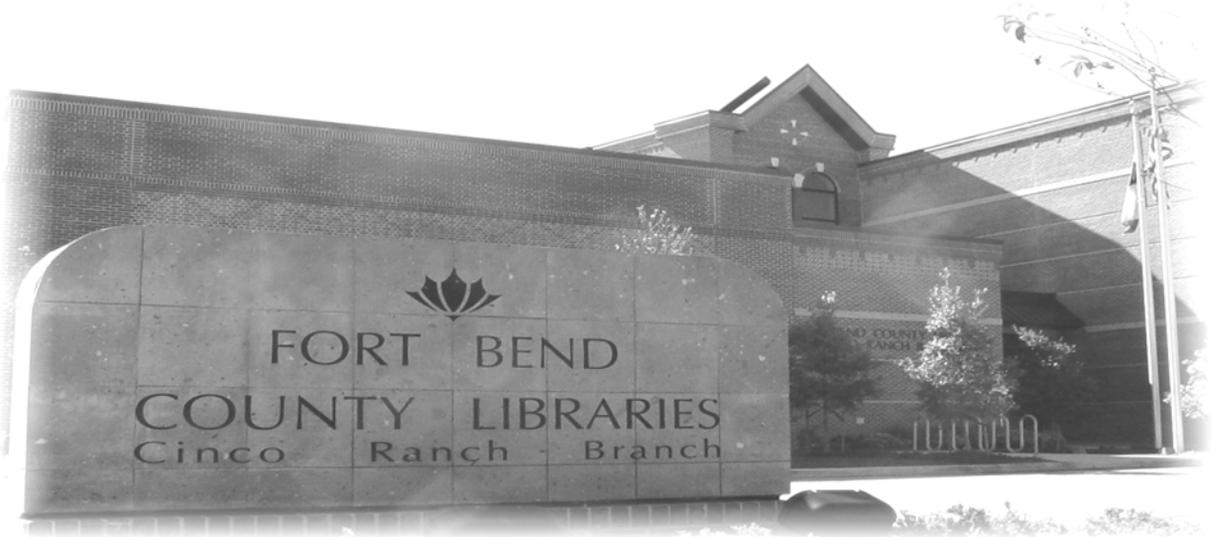


FORT BEND COUNTY, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Year Ended September 30, 2004



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





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 2004 Comprehensive Annual Financial Report

Ladies and Gentlemen:

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

Bank Reconciliations

Finding

During the course of our audit, it was noted that reconciling items in the County's "Treasurers" account were not being cleared on a timely basis. This issue has been recurring and still has not yet been corrected. Even though there appeared to be little or no effect on revenues over expenditures, but rather pertained to reclassifications of cash between various funds, these book "reconciling items" need to be posted to the general ledger on a timely basis to prevent potential financial misstatements. Additionally, it was noted that the 2004 year-end (September 30th) bank reconciliation for this account was not prepared until several months after year-end.

Corrective Action Plan

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

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

Sincerely,

Robert E. Sturdivant CPA
Fort Bend County Auditor
March 25, 2005





130 Industrial Blvd., Suite 130 • 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, 2004, 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.

A material weakness is a reportable condition in which the design or operation of one or more of the specific internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe none of the reportable conditions described above is a material weakness.

Bank Reconciliations

Finding

During the course of our audit, it was noted that reconciling items in the County's "Treasurers" account were not being cleared on a timely basis. This issue has been recurring and still has not yet been corrected. Even though there appeared to be little or no effect on revenues over expenditures, but rather pertained to reclassifications of cash between various funds, these book "reconciling items" need to be posted to the general ledger on a timely basis to prevent potential financial misstatements. Additionally, it was noted that the 2004 year-end (September 30th) bank reconciliation for this account was not prepared until several months after year-end.

Recommendation

The County should consider instituting procedures that allow for bank reconciliations to be completed, with applicable postings made to the general ledger, before the close of the next bank statement cycle (within 30 days of month-end), and should also consider instituting procedures to ensure that book reconciling items are timely posted and therefore do not carry over for multiples periods.

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

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

A handwritten signature in black ink, appearing to read "Sarah Kaye Belt". The signature is fluid and cursive, with a prominent loop at the end of the last name.

Sugar Land, Texas
March 17, 2005

FORT BEND COUNTY, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Year Ended September 30, 2004



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, 2004

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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 25, 2005

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, 2004 is hereby submitted. This report was prepared pursuant to Section 114.025 of the Local Government Code of the State of Texas requiring the County Auditor to submit an annual report to the Commissioners Court and the District Judges of the County. Responsibility for both the accuracy of the data and the completeness and fairness of presentation, including all disclosures, rests with management. To the best of my knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner that presents fairly the financial position and results of operations of the County.

The Comprehensive Annual Financial Report is divided into three sections:

Introductory Section: The introductory section includes this transmittal letter, a copy of the Certificate of Achievement for Excellence in Financial Reporting for the year ended September 30, 2003, 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").

Generally accepted accounting principles (GAAP) require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The Fort Bend County's MD&A can be found immediately following the report of the independent auditors.

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.

The 2004 population is estimated to be approximately 435,000. 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 County has something to offer everyone – affordable housing, high quality of life, ample recreational opportunities and excellent school districts. A wide variety of family-oriented cultural and recreational activities are offered through the various communities in Fort Bend County.

Residents also enjoy the many cultural and sports attractions in the nearby Greater Houston metropolitan area. Houston offers world-renowned professional companies in all four major performing arts: ballet, symphony, opera and theater. Sports fans can be part of the excitement with NFL's Houston Texans, NBA's Houston Rockets, and the MLB's Houston Astros.

The County's unemployment rate is approximately 5.2%, a decrease over the 5.4% rate from the prior year. Many corporations requiring excellence and diversity in their work force to address the demands of global competition are finding a home in Fort Bend County. Global corporations such as Texas Instruments, Fluor Daniel, Schlumberger Technology, Baker Petrolite, Input/Output Inc., UNOCAL, ONDEO Nalco Energy Services, Graybar Electric, and RTRON are thriving in this diverse environment. Since 1986, the Greater Fort Bend Economic Development Council has assisted over 110 companies in relocating and expanding in

Fort Bend County, creating \$1.4 billion in capital investment and 17,000 jobs in diverse industry, from oil and gas specialties to research and development for electronics and the medical industry. 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

Village Center at Cinco Ranch

Vista Equities announced its \$35 million center, Plazas at Cinco Ranch, which will be located on an 18-acre site on the west side of Grand Parkway near Cinco Ranch Boulevard. The center will have 220,000 sq. ft., with about 50,000 sq. ft. as office space. Initial plans call for six buildings surrounding a central plaza with a fountain and restaurants on a boardwalk surrounding a small lake. The center is expected to open in 2006.

