	<u>1,186,989</u>	<u>308,266</u>
		298,235			(9,319)
		167,225			
		<u>167,225</u>			
		465,460			(9,319)
					10,117
					<u>10,117</u>
<u>\$</u>	<u>\$</u>	<u>\$ 465,460</u>	<u>\$</u>	<u>\$</u>	<u>\$ 798</u>

FORT BEND COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

NON-MAJOR GOVERNMENTAL FUNDS

For The Nine Months Ended September 30, 2002

	Special Revenue Funds			
	HOPE 3 Program Sales	Emergency Shelter 2000	Child Support Title IV-D Reimbursement	Local Law Enforcement Block Grants
Revenues				
Taxes	\$	\$	\$	\$
Fees and fines				
Intergovernmental		21,542		36,406
Earnings on investments	16,046		1,076	666
Miscellaneous	33,769			
Total Revenues	49,815	21,542	1,076	37,072
Expenditures				
Current				
General administration				
Financial administration				
Administration of justice			1,076	10,160
Construction and maintenance				
Health and welfare	49,815	21,542		
Public safety				26,912
Parks and recreation				
Flood control projects				
Libraries and education				
Capital outlay				
Debt service				
Principal retirement				
Interest and fiscal charges				
Total Expenditures	49,815	21,542	1,076	37,072
Revenues Over (Under) Expenditures				
Other Financing Sources (Uses)				
Operating transfers in				
Operating transfers (out)				
Total Other Financing Sources (Uses)				
Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)				
Fund Balances, January 1				
Prior Period Adjustment				
Fund Balances, As Restated, January 1				
Fund Balances, September 30	\$	\$	\$	\$

The accompanying notes are an integral part of these financial statements.

Special Revenue Funds					
Grant Administration	Juvenile Incentive Block Grant	Juvenile Justice Alternative Education	Household A/G Waste Collection Grant	Juvenile Probation State Aid	Juvenile Probation CCAP
\$	\$	\$	\$	\$	\$
60,805	116	38,973		399,099	449,039
629					
7,810			2		
<u>69,244</u>	<u>116</u>	<u>38,973</u>	<u>2</u>	<u>399,099</u>	<u>449,039</u>
		49,814		399,099	449,039
2,794					
61,552					
<u>64,346</u>	<u>116</u>	<u>49,814</u>	<u>2</u>	<u>399,099</u>	<u>449,039</u>
4,898	116	(10,841)	2		
	(116)				
	<u>(116)</u>				
4,898		(10,841)	2		
7,820		10,841	9		
<u>7,820</u>		<u>10,841</u>	<u>9</u>		
<u>\$ 12,718</u>	<u>\$</u>	<u>\$</u>	<u>\$ 11</u>	<u>\$</u>	<u>\$</u>

FORT BEND COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

NON-MAJOR GOVERNMENTAL FUNDS

For The Nine Months Ended September 30, 2002

	Special Revenue Funds			
	Juvenile Salary Adjustment	Juvenile Special Needs	Adult Probation Supervision	Adult Probation DTP
Revenues				
Taxes	\$	\$	\$	\$
Fees and fines			1,023,873	11,224
Intergovernmental	145,829	38,090	535,833	315,355
Earnings on investments			19,112	
Miscellaneous			3,050	109,982
Total Revenues	145,829	38,090	1,581,868	436,561
Expenditures				
Current				
General administration				
Financial administration				
Administration of justice	145,829	38,090	1,600,355	391,919
Construction and maintenance				
Health and welfare				
Public safety				
Parks and recreation				
Flood control projects				
Libraries and education				
Capital outlay				
Debt service				
Principal retirement				
Interest and fiscal charges				
Total Expenditures	145,829	38,090	1,600,355	391,919
Revenues Over (Under) Expenditures			(18,487)	44,642
Other Financing Sources (Uses)				
Operating transfers in				(44,642)
Operating transfers (out)			18,487	
Total Other Financing Sources (Uses)			18,487	(44,642)
Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)				
Fund Balances, January 1				
Prior Period Adjustment				
Fund Balances, As Restated, January 1				
Fund Balances, September 30	\$	\$	\$	\$

The accompanying notes are an integral part of these financial statements.

Special Revenue Funds					Debt Service Fund
Adult Probation CCP	Adult Probation TAIP	Victims Services Program	Tobacco Compliance Grant	Juvenile Probation	Fort Bend County Combined Debt Service
\$	\$	\$	\$	\$	\$ 4,344,714
413,219	88,821	19,083		182,906	
				56,371	41,984
				17,171	55,316
<u>413,219</u>	<u>88,821</u>	<u>19,083</u>		<u>256,448</u>	<u>4,442,014</u>
439,374	88,821	19,083		4,122,629	
					2,770,000
<u>439,374</u>	<u>88,821</u>	<u>19,083</u>		<u>4,122,629</u>	<u>1,788,579</u>
(26,155)				(3,866,181)	(116,565)
26,155				5,268,077	
<u>26,155</u>				<u>5,268,077</u>	
				1,401,896	(116,565)
				229,230	227,953
				<u>229,230</u>	<u>227,953</u>
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 1,631,126</u>	<u>\$ 111,388</u>

FORT BEND COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
For The Nine Months Ended September 30, 2002

	Debt Service Funds			
	Fort Bend Parkway Unlimited Tax Bonds Series 1990	Fort Bend County Mobility Project Bonds	FBFCWSC Revenue Bonds Series 1995	FBFCWSC Refunding Bonds Series 1999
Revenues				
Taxes	\$ 150,202	\$ 1,676,835	\$ 722,515	\$ 1,289,954
Fees and fines				
Intergovernmental				
Earnings on investments	2,309	15,308	2,531	22,116
Miscellaneous				
Total Revenues	<u>152,511</u>	<u>1,692,143</u>	<u>725,046</u>	<u>1,312,070</u>
Expenditures				
Current				
General administration				
Financial administration				
Administration of justice				
Construction and maintenance				
Health and welfare				
Public safety				
Parks and recreation				
Flood control projects				
Libraries and education				
Capital outlay				
Debt service				
Principal retirement	85,000	325,000	505,000	1,460,000
Interest and fiscal charges	93,293	1,384,850	242,353	492,380
Total Expenditures	<u>178,293</u>	<u>1,709,850</u>	<u>747,353</u>	<u>1,952,380</u>
Revenues Over (Under) Expenditures	(25,782)	(17,707)	(22,307)	(640,310)
Other Financing Sources (Uses)				
Operating transfers in				271,071
Operating transfers (out)				
Total Other Financing Sources (Uses)				<u>271,071</u>
Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	(25,782)	(17,707)	(22,307)	(369,239)
Fund Balances, January 1	108,458	343,427	30,391	1,261,656
Prior Period Adjustment				
Fund Balances, As Restated, January 1	<u>108,458</u>	<u>343,427</u>	<u>30,391</u>	<u>1,261,656</u>
Fund Balances, September 30	<u>\$ 82,676</u>	<u>\$ 325,720</u>	<u>\$ 8,084</u>	<u>\$ 892,417</u>

The accompanying notes are an integral part of these financial statements.

Debt Service Fund	Capital Projects Funds				
FBFCWSC Revenue Bonds Series 2001	Drainage District Capital Improvements	Upper Oyster Creek	Capital Improvements	Clear Creek	Lower Oyster Creek
\$ 800,054	\$	\$	\$	\$	\$
5,911	203	49,572		13,453	13,208
		92,803		138,100	
<u>805,965</u>	<u>203</u>	<u>142,375</u>		<u>151,553</u>	<u>13,208</u>
		192,199			
			1,289,605		
140,000					
664,862					
<u>804,862</u>		<u>192,199</u>	<u>1,289,605</u>		
1,103	203	(49,824)	(1,289,605)	151,553	13,208
			517,618		
			<u>517,618</u>		
1,103	203	(49,824)	(771,987)	151,553	13,208
1,148	14,051	2,599,564	1,597,857	831,370	1,140,349
103,077			(157,013)		
<u>104,225</u>	<u>14,051</u>	<u>2,599,564</u>	<u>1,440,844</u>	<u>831,370</u>	<u>1,140,349</u>
<u>\$ 105,328</u>	<u>\$ 14,254</u>	<u>\$ 2,549,740</u>	<u>\$ 668,857</u>	<u>\$ 982,923</u>	<u>\$ 1,153,557</u>

FORT BEND COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

NON-MAJOR GOVERNMENTAL FUNDS

For The Nine Months Ended September 30, 2002

	Capital Projects Funds			
	Big Creek	Chimney Rock Project	Fifth Street Project	Grand Mission Crossing
Revenues				
Taxes	\$	\$	\$	\$
Fees and fines				
Intergovernmental				
Earnings on investments	16,772		1,500	281
Miscellaneous				
Total Revenues	16,772		1,500	281
Expenditures				
Current				
General administration				
Financial administration				
Administration of justice				
Construction and maintenance				
Health and welfare				
Public safety				
Parks and recreation				
Flood control projects	5,913			
Libraries and education				
Capital outlay		39,743	10,200	
Debt service				
Principal retirement				
Interest and fiscal charges				
Total Expenditures	5,913	39,743	10,200	
Revenues Over (Under) Expenditures	10,859	(39,743)	(8,700)	281
Other Financing Sources (Uses)				
Operating transfers in				
Operating transfers (out)				
Total Other Financing Sources (Uses)				
Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	10,859	(39,743)	(8,700)	281
Fund Balances, January 1	916,578	109,664	103,869	19,476
Prior Period Adjustment				
Fund Balances, As Restated, January 1	916,578	109,664	103,869	19,476
Fund Balances, September 30	\$ 927,437	\$ 69,921	\$ 95,169	\$ 19,757

The accompanying notes are an integral part of these financial statements.

Capital Projects Funds

<u>Road & Bridge Capital Projects</u>	<u>Library Building</u>	<u>Needville JP/Constable Office</u>	<u>Travis Building Renovation</u>	<u>Fort Bend Parkway</u>
\$	\$	\$	\$	\$
	1,702			431
	<u>1,702</u>			<u>431</u>
417,646	50,096	100	83,577	595
<u>417,646</u>	<u>50,096</u>	<u>100</u>	<u>83,577</u>	<u>595</u>
(417,646)	(48,394)	(100)	(83,577)	(164)
5,715			750,503	
<u>5,715</u>			<u>750,503</u>	
(411,931)	(48,394)	(100)	666,926	(164)
574,776	141,852	34,472	643,939	27,215
<u>574,776</u>	<u>141,852</u>	<u>34,472</u>	<u>643,939</u>	<u>27,215</u>
<u>\$ 162,845</u>	<u>\$ 93,458</u>	<u>\$ 34,372</u>	<u>\$ 1,310,865</u>	<u>\$ 27,051</u>

FORT BEND COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
For The Nine Months Ended September 30, 2002

	<u>Capital Projects Funds</u>			
	<u>S. Post Oak Community Center</u>	<u>Juvenile Expansion Project</u>	<u>Bates Allen Park</u>	<u>FBFCWSC Construction County</u>
Revenues				
Taxes	\$	\$	\$	\$
Fees and fines				
Intergovernmental				
Earnings on investments		7,764	218	205,838
Miscellaneous	152,830			
Total Revenues	<u>152,830</u>	<u>7,764</u>	<u>218</u>	<u>205,838</u>
Expenditures				
Current				
General administration				
Financial administration				
Administration of justice				
Construction and maintenance				
Health and welfare			7,884	
Public safety				
Parks and recreation				
Flood control projects				
Libraries and education				
Capital outlay	80,237	782,638		86,329
Debt service				
Principal retirement				
Interest and fiscal charges				
Total Expenditures	<u>80,237</u>	<u>782,638</u>	<u>7,884</u>	<u>86,329</u>
Revenues Over (Under) Expenditures	72,593	(774,874)	(7,666)	119,509
Other Financing Sources (Uses)				
Operating transfers in		90,564		
Operating transfers (out)				
Total Other Financing Sources (Uses)		<u>90,564</u>		
Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	72,593	(684,310)	(7,666)	119,509
Fund Balances, January 1	(72,593)	844,492	18,301	12,178,840
Prior Period Adjustment				
Fund Balances, As Restated, January 1	<u>(72,593)</u>	<u>844,492</u>	<u>18,301</u>	<u>12,178,840</u>
Fund Balances, September 30	<u>\$</u>	<u>\$ 160,182</u>	<u>\$ 10,635</u>	<u>\$ 12,298,349</u>

The accompanying notes are an integral part of these financial statements.

