



13401 Southwest Freeway, Suite 101 • Sugar Land, Texas 77478 • 281/242-3232 • Fax 281/242-3252 • www.skbtxas.com

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 year ended September 30, 2003, 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.

Closing Procedures

Finding

Management and users of financial information require that it be presented in a timely, valid, and relevant manner. One area of general concern relates to the completion of closings. For example, audit fieldwork generally begins after the completion of closing of the books and production of a trial balance. One issue is the practice of adjusting the books after the start of audit fieldwork, which starts approximately ten weeks after year-end. This is an indication that information may not be reaching management in a timely enough fashion to complete the close.

Recommendation

We recommend that the County review its departmental level accountabilities and responsibilities with respect to monthly and year-end closing procedures, including checklists and time commitments, in order to adequately control the timeliness and usefulness of financial information. This review should encompass each individual department or function that feeds data into the County's financial management system.

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 "Sara Kay & Brett". The signature is fluid and cursive, with the first name "Sara" being the most prominent.

Sugar Land, Texas
February 27, 2004



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 2003 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.

Closing Procedures

Finding

Management and users of financial information require that it be presented in a timely, valid, and relevant manner. One area of general concern relates to the completion of closings. For example, audit fieldwork generally begins after the completion of closing of the books and production of a trial balance. One issue is the practice of adjusting the books after the start of audit fieldwork, which starts approximately ten weeks after year-end. This is an indication that information may not be reaching management in a timely enough fashion to complete the close.

Corrective Action Plan

Procedures have been implemented that will allow for more timely year-end and monthly closings. Also, in the future, the start date for audit fieldwork may be delayed if deemed necessary in order to capture all relevant transactions for a particular fiscal year. This will ensure that a final trial balance is produced before fieldwork begins. Lastly, a committee is in the process of evaluating our current accounting software to determine if all needs are being met. One area of concern from financial users is that monthly closings cannot easily be made in a new fiscal year when the prior fiscal year has not been permanently closed. This delays the closing of several months in the new fiscal year. Either our current accounting software vendor or a new vendor, as determined by the committee, will address this concern.

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
March 19, 2004



FORT BEND COUNTY, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Year Ended September 30, 2003



Prepared by:

County Auditor's Office

Robert Ed Sturdivant, CPA
County Auditor

FORT BEND COUNTY, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Year Ended September 30, 2003

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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

March 19, 2004

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

Gentlemen:

The Comprehensive Annual Financial Report of Fort Bend County, Texas ("County") for the year ended September 30, 2003 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 nine months ended September 30, 2002, 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.

According to the U.S. Census, Fort Bend County grew by 12.7% from 2000 to 2002. The 2003 population is estimated to be approximately 412,000. This continued prosperity is attributable to the low cost business environment conducive to economic growth and an atmosphere that encourages family interaction and involvement. Fort Bend has the highest rate of graduation from high school in the region and the lowest drop out rate.

The County's unemployment rate is approximately 5.4% and the crime rate is 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. During the past fifteen years, over 100 companies have relocated and/or expanded in Fort Bend County. Due to this new development, property tax assessments continue to rise. The County and many 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.

(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 began in 2003 and is expected to be completed by 2004.

AngelouEconomics Study

AngelouEconomics, along with its partners MW Zander, were retained to perform an economic development study on the Fort Bend County, Sugar Land, and Missouri City markets. The studies included an Economic Development Strategy, Target Industry Assessment and Site Assessments. A thorough SWOT (Strengths, Weakness, Opportunity, and Threat) Analysis was performed on the three communities evaluated. The six common target industry sectors recommended are Energy related Services, Biomedical/Health, Specialty Electronics, Professional and Business Services, Corporate Headquarters, and Regional and Local Retail. The next steps, if the cities choose to engage AE are to include: Technology Entrepreneurship Assessment, Marketing Recruitment Plan, and Recruitment Program.

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. Patterned after the highly successful Texas Medical Center, this emerging cluster of cutting-edge research organizations, major corporations, and leading universities will secure Houston's future as the hub of energy related innovation and commerce.

Mobility Update

A critical portion of the expansion of US 59 was completed in May 2003 with the opening of the main lanes from Corporate Drive to SH 6. The Texas Transportation Commission approved the next phase of the US 59 expansion from SH6 to the Grand Parkway. This \$93 million project is expected to see the first construction contracts let in early summer 2004.

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 \$142.2 million for the year ended September 30, 2003, a 10.0% increase over 2002 as follows:

<u>Revenues by Source</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) From 2002</u>	<u>Percent Change</u>
Taxes	\$ 105,288,111	74.0%	\$5,709,623	5.7%
Fees and fines	16,734,820	11.8%	4,987,630	42.5%
Intergovernmental	12,751,135	9.0%	1,727,067	15.7%
Earnings on investments	2,533,594	1.8%	(281,595)	(10.0)%
Miscellaneous	4,900,307	3.4%	789,857	19.2%
Total	\$142,207,967	100%	\$12,932,582	10.0%

The increase in fees and fines, intergovernmental revenue, 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 amounts reported in 2002 only represented nine months of collections while the 2003 amounts represent twelve months of collections. The decrease in earnings on investments is a result of declining interest rates during 2003.

Property Taxes

Assessed values of real and personal property in the County increased by 9.7% to approximately \$23 billion for the 2002 tax year (2003 fiscal period). Homestead and other tax exemptions increased by 12.4% to approximately \$3.6 billion over the same period, resulting in a net taxable value increase of 9.2% to approximately \$19.4 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 2002 tax levy of approximately \$104.5 million, which was used to finance the 2003 fiscal period, was generated primarily on a tax rate of \$0.5387 per \$100 of assessed valuation. This combined tax rate includes the rates of the County and the Drainage District. The County collected approximately \$100.2 million or 95.9% of the combined 2002 tax levy. Tax collections do not include penalties and interest.

Governmental Expenditures

Expenditures for general governmental purposes totaled approximately \$158.5 million in 2003, a 36.6% increase from the prior year. The changes in the level of expenditures for all of the major functions from 2002 are as follows:

<u>Expenditures by Function</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) From 2002</u>	<u>Percent Change</u>
General Administration	\$21,787,458	13.7%	\$5,526,654	34.0%
Financial Administration	4,411,882	2.8%	1,198,459	37.3%
Administration of Justice	25,613,661	16.2%	7,321,938	40.0%
Road and Bridge	17,053,564	10.8%	4,507,575	35.9%
Health and Welfare	14,994,700	9.5%	4,815,856	47.3%
Cooperative Service	865,468	0.5%	274,211	46.4%
Public Safety	32,329,232	20.4%	7,249,772	28.9%
Parks and Recreation	1,547,020	1.0%	316,532	25.7%
Flood Control	5,833,047	3.7%	1,506,112	34.8%
Libraries and Education	7,733,697	4.9%	1,821,624	30.8%
Capital Outlay	16,415,905	10.4%	8,425,906	105.5%
Debt Service	9,917,074	6.1%	(472,861)	(4.5)%
Total	\$158,502,708	100%	\$42,491,778	36.6%

The increase 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 amounts reported in 2002 only represented nine months of expenditures while the 2003 amounts represent twelve months of expenditures.

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. In addition to the self-insurance fund, the County maintains an internal service fund to account for all workers' compensation claims.

DEBT ADMINISTRATION

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

The ratio of the net general long-term debt to assessed value was .41% in 2003 compared to .48% in 2002. Using the estimated population figure of 412,000, the net general long-term debt per capita is \$194 compared to \$222 in 2002.

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.

Honorable District Judges and Members of the
Commissioners Court
March 19, 2004
Page 7

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 nine months ended September 30, 2002. 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 seventeen consecutive years. We believe our current report continues to conform to the Certificate of Achievement program requirements and we are submitting it to GFOA.

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,



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
September 30, 2002

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.



A handwritten signature in cursive script, appearing to read "Edward Haney".

President

A handwritten signature in cursive script, appearing to read "Jeffrey R. Emer".

Executive Director

FORT BEND COUNTY, TEXAS
LIST OF PRINCIPAL OFFICIALS
September 30, 2003

COMMISSIONERS COURT:

County Judge	Robert Hebert
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	Jeanne Parr
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	Ronald Pope
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:

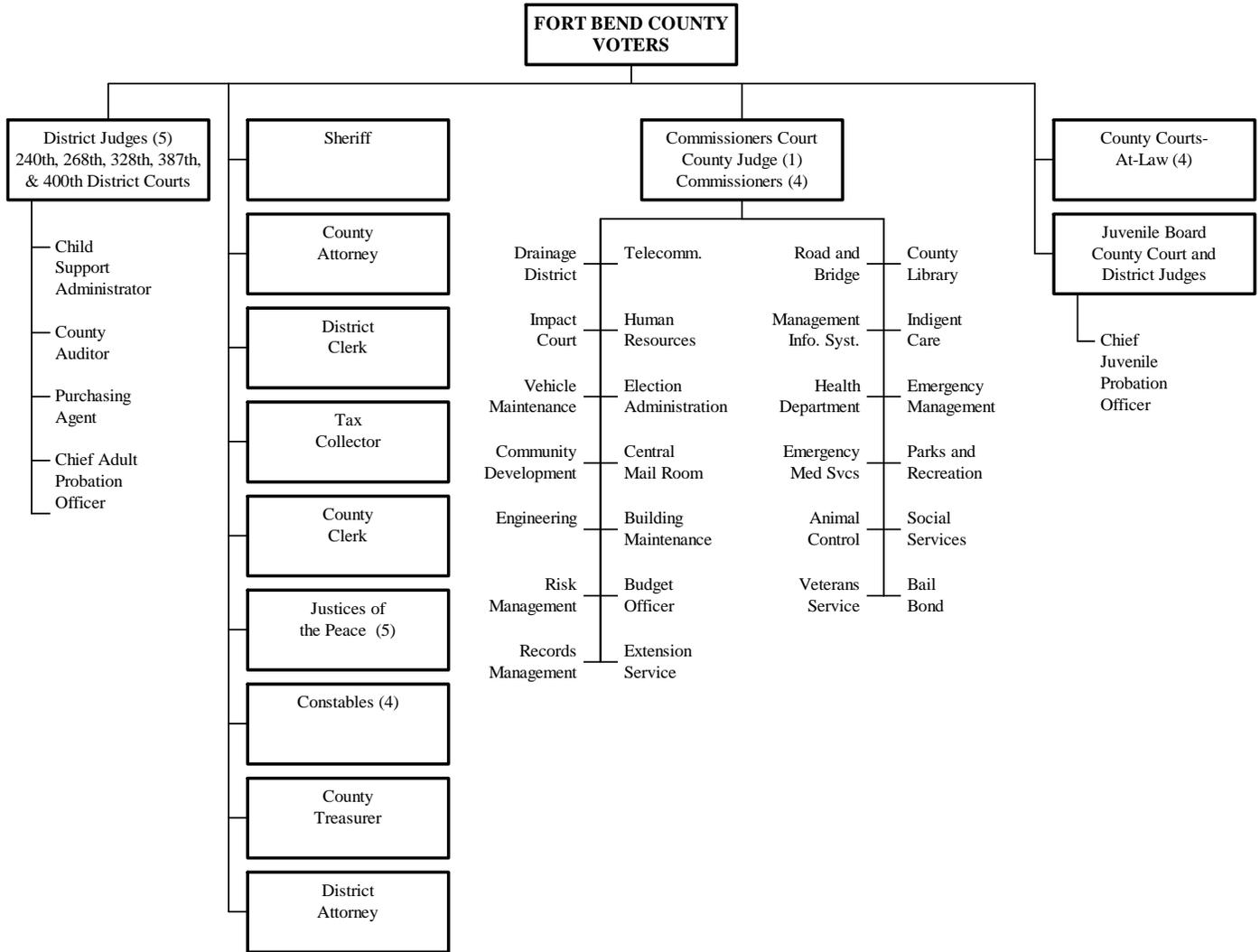
Justice of the Peace, Precinct #1-1	Gary Fredrickson
Justice of the Peace, Precinct #1-2	Gary Geick
Justice of the Peace, Precinct #2	Joel Clouser
Justice of the Peace, Precinct #3	Faye Dettling
Justice of the Peace, Precinct #4	Jim Richard

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

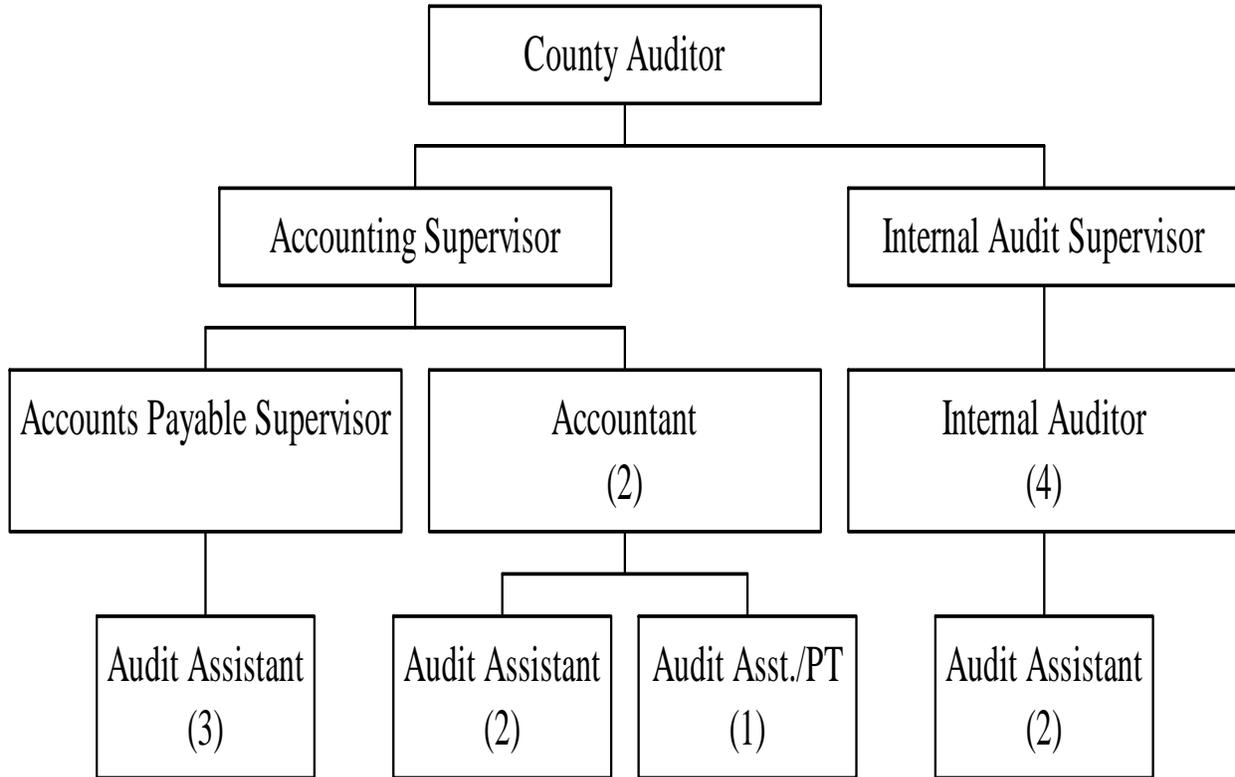
ORGANIZATION CHART



Elected

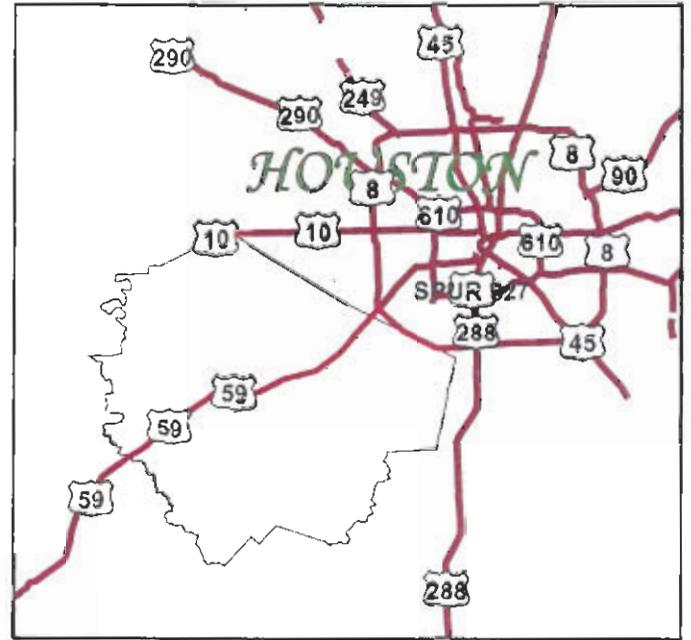
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FORT BEND COUNTY AUDITOR'S OFFICE
ORGANIZATIONAL CHART

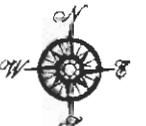
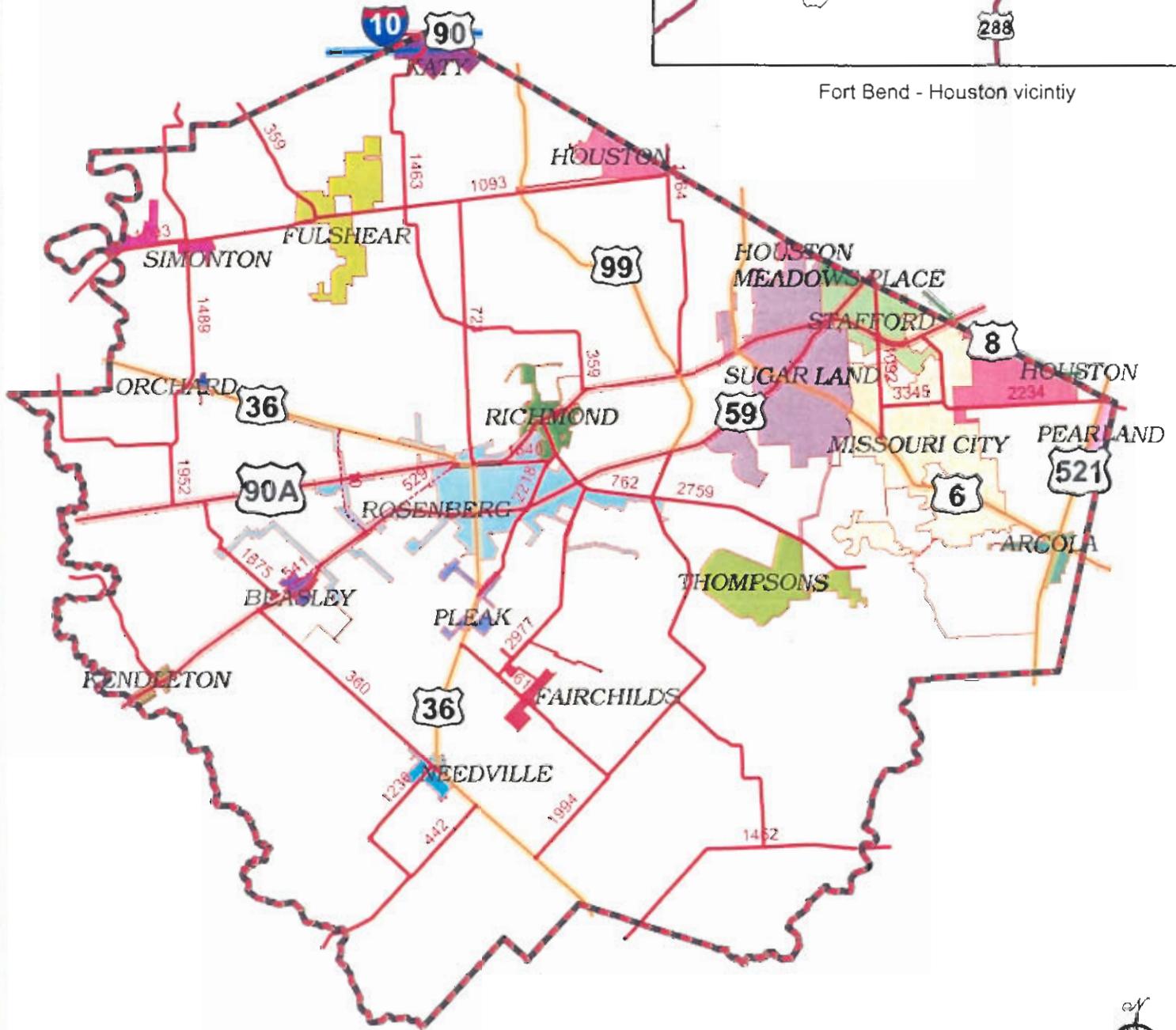




Fort Bend County



Fort Bend - Houston vicinity





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INDEPENDENT AUDITORS' REPORT





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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, 2003, and for the year 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 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, 2003, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund and the Major Special Revenue Fund, thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated February 27, 2004, 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 and other required supplementary information on page 53 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 an opinion on the financial statements that collectively comprise the basic financial statements of Fort Bend County, Texas, as listed in the table of contents. The introductory section, other supplementary information, and statistical section listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining statements and schedules within the other supplementary information 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 section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

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
February 27, 2004

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 year ended September 30, 2003. 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 expenditures over revenues and other financing sources and uses of \$6.4 million (Exhibit A-4), as compared to a planned reduction of \$17.5 million (Exhibit A-6).

On a government-wide basis for governmental activities, the County had expenses net of program revenue of \$79.5 million. General revenues of \$108.1 million (Exhibit A-2) were \$28.6 million more than expenses net of program revenue. An explanation of this situation can be found under “Governmental Revenues” in this MD&A.

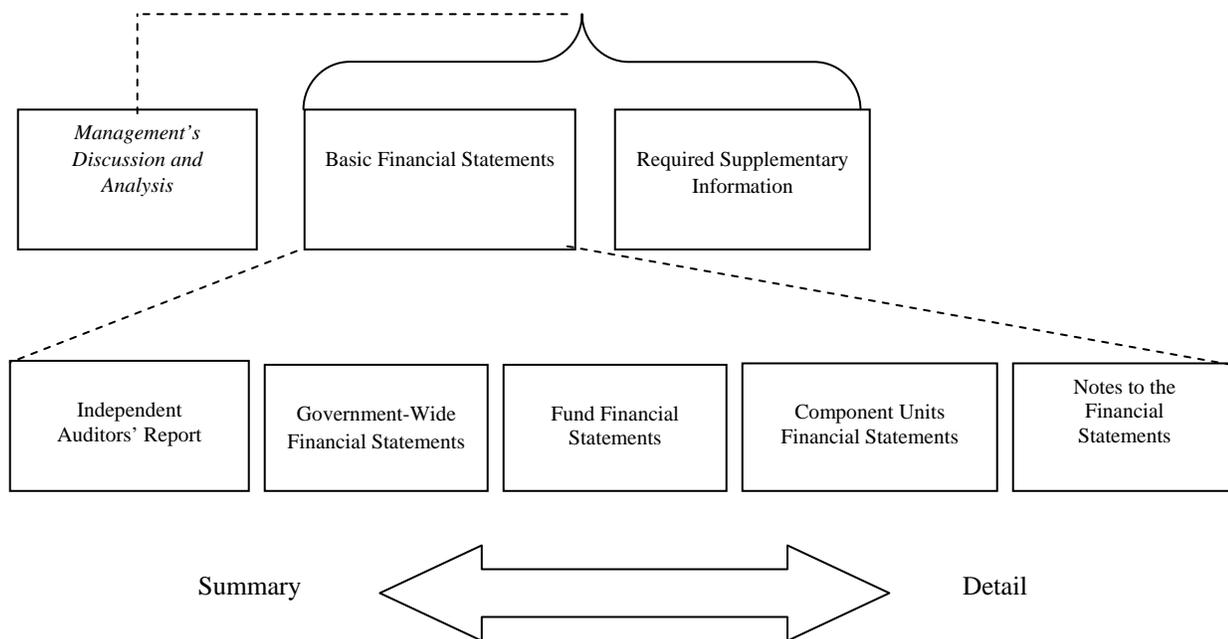
The County’s total net assets excluding discretely presented component units, on a government-wide basis, totaled \$350.0 million at September 30, 2003 (Exhibit A-1).