Memorial Hermann Sugar Land

Memorial Hermann is expanding with its newest hospital to be located at US 59 at the Grand Parkway. A professional office building of 125,000 sq. ft. will soon be under construction and is expected to open in Spring 2006. The hospital will have 220,000 sq. ft. and expected to open in December 2006. The facility will be phased to grow with the community and the hospital is ultimately planned to reach a size of 350 beds in the master plan.

Texas Energy Center

Kelsey-Seybold Clinic held a festive groundbreaking ceremony for the Kelsey-Seybold Clinic – Fort Bend Medical and Diagnostic Center in August 2004. This “Medical Office of the Future” in Fort Bend County will be a state-of-the-art, 75,000 sq. ft. Class A office building designed to provide Kelsey-Seybold's tradition of one-stop primary care, secondary care, and diagnostic services in one convenient location.

U.S. 59/90A Expansion

The next phase of the 59/90A expansion is already under construction. It will take 59 all the way to the Grand Parkway. This \$152 million project is expected to take about four years to complete. The Brazos River bridge will be reconstructed to include four lanes in each direction as well as three-lane frontage roads.

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 \$155.7 million for the year ended September 30, 2004, a 9.5% increase over 2003 as follows:

<u>Revenues by Source</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) From 2003</u>	<u>Percent Change</u>
Taxes	\$ 112,345,331	72.1%	\$7,057,220	6.7%
Fees and fines	18,874,999	12.1%	2,140,179	12.8%
Intergovernmental	15,355,629	9.9%	2,604,494	20.4%
Earnings on investments	1,961,631	1.3%	(571,963)	(22.6)%
Miscellaneous	7,207,238	4.6%	2,306,931	47.1%
Total	\$155,744,828	100%	\$13,536,861	9.5%

Fees and fines increased by approximately 12.8% or \$2.1 million in 2004. The increase can be attributed to an increase in fees collected by emergency medical services (EMS) and the justice of the peace (JP) courts. Fees collected by EMS increased by approximately \$882,000 while fees and fines collected by the JP courts

increased by approximately \$169,000. In addition, service fees collected by the County increased by approximately \$317,000 in 2004.

Intergovernmental revenue increased by approximately 20.4% in 2004. This increase can be attributed to an increase in revenue received from the federal government during the 2004 fiscal year. The County received approximately \$730,000 in additional federal funds.

Earnings on investments decreased by approximately 22.6% in 2004 due to lower interest rates and lower returns in investments. However, interest rates began to increase toward the end of fiscal year 2004.

Miscellaneous revenue increased during 2004 by approximately 47.1% or \$2.3 million during 2004. This increase can be directly attributed to the sale of land and road and bridge machinery. A few parcels of land owned by the County were sold for approximately \$1.1 million. In addition, some road and bridge machinery was sold for approximately \$654,000.

Property Taxes

Assessed values of real and personal property in the County increased by 10.4% to approximately \$25.4 billion for the 2003 tax year (2004 fiscal period). Homestead and other tax exemptions increased by 16.7% to approximately \$4.2 billion over the same period, resulting in a net taxable value increase of 9.2% to approximately \$21.1 billion.

The combined 2003 tax levy of approximately \$110.9 million, which was used to finance the 2004 fiscal period, was generated primarily on a tax rate of \$0.5237 per \$100 of assessed valuation. This combined tax rate includes the rates of the County and the Drainage District. The County collected approximately \$106.8 million or 96.3% of the combined 2003 tax levy. Tax collections do not include penalties and interest.

Governmental Expenditures

Expenditures for general governmental purposes totaled approximately \$178.5 million in 2004, a 12.7% increase from the prior year. The changes in the level of expenditures for all of the major functions from 2003 follow on the next page:

<u>Expenditures by Function</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) From 2003</u>	<u>Percent Change</u>
General Administration	\$20,022,361	11.2%	\$(1,759,897)	8.1%
Financial Administration	4,613,843	2.6%	201,961	4.6%
Administration of Justice	27,778,206	15.6%	2,164,545	8.5%
Road and Bridge	18,324,199	10.3%	1,270,635	7.5%
Health and Welfare	17,760,912	9.9%	2,766,212	18.4%
Cooperative Service	873,473	0.5%	8,005	0.9%
Public Safety	36,074,647	20.2%	3,745,415	11.6%
Parks and Recreation	1,716,716	1.0%	169,696	11.0%
Flood Control	8,920,676	5.0%	3,087,629	52.9%
Libraries and Education	8,793,401	4.9%	1,059,704	13.7%
Capital Outlay	24,378,682	13.6%	7,962,777	48.5%
Debt Service	9,287,558	5.2%	(629,516)	(6.3)%
Total	\$178,549,874	100%	\$20,041,966	12.7%

Health and welfare expenditures increased by approximately 18.4% or \$2.8 million in 2004. This increase can be attributed to an increase in expenditures in the Community Development programs. These programs are funded by the Housing and Urban Development federal agency. In 2004, expenditures in these programs increased by approximately \$1.9 million.

In 2004, flood control expenditures increased by 52.9%. This increase can be attributed to a drainage project and the beginning of construction on the Big Creek flood control project. The County entered into an agreement with the City of Sugar Land and Fort Bend County Levy Improvement District No. 2 (LID No.2) to undertake additional excavation to expand the drainage capacity of Ditch H, which is a major outfall drainage channel that serves property within the boundaries of LID No.2, the City, and the County. The County's portion of this project was approximately \$2.0 million. In addition to Ditch H, the Big Creek flood control project has also begun. The Big Creek project expenditures increased by approximately \$830,000 from the prior year.

Capital outlay expenditures increased by 48.5% or approximately \$8.0 million in 2004. The County has numerous capital projects ongoing in 2004, however this increase is directly attributable to the Mobility capital project. Mobility capital project expenditures increased by approximately \$8.0 million in fiscal year 2004.

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. In 2004, Moody's assigned a "Aa2" rating to the Fort Bend County Unlimited Tax and Subordinate Lien Toll Road Revenue Bonds Series 2004.

The ratio of the net general long-term debt to assessed value was .35% in 2004 compared to .41% in 2003. Using the estimated population figure of 435,160, the net general long-term debt per capita is \$171 compared to \$194 in 2003.

CASH MANAGEMENT

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

RISK MANAGEMENT

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

CAPITAL PROJECTS

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

Honorable District Judges and Members of the
Commissioners Court
March 25, 2005
Page 8

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 year ended September 30, 2003. 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, 2003

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.