<u>Totals</u>	
\$	13,623,569
	1,901,111
	5,355,371
	697,904
	1,862,987
	<u>23,440,942</u>
	483,351
	26,935
	8,323,065
	112,072
	2,562,035
	834,199
	126
	4,326,935
	256,714
	2,840,766
	5,371,643
	4,669,471
	<u>29,807,312</u>
	(6,366,370)
	7,052,402
	(313,371)
	<u>6,739,031</u>
	372,661
	30,480,404
	(53,936)
	<u>30,426,468</u>
\$	<u>30,799,129</u>

FORT BEND COUNTY, TEXAS
DRAINAGE DISTRICT - SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
For The Nine Months Ended September 30, 2002
with comparative actual amounts for the year ended December 31, 2001

	2002		Variance Over (Under)	2001 Actual
	Budget	Actual(1)		
Revenues				
Taxes				
Property taxes - current	\$ 4,557,507	\$ 4,462,047	\$ (95,460)	\$ 4,312,945
Property taxes - delinquent	135,000	123,344	(11,656)	133,803
Penalties and interest	63,000	53,904	(9,096)	55,948
Total Taxes	<u>4,755,507</u>	<u>4,639,295</u>	<u>(116,212)</u>	<u>4,502,696</u>
Intergovernmental				478
Earnings on investments	140,000	95,740	(44,260)	228,481
Unrealized gain on investments				142,213
Miscellaneous	50,000	316,316	266,316	749,997
Total Revenues	<u>4,945,507</u>	<u>5,051,351</u>	<u>105,844</u>	<u>5,623,865</u>
Expenditures				
Current:				
Flood control projects	5,568,399	4,128,823	1,439,576	4,938,684
Capital Outlay				40,920
Debt Service				
Principal retirement	86,643	86,643		205,883
Interest and fiscal charges	3,154	3,154		9,303
Total Expenditures	<u>5,658,196</u>	<u>4,218,620</u>	<u>1,439,576</u>	<u>5,194,790</u>
Revenues Over (Under) Expenditures	(712,689)	832,731	1,545,420	429,075
Other Financing Sources (Uses)				
Proceeds from capital lease				40,920
Operating transfers (out)	(274,095)	(274,095)		(1,751,337)
Total Other Financing Sources (Uses)	<u>(274,095)</u>	<u>(274,095)</u>		<u>(1,710,417)</u>
Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	(986,784)	558,636	1,545,420	(1,281,342)
Fund Balance, Beginning	<u>2,076,047</u>	<u>2,076,047</u>		<u>3,357,389</u>
Fund Balance, Ending	<u>\$ 1,089,263</u>	<u>\$ 2,634,683</u>	<u>\$ 1,545,420</u>	<u>\$ 2,076,047</u>

(1) Due to a change in fiscal year, 2002 actual amounts only represent nine months of activity.

The accompanying notes are an integral part of these financial statements.

FORT BEND COUNTY, TEXAS
MOBILITY PROJECT BONDS DEBT SERVICE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
For The Nine Months Ended September 30, 2002
with comparative actual amounts for the year ended December 31, 2001

	2002		Variance Over (Under)	2001 Actual
	Budget	Actual(1)		
Revenues				
Taxes				
Property taxes-current	\$ 1,644,850	\$ 1,616,288	\$ (28,562)	\$ 743,529
Property taxes-delinquent	22,000	41,716	19,716	23,890
Penalties and interest	10,000	18,831	8,831	9,223
Total Taxes	1,676,850	1,676,835	(15)	776,642
Earnings on investments	35,000	15,308	(19,692)	26,332
Total Revenues	1,711,850	1,692,143	(19,707)	802,974
Expenditures				
Debt service				
Principal retirement	325,000	325,000		
Interest and fiscal charges	1,384,850	1,384,850		459,918
Total Expenditures	1,709,850	1,709,850		459,918
Revenues Over Expenditures	2,000	(17,707)	(19,707)	343,056
Fund Balance, Beginning	343,427	343,427		371
Fund Balance, Ending	<u>\$ 345,427</u>	<u>\$ 325,720</u>	<u>\$ (19,707)</u>	<u>\$ 343,427</u>

(1) Due to a change in fiscal year, 2002 actual amounts only represent nine months of activity.

The accompanying notes are an integral part of these financial statements.

FORT BEND COUNTY, TEXAS
FBFCWSC REVENUE BONDS SERIES 2001 - DEBT SERVICE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
For The Nine Months Ended September 30, 2002
with comparative actual amounts for the year ended December 31, 2001

	2002		Variance Over (Under)	2001 Actual
	Budget	Actual(1)		
Revenues				
Taxes				
Property taxes-current	\$ 786,040	\$ 772,415	\$ (13,625)	\$
Property taxes-delinquent	5,000	19,355	14,355	
Penalties and interest	5,000	8,284	3,284	
Total Taxes	796,040	800,054	4,014	
Earnings on investments	10,000	5,911	(4,089)	1,148
Total Revenues	806,040	805,965	(75)	1,148
Expenditures				
Debt service				
Principal retirement	140,000	140,000		
Interest and fiscal charges	666,040	664,862	1,178	
Total Expenditures	806,040	804,862	1,178	
Revenues Over Expenditures		1,103	1,103	1,148
Fund Balance, Beginning	1,148	1,148		
Prior Period Adjustment		103,077	103,077	
Fund Balance, Beginning, As Restated	1,148	104,225	103,077	
Fund Balance, Ending	\$ 1,148	\$ 105,328	\$ 104,180	\$ 1,148

(1) Due to a change in fiscal year, 2002 actual amounts only represent nine months of activity.

The accompanying notes are an integral part of these financial statements.

FORT BEND COUNTY, TEXAS
FBFCWSC REVENUE BONDS SERIES 1995 - DEBT SERVICE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
For The Nine Months Ended September 30, 2002
with comparative actual amounts for the year ended December 31, 2001

	2002		Variance Over (Under)	2001 Actual
	Budget	Actual(1)		
Revenues				
Taxes				
Property taxes-current	\$ 709,156	\$ 697,556	\$ (11,600)	\$ 705,671
Property taxes-delinquent	18,000	17,478	(522)	21,390
Penalties and interest	9,100	7,481	(1,619)	8,441
Total Taxes	736,256	722,515	(13,741)	735,502
Earnings on investments	12,000	2,531	(9,469)	8,366
Total Revenues	748,256	725,046	(23,210)	743,868
Expenditures				
Debt service				
Principal retirement	505,000	505,000		470,000
Interest and fiscal charges	243,256	242,353	903	268,199
Total Expenditures	748,256	747,353	903	738,199
Revenues (Under) Expenditures		(22,307)	(22,307)	5,669
Fund Balance, Beginning	30,391	30,391		24,722
Fund Balance, Ending	\$ 30,391	\$ 8,084	\$ (22,307)	\$ 30,391

(1) Due to a change in fiscal year, 2002 actual amounts only represent nine months of activity.

The accompanying notes are an integral part of these financial statements.

FORT BEND COUNTY, TEXAS
COMBINED DEBT SERVICE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
For The Nine Months Ended September 30, 2002
with comparative actual amounts for the year ended December 31, 2001

	2002		Variance Over (Under)	2001 Actual
	Budget	Actual(1)		
Revenues				
Taxes				
Property taxes-current	\$ 4,270,268	\$ 4,197,244	\$ (73,024)	\$ 4,193,140
Property taxes-delinquent	120,000	103,955	(16,045)	110,216
Penalties and interest	54,000	43,515	(10,485)	45,592
Total Taxes	4,444,268	4,344,714	(99,554)	4,348,948
Earnings on investments	167,000	41,984	(125,016)	126,822
Miscellaneous		55,316	55,316	57,760
Total Revenues	4,611,268	4,442,014	(169,254)	4,533,530
Expenditures				
Debt service				
Principal retirement	2,770,000	2,770,000		3,020,000
Interest and fiscal charges	1,792,468	1,788,579	3,889	1,964,275
Total Expenditures	4,562,468	4,558,579	3,889	4,984,275
Revenues (Under) Expenditures	48,800	(116,565)	(165,365)	(450,745)
Fund Balance, Beginning	227,953	227,953		678,698
Fund Balance, Ending	\$ 276,753	\$ 111,388	\$ (165,365)	\$ 227,953

(1) Due to a change in fiscal year, 2002 actual amounts only represent nine months of activity.

The accompanying notes are an integral part of these financial statements.

FORT BEND COUNTY, TEXAS
FBFCWSC REFUNDING BONDS SERIES 1999 - DEBT SERVICE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
For The Nine Months Ended September 30, 2002
with comparative actual amounts for the year ended December 31, 2001

	<u>2002</u>		Variance Over (Under)	2001 Actual
	<u>Budget</u>	<u>Actual(1)</u>		
Revenues				
Taxes				
Property taxes-current	\$ 1,267,380	\$ 1,245,392	\$ (21,988)	\$ 1,472,360
Property taxes-delinquent	170,000	31,206	(138,794)	37,396
Penalties and interest	19,000	13,356	(5,644)	15,775
Total Taxes	1,456,380	1,289,954	(166,426)	1,525,531
Earnings on investments	48,000	22,116	(25,884)	43,883
Total Revenues	1,504,380	1,312,070	(192,310)	1,569,414
Expenditures				
Debt Service				
Principal retirement	1,460,000	1,460,000		1,410,000
Interest and fiscal charges	494,380	492,380	2,000	552,467
Total Expenditures	1,954,380	1,952,380	2,000	1,962,467
Revenues Over (Under) Expenditures	(450,000)	(640,310)	(190,310)	(393,053)
Other Financing Sources				
Operating transfers in		271,071	271,071	651,337
Total Other Financing Sources		271,071	271,071	651,337
Revenues and Other Financing Sources Over (Under) Expenditures	(450,000)	(369,239)	80,761	258,284
Fund Balance, Beginning	1,261,656	1,261,656		1,003,372
Fund Balance, Ending	<u>\$ 811,656</u>	<u>\$ 892,417</u>	<u>\$ 80,761</u>	<u>\$ 1,261,656</u>

(1) Due to a change in fiscal year, 2002 actual amounts only represent nine months of activity.

The accompanying notes are an integral part of these financial statements.

FORT BEND COUNTY, TEXAS
EMPLOYEE BENEFITS FUND
COMPARATIVE BALANCE SHEETS
As of September 30, 2002 and December 31, 2001

	2002	2001
Assets		
Cash and temporary investments		
Cash and cash equivalents	\$ 2,368,030	\$ 54,400
Due from other funds	46,563	1,216,110
Other receivables	1,851	73,916
Total Assets	\$ 2,416,444	\$ 1,344,426
Liabilities and Fund Equity		
Liabilities		
Accounts payable	\$	\$ 17,594
Benefits payable	1,206,578	1,282,307
Due to other funds	1,250,000	1,250,000
Total Liabilities	2,456,578	2,549,901
Fund Equity		
Retained (deficit)	(40,134)	(1,205,475)
Total Fund Equity	(40,134)	(1,205,475)
Total Liabilities and Fund Equity	\$ 2,416,444	\$ 1,344,426

The accompanying notes are an integral part of these financial statements.

FORT BEND COUNTY, TEXAS
EMPLOYEE BENEFITS FUND
COMPARATIVE SCHEDULE OF REVENUES, EXPENSES, AND
CHANGES IN RETAINED EARNINGS
For The Nine Months Ended September 30, 2002
with comparative totals for the year ended December 31, 2001

	<u>2002(1)</u>	<u>2001</u>
Revenues		
Charges for services	\$ 10,859,673	\$ 8,929,254
Operating Expenses		
Current operations - general administration	2,248,542	733,041
Insurance premiums		1,557,211
Benefits provided	7,537,377	9,737,013
Total Operating Expenses	<u>9,785,919</u>	<u>12,027,265</u>
Operating Income (Loss)	1,073,754	(3,098,011)
Nonoperating Revenue		
Earnings on investments	85,077	209,958
Net Income (Loss) Before Operating Transfers In	1,158,831	(2,888,053)
Operating transfers in		1,833,500
Total transfers in		<u>1,833,500</u>
Net Income (Loss)	1,158,831	(1,054,553)
Retained (Deficit), Beginning	(1,205,475)	(150,922)
Prior Period Adjustment	6,510	
Retained (Deficit), As Restated, Beginning	<u>(1,198,965)</u>	<u>(150,922)</u>
Retained (Deficit), Ending	<u>\$ (40,134)</u>	<u>\$ (1,205,475)</u>

(1) Due to a change in fiscal year, 2002 amounts only represent nine months of activity.