The County refunded the Permanent Improvement Refunding Bonds Series 1993 during the year ended September 30, 2003. In addition, the Fort Bend County Toll Road Authority, a component unit, issued the Fort Bend County Texas Unlimited Tax and Subordinate Lien Toll Road Revenue Bonds, Series 2003, totaling \$63,695,000.

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



The primary focus of these financial statements 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 answers 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

Statement of Net Assets:

The following table is a condensed Statement of Net Assets:

SUMMARY OF STATEMENT OF NET ASSETS
September 30, 2003 and 2002

	<u>Primary Government</u>			
	<u>Governmental Activities</u>		<u>Component Units</u>	
	<u>2003</u>	<u>2002</u>	<u>2003</u>	<u>2002</u>
Current and other assets	\$ 112,532,419	\$ 129,299,577	\$ 50,406,875	\$ 11,961,637
Capital assets, net	341,484,487	296,790,932	28,023,695	7,133,378
Total Assets	<u>454,016,906</u>	<u>426,090,509</u>	<u>78,430,570</u>	<u>19,095,015</u>
Long-term liabilities	76,355,000	82,845,000	63,695,000	
Other liabilities	27,652,265	21,859,418	13,823,380	17,793,390
Total Liabilities	<u>104,007,265</u>	<u>104,704,418</u>	<u>77,518,380</u>	<u>17,793,390</u>
Net Assets:				
Restricted	824,924	1,165,334	122,449	
Invested in capital assets, net of debt	295,858,324	254,445,300		
Unrestricted	<u>53,326,394</u>	<u>65,775,457</u>	<u>489,381</u>	<u>1,301,625</u>
Total Net Assets	<u>\$ 350,009,642</u>	<u>\$ 321,386,091</u>	<u>\$ 611,830</u>	<u>\$ 1,301,625</u>

The County's combined net assets increased to \$350.0 million from \$321.4 million as a result of the increase 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 are \$53.3 million (Exhibit A-1). The component units' net assets totaled \$611,830 as of September 30, 2003 (Exhibit A-2). This represents a decrease of \$689,795 in net assets from the prior year.

Statement of Activities:

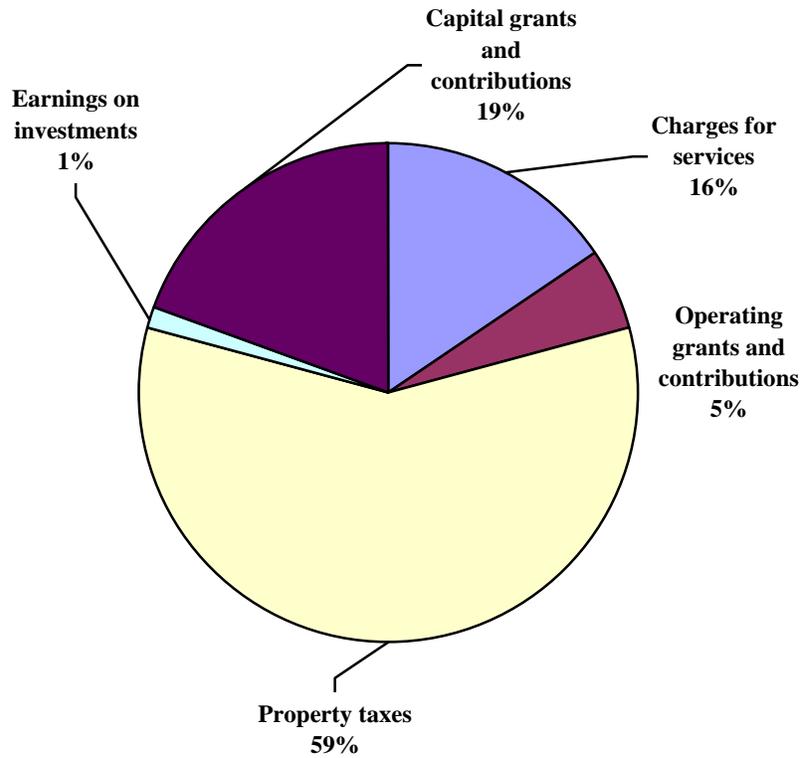
The following table provides a summary of the County's changes in net assets:

CHANGES IN NET ASSETS
Year Ended September 30, 2003 and Nine Months Ended September 30, 2002

	<u>Primary Government</u>			
	<u>Governmental Activities</u>		<u>Component Units</u>	
	<u>2003</u>	<u>2002</u>	<u>2003</u>	<u>2002</u>
Revenues				
Program revenues:				
Charges for services	\$ 28,185,764	\$ 22,272,614	\$	\$ 22,308
Operating grants and contributions	9,155,699	9,305,311	170,000	
Capital grants and contributions	35,039,719	10,096,357		
General revenues:				
Property taxes	105,235,742	1,040,511		
Earnings on investments	2,593,227	2,926,689	236,533	82,187
Other	283,570	91,571	184,496	53
Total Revenues	<u>180,493,721</u>	<u>45,733,053</u>	<u>591,029</u>	<u>104,548</u>
Expenses				
General administration	30,985,677	18,823,898		
Financial administration	4,443,323	3,248,445		
Administration of justice	25,915,729	18,336,539		
Road and bridge maintenance	21,637,150	17,854,883		
Health and welfare	14,612,327	10,244,700		
Cooperative service	939,145	647,302		
Public safety	33,362,301	26,526,213		
Parks and recreation	1,692,779	1,378,188		
Flood control projects	5,776,931	4,324,029		
Libraries and education	8,214,638	6,354,890		
Interest on long-term debt	4,290,170	3,457,863		
FBC Surface Water Supply Corp.			126,328	93,074
Fort Bend Toll Road Authority			1,090,089	
Fort Bend Housing Finance Corp.			64,407	29,600
Total Expenses	<u>151,870,170</u>	<u>111,196,950</u>	<u>1,280,824</u>	<u>122,674</u>
Change in Net Assets	28,623,551	(65,463,897)	(689,795)	(18,126)
Net Assets, Beginning	321,386,091	386,849,988	1,301,625	1,319,751
Net Assets, Ending	<u>\$ 350,009,642</u>	<u>\$ 321,386,091</u>	<u>\$ 611,830</u>	<u>\$ 1,301,625</u>

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

GOVERNMENTAL REVENUES

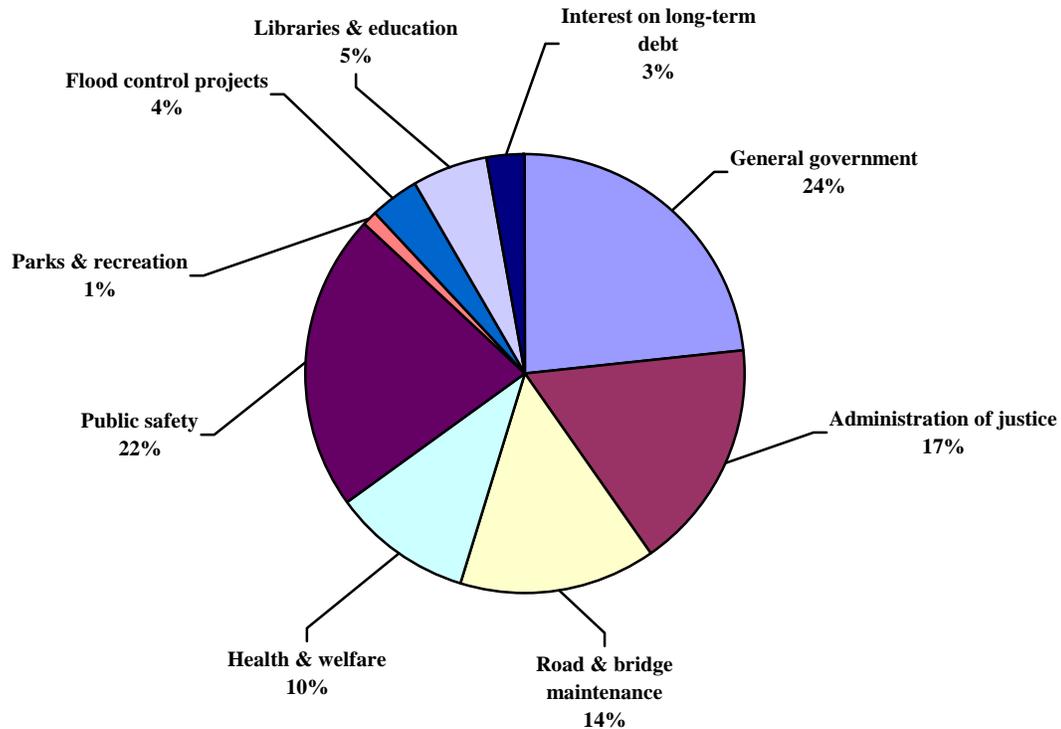


For the year ended September 30, 2003, revenues from governmental activities totaled \$180.1 million, as follows:

- Charges for services, \$28.1 million
- Operating grants and contributions, \$9.2 million
- Property taxes, \$105.2 million
- Earnings on investments, \$2.6 million
- Capital grants and contributions, \$35.0 million

“Other” revenue totaled \$283,570, or less than 1% of total revenue, and was therefore not included in the graph above.

GOVERNMENTAL FUNCTIONAL EXPENSES



For the year ended September 30, 2003, expenses for governmental activities totaled \$151.9 million, as follows:

- General government, \$35.4 million
- Administration of justice, \$25.9 million
- Road & bridge maintenance, \$21.6 million
- Health & welfare, \$15.6 million
- Public safety, \$33.4 million
- Parks & recreation, \$1.7 million
- Flood control projects, \$5.8 million
- Libraries & education, \$8.2 million
- Interest on long-term debt, \$4.3 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 \$88.4 million (Exhibit A-3). Of this total, approximately \$70.5 million is unreserved and available for day-to-day operations of the County while approximately \$16.8 million is reserved for capital projects, and approximately \$1.1 million is reserved for debt service.

There was a decrease of \$17.7 million in the combined fund balance over the prior year. Included in this overall decrease (Exhibit A-4) is a \$6.4 million decrease to the General Fund fund balance. In addition, the Mobility Capital Projects Fund recorded a \$7.2 million decrease in fund balance during the year ended September 30, 2003.

In the Road & Bridge Fund, the County spent \$15.2 million on road and bridge maintenance projects and collected revenues of approximately \$14.3 million, netting an approximate \$935,000 decrease in fund balance. This decrease, along with a beginning fund balance of \$6.7 million, leaves the Road and Bridge Fund with a \$5.7 million fund balance as of September 30, 2003.

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 a deficit net assets of \$3,312,726 at September 30, 2003. Operating expenses exceeded operating revenues by \$4,944,541 during the year ended September 30, 2003. Lastly, cash and cash equivalents in the internal service funds totaled approximately \$1.1 million at September 30, 2003.

GENERAL FUND BUDGETARY HIGHLIGHTS

	<u>Year Ended September 30, 2003</u>			<u>2002</u>
	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Actual</u>
<u>Revenues</u>				
Taxes	\$ 83,192,777	\$ 83,192,777	\$ 83,463,182	\$ 77,312,187
Other	15,541,050	17,175,649	18,393,014	14,376,320
Total	<u>98,733,827</u>	<u>100,368,426</u>	<u>101,856,196</u>	<u>91,688,507</u>
<u>Expenditures</u>				
Expenditures	<u>109,676,562</u>	<u>111,938,268</u>	<u>102,394,727</u>	<u>69,761,841</u>
<u>Other Financing Sources (Uses)</u>				
Transfers in		385,263	450,117	322,165
Transfers (out)		(6,322,318)	(6,322,318)	(6,793,987)
Total		<u>(5,937,055)</u>	<u>(5,872,201)</u>	<u>(6,471,822)</u>
Change in Fund Balance	<u>\$ (10,942,735)</u>	<u>\$ (17,506,897)</u>	<u>\$ (6,410,732)</u>	<u>\$ 15,454,844</u>

Revenue and other financing uses exceeded revenue and other financing sources by \$6.4 million in the General Fund for the year ended September 30, 2003.

Actual General Fund revenues exceeded the amended budgeted General Fund revenues by approximately \$1.5 million during the year ended September 30, 2003. This excess revenue can be directly attributed to an increase in the amount of fines and fees collected by the County. The County collected approximately \$2.5 million more than was budgeted for the fiscal year. In addition, General Fund expenditures were less than both the original and amended budget. General Fund expenditures were approximately \$9.5 million less than the amended budget.

During the year ended September 30, 2003, Commissioners Court amended the budget for the following purposes:

- To appropriate grants or donations accepted during the year ended September 30, 2003 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 year ended September 30, 2003, the County's governmental activities funds had invested approximately \$341.5 million 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.

SCHEDULE OF CAPITAL ASSETS

	Governmental Activities	
	2003	2002
Non-Depreciable Assets		
Land and intangibles	\$ 98,957,713	\$ 86,776,146
Construction in progress	21,757,803	7,419,881
Other Capital Assets, Net		
Vehicles	4,279,204	4,023,634
Office furniture and equipment	2,611,615	2,933,250
Machinery and equipment	6,269,917	5,552,780
Buildings, facilities and improvements	58,481,795	59,409,097
Infrastructure	149,126,440	130,676,144
Totals	\$ 341,484,487	\$ 296,790,932

Construction in progress at year-end represents numerous ongoing projects, the largest of which relates to the County Mobility Projects. More detailed information regarding capital asset activity can be found in Note 8 to the Financial Statements.

LONG-TERM DEBT

After the year ended September 30, 2003, the County had bonds and certificates of obligation outstanding in the amount of \$82.1 million. Of this amount, \$81.9 million is general obligation debt and certificates of obligation account for \$150,000 of the total debt.

	Governmental Activities	
	2003	2002
General Obligation Bonds	\$ 81,935,000	\$ 88,105,000
Certificates of Obligation	150,000	200,000
Total	\$ 82,085,000	\$ 88,305,000

The County refunded the Permanent Improvement Refunding Bonds, Series 1993 during the year ended September 30, 2003. The County's total debt decreased by \$6.2 million during the year ended September 30, 2003. More detailed information about the County's long-term liabilities is presented in Note 9 to the financial statements.

ECONOMIC FACTORS (1)

The unemployment rate in the County for 2003 was 5.4%, an increase over the 4.2% rate from the prior year. However, Fort Bend County ranks in the top 5% for population and employment growth, household income, ethnic diversity, home ownership, and educational attainment in the United States.

During 2003, there were six new relocations and two significant expansions throughout Fort Bend County. These companies will generate over 327 new jobs for the area and add \$53.25 million to the tax base. Included in these relocations are Alpha Shirt company, Champion Technologies, Cosentino USA, La Barge, RIBA Foods, and Rosink.

Fort Bend County continued to lead the region in retail development for the sixth consecutive year. The retail market posted a million plus square feet development in the County. In excess of 1.1 million square feet of retail development was completed and under construction. There is 365,000 square feet of new retail space on the drawing board. The average appraised value for these types of facilities is approximately \$65 per square foot for construction and \$100 per square foot in inventory and fixtures.

The City of Stafford began construction of Stafford Centre, a 93,800 square foot convention center to be located on 31 acres at the southeast corner of Murphy and Cash roads. The center will combine a performing arts facility that will seat 1,100 and a convention component that will include a 20,000 square foot ballroom and 5,000 square foot of meeting space. The center will open in the first quarter of 2004.

A new, 35-acre complex of offices, retail, governmental, hotel, and meeting facilities featuring a full service 300 room Marriott hotel and convention center was completed in Sugar Land. The hotel and convention center and the 150,000 square foot retail facility opened in September 2003.

Commissioners Court approved a \$157.4 million budget for the 2004 fiscal year, not including component units. This represents a 7% increase from the prior year. The budget incorporated a tax rate reduction of 2.8% to \$.52374 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, 2003

	<u>Primary Government</u>	
	<u>Governmental Activities</u>	<u>Component Units</u>
<u>Assets</u>		
Cash and cash equivalents	\$ 42,688,580	\$ 8,541,512
Cash held by fiscal agent		7,916,795
Investments	53,577,846	33,397,643
Receivables:		
Taxes, net	6,108,606	
Grants	139,870	
Fees and fines	1,725,546	
Other	246,611	44,416
Prepays	95,363	
Deferred issuance costs	106,379	506,509
Due from component units	5,900,000	
Due from fiduciary funds	1,943,618	
Capital assets, net	341,484,487	28,023,695
	<hr/>	<hr/>
Total Assets	454,016,906	78,430,570
<u>Liabilities</u>		
Accounts payable	12,280,153	3,649,667
Accrued payroll	3,332,004	
Retainage payable	338,317	333,733
Accrued interest payable	299,754	1,090,089
Premium on bonds	760,000	3,150,251
Compensated absences	4,547,329	
Due to primary government		5,900,000
Due to other governments	238,074	
Due to fiduciary funds	126,634	
Long-term liabilities due within one year	5,730,000	
Long-term liabilities due in more than one year	76,355,000	63,695,000
	<hr/>	<hr/>
Total Liabilities	104,007,265	77,818,740
<u>Net Assets</u>		
Restricted	824,924	122,449
Invested in capital assets, net of related debt	295,858,324	
Unrestricted assets	53,326,394	489,381
	<hr/>	<hr/>
Total Net Assets	\$ 350,009,642	\$ 611,830

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



FORT BEND COUNTY, TEXAS

STATEMENT OF ACTIVITIES

Year Ended September 30, 2003

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants & Contributions
Primary Government				
Governmental Activities				
General administration	\$ 30,985,677	\$ 9,717,379	\$ 901,495	\$
Financial administration	4,443,323	3,372,000	800	
Administration of justice	25,915,729	4,611,550	4,165,788	
Road and bridge maintenance	21,637,150	3,959,038	635,831	35,039,719
Health and welfare	14,612,327	2,426,239	2,171,366	
Cooperative service	939,145		3,000	
Public safety	33,362,301	2,735,090	1,211,079	
Parks and recreation	1,692,779	181,043		
Flood control projects	5,776,931	819,302		
Libraries and education	8,214,638	234,664	66,340	
Debt service	4,290,170	129,459		
Total Primary Government	151,870,170	28,185,764	9,155,699	35,039,719
Component Units				
FBC Surface Water Supply Corp.	\$ 126,328	\$	\$ 170,000	\$
FBC Toll Road Authority	1,090,089			
FB Housing Finance Corp.	64,407			
Total Component Units	\$ 1,280,824	\$	\$ 170,000	\$

General Revenues:

Property taxes, penalties, and interest

Earnings on investments

Miscellaneous

Total General Revenues and Transfers

Change in Net Assets

Net Assets, Beginning

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
\$ (20,366,803)	\$
(1,070,523)	
(17,138,391)	
17,997,438	
(10,014,722)	
(936,145)	
(29,416,132)	
(1,511,736)	
(4,957,629)	
(7,913,634)	
(4,160,711)	
<u>(79,488,988)</u>	
\$	\$ 43,672
	(1,090,089)
	(64,407)
<u>\$</u>	<u>\$ (1,110,824)</u>
\$ 105,235,742	\$
2,593,227	236,533
283,570	184,496
<u>108,112,539</u>	<u>421,029</u>
28,623,551	(689,795)
321,386,091	1,301,625
<u>\$ 350,009,642</u>	<u>\$ 611,830</u>



FUND FINANCIAL STATEMENTS
GOVERNMENTAL FUNDS

FORT BEND COUNTY, TEXAS

BALANCE SHEET GOVERNMENTAL FUNDS

September 30, 2003

	General	Major Special Revenue - Road & Bridge	Major Capital Project - Mobility	Other Governmental Funds	Total Governmental Funds
Assets					
Cash and cash equivalents	\$ 19,873,329	\$ 661,438	\$ 7,385,383	\$ 13,717,664	\$ 41,637,814
Investments	19,469,770	6,149,797	10,000,000	17,958,279	53,577,846
Taxes receivable, net	4,453,583	688,008		967,015	6,108,606
Grants receivable				139,870	139,870
Other receivables	146,894	3,189		64,090	214,173
Due from other funds	9,451,164	550,911		229,067	10,231,142
Prepaid items	92,532	31		2,800	95,363
Total Assets	\$ 53,487,272	\$ 8,053,374	\$ 17,385,383	\$ 33,078,785	\$ 112,004,814
Liabilities					
Accounts payable	\$ 6,900,227	\$ 1,332,706	\$ 466,107	\$ 1,523,465	\$ 10,222,505
Accrued payroll	2,519,809	270,565		541,630	3,332,004
Retainage payable	122,529	29,242	171,503	15,043	338,317
Due to other funds	1,237,172			344,807	1,581,979
Due to other governments/units	48,664			26,416	75,080
Deferred revenue	4,468,817	688,008		2,936,505	8,093,330
Total Liabilities	15,297,218	2,320,521	637,610	5,387,866	23,643,215
Fund Balances					
Reserved for:					
Debt service				1,124,677	1,124,677
Capital projects			16,747,773		16,747,773
Unreserved	38,190,054	5,732,853		26,566,242	70,489,149
Total Fund Balances	38,190,054	5,732,853	16,747,773	27,690,919	88,361,599
Total Liab. and Fund Balances	\$ 53,487,272	\$ 8,053,374	\$ 17,385,383	\$ 33,078,785	
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.					341,484,487
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.					8,093,329
Under full accrual accounting, receivables are recorded for revenues 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.					(3,312,726)
Some long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.					(86,179,599)
Net Assets of Governmental Activities					\$ 350,009,642

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
Year Ended September 30, 2003

	General	Major Special Revenue - Road & Bridge	Major Capital Project - Mobility	Other Governmental Funds	Total Governmental Funds
Revenues					
Taxes	\$ 83,463,182	\$ 8,261,665		\$ 13,563,264	\$ 105,288,111
Fees and fines	10,686,123	3,371,526		2,677,171	16,734,820
Intergovernmental	3,300,577	2,300,754	643,889	6,505,915	12,751,135
Earnings on investments	1,392,135	188,587	308,796	644,076	2,533,594
Miscellaneous	3,014,179	171,266		1,714,862	4,900,307
Total Revenues	101,856,196	14,293,798	952,685	25,105,288	142,207,967
Expenditures					
Current:					
General administration	21,099,486			687,972	21,787,458
Financial administration	4,351,766			60,116	4,411,882
Administration of justice	14,053,692			11,559,969	25,613,661
Construction and maintenance	1,820,474	15,216,547		16,543	17,053,564
Health and welfare	12,742,155			2,252,545	14,994,700
Cooperative service	865,010			458	865,468
Public safety	31,621,228			708,004	32,329,232
Parks and recreation	1,545,849			1,171	1,547,020
Flood control projects				5,833,047	5,833,047
Libraries and education	7,667,889			65,808	7,733,697
Capital outlay	6,627,178		8,173,261	1,615,466	16,415,905
Debt Service:					
Principal				5,460,000	5,460,000
Interest and fiscal charges				4,457,074	4,457,074
Total Expenditures	102,394,727	15,216,547	8,173,261	32,718,173	158,502,708
(Deficiency) of Revenues (Under) Expenditures	(538,531)	(922,749)	(7,220,576)	(7,612,885)	(16,294,741)
Other Financing Sources (Uses)					
Transfers in	450,117			5,771,381	6,221,498
Transfers (out)	(6,152,318)	(12,302)		(1,266,706)	(7,431,326)
Transfers (out) - component unit	(170,000)				(170,000)
Total Other Financing Sources (Uses)	(5,872,201)	(12,302)		4,504,675	(1,379,828)
Net Change in Fund Balance	(6,410,732)	(935,051)	(7,220,576)	(3,108,210)	(17,674,569)
Fund balances - Beginning of Year	44,600,786	6,667,904	23,968,349	30,799,129	106,036,168
Fund Balances - End of Year	\$ 38,190,054	\$ 5,732,853	\$ 16,747,773	\$ 27,690,919	\$ 88,361,599

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
Year Ended September 30, 2003