Nancy L. Zielle

President

Jeffrey R. Emer

Executive Director

FORT BEND COUNTY, TEXAS
LIST OF PRINCIPAL OFFICIALS
September 30, 2004

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	Cliff Terrell
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	Clifford Vacek
District Attorney	John Healey

COUNTY COURT-AT-LAW:

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

JUSTICES OF THE PEACE:

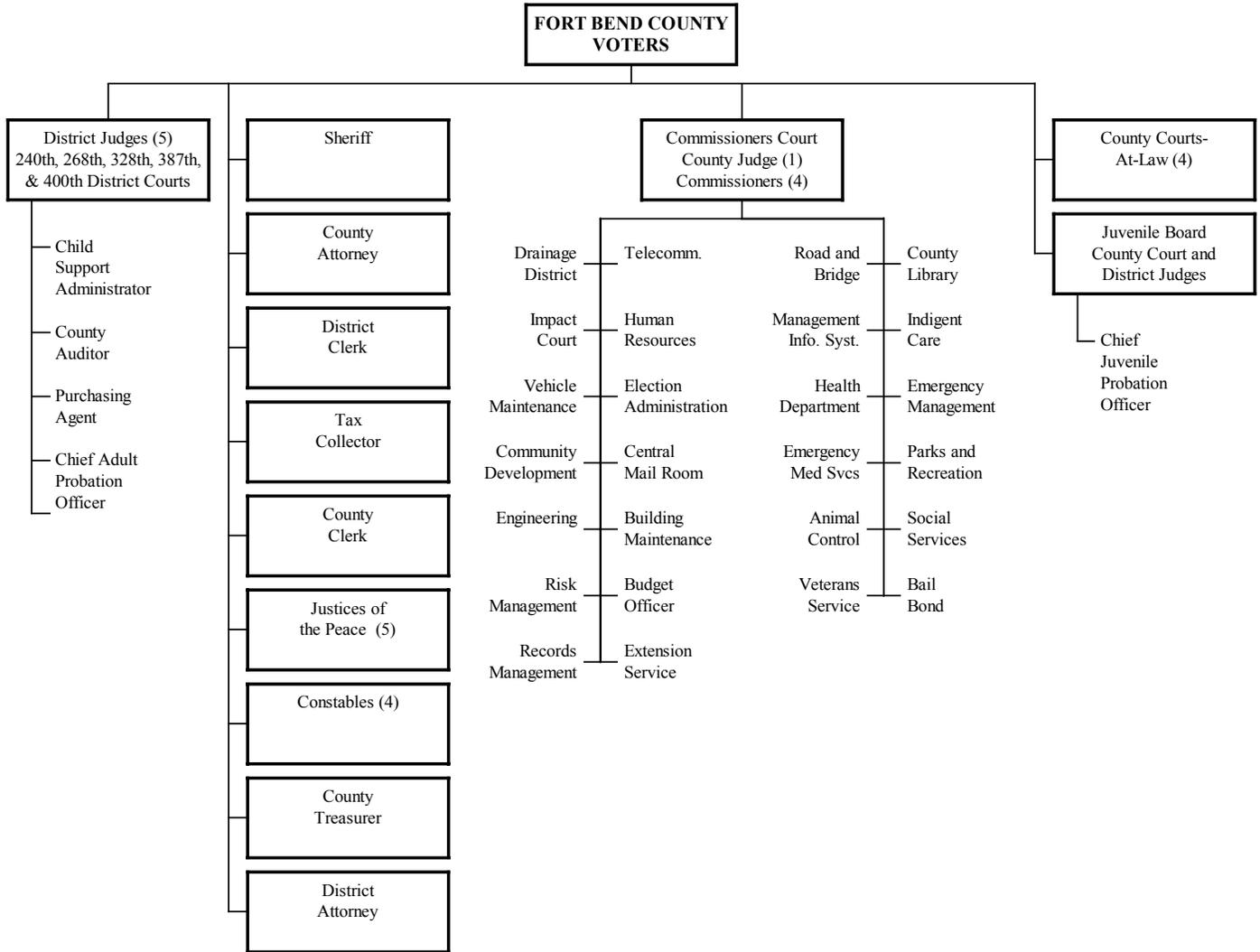
Justice of the Peace, Precinct #1-1	Gary Fredrickson
Justice of the Peace, Precinct #1-2	Gary Geick
Justice of the Peace, Precinct #2	Joel Clouser
Justice of the Peace, Precinct #3	Faye Dettling
Justice of the Peace, Precinct #4	Jim Richard

CONSTABLES:

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

FORT BEND COUNTY, TEXAS

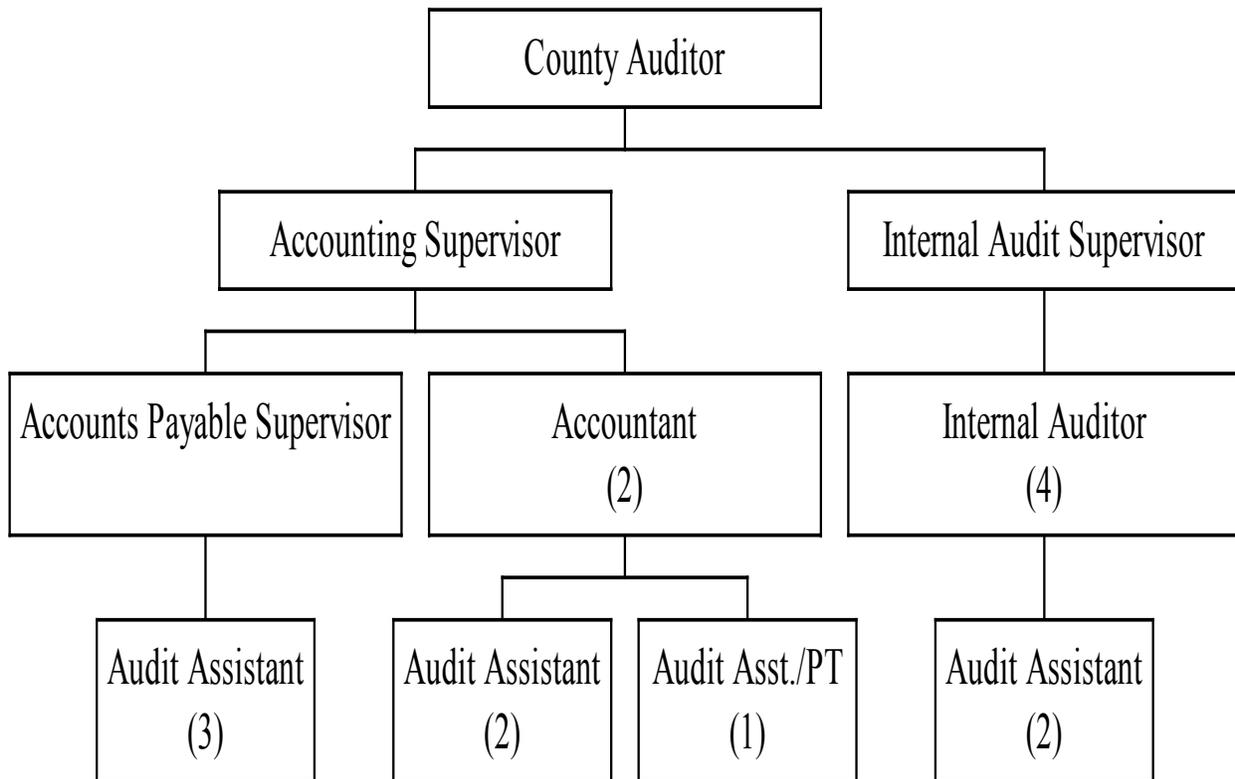
ORGANIZATION CHART



Elected

Appointed

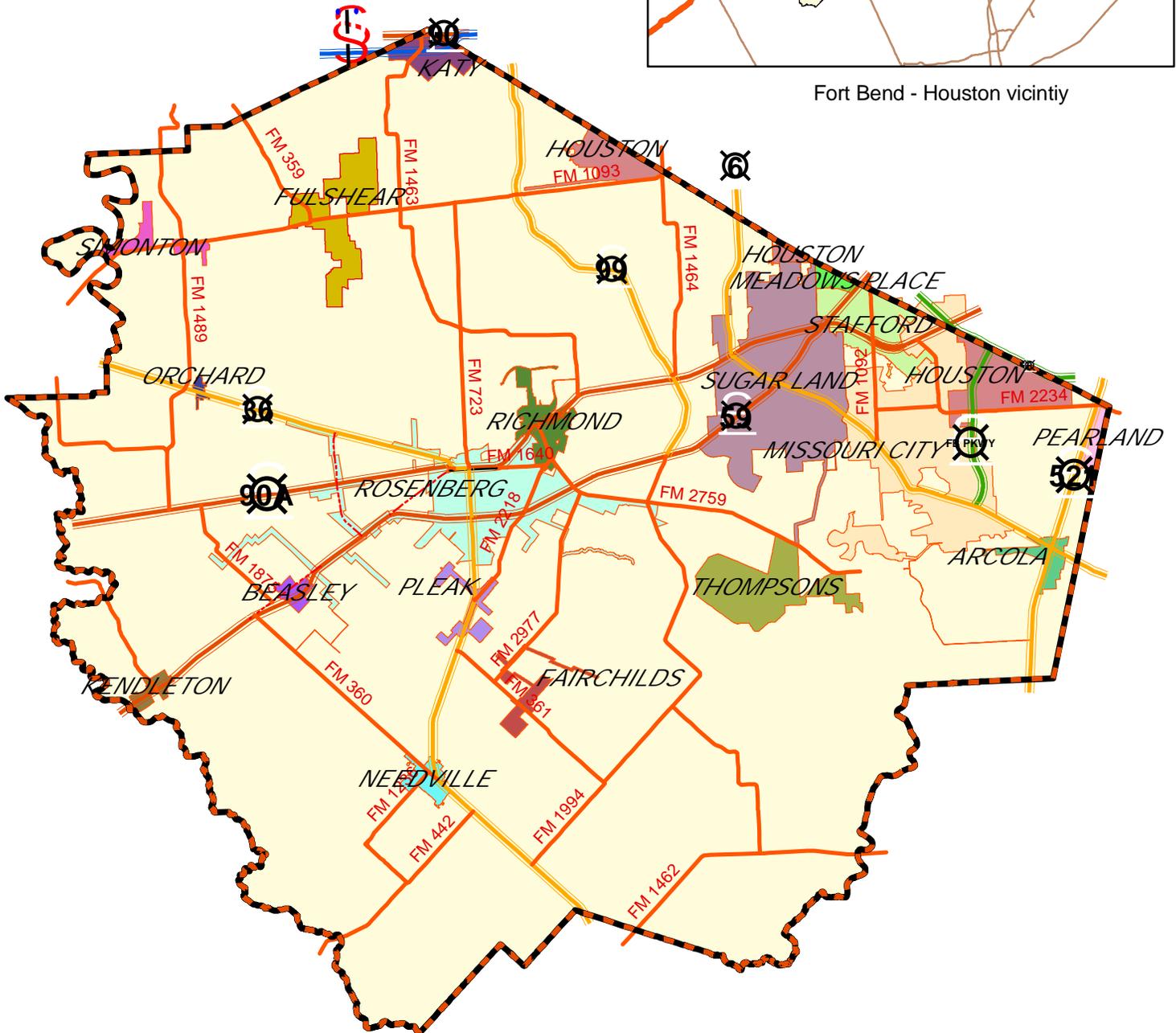
FORT BEND COUNTY AUDITOR'S OFFICE
ORGANIZATIONAL CHART



Fort Bend County



Fort Bend - Houston vicinity





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INDEPENDENT AUDITORS' REPORT





139 Industrial Blvd., Suite 130 • Sugar Land, Texas 77478 • 281/242-3232 • Fax 281/242-3252 • www.skbktexas.com

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, 2004, 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 opinions 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, 2004, 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 March 17, 2005, 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 12 and other required supplementary information on page 55 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 "Susan K. Bell". The signature is fluid and cursive, with a large initial "S" and "B".

Sugar Land, Texas
March 17, 2005

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, 2004. 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 \$8.6 million (Exhibit A-4), as compared to a planned reduction of \$17.9 million (Exhibit A-6).

On a government-wide basis for governmental activities, the County had expenses net of program revenue of \$81.9 million. General revenues of \$114.9 million (Exhibit A-2) were \$33.0 million more than expenses net of program revenue. An explanation of this situation can be found under “Governmental Revenues” in this MD&A.