The accompanying notes are an integral part of these financial statements.

FORT BEND COUNTY, TEXAS
WORKERS' COMPENSATION FUND
COMPARATIVE BALANCE SHEETS
As of September 30, 2002 and December 31, 2001

	2002	2001
Assets		
Cash and temporary investments		
Cash and cash equivalents	\$ 1,571,445	\$ 1,458,586
Due from other funds	3,662	7,626
Other receivables	46,500	31,500
	\$ 1,621,607	\$ 1,497,712
Liabilities and Fund Equity		
Liabilities		
Accounts payable	\$ 60,373	\$ 78,081
Benefits payable	901,623	680,898
Due to other funds	250,000	
	1,211,996	758,979
Fund Equity		
Retained earnings	409,611	738,733
	409,611	738,733
	\$ 1,621,607	\$ 1,497,712

The accompanying notes are an integral part of these financial statements.

FORT BEND COUNTY, TEXAS
WORKERS' COMPENSATION FUND
COMPARATIVE SCHEDULE OF REVENUES, EXPENSES,
AND CHANGES IN RETAINED EARNINGS
For The Nine Months Ended September 30, 2002
with comparative totals for the year ended December 31, 2001

	<u>2002(1)</u>	<u>2001</u>
Revenues		
Charges for services	\$ 622,445	\$ 589,694
Operating Expenses		
Current operations - general administration	154,977	179,549
Benefits provided	573,013	1,063,488
Total Operating Expenses	<u>727,990</u>	<u>1,243,037</u>
Operating (Loss)	(105,545)	(653,343)
Nonoperating Revenue		
Earnings on investments	<u>26,423</u>	<u>72,332</u>
Net (Loss) Before Operating Transfers (Out)	(79,122)	(581,011)
Operating transfers (out)	<u>(250,000)</u>	
Total transfers (out)	<u>(250,000)</u>	
Net (Loss)	(329,122)	(581,011)
Retained Earnings, Beginning	<u>738,733</u>	<u>1,319,744</u>
Retained Earnings, Ending	<u>\$ 409,611</u>	<u>\$ 738,733</u>

(1) Due to a change in fiscal year, 2002 amounts only represent nine months of activity.

The accompanying notes are an integral part of these financial statements.

FORT BEND COUNTY, TEXAS
COMBINING STATEMENT OF NET ASSETS (DEFICIT)
INTERNAL SERVICE FUNDS
September 30, 2002

	<u>Employee Benefits</u>	<u>Workers' Compensation</u>	<u>Totals</u>
Assets			
Cash and temporary investments			
Cash and cash equivalents	\$ 2,368,030	\$ 1,571,445	\$ 3,939,475
Due from other funds	46,563	3,662	50,225
Other receivables	1,851	46,500	48,351
	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 2,416,444</u>	<u>\$ 1,621,607</u>	<u>\$ 4,038,051</u>
Liabilities and Net Assets (Deficit)			
Liabilities			
Accounts payable	\$	\$ 60,373	\$ 60,373
Benefits payable	1,206,578	901,623	2,108,201
Due to other funds	1,250,000	250,000	1,500,000
	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>2,456,578</u>	<u>1,211,996</u>	<u>3,668,574</u>
Net Assets (Deficit)			
Unrestricted (deficit)	<u>(40,134)</u>	<u>409,611</u>	<u>369,477</u>
	<u> </u>	<u> </u>	<u> </u>
Total Net Assets (Deficit)	<u>\$ (40,134)</u>	<u>\$ 409,611</u>	<u>\$ 369,477</u>

The accompanying notes are an integral part of these financial statements.

FORT BEND COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET ASSETS
INTERNAL SERVICE FUNDS
For The Nine Months Ended September 30, 2002

	<u>Employee Benefits</u>	<u>Workers' Compensation</u>	<u>Totals(1)</u>
Revenues			
Charges for services	\$ 10,859,673	\$ 622,445	\$ 11,482,118
Operating Expenses			
Current operations - general administration	2,248,542	154,977	2,403,519
Benefits provided	7,530,867	573,013	8,103,880
Total Operating Expenses	<u>9,779,409</u>	<u>727,990</u>	<u>10,507,399</u>
Operating Income (Loss)	1,080,264	(105,545)	974,719
Nonoperating Revenue			
Earnings on investments	<u>85,077</u>	<u>26,423</u>	<u>111,500</u>
Net Income (Loss) Before Operating Transfers (Out)	1,165,341	(79,122)	1,086,219
Operating transfers (out)		<u>(250,000)</u>	<u>(250,000)</u>
Total transfers (out)		<u>(250,000)</u>	<u>(250,000)</u>
Net Income (Loss)	1,165,341	(329,122)	836,219
Net Assets (Deficit), January 1	(1,205,475)	738,733	(466,742)
Net Assets (Deficit), September 30	<u>\$ (40,134)</u>	<u>\$ 409,611</u>	<u>\$ 369,477</u>

(1) Due to a change in fiscal year, 2002 amounts only represent nine months of activity.

The accompanying notes are an integral part of these financial statements.

FORT BEND COUNTY, TEXAS
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For The Nine Months Ended September 30, 2002

	<u>Employee Benefits</u>	<u>Workers' Compensation</u>	<u>Totals</u>
Cash Flows From Operating Activities			
Charges for services	\$ 12,029,220	\$ 876,409	\$ 12,905,629
Payment of premiums			
Payment of benefits	(7,534,531)	(367,288)	(7,901,819)
Payment of general administration expenses	(2,266,136)	(172,685)	(2,438,821)
Net Cash Provided by Operating Activities	<u>2,228,553</u>	<u>336,436</u>	<u>2,564,989</u>
Cash Flows From Noncapital Financing Activities			
Operating transfers (out)		(250,000)	(250,000)
Net Cash Provided by Noncapital Financing Activities		<u>(250,000)</u>	<u>(250,000)</u>
Cash Flows From Investing Activities			
Interest earned on investments	85,077	26,423	111,500
Net Increase in Cash and Cash Equivalents	2,313,630	112,859	2,426,489
Cash and Cash Equivalents, January 1	<u>54,400</u>	<u>1,458,586</u>	<u>1,512,986</u>
Cash and Cash Equivalents, September 30	<u>\$ 2,368,030</u>	<u>\$ 1,571,445</u>	<u>\$ 3,939,475</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities			
Operating income (loss)	\$ 1,073,754	\$ (120,545)	\$ 953,209
Prior period adjustment	6,510	15,000	21,510
Change in assets and liabilities			
(Increase) decrease in other receivables	72,065	(15,000)	57,065
(Increase) decrease in due from other funds	1,169,547	3,964	1,173,511
Increase (decrease) in accounts payable	(17,594)	(17,708)	(35,302)
Increase (decrease) in benefits payable	(75,729)	220,725	144,996
Increase (decrease) in due to other funds		250,000	250,000
Net Cash Provided (Used) by Operating Activities	<u>\$ 2,228,553</u>	<u>\$ 336,436</u>	<u>\$ 2,564,989</u>

The accompanying notes are an integral part of these financial statements.

FORT BEND COUNTY, TEXAS
COMBINING BALANCE SHEET
DISCRETELY PRESENTED COMPONENT UNITS
September 30, 2002

	FBC Surface Water Supply Corporation	Fort Bend Toll Road Authority	Fort Bend Housing Finance Corporation	Totals
Assets				
Cash and temporary investments	\$ 7,674	\$ 11,518,011	\$ 31,265	\$ 11,556,950
Investments			193,078	193,078
Receivables			211,609	211,609
Capital assets, net		7,133,378		7,133,378
Total Assets	\$ 7,674	\$ 18,651,389	\$ 435,952	\$ 19,095,015
Liabilities and Fund Equity				
Liabilities				
Accounts payable	\$	\$ 1,974,782	\$ 11,564	\$ 1,986,346
Due to primary government		807,044		807,044
Due to other government		15,000,000		15,000,000
Total Liabilities		17,781,826	11,564	17,793,390
Fund Equity				
Retained Earnings		869,563		869,563
Fund Balances				
Unreserved and undesignated	7,674		424,388	432,062
Total Fund Equity	7,674	869,563	424,388	1,301,625
Total Liabilities and Fund Equity	\$ 7,674	\$ 18,651,389	\$ 435,952	\$ 19,095,015

The accompanying notes are an integral part of these financial statements.

FORT BEND COUNTY, TEXAS
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND EQUITY
DISCRETELY PRESENTED COMPONENT UNITS
For The Nine Months Ended September 30, 2002

	FBC Surface Water Supply Corporation	Fort Bend Toll Road Authority	Fort Bend Housing Finance Corporation	Totals(1)
Revenues				
Bond Fees	\$	\$	\$ 22,308	\$ 22,308
Earnings on investments	1,034	75,563	5,590	82,187
Miscellaneous			53	53
Total Revenues	<u>1,034</u>	<u>75,563</u>	<u>27,951</u>	<u>104,548</u>
Expenditures				
Current				
General administration			29,600	29,600
Health and welfare	93,074			93,074
Total Expenditures	<u>93,074</u>		<u>29,600</u>	<u>122,674</u>
Revenues Over (Under)				
Expenditures	(92,040)	75,563	(1,649)	(18,126)
Fund Equity, Beginning of Year	<u>99,714</u>	<u>794,000</u>	<u>426,037</u>	<u>1,319,751</u>
Fund Equity, End of Year	<u>\$ 7,674</u>	<u>\$ 869,563</u>	<u>\$ 424,388</u>	<u>\$ 1,301,625</u>

(1) Due to a change in fiscal year, 2002 amounts only represent nine months of activity.

The accompanying notes are an integral part of these financial statements.

CAPITAL ASSETS USED IN THE OPERATION
OF GOVERNMENTAL ACTIVITIES

FORT BEND COUNTY
CAPITAL ASSETS USED IN THE OPERATION OF
GOVERNMENTAL FUNDS - BY SOURCE
September 30, 2002

Governmental Funds Capital Assets:

Land	\$	86,776,146
Buildings		92,775,318
Vehicles		9,320,738
Office Furniture & Fixtures		8,809,552
Machinery & Equipment		15,110,165
Infrastructure		180,009,822
Construction-in-Progress		7,419,881
		<hr/>
Total Governmental Funds Capital Assets	\$	400,221,622
		<hr/> <hr/>

Investment in Governmental Capital Assets by Source:

Current revenues	\$	95,136,805
Capital projects funds		43,861,713
State and federal grants		2,145,862
Donations and other		259,077,242
		<hr/>
Total Governmental Funds Capital Assets	\$	400,221,622
		<hr/> <hr/>

The accompanying notes are an integral part of these financial statements.



FORT BEND COUNTY
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL
FUNDS - SCHEDULE BY FUND AND ACTIVITY
September 30, 2002

Function / Department	Land	Buildings & Facilities	Vehicles
General Administration			
County Judge	\$	\$	\$ 19,564
Commissioner Precinct #1			18,812
Commissioner Precinct #2			26,052
Commissioner Precinct #3		54,064	18,299
Commissioner Precinct #4	120,188	245,064	21,795
Risk Management/Insurance			18,542
County Clerk			
Elections Administrator			
Human Resources			
Building Services			56,896
Vehicle Maintenance		872,243	73,142
Management Information Systems			31,794
Telecommunications			
Nondepartmental	5,497,080	21,135,742	
Purchasing Agent			30,820
Records Management			
Centralized Mailroom			13,821
Total General Administration	<u>5,617,268</u>	<u>22,307,113</u>	<u>329,537</u>
Financial Administration			
Tax Collector			
Budget Office			
County Auditor			
Total Financial Administration			
Administration of Justice			
District Clerk			
Juvenile Probation/Detention		3,980,870	239,428
240th District Court			
400th District Court			
County Court at Law #1			
County Court at Law #4			
District Attorney			87,486
County Attorney			21,026
Child Support			
Adult Probation		737,593	153,159
Justice of the Peace #2			20,999
Justice of the Peace #3		819,930	
Total Administration of Justice		<u>5,538,393</u>	<u>522,098</u>
Construction and Maintenance			
County Engineering Department		627,216	208,158
Road & Bridge Department	78,423,521	2,251,469	1,060,441
Total Construction and Maintenance	<u>78,423,521</u>	<u>2,878,685</u>	<u>1,268,599</u>

The accompanying notes are an integral part of these financial statements.