Net changes in fund balances - governmental funds (Exhibit A-4)	\$ (17,674,569)
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.	5,460,000
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.	(304,260)
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 capital outlay (\$21,583,136) exceeded depreciation expense (\$11,929,300) in the current period.	9,653,836
Capital contributions of infrastructure are reported in the government-wide financial statements but not in the fund financial statements.	35,039,719
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.	(35,876)
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.	166,904
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.	<u>(3,682,203)</u>
Change in Net Assets of Governmental Activities	<u><u>\$ 28,623,551</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
Year Ended September 30, 2003
With Comparative Totals For The Nine Months Ended September 30, 2002

	Original Budget	Budget as Amended	Actual
Revenues			
Property taxes	\$ 83,192,777	\$ 83,192,777	\$ 83,463,182
Fees and fines	8,235,050	8,235,050	10,686,123
Intergovernmental	3,430,000	4,725,754	3,300,577
Earnings on investments	1,800,000	1,800,000	1,392,135
Miscellaneous	2,076,000	2,414,845	3,014,179
Total Revenues	98,733,827	100,368,426	101,856,196
Expenditures			
Current:			
General administration	25,542,052	22,955,961	21,099,486
Financial Administration	4,662,969	4,379,144	4,351,766
Administration of justice	13,067,881	14,231,040	14,053,692
Construction and maintenance	1,698,121	2,287,296	1,820,474
Health and welfare	12,165,857	12,817,606	12,742,155
Cooperative service	913,459	903,152	865,010
Public safety	31,960,193	32,119,007	31,621,228
Parks and recreation	1,546,420	1,786,967	1,545,849
Libraries and education	7,769,919	7,764,359	7,667,889
Capital outlay	10,349,691	12,693,736	6,627,178
Debt Service			
Interest and fiscal charges			
Total Expenditures	109,676,562	111,938,268	102,394,727
Revenues Over (Under) Expenditures	(10,942,735)	(11,569,842)	(538,531)
Other Financing Sources (Uses)			
Transfers in		385,263	450,117
Transfers (out) to component unit		(170,000)	(170,000)
Transfers (out)		(6,152,318)	(6,152,318)
Total Other Financing Sources (Uses)		(5,937,055)	(5,872,201)
Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	(10,942,735)	(17,506,897)	(6,410,732)
Fund Balances, Beginning of Year	44,600,786	44,600,786	44,600,786
Fund Balances, End of Year	\$ 33,658,051	\$ 27,093,889	\$ 38,190,054

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

Variance from Amended Over (Under)	2002 Actual
\$ 270,405	\$ 77,312,187
2,451,073	7,375,204
(1,425,177)	3,405,216
(407,865)	1,502,969
599,334	2,092,931
<u>1,487,770</u>	<u>91,688,507</u>
1,856,475	15,777,453
27,378	3,186,488
177,348	9,968,658
466,822	1,086,886
75,451	7,616,809
38,142	591,257
497,779	24,245,261
241,118	1,230,362
96,470	5,655,359
6,066,558	208,989
	194,319
<u>9,543,541</u>	<u>69,761,841</u>
11,031,311	21,926,666
64,854	322,165
	<u>(6,793,987)</u>
<u>64,854</u>	<u>(6,471,822)</u>
11,096,165	15,454,844
	29,145,942
<u>\$ 11,096,165</u>	<u>\$ 44,600,786</u>

FORT BEND COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
ROAD AND BRIDGE
Year Ended September 30, 2003
With Comparative Totals For The Nine Months Ended September 30, 2002

	Original Budget	Budget as Amended	Actual
<u>Revenues</u>			
Property taxes	\$ 8,225,404	\$ 8,255,404	\$ 8,261,665
Fees and fines	2,884,000	2,749,000	3,371,526
Intergovernmental	2,075,000	2,210,000	2,300,754
Earnings on investments	215,000	215,000	188,587
Miscellaneous	100,000	100,000	171,266
Total Revenues	13,499,404	13,529,404	14,293,798
<u>Expenditures</u>			
Current:			
Construction and maintenance	15,678,012	15,329,885	15,216,547
Debt Service			
Principal retirement			
Interest and fiscal charges			
Total Expenditures	15,678,012	15,329,885	15,216,547
Revenues Over (Under) Expenditures	(2,178,608)	(1,800,481)	(922,749)
Other Financing Sources (Uses)			
Transfers (out)		(12,302)	(12,302)
Total Other Financing Sources (Uses)		(12,302)	(12,302)
Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	(2,178,608)	(1,812,783)	(935,051)
Fund Balances, Beginning of Year	6,667,904	6,667,904	6,667,904
Fund Balances, End of Year	\$ 4,489,296	\$ 4,855,121	\$ 5,732,853

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

Variance from Amended Over (Under)	2002 Actual
\$ 6,261	\$ 8,642,732
622,526	2,470,875
90,754	2,263,481
(26,413)	223,608
71,266	147,819
<u>764,394</u>	<u>13,748,515</u>
113,338	11,347,031
	145,852
	8,650
<u>113,338</u>	<u>11,501,533</u>
877,732	2,246,982
	(17,209)
	(17,209)
877,732	2,229,773
	4,438,131
<u>\$ 877,732</u>	<u>\$ 6,667,904</u>



FUND FINANCIAL STATEMENTS
PROPRIETARY FUNDS

FORT BEND COUNTY, TEXAS
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
September 30, 2003

	Governmental Activities- <hr/> Internal Service Funds <hr/>
<u>Assets</u>	
Cash and cash equivalents	\$ 1,104,391
Due from other funds	1,217,823
Other receivables	47,438
Total Assets	<hr/> 2,369,652 <hr/>
<u>Liabilities and Net Assets</u>	
<u>Liabilities</u>	
Accounts payable	68,625
Benefits payable	3,463,753
Due to other funds	2,150,000
Total Liabilities	<hr/> 5,682,378 <hr/>
<u>Net Assets (Deficit)</u>	
Unrestricted	<hr/> \$ (3,312,726) <hr/>

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
Year Ended September 30, 2003

	Governmental Activities- Internal Service Funds
<u>Operating Revenues</u>	
Charges for services	\$ 13,022,309
Total Operating Revenues	13,022,309
<u>Operating Expenses</u>	
Current operations - general administration	3,477,898
Benefits provided	14,488,952
Total Operating Expenses	17,966,850
Operating (Loss)	(4,944,541)
<u>Non-Operating Revenues</u>	
Earnings on investments	52,510
Total Non-Operating Revenues	52,510
(Loss) Before Transfers	(4,892,031)
Transfers in	1,209,828
Change in Net Assets	(3,682,203)
Net Assets, Beginning	369,477
Net Assets (Deficit), Ending	\$ (3,312,726)

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

FORT BEND COUNTY, TEXAS
COMBINING STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For The Year Ended September 30, 2003

	<u>Governmental Activities - Internal Service Funds</u>
Cash Flows From Operating Activities	
Charges for services	\$ 12,504,711
Payment of benefits	(13,132,487)
Payment of general administration expenses	(3,469,646)
	<hr/>
Net Cash (Used) by Operating Activities	(4,097,422)
Cash Flows From Noncapital Financing Activities	
Transfers in	1,209,828
	<hr/>
Net Cash Provided by Noncapital Financing Activities	1,209,828
Cash Flows From Investing Activities	
Interest earned on investments	52,510
	<hr/>
Net (Decrease) in Cash and Cash Equivalents	(2,835,084)
Cash and Cash Equivalents, October 1	3,939,475
	<hr/>
Cash and Cash Equivalents, September 30	\$ 1,104,391
	<hr/> <hr/>
Reconciliation of Operating (Loss) to Net Cash (Used) by Operating Activities	
Operating (loss)	\$ (4,944,541)
Change in assets and liabilities	
(Increase) decrease in other receivables	913
(Increase) decrease in due from other funds	(1,167,598)
Increase (decrease) in accounts payable	8,252
Increase (decrease) in benefits payable	1,355,552
Increase (decrease) in due to other funds	650,000
	<hr/>
Net Cash (Used) by Operating Activities	\$ (4,097,422)
	<hr/> <hr/>

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, 2003

	<u>Agency Funds</u>
<u>Assets</u>	
Cash and cash equivalents	\$ 18,588,944
Due from other funds	126,633
	18,715,577
Total Assets	\$ 18,715,577
 <u>Liabilities</u>	
Accounts payable	\$ 3,655
Due to other funds	1,943,618
Due to other units	16,768,304
	18,715,577
Total Liabilities	\$ 18,715,577

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, 2003

	FBC Surface Water Supply Corporation	Fort Bend Toll Road Authority	Fort Bend Housing Finance Corporation	Totals
<u>Assets</u>				
Cash and cash equivalents	\$ 77,856	\$ 8,364,874	\$ 98,782	\$ 8,541,512
Cash held by fiscal agent		7,916,795		7,916,795
Investments		33,055,510	342,133	33,397,643
Miscellaneous receivables		44,416		44,416
Deferred bond issuance costs		506,509		506,509
Capital assets, net		28,023,695		28,023,695
	<hr/>	<hr/>	<hr/>	<hr/>
Total Assets	77,856	77,911,799	440,915	78,430,570
	<hr/>	<hr/>	<hr/>	<hr/>
<u>Liabilities and Net Assets</u>				
<u>Liabilities</u>				
Accounts payable	24,890	3,620,277	4,500	3,649,667
Retainage payable		333,733		333,733
Due to primary government		5,900,000		5,900,000
Accrued interest payable		1,090,089		1,090,089
Bond premium		3,150,251		3,150,251
Bonds payable		63,695,000		63,695,000
	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities	24,890	77,789,350	4,500	77,818,740
	<hr/>	<hr/>	<hr/>	<hr/>
<u>Net Assets</u>				
Restricted		122,449		
Unrestricted	52,966		436,415	489,381
	<hr/>	<hr/>	<hr/>	<hr/>
Total Net Assets	\$ 52,966	\$ 122,449	\$ 436,415	\$ 611,830
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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



FORT BEND COUNTY, TEXAS

STATEMENT OF ACTIVITIES

COMPONENT UNITS

Year Ended September 30, 2003

Functions/Programs	Expenses	Program Revenues Operating Grants and Contributions	FBC Surface Water Supply Corporation
FBC Surface Water Supply Corporation			
Health and Welfare	\$ 126,328	\$ 170,000	\$ 43,672
Total FBC Surface Water Supply Corporation	126,328	170,000	43,672
Fort Bend Toll Road Authority			
Debt Service	1,090,089		
Total Fort Bend Toll Road Authority	1,090,089		
Fort Bend Housing Finance Corporation			
General administration	64,407		
Total Fort Bend Housing Finance Corporation	64,407		
Total Component Units	\$ 1,280,824	\$ 170,000	\$ 43,672

General Revenues:

Earnings on investments	\$ 1,620
Miscellaneous	
Total General Revenues	1,620
Change in Net Assets	45,292
Net Assets, Beginning of Year	7,674
Net Assets, End of Year	\$ 52,966

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

Net (Expense) Revenue and Changes in Net Assets

Fort Bend Toll Road Authority	Fort Bend Housing Finance Corporation	Totals
\$	\$	\$ 43,672
		43,672
(1,090,089)		(1,090,089)
(1,090,089)		(1,090,089)
	(64,407)	(64,407)
	(64,407)	(64,407)
\$ (1,090,089)	\$ (64,407)	\$ (1,110,824)
\$ 232,313	\$ 2,600	\$ 236,533
110,662	73,834	184,496
342,975	76,434	421,029
(747,114)	12,027	(689,795)
869,563	424,388	1,301,625
\$ 122,449	\$ 436,415	\$ 611,830

FORT BEND COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2003

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, 2003

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 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 its will.

Fort Bend Surface Water Supply Corporation

The Fort Bend County Surface Water Supply 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 its will.

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 its 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.

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.

FORT BEND COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2003

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 GASB 34 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.

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.).

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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, 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:

The County reports the following major governmental funds:

General Fund

The General Fund is the County's primary operating fund. It 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.

Road & Bridge

The Road & Bridge Fund is used to account for the costs associated with the construction and maintenance of roads and bridges. Revenues are derived mainly from ad-valorem taxes, intergovernmental revenues, and fees and fines.

Mobility

The Mobility Fund is used to account for the proceeds of the General Obligation Bonds Series 2001 which are being used to finance the construction and/or expansion of numerous roads in the County.

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.

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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 pay liabilities of the current year. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Substantially all revenues, except property taxes, are considered to be 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.

Amounts reported as program revenues include 1) charges to customers for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Revenues that are generated internally are reported as general revenues, including property taxes.

Proprietary funds present both operating revenues and expenses as well as nonoperating revenues and expenses. Operating revenues and expenses are generally derived from providing services and producing goods as part of ongoing operations. The principal operating revenues of the County's internal service funds are charges to users for services. The operating expenses for the County's internal service funds include administrative expenses and all costs associated with providing services. All other revenue and expenses is reported as nonoperating revenue.

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.

FORT BEND COUNTY, TEXAS
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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 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 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.

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

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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:

<u>Asset Description</u>	<u>Estimated Useful Life</u>
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.

A liability for accrued compensated absences is recorded 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.

FORT BEND COUNTY, TEXAS
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NOTE 2 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statements of net assets

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net assets – governmental activities* as reported in the government-wide statement of net assets. One element of that reconciliation explains that “some long term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.” The details of this \$86,179,599 difference are as follows:

Bonds payable	\$ 82,085,000
Less: Deferred charge for issuance costs (to be amortized over the life of the debt)	(106,379)
Plus: Bond premium (to be amortized over the life of the debt)	760,000
Accrued interest payable	299,754
Accrued compensated absences	3,141,224
Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net assets - governmental activities</i>	\$ 86,179,599

NOTE 3 – 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 the Parkway 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.

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

B. Deficit Net Assets

Employee Benefits

The deficit retained earnings balance of \$3,499,202 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 4 – 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, 2003, are summarized as follows:

	<u>Credit Risk</u>	<u>Carrying Amount</u>
Cash deposits	1	\$ 28,064,860
Investments considered cash and cash equivalents		<u>14,623,720</u>
Total Cash and Cash Equivalents		<u>\$ 42,688,580</u>

The discretely presented component units' cash and cash equivalents at September 30, 2003, are summarized as follows:

	<u>Credit Risk</u>	<u>Carrying Amount</u>
Cash deposits	1	\$ 15,740,085
Investments considered cash and cash equivalents		<u>718,222</u>
Total Cash and Cash Equivalents		<u>\$ 16,458,307</u>

FORT BEND COUNTY, TEXAS
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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.

Short Term Investments – LOGIC

The investments in Local Government Investment Cooperative (LOGIC) in the amount of \$14,623,720 and \$718,222 which approximate market value, 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 year ended September 30, 2003.

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, 2003. 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.

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NOTES TO FINANCIAL STATEMENTS
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The investments in 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. LOGIC, an investment pool, is not registered with the Securities and Exchange Commission. Further, there is no regulatory oversight for this investment pool. 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. LOGIC is required to comply with the Public Funds Investment Act of 1995.

The County's carrying amount of investments at September 30, 2003, which approximates fair value, is summarized as follows:

	<u>Investment Category</u>	<u>Carrying Amount</u>
Certificates of deposit	1	<u>\$ 41,109,279</u>
U.S. Government Securities		
U.S. Agency Securities	1	<u>12,468,567</u>
Investments Not Subject to Categorization		
LOGIC Investments		<u>14,623,720</u>
Total Investments		<u><u>\$ 68,201,566</u></u>

The discretely presented component units' carrying amount of investments at September 30, 2003, which approximates fair value, is summarized as follows:

	<u>Investment Category</u>	<u>Carrying Amount</u>
Certificates of deposit	1	<u>\$ 33,397,643</u>
Investments Not Subject to Categorization		
LOGIC Investments		<u>718,222</u>
Total Investments		<u><u>\$ 34,115,865</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 year ended September 30, 2003.

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 year ended September 30, 2003, was not significant.

FORT BEND COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
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NOTE 5 – RECEIVABLES

Receivables, including applicable allowances for uncollectible accounts, as of September 30, 2003 are as follows:

Primary Government:

	<u>Governmental Activities</u>				<u>Total</u>
	<u>General</u>	<u>Major Special Revenue - Road & Bridge</u>	<u>Other Nonmajor Governmental Funds</u>	<u>Internal Service</u>	
Receivables					
Taxes, net	\$ 4,453,583	\$ 688,008	\$ 967,015	\$	\$ 6,108,606
Grants			139,870		139,870
Fees & fines	1,725,546				1,725,546
Other	146,894	3,189	64,090	32,438	246,611
Total	\$ 6,326,023	\$ 691,197	\$ 1,170,975	\$ 32,438	\$ 8,220,633

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, 2003 the various components of deferred revenue reported in the governmental funds are as follows:

	<u>Unavailable</u>	<u>Unearned</u>
Delinquent property taxes (general fund)	4,468,817	
Delinquent property taxes (road and bridge fund)	688,008	
Delinquent property taxes (drainage district fund)	395,070	
Delinquent property taxes (debt service funds)	571,946	
Grant funds received prior to meeting all eligibility requirements		1,969,488
Total deferred revenue for governmental funds	\$ 6,123,841	\$ 1,969,488

NOTE 6 – 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.

FORT BEND COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
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A. 2002 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 2003 fiscal year (2002 tax year), the County levied property taxes of \$0.5387 per \$100 of assessed valuation. The 2002 rates resulted in total tax levies of approximately \$104.5 million based on a total adjusted valuation of approximately \$19.4 billion. The total tax rate in the 2002 tax year was prorated as follows:

	<u>2002 Rate</u>	<u>2002 Limit</u>
Fort Bend County, Texas		
General, certain special revenue, and debt service	\$ 0.4702	\$ 0.8000
Special road & bridge funds	0.0423	0.1500
Farm-to-market and lateral roads funds		0.3000
Fort Bend County Drainage District	0.0262	0.2500
Total Tax Rate	<u>\$ 0.5387</u>	<u>\$ 1.5000</u>

The tax rate for the Fort Bend Parkway Road District for the 2002 tax year was \$0.4217 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
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NOTE 7 – INTERFUND RECEIVABLES AND PAYABLES

At September 30, 2003, the interfund receivables and payables were as follows:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 9,451,164	\$ 1,237,172
Road and Bridge	550,911	
Other Governmental Funds		
Drainage District	11,903	185,000
County Law Library	16,625	
Probate Court Training	700	
JP Technology	7,471	
Juvenile Probation Special	253	
District Attorney Supplement Salary		6,098
District Attorney Bad Check Collection Fee	700	3,638
Records Management - County Clerk	53,651	
County Attorney Supplement		9,387
Records Management - Fort Bend County	7,139	
V.I.T. Interest		6,569
Courthouse Security	27,294	
District Attorney Asset Forfeiture State		568
DeWitt Wallace Library Grant		33
Emergency Food & Shelter		213
Juvenile Foster Care Title IV-E	684	
Community Development Combined Funds		33,020
Community Development Block Grants		1
Home Programs		1
Local Law Enforcement Block Grants		159
Juvenile Justice Alternative Education		1,805
Juvenile Probation State Aid	7,490	51,638
Juvenile Probation CCAP	456	26,530
Juvenile Special Needs	300	3
Adult Probation - Basic Supervision	1,221	
Adult Probation - CCP		59
Adult Probation - TAIP		62
Adult Probation - DTP		19,186
Juvenile Probation	70,792	
Mobility Bonds Series 2000	2,993	

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FBFCWSC Revenue Bonds Series 2001	1,389	
FBFCWSC Revenue Bonds Series 1995	1,673	
Combined Debt Service	9,375	
FBFCWSC Refunding Bonds Series 1999	2,658	
Capital Improvements	4,300	143
Road & Bridge Capital Projects		229
Needville JP/Constable Office		28
Travis Building Renovation		438
Total Other Governmental Funds	<u>229,067</u>	<u>344,808</u>
Internal Service Funds		
Employee Benefits	1,217,058	2,150,000
Workers Comp/Unemployment Insurance	765	
Total Internal Service Funds	<u>1,217,823</u>	<u>2,150,000</u>
Agency Funds		
Taxes Holding Accounts		903,858
Payroll		398
FBC 125 Employee Benefits		57,075
Fee Officers' Account		967,631
Bail Bonds Securities		3
Compensation to Victims of Crime	35,773	62
Appellate Judicial System	2,810	56
Judicial Court Training	3,812	7
Department of Public Safety Arrest Fees	4,961	19
On-Site Waste Water		1
Consolidated Court Costs	79,277	14,504
Unclaimed Property		4
Total Agency Funds	<u>126,633</u>	<u>1,943,618</u>
Component Units		
Toll Road Authority		<u>5,900,000</u>
Total Interfund Transactions	<u>\$ 11,575,598</u>	<u>\$ 11,575,598</u>

FORT BEND COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
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NOTE 8 – CAPITAL ASSETS

A summary of changes in primary government capital assets for the year ended September 30, 2003, follows:

	Primary Government			Balance Sept. 30, 2003
	Balance Oct. 1, 2002	Increases	(Decreases)	
Governmental Activities:				
Capital assets not being depreciated:				
Land and intangibles	\$ 86,776,146	\$ 12,181,567	\$	\$ 98,957,713
Construction in progress	7,419,881	15,767,768	(1,429,845)	21,757,804
Total capital assets not being depreciated	<u>94,196,027</u>	<u>27,949,335</u>	<u>(1,429,845)</u>	<u>120,715,517</u>
Other capital assets:				
Vehicles	9,320,738	1,762,734	(916,966)	10,166,506
Office furniture and fixtures	8,809,552	1,050,136	(218,380)	9,641,308
Machinery and equipment	15,110,165	1,838,443	(633,258)	16,315,350
Buildings, facilities and improvements	92,775,318	1,467,351	(8,580)	94,234,089
Infrastructure	180,009,822	24,037,904		204,047,726
Total other capital assets	<u>306,025,595</u>	<u>30,156,568</u>	<u>(1,777,184)</u>	<u>334,404,979</u>
Less accumulated depreciation for:				
Vehicles	(5,297,104)	(1,507,181)	916,983	(5,887,302)
Office furniture and equipment	(5,876,302)	(1,356,928)	203,537	(7,029,693)
Machinery and equipment	(9,557,385)	(1,058,272)	570,224	(10,045,433)
Buildings, facilities and improvements	(33,366,221)	(2,419,310)	33,237	(35,752,294)
Infrastructure	(49,333,678)	(5,587,609)		(54,921,287)
Total accumulated depreciation	<u>(103,430,690)</u>	<u>(11,929,300)</u>	<u>1,723,981</u>	<u>(113,636,009)</u>
Other capital assets, net	<u>202,594,905</u>	<u>18,227,268</u>	<u>(53,203)</u>	<u>220,768,970</u>
Totals	<u>\$ 296,790,932</u>	<u>\$ 46,176,603</u>	<u>\$ (1,483,048)</u>	<u>\$ 341,484,487</u>

Depreciation was charged to governmental functions as follows:

General administration	\$ 1,094,481
Financial administration	22,405
Administration of justice	361,231
Road & bridge maintenance	6,507,990
Health and welfare	286,455
Cooperative service	75,924
Public safety	2,205,200
Parks and recreation	272,362
Drainage	556,039
Library	<u>547,213</u>
Total Governmental Activities Depreciation Expense	<u>\$ 11,929,300</u>

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Construction in progress and remaining commitments under related construction contracts for general government construction projects at September 30, 2003, follows:

Project Description	Authorized Contract (1)	Contract Expenditures	Other Costs	Total In Progress	Remaining Commitment
Scanlin Road Utilities Project	\$ 4,235,666	\$ 17,440	\$ 43,800	\$ 61,240	\$ 4,218,226
Kendelton Park Project			37,205	37,205	
Fresh Water Supply District #1			1,449,338	1,449,338	
Fresh Water Supply District #2			383,304	383,304	
Four Corners Park			63,508	63,508	
Engineering Expansion Project			19,438	19,438	
Sienna Library Project			35,240	35,240	
Katy Library	4,235,966	1,963,578	504,319	2,467,897	2,272,388
Fairgrounds Renovation Project	356,052	289,954	276,712	566,666	66,098
Evidence Facility	452,315	149,396		149,396	302,919
Basketball Court Remodel			19,747	19,747	
Traffic Signal Project	810,719	584,844	185,185	770,029	225,875
Needville Service Center			14,054	14,054	
Extension Service Office Building			445	445	
Mustang Community Center			30,764	30,764	
Fairgrounds Restrooms			14,518	14,518	
Chimney Rock Road Project			69,920	69,920	
MacMane/Joann Street	167,590	150,431	45,711	196,142	17,159
Mobility Projects	7,225,644	2,986,895	11,052,979	14,039,874	4,238,748
Needville JP/Constable Office			400	400	
Travis Building Renovations	847,315	847,315	465,744	1,313,059	
FB Parkway Project			1,356	1,356	
Rosenberg JJAEP Remodel			54,264	54,264	
Totals	\$ 18,331,267	\$ 6,989,853	\$ 14,767,951	\$ 21,757,804	\$ 11,341,413

(1) Several capital projects have begun and various costs have been incurred, however, as of September 30, 2003 a construction contract has not been signed. In addition, some capital projects do not require a formal construction contract.