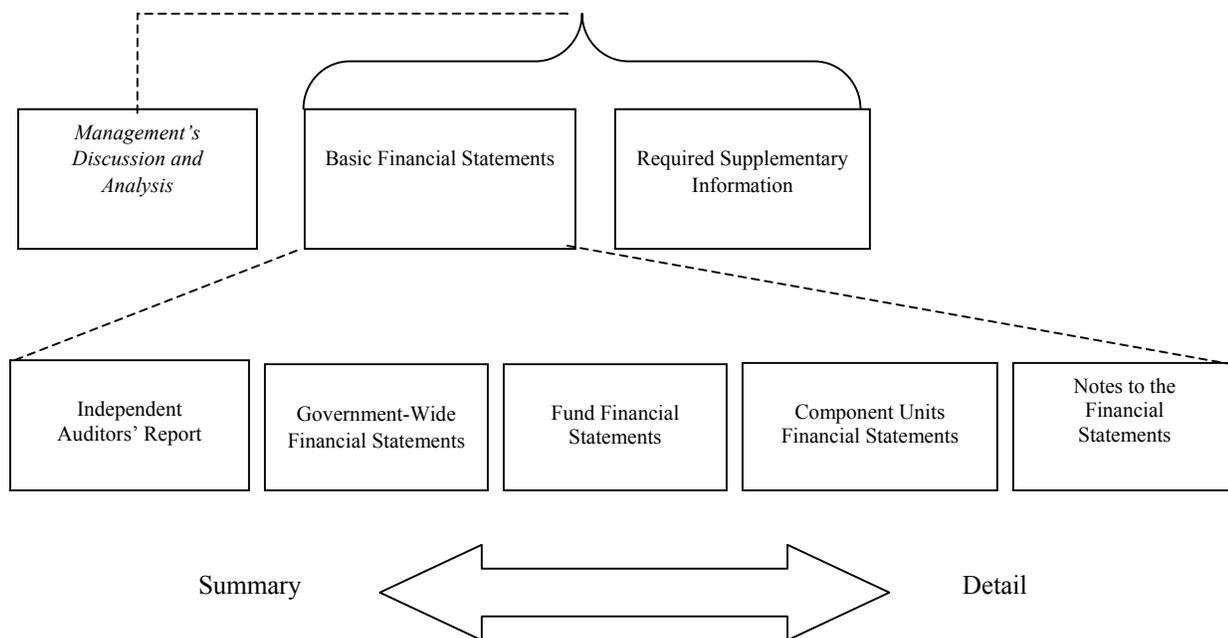
The County’s total net assets excluding discretely presented component units, on a government-wide basis, totaled \$383.0 million at September 30, 2004 (Exhibit A-1).

During the year ended September 30, 2004, 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 2004, totaling \$72,195,000.

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, 2004 and 2003

	Primary Government		Component Units	
	Governmental Activities			
	2004	2003	2004	2003
Current and other assets	\$ 87,060,855	\$ 112,532,419	\$ 81,326,505	\$ 50,406,875
Capital assets, net	394,587,261	341,484,487	70,642,500	28,023,695
Total Assets	481,648,116	454,016,906	151,969,005	78,430,570
Long-term liabilities	70,550,000	76,355,000	135,890,000	63,695,000
Other liabilities	28,055,588	27,652,265	19,082,441	13,823,380
Total Liabilities	98,605,588	104,007,265	154,972,441	77,518,380
Net Assets:				
Restricted	1,005,711	824,924	(3,430,387)	122,449
Invested in capital assets, net of debt	340,361,097	295,858,324		
Unrestricted	41,675,720	53,326,394	426,951	489,381
Total Net Assets	\$ 383,042,528	\$ 350,009,642	\$ (3,003,436)	\$ 611,830

The County's combined net assets increased to \$383.0 million from \$350.0 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 \$41.7 million (Exhibit A-1). The component units' net assets totaled \$(3,003,436) as of September 30, 2004 (Exhibit A-2). This represents a decrease of \$3,615,266 in net assets from the prior year. This decrease is directly attributable to interest payments on the toll road debt service, which began in fiscal year 2004. The Fort Bend County Toll Road Authority did not begin operating and collecting toll fees until August 2004. Therefore only one month of toll fees was available to service the debt. In the future, toll fees should be sufficient to meet the annual debt service and operating requirements.

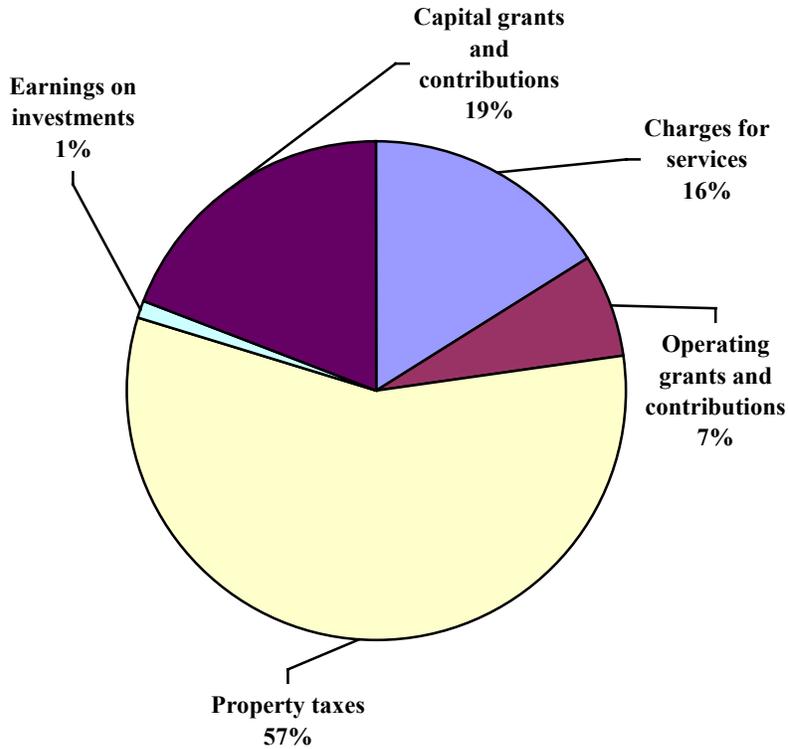
Statement of Activities:

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

CHANGES IN NET ASSETS				
September 30, 2004 and 2003				
	<u>Primary Government</u>			
	<u>Governmental Activities</u>		<u>Component Units</u>	
	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>
Revenues				
Program revenues:				
Charges for services	31,565,330	28,185,764	151,418	
Operating grants and contributions	13,395,498	9,155,699	5,200	170,000
Capital grants and contributions	37,964,056	35,039,719		
General revenues:				
Property taxes	112,279,163	105,235,742		
Earnings on investments	2,024,399	2,593,227	812,182	236,533
Other	635,621	283,570	206,997	184,496
Total Revenues	<u>197,864,067</u>	<u>180,493,721</u>	<u>1,175,797</u>	<u>591,029</u>
Expenses				
General administration	36,904,539	30,985,677		
Financial administration	4,131,888	4,443,323		
Administration of justice	25,912,081	25,915,729		
Road and bridge maintenance	23,235,220	21,637,150		
Health and welfare	16,754,319	14,612,327		
Cooperative service	852,041	939,145		
Public safety	34,474,028	33,362,301		
Parks and recreation	1,792,004	1,692,779		
Flood control projects	8,596,996	5,776,931		
Libraries and education	8,623,790	8,214,638		
Interest on long-term debt	3,554,275	4,290,170		
FBC Surface Water Supply Corp.			52,084	126,328
Fort Bend Toll Road Authority			4,670,943	1,090,089
Fort Bend Housing Finance Corp.			68,036	64,407
Total Expenses	<u>164,831,181</u>	<u>151,870,170</u>	<u>4,791,063</u>	<u>1,280,824</u>
Change in Net Assets	33,032,886	28,623,551	(3,615,266)	(689,795)
Net Assets, Beginning	<u>350,009,642</u>	<u>321,386,091</u>	<u>611,830</u>	<u>1,301,625</u>
Net Assets (Deficit), Ending	<u>\$ 383,042,528</u>	<u>\$ 350,009,642</u>	<u>\$ (3,003,436)</u>	<u>\$ 611,830</u>