<u>Office Furniture & Fixtures</u>	<u>Machinery & Equipment</u>	<u>Infrastructure</u>	<u>Construction-in -Progress</u>	<u>Total</u>
\$ 24,254	\$	\$	\$	\$ 43,818
				18,812
8,507				34,559
19,838				92,201
18,919				405,966
				18,542
385,530				385,530
220,898				220,898
65,201				65,201
				56,896
16,294	5,590			967,269
1,310,863				1,342,657
803,300				803,300
			141,644	26,774,466
				30,820
104,805				104,805
5,000				18,821
<u>2,983,409</u>	<u>5,590</u>		<u>141,644</u>	<u>31,384,561</u>
115,457				115,457
12,110				12,110
240,727				240,727
<u>368,294</u>				<u>368,294</u>
168,091				168,091
113,093			1,343,517	5,676,908
5,995				5,995
28,520				28,520
6,000				6,000
5,500				5,500
38,690				126,176
5,500				26,526
5,064				5,064
196,345				1,087,097
12,775				33,774
				819,930
<u>585,573</u>			<u>1,343,517</u>	<u>7,989,581</u>
223,913	573,388			1,632,675
154,115	8,980,981	180,009,822	5,866,614	276,746,963
<u>378,028</u>	<u>9,554,369</u>	<u>180,009,822</u>	<u>5,866,614</u>	<u>278,379,638</u>

FORT BEND COUNTY
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL
FUNDS - SCHEDULE BY FUND AND ACTIVITY
September 30, 2002

Function / Department	Land	Buildings	Vehicles
Health & Welfare			
FBC Social Services	\$	\$	\$ 71,837
County Health Department			148,820
Ambulance/EMS		261,764	603,096
Animal Control		467,835	140,939
Environmental Health		19,295	185,938
Total Health & Welfare		<u>748,894</u>	<u>1,150,630</u>
Cooperative Service			
County Extension Service		2,096,474	29,000
Veterans' Service			17,499
Community Development			37,568
Total Cooperative Service		<u>2,096,474</u>	<u>84,067</u>
Public Safety			
Constable #1			307,008
Constable #2		20,000	227,304
Constable #3			180,266
Constable #4			265,056
Sheriff and Jail	62,858	33,129,183	3,341,544
Department of Public Safety		7,568	
Fire Marshall			101,246
Emergency Management		294,170	41,556
Total Public Safety	<u>62,858</u>	<u>33,450,921</u>	<u>4,463,980</u>
Parks and Recreation			
Fairgrounds	419,552	3,222,601	26,418
Parks Department	1,312,251	4,842,411	185,465
Total Parks and Recreation	<u>1,731,803</u>	<u>8,065,012</u>	<u>211,883</u>
Drainage	<u>166,556</u>	<u>1,187,551</u>	<u>1,206,249</u>
Library	<u>774,140</u>	<u>16,502,275</u>	<u>83,695</u>
Totals Governmental Fund Capital Assets	<u>\$ 86,776,146</u>	<u>\$ 92,775,318</u>	<u>\$ 9,320,738</u>

The accompanying notes are an integral part of these financial statements.

<u>Office Furniture & Fixtures</u>	<u>Machinery & Equipment</u>	<u>Infrastructure</u>	<u>Construction-in -Progress</u>	<u>Total</u>
\$	\$	\$	\$	\$
13,862				71,837
440,583	31,440			162,682
15,559				1,336,883
	16,791			624,333
<u>470,004</u>	<u>48,231</u>			<u>222,024</u>
				<u>2,417,759</u>
41,106	35,217			2,201,797
				17,499
				37,568
<u>41,106</u>	<u>35,217</u>			<u>2,256,864</u>
39,695				346,703
14,805				262,109
44,593				224,859
52,171				317,227
2,757,422	30,500			39,321,507
				7,568
35,820				137,066
32,059	33,503			401,288
<u>2,976,565</u>	<u>64,003</u>			<u>41,018,327</u>
47,995	92,651		9,075	3,818,292
45,358	233,682		46,996	6,666,163
<u>93,353</u>	<u>326,333</u>		<u>56,071</u>	<u>10,484,455</u>
45,654	5,076,422			7,682,432
867,566			12,035	18,239,711
<u>\$ 8,809,552</u>	<u>\$ 15,110,165</u>	<u>\$ 180,009,822</u>	<u>\$ 7,419,881</u>	<u>\$ 400,221,622</u>

FORT BEND COUNTY
CAPITAL ASSETS USED IN THE OPERATIONS OF GOVERNMENTAL
FUNDS - SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY
For The Nine Months Ended September 30, 2002

<u>Function / Department</u>	<u>Balance January 1</u>	<u>Additions</u>
General Administration		
County Judge	\$ 43,818	
Commissioner Precinct #1	18,812	
Commissioner Precinct #2	50,792	
Commissioner Precinct #3	92,201	
Commissioner Precinct #4	405,966	
Risk Management/Insurance	18,542	
County Clerk	365,293	29,796
Elections Administrator	220,898	
Human Resources	58,383	6,818
Building Services	56,896	
Vehicle Maintenance	1,007,307	
Management Information Systems	1,385,415	47,088
Telecommunications	796,715	11,585
Nondepartmental	26,662,075	131,005
Purchasing Agent	30,820	
Records Management	91,834	12,971
Centralized Mailroom	18,821	
Total General Administration	<u>31,324,588</u>	<u>239,263</u>
Financial Administration		
Tax Collector	106,780	8,677
Budget Office	6,000	6,110
County Auditor	240,727	
Total Financial Administration	<u>353,507</u>	<u>14,787</u>
Administration of Justice		
District Clerk	162,091	6,000
Juvenile Probation/Detention	4,858,451	862,255
240th District Court	5,995	
400th District Court	13,079	15,441
County Court at Law #1		6,000
County Court at Law #4	5,500	
District Attorney	126,176	
County Attorney	26,526	
Child Support	5,064	
Adult Probation	1,076,410	10,687
Justice of the Peace #2	33,774	
Justice of the Peace #3	819,930	
Total Administration of Justice	<u>7,132,996</u>	<u>900,383</u>
Construction and Maintenance		
County Engineering Department	1,450,069	64,127
Road & Bridge Department	261,458,886	15,917,198
Total Construction and Maintenance	<u>262,908,955</u>	<u>15,981,325</u>

The accompanying notes are an integral part of these financial statements.

EXHIBIT H-3
Page 1 of 2

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Disposals</u>	<u>Balance September 30</u>
			\$ 43,818
			18,812
		16,233	34,559
			92,201
			405,966
			18,542
		9,559	385,530
			220,898
			65,201
			56,896
		40,038	967,269
		89,846	1,342,657
		5,000	803,300
		18,614	26,774,466
			30,820
			104,805
			18,821
		<u>179,290</u>	<u>31,384,561</u>
			115,457
			12,110
			240,727
			<u>368,294</u>
			168,091
		43,798	5,676,908
			5,995
			28,520
			6,000
			5,500
			126,176
			26,526
			5,064
			1,087,097
			33,774
			819,930
		<u>43,798</u>	<u>7,989,581</u>
147,371		28,892	1,632,675
	6,929	622,192	276,746,963
<u>147,371</u>	<u>6,929</u>	<u>651,084</u>	<u>278,379,638</u>

FORT BEND COUNTY
CAPITAL ASSETS USED IN THE OPERATIONS OF GOVERNMENTAL
FUNDS - SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY
For The Nine Months Ended September 30, 2002

<u>Function / Department</u>	<u>Balance January 1</u>	<u>Additions</u>
Health & Welfare		
FBC Social Services	\$ 71,837	\$
County Health Department	140,967	21,715
Environmental	1,369,895	41,346
Ambulance/EMS	572,278	34,690
Animal Control	222,024	
Total Health & Welfare	<u>2,377,001</u>	<u>97,751</u>
Cooperative Service		
County Extension Service	2,201,797	
Veterans' Service	17,499	
Community Development	37,568	
Total Cooperative Service	<u>2,256,864</u>	
Public Safety		
Constable #1	289,054	57,649
Constable #2	261,092	20,581
Constable #3	205,621	56,118
Constable #4	338,420	20,410
Sheriff and Jail	39,176,926	775,920
Department of Public Safety	7,568	
Fire Marshall	109,151	27,915
Emergency Management	401,288	
Total Public Safety	<u>40,789,120</u>	<u>958,593</u>
Parks and Recreation		
Fairgrounds	3,789,418	48,673
Parks Department	5,961,709	3,549,650
Total Parks and Recreation	<u>9,751,127</u>	<u>3,598,323</u>
Drainage	<u>7,539,772</u>	<u>387,767</u>
Library	<u>18,017,611</u>	<u>469,317</u>
Total Governmental Fund Capital Assets	<u>\$ 382,451,541</u>	<u>\$ 22,647,509</u>

The accompanying notes are an integral part of these financial statements.

EXHIBIT H-3
Page 2 of 2

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Disposals</u>	<u>Balance September 30</u>
\$			\$ 71,837
			162,682
		74,358	1,336,883
17,365			624,333
			222,024
<u>17,365</u>		<u>74,358</u>	<u>2,417,759</u>
			2,201,797
			17,499
			37,568
			<u>2,256,864</u>
			346,703
		19,564	262,109
		36,880	224,859
	41,603		317,227
41,603	17,365	655,577	39,321,507
			7,568
			137,066
			401,288
<u>41,603</u>	<u>58,968</u>	<u>712,021</u>	<u>41,018,327</u>
			19,799
6,929		2,852,125	3,818,292
<u>6,929</u>		<u>2,871,924</u>	<u>6,666,163</u>
	147,371	97,736	7,682,432
		247,217	18,239,711
<u>\$ 213,268</u>	<u>\$ 213,268</u>	<u>\$ 4,877,428</u>	<u>\$ 400,221,622</u>



DEBT SCHEDULES

FORT BEND COUNTY, TEXAS
COMBINING SCHEDULE OF GENERAL LONG-TERM
DEBT BY MATURITY DATE
September 30, 2002

Fiscal Year Ending September 30,	Totals		
	Total	Principal	Interest
2003	9,745,527	5,460,000	4,285,527
2004	9,618,847	5,590,000	4,028,847
2005	9,490,377	5,730,000	3,760,377
2006	9,478,987	6,000,000	3,478,987
2007	9,438,954	6,260,000	3,178,954
2008	9,346,248	6,485,000	2,861,248
2009	9,414,677	6,850,000	2,564,677
2010	9,047,231	6,815,000	2,232,231
2011	8,500,408	6,600,000	1,900,408
2012	4,868,376	3,315,000	1,553,376
2013	4,754,802	3,365,000	1,389,802
2014	4,707,469	3,490,000	1,217,469
2015	4,551,081	3,510,000	1,041,081
2016	4,377,441	3,510,000	867,441
2017	3,766,297	3,075,000	691,297
2018	3,610,625	3,075,000	535,625
2019	3,456,875	3,075,000	381,875
2020	3,278,750	3,050,000	228,750
2021	3,126,250	3,050,000	76,250
Totals	\$ 124,579,222	\$ 88,305,000	\$ 36,274,222

Fiscal Year Ending September 30,	Permanent Improvement Refunding Bonds Series 1993		Fort Bend Flood Control and Water Supply Corporation Series 1995		Fort Bend Flood Control and Water Supply Corporation Series 2001	
	Principal	Interest	Principal	Interest	Principal	Interest
2003	2,570,000	1,384,403	545,000	212,897	160,000	564,338
2004	2,580,000	1,268,753	590,000	181,820	160,000	559,058
2005	2,590,000	1,150,073	640,000	147,835	160,000	553,458
2006	2,705,000	1,028,343	690,000	110,582	160,000	547,578
2007	2,860,000	899,855	755,000	69,383	160,000	541,459
2008	2,925,000	762,575	815,000	23,839	160,000	535,058
2009	4,190,000	619,250			160,000	528,416
2010	4,130,000	409,750			160,000	521,618
2011	4,065,000	203,250			160,000	514,658
2012					920,000	490,438
2013					950,000	447,650
2014					1,050,000	397,344
2015					1,050,000	340,906
2016					1,025,000	285,141
2017					1,025,000	230,047
2018					1,025,000	176,875
2019					1,025,000	125,625
2020					1,000,000	75,000
2021					1,000,000	25,000
Totals	\$ 28,615,000	\$ 7,726,252	\$ 4,035,000	\$ 746,356	\$ 11,510,000	\$ 7,459,667

The accompanying notes are an integral part of these financial statements.