A summary of changes in discretely presented component unit capital assets for the year ended September 30, 2003, follows:

	Discretely Presented Component Units			
	Balance Oct. 1, 2002	Increases	(Decreases)	Balance Sept. 30, 2003
Capital assets not being depreciated:				
Construction in progress	\$ 7,133,378	\$ 20,890,317	\$	\$ 28,023,695
Total capital assets not being depreciated	<u>\$ 7,133,378</u>	<u>\$ 20,890,317</u>	<u>\$</u>	<u>\$ 28,023,695</u>

FORT BEND COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2003

Construction in progress and remaining commitments under related construction contracts for discretely presented component unit construction projects at September 30, 2003, 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>
Fort Bend Toll Road	\$ 11,171,793	\$ 3,003,719	\$ 25,019,976	\$ 28,023,695	\$ 8,168,074

NOTE 9 - 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, 2003, are listed below:

<u>Original Issue</u>	<u>Description</u>	<u>Interest Rate %</u>	<u>Matures</u>	<u>Debt Outstanding</u>
General Obligation Bonds				
\$ 25,285,000	Permanent Improvement Refunding Bonds, Series 2003	1.50 - 5.00	2011	\$ 25,285,000
6,850,000	Fort Bend Flood Control Water Supply Corporation Bonds, Series 1995	5.30	2008	3,490,000
5,000,000	Library Permanent Improvement Bonds, Series 1997	4.50 - 6.50	2016	4,090,000
14,060,000	Fort Bend Flood Control Water Supply Corp. Bonds, Series 1999 Refunding	4.00 - 5.00	2008	8,420,000
29,000,000	Fort Bend General Obligation Bonds, Series 2001	4.00 - 5.00	2021	28,350,000
11,650,000	Fort Bend Flood Control Water Supply Refunding Bonds, Series 2001	2.85 - 5.38	2021	11,350,000
	Total Direct General Obligation Bonds			<u>80,985,000</u>
1,520,000	Fort Bend Parkway Road District Unlimited Tax Bonds, Series 1990	8.20 - 8.63	2010	950,000
	Total General Obligation Bonds			<u>\$ 81,935,000</u>
Certificates of Obligation				
\$ 500,000	Fairgrounds Arena Certificates of Obligation, Series 1991	6.57	2006	\$ 150,000
	Total Certificates of Obligation			<u>\$ 150,000</u>

FORT BEND COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2003

A summary of long-term liability transactions of the County for the year ended September 30, 2003, follows:

	October 1, 2002			September 30, 2003	Amounts Due Within One Year
	Balance	Additions	Retirements	Balance	
General Obligation Bonds	\$ 88,105,000	\$ 25,285,000	\$ 31,455,000	\$ 81,935,000	\$ 5,680,000
Certificates of Obligation	200,000		50,000	150,000	50,000
Totals	<u>88,305,000</u>	<u>25,285,000</u>	<u>31,505,000</u>	<u>82,085,000</u>	<u>5,730,000</u>
Accrued Compensated Absences	4,230,375	462,131	145,177	4,547,329	1,140,006
Totals	<u>4,230,375</u>	<u>462,131</u>	<u>145,177</u>	<u>4,547,329</u>	<u>1,140,006</u>
Total Long Term Liabilities	<u><u>\$ 92,535,375</u></u>	<u><u>\$ 25,747,131</u></u>	<u><u>\$ 31,650,177</u></u>	<u><u>\$ 86,632,329</u></u>	<u><u>\$ 6,870,006</u></u>

In prior years, the general fund has generally liquidated other long-term liabilities, including accrued compensated absences.

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

	Principal	Interest	Totals
2004	5,730,000	3,551,194	9,281,194
2005	5,805,000	3,347,004	9,152,004
2006	5,995,000	3,147,369	9,142,369
2007	6,180,000	2,921,824	9,101,824
2008	6,375,000	2,630,198	9,005,198
2009	6,670,000	2,406,577	9,076,577
2010	6,535,000	2,173,356	8,708,356
2011	6,280,000	1,884,408	8,164,408
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	<u><u>\$ 82,085,000</u></u>	<u><u>\$ 30,044,896</u></u>	<u><u>\$ 112,129,896</u></u>

FORT BEND COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2003

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, 2003, approximately \$29.9 million of total bonds are outstanding.

NOTE 10 - 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	\$ 16,747,773	\$
Debt service		1,124,677
Totals	\$ 16,747,773	\$ 1,124,677

FORT BEND COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2003

NOTE 11 - INTERFUND TRANSACTIONS

A summary of interfund transactions for the year ended September 30, 2003 is as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 450,117	\$ 6,322,318
Road & Bridge		12,302
Other Governmental Funds		
Drainage District		762,233
County Law Library		1,674
Alternative Dispute Resolution		25,225
Records Management		55,956
DeWitt Wallace Library Grant		33
Local Law Enforcement Block Grants	9,448	
Adult Probation - Basic Supervision		66,340
Adult Probation - CCP	29,318	
Adult Probation - DTP	41,142	4,120
Tobacco Compliance Grant		4,215
Juvenile Probation	4,400,000	3,600
FBFCWSC Revenue Bonds Series 1999	760,903	
Capital Improvements	82,000	233,718
5th Street Project	115,000	
Travis Building Renovation	332,948	
Juvenile Expansion Project	622	109,592
Total Other Governmental Funds	<u>5,771,381</u>	<u>1,266,706</u>
Internal Service Funds		
Employee Benefits	<u>1,209,828</u>	
Component Units		
FBC Surface Water Supply Corporation	<u>170,000</u>	
Total Interfund Transactions	<u><u>\$ 7,601,326</u></u>	<u><u>\$ 7,601,326</u></u>

FORT BEND COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2003

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 10.57% for calendar year 2003. 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 year ended September 30, 2003, the pension cost for the TCDRS plan and the actual contributions made were \$6,389,076. Because all contributions are made as required, no pension obligation existed at September 30, 2003.

FORT BEND COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2003

The following is a summary of the actuarial assumptions:

Actuarial valuation date	12/31/00	12/31/01	12/31/02
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%	5.5%	5.5%
Inflation	4.0%	3.5%	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, 2003. 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 8.

FORT BEND COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2003

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, 2003.

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.



**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, 2003

For the year ended September 30, 2003, the employer's annual pension cost for the TCDRS plan for its employees and the actual contributions made were \$6,389,076 for the County. Because all contributions are made as required, no pension obligation existed at September 30, 2003.

Fiscal year	2003	2002	2001
Actuarial valuation date	12/31/02	12/31/01	12/31/00
Actuarial value of assets	\$114,079,566	\$102,204,452	\$ 90,338,832
Actuarial accrued liability	142,908,446	127,934,754	114,189,244
Percentage funded	80%	80%	79%
Unfunded actuarial accrued liability	28,828,880	25,730,302	23,850,412
Annual covered payroll	57,228,468	51,598,587	48,437,675
Unfunded actuarial accrued liability (UAAL)% of covered payroll	50%	49%	49%

Fiscal year	2003	2002(1)	2001
Net pension obligation (NPO) at the beginning of period			
Annual required contributions (ARC)	6,389,076	4,337,601	5,410,846
Contributions made	6,389,076	4,337,601	5,410,846
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 2003 represent twelve months of required contributions.

**OTHER SUPPLEMENTARY
INFORMATION**



COMBINING STATEMENTS, BUDGET SCHEDULES
AND COMPARATIVE STATEMENTS

FORT BEND COUNTY, TEXAS
NON-MAJOR GOVERNMENTAL FUND DESCRIPTIONS
September 30, 2003

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 FUND DESCRIPTIONS
September 30, 2003

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 FUND DESCRIPTIONS
September 30, 2003

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 FUND DESCRIPTIONS
September 30, 2003

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 FUND DESCRIPTIONS
September 30, 2003

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.

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.

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.

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 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.

FORT BEND COUNTY, TEXAS
NON-MAJOR GOVERNMENTAL FUND DESCRIPTIONS
September 30, 2003

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 Special Needs

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.

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.

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.

FORT BEND COUNTY, TEXAS
NON-MAJOR GOVERNMENTAL FUND DESCRIPTIONS
September 30, 2003

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 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.

FORT BEND COUNTY, TEXAS
NON-MAJOR GOVERNMENTAL FUND DESCRIPTIONS
September 30, 2003

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.

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.

FORT BEND COUNTY, TEXAS
NON-MAJOR GOVERNMENTAL FUND DESCRIPTIONS
September 30, 2003

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, 2003

Assets	Special Revenue Funds			
	Drainage District	Lateral Road	County Historical Commission	City Water Assistance
Cash and temporary investments:				
Cash and cash equivalents	\$ 2,097,674	\$ 59,640	\$ 6,320	\$ 8,647
Investments	1,000,000			
Receivables:				
Taxes - delinquent	411,531			
Less allowance for estimated uncollectibles	(16,461)			
Federal and state grants				
Other receivables				
Due from other funds	11,903			
Prepaid expenditures				
Total Assets	\$ 3,504,647	\$ 59,640	\$ 6,320	\$ 8,647
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 313,521	\$	\$	\$ 106
Accrued payroll	133,305			
Retainage payable				
Due to other funds	185,000			
Due to other governmental units				
Deferred revenues	395,070			
Total Liabilities	1,026,896			106
Fund Balances:				
Reserved for debt service				
Reserved for encumbrances				
Unreserved and undesignated	2,477,751	59,640	6,320	8,541
Total Fund Balances	2,477,751	59,640	6,320	8,541
Total Liabilities and Fund Balances	\$ 3,504,647	\$ 59,640	\$ 6,320	\$ 8,647

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>
\$ 465	\$ 6,307	\$ 115	\$ 273,835	\$ 222,312	\$
			76 16,625		
<u>\$ 465</u>	<u>\$ 6,307</u>	<u>\$ 115</u>	<u>\$ 290,536</u>	<u>\$ 222,312</u>	<u>\$</u>
\$ 169	\$	\$	\$ 4,758 2,261	\$ 4,022	\$
<u>169</u>			<u>7,019</u>	<u>4,022</u>	
<u>296</u>	<u>6,307</u>	<u>115</u>	<u>283,517</u>	<u>218,290</u>	
<u>296</u>	<u>6,307</u>	<u>115</u>	<u>283,517</u>	<u>218,290</u>	
<u>\$ 465</u>	<u>\$ 6,307</u>	<u>\$ 115</u>	<u>\$ 290,536</u>	<u>\$ 222,312</u>	<u>\$</u>

FORT BEND COUNTY, TEXAS
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
September 30, 2003

	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	\$ 14,825	\$ 124,480	\$ 45,730	\$ 65,641
Investments				
Receivables:				
Taxes - delinquent				
Less allowance for estimated uncollectibles				
Federal and state grants				
Other receivables				
Due from other funds				
Prepaid expenditures				
Total Assets	\$ 14,825	\$ 124,480	\$ 45,730	\$ 65,641
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 11	\$ 920	\$ 14	\$
Accrued payroll				
Retainage payable				
Due to other funds				
Due to other governmental units				
Deferred revenues				
Total Liabilities	11	920	14	
Fund Balances:				
Reserved for debt service				
Reserved for encumbrances				
Unreserved and undesignated	14,814	123,560	45,716	65,641
Total Fund Balances	14,814	123,560	45,716	65,641
Total Liabilities and Fund Balances	\$ 14,825	\$ 124,480	\$ 45,730	\$ 65,641

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>
\$ 3,689	\$ 18,579	\$ 126,012	\$ 18,261	\$ 216,264	\$ 6,422
	700	7,471		1,840 253	
<u>\$ 3,689</u>	<u>\$ 19,279</u>	<u>\$ 133,483</u>	<u>\$ 18,261</u>	<u>\$ 218,357</u>	<u>\$ 6,422</u>
\$	\$	\$ 14,872	\$ 8,028	\$	\$ 261
					6,098
		14,872	8,028		6,359
<u>3,689</u>	<u>19,279</u>	<u>118,611</u>	<u>10,233</u>	<u>218,357</u>	<u>63</u>
<u>3,689</u>	<u>19,279</u>	<u>118,611</u>	<u>10,233</u>	<u>218,357</u>	<u>63</u>
<u>\$ 3,689</u>	<u>\$ 19,279</u>	<u>\$ 133,483</u>	<u>\$ 18,261</u>	<u>\$ 218,357</u>	<u>\$ 6,422</u>

FORT BEND COUNTY, TEXAS

COMBINING BALANCE SHEET

NON-MAJOR GOVERNMENTAL FUNDS

September 30, 2003

	Special Revenue Funds			
	District Attorney Forfeiture - Federal	District Attorney Bad Check Collection	Gus George Memorial	Records Management
Assets				
Cash and temporary investments:				
Cash and cash equivalents	\$ 6,613	\$ 93,986	\$ 7,027	\$ 361,092
Investments				600,000
Receivables:				
Taxes - delinquent				
Less allowance for estimated uncollectibles				
Federal and state grants				
Other receivables		3,206		
Due from other funds		700		53,651
Prepaid expenditures				
Total Assets	\$ 6,613	\$ 97,892	\$ 7,027	\$ 1,014,743
 Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 3,477	\$ 9,026	\$	\$ 173,921
Accrued payroll		129		1,781
Retainage payable				
Due to other funds		3,638		
Due to other governmental units				
Deferred revenues				
Total Liabilities	3,477	12,793	\$	175,702
Fund Balances:				
Reserved for debt service				
Reserved for encumbrances				
Unreserved and undesignated	3,136	85,099	7,027	839,041
Total Fund Balances	3,136	85,099	7,027	839,041
Total Liabilities and Fund Balances	\$ 6,613	\$ 97,892	\$ 7,027	\$ 1,014,743

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>
\$ 20,871	\$ 50,807	\$ 105,178	\$ 218	\$ 313,472 800,000	\$ 121,420
		7,139	6,614	27,294	
<u>\$ 20,871</u>	<u>\$ 50,807</u>	<u>\$ 112,317</u>	<u>\$ 6,832</u>	<u>\$ 1,140,766</u>	<u>\$ 121,420</u>
\$	\$ 261	\$ 6,720 3,461	\$ 263	\$ 11,040 12,198	\$ 15,405
	9,387		6,569		
	9,648	10,181	6,832	23,238	15,405
20,871	41,159	102,136		1,117,528	106,015
20,871	41,159	102,136		1,117,528	106,015
<u>\$ 20,871</u>	<u>\$ 50,807</u>	<u>\$ 112,317</u>	<u>\$ 6,832</u>	<u>\$ 1,140,766</u>	<u>\$ 121,420</u>

FORT BEND COUNTY, TEXAS

COMBINING BALANCE SHEET

NON-MAJOR GOVERNMENTAL FUNDS

September 30, 2003

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	\$ 183,427	\$ 28,118	\$ 240,659	\$ 4,738
Investments				
Receivables:				
Taxes - delinquent				
Less allowance for estimated uncollectibles				
Federal and state grants				
Other receivables				
Due from other funds				
Prepaid expenditures				
Total Assets	\$ 183,427	\$ 28,118	\$ 240,659	\$ 4,738
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 4,672	\$ 4,216	\$ 686	\$
Accrued payroll				
Retainage payable				
Due to other funds				
Due to other governmental units				
Deferred revenues				
Total Liabilities	4,672	4,216	686	
Fund Balances:				
Reserved for debt service				
Reserved for encumbrances				
Unreserved and undesignated	178,755	23,902	239,973	4,738
Total Fund Balances	178,755	23,902	239,973	4,738
Total Liabilities and Fund Balances	\$ 183,427	\$ 28,118	\$ 240,659	\$ 4,738

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
\$ 108	\$ 10,415	\$ 65,697	\$ 57	\$ 33	\$ 5,435
<u>\$ 108</u>	<u>\$ 10,415</u>	<u>\$ 65,697</u>	<u>\$ 57</u>	<u>\$ 33</u>	<u>\$ 5,435</u>
\$	\$	\$ 437 23	\$	\$	\$ 268
		568		33	
		1,028		33	268
<u>108</u>	<u>10,415</u>	<u>64,669</u>	<u>57</u>		<u>5,167</u>
<u>108</u>	<u>10,415</u>	<u>64,669</u>	<u>57</u>		<u>5,167</u>
<u>\$ 108</u>	<u>\$ 10,415</u>	<u>\$ 65,697</u>	<u>\$ 57</u>	<u>\$ 33</u>	<u>\$ 5,435</u>

FORT BEND COUNTY, TEXAS

COMBINING BALANCE SHEET

NON-MAJOR GOVERNMENTAL FUNDS

September 30, 2003

Assets	Special Revenue Funds			
	LEOSE Training	Katy Library Appropriations	Temporary Emergency Relief	Emergency Food and Shelter Program
Cash and temporary investments:				
Cash and cash equivalents	\$ 71,252	\$ 93,179	\$ 26	\$ 30,910
Investments				
Receivables:				
Taxes - delinquent				
Less allowance for estimated uncollectibles				
Federal and state grants				
Other receivables				600
Due from other funds				
Prepaid expenditures				
Total Assets	\$ 71,252	\$ 93,179	\$ 26	\$ 31,510
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 1,117	\$	\$	\$ 31,180
Accrued payroll				
Retainage payable				
Due to other funds				213
Due to other governmental units				
Deferred revenues			26	117
Total Liabilities	1,117		26	31,510
Fund Balances:				
Reserved for debt service				
Reserved for encumbrances				
Unreserved and undesignated	70,135	93,179		
Total Fund Balances	70,135	93,179		
Total Liabilities and Fund Balances	\$ 71,252	\$ 93,179	\$ 26	\$ 31,510

Special Revenue Funds					
Juvenile Foster Care Title IV-E	Child Protective Services	Community Development Combined Funds	Community Development Block Grants	Home Programs	HOPE 3 Program Sales
\$ 616,368	\$ 123,409 200,000	\$	\$ 3,836	\$	\$ 78,837
684	9	75,551 234		9,909	
		1,182			
<u>\$ 617,052</u>	<u>\$ 323,418</u>	<u>\$ 76,967</u>	<u>\$ 3,836</u>	<u>\$ 9,909</u>	<u>\$ 78,837</u>
\$ 2,041 8,259	\$ 8,734	\$ 25,116 18,831	\$	\$	\$
		33,020	1	1	
606,752			3,835	9,908	78,837
617,052	8,734	76,967	3,836	9,909	78,837
	314,684				
	314,684				
<u>\$ 617,052</u>	<u>\$ 323,418</u>	<u>\$ 76,967</u>	<u>\$ 3,836</u>	<u>\$ 9,909</u>	<u>\$ 78,837</u>

FORT BEND COUNTY, TEXAS

COMBINING BALANCE SHEET

NON-MAJOR GOVERNMENTAL FUNDS

September 30, 2003

Assets	Special Revenue Funds			
	Child Support Title IV-D Reimbursement	Local Law Enforcement Block Grants	Grant Administration	Juvenile Justice Alternative Education
Cash and cash equivalents	\$ 114,248	\$ 8,272	\$ 9,319	\$ 209,034
Investments				
Receivables:				
Taxes - delinquent				
Less allowance for estimated uncollectibles				
Federal and state grants				
Other receivables				
Due from other funds				
Prepaid expenditures				
Total Assets	\$ 114,248	\$ 8,272	\$ 9,319	\$ 209,034
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 18,992	\$ 4,619	\$ 289	\$ 3,433
Accrued payroll				2,510
Retainage payable				
Due to other funds		159		1,805
Due to other governmental units				
Deferred revenues	95,256	3,494		201,286
Total Liabilities	114,248	8,272	289	209,034
Fund Balances:				
Reserved for debt service				
Reserved for encumbrances				
Unreserved and undesignated			9,030	
Total Fund Balances			9,030	
Total Liabilities and Fund Balances	\$ 114,248	\$ 8,272	\$ 9,319	\$ 209,034

Special Revenue Funds

<u>Household A/G Waste Collection Grant</u>	<u>Juvenile Probation State Aid</u>	<u>Juvenile Probation CCAP</u>	<u>Juvenile Special Needs</u>	<u>Adult Probation Supervision</u>	<u>Adult Probation DTP</u>
\$ 11	\$ 32,878	\$ 42,736	\$ 2,043	\$ 1,029,050	\$ 138,913
	41,590	9,118	3,702	51,261	
	7,490	456	300	1,221	
				411	
<u>\$ 11</u>	<u>\$ 81,958</u>	<u>\$ 52,310</u>	<u>\$ 6,045</u>	<u>\$ 1,081,943</u>	<u>\$ 138,913</u>
\$	\$ 12,764	\$ 20,539	\$ 618	\$ 221,548	\$ 8,971
	17,557	5,241	2,114	81,779	19,322
	51,637	26,530	3		19,186
			3,310	10,549	6,329
				768,067	85,105
	<u>81,958</u>	<u>52,310</u>	<u>6,045</u>	<u>1,081,943</u>	<u>138,913</u>
<u>11</u>					
<u>11</u>					
<u>\$ 11</u>	<u>\$ 81,958</u>	<u>\$ 52,310</u>	<u>\$ 6,045</u>	<u>\$ 1,081,943</u>	<u>\$ 138,913</u>

FORT BEND COUNTY, TEXAS

COMBINING BALANCE SHEET

NON-MAJOR GOVERNMENTAL FUNDS

September 30, 2003

Assets	Special Revenue Funds			
	Adult Probation CCP	Adult Probation TAIP	Tobacco Compliance Grant	Juvenile Probation
Cash and temporary investments:				
Cash and cash equivalents	\$ 102,654	\$ 42,596	\$	\$ 877,722
Investments				
Receivables:				
Taxes - delinquent				
Less allowance for estimated uncollectibles				
Federal and state grants				
Other receivables				250
Due from other funds				70,792
Prepaid expenditures				1,207
Total Assets	\$ 102,654	\$ 42,596	\$	\$ 949,971
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 4,526	\$ 344	\$	\$ 285,897
Accrued payroll	15,753	1,472		214,849
Retainage payable				
Due to other funds	59	62		
Due to other governmental units	5,389	839		
Deferred revenues	76,927	39,879		
Total Liabilities	102,654	42,596	\$	500,746
Fund Balances:				
Reserved for debt service				
Reserved for encumbrances				
Unreserved and undesignated				449,225
Total Fund Balances				449,225
Total Liabilities and Fund Balances	\$ 102,654	\$ 42,596	\$	\$ 949,971