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

GOVERNMENTAL REVENUES

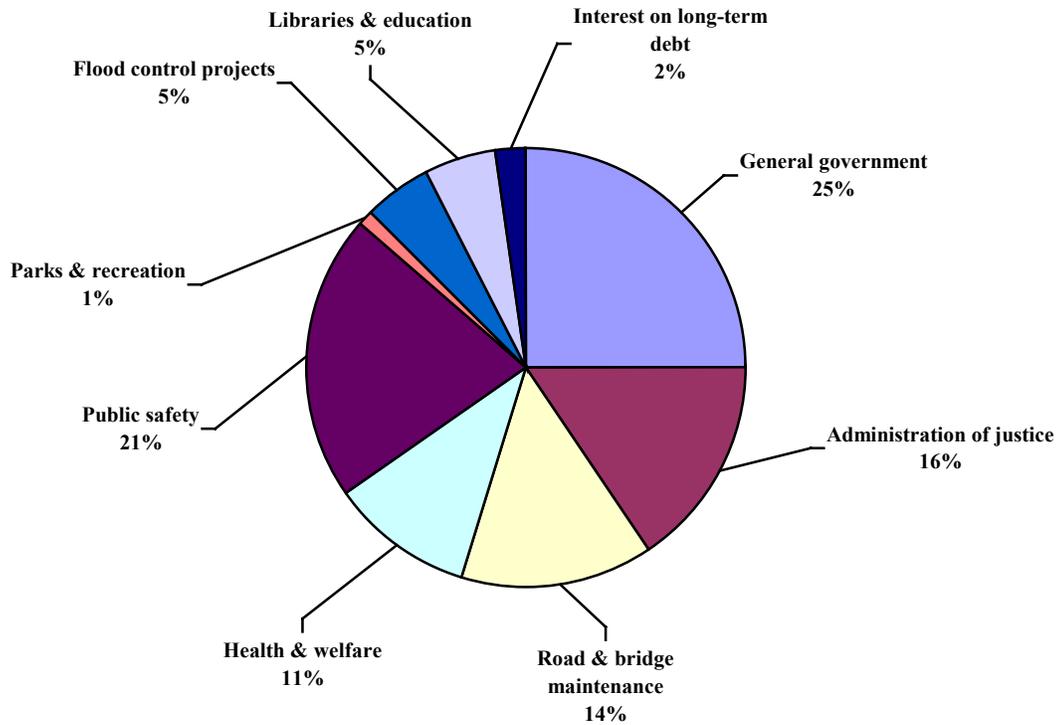


For the year ended September 30, 2004, revenues from governmental activities totaled \$197.2 million, as follows:

- Charges for services, \$31.6 million
- Operating grants and contributions, \$13.4 million
- Property taxes, \$112.2 million
- Earnings on investments, \$2.0 million
- Capital grants and contributions, \$38.0 million

“Other” revenue totaled \$635,621, 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, 2004, expenses for governmental activities totaled \$164.8 million, as follows:

- General government, \$41.0 million
- Administration of justice, \$25.9 million
- Road & bridge maintenance, \$23.2 million
- Health & welfare, \$17.6 million
- Public safety, \$34.5 million
- Parks & recreation, \$1.8 million
- Flood control projects, \$8.6 million
- Libraries & education, \$8.6 million
- Interest on long-term debt, \$3.6 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 \$63.3 million (Exhibit A-3). Of this total, approximately \$46.0 million is unreserved and available for day-to-day operations of the County while approximately \$16.0 million is reserved for capital projects, and approximately \$1.3 million is reserved for debt service.

There was a decrease of \$25.1 million in the combined fund balance over the prior year. As presented in Exhibit A-6, the County budgeted to decrease fund balance by approximately \$17.0 million, in an attempt to decrease reserves. However, fund balance was only decreased by approximately \$8.6 million due to unanticipated revenues, and budgeted expenditures that were not incurred by the end of the fiscal year. In addition, the Mobility Capital Projects Fund recorded a \$12.0 million decrease in fund balance during the year ended September 30, 2004. This decrease is directly attributable to the increased expenditures and the decreased bond proceeds that were placed in this fund in 1993 to finance this project.

In the Road & Bridge Fund, the County spent \$16.1 million on road and bridge maintenance projects and collected revenues of approximately \$15.2 million, netting an approximate \$690,000 decrease in fund balance. This decrease, along with a beginning fund balance of \$5.7 million, leaves the Road and Bridge Fund with a \$5.0 million fund balance as of September 30, 2004.

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 \$4,670,250 at September 30, 2004. Operating expenses exceeded operating revenues by \$3,689,169 during the year ended September 30, 2004. Lastly, cash and cash equivalents in the internal service funds totaled approximately \$1.7 million at September 30, 2004.

GENERAL FUND BUDGETARY HIGHLIGHTS

	Year Ended September 30, 2004			2003
	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Actual</u>
<u>Revenues</u>				
Taxes	\$ 89,779,770	\$ 89,779,770	\$ 90,211,468	\$ 83,463,182
Other	16,280,800	20,358,588	21,847,137	18,393,014
Total	<u>106,060,570</u>	<u>110,138,358</u>	<u>112,058,605</u>	<u>101,856,196</u>
<u>Expenditures</u>				
Expenditures	<u>123,022,101</u>	<u>120,268,175</u>	<u>112,372,891</u>	<u>102,564,727</u>
Other Financing Sources (Uses)				
Transfers in		770,868	822,607	450,117
Transfers (out)		(8,515,586)	(9,103,471)	(6,152,318)
Total		<u>(7,744,718)</u>	<u>(8,280,864)</u>	<u>(5,702,201)</u>
Change in Fund Balance	<u>\$ (16,961,531)</u>	<u>\$ (17,874,535)</u>	<u>\$ (8,595,150)</u>	<u>\$ (6,410,732)</u>

Expenditures and other financing uses exceeded revenue and other financing sources by \$8.6 million in the General Fund for the year ended September 30, 2004.

Actual General Fund revenues exceeded the amended budgeted General Fund revenues by approximately \$1.9 million during the year ended September 30, 2004. 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 \$2.9 million more in fees and fines 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 \$7.9 million less than the amended budget. These unspent monies are attributable to various projects that were budgeted for in fiscal year 2004, but did not begin during the year.