EXHIBIT I-1

Fort Bend Parkway Road District Series 1990		Certificates of Obligation Series 1991		General Obligation Bonds Series 2001	
<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
95,000	85,334	50,000	10,500	325,000	1,371,850
105,000	76,881	50,000	7,500	325,000	1,358,850
115,000	67,531	50,000	4,500	325,000	1,345,850
120,000	57,544	50,000	1,500	350,000	1,332,350
135,000	46,706			350,000	1,317,913
145,000	34,716			350,000	1,303,038
160,000	21,563			2,050,000	1,252,550
170,000	7,331			2,050,000	1,165,425
				2,050,000	1,070,100
				2,050,000	967,600
				2,050,000	865,100
				2,050,000	762,600
				2,050,000	662,150
				2,050,000	562,725
				2,050,000	461,250
				2,050,000	358,750
				2,050,000	256,250
				2,050,000	153,750
				2,050,000	51,250
<u>\$ 1,045,000</u>	<u>\$ 397,606</u>	<u>\$ 200,000</u>	<u>\$ 24,000</u>	<u>\$ 28,675,000</u>	<u>\$ 16,619,351</u>

Permanent Improvement Bonds Series 1997		Fort Bend Flood Control and Water Supply Corporation Series 1999 Refunding	
<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
205,000	226,950	1,510,000	429,255
215,000	213,625	1,565,000	362,360
230,000	199,650	1,620,000	291,480
245,000	184,700	1,680,000	216,390
260,000	169,388	1,740,000	134,250
275,000	156,647	1,815,000	45,375
290,000	142,898		
305,000	128,107		
325,000	112,400		
345,000	95,338		
365,000	77,052		
390,000	57,525		
410,000	38,025		
435,000	19,575		
<u>\$ 4,295,000</u>	<u>\$ 1,821,880</u>	<u>\$ 9,930,000</u>	<u>\$ 1,479,110</u>



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FORT BEND COUNTY, TEXAS
GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION
FOR THE LAST TEN FISCAL YEARS
(UNAUDITED)

<u>Function</u>	<u>2002*</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
General Administration	\$ 16,260,804	\$ 18,704,900	\$ 19,329,894	\$ 16,732,833
Financial Administration	3,213,423	4,447,728	3,636,492	3,301,421
Administration of Justice	18,291,723	21,474,900	19,887,115	17,877,141
Construction and Maintenance	12,545,989	14,461,030	14,144,995	14,076,726
Health and Welfare	10,178,844	12,311,836	10,939,535	11,591,086
Cooperative Service	591,257	732,705	617,619	616,862
Public Safety	25,079,460	29,121,223	26,239,132	22,856,866
Parks and Recreation	1,230,488	1,499,519	1,366,623	1,518,971
Flood Control	4,326,935	5,662,492	6,639,325	5,984,810
Libraries and Education	5,912,073	7,015,618	6,838,073	6,410,608
Capital Outlay	7,989,999	5,435,868	7,318,743	4,019,397
Debt Service	10,389,935	9,314,028	8,651,694	8,654,245
TOTAL	<u>\$ 116,010,930</u>	<u>\$ 130,181,847</u>	<u>\$ 125,609,240</u>	<u>\$ 113,640,966</u>

* Due to a change in fiscal year, 2002 amounts reflect nine months of activity while the other nine years reflect twelve months of activity.

Note: Includes GAAP Basis General, Special Revenue, Debt Service, and Capital Projects Funds.

TABLE I

1998	1997	1996	1995	1994	1993
\$ 14,703,574	\$ 13,582,024	\$ 12,604,614	\$ 10,642,765	\$ 10,553,536	\$ 8,593,332
3,121,939	2,987,630	2,570,027	2,413,304	2,211,052	2,112,592
16,704,607	14,624,604	12,358,124	11,667,382	10,228,800	9,876,953
13,285,117	12,512,301	13,695,992	15,201,097	14,908,366	14,727,067
9,962,647	10,696,835	11,927,477	11,646,295	9,935,424	9,152,082
542,718	659,186	651,751	590,314	461,365	304,500
19,855,001	17,656,194	17,078,786	14,751,490	12,589,578	11,840,052
1,201,276	1,106,519	922,791	374,447	321,128	811,781
5,029,077	4,734,500	4,927,599	8,957,745	5,990,709	8,507,849
5,429,853	4,588,907	4,365,422	4,221,726	3,814,312	3,574,034
7,107,842	5,601,012	6,085,444	5,761,129	22,896,149	11,228,700
8,696,426	8,272,485	7,695,365	6,846,826	7,864,180	7,945,908
\$ 105,640,077	\$ 97,022,197	\$ 94,883,392	\$ 93,074,520	\$ 101,774,599	\$ 88,674,850

FORT BEND COUNTY, TEXAS
RATIO COMPOSITION OF GENERAL GOVERNMENTAL
EXPENDITURES BY FUNCTION
FOR THE LAST TEN FISCAL YEARS
(UNAUDITED)

<u>Function</u>	<u>2002*</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
General Administration	14.0%	14.4%	15.4%	14.7%
Financial Administration	2.8%	3.4%	2.9%	2.9%
Administration of Justice	15.8%	16.5%	15.8%	15.7%
Construction and Maintenance	10.8%	11.1%	11.3%	12.4%
Health and Welfare	8.8%	9.5%	8.7%	10.2%
Cooperative Service	0.5%	0.6%	0.5%	0.5%
Public Safety	21.6%	22.4%	20.9%	20.1%
Parks and Recreation	1.1%	1.2%	1.1%	1.3%
Flood Control	3.7%	4.3%	5.3%	5.3%
Libraries and Education	5.1%	5.4%	5.4%	5.6%
Capital Outlay	6.9%	4.2%	5.8%	3.5%
Debt Service	8.9%	7.0%	6.9%	7.8%
TOTAL	<u><u>100.0%</u></u>	<u><u>100.0%</u></u>	<u><u>100.0%</u></u>	<u><u>100.0%</u></u>

* Due to a change in fiscal year, 2002 amounts reflect nine months of activity while the other nine years reflect twelve months of activity.

Note: Includes GAAP Basis General, Special Revenue, Debt Service, and Capital Projects Funds.

TABLE II

1998	1997	1996	1995	1994	1993
13.9%	14.0%	13.3%	11.4%	10.4%	9.7%
3.0%	3.1%	2.7%	2.6%	2.2%	2.4%
15.8%	15.1%	13.0%	12.5%	10.1%	11.1%
12.6%	12.9%	14.4%	16.3%	14.6%	16.6%
9.4%	11.0%	12.6%	12.5%	9.8%	10.3%
0.5%	0.7%	0.7%	0.6%	0.5%	0.3%
18.8%	18.2%	18.0%	15.8%	12.4%	13.4%
1.1%	1.1%	1.0%	0.4%	0.3%	0.9%
4.8%	4.9%	5.2%	9.6%	5.9%	9.6%
5.1%	4.7%	4.6%	4.5%	3.7%	4.0%
6.7%	5.8%	6.4%	6.2%	22.5%	12.7%
8.3%	8.5%	8.1%	7.6%	7.6%	9.0%
100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

FORT BEND COUNTY, TEXAS
GENERAL GOVERNMENTAL REVENUES BY SOURCE
FOR THE LAST TEN FISCAL YEARS
(UNAUDITED)

<u>Function</u>	<u>2002*</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
Taxes	\$ 99,578,488	\$ 95,085,804	\$ 88,112,950	\$ 81,119,794
Fees and fines	11,747,190	14,778,811	13,406,877	13,014,312
Intergovernmental	11,024,068	14,734,336	12,885,317	16,227,039
Interest	2,815,189	6,184,808	6,255,573	4,701,586
Miscellaneous	4,110,450	5,123,303	4,635,353	4,956,865
TOTAL	<u><u>\$ 129,275,385</u></u>	<u><u>\$ 135,907,062</u></u>	<u><u>\$ 125,296,070</u></u>	<u><u>\$ 120,019,596</u></u>

* Due to a change in fiscal year, 2002 amounts reflect nine months of activity while the other nine years reflect twelve months of activity.

Note: Includes GAAP Basis General, Special Revenue, Debt Service, and Capital Projects Funds.

TABLE III

1998	1997	1996	1995	1994	1993
\$ 77,203,427	\$ 72,761,599	\$ 68,854,432	\$ 67,739,548	\$ 64,362,840	\$ 60,776,846
12,066,913	11,059,399	9,713,398	9,051,635	8,290,669	7,993,797
9,810,527	7,805,592	7,479,400	8,066,753	7,294,246	7,095,557
4,540,320	4,790,096	4,087,077	2,910,024	3,860,282	3,590,232
4,388,835	4,798,833	3,027,178	2,542,327	2,339,111	2,633,118
<u>\$ 108,010,022</u>	<u>\$ 101,215,519</u>	<u>\$ 93,161,485</u>	<u>\$ 90,310,287</u>	<u>\$ 86,147,148</u>	<u>\$ 82,089,550</u>

FORT BEND COUNTY, TEXAS
RATIO COMPOSITION OF GENERAL GOVERNMENTAL
REVENUES BY SOURCE
FOR THE LAST TEN FISCAL YEARS
(UNAUDITED)

<u>Function</u>	<u>2002*</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
Taxes	77.0%	70.0%	70.3%	67.6%
Fees and fines	9.1%	10.9%	10.7%	10.8%
Intergovernmental	8.5%	10.8%	10.3%	13.5%
Interest	2.2%	4.6%	5.0%	3.9%
Miscellaneous	3.2%	3.7%	3.7%	4.2%
TOTAL	<u><u>100.0%</u></u>	<u><u>100.0%</u></u>	<u><u>100.0%</u></u>	<u><u>100.0%</u></u>

* Due to a change in fiscal year, 2002 amounts reflect nine months of activity while the other nine years reflect twelve months of activity.

Note: Includes GAAP Basis General, Special Revenue, Debt Service, and Capital Projects Funds.

TABLE IV

1998	1997	1996	1995	1994	1993
71.5%	71.9%	73.9%	75.0%	74.7%	74.0%
11.2%	10.9%	10.4%	10.0%	9.6%	9.7%
9.1%	7.7%	8.0%	8.9%	8.5%	8.6%
4.2%	4.7%	4.4%	3.2%	4.5%	4.4%
4.0%	4.8%	3.3%	2.9%	2.7%	3.3%
<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>

FORT BEND COUNTY, TEXAS
PROPERTY TAX LEVIES AND COLLECTIONS
FOR THE LAST TEN FISCAL YEARS
(UNAUDITED)

Tax Year	Fiscal Year	Total Original Levy	Current Tax Levy Collections	Percentage of Levy Collected
1992	1993	52,137,107	50,614,904	97.08%
1993	1994	64,046,658	61,886,900	96.63%
1994	1995	67,547,673	65,607,483	97.13%
1995	1996	68,191,721	66,694,840	97.80%
1996	1997	72,379,141	70,622,219	97.57%
1997	1998	76,648,044	75,822,350	98.92%
1998	1999	80,409,842	78,679,130	97.85%
1999	2000	87,685,271	86,359,993	98.49%
2000	2001	95,214,433	91,447,748	96.04%
2001	2002	100,185,341	96,072,422	95.89%

TABLE V

Delinquent Tax Levy Collections	Total Tax Collections	Total Tax Collections as a Percentage of Current Levy	Outstanding Delinquent Taxes	Delinquent Taxes as a Percentage of Current Levy
1,586,745	52,201,649	100.12%	5,149,179	9.88%
1,696,722	63,583,622	99.28%	3,880,445	6.06%
1,444,329	67,051,812	99.27%	3,726,764	5.52%
1,486,253	68,181,093	99.98%	3,666,631	5.38%
1,569,476	72,191,695	99.74%	4,016,406	5.55%
675,465	76,497,815	99.80%	4,166,635	5.44%
2,177,541	80,856,671	100.56%	4,098,051	5.10%
2,761,498	89,121,491	101.64%	4,335,922	4.94%
2,561,026	94,008,774	98.73%	5,139,449	5.40%
2,465,555	98,537,977	98.36%	6,031,908	6.02%

TABLE VI

FORT BEND COUNTY, TEXAS
ASSESSED AND ESTIMATED ACTUAL VALUE OF REAL AND
PERSONAL PROPERTY
FOR THE LAST TEN FISCAL YEARS
(UNAUDITED)