Debt Service Funds					
Fort Bend County Combined Debt Service	Fort Bend Parkway Unlimited Tax Bonds Series 1990	Fort Bend County Mobility Project Bonds	FBFCWSC Revenue Bonds Series 1995	FBFCWSC Refunding Bonds Series 1999	FBFCWSC Revenue Bonds Series 2001
\$ 210,636	\$ 83,197	\$ 20,151	\$ 17,883	\$ 754,543	\$ 20,180
339,990	43,566	23,705	22,442	156,312	9,762
(13,600)	(1,743)	(948)	(898)	(6,253)	(390)
9,375		2,993	1,673	2,658	1,389
<u>\$ 546,401</u>	<u>\$ 125,020</u>	<u>\$ 45,901</u>	<u>\$ 41,100</u>	<u>\$ 907,260</u>	<u>\$ 30,941</u>
\$	\$	\$	\$	\$	\$
<u>326,391</u>	<u>41,823</u>	<u>22,757</u>	<u>21,544</u>	<u>150,059</u>	<u>9,372</u>
<u>326,391</u>	<u>41,823</u>	<u>22,757</u>	<u>21,544</u>	<u>150,059</u>	<u>9,372</u>
220,010	83,197	23,144	19,556	757,201	21,569
<u>220,010</u>	<u>83,197</u>	<u>23,144</u>	<u>19,556</u>	<u>757,201</u>	<u>21,569</u>
<u>\$ 546,401</u>	<u>\$ 125,020</u>	<u>\$ 45,901</u>	<u>\$ 41,100</u>	<u>\$ 907,260</u>	<u>\$ 30,941</u>

FORT BEND COUNTY, TEXAS

COMBINING BALANCE SHEET

NON-MAJOR GOVERNMENTAL FUNDS

September 30, 2003

Assets	Capital Projects Funds			
	Drainage District Capital Improvements	Upper Oyster Creek	Capital Improvements	Clear Creek
Cash and temporary investments:				
Cash and cash equivalents	\$ 14,435	\$ 300,248	\$ 172,083	\$ 114,539
Investments		2,300,598	300,000	889,467
Receivables:				
Taxes - delinquent				
Less allowance for estimated uncollectibles				
Federal and state grants				
Other receivables				
Due from other funds			4,300	
Prepaid expenditures				
Total Assets	\$ 14,435	\$ 2,600,846	\$ 476,383	\$ 1,004,006
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$	\$ 88,500	\$ 5,519	\$
Accrued payroll				
Retainage payable				
Due to other funds			143	
Due to other governmental units				
Deferred revenues				
Total Liabilities		88,500	5,662	
Fund Balances:				
Reserved for debt service				
Reserved for encumbrances				
Unreserved and undesignated	14,435	2,512,346	470,721	1,004,006
Total Fund Balances	14,435	2,512,346	470,721	1,004,006
Total Liabilities and Fund Balances	\$ 14,435	\$ 2,600,846	\$ 476,383	\$ 1,004,006

Capital Projects Funds

<u>Lower Oyster Creek</u>	<u>Big Creek</u>	<u>Chimney Rock Project</u>	<u>Fifth Street Project</u>	<u>Grand Mission Crossing</u>	<u>Road & Bridge Capital Projects</u>
\$ 132,157 1,046,484	\$ 154,321 771,730	\$	\$ 183,278	\$ 20,008	\$ 163,074
<u>\$ 1,178,641</u>	<u>\$ 926,051</u>	<u>\$</u>	<u>\$ 183,278</u>	<u>\$ 20,008</u>	<u>\$ 163,074</u>
\$	\$	\$	\$ 142,957 15,043	\$	\$ 229
			<u>158,000</u>		<u>229</u>
<u>1,178,641</u>	<u>926,051</u>		<u>25,278</u>	<u>20,008</u>	<u>162,845</u>
<u>1,178,641</u>	<u>926,051</u>		<u>25,278</u>	<u>20,008</u>	<u>162,845</u>
<u>\$ 1,178,641</u>	<u>\$ 926,051</u>	<u>\$</u>	<u>\$ 183,278</u>	<u>\$ 20,008</u>	<u>\$ 163,074</u>

FORT BEND COUNTY, TEXAS
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
September 30, 2003

	<u>Capital Projects Funds</u>			
	<u>Library Building</u>	<u>Needville JP/Constable Office</u>	<u>Travis Building Renovation</u>	<u>Fort Bend Parkway</u>
Assets				
Cash and temporary investments:				
Cash and cash equivalents	\$ 44,312	\$ 34,000	\$ 464,837	\$ 26,037
Investments	50,000			
Receivables:				
Taxes - delinquent				
Less allowance for estimated uncollectibles				
Federal and state grants				
Other receivables				
Due from other funds				
Prepaid expenditures				
Total Assets	<u><u>\$ 94,312</u></u>	<u><u>\$ 34,000</u></u>	<u><u>\$ 464,837</u></u>	<u><u>\$ 26,037</u></u>
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$	\$	\$ 2,201	\$
Accrued payroll				
Retainage payable				
Due to other funds		28	438	
Due to other governmental units				
Deferred revenues				
Total Liabilities		<u>28</u>	<u>2,639</u>	
Fund Balances:				
Reserved for debt service				
Reserved for encumbrances				
Unreserved and undesignated	94,312	33,972	462,198	26,037
Total Fund Balances	<u>94,312</u>	<u>33,972</u>	<u>462,198</u>	<u>26,037</u>
Total Liabilities and Fund Balances	<u><u>\$ 94,312</u></u>	<u><u>\$ 34,000</u></u>	<u><u>\$ 464,837</u></u>	<u><u>\$ 26,037</u></u>

Capital Projects Funds

<u>Juvenile Expansion Project</u>	<u>Bates Allen Park</u>	<u>FBFCWSC Construction County</u>	<u>Totals</u>
\$ 64	\$ 10,771	\$ 2,215,028 10,000,000	\$ 13,717,664 17,958,279
			1,007,308
			(40,293)
			139,870
			64,090
			229,067
			2,800
<u>\$ 64</u>	<u>\$ 10,771</u>	<u>\$ 12,215,028</u>	<u>\$ 33,078,785</u>
\$	\$	\$ 57,271	\$ 1,523,465
			541,630
			15,043
			344,807
			26,416
			2,936,505
		57,271	5,387,866
			1,124,677
<u>64</u>	<u>10,771</u>	<u>12,157,757</u>	<u>26,566,242</u>
<u>64</u>	<u>10,771</u>	<u>12,157,757</u>	<u>27,690,919</u>
<u>\$ 64</u>	<u>\$ 10,771</u>	<u>\$ 12,215,028</u>	<u>\$ 33,078,785</u>

FORT BEND COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
Year Ended September 30, 2003

	Special Revenue Funds			
	Drainage District	Lateral Road	County Historical Commission	City Water Assistance
Revenues				
Taxes	\$ 5,074,885	\$	\$	\$
Fees and fines				
Intergovernmental		57,811		
Earnings on investments	64,821	829	82	108
Miscellaneous	813,303			1,985
Total Revenues	<u>5,953,009</u>	<u>58,640</u>	<u>82</u>	<u>2,093</u>
Expenditures				
Current				
General administration				
Financial administration				
Administration of justice				
Construction and maintenance		16,543		
Health and welfare				2,118
Cooperative Services				
Public safety				
Parks and recreation				
Flood control projects	5,347,708			
Libraries and education			302	
Capital outlay				
Debt service				
Principal retirement				
Interest and fiscal charges				
Total Expenditures	<u>5,347,708</u>	<u>16,543</u>	<u>302</u>	<u>2,118</u>
Revenues Over (Under) Expenditures	605,301	42,097	(220)	(25)
Other Financing Sources (Uses)				
Operating transfers in				
Operating transfers (out)	(762,233)			
Total Other Financing Sources (Uses)	<u>(762,233)</u>			
Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	(156,932)	42,097	(220)	(25)
Fund Balances, October 1	2,634,683	17,543	6,540	8,566
Fund Balances, September 30	<u>\$ 2,477,751</u>	<u>\$ 59,640</u>	<u>\$ 6,320</u>	<u>\$ 8,541</u>

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>
\$	\$	\$	\$	\$	\$
			195,052		
8	35	1	3,045	44,335	
	6,732	100		2,440	
<u>8</u>	<u>6,767</u>	<u>101</u>	<u>198,097</u>	<u>48,126</u>	
				<u>94,901</u>	
			148,347		
517	1,656				
				75,486	
<u>517</u>	<u>1,656</u>		<u>148,347</u>	<u>75,486</u>	
(509)	5,111	101	49,750	19,415	
			(1,674)		(25,225)
			<u>(1,674)</u>		<u>(25,225)</u>
(509)	5,111	101	48,076	19,415	(25,225)
805	1,196	14	235,441	198,875	25,225
<u>\$ 296</u>	<u>\$ 6,307</u>	<u>\$ 115</u>	<u>\$ 283,517</u>	<u>\$ 218,290</u>	<u>\$</u>

FORT BEND COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
Year Ended September 30, 2003

	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	187	1,686	583	731
Miscellaneous	325	50,599		10,494
Total Revenues	<u>512</u>	<u>52,285</u>	<u>583</u>	<u>11,225</u>
Expenditures				
Current				
General administration				
Financial administration				
Administration of justice				
Construction and maintenance				
Health and welfare	132			
Cooperative Services				
Public safety				
Parks and recreation			1,171	
Flood control projects				
Libraries and education		51,805		
Capital outlay				
Debt service				
Principal retirement				
Interest and fiscal charges				
Total Expenditures	<u>132</u>	<u>51,805</u>	<u>1,171</u>	<u> </u>
Other Financing Sources (Uses)	380	480	(588)	11,225
Operating transfers in				
Operating transfers (out)				
Total Other Financing Sources (Uses)	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	380	480	(588)	11,225
Fund Balances, October 1	14,434	123,080	46,304	54,416
Fund Balances, September 30	<u>\$ 14,814</u>	<u>\$ 123,560</u>	<u>\$ 45,716</u>	<u>\$ 65,641</u>

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>
\$ 255	\$ 8,167	\$ 91,925	\$	\$	\$
44	179	1,225	192	8,859	33,148
<u>299</u>	<u>8,346</u>	<u>93,150</u>	<u>8,436</u>	<u>55,587</u>	<u>91</u>
	41	54,460	8,435	7,119	34,717
	<u>41</u>	<u>54,460</u>	<u>8,435</u>	<u>7,119</u>	<u>34,717</u>
299	8,305	38,690	193	57,327	(1,478)
299	8,305	38,690	193	57,327	(1,478)
3,390	10,974	79,921	10,040	161,030	1,541
<u>\$ 3,689</u>	<u>\$ 19,279</u>	<u>\$ 118,611</u>	<u>\$ 10,233</u>	<u>\$ 218,357</u>	<u>\$ 63</u>

FORT BEND COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
Year Ended September 30, 2003

	Special Revenue			
	District Attorney Forfeiture - Federal	District Attorney Bad Check Collection	Gus George Memorial	Records Management
Revenues				
Taxes	\$	\$	\$	\$
Fees and fines		61,594		532,349
Intergovernmental		5,193		
Earnings on investments	129	1,981	90	12,148
Miscellaneous				
Total Revenues	<u>129</u>	<u>68,768</u>	<u>90</u>	<u>544,497</u>
Expenditures				
Current				
General administration				553,647
Financial administration				
Administration of justice	9,118	91,163		
Construction and maintenance				
Health and welfare				
Cooperative Services				
Public safety			199	
Parks and recreation				
Flood control projects				
Libraries and education				
Capital outlay				
Debt service				
Principal retirement				
Interest and fiscal charges				
Total Expenditures	<u>9,118</u>	<u>91,163</u>	<u>199</u>	<u>553,647</u>
Other Financing Sources (Uses)	(8,989)	(22,395)	(109)	(9,150)
Operating transfers in				
Operating transfers (out)				(55,956)
Total Other Financing Sources (Uses)				<u>(55,956)</u>
Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	(8,989)	(22,395)	(109)	(65,106)
Fund Balances, October 1	12,125	107,494	7,136	904,147
Fund Balances, September 30	<u>\$ 3,136</u>	<u>\$ 85,099</u>	<u>\$ 7,027</u>	<u>\$ 839,041</u>

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>
\$	\$	\$	\$	\$	\$
		82,520		295,643	
213	1,026	1,546	32,641	15,344	1,126
27,172				335	136,791
<u>27,385</u>	<u>1,026</u>	<u>84,066</u>	<u>32,641</u>	<u>311,322</u>	<u>137,917</u>
		51,192			83,133
26,493	55,664	69,019	36,845		
				341,059	
<u>26,493</u>	<u>55,664</u>	<u>120,211</u>	<u>36,845</u>	<u>341,059</u>	<u>83,133</u>
892	(54,638)	(36,145)	(4,204)	(29,737)	54,784
892	(54,638)	(36,145)	(4,204)	(29,737)	54,784
19,979	95,797	138,281	4,204	1,147,265	51,231
<u>\$ 20,871</u>	<u>\$ 41,159</u>	<u>\$ 102,136</u>	<u>\$</u>	<u>\$ 1,117,528</u>	<u>\$ 106,015</u>

FORT BEND COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
Year Ended September 30, 2003

	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		3,000	243,365	
Earnings on investments	1,822	419	259	60
Miscellaneous	73,941	1,200		
Total Revenues	<u>75,763</u>	<u>4,619</u>	<u>243,624</u>	<u>60</u>
Expenditures				
Current				
General administration				
Financial administration				
Administration of justice				
Construction and maintenance				
Health and welfare				
Cooperative Services				
Public safety	103,849	20,656	16,686	
Parks and recreation				
Flood control projects				
Libraries and education				
Capital outlay				
Debt service				
Principal retirement				
Interest and fiscal charges				
Total Expenditures	<u>103,849</u>	<u>20,656</u>	<u>16,686</u>	
Other Financing Sources (Uses)	(28,086)	(16,037)	226,938	60
Operating transfers in				
Operating transfers (out)				
Total Other Financing Sources (Uses)				
Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	(28,086)	(16,037)	226,938	60
Fund Balances, October 1	206,841	39,939	13,035	4,678
Fund Balances, September 30	<u>\$ 178,755</u>	<u>\$ 23,902</u>	<u>\$ 239,973</u>	<u>\$ 4,738</u>

Special Revenue Funds

<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>
\$	\$	\$	\$	\$	\$
2	505	917	1	5	55
		32,743			7,645
<u>2</u>	<u>505</u>	<u>33,660</u>	<u>1</u>	<u>5</u>	<u>7,700</u>
		23,271			
	38,351				
				2,806	6,160
	<u>38,351</u>	<u>23,271</u>		<u>2,806</u>	<u>6,160</u>
2	(37,846)	10,389	1	(2,801)	1,540
				(33)	
				(33)	
2	(37,846)	10,389	1	(2,834)	1,540
106	48,261	54,280	56	2,834	3,627
<u>\$ 108</u>	<u>\$ 10,415</u>	<u>\$ 64,669</u>	<u>\$ 57</u>	<u>\$</u>	<u>\$ 5,167</u>

FORT BEND COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
Year Ended September 30, 2003

	Special Revenue Funds			
	LEOSE Training	Katy Library Appropriations	Temporary Emergency Relief	Emergency Food and Shelter Program
Revenues				
Taxes	\$	\$	\$	\$
Fees and fines				
Intergovernmental	35,697		915	257,193
Earnings on investments	918	1,069	9	414
Miscellaneous		70,285		
Total Revenues	<u>36,615</u>	<u>71,354</u>	<u>924</u>	<u>257,607</u>
Expenditures				
Current				
General administration				
Financial administration				
Administration of justice				
Construction and maintenance				
Health and welfare			924	257,607
Cooperative Services				
Public safety	28,759			
Parks and recreation				
Flood control projects				
Libraries and education		4,593		
Capital outlay				
Debt service				
Principal retirement				
Interest and fiscal charges				
Total Expenditures	<u>28,759</u>	<u>4,593</u>	<u>924</u>	<u>257,607</u>
Other Financing Sources (Uses)	7,856	66,761		
Operating transfers in				
Operating transfers (out)				
Total Other Financing Sources (Uses)				
Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	7,856	66,761		
Fund Balances, October 1	62,279	26,418		
Fund Balances, September 30	<u>\$ 70,135</u>	<u>\$ 93,179</u>	<u>\$</u>	<u>\$</u>

Special Revenue Funds					
Juvenile Foster Care Title IV-E	Child Protective Services	Community Development Combined Funds	Community Development Block Grants	Home Programs	HOPE 3 Program Sales
\$	\$	\$	\$	\$	\$
159,582	17,618	1,394,696	131,349	182,593	
6,477	5,446		32	294	1,128
	5,335				49,039
166,059	28,399	1,394,696	131,381	182,887	50,167
166,059	179,175	1,394,696	131,381	183,685	50,167
166,059	179,175	1,394,696	131,381	183,685	50,167
	(150,776)			(798)	
	(150,776)			(798)	
	465,460			798	
\$	\$ 314,684	\$	\$	\$	\$

FORT BEND COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
Year Ended September 30, 2003

	Special Revenue Funds			
	Child Support Title IV-D Reimbursement	Local Law Enforcement Block Grants	Grant Administration	Juvenile Justice Alternative Education
Revenues				
Taxes	\$	\$	\$	\$
Fees and fines				
Intergovernmental	28,051	110,958		126,286
Earnings on investments	1,828	904	163	
Miscellaneous			8,885	
Total Revenues	<u>29,879</u>	<u>111,862</u>	<u>9,048</u>	<u>126,286</u>
Expenditures				
Current				
General administration				
Financial administration				
Administration of justice	29,879			72,021
Construction and maintenance				
Health and welfare			12,136	
Cooperative Services			458	
Public safety		121,310		
Parks and recreation				
Flood control projects				
Libraries and education			142	
Capital outlay				54,265
Debt service				
Principal retirement				
Interest and fiscal charges				
Total Expenditures	<u>29,879</u>	<u>121,310</u>	<u>12,736</u>	<u>126,286</u>
Other Financing Sources (Uses)		(9,448)	(3,688)	
Operating transfers in		9,448		
Operating transfers (out)				
Total Other Financing Sources (Uses)		<u>9,448</u>		
Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)			(3,688)	
Fund Balances, October 1			12,718	
Fund Balances, September 30	<u>\$</u>	<u>\$</u>	<u>\$ 9,030</u>	<u>\$</u>

Special Revenue Funds

<u>Household A/G Waste Collection Grant</u>	<u>Juvenile Probation State Aid</u>	<u>Juvenile Probation CCAP</u>	<u>Juvenile Special Needs</u>	<u>Adult Probation Supervision</u>	<u>Adult Probation DTP</u>
\$	\$	\$	\$	\$	\$
	669,373	599,615	51,418	1,371,388	38,278
				1,118,479	330,519
				17,346	
				2,801	97,619
	<u>669,373</u>	<u>599,615</u>	<u>51,418</u>	<u>2,510,014</u>	<u>466,416</u>
	669,373	599,615	51,418	2,443,674	503,438
	<u>669,373</u>	<u>599,615</u>	<u>51,418</u>	<u>2,443,674</u>	<u>503,438</u>
				66,340	(37,022)
					41,142
				(66,340)	(4,120)
				<u>(66,340)</u>	<u>37,022</u>
11					
<u>\$ 11</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

FORT BEND COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
Year Ended September 30, 2003

	Special Revenue Funds			
	Adult Probation CCP	Adult Probation TAIP	Tobacco Compliance Grant	Juvenile Probation
Revenues				
Taxes	\$	\$	\$	\$
Fees and fines				
Intergovernmental	534,499	168,564	4,130	197,528
Earnings on investments			85	23,815
Miscellaneous				7,639
Total Revenues	<u>534,499</u>	<u>168,564</u>	<u>4,215</u>	<u>228,982</u>
Expenditures				
Current				
General administration				
Financial administration				
Administration of justice	563,817	168,564		5,787,535
Construction and maintenance				
Health and welfare				
Cooperative Services				
Public safety				
Parks and recreation				
Flood control projects				
Libraries and education				
Capital outlay				19,748
Debt service				
Principal retirement				
Interest and fiscal charges				
Total Expenditures	<u>563,817</u>	<u>168,564</u>	<u></u>	<u>5,807,283</u>
Other Financing Sources (Uses)	(29,318)		4,215	(5,578,301)
Operating transfers in	29,318			4,400,000
Operating transfers (out)			(4,215)	(3,600)
Total Other Financing Sources (Uses)	<u>29,318</u>	<u></u>	<u>(4,215)</u>	<u>4,396,400</u>
Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)				(1,181,901)
Fund Balances, October 1				1,631,126
Fund Balances, September 30	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 449,225</u>

Debt Service Funds					
Fort Bend County Combined Debt Service	Fort Bend Parkway Unlimited Tax Bonds Series 1990	Fort Bend County Mobility Project Bonds	FBFCWSC Revenue Bonds Series 1995	FBFCWSC Refunding Bonds Series 1999	FBFCWSC Revenue Bonds Series 2001
\$ 4,481,484	\$ 179,673	\$ 1,390,032	\$ 768,458	\$ 1,030,951	\$ 637,781
45,059	1,649	8,599	1,997	13,934	3,619
191,999					
<u>4,718,542</u>	<u>181,322</u>	<u>1,398,631</u>	<u>770,455</u>	<u>1,044,885</u>	<u>641,400</u>
2,825,000	95,000	325,000	545,000	1,510,000	160,000
1,784,920	85,801	1,376,207	213,983	431,004	565,159
<u>4,609,920</u>	<u>180,801</u>	<u>1,701,207</u>	<u>758,983</u>	<u>1,941,004</u>	<u>725,159</u>
108,622	521	(302,576)	11,472	(896,119)	(83,759)
				760,903	
				<u>760,903</u>	
108,622	521	(302,576)	11,472	(135,216)	(83,759)
111,388	82,676	325,720	8,084	892,417	105,328
<u>\$ 220,010</u>	<u>\$ 83,197</u>	<u>\$ 23,144</u>	<u>\$ 19,556</u>	<u>\$ 757,201</u>	<u>\$ 21,569</u>

FORT BEND COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
Year Ended September 30, 2003

	Capital Projects Funds			
	Drainage District Capital Improvements	Upper Oyster Creek	Capital Improvements	Clear Creek
Revenues				
Taxes	\$	\$	\$	\$
Fees and fines				
Intergovernmental				
Earnings on investments	181	57,330	2,638	21,083
Miscellaneous		5,746		
Total Revenues	<u>181</u>	<u>63,076</u>	<u>2,638</u>	<u>21,083</u>
Expenditures				
Current				
General administration				
Financial administration				
Administration of justice				
Construction and maintenance				
Health and welfare				
Cooperative Services				
Public safety				
Parks and recreation				
Flood control projects		100,470		
Libraries and education				
Capital outlay			49,056	
Debt service				
Principal retirement				
Interest and fiscal charges				
Total Expenditures		<u>100,470</u>	<u>49,056</u>	
Other Financing Sources (Uses)	181	(37,394)	(46,418)	21,083
Operating transfers in			82,000	
Operating transfers (out)			(233,718)	
Total Other Financing Sources (Uses)			<u>(151,718)</u>	
Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	181	(37,394)	(198,136)	21,083
Fund Balances, October 1	14,254	2,549,740	668,857	982,923
Fund Balances, September 30	<u>\$ 14,435</u>	<u>\$ 2,512,346</u>	<u>\$ 470,721</u>	<u>\$ 1,004,006</u>

Capital Projects Funds

<u>Lower Oyster Creek</u>	<u>Big Creek</u>	<u>Chimney Rock Project</u>	<u>Fifth Street Project</u>	<u>Grand Mission Crossing</u>	<u>Road & Bridge Capital Projects</u>
\$	\$	\$	\$	\$	\$
25,084	20,151		1,051	251	
<u>25,084</u>	<u>20,151</u>	<u></u>	<u>1,051</u>	<u>251</u>	<u></u>
	21,537				
		69,921	185,942		
	<u>21,537</u>	<u>69,921</u>	<u>185,942</u>	<u></u>	<u></u>
25,084	(1,386)	(69,921)	(184,891)	251	
			115,000		
			<u>115,000</u>		
25,084	(1,386)	(69,921)	(69,891)	251	
<u>1,153,557</u>	<u>927,437</u>	<u>69,921</u>	<u>95,169</u>	<u>19,757</u>	<u>162,845</u>
<u>\$ 1,178,641</u>	<u>\$ 926,051</u>	<u>\$</u>	<u>\$ 25,278</u>	<u>\$ 20,008</u>	<u>\$ 162,845</u>

FORT BEND COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
Year Ended September 30, 2003

	<u>Capital Projects Funds</u>			
	<u>Library Building</u>	<u>Needville JP/Constable Office</u>	<u>Travis Building Renovation</u>	<u>Fort Bend Parkway</u>
Revenues				
Taxes	\$	\$	\$	\$
Fees and fines				
Intergovernmental				
Earnings on investments	1,272			342
Miscellaneous				
Total Revenues	<u>1,272</u>			<u>342</u>
Expenditures				
Current				
General administration				
Financial administration				
Administration of justice				
Construction and maintenance				
Health and welfare				
Cooperative Services				
Public safety				
Parks and recreation				
Flood control projects				
Libraries and education				
Capital outlay	418	400	1,181,615	1,356
Debt service				
Principal retirement				
Interest and fiscal charges				
Total Expenditures	<u>418</u>	<u>400</u>	<u>1,181,615</u>	<u>1,356</u>
Other Financing Sources (Uses)	854	(400)	(1,181,615)	(1,014)
Operating transfers in			332,948	
Operating transfers (out)				
Total Other Financing Sources (Uses)			<u>332,948</u>	
Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	854	(400)	(848,667)	(1,014)
Fund Balances, October 1	<u>93,458</u>	<u>34,372</u>	<u>1,310,865</u>	<u>27,051</u>
Fund Balances, September 30	<u>\$ 94,312</u>	<u>\$ 33,972</u>	<u>\$ 462,198</u>	<u>\$ 26,037</u>

Capital Projects Funds

Juvenile Expansion Project	Bates Allen Park	FBFCWSC Construction County	Totals
\$	\$	\$	\$ 13,563,264
			2,677,171
			6,505,915
1,597	136	222,740	644,076
			1,714,862
<u>1,597</u>	<u>136</u>	<u>222,740</u>	<u>25,105,288</u>
			687,972
			60,116
			11,559,969
			16,543
			2,252,545
			458
			708,004
			1,171
		363,332	5,833,047
			65,808
52,745			1,615,466
			5,460,000
			4,457,074
<u>52,745</u>		<u>363,332</u>	<u>32,718,173</u>
(51,148)	136	(140,592)	(7,612,885)
622			5,771,381
(109,592)			(1,266,706)
<u>(108,970)</u>			<u>4,504,675</u>
(160,118)	136	(140,592)	(3,108,210)
160,182	10,635	12,298,349	30,799,129
<u>\$ 64</u>	<u>\$ 10,771</u>	<u>\$ 12,157,757</u>	<u>\$ 27,690,919</u>

FORT BEND COUNTY, TEXAS
DRAINAGE DISTRICT - SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
Year Ended September 30, 2003
with comparative actual amounts for the nine months ended September 30, 2002

	2003		Variance Over (Under)	2002 Actual(1)
	Budget	Actual		
Revenues				
Taxes				
Property taxes - current	\$ 4,920,497	\$ 4,815,477	\$ (105,020)	\$ 4,462,047
Property taxes - delinquent	130,000	181,719	51,719	123,344
Penalties and interest	59,000	77,689	18,689	53,904
Total Taxes	<u>5,109,497</u>	<u>5,074,885</u>	<u>(34,612)</u>	<u>4,639,295</u>
Earnings on investments	95,000	64,821	(30,179)	95,740
Miscellaneous	40,000	813,303	773,303	316,316
Total Revenues	<u>5,244,497</u>	<u>5,953,009</u>	<u>708,512</u>	<u>5,051,351</u>
Expenditures				
Current:				
Flood control projects	6,035,909	5,347,708	688,201	4,128,823
Debt Service				
Principal retirement				86,643
Interest and fiscal charges				3,154
Total Expenditures	<u>6,035,909</u>	<u>5,347,708</u>	<u>688,201</u>	<u>4,218,620</u>
Revenues Over (Under) Expenditures	(791,412)	605,301	1,396,713	832,731
Other Financing (Uses)				
Operating transfers (out)	(274,095)	(762,233)	(488,138)	(274,095)
Total Other Financing (Uses)	<u>(274,095)</u>	<u>(762,233)</u>	<u>(488,138)</u>	<u>(274,095)</u>
Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	(1,065,507)	(156,932)	908,575	558,636
Fund Balance, Beginning	<u>2,634,683</u>	<u>2,634,683</u>		<u>2,076,047</u>
Fund Balance, Ending	<u>\$ 1,569,176</u>	<u>\$ 2,477,751</u>	<u>\$ 908,575</u>	<u>\$ 2,634,683</u>

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

FORT BEND COUNTY, TEXAS
MOBILITY PROJECT BONDS DEBT SERVICE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended September 30, 2003
with comparative actual amounts for the nine months ended September 30, 2002

	<u>2003</u>		Variance Over (Under)	2002 Actual(1)
	<u>Budget</u>	<u>Actual</u>		
Revenues				
Taxes				
Property taxes-current	\$ 1,324,067	\$ 1,324,201	\$ 134	\$ 1,616,288
Property taxes-delinquent	40,000	47,103	7,103	41,716
Penalties and interest	19,000	18,728	(272)	18,831
Total Taxes	1,383,067	1,390,032	6,965	1,676,835
Earnings on investments	18,000	8,599	(9,401)	15,308
Total Revenues	1,401,067	1,398,631	(2,436)	1,692,143
Expenditures				
Debt service				
Principal retirement	325,000	325,000		325,000
Interest and fiscal charges	1,373,850	1,376,207	(2,357)	1,384,850
Total Expenditures	1,698,850	1,701,207	(2,357)	1,709,850
Revenues Under Expenditures	(297,783)	(302,576)	(4,793)	(17,707)
Fund Balance, Beginning	325,720	325,720		343,427
Fund Balance, Ending	\$ 27,937	\$ 23,144	\$ (4,793)	\$ 325,720

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

FORT BEND COUNTY, TEXAS
FBFCWSC REVENUE BONDS SERIES 2001 - DEBT SERVICE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended September 30, 2003
with comparative actual amounts for the nine months ended September 30, 2002

	2003		Variance Over (Under)	2002 Actual(1)
	Budget	Actual		
Revenues				
Taxes				
Property taxes-current	\$ 614,768	\$ 607,247	\$ (7,521)	\$ 772,415
Property taxes-delinquent	18,000	21,847	3,847	19,355
Penalties and interest	7,000	8,687	1,687	8,284
Total Taxes	639,768	637,781	(1,987)	800,054
Earnings on investments	5,000	3,619	(1,381)	5,911
Total Revenues	644,768	641,400	(3,368)	805,965
Expenditures				
Debt service				
Principal retirement	160,000	160,000		140,000
Interest and fiscal charges	566,338	565,159	1,179	664,862
Total Expenditures	726,338	725,159	1,179	804,862
Revenues Over (Under) Expenditures	(81,570)	(83,759)	(2,189)	1,103
Fund Balance, Beginning	105,328	105,328		104,225
Fund Balance, Ending	<u>\$ 23,758</u>	<u>\$ 21,569</u>	<u>\$ (2,189)</u>	<u>\$ 105,328</u>

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

FORT BEND COUNTY, TEXAS
FBFCWSC REVENUE BONDS SERIES 1995 - DEBT SERVICE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended September 30, 2003
with comparative actual amounts for the nine months ended September 30, 2002

	2003		Variance Under (Over)	2002 Actual(1)
	Budget	Actual		
Revenues				
Taxes				
Property taxes-current	\$ 740,055	\$ 731,667	\$ (8,388)	\$ 697,556
Property taxes-delinquent	18,000	26,324	8,324	17,478
Penalties and interest	8,000	10,467	2,467	7,481
Total Taxes	766,055	768,458	2,403	722,515
Earnings on investments	5,000	1,997	(3,003)	2,531
Total Revenues	771,055	770,455	(600)	725,046
Expenditures				
Debt service				
Principal retirement	545,000	545,000		505,000
Interest and fiscal charges	214,897	213,983	914	242,353
Total Expenditures	759,897	758,983	914	747,353
Revenues Over (Under) Expenditures	11,158	11,472	314	(22,307)
Fund Balance, Beginning	8,084	8,084		30,391
Fund Balance, Ending	\$ 19,242	\$ 19,556	\$ 314	\$ 8,084

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

FORT BEND COUNTY, TEXAS
COMBINED DEBT SERVICE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended September 30, 2003
with comparative actual amounts for the nine months ended September 30, 2002

	2003		Variance Over (Under)	2002 Actual(1)
	Budget	Actual		
Revenues				
Taxes				
Property taxes-current	\$ 4,145,762	\$ 4,275,307	\$ 129,545	\$ 4,197,244
Property taxes-delinquent	110,000	147,521	37,521	103,955
Penalties and interest	48,000	58,656	10,656	43,515
Total Taxes	4,303,762	4,481,484	177,722	4,344,714
Earnings on investments	78,000	45,059	(32,941)	41,984
Miscellaneous		191,999	191,999	55,316
Total Revenues	4,381,762	4,718,542	336,780	4,442,014
Expenditures				
Debt service				
Principal retirement	2,825,000	2,825,000		2,770,000
Interest and fiscal charges	1,834,224	1,784,920	49,304	1,788,579
Total Expenditures	4,659,224	4,609,920	49,304	4,558,579
Revenues Over Expenditures	(277,462)	108,622	386,084	(116,565)
Fund Balance, Beginning	111,388	111,388		227,953
Fund Balance, Ending	\$ (166,074)	\$ 220,010	\$ 386,084	\$ 111,388

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

FORT BEND COUNTY, TEXAS
FBFCWSC REFUNDING BONDS SERIES 1999 - DEBT SERVICE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended September 30, 2003
with comparative actual amounts for the nine months ended September 30, 2002

	<u>2003</u>		Variance Over (Under)	2002 Actual(1)
	<u>Budget</u>	<u>Actual</u>		
Revenues				
Taxes				
Property taxes-current	\$ 1,175,850	\$ 972,497	\$ (203,353)	\$ 1,245,392
Property taxes-delinquent	31,000	41,824	10,824	31,206
Penalties and interest	16,000	16,630	630	13,356
Total Taxes	1,222,850	1,030,951	(191,899)	1,289,954
Earnings on investments	24,000	13,934	(10,066)	22,116
Total Revenues	1,246,850	1,044,885	(201,965)	1,312,070
Expenditures				
Debt Service				
Principal retirement	1,510,000	1,510,000		1,460,000
Interest and fiscal charges	431,255	431,004	251	492,380
Total Expenditures	1,941,255	1,941,004	251	1,952,380
Revenues Over (Under) Expenditures	(694,405)	(896,119)	(201,714)	(640,310)
Other Financing Sources				
Operating transfers in		760,903	760,903	271,071
Total Other Financing Sources		760,903	760,903	271,071
Revenues and Other Financing Sources Over (Under) Expenditures	(694,405)	(135,216)	559,189	(369,239)
Fund Balance, Beginning	892,417	892,417		1,261,656
Fund Balance, Ending	\$ 198,012	\$ 757,201	\$ 559,189	\$ 892,417

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

FORT BEND COUNTY, TEXAS
EMPLOYEE BENEFITS FUND
COMPARATIVE BALANCE SHEETS
As of September 30, 2003 and September 30, 2002

	2003	2002
Assets		
Cash and cash equivalents	\$	\$ 2,368,030
Due from other funds	1,217,058	46,563
Other receivables	938	1,851
Total Assets	\$ 1,217,996	\$ 2,416,444
Liabilities and Fund Equity		
Liabilities		
Accounts payable	\$ 68,625	\$
Benefits payable	2,498,573	1,206,578
Due to other funds	2,150,000	1,250,000
Total Liabilities	4,717,198	2,456,578
Fund Equity		
Retained earnings (deficit)	(3,499,202)	(40,134)
Total Fund Equity	(3,499,202)	(40,134)
Total Liabilities and Fund Equity	\$ 1,217,996	\$ 2,416,444

FORT BEND COUNTY, TEXAS
EMPLOYEE BENEFITS FUND
COMPARATIVE SCHEDULE OF REVENUES, EXPENSES, AND
CHANGES IN RETAINED EARNINGS
Year Ended September 30, 2003
with comparative totals for the nine months ended September 30, 2002

	2003	2002(1)
Revenues		
Charges for services	\$ 12,359,002	\$ 10,859,673
Operating Expenses		
Current operations - general administration	3,256,118	2,248,542
Benefits provided	13,804,999	7,537,377
Total Operating Expenses	17,061,117	9,785,919
Operating Income (Loss)	(4,702,115)	1,073,754
Nonoperating Revenue		
Earnings on investments	33,219	85,077
Net Income (Loss) Before Operating Transfers In	(4,668,896)	1,158,831
Operating transfers in	1,209,828	
Total Transfers In	1,209,828	
Net Income (Loss)	(3,459,068)	1,158,831
Retained Earnings (Deficit), Beginning	(40,134)	(1,198,965)
Retained Earnings (Deficit), Ending	\$ (3,499,202)	\$ (40,134)

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

FORT BEND COUNTY, TEXAS
WORKERS' COMPENSATION FUND
COMPARATIVE BALANCE SHEETS
As of September 30, 2003 and September 30, 2002

	2003	2002
Assets		
Cash and cash equivalents	\$ 1,104,391	\$ 1,571,445
Due from other funds	765	3,662
Other receivables	46,500	46,500
	\$ 1,151,656	\$ 1,621,607
Liabilities and Fund Equity		
Liabilities		
Accounts payable	\$ 965,180	\$ 60,373
Benefits payable	965,180	901,623
Due to other funds		250,000
	965,180	1,211,996
Fund Equity		
Retained earnings	186,476	409,611
	186,476	409,611
	\$ 1,151,656	\$ 1,621,607

FORT BEND COUNTY, TEXAS
WORKERS' COMPENSATION FUND
COMPARATIVE SCHEDULE OF REVENUES, EXPENSES,
AND CHANGES IN RETAINED EARNINGS
For The Year Ended September 30, 2003
with comparative totals for the nine months ended September 30, 2002

	2003	2002(1)
Revenues		
Charges for services	\$ 663,307	\$ 622,445
Operating Expenses		
Current operations - general administration	221,780	154,977
Benefits provided	683,953	573,013
Total Operating Expenses	905,733	727,990
Operating (Loss)	(242,426)	(105,545)
Nonoperating Revenue		
Earnings on investments	19,291	26,423
Net (Loss) Before Operating Transfers (Out)	(223,135)	(79,122)
Operating transfers (out)		(250,000)
Total Transfers (Out)		(250,000)
Net (Loss)	(223,135)	(329,122)
Retained Earnings, Beginning	409,611	738,733
Retained Earnings, Ending	\$ 186,476	\$ 409,611

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

FORT BEND COUNTY, TEXAS
COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS
September 30, 2003

	Employee Benefits	Workers' Compensation	Totals
Assets			
Cash and cash equivalents	\$	\$ 1,104,391	\$ 1,104,391
Due from other funds	1,217,058	765	1,217,823
Other receivables	938	46,500	47,438
Total Assets	\$ 1,217,996	\$ 1,151,656	\$ 2,369,652
Liabilities and Fund Equity			
Liabilities			
Accounts payable	\$ 68,625	\$	\$ 68,625
Benefits payable	2,498,573	965,180	3,463,753
Due to other funds	2,150,000		2,150,000
Total Liabilities	4,717,198	965,180	5,682,378
Fund Equity			
Retained earnings (deficit)	(3,499,202)	186,476	(3,312,726)
Total Fund Equity	(3,499,202)	186,476	(3,312,726)
Total Liabilities and Fund Equity	\$ 1,217,996	\$ 1,151,656	\$ 2,369,652

FORT BEND COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET ASSETS
INTERNAL SERVICE FUNDS
For The Year Ended September 30, 2003

	<u>Employee Benefits</u>	<u>Workers' Compensation</u>	<u>Totals</u>
Revenues			
Charges for services	\$ 12,359,002	\$ 663,307	\$ 13,022,309
Operating Expenses			
Current operations - general administration	3,256,118	221,780	3,477,898
Benefits provided	13,804,999	683,953	14,488,952
Total Operating Expenses	<u>17,061,117</u>	<u>905,733</u>	<u>17,966,850</u>
Operating (Loss)	(4,702,115)	(242,426)	(4,944,541)
Nonoperating Revenue			
Earnings on investments	<u>33,219</u>	<u>19,291</u>	<u>52,510</u>
Net (Loss) Before Operating Transfers In	(4,668,896)	(223,135)	(4,892,031)
Operating transfers in	<u>1,209,828</u>		<u>1,209,828</u>
Total Transfers In	<u>1,209,828</u>		<u>1,209,828</u>
Net (Loss)	(3,459,068)	(223,135)	(3,682,203)
Retained Earnings (Deficit), October 1	<u>(40,134)</u>	<u>409,611</u>	<u>369,477</u>
Retained Earnings (Deficit), September 30	<u><u>\$ (3,499,202)</u></u>	<u><u>\$ 186,476</u></u>	<u><u>\$ (3,312,726)</u></u>

FORT BEND COUNTY, TEXAS
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For The Year Ended September 30, 2003

	<u>Employee Benefits</u>	<u>Workers' Compensation</u>	<u>Totals</u>
Cash Flows From Operating Activities			
Charges for services	\$ 12,088,507	\$ 416,204	\$ 12,504,711
Payment of benefits	(12,512,091)	(620,396)	(13,132,487)
Payment of general administration expenses	(3,187,493)	(282,153)	(3,469,646)
Net Cash (Used) by Operating Activities	<u>(3,611,077)</u>	<u>(486,345)</u>	<u>(4,097,422)</u>
Cash Flows From Noncapital Financing Activities			
Operating transfers in	1,209,828		1,209,828
Net Cash Provided by Noncapital Financing Activities	<u>1,209,828</u>		<u>1,209,828</u>
Cash Flows From Investing Activities			
Interest earned on investments	33,219	19,291	52,510
Net (Decrease) in Cash and Cash Equivalents	(2,368,030)	(467,054)	(2,835,084)
Cash and Cash Equivalents, October 1	<u>2,368,030</u>	<u>1,571,445</u>	<u>3,939,475</u>
Cash and Cash Equivalents, September 30	<u>\$</u>	<u>\$ 1,104,391</u>	<u>\$ 1,104,391</u>
Reconciliation of Operating (Loss) to Net Cash (Used) by Operating Activities			
Operating (loss)	\$ (4,702,115)	\$ (242,426)	\$ (4,944,541)
Change in assets and liabilities			
(Increase) decrease in other receivables	913		913
(Increase) decrease in due from other funds	(1,170,495)	2,897	(1,167,598)
Increase (decrease) in accounts payable	68,625	(60,373)	8,252
Increase (decrease) in benefits payable	1,291,995	63,557	1,355,552
Increase (decrease) in due to other funds	900,000	(250,000)	650,000
Net Cash (Used) by Operating Activities	<u>\$ (3,611,077)</u>	<u>\$ (486,345)</u>	<u>\$ (4,097,422)</u>

FORT BEND COUNTY, TEXAS
COMBINING BALANCE SHEET
DISCRETELY PRESENTED COMPONENT UNITS
September 30, 2003

	FBC Surface Water Supply Corporation	Fort Bend Toll Road Authority	Fort Bend Housing Finance Corporation	Totals
Assets				
Cash and temporary investments	\$ 77,856	\$ 8,364,874	\$ 98,782	\$ 8,541,512
Cash held by fiscal agent		7,916,795		7,916,795
Investments		33,055,510	\$ 342,133	33,397,643
Miscellaneous receivables		44,416		44,416
Deferred bond issuance costs		506,509		506,509
Capital assets, net		28,023,695		28,023,695
Total Assets	\$ 77,856	\$ 77,911,799	\$ 440,915	\$ 78,430,570
Liabilities and Fund Equity				
Liabilities				
Accounts payable	\$ 24,890	\$ 3,620,277	\$ 4,500	\$ 3,649,667
Retainage payable		333,733		333,733
Due to primary government		5,900,000		5,900,000
Accrued interest payable		1,090,089		1,090,089
Bond premium		3,150,251		3,150,251
Bonds payable		63,695,000		63,695,000
Total Liabilities	24,890	77,789,350	4,500	77,818,740
Fund Equity				
Retained Earnings		122,449		122,449
Fund Balances				
Unreserved and undesignated	52,966		436,415	489,381
Total Fund Equity	52,966	122,449	436,415	611,830
Total Liabilities and Fund Equity	\$ 77,856	\$ 77,911,799	\$ 440,915	\$ 78,430,570

FORT BEND COUNTY, TEXAS
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND EQUITY
DISCRETELY PRESENTED COMPONENT UNITS
Year Ended September 30, 2003

	FBC Surface Water Supply Corporation	Fort Bend Toll Road Authority	Fort Bend Housing Finance Corporation	Totals
Revenues				
Earnings on investments	\$ 1,620	\$ 232,313	\$ 2,600	\$ 236,533
Miscellaneous		110,662	73,834	184,496
Total Revenues	\$ 1,620	\$ 342,975	\$ 76,434	\$ 421,029
Expenditures				
Current				
General administration			64,407	64,407
Health and welfare	126,328			126,328
Debt service				
Interest and fiscal charges		1,090,089		1,090,089
Total Expenditures	126,328	1,090,089	64,407	1,280,824
Revenues Over (Under) Expenditures	(124,708)	(747,114)	12,027	(859,795)
Other Financing Sources				
Operating transfers in	170,000			170,000
Total Other Financing Sources	170,000			170,000
Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	45,292	(747,114)	12,027	(689,795)
Fund Equity, October 1	7,674	869,563	424,388	1,301,625
Fund Equity, September 30	\$ 52,966	\$ 122,449	\$ 436,415	\$ 611,830

CAPITAL ASSETS USED IN THE OPERATION
OF GOVERNMENTAL FUNDS

FORT BEND COUNTY
CAPITAL ASSETS USED IN THE OPERATION OF
GOVERNMENTAL FUNDS - BY SOURCE
September 30, 2003

Governmental Funds Capital Assets:

Land	\$	98,957,713
Buildings		94,234,089
Vehicles		10,166,506
Office furniture & equipment		9,641,308
Machinery & equipment		16,315,350
Infrastructure		204,047,727
Construction-in-progress		21,757,803
		<hr/>
Total Governmental Funds Capital Assets	\$	455,120,496
		<hr/> <hr/>

Investment in Governmental Capital Assets by Source:

General fund and developer contributions	\$	353,233,113
Capital projects funds		98,692,363
State and federal grants		2,214,749
Donations and other		980,271
		<hr/>
Total Governmental Funds Capital Assets	\$	455,120,496
		<hr/> <hr/>



FORT BEND COUNTY
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL
FUNDS - SCHEDULE BY FUND AND ACTIVITY
September 30, 2003

Function / Department	Land	Buildings	Vehicles
General Administration			
County Judge	\$	\$	\$
Commissioner Precinct #1			18,812
Commissioner Precinct #2			9,679
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			56,611
Vehicle Maintenance		872,243	100,767
Management Information Systems			31,794
Telecommunications			
Nondepartmental	6,676,833	21,169,324	
Purchasing Agent			17,888
Records Management			
Centralized Mailroom			13,821
Total General Administration	6,797,021	22,340,695	308,008
Financial Administration			
Tax Collector			
Budget Office			
County Treasurer			
County Auditor			
Total Financial Administration			
Administration of Justice			
District Clerk			
Juvenile Probation/Detention		5,377,132	244,369
240th District Court			
400th District Court			
County Court at Law #1			
County Court at Law #4			
District Attorney			100,378
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		6,934,655	539,931
Construction and Maintenance			
County Engineering Department		627,216	177,779
Road & Bridge Department	89,425,335	2,251,469	1,137,715
Total Construction and Maintenance	89,425,335	2,878,685	1,315,494