Tax Year	Fiscal Year	Estimated Actual Value	Less Exemptions	Assessed Value	Assessment Ratio
1992	1993	10,194,759,444	1,005,791,798	9,188,967,646	90.1%
1993	1994	10,854,610,285	1,143,141,785	9,711,468,500	89.5%
1994	1995	11,557,303,337	1,288,393,036	10,268,910,301	88.9%
1995	1996	12,079,834,073	1,458,539,313	10,621,294,760	87.9%
1996	1997	12,912,636,194	1,675,107,082	11,237,529,112	87.0%
1997	1998	14,023,388,255	1,856,422,598	12,166,965,657	86.8%
1998	1999	14,909,178,872	2,031,087,436	12,878,091,436	86.4%
1999	2000	16,431,575,072	2,407,082,090	14,024,492,982	85.4%
2000	2001	18,562,470,712	2,823,713,480	15,738,757,232	84.8%
2001	2002	20,959,160,147	3,222,957,451	17,736,202,696	84.6%

TABLE VII

FORT BEND COUNTY, TEXAS
COUNTY TAX RATES (PER \$100 ASSESSED VALUATION)
FOR THE LAST TEN FISCAL YEARS
(UNAUDITED)

Tax Year	Fiscal Year	General Fund	Road & Bridge Fund	Farm-to-Market and Lateral Road Fund	Drainage District Fund	Debt Service Fund	Total
1992	1993	0.4203	0.0730	0.0396	0.0489	0.0782	0.6600
1993	1994	0.4300	0.0689	0.0379	0.0534	0.0696	0.6598
1994	1995	0.4574	0.0623	0.0342	0.0443	0.0588	0.6570
1995	1996	0.4614	0.0831		0.0424	0.0601	0.6470
1996	1997	0.4755	0.0585		0.0419	0.0682	0.6441
1997	1998	0.4595	0.0642		0.0410	0.0644	0.6291
1998	1999	0.4735	0.0599		0.0396	0.0511	0.6241
1999	2000	0.4937	0.0514		0.0340	0.0450	0.6241
2000	2001	0.4754	0.0529		0.0288	0.0470	0.6041
2001	2002	0.4385	0.0501		0.0265	0.0490	0.5641

FORT BEND COUNTY, TEXAS
RATIO OF NET GENERAL LONG-TERM DEBT TO ASSESSED VALUE
AND NET GENERAL LONG-TERM DEBT PER CAPITA
FOR THE LAST TEN FISCAL YEARS
(UNAUDITED)

Tax Year	Fiscal Year	Population (1)	Assessed Value	Certificates of Obligation	General Obligation Bonds (2)
1992	1993	276,150	\$ 9,188,967,646	\$ 5,180,000	\$ 58,775,000
1993	1994	290,841	9,188,967,646	1,810,000	44,573,795
1994	1995	292,765	9,711,468,500	1,135,000	68,380,000
1995	1996	305,000	10,268,910,301	1,810,000	65,855,000
1996	1997	316,500	10,621,294,760	1,525,000	67,960,000
1997	1998	331,000	11,237,529,112	1,225,000	64,245,000
1998	1999	348,869	12,166,965,657	910,000	60,405,000
1999	2000	354,452	14,024,492,982	585,000	56,125,000
2000	2001	372,334	15,738,757,232	240,000	92,220,000
2001	2002	386,000	17,736,202,696	200,000	87,060,000

(1) Source: Bureau of Census for 1995 and 2000. All other years were estimated by the Fort Bend Economic Development Council.

(2) The figures do not include both long-term debt principal and amounts available for debt service for the Fort Bend Parkway Road District Unlimited Tax bonds. The levy for those bonds is not calculated on the assessed value of the County properties presented in this table.

TABLE VIII

Loans Payable	Capital Leases Payable	Total General Long-Term Debt (2)	Amounts Available in Debt Service Fund (2)	Net General Long-Term Debt	General Long-Term Debt to Assessed Value	Net General Long-Term Debt Per Capita
\$	\$	\$ 64,955,000	\$ 1,266,530	\$ 63,688,470	0.69%	\$ 231
	808,010	47,191,805	1,675,356	45,516,449	0.50%	156
825,000	620,630	70,960,630	1,956,648	69,003,982	0.71%	236
620,000	674,465	68,959,465	1,685,789	67,273,676	0.66%	221
415,000	813,661	70,713,661	2,660,611	68,053,050	0.64%	215
210,000	440,870	66,120,870	3,230,136	62,890,734	0.56%	190
	1,100,366	62,415,366	2,357,150	60,058,216	0.49%	172
	998,495	57,708,495	1,707,163	56,001,332	0.40%	158
	420,531	92,880,531	1,864,575	91,015,956	0.58%	244
		87,260,000	1,525,613	85,734,387	0.48%	222

FORT BEND COUNTY, TEXAS
COMPUTATION OF LEGAL DEBT MARGIN
SEPTEMBER 30, 2002
(UNAUDITED)

Assessed value of real property:		\$ 14,931,047,882
Assessed value of personal and other property:		<u>2,805,154,814</u>
Total assessed value:		<u><u>\$ 17,736,202,696</u></u>
Debt Limit, 25% of real property:		3,732,761,971
Amount of debt applicable to debt limit:	\$ 87,260,000 (1)	
Less: Assets available in Debt Service Funds for payment of principal	<u>1,525,613 (2)</u>	
Total amount of debt applicable to debt limit:		<u><u>85,734,387</u></u>
LEGAL DEBT MARGIN		<u><u>\$ 3,647,027,584</u></u>

- (1) This figure does not include the \$1,045,000 of Fort Bend Parkway Road District bonds, the levy of which does not relate to the assessed value of the properties presented in this table nor the \$44,851,436 of Fort Bend County Housing Finance Corporation Conduit Debt.
- (2) The figure does not include the amount available for debt service on the Fort Bend Parkway Road District Unlimited Tax bonds.

FORT BEND COUNTY, TEXAS
RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR GENERAL
LONG-TERM DEBT TO TOTAL GENERAL EXPENDITURES
FOR THE LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year	Principal	Interest	Total (1) Debt Service	Total Governmental Expenditures	Ratio of Debt Service to Total General Expenditures
1993	\$ 2,150,000	\$ 5,795,908	\$ 7,945,908	\$ 88,674,850	9.0%
1994	4,141,990	3,722,190	7,864,180	101,774,599	7.7%
1995	2,887,379	3,959,447	6,846,826	93,074,520	7.4%
1996	3,430,444	4,264,921	7,695,365	94,883,392	8.1%
1997	4,110,846	4,161,639	8,272,485	97,022,197	8.5%
1998	4,632,791	4,063,635	8,696,426	105,640,077	8.2%
1999	4,840,399	3,813,846	8,654,245	113,640,966	7.6%
2000	5,377,530	3,274,164	8,651,694	125,609,240	6.9%
2001	5,913,096	3,400,932	9,314,028	130,181,847	7.2%
2002	5,705,531	4,684,404	10,389,935	116,010,930 (2)	9.0%

(1) Includes debt service payments of Fort Bend Parkway Road District Unlimited Tax bonds.

(2) Due to a change in fiscal year, this amount only reflects nine months of activity.

TABLE XI

FORT BEND COUNTY, TEXAS
PRINCIPAL TAXPAYERS
September 30, 2002

<u>Taxpayer</u>	<u>Type of Business</u>	<u>2001 Tax Year Assessed Valuation</u>	<u>Percent of Total Assessed Valuation</u>
Reliant Energy HL&P	Electric Utility	\$ 801,758,020	4.52 %
Katy Mills LTD Partnership	Shopping Mall	142,754,570	0.80
Texas Instruments	Electronics	122,859,130	0.69
Phillips Petroleum	Oil & Gas Engineering	107,657,830	0.61
Fluor Daniel Inc.	Oil & Gas Engineering	95,374,790	0.54
Sugar Land Telephone	Telephone Service	85,392,320	0.48
STC MFG Group	Industrial	65,252,440	0.37
Imperial Sugar*	Sugar Company	39,929,900	0.23
FP Centre Ltd.	Property Management	50,297,870	0.28
First Colony Mall Venture	Shopping Mall	49,935,380	0.28
		1,561,212,250	8.80
Other		16,174,990,446	91.20
Total		<u>\$ 17,736,202,696</u>	<u>100.00 %</u>

* Imperial Sugar has announced the closing of its sugar refinery. However, the corporate headquarters and distribution operations will remain in the County.

Source - Tax assessor/collector's records.

FORT BEND COUNTY, TEXAS**DIRECT AND OVERLAPPING DEBT**

September 30, 2002

<u>Taxing Jurisdiction</u>	<u>Long-Term Debt Outstanding (1)</u>	<u>Applicable Percentage</u>	<u>Overlapping Debt</u>
<u>Special Districts:</u>			
Big Oaks MUD	\$ 13,840,000	100.00%	\$ 13,840,000
Blue Ridge West MUD	1,618,721	100.00%	1,618,721
Burney Road MUD	6,255,000	100.00%	6,255,000
Cinco MUD #2	8,340,000	100.00%	8,340,000
Cinco MUD #3	3,940,000	100.00%	3,940,000
Cinco MUD #5	5,035,000	100.00%	5,035,000
Cinco MUD #7	9,260,000	100.00%	9,260,000
Cinco MUD #8	9,040,000	100.00%	9,040,000
Cinco MUD #10	7,590,000	100.00%	7,590,000
Cinco MUD #12	2,025,000	100.00%	2,025,000
Eldridge Road MUD	8,960,000	100.00%	8,960,000
First Colony LID	6,415,000	100.00%	6,415,000
First Colony LID #2	6,150,000	100.00%	6,150,000
First Colony MUD #9	24,260,000	100.00%	24,260,000
Fort Bend County LID #2	10,649,580	100.00%	10,649,580
Fort Bend County LID #7	19,245,000	100.00%	19,245,000
Fort Bend County LID #10	8,250,000	100.00%	8,250,000
Fort Bend County LID #11	25,170,000	100.00%	25,170,000
Fort Bend County LID #12	8,655,000	100.00%	8,655,000
Fort Bend County LID #14	8,135,000	100.00%	8,135,000
Fort Bend County MUD #1	17,765,000	100.00%	17,765,000
Fort Bend County MUD #2	4,425,000	100.00%	4,425,000
Fort Bend County MUD #19	554,558	100.00%	554,558
Fort Bend County MUD #21	18,590,000	100.00%	18,590,000
Fort Bend County MUD #23	19,085,000	100.00%	19,085,000
Fort Bend County MUD #25	29,205,000	100.00%	29,205,000
Fort Bend County MUD #26	6,310,000	100.00%	6,310,000
Fort Bend County MUD #30	13,630,000	100.00%	13,630,000
Fort Bend County MUD #34	2,120,000	100.00%	2,120,000
Fort Bend County MUD #37	3,865,000	100.00%	3,865,000
Fort Bend County MUD #41	10,520,000	100.00%	10,520,000
Fort Bend County MUD #42	14,330,000	100.00%	14,330,000
Fort Bend County MUD #46	7,770,000	100.00%	7,770,000
Fort Bend County MUD #47	4,835,000	100.00%	4,835,000
Fort Bend County MUD #48	2,675,000	100.00%	2,675,000
Fort Bend County MUD #49	3,469,245	100.00%	3,469,245

FORT BEND COUNTY, TEXAS**DIRECT AND OVERLAPPING DEBT**

September 30, 2002

<u>Taxing Jurisdiction</u>	<u>Long-Term Debt Outstanding(1)</u>	<u>Applicable Percentage</u>	<u>Overlapping Debt</u>
<u>Special Districts: (continued)</u>			
Fort Bend County MUD #50	4,065,000	100.00%	4,065,000
Fort Bend County MUD #67	8,740,000	100.00%	8,740,000
Fort Bend County MUD #68	8,045,000	100.00%	8,045,000
Fort Bend County MUD #69	5,510,000	100.00%	5,510,000
Fort Bend County MUD #81	8,355,000	100.00%	8,355,000
Fort Bend County MUD #94	3,895,000	100.00%	3,895,000
Fort Bend County MUD #106	17,010,000	100.00%	17,010,000
Fort Bend County MUD #108	9,290,000	100.00%	9,290,000
Fort Bend County MUD #109	12,975,000	100.00%	12,975,000
Fort Bend County MUD #111	13,075,000	100.00%	13,075,000
Fort Bend County MUD #112	8,080,000	100.00%	8,080,000
Fort Bend County MUD #113	13,640,000	100.00%	13,640,000
Fort Bend County MUD #115	3,800,000	100.00%	3,800,000
Fort Bend County MUD #116	11,015,000	100.00%	11,015,000
Fort Bend County MUD #117	25,705,000	100.00%	25,705,000
Fort Bend County MUD #118	3,430,000	100.00%	3,430,000
Fort Bend County MUD #119	17,750,000	100.00%	17,750,000
Fort Bend County WC&ID #3	1,580,000	100.00%	1,580,000
Grand Lakes MUD #2	5,725,000	100.00%	5,725,000
Grand Lakes MUD #4	18,770,000	100.00%	18,770,000
Grand Lakes WC&ID	4,840,000	100.00%	4,840,000
Meadowcreek MUD	860,000	100.00%	860,000
North Mission Glen MUD	17,870,000	100.00%	17,870,000
Palmer Plantation MUD #1	10,310,000	100.00%	10,310,000
Palmer Plantation MUD #2	11,065,000	100.00%	11,065,000
Pecan Grove MUD	13,530,000	100.00%	13,530,000
Plantation MUD	8,090,000	100.00%	8,090,000
Quail Valley UD	3,655,000	100.00%	3,655,000
Sienna Plantation LID	29,230,000	100.00%	29,230,000
Sienna Plantation MUD #2	26,100,000	100.00%	26,100,000
Sienna Plantation MUD #3	5,800,000	100.00%	5,800,000
<u>Co-Line Special Districts:</u>			
Cinco MUD #6	4,250,000	83.12%	3,532,600
Cinco MUD #9	8,025,000	58.65%	4,706,663
Chelford City MUD	4,655,000	53.85%	2,506,718