<u>Office Furniture & Equipment</u>	<u>Machinery & Equipment</u>	<u>Infrastructure</u>	<u>Construction-in -Progress</u>	<u>Total</u>
\$ 24,254	\$	\$	\$	\$ 24,254
				18,812
8,507				18,186
19,838				92,201
18,919				405,966
				18,542
438,514				438,514
263,432				263,432
65,201				65,201
				56,611
16,294	5,590			994,894
1,774,126				1,805,920
763,500				763,500
			3,160,155	31,006,312
				17,888
104,805				104,805
14,461				28,282
<u>3,511,851</u>	<u>5,590</u>		<u>3,160,155</u>	<u>36,123,320</u>
108,827				108,827
12,110				12,110
7,995				7,995
15,857				15,857
<u>144,789</u>				<u>144,789</u>
182,905				182,905
152,493			74,013	5,848,007
5,995				5,995
117,369				117,369
17,404				17,404
5,500				5,500
38,690				139,068
5,500				26,526
10,414				10,414
156,555				1,047,307
12,775				33,774
				819,930
<u>705,599</u>			<u>74,013</u>	<u>8,254,198</u>
233,302	666,372		19,438	1,724,107
154,115	9,815,196	204,047,727	15,138,559	321,970,116
<u>387,417</u>	<u>10,481,568</u>	<u>204,047,727</u>	<u>15,157,997</u>	<u>323,694,223</u>

FORT BEND COUNTY
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL
FUNDS - SCHEDULE BY FUND AND ACTIVITY
September 30, 2003

Function / Department	Land	Buildings	Vehicles
Health & Welfare			
FBC Social Services	\$	\$	\$ 70,846
County Health Department			148,820
Ambulance/EMS		261,764	852,199
Animal Control		459,255	140,939
Health & Human Services			
Community Development			37,568
Environmental Health		19,295	224,852
Total Health & Welfare		<u>740,314</u>	<u>1,475,224</u>
Cooperative Service			
County Extension Service		2,096,474	29,000
Veterans' Service			17,499
Total Cooperative Service		<u>2,096,474</u>	<u>46,499</u>
Public Safety			
Constable #1			330,046
Constable #2		20,000	230,348
Constable #3			183,323
Constable #4			265,056
Sheriff and Jail	62,858	33,129,183	3,753,637
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>4,905,212</u>
Parks and Recreation			
Fairgrounds	419,552	3,222,601	28,258
Parks Department	1,312,251	4,879,917	201,152
Total Parks and Recreation	<u>1,731,803</u>	<u>8,102,518</u>	<u>229,410</u>
Drainage	<u>166,556</u>	<u>1,187,551</u>	<u>1,263,033</u>
Library	<u>774,140</u>	<u>16,502,275</u>	<u>83,695</u>
Totals Governmental Fund Capital Assets	<u>\$ 98,957,713</u>	<u>\$ 94,234,089</u>	<u>\$ 10,166,506</u>

Office Furniture & Equipment	Machinery & Equipment	Infrastructure	Construction-in -Progress	Total
\$	\$	\$	\$	\$
13,862				70,846
542,035	31,440			162,682
9,564				1,687,438
54,406				609,758
				54,406
				37,568
	16,791			260,938
<u>619,867</u>	<u>48,231</u>			<u>2,883,636</u>
47,106	35,217		445	2,208,242
				17,499
<u>47,106</u>	<u>35,217</u>		<u>445</u>	<u>2,225,741</u>
39,695				369,741
14,805				265,153
44,593				227,916
52,171				317,227
2,945,973	30,500		149,396	40,071,547
				7,568
56,395				157,641
32,059	33,503			401,288
<u>3,185,691</u>	<u>64,003</u>		<u>149,396</u>	<u>41,818,081</u>
47,995	122,520		581,184	4,422,110
45,358	246,466		131,476	6,816,620
<u>93,353</u>	<u>368,986</u>		<u>712,660</u>	<u>11,238,730</u>
<u>96,181</u>	<u>5,311,755</u>			<u>8,025,076</u>
<u>849,454</u>			<u>2,503,137</u>	<u>20,712,701</u>
<u>\$ 9,641,308</u>	<u>\$ 16,315,350</u>	<u>\$ 204,047,727</u>	<u>\$ 21,757,803</u>	<u>\$ 455,120,496</u>

FORT BEND COUNTY
CAPITAL ASSETS USED IN THE OPERATIONS OF GOVERNMENTAL
FUNDS - SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY
For The Year Ended September 30, 2003

<u>Function / Department</u>	<u>Balance October 1</u>	<u>Additions</u>
General Administration		
County Judge	43,818	\$
Commissioner Precinct #1	18,812	
Commissioner Precinct #2	34,559	
Commissioner Precinct #3	92,201	
Commissioner Precinct #4	405,966	
Risk Management/Insurance	18,542	
County Clerk	385,530	52,984
Elections Administrator	220,898	42,534
Human Resources	65,201	
Building Services	56,896	12,929
Vehicle Maintenance	967,269	12,434
Management Information Systems	1,342,657	315,899
Telecommunications	803,300	5,200
Nondepartmental	26,774,466	4,242,046
Purchasing Agent	30,820	
Records Management	104,805	6,293
Centralized Mailroom	18,821	9,461
Total General Administration	<u>31,384,561</u>	<u>4,699,780</u>
Financial Administration		
Tax Collector	115,457	
Budget Office	12,110	6,110
County Treasurer		7,995
County Auditor	240,727	519
Total Financial Administration	<u>368,294</u>	<u>14,624</u>
Administration of Justice		
District Clerk	168,091	20,814
Juvenile Probation/Detention	5,676,908	1,602,264
240th District Court	5,995	
400th District Court	28,520	88,849
County Court at Law #1	6,000	11,404
County Court at Law #4	5,500	
District Attorney	126,176	40,890
County Attorney	26,526	
Child Support	5,064	5,350
Adult Probation	1,087,097	
Justice of the Peace #2	33,774	
Justice of the Peace #3	819,930	
Total Administration of Justice	<u>7,989,581</u>	<u>1,769,570</u>
Construction and Maintenance		
County Engineering Department	1,632,675	220,201
Road & Bridge Department	276,746,962	45,709,616
Total Construction and Maintenance	<u>278,379,637</u>	<u>45,929,817</u>

EXHIBIT H-3

Page 1 of 2

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Disposals</u>	<u>Balance September 30</u>
\$ 21,193	\$	\$ 40,757	\$ 24,254
			18,812
		16,373	18,186
			92,201
			405,966
			18,542
			438,514
			263,432
			65,201
		13,214	56,611
42,122		26,931	994,894
225,389		78,025	1,805,920
		45,000	763,500
		10,200	31,006,312
		12,932	17,888
		6,293	104,805
			28,282
<u>288,704</u>		<u>249,725</u>	<u>36,123,320</u>
		6,630	108,827
		6,110	12,110
			7,995
	225,389		15,857
	<u>225,389</u>	<u>12,740</u>	<u>144,789</u>
		6,000	182,905
		1,431,165	5,848,007
			5,995
			117,369
			17,404
			5,500
		27,998	139,068
			26,526
			10,414
		39,790	1,047,307
			33,774
			819,930
		<u>1,504,953</u>	<u>8,254,198</u>
48,989		177,758	1,724,107
57,465	86,144	455,783	321,972,116
<u>106,454</u>	<u>86,144</u>	<u>633,541</u>	<u>323,696,223</u>

FORT BEND COUNTY
CAPITAL ASSETS USED IN THE OPERATIONS OF GOVERNMENTAL
FUNDS - SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY
For The Year Ended September 30, 2003

<u>Function / Department</u>	<u>Balance October 1</u>	<u>Additions</u>
Health & Welfare		
FBC Social Services	71,837	\$ 18,199
County Health Department	162,682	
Environmental	1,336,883	350,555
Ambulance/EMS	624,333	
Health & Human Services		54,406
Community Development	37,568	
Animal Control	222,024	52,020
Total Health & Welfare	<u>2,455,327</u>	<u>475,180</u>
Cooperative Service		
County Extension Service	2,201,797	6,445
Veterans' Service	17,499	
Total Cooperative Service	<u>2,219,296</u>	<u>6,445</u>
Public Safety		
Constable #1	346,703	61,509
Constable #2	262,109	62,470
Constable #3	224,859	16,761
Constable #4	317,227	
Sheriff and Jail	39,321,507	1,313,058
Department of Public Safety	7,568	
Fire Marshall	137,066	20,575
Emergency Management	401,288	
Total Public Safety	<u>41,018,327</u>	<u>1,474,373</u>
Parks and Recreation		
Fairgrounds	3,818,292	604,928
Parks Department	6,666,163	189,939
Total Parks and Recreation	<u>10,484,455</u>	<u>794,867</u>
Drainage	<u>7,682,432</u>	<u>519,408</u>
Library	<u>18,239,711</u>	<u>2,494,606</u>
Total Governmental Fund Capital Assets	<u>\$ 400,221,622</u>	<u>\$ 58,178,670</u>

EXHIBIT H-3

Page 2 of 2

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Disposals</u>	<u>Balance September 30</u>
\$	\$ 19,190	\$	\$ 70,846
			162,682
55,799	42,122	13,677	1,687,438
		14,575	609,758
			54,406
			37,568
		13,106	260,938
<u>55,799</u>	<u>61,312</u>	<u>41,358</u>	<u>2,883,636</u>
			2,208,242
			17,499
			<u>2,225,741</u>
		38,471	369,741
		59,426	265,153
		13,704	227,916
			317,227
	77,002	488,016	40,069,547
			7,568
			157,641
			401,288
	<u>77,002</u>	<u>599,617</u>	<u>41,816,081</u>
15,962	17,072		4,422,110
		39,482	6,816,620
<u>15,962</u>	<u>17,072</u>	<u>39,482</u>	<u>11,238,730</u>
		176,764	8,025,076
		21,616	20,712,701
<u>\$ 466,919</u>	<u>\$ 466,919</u>	<u>\$ 3,279,796</u>	<u>\$ 455,120,496</u>



DEBT SCHEDULES

FORT BEND COUNTY, TEXAS
COMBINING SCHEDULE OF GENERAL LONG-TERM
DEBT BY MATURITY DATE
September 30, 2003

Fiscal Year Ending September 30,	Totals		
	Total	Principal	Interest
2004	9,281,194	5,730,000	3,551,194
2005	9,152,004	5,805,000	3,347,004
2006	9,142,369	5,995,000	3,147,369
2007	9,101,824	6,180,000	2,921,824
2008	9,005,198	6,375,000	2,630,198
2009	9,076,577	6,670,000	2,406,577
2010	8,708,356	6,535,000	2,173,356
2011	8,164,408	6,280,000	1,884,408
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	\$ 112,129,896	\$ 82,085,000	\$ 30,044,896

Fiscal Year Ending September 30,	Permanent Improvement Refunding Bonds Series 2003		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
2004	2,720,000	791,100	590,000	181,820	160,000	559,058
2005	2,665,000	736,700	640,000	147,835	160,000	553,458
2006	2,700,000	696,725	690,000	110,582	160,000	547,578
2007	2,780,000	642,725	755,000	69,383	160,000	541,459
2008	2,815,000	531,525	815,000	23,839	160,000	535,058
2009	4,010,000	461,150			160,000	528,416
2010	3,850,000	350,875			160,000	521,618
2011	3,745,000	187,250			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	\$ 25,285,000	\$ 4,398,050	\$ 3,490,000	\$ 533,459	\$ 11,350,000	\$ 6,895,329

EXHIBIT I-1

Fort Bend Parkway Road District Series 1990		Certificates of Obligation Series 1991		General Obligation Bonds Series 2001	
Principal	Interest	Principal	Interest	Principal	Interest
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
\$ 950,000	\$ 312,272	\$ 150,000	\$ 13,500	\$ 28,350,000	\$ 15,247,501
Permanent Improvement Bonds Series 1997		Fort Bend Flood Control and Water Supply Corporation Series 1999 Refunding			
Principal	Interest	Principal	Interest		
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				
\$ 4,090,000	\$ 1,594,930	\$ 8,420,000	\$ 1,049,855		



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

<u>Function</u>	<u>2003</u>	<u>2002*</u>	<u>2001</u>	<u>2000</u>
General Administration	\$ 21,787,458	\$ 16,260,804	\$ 18,704,900	\$ 19,329,894
Financial Administration	4,411,882	3,213,423	4,447,728	3,636,492
Administration of Justice	25,613,661	18,291,723	21,474,900	19,887,115
Construction and Maintenance	17,053,564	12,545,989	14,461,030	14,144,995
Health and Welfare	14,994,700	10,178,844	12,311,836	10,939,535
Cooperative Service	865,468	591,257	732,705	617,619
Public Safety	32,329,232	25,079,460	29,121,223	26,239,132
Parks and Recreation	1,547,020	1,230,488	1,499,519	1,366,623
Flood Control	5,833,047	4,326,935	5,662,492	6,639,325
Libraries and Education	7,733,697	5,912,073	7,015,618	6,838,073
Capital Outlay	16,415,905	7,989,999	5,435,868	7,318,743
Debt Service	9,917,074	10,389,935	9,314,028	8,651,694
TOTAL	<u>\$ 158,502,708</u>	<u>\$ 116,010,930</u>	<u>\$ 130,181,847</u>	<u>\$ 125,609,240</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

1999	1998	1997	1996	1995	1994
\$ 16,732,833	\$ 14,703,574	\$ 13,582,024	\$ 12,604,614	\$ 10,642,765	\$ 10,553,536
3,301,421	3,121,939	2,987,630	2,570,027	2,413,304	2,211,052
17,877,141	16,704,607	14,624,604	12,358,124	11,667,382	10,228,800
14,076,726	13,285,117	12,512,301	13,695,992	15,201,097	14,908,366
11,591,086	9,962,647	10,696,835	11,927,477	11,646,295	9,935,424
616,862	542,718	659,186	651,751	590,314	461,365
22,856,866	19,855,001	17,656,194	17,078,786	14,751,490	12,589,578
1,518,971	1,201,276	1,106,519	922,791	374,447	321,128
5,984,810	5,029,077	4,734,500	4,927,599	8,957,745	5,990,709
6,410,608	5,429,853	4,588,907	4,365,422	4,221,726	3,814,312
4,019,397	7,107,842	5,601,012	6,085,444	5,761,129	22,896,149
8,654,245	8,696,426	8,272,485	7,695,365	6,846,826	7,864,180
\$ 113,640,966	\$ 105,640,077	\$ 97,022,197	\$ 94,883,392	\$ 93,074,520	\$ 101,774,599

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

<u>Function</u>	<u>2003</u>	<u>2002*</u>	<u>2001</u>	<u>2000</u>
General Administration	13.7%	14.0%	14.4%	15.4%
Financial Administration	2.8%	2.8%	3.4%	2.9%
Administration of Justice	16.2%	15.8%	16.5%	15.8%
Construction and Maintenance	10.8%	10.8%	11.1%	11.3%
Health and Welfare	9.5%	8.8%	9.5%	8.7%
Cooperative Service	0.5%	0.5%	0.6%	0.5%
Public Safety	20.4%	21.6%	22.4%	20.9%
Parks and Recreation	1.0%	1.1%	1.2%	1.1%
Flood Control	3.7%	3.7%	4.3%	5.3%
Libraries and Education	4.9%	5.1%	5.4%	5.4%
Capital Outlay	10.4%	6.9%	4.2%	5.8%
Debt Service	6.1%	8.9%	7.0%	6.9%
TOTAL	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</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

1999	1998	1997	1996	1995	1994
14.7%	13.9%	14.0%	13.3%	11.4%	10.4%
2.9%	3.0%	3.1%	2.7%	2.6%	2.2%
15.7%	15.8%	15.1%	13.0%	12.5%	10.1%
12.4%	12.6%	12.9%	14.4%	16.3%	14.6%
10.2%	9.4%	11.0%	12.6%	12.5%	9.8%
0.5%	0.5%	0.7%	0.7%	0.6%	0.5%
20.1%	18.8%	18.2%	18.0%	15.8%	12.4%
1.3%	1.1%	1.1%	1.0%	0.4%	0.3%
5.3%	4.8%	4.9%	5.2%	9.6%	5.9%
5.6%	5.1%	4.7%	4.6%	4.5%	3.7%
3.5%	6.7%	5.8%	6.4%	6.2%	22.5%
7.8%	8.3%	8.5%	8.1%	7.6%	7.6%
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>2003</u>	<u>2002*</u>	<u>2001</u>	<u>2000</u>
Taxes	\$ 105,288,111	\$ 99,578,488	\$ 95,085,804	\$ 88,112,950
Fees and fines	16,734,820	11,747,190	14,778,811	13,406,877
Intergovernmental	12,751,135	11,024,068	14,734,336	12,885,317
Interest	2,533,594	2,815,189	6,184,808	6,255,573
Miscellaneous	4,900,307	4,110,450	5,123,303	4,635,353
TOTAL	<u><u>\$ 142,207,967</u></u>	<u><u>\$ 129,275,385</u></u>	<u><u>\$ 135,907,062</u></u>	<u><u>\$ 125,296,070</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

1999	1998	1997	1996	1995	1994
\$ 81,119,794	\$ 77,203,427	\$ 72,761,599	\$ 68,854,432	\$ 67,739,548	\$ 64,362,840
13,014,312	12,066,913	11,059,399	9,713,398	9,051,635	8,290,669
16,227,039	9,810,527	7,805,592	7,479,400	8,066,753	7,294,246
4,701,586	4,540,320	4,790,096	4,087,077	2,910,024	3,860,282
4,956,865	4,388,835	4,798,833	3,027,178	2,542,327	2,339,111
\$ 120,019,596	\$ 108,010,022	\$ 101,215,519	\$ 93,161,485	\$ 90,310,287	\$ 86,147,148

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

<u>Function</u>	<u>2003</u>	<u>2002*</u>	<u>2001</u>	<u>2000</u>
Taxes	74.0%	77.0%	70.0%	70.3%
Fees and fines	11.8%	9.1%	10.9%	10.7%
Intergovernmental	9.0%	8.5%	10.8%	10.3%
Interest	1.8%	2.2%	4.6%	5.0%
Miscellaneous	3.4%	3.2%	3.7%	3.7%
TOTAL	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</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

1999	1998	1997	1996	1995	1994
67.6%	71.5%	71.9%	73.9%	75.0%	74.7%
10.8%	11.2%	10.9%	10.4%	10.0%	9.6%
13.5%	9.1%	7.7%	8.0%	8.9%	8.5%
3.9%	4.2%	4.7%	4.4%	3.2%	4.5%
4.2%	4.0%	4.8%	3.3%	2.9%	2.7%
<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
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%
2002	2003	104,519,176	100,212,759	95.88%

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
\$ 1,696,722	\$ 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%
3,656,892	103,869,651	99.38%	6,363,132	6.09%

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
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%
2002	2003	22,983,634,660	3,623,915,365	19,359,719,295	84.2%

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
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
2002	2003	0.4277	0.0423		0.0262	0.0426	0.5387

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)	Loans Payable
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	825,000
1995	1996	305,000	10,268,910,301	1,810,000	65,855,000	620,000
1996	1997	316,500	10,621,294,760	1,525,000	67,960,000	415,000
1997	1998	331,000	11,237,529,112	1,225,000	64,245,000	210,000
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	
2002	2003	412,000	19,359,719,295	150,000	80,985,000	

(1) Source: Bureau of Census for 1995 and 2000. All other years have been obtained from 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

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
\$ 808,010	\$ 47,191,805	\$ 1,675,356	\$ 45,516,449	0.50%	156
620,630	70,960,630	1,956,648	69,003,982	0.71%	236
674,465	68,959,465	1,685,789	67,273,676	0.66%	221
813,661	70,713,661	2,660,611	68,053,050	0.64%	215
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
	81,135,000	1,124,677	80,010,323	0.41%	194

FORT BEND COUNTY, TEXAS
COMPUTATION OF LEGAL DEBT MARGIN
September 30, 2003
(UNAUDITED)

Assessed value of real property:		\$ 16,339,347,766
Assessed value of personal and other property:		<u>3,020,371,529</u>
Total assessed value:		<u><u>\$ 19,359,719,295</u></u>
Debt Limit, 25% of real property:		4,084,836,942
Amount of debt applicable to debt limit:	\$ 81,135,000 (1)	
Less: Assets available in Debt Service Funds for payment of principal	<u>1,124,677 (2)</u>	
Total amount of debt applicable to debt limit:		<u>80,010,323</u>
LEGAL DEBT MARGIN		<u><u>\$ 4,004,826,619</u></u>

- (1) This figure does not include the \$950,000 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 \$29.9 million 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
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%
2003	5,460,000	4,457,074	9,917,074	158,502,708	6.3%

(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, 2003

Taxpayer	Type of Business	2002 Tax Year Assessed Valuation	Percent of Total Assessed Valuation
Reliant Energy HL&P	Electric Utility	\$ 737,980,250	3.81 %
Katy Mills LTD Partnership	Shopping Mall	142,760,730	0.74
Texas Instruments	Electronics	139,520,840	0.72
Phillips Petroleum	Oil & Gas Engineering	107,747,580	0.56
STC MFG Group	Industrial	90,415,700	0.47
Lakepointe Assets LLC	Property	89,999,970	0.46
Sugar Land Telephone	Telephone	87,795,160	0.45
Imperial Sugar	Sugar Company	71,344,310	0.37
Sugar Creek Place LP	Property	54,099,710	0.28
Aquila Storage & Transp. LP	Storage/Transportation	51,127,840	0.26
		1,572,792,090	8.12
Other		17,786,927,205	91.88
Total		\$ 19,359,719,295	100.00 %

Source - Tax assessor/collector's records.

FORT BEND COUNTY, TEXAS

DIRECT AND OVERLAPPING DEBT

September 30, 2003

Taxing Jurisdiction	Long-Term Debt Outstanding	Applicable Percentage	Overlapping Debt
Fort Bend County	\$ 144,830,000	100.00%	\$ 144,830,000
<u>Special Districts:</u>			
Big Oaks MUD	\$ 16,590,000	100.00%	\$ 16,590,000
Blue Ridge West MUD	891,105	100.00%	891,105
Burney Road MUD	6,205,000	100.00%	6,205,000
Cinco MUD #2	7,920,000	100.00%	7,920,000
Cinco MUD #3	3,875,000	100.00%	3,875,000
Cinco MUD #5	4,970,000	100.00%	4,970,000
Cinco MUD #7	9,000,000	100.00%	9,000,000
Cinco MUD #8	8,915,000	100.00%	8,915,000
Cinco MUD #10	7,590,000	100.00%	7,590,000
Cinco MUD #12	1,985,000	100.00%	1,985,000
Eldridge Road MUD	9,485,000	100.00%	9,485,000
First Colony LID	5,135,000	100.00%	5,135,000
First Colony LID #2	6,015,000	100.00%	6,015,000
First Colony MUD #9	24,095,000	100.00%	24,095,000
Fort Bend County LID #2	9,647,666	100.00%	9,647,666
Fort Bend County LID #7	18,295,000	100.00%	18,295,000
Fort Bend County LID #10	8,115,000	100.00%	8,115,000
Fort Bend County LID #11	25,060,000	100.00%	25,060,000
Fort Bend County LID #12	8,655,000	100.00%	8,655,000
Fort Bend County LID #14	7,860,000	100.00%	7,860,000
Fort Bend County MUD #1	17,485,000	100.00%	17,485,000
Fort Bend County MUD #2	4,080,000	100.00%	4,080,000
Fort Bend County MUD #19	543,123	100.00%	543,123
Fort Bend County MUD #21	17,405,000	100.00%	17,405,000
Fort Bend County MUD #23	18,825,000	100.00%	18,825,000
Fort Bend County MUD #25	28,920,000	100.00%	28,920,000
Fort Bend County MUD #26	5,945,000	100.00%	5,945,000
Fort Bend County MUD #30	13,355,000	100.00%	13,355,000
Fort Bend County MUD #34	1,995,000	100.00%	1,995,000
Fort Bend County MUD #37	1,895,000	100.00%	1,895,000
Fort Bend County MUD #41	9,875,000	100.00%	9,875,000
Fort Bend County MUD #42	13,840,000	100.00%	13,840,000
Fort Bend County MUD #46	7,520,000	100.00%	7,520,000
Fort Bend County MUD #47	4,675,000	100.00%	4,675,000
Fort Bend County MUD #48	2,565,000	100.00%	2,565,000
Fort Bend County MUD #49	3,419,246	100.00%	3,419,246

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

September 30, 2003

Taxing Jurisdiction	Long-Term Debt Outstanding	Applicable Percentage	Overlapping Debt
<u>Special Districts: (continued)</u>			
Fort Bend County MUD #50	2,785,000	100.00%	2,785,000
Fort Bend County MUD #67	8,505,000	100.00%	8,505,000
Fort Bend County MUD #68	7,735,000	100.00%	7,735,000
Fort Bend County MUD #69	5,200,000	100.00%	5,200,000
Fort Bend County MUD #81	7,710,000	100.00%	7,710,000
Fort Bend County MUD #94	3,800,000	100.00%	3,800,000
Fort Bend County MUD #106	16,495,000	100.00%	16,495,000
Fort Bend County MUD #108	8,855,000	100.00%	8,855,000
Fort Bend County MUD #109	12,670,000	100.00%	12,670,000
Fort Bend County MUD #111	12,715,000	100.00%	12,715,000
Fort Bend County MUD #112	8,080,000	100.00%	8,080,000
Fort Bend County MUD #113	13,270,000	100.00%	13,270,000
Fort Bend County MUD #115	9,350,000	100.00%	9,350,000
Fort Bend County MUD #116	16,195,000	100.00%	16,195,000
Fort Bend County MUD #117	25,635,000	100.00%	25,635,000
Fort Bend County MUD #118	10,450,000	100.00%	10,450,000
Fort Bend County MUD #119	21,775,000	100.00%	21,775,000
Fort Bend County MUD #121	3,310,000	100.00%	3,310,000
Fort Bend County MUD #124	2,390,000	100.00%	2,390,000
Fort Bend County MUD #130	2,665,000	100.00%	2,665,000
Fort Bend County WC&ID #3	1,540,000	100.00%	1,540,000
Fort Bend Pkwy Rd Dist.	950,000	100.00%	950,000
Grand Lakes MUD #2	5,630,000	100.00%	5,630,000
Grand Lakes MUD #4	18,365,000	100.00%	18,365,000
Grand Lakes WC&ID	4,710,000	100.00%	4,710,000
Meadowcreek MUD	5,900,000	100.00%	5,900,000
North Mission Glen MUD	17,485,000	100.00%	17,485,000
Palmer Plantation MUD #1	9,800,000	100.00%	9,800,000
Palmer Plantation MUD #2	10,845,000	100.00%	10,845,000
Pecan Grove MUD	12,440,000	100.00%	12,440,000
Plantation MUD	8,025,000	100.00%	8,025,000
Quail Valley UD	2,560,000	100.00%	2,560,000
Sienna Plantation LID	36,730,000	100.00%	36,730,000
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	4,155,000	83.12%	3,453,636

FORT BEND COUNTY, TEXAS
DIRECT AND OVERLAPPING DEBT
September 30, 2003

<u>Taxing Jurisdiction</u>	<u>Long-Term Debt Outstanding</u>	<u>Applicable Percentage</u>	<u>Overlapping Debt</u>
Cinco MUD #9	7,740,000	58.65%	4,539,510
Chelford City MUD	4,465,000	53.85%	2,404,403
Cornerstones MUD	12,320,000	1.37%	168,784
Fort Bend County WC&ID #2	18,395,000	98.87%	18,187,137
Harris - Fort Bend Cos. MUD #5	9,450,000	60.99%	5,763,555
Harris - Fort Bend Cos. MUD #4	24,415,000	74.47%	18,181,851
Harris - Fort Bend Cos. MUD #1	8,417,494	99.99%	8,416,652
Kingsbridge MUD	21,855,000	94.65%	20,685,758
Mission Bend MUD #1	4,480,000	60.14%	2,694,272
Renn Road MUD	8,340,000	21.42%	1,786,428
West Harris County MUD #4	3,595,000	3.96%	142,362
West Keegans Bayou Impv. Dist.	4,400,000	86.78%	3,818,320
Willow Fork Drainage Dist.	42,550,000	0.91	38,873,680
Total Special Districts			<u><u>\$ 838,232,488</u></u>
<u>Cities:</u>			
Beasley	\$ 21,000	100.00%	\$ 21,000
Kendleton	21,855,000	100.00%	21,855,000
Meadows Place	4,480,000	100.00%	4,480,000
Needville	935,000	100.00%	935,000
Orchard	115,000	100.00%	115,000
Richmond	9,770,000	100.00%	9,770,000
Rosenberg	27,245,000	100.00%	27,245,000
Sugar Land	124,150,445	100.00%	124,150,445
<u>County Line Cities:</u>			
Houston	2,022,651,000	0.63%	12,742,701
Katy	1,260,000	17.09%	215,334
Missouri City	32,105,000	91.67%	29,430,654
Stafford	10,345,000	98.84%	10,224,998
Total Cities			<u><u>\$ 241,185,132</u></u>
<u>School Districts:</u>			
Fort Bend ISD	\$ 434,631,412	100.00%	\$ 434,631,412
Kendleton ISD	83,000	100.00%	\$ 83,000
Lamar Consolidated ISD	106,890,000	100.00%	106,890,000
Needville ISD	18,520,000	100.00%	18,520,000
<u>Co-Line School Districts:</u>			
Katy ISD	671,168,403	7.47%	50,136,280

FORT BEND COUNTY, TEXAS
DIRECT AND OVERLAPPING DEBT
September 30, 2003

<u>Taxing Jurisdiction</u>	<u>Long-Term Debt Outstanding</u>	<u>Applicable Percentage</u>	<u>Overlapping Debt</u>
Stafford MSD	17,850,000	97.30%	17,368,050
Total School Districts			<u>\$ 627,628,742</u>
<u>Summary of Total Estimated Overlapping Debt:</u>			
Special Districts			\$ 838,232,488
Cities			241,185,132
School Districts			627,628,742
Estimated Overlapping Debt			<u>\$ 1,707,046,362</u>
<u>Fort Bend County</u>			
Fort Bend County - Direct Obligations			81,135,000
Fort Bend County - Fort Bend Toll Road Authority			63,695,000
Total Direct and Estimated Overlapping Debt			<u>\$ 1,851,876,362</u>

SOURCE: Texas Municipal Reports Published by the Municipal Advisory Council of Texas



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

	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>
Fort Bend County	\$ 0.65980	\$ 0.65700	\$ 0.64700	\$ 0.64410
Political Subdivision:				
Arcola, City of	1.26000	1.00000	0.99500	0.99500
Beasley, City of	0.22020	0.22550	0.22900	0.21420
Big Oaks MUD	1.49000	0.16390	0.17106	1.40000
Blue Ridge West MUD	0.96000	0.93000	0.94110	0.94110
Brazos ISD	^	^	^	^
Burney Road MUD	**N/A	**N/A	**N/A	**N/A
Chelford City MUD	0.49000	0.50000	**N/A	**N/A
Cinco MUD #1	**N/A	**N/A	0.34000	0.43000
Cinco MUD #2	**N/A	**N/A	0.77000	0.85000
Cinco MUD #3	**N/A	**N/A	0.82400	0.90400
Cinco MUD #5	**N/A	**N/A	0.84000	0.93000
Cinco MUD #6	**N/A	**N/A	0.84000	0.92450
Cinco MUD #7	**N/A	**N/A	0.34000	0.93000
Cinco MUD #8	**N/A	**N/A	0.59000	0.93000
Cinco MUD #9	**N/A	**N/A	0.84000	0.93000
Cinco MUD #10	**N/A	**N/A	0.34000	0.43000
Cinco MUD #12	**N/A	**N/A	0.34000	0.93000
Cinco MUD #14	**N/A	**N/A	0.34000	0.43000
Eldridge Road MUD	1.40000	1.25000	1.15000	1.11400
First Colony LID	0.57800	0.45000	0.38000	0.30000
First Colony LID #2	0.55000	0.42700	0.38000	0.38000
First Colony MUD #1	0.88000	0.86000	0.86000	**N/A
First Colony MUD #2	0.95000	0.95000	0.95000	0.95000
First Colony MUD #3	0.65600	0.49000	0.42000	0.39000
First Colony MUD #4	0.54000	0.54000	0.54000	0.53364
First Colony MUD #5	0.63000	0.49000	0.39000	0.32000
First Colony MUD #6	0.43000	0.41600	0.40891	**N/A
First Colony MUD #7	0.75000	0.98000	0.85000	**N/A
First Colony MUD #8	0.78500	0.76800	0.60000	0.55000
First Colony MUD #9	0.74000	0.71000	0.69000	0.69000
Fort Bend County LID #2	0.32630	0.32600	0.32334	0.29707
Fort Bend County LID #7	0.47000	0.45250	0.45250	0.41250
Fort Bend County LID #10	**N/A	**N/A	**N/A	**N/A
Fort Bend County LID #11	**N/A	**N/A	0.73000	0.70000
Fort Bend County LID #12	6.00000	0.50000	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	0.73500	0.80000	0.82000	0.78300
Fort Bend County MUD #12	**N/A	**N/A	**N/A	**N/A
Fort Bend County MUD #19	**N/A	**N/A	1.74330	1.74330
Fort Bend County MUD #21	0.48000	0.48000	0.51000	0.58000
Fort Bend County MUD #23	1.76500	1.50000	1.50000	1.50000

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1997	1998	1999	2000	2001	2002
\$ 0.62910	\$ 0.62410	\$ 0.62410	\$ 0.60410	\$ 0.56410	\$ 0.53874
0.99500	0.92500	0.92500	0.91000	0.81941	0.63922
0.21740	0.23000	0.23000	0.21935	0.31430	0.33069
1.40000	1.40000	1.35000	1.25000	1.20000	1.20000
0.92000	0.86500	0.78700	0.71600	0.64600	0.55000
^	^	1.50000	1.46320	1.31680	1.31680
**N/A	**N/A	0.50000	0.75000	0.75000	0.74000
**N/A	**N/A	**N/A	**N/A	**N/A	**N/A
0.45000	0.45000	0.50000	0.47000	0.43000	1.08000
0.87000	0.87000	0.89000	0.85000	0.69000	0.68000
0.89700	0.87100	0.87100	0.88800	0.84800	0.79800
0.95000	0.93000	0.99000	0.97000	0.96000	0.86000
0.94900	0.95000	0.99000	0.97000	0.83000	0.78000
0.95000	0.95000	1.00000	0.91000	0.82500	0.72500
0.95000	0.95000	1.00000	0.97000	0.97000	0.95000
0.91000	0.90050	0.89000	0.84000	0.81000	0.76000
0.45000	0.45000	0.50000	0.97000	1.02000	1.02000
0.95000	0.95000	0.95000	0.95000	0.85000	0.78000
0.45000	0.45000	0.50000	0.47000	0.42500	1.08000
1.11000	1.06000	0.97000	0.83000	0.72000	0.67000
0.38000	0.26000	0.25000	0.23500	0.21500	0.20555
0.38000	0.37500	0.35870	0.34200	0.34200	0.39200
**N/A	**N/A	**N/A	**N/A	**N/A	**N/A
0.94600	**N/A	**N/A	**N/A	**N/A	**N/A
0.39000	**N/A	**N/A	**N/A	**N/A	**N/A
0.35800	**N/A	**N/A	**N/A	**N/A	**N/A
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	**N/A
0.49000	**N/A	**N/A	**N/A	**N/A	**N/A
0.68000	0.68000	0.68000	0.62960	0.58500	0.43500
0.26876	0.24901	0.23174	0.23000	0.23000	0.23000
0.40050	0.37350	0.33350	0.29950	0.27000	0.25000
**N/A	**N/A	0.35000	0.42000	0.49000	0.49000
0.69000	0.64000	0.55000	0.45000	0.41000	0.40000
0.50000	0.50000	0.50000	0.50000	0.50000	0.50000
0.66000	0.59000	0.59000	0.51900	0.41000	0.31000
**N/A	**N/A	1.00000	0.93000	0.82000	0.82000
0.77000	0.76000	0.71000	0.54400	0.49900	0.49900
**N/A	**N/A	**N/A	**N/A	**N/A	**N/A
1.79930	1.94200	1.20000	1.22870	1.20000	1.20000
0.58000	0.57000	0.54000	0.49000	0.49000	0.49000
1.50000	1.37000	1.37000	1.29000	1.20000	1.15000

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

	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>
Political Subdivision: (continued)				
Fort Bend County MUD #25	1.29000	1.24000	1.30000	1.30000
Fort Bend County MUD #26	1.56000	1.57000	1.26359	1.19000
Fort Bend County MUD #27	0.39500	0.39500	0.37500	0.36100
Fort Bend County MUD #28	0.44250	**N/A	**N/A	**N/A
Fort Bend County MUD #30	1.29000	1.16000	1.16500	1.16500
Fort Bend County MUD #34	**N/A	**N/A	1.70300	1.59000
Fort Bend County MUD #37	**N/A	**N/A	0.74000	0.65000
Fort Bend County MUD #41	1.47000	1.40000	1.21300	1.13000
Fort Bend County MUD #42	1.09000	1.03800	0.92100	0.87000
Fort Bend County MUD #46	1.14600	1.20000	1.20000	1.20000
Fort Bend County MUD #47	1.53000	1.48000	1.44000	1.44000
Fort Bend County MUD #48	1.20000	1.20000	1.16494	1.22000
Fort Bend County MUD #49	**N/A	**N/A	1.05000	1.05000
Fort Bend County MUD #50	**N/A	**N/A	0.73000	0.73000
Fort Bend County MUD #67	0.95000	0.87500	0.73500	0.73500
Fort Bend County MUD #68	1.02000	1.02000	1.01000	0.90195
Fort Bend County MUD #69	0.92000	0.77000	0.66000	0.61000
Fort Bend County MUD #81	**N/A	**N/A	0.95000	0.93000
Fort Bend County MUD #94	**N/A	**N/A	0.75000	0.75000
Fort Bend County MUD #106	**N/A	**N/A	0.72000	0.72000
Fort Bend County MUD #108	**N/A	**N/A	0.60000	0.60000
Fort Bend County MUD #109	**N/A	**N/A	0.72000	0.70000
Fort Bend County MUD #111	**N/A	**N/A	0.93000	0.90000
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	0.18600	0.18600	0.18690	0.19500
Fort Bend County WC&ID #3	**N/A	**N/A	**N/A	**N/A
Fort Bend County R.F. P. 1 & 2	**N/A	0.05660	0.06000	0.05850
Fort Bend ESD #2	**N/A	**N/A	**N/A	**N/A
Fort Bend Fire District #1	^	^	^	^
Fort Bend Fire District #2	^	^	^	^
Fort Bend Independent School District	1.53000	1.58500	1.58500	1.61500
Fort Bend Parkway Road District	0.41760	0.50160	0.50200	0.50200
Fulshear, City of	0.48000	0.47940	0.48000	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

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1997	1998	1999	2000	2001	2002
1.24500	1.18000	1.08000	0.97500	0.92500	0.92500
1.12000	1.00000	0.66900	0.79200	0.77000	0.77000
0.20000	**N/A	**N/A	**N/A	**N/A	**N/A
**N/A	**N/A	**N/A	**N/A	**N/A	**N/A
1.16500	1.16000	1.12000	1.06300	1.04300	1.04300
1.55000	1.43000	1.30000	1.09600	1.07000	1.07000
0.65000	0.63000	0.61000	0.62000	0.63000	0.63000
1.03000	0.97000	0.91400	0.86400	0.60000	0.75000
0.81000	0.67000	0.58500	0.53000	0.50000	0.50000
1.20000	1.20000	1.15000	1.10000	1.05000	1.05000
1.44000	1.43000	1.35560	1.26145	1.25000	1.17000
1.22000	1.20000	1.13500	1.10000	1.06000	1.00000
1.05000	1.04700	0.96000	0.88800	0.88800	0.86000
0.73000	0.83000	0.83000	0.83000	0.83000	0.83000
0.70000	0.62000	0.56000	0.51500	0.50000	0.48500
0.75900	0.62900	0.56900	0.53500	0.47000	0.47000
0.58000	0.50500	0.47780	0.44500	0.41500	0.40000
0.89000	0.84000	0.79900	0.75000	0.75000	0.73000
0.75000	0.72000	0.75000	0.70000	0.72000	0.72000
0.72000	0.70000	0.66900	0.63000	0.58000	0.58000
0.57000	0.55000	0.50500	0.49000	0.47000	0.47000
0.70000	0.65500	0.63500	0.61000	0.58500	0.57000
0.89887	0.63500	0.45160	0.38328	0.37000	0.34000
**N/A	**N/A	1.00000	0.90000	0.82000	0.81000
0.79000	0.86000	0.76000	0.60000	0.48000	0.34000
**N/A	**N/A	1.45000	1.45000	1.45000	1.45000
**N/A	**N/A	**N/A	0.97000	0.97000	0.97000
**N/A	**N/A	**N/A	1.40000	1.40000	1.40000
**N/A	**N/A	**N/A	0.91000	0.91000	0.91000
**N/A	**N/A	**N/A	1.25000	1.25000	1.25000
**N/A	**N/A	**N/A	**N/A	1.11300	1.15000
**N/A	**N/A	**N/A	**N/A	0.80000	0.80000
0.18100	0.16700	0.16700	0.16290	0.16290	0.16290
**N/A	**N/A	0.50000	0.50000	0.50000	0.50000
0.05040	**N/A	**N/A	**N/A	**N/A	**N/A
**N/A	**N/A	**N/A	**N/A	**N/A	0.09800
^	^	0.03000	0.03000	0.03000	0.03000
^	^	0.02242	0.02381	0.03000	0.03000
1.64350	1.67730	1.65700	1.69250	1.68250	1.68250
0.50190	0.50188	0.50500	0.51429	0.49990	0.42170
0.48000	0.47516	0.47516	0.42174	0.40208	0.39251
**N/A	**N/A	0.60130	0.72000	1.00000	0.72000
**N/A	**N/A	**N/A	**N/A	0.23000	0.98000
**N/A	**N/A	1.00000	0.50000	1.00000	0.21000
**N/A	**N/A	0.10000	0.09900	0.09900	0.09900
**N/A	**N/A	**N/A	**N/A	1.14580	1.14580

FORT BEND COUNTY
PROPERTY TAX RATES - DIRECT AND
OVERLAPPING GOVERNMENTS

Last Ten Tax Years

	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>
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	0.62462	0.64735
Houston Community College	0.05481	0.05868	0.05868	0.06317
Katy, City of	^	^	^	^
Katy ISD	^	^	^	^
Kendleton, City of	0.50000	0.46560	0.46660	0.45730
Kendleton ISD	1.50000	1.50000	1.50000	1.50000
Kingsbridge MUD	1.02000	1.02000	1.02000	1.02489
Lamar Consolidated I.S.D.	1.50500	1.50500	1.50500	1.57000
Meadowcreek MUD	0.62000	0.52000	0.52000	0.52000
Meadows, City of	0.76000	0.75000	0.75000	0.75000
Meadows MUD	**N/A	**N/A	**N/A	**N/A
Mission Bend MUD #1	0.96000	0.90000	0.81000	0.81000
Missouri City, City of	0.54000	0.54862	0.54862	0.56862
Needville, City of	0.59380	0.61000	0.61000	0.55870
Needville Independent School District	1.32400	1.39000	1.41700	1.45500
North Mission Glen MUD	1.48000	1.39300	1.07000	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	1.15000	1.15000
Pecan Grove MUD	0.92500	0.86000	0.86000	0.86000
Plantation MUD	**N/A	**N/A	0.77000	0.74000
Post Oak Road MUD	**N/A	**N/A	**N/A	**N/A
Quail Valley U.D.	0.37000	0.35000	0.33000	0.34450
Renn Road MUD	1.11750	1.11750	**N/A	**N/A
Richmond, City of	0.83700	0.80170	0.70750	0.70250
Rosenberg, City of	0.57500	0.57500	0.57500	0.55500
Sienna Plantation LID	0.75000	0.50000	0.50000	0.50000
Sienna Plantation MUD	**N/A	**N/A	**N/A	**N/A
Sienna Plantation MUD #2	**N/A	**N/A	**N/A	**N/A
Sienna Plantation MUD #3	**N/A	**N/A	**N/A	**N/A
Stafford, City of	0.20850	0.07900	**N/A	**N/A
Stafford Municipal School District	1.67000	1.62000	1.62000	1.58000
Sugar Land, City of	0.50000	0.45700	0.39830	0.36830
Thunderbird U.D.	0.37000	0.35000	0.33000	0.33000
West Harris County MUD #4	3.04000	3.33000	**N/A	**N/A
West Keegans Bayou I.D.	0.49000	0.42000	**N/A	0.39000
Wharton County Junior College	0.16240	0.16390	0.17106	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

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1997	1998	1999	2000	2001	2002
**N/A	**N/A	**N/A	**N/A	0.44000	0.44000
**N/A	**N/A	1.17000	1.06000	1.06000	1.06000
	0.66500	0.66500	0.66500	0.65500	0.65500
0.06615	0.06615	0.06983	0.08200	0.08133	0.08133
^	^	0.61466	0.61466	0.61466	0.61466
^	^	1.69500	1.86750	1.92000	1.94000
0.55000	0.55000	0.54202	0.97193	0.70000	0.66000
1.50000	1.50000	1.50000	1.50000	1.50000	1.50000
1.02000	0.98500	0.98000	0.94880	0.94880	0.92000
1.59000	1.59000	1.62680	1.65128	1.66450	1.66450
0.38000	0.51000	0.51000	0.44920	0.43500	0.42000
0.73000	0.73000	0.73000	0.73000	0.73000	0.73000
**N/A	**N/A	**N/A	**N/A	**N/A	**N/A
0.76000	0.72500	0.68500	0.63780	0.62000	0.58000
0.56862	0.56790	0.55033	0.52003	0.50325	0.49146
0.53870	0.53870	0.54870	0.55750	0.52336	0.50955
1.48500	1.55400	1.46100	1.57500	1.51300	1.58700
1.07000	1.07000	1.04200	0.97000	0.85000	0.82000
0.25000	0.22973	0.23724	0.22640	0.22425	0.24423
1.15000	1.13000	1.08000	0.95000	0.88000	0.81000
1.15000	1.15000	1.07000	0.92000	0.78000	0.78000
0.84000	0.81300	0.79570	0.69750	0.65500	0.63500
0.70000	0.66000	0.72000	0.68500	1.00000	0.68500
**N/A	**N/A	**N/A	**N/A	**N/A	**N/A
0.31000	0.30560	0.30560	0.29000	0.29000	0.28000
**N/A	**N/A	**N/A	**N/A	**N/A	**N/A
0.70250	0.74350	0.79000	0.79000	0.79000	0.79000
0.55500	0.55500	0.55500	0.55500	0.55500	0.55500
0.40000	0.40000	0.49000	0.59000	0.59000	0.59000
1.10000	1.10000	1.00000	0.90000	**N/A	**N/A
**N/A	**N/A	**N/A	**N/A	0.90000	0.85000
**N/A	**N/A	**N/A	**N/A	0.90000	0.90000
**N/A	**N/A	**N/A	**N/A	**N/A	**N/A
1.55000	1.59500	1.59500	1.64500	1.69500	1.71000
0.35830	0.35830	0.35830	0.34830	0.33330	0.32886
0.31000	0.30670	0.29450	0.27000	0.22000	0.22000
**N/A	**N/A	**N/A	**N/A	**N/A	**N/A
0.36000	0.33500	0.30700	0.27100	0.25100	0.22100
0.16135	0.16135	0.15635	0.15635	0.15635	0.16738
**N/A	**N/A	0.50000	0.41700	0.38700	0.35000

FORT BEND COUNTY, TEXAS
MISCELLANEOUS STATISTICS
September 30, 2003

Date of organization	December, 1837
Area	869 sq. mi.
Miles of County Roads	1,229
Number of County Bridges	173
Employees:	
Elected Officials	30
Full-Time	1,564
Registered voters	222,169
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