FORT BEND COUNTY, TEXAS
DIRECT AND OVERLAPPING DEBT
September 30, 2002

<u>Taxing Jurisdiction</u>	<u>Long-Term Debt Outstanding(1)</u>	<u>Applicable Percentage</u>	<u>Overlapping Debt</u>
Cornerstones MUD	11,275,000	1.37%	154,468
Fort Bend County WC&ID #2	19,847,060	98.87%	19,622,788
Harris - Fort Bend Cos. MUD #5	9,850,000	60.99%	6,007,515
Harris - Fort Bend Cos. MUD #4	24,415,000	74.47%	18,181,851
Harris - Fort Bend Cos. MUD #1	8,737,348	99.99%	8,736,474
Kingsbridge MUD	22,675,000	94.65%	21,461,888
Mission Bend MUD #1	5,465,000	60.14%	3,286,651
Renn Road MUD	8,705,000	21.42%	1,864,611
West Harris County MUD #4	3,780,000	3.96%	149,688
West Keegans Bayou Impv. Dist.	4,475,000	86.78%	3,883,405
Willow Fork Drainage Dist.	43,815,000	0.91	40,029,384
Total Special Districts			<u>\$ 817,911,806</u>
<u>Cities:</u>			
Beasley	\$ 30,000	100.00%	\$ 30,000
Kendleton	83,000	100.00%	83,000
Meadows Place	6,300,000	100.00%	6,300,000
Needville	1,060,000	100.00%	1,060,000
Richmond	10,380,000	100.00%	10,380,000
Rosenberg	25,960,000	100.00%	25,960,000
Sugar Land	113,762,966	100.00%	113,762,966
<u>County Line Cities:</u>			
Houston	1,705,171,981	0.63%	10,742,583
Katy	7,635,000	17.09%	1,304,822
Missouri City	33,205,000	91.67%	30,439,024
Stafford	13,280,000	98.84%	13,125,952
Total Cities			<u>\$ 213,188,346</u>
<u>School Districts:</u>			
Fort Bend ISD	\$ 443,301,412	100.00%	\$ 443,301,412
Lamar Consolidated ISD	110,690,000	100.00%	110,690,000
Needville ISD	18,945,000	100.00%	18,945,000
<u>Co-Line School Districts:</u>			
Katy ISD	625,617,081	7.47%	46,733,596
Stafford MSD	19,925,000	97.30%	19,387,025
Total School Districts			<u>\$ 639,057,033</u>

FORT BEND COUNTY, TEXAS
DIRECT AND OVERLAPPING DEBT
 September 30, 2002

Summary of Total Estimated Overlapping Debt:

Special Districts	\$ 817,911,806
Cities	213,188,346
School Districts	639,057,033
Estimated Overlapping Debt	\$ 1,670,157,185

Fort Bend County

Fort Bend County - Direct Obligations	58,585,000
Fort Bend Parkway Road District	1,045,000
Total Direct and Estimated Overlapping Debt	\$ 1,729,787,185

SOURCE: First Southwest Company



FORT BEND COUNTY
PROPERTY TAX RATES - DIRECT AND
OVERLAPPING GOVERNMENTS
Last Ten Tax Years

	<u>1992</u>	<u>1993</u>	<u>1994</u>	<u>1995</u>
Fort Bend County	\$ 0.66000	\$ 0.65980	\$ 0.65700	\$ 0.64700
Political Subdivision:				
Arcola, City of	0.55000	1.26000	1.00000	0.99500
Beasley, City of	0.22590	0.22020	0.22550	0.22900
Big Oaks MUD	**N/A	1.49000	0.16390	0.17106
Blue Ridge West MUD	0.96000	0.96000	0.93000	0.94110
Brazos ISD	^	^	^	^
Burney Road MUD	**N/A	**N/A	**N/A	**N/A
Chelford City MUD	0.54000	0.49000	0.50000	**N/A
Cinco MUD #1	**N/A	**N/A	**N/A	0.34000
Cinco MUD #2	**N/A	**N/A	**N/A	0.77000
Cinco MUD #3	**N/A	**N/A	**N/A	0.82400
Cinco MUD #5	**N/A	**N/A	**N/A	0.84000
Cinco MUD #6	**N/A	**N/A	**N/A	0.84000
Cinco MUD #7	**N/A	**N/A	**N/A	0.34000
Cinco MUD #8	**N/A	**N/A	**N/A	0.59000
Cinco MUD #9	**N/A	**N/A	**N/A	0.84000
Cinco MUD #10	**N/A	**N/A	**N/A	0.34000
Cinco MUD #12	**N/A	**N/A	**N/A	0.34000
Cinco MUD #14	**N/A	**N/A	**N/A	0.34000
Eldridge Road MUD	1.45000	1.40000	1.25000	1.15000
First Colony LID	0.61000	0.57800	0.45000	0.38000
First Colony LID #2	0.95000	0.55000	0.42700	0.38000
First Colony MUD #1	0.88000	0.88000	0.86000	0.86000
First Colony MUD #2	0.95000	0.95000	0.95000	0.95000
First Colony MUD #3	0.68000	0.65600	0.49000	0.42000
First Colony MUD #4	0.58000	0.54000	0.54000	0.54000
First Colony MUD #5	0.66000	0.63000	0.49000	0.39000
First Colony MUD #6	0.50000	0.43000	0.41600	0.40891
First Colony MUD #7	0.75000	0.75000	0.98000	0.85000
First Colony MUD #8	0.82000	0.78500	0.76800	0.60000
First Colony MUD #9	0.83000	0.74000	0.71000	0.69000
Fort Bend County LID #2	0.33900	0.32630	0.32600	0.32334
Fort Bend County LID #7	0.47000	0.47000	0.45250	0.45250
Fort Bend County LID #10	**N/A	**N/A	**N/A	**N/A
Fort Bend County LID #11	**N/A	**N/A	**N/A	0.73000
Fort Bend County LID #12	13.75000	6.00000	0.50000	0.50000
Fort Bend County LID #14	**N/A	**N/A	**N/A	**N/A
Fort Bend County MUD #1	**N/A	**N/A	**N/A	**N/A
Fort Bend County MUD #2	0.77000	0.73500	0.80000	0.82000
Fort Bend County MUD #12	**N/A	**N/A	**N/A	**N/A
Fort Bend County MUD #19	**N/A	**N/A	**N/A	1.74330
Fort Bend County MUD #21	0.48000	0.48000	0.48000	0.51000
Fort Bend County MUD #23	1.80000	1.76500	1.50000	1.50000

TABLE XIII - Page 1 of 3

1996	1997	1998	1999	2000	2001
\$ 0.64410	\$ 0.62910	\$ 0.62410	\$ 0.62410	\$ 0.60410	\$ 0.56410
0.99500	0.99500	0.92500	0.92500	0.91000	0.81941
0.21420	0.21740	0.23000	0.23000	0.21935	0.31430
1.40000	1.40000	1.40000	1.35000	1.25000	1.20000
0.94110	0.92000	0.86500	0.78700	0.71600	0.64600
^	^	^	1.50000	1.46320	1.31680
**N/A	**N/A	**N/A	0.50000	0.75000	0.75000
**N/A	**N/A	**N/A	**N/A	**N/A	**N/A
0.43000	0.45000	0.45000	0.50000	0.47000	0.43000
0.85000	0.87000	0.87000	0.89000	0.85000	0.69000
0.90400	0.89700	0.87100	0.87100	0.88800	0.84800
0.93000	0.95000	0.93000	0.99000	0.97000	0.96000
0.92450	0.94900	0.95000	0.99000	0.97000	0.83000
0.93000	0.95000	0.95000	1.00000	0.91000	0.82500
0.93000	0.95000	0.95000	1.00000	0.97000	0.97000
0.93000	0.91000	0.90050	0.89000	0.84000	0.81000
0.43000	0.45000	0.45000	0.50000	0.97000	1.02000
0.93000	0.95000	0.95000	0.95000	0.95000	0.85000
0.43000	0.45000	0.45000	0.50000	0.47000	0.42500
1.11400	1.11000	1.06000	0.97000	0.83000	0.72000
0.30000	0.38000	0.26000	0.25000	0.23500	0.21500
0.38000	0.38000	0.37500	0.35870	0.34200	0.34200
**N/A	**N/A	**N/A	**N/A	**N/A	**N/A
0.95000	0.94600	**N/A	**N/A	**N/A	**N/A
0.39000	0.39000	**N/A	**N/A	**N/A	**N/A
0.53364	0.35800	**N/A	**N/A	**N/A	**N/A
0.32000	0.35830	**N/A	**N/A	**N/A	**N/A
**N/A	**N/A	**N/A	**N/A	**N/A	**N/A
**N/A	**N/A	**N/A	**N/A	**N/A	**N/A
0.55000	0.49000	**N/A	**N/A	**N/A	**N/A
0.69000	0.68000	0.68000	0.68000	0.62960	0.58500
0.29707	0.26876	0.24901	0.23174	0.23000	0.23000
0.41250	0.40050	0.37350	0.33350	0.29950	0.27000
**N/A	**N/A	**N/A	0.35000	0.42000	0.49000
0.70000	0.69000	0.64000	0.55000	0.45000	0.41000
0.50000	0.50000	0.50000	0.50000	0.50000	0.50000
**N/A	0.66000	0.59000	0.59000	0.51900	0.41000
**N/A	**N/A	**N/A	1.00000	0.93000	0.82000
0.78300	0.77000	0.76000	0.71000	0.54400	0.49900
**N/A	**N/A	**N/A	**N/A	**N/A	**N/A
1.74330	1.79930	1.94200	1.20000	1.22870	1.20000
0.58000	0.58000	0.57000	0.54000	0.49000	0.49000
1.50000	1.50000	1.37000	1.37000	1.29000	1.20000

FORT BEND COUNTY
PROPERTY TAX RATES - DIRECT AND
OVERLAPPING GOVERNMENTS
Last Ten Tax Years

	<u>1992</u>	<u>1993</u>	<u>1994</u>	<u>1995</u>
Political Subdivision: (continued)				
Fort Bend County MUD #25	1.42000	1.29000	1.24000	1.30000
Fort Bend County MUD #26	1.55000	1.56000	1.57000	1.26359
Fort Bend County MUD #27	0.50000	0.39500	0.39500	0.37500
Fort Bend County MUD #28	0.73500	0.44250	**N/A	**N/A
Fort Bend County MUD #30	1.50000	1.29000	1.16000	1.16500
Fort Bend County MUD #34	**N/A	**N/A	**N/A	1.70300
Fort Bend County MUD #37	**N/A	**N/A	**N/A	0.74000
Fort Bend County MUD #41	1.48950	1.47000	1.40000	1.21300
Fort Bend County MUD #42	1.09000	1.09000	1.03800	0.92100
Fort Bend County MUD #46	1.15000	1.14600	1.20000	1.20000
Fort Bend County MUD #47	1.55000	1.53000	1.48000	1.44000
Fort Bend County MUD #48	1.35000	1.20000	1.20000	1.16494
Fort Bend County MUD #49	**N/A	**N/A	**N/A	1.05000
Fort Bend County MUD #50	**N/A	**N/A	**N/A	0.73000
Fort Bend County MUD #67	0.98700	0.95000	0.87500	0.73500
Fort Bend County MUD #68	1.03000	1.02000	1.02000	1.01000
Fort Bend County MUD #69	0.95000	0.92000	0.77000	0.66000
Fort Bend County MUD #81	**N/A	**N/A	**N/A	0.95000
Fort Bend County MUD #94	**N/A	**N/A	**N/A	0.75000
Fort Bend County MUD #106	**N/A	**N/A	**N/A	0.72000
Fort Bend County MUD #108	**N/A	**N/A	**N/A	0.60000
Fort Bend County MUD #109	**N/A	**N/A	**N/A	0.72000
Fort Bend County MUD #111	**N/A	**N/A	**N/A	0.93000
Fort Bend County MUD #112	**N/A	**N/A	**N/A	**N/A
Fort Bend County MUD #113	**N/A	**N/A	**N/A	**N/A
Fort Bend County MUD #116	**N/A	**N/A	**N/A	**N/A
Fort Bend County MUD #115	**N/A	**N/A	**N/A	**N/A
Fort Bend County MUD #118	**N/A	**N/A	**N/A	**N/A
Fort Bend County MUD #117	**N/A	**N/A	**N/A	**N/A
Fort Bend County MUD #121	**N/A	**N/A	**N/A	**N/A
Fort Bend County MUD #124	**N/A	**N/A	**N/A	**N/A
Fort Bend County MUD #130	**N/A	**N/A	**N/A	**N/A
Fort Bend County WC&ID #2	0.17760	0.18600	0.18600	0.18690
Fort Bend County WC&ID #3	**N/A	**N/A	**N/A	**N/A
Fort Bend County R.F. P. 1 & 2	**N/A	**N/A	0.05660	0.06000
Fort Bend Fire District #1	^	^	^	^
Fort Bend Fire District #2	^	^	^	^
Fort Bend Independent School District	1.53000	1.53000	1.58500	1.58500
Fort Bend Parkway Road District	0.41000	0.41760	0.50160	0.50200
Fulshear, City of	0.48000	0.48000	0.47940	0.48000
Grand Mission MUD #1	**N/A	**N/A	**N/A	**N/A
Grand Lakes MUD #4	**N/A	**N/A	**N/A	**N/A
Grand Lakes WCID	**N/A	**N/A	**N/A	**N/A
Harris-Fort Bend EMS District	**N/A	**N/A	**N/A	**N/A
Harris-Fort Bend MUD #1	**N/A	**N/A	**N/A	**N/A

TABLE XIII - Page 2 of 3

1996	1997	1998	1999	2000	2001
1.30000	1.24500	1.18000	1.08000	0.97500	0.92500
1.19000	1.12000	1.00000	0.66900	0.79200	0.77000
0.36100	0.20000	**N/A	**N/A	**N/A	**N/A
**N/A	**N/A	**N/A	**N/A	**N/A	**N/A
1.16500	1.16500	1.16000	1.12000	1.06300	1.04300
1.59000	1.55000	1.43000	1.30000	1.09600	1.07000
0.65000	0.65000	0.63000	0.61000	0.62000	0.63000
1.13000	1.03000	0.97000	0.91400	0.86400	0.60000
0.87000	0.81000	0.67000	0.58500	0.53000	0.50000
1.20000	1.20000	1.20000	1.15000	1.10000	1.05000
1.44000	1.44000	1.43000	1.35560	1.26145	1.25000
1.22000	1.22000	1.20000	1.13500	1.10000	1.06000
1.05000	1.05000	1.04700	0.96000	0.88800	0.88800
0.73000	0.73000	0.83000	0.83000	0.83000	0.83000
0.73500	0.70000	0.62000	0.56000	0.51500	0.50000
0.90195	0.75900	0.62900	0.56900	0.53500	0.47000
0.61000	0.58000	0.50500	0.47780	0.44500	0.41500
0.93000	0.89000	0.84000	0.79900	0.75000	0.75000
0.75000	0.75000	0.72000	0.75000	0.70000	0.72000
0.72000	0.72000	0.70000	0.66900	0.63000	0.58000
0.60000	0.57000	0.55000	0.50500	0.49000	0.47000
0.70000	0.70000	0.65500	0.63500	0.61000	0.58500
0.90000	0.89887	0.63500	0.45160	0.38328	0.37000
**N/A	**N/A	**N/A	1.00000	0.90000	0.82000
**N/A	0.79000	0.86000	0.76000	0.60000	0.48000
**N/A	**N/A	**N/A	1.45000	1.45000	1.45000
**N/A	**N/A	**N/A	**N/A	0.97000	0.97000
**N/A	**N/A	**N/A	**N/A	1.40000	1.40000
**N/A	**N/A	**N/A	**N/A	0.91000	0.91000
**N/A	**N/A	**N/A	**N/A	1.25000	1.25000
**N/A	**N/A	**N/A	**N/A	**N/A	1.11300
**N/A	**N/A	**N/A	**N/A	**N/A	0.80000
0.19500	0.18100	0.16700	0.16700	0.16290	0.16290
**N/A	**N/A	**N/A	0.50000	0.50000	0.50000
0.05850	0.05040	**N/A	**N/A	**N/A	**N/A
^	^	^	0.03000	0.03000	0.03000
^	^	^	0.02242	0.02381	0.03000
1.61500	1.64350	1.67730	1.65700	1.69250	1.68250
0.50200	0.50190	0.50188	0.50500	0.51429	0.49990
0.48000	0.48000	0.47516	0.47516	0.42174	0.40208
**N/A	**N/A	**N/A	0.60130	0.72000	1.00000
**N/A	**N/A	**N/A	**N/A	**N/A	0.23000
**N/A	**N/A	**N/A	1.00000	0.50000	1.00000
**N/A	**N/A	**N/A	0.10000	0.09900	0.09900
**N/A	**N/A	**N/A	**N/A	**N/A	1.14580

FORT BEND COUNTY

PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS

Last Ten Tax Years

	1992	1993	1994	1995
Political Subdivision: (continued)				
Harris-Fort Bend MUD #4	**N/A	**N/A	**N/A	**N/A
Harris-Fort Bend MUD #5	**N/A	**N/A	**N/A	**N/A
Houston, City of	0.63000	0.63000	0.63000	0.62462
Houston Community College	0.05381	0.05481	0.05868	0.05868
Katy, City of	^	^	^	^
Katy ISD	^	^	^	^
Kendleton, City of	0.50000	0.50000	0.46560	0.46660
Kendleton ISD	1.70890	1.50000	1.50000	1.50000
Kingsbridge MUD	1.02000	1.02000	1.02000	1.02000
Lamar Consolidated I.S.D.	1.50500	1.50500	1.50500	1.50500
Meadowcreek MUD	0.64000	0.62000	0.52000	0.52000
Meadows, City of	0.36666	0.76000	0.75000	0.75000
Meadows MUD	0.62960	**N/A	**N/A	**N/A
Mission Bend MUD #1	0.96000	0.96000	0.90000	0.81000
Missouri City, City of	0.53690	0.54000	0.54862	0.54862
Needville, City of	0.59630	0.59380	0.61000	0.61000
Needville Independent School District	1.36170	1.32400	1.39000	1.41700
North Mission Glen MUD	1.50000	1.48000	1.39300	1.07000
Orchard, City of	0.25000	0.25000	0.25000	0.25000
Palmer Plantation MUD #1	1.15000	1.15000	1.15000	1.15000
Palmer Plantation MUD #2	**N/A	**N/A	**N/A	1.15000
Pecan Grove MUD	0.93000	0.92500	0.86000	0.86000
Plantation MUD	**N/A	**N/A	**N/A	0.77000
Post Oak Road MUD	**N/A	**N/A	**N/A	**N/A
Quail Valley U.D.	0.39000	0.37000	0.35000	0.33000
Renn Road MUD	1.14000	1.11750	1.11750	**N/A
Richmond, City of	0.83700	0.83700	0.80170	0.70750
Rosenberg, City of	0.58000	0.57500	0.57500	0.57500
Sienna Plantation LID	0.74000	0.75000	0.50000	0.50000
Sienna Plantation MUD	**N/A	**N/A	**N/A	**N/A
Sienna Plantation MUD #1	**N/A	**N/A	**N/A	**N/A
Sienna Plantation MUD #2	**N/A	**N/A	**N/A	**N/A
Stafford, City of	0.20850	0.20850	0.07900	**N/A
Stafford Municipal School District	1.52950	1.67000	1.62000	1.62000
Sugar Land, City of	0.48000	0.50000	0.45700	0.39830
Thunderbird U.D.	0.39000	0.37000	0.35000	0.33000
West Harris County MUD #4	3.30000	3.04000	3.33000	**N/A
West Keegans Bayou I.D.	0.49000	0.49000	0.42000	**N/A
Wharton County Junior College	0.15400	0.16240	0.16390	0.17106
Willow Fork Drainage District	**N/A	**N/A	**N/A	**N/A

* All tax rates are shown per \$100 assessed value at 100% assessment ratio.

**N/A Political entity not in existence at this time or taxes not yet levied. Data provided by Fort Bend Economic Development Council.

^ Not able to obtain by report issuance date

TABLE XIII - Page 3 of 3

1996	1997	1998	1999	2000	2001
**N/A	**N/A	**N/A	**N/A	**N/A	0.44000
**N/A	**N/A	**N/A	1.17000	1.06000	1.06000
0.64735		0.66500	0.66500	0.66500	0.65500
0.06317	0.06615	0.06615	0.06983	0.08200	0.08133
^	^	^	0.61466	0.61466	0.61466
^	^	^	1.69500	1.86750	1.92000
0.45730	0.55000	0.55000	0.54202	0.97193	0.70000
1.50000	1.50000	1.50000	1.50000	1.50000	1.50000
1.02489	1.02000	0.98500	0.98000	0.94880	0.94880
1.57000	1.59000	1.59000	1.62680	1.65128	1.66450
0.52000	0.38000	0.51000	0.51000	0.44920	0.43500
0.75000	0.73000	0.73000	0.73000	0.73000	0.73000
**N/A	**N/A	**N/A	**N/A	**N/A	**N/A
0.81000	0.76000	0.72500	0.68500	0.63780	0.62000
0.56862	0.56862	0.56790	0.55033	0.52003	0.50325
0.55870	0.53870	0.53870	0.54870	0.55750	0.52336
1.45500	1.48500	1.55400	1.46100	1.57500	1.51300
1.07000	1.07000	1.07000	1.04200	0.97000	0.85000
0.25000	0.25000	0.22973	0.23724	0.22640	0.22425
1.15000	1.15000	1.13000	1.08000	0.95000	0.88000
1.15000	1.15000	1.15000	1.07000	0.92000	0.78000
0.86000	0.84000	0.81300	0.79570	0.69750	0.65500
0.74000	0.70000	0.66000	0.72000	0.68500	1.00000
**N/A	**N/A	**N/A	**N/A	**N/A	**N/A
0.34450	0.31000	0.30560	0.30560	0.29000	0.29000
**N/A	**N/A	**N/A	**N/A	**N/A	**N/A
0.70250	0.70250	0.74350	0.79000	0.79000	0.79000
0.55500	0.55500	0.55500	0.55500	0.55500	0.55500
0.50000	0.40000	0.40000	0.49000	0.59000	0.59000
**N/A	1.10000	1.10000	1.00000	0.90000	**N/A
**N/A	**N/A	**N/A	**N/A	**N/A	0.90000
**N/A	**N/A	**N/A	**N/A	**N/A	0.90000
**N/A	**N/A	**N/A	**N/A	**N/A	**N/A
1.58000	1.55000	1.59500	1.59500	1.64500	1.69500
0.36830	0.35830	0.35830	0.35830	0.34830	0.33330
0.33000	0.31000	0.30670	0.29450	0.27000	0.22000
**N/A	**N/A	**N/A	**N/A	**N/A	**N/A
0.39000	0.36000	0.33500	0.30700	0.27100	0.25100
0.17106	0.16135	0.16135	0.15635	0.15635	0.15635
**N/A	**N/A	**N/A	0.50000	0.41700	0.38700

FORT BEND COUNTY, TEXAS
MISCELLANEOUS STATISTICS
September 30, 2002

Date of organization	December, 1837
Area	869 sq. mi.
Miles of County Roads	1,155
Number of County Bridges	173
Employees:	
Elected Officials	30
Full-Time	1,526
Registered voters	224,089
Population:	
1950 Census	31,056
1960 Census	40,527
1970 Census	52,314
1980 Census	130,846
1990 Census	225,421
2000 Census	372,334