During the year ended September 30, 2004, Commissioners Court amended the budget for the following purposes:

- To appropriate grants or donations accepted during the year ended September 30, 2004 and could not be foreseen at the time the budget was adopted.
- To declare an emergency for unforeseen repairs to County buildings and property 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, 2004, the County's governmental activities funds had invested approximately \$394.6 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

	<u>Governmental Activities</u>	
	<u>2004</u>	<u>2003</u>
Non-Depreciable Assets		
Land and intangibles	\$ 114,129,018	\$ 98,957,713
Construction in progress	34,760,949	21,757,803
Other Capital Assets, Net		
Vehicles	4,253,631	4,279,204
Office furniture and equipment	3,310,847	2,611,615
Machinery and equipment	7,750,578	6,269,917
Buildings, facilities and improvements	64,442,623	58,481,795
Infrastructure	<u>165,939,615</u>	<u>149,126,440</u>
Totals	<u>\$ 394,587,261</u>	<u>\$ 341,484,487</u>

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, 2004, the County had bonds and certificates of obligation outstanding in the amount of \$76.4 million. Of this amount, \$76.3 million is general obligation debt and certificates of obligation account for \$100,000 of the total debt.

	Governmental Activities	
	2004	2003
General Obligation Bonds	\$ 76,255,000	\$ 81,935,000
Certificates of Obligation	100,000	150,000
Total	\$ 76,355,000	\$ 82,085,000

The County's total debt decreased by \$5.7 million during the year ended September 30, 2004. 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 2004 was 5.2%, a decrease over the 5.4% rate from the prior year. The average unemployment rate is 5.9% for the state of Texas and 5.5% for the United States. Also in 2004, the population growth rate for Fort Bend County was 23.4%, while the state of Texas was 7.9% and the United States was 4.3%. Lastly, over the past ten years, sales and use tax collections have tripled in the County. In 2004, countywide sales tax collections increased 5.7% while tax collections for the state increased 1.9%.

During 2004, there were eleven new relocations throughout Fort Bend County. These companies will generate over 1,100 new jobs for the area and add approximately \$175 million to the tax base. Included in these relocations are Applied Optoelectronics, Cardinal Health, Tramontina, Thermo Process Controls, Yokogawa America, and Laura Mercier – HQ.

Over the past six years, Fort Bend has added approximately 9.2 million square feet in office, industrial, and retail space. This trend is anticipated to continue with the further expansion of US 59, development of Sugar Land Town Square and Lake Point Town Center, Stafford Centre, Newland Communities' 2000 acres of development along US 59, and various other developments planned throughout the County.

Fort Bend County is home to more master-planned communities than any other county in the state. Fort Bend County continues to experience a new home sales surge that construction analysts say is the best in over a decade. This sales surge has been fueled by low mortgage interest rates and strong job growth. A testament to the drawing power of master planned communities, good schools, low crime rates, and highway infrastructure is the fact that Fort Bend County accounts for 8% of the regional population, yet captured 20% of the new home market share for the fifth year in a row. The total designed development population for these 41 planned communities is expected to exceed 400,000 persons. The population of Fort Bend County is expected to increase to approximately 505,000 persons by the year 2010. Avalon, Canyon Gate at the Brazos, First Colony, Grand Lakes, Lake Olympia, Quail Valley, River Park, Royal Lakes Estates, Sugar Grove, Waterside Estates are just to name a few of these communities.

Commissioners Court approved a \$155.1 million budget for the 2005 fiscal year, not including component units. This represents an approximate 1.4% decrease from the prior year. The tax rate remained the same at \$.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, 2004

	Primary Government	
	Governmental Activities	Component Units
<u>Assets</u>		
Cash and cash equivalents	\$ 20,497,824	\$ 40,652,751
Cash held by fiscal agent		12,878,166
Investments	44,685,302	26,647,695
Receivables:		
Taxes, net	5,997,273	
Grants	406,660	
Fees and fines	2,101,492	
Other	2,281,750	161,929
Prepays	82,832	702
Deferred issuance costs	93,082	985,262
Due from component units	7,705,672	
Due from fiduciary funds	3,208,968	
Capital assets, net of accumulated depreciation:		
Land	114,129,018	
Vehicles	4,253,631	
Office furniture and fixtures	3,310,847	
Machinery and equipment	7,750,578	
Buildings, facilities, and improvements	64,442,623	
Infrastructure	165,939,615	
Construction in progress	34,760,949	70,642,500
Total Assets	481,648,116	151,969,005
<u>Liabilities</u>		
Accounts payable	11,636,605	5,377,165
Accrued payroll	4,214,625	
Retainage payable	403,463	359,577
Accrued interest payable	283,174	1,637,282
Premium on bonds	665,000	4,002,745
Due to primary government		7,705,672
Due to other governments	296,898	
Due to fiduciary funds	139,437	
Long-term liabilities due within one year	6,957,847	
Long-term liabilities due in more than one year	74,008,539	135,890,000
Total Liabilities	98,605,588	154,972,441
<u>Net Assets</u>		
Restricted	1,005,711	(3,430,387)
Invested in capital assets, net of related debt	340,361,097	
Unrestricted	41,675,720	426,951
Total Net Assets	\$ 383,042,528	\$ (3,003,436)

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



FORT BEND COUNTY, TEXAS

STATEMENT OF ACTIVITIES

Year Ended September 30, 2004

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants & Contributions
Primary Government				
Governmental Activities				
General administration	\$ 36,904,539	\$ 11,639,044	\$ 806,411	\$
Financial administration	4,131,888	6,335,931		
Administration of justice	25,912,081	5,349,116	10,005,555	
Road and bridge maintenance	23,235,220	1,459,723	77,245	37,964,056
Health and welfare	16,754,319	3,455,407	1,093,277	
Cooperative service	852,041			
Public safety	34,474,028	2,080,970	1,358,976	
Parks and recreation	1,792,004	169,455		
Flood control projects	8,596,996	820,704		
Libraries and education	8,623,790	254,980	54,034	
Interest on long term debt	3,554,275			
Total Primary Government	164,831,181	31,565,330	13,395,498	37,964,056
Component Units				
FBC Surface Water Supply Corp.	\$ 52,084	\$	\$ 5,200	\$
FBC Toll Road Authority	4,670,943	151,418		
FB Housing Finance Corp.	68,036			
Total Component Units	\$ 4,791,063	\$ 151,418	\$ 5,200	\$

General Revenues:

Property taxes, penalties, and interest

Earnings on investments

Miscellaneous

Total General Revenues

Change in Net Assets

Net Assets, Beginning

Net Assets (Deficit), 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
\$ (24,459,084)	\$
2,204,043	
(10,557,410)	
16,265,804	
(12,205,635)	
(852,041)	
(31,034,082)	
(1,622,549)	
(7,776,292)	
(8,314,776)	
(3,554,275)	
<u>(81,906,297)</u>	
\$	\$ (46,884)
	(4,519,525)
	(68,036)
<u>\$</u>	<u>\$ (4,634,445)</u>
\$ 112,279,163	\$
2,024,399	812,182
635,621	206,997
<u>114,939,183</u>	<u>1,019,179</u>
33,032,886	(3,615,266)
350,009,642	611,830
<u>\$ 383,042,528</u>	<u>\$ (3,003,436)</u>



FUND FINANCIAL STATEMENTS
GOVERNMENTAL FUNDS

FORT BEND COUNTY, TEXAS**BALANCE SHEET
GOVERNMENTAL FUNDS**

September 30, 2004

	<u>General</u>	<u>Major Special Revenue - Road & Bridge</u>	<u>Major Capital Project - Mobility</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets					
Cash and cash equivalents	\$ 4,668,051	\$ 409,841	\$ 872,230	\$ 12,821,940	\$ 18,772,062
Investments	16,190,039	4,500,000	5,000,000	18,995,263	44,685,302
Taxes receivable, net	4,396,802	675,582		924,889	5,997,273
Grants receivable				406,660	406,660
Other receivables	1,208,570	500,285	27,010	355,857	2,091,722
Due from other funds	11,809,822	822,038		773,554	13,405,414
Due from component units	7,705,672				7,705,672
Prepaid items	77,887			4,945	82,832
Total Assets	\$ 46,056,843	\$ 6,907,746	\$ 5,899,240	\$ 34,283,108	\$ 93,146,937
Liabilities					
Accounts payable	\$ 5,788,298	\$ 867,268	\$ 779,147	\$ 1,976,180	\$ 9,410,893
Accrued payroll	3,207,033	320,600		686,992	4,214,625
Retainage payable	12,105	1,505	364,339	25,514	403,463
Due to other funds	2,955,570			4,268,631	7,224,201
Due to other governments/units	102,131			8,203	110,334
Deferred revenue	4,396,801	675,582		3,442,802	8,515,185
Total Liabilities	16,461,938	1,864,955	1,143,486	10,408,322	29,878,701
Fund Balances					
Reserved for:					
Debt service				1,288,885	1,288,885
Capital projects			4,755,754	11,197,302	15,953,056
Unreserved, reported in:					
General fund	29,594,905				29,594,905
Special revenue funds		5,042,791		7,350,516	12,393,307
Capital projects funds				4,038,083	4,038,083
Total Fund Balances	29,594,905	5,042,791	4,755,754	23,874,786	63,268,236
Total Liab. and Fund Balances	\$ 46,056,843	\$ 6,907,746	\$ 5,899,240	\$ 34,283,108	
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.					394,587,261
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.					8,515,185
Under full accrual accounting, receivables are recorded for revenues that may be not be collected in the current year or soon thereafter.					1,914,928
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.					(4,670,250)
Some long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.					(80,572,832)
Net Assets of Governmental Activities					\$ 383,042,528

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, 2004

	<u>General</u>	<u>Major Special Revenue - Road & Bridge</u>	<u>Major Capital Project - Mobility</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues					
Taxes	\$ 90,211,468	\$ 8,145,488	\$	\$ 13,988,375	\$ 112,345,331
Fees and fines	12,571,473	3,430,593		2,872,933	18,874,999
Intergovernmental	4,257,202	2,106,963	648,771	8,342,693	15,355,629
Earnings on investments	1,027,560	159,166	196,497	578,408	1,961,631
Miscellaneous	3,990,902	1,366,859	35	1,849,442	7,207,238
Total Revenues	112,058,605	15,209,069	845,303	27,631,851	155,744,828
Expenditures					
Current:					
General administration	19,143,259			884,302	20,027,561
Financial administration	4,590,504			23,339	4,613,843
Administration of justice	15,698,120			12,080,086	27,778,206
Construction and maintenance	2,162,152	16,122,047		40,000	18,324,199
Health and welfare	13,754,117			4,006,795	17,760,912
Cooperative service	871,547			1,926	873,473
Public safety	35,180,996			893,651	36,074,647
Parks and recreation	1,716,537			179	1,716,716
Flood control projects				8,920,676	8,920,676
Libraries and education	8,731,484			61,917	8,793,401
Capital outlay	10,524,175		12,837,322	1,017,185	24,378,682
Debt Service:					
Principal				5,730,000	5,730,000
Interest and fiscal charges				3,557,558	3,557,558
Total Expenditures	112,372,891	16,122,047	12,837,322	37,217,614	178,549,874
(Deficiency) of Revenues (Under) Expenditures	(314,286)	(912,978)	(11,992,019)	(9,585,763)	(22,805,046)
Other Financing Sources (Uses)					
Transfers in	822,607	232,375		7,410,505	8,465,487
Transfers (out)	(9,103,471)	(9,459)		(1,640,875)	(10,753,805)
Total Other Financing Sources (Uses)	(8,280,864)	222,916		5,769,630	(2,288,318)
Net Change in Fund Balances	(8,595,150)	(690,062)	(11,992,019)	(3,816,133)	(25,093,364)
Fund balances - Beginning of Year	38,190,055	5,732,853	16,747,773	27,690,919	88,361,600
Fund Balances - End of Year	\$ 29,594,905	\$ 5,042,791	\$ 4,755,754	\$ 23,874,786	\$ 63,268,236

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, 2004

Net changes in fund balances - governmental funds (Exhibit A-4)	\$ (25,093,364)
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.	5,730,000
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.	(221,516)
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 (\$29,683,293) exceeded depreciation expense (\$14,544,574) in the current period.	15,138,719
Capital contributions of infrastructure are reported in the government-wide financial statements but not in the fund financial statements.	37,964,056
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.	421,856
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.	3,283
Governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	95,000
Revenues in the statement of activities regarding fees and fines receivable, that do not provide current financial resources are not reported as revenues in the funds. This amount reflects the net change in fees and fines receivable.	352,376
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.	(1,357,524)
Change in Net Assets of Governmental Activities	<u><u>\$ 33,032,886</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, 2004
With Comparative Totals For The Year Ended September 30, 2003

	Original Budget	Budget as Amended	Actual
Revenues			
Property taxes	\$ 89,779,770	\$ 89,779,770	\$ 90,211,468
Fees and fines	9,627,500	9,642,100	12,571,473
Intergovernmental	2,649,600	5,395,898	4,257,202
Earnings on investments	1,370,000	1,370,000	1,027,560
Miscellaneous	2,633,700	3,950,590	3,990,902
Total Revenues	106,060,570	110,138,358	112,058,605
Expenditures			
Current			
General administration	23,593,783	20,832,946	19,143,259
Financial administration	4,875,745	4,733,643	4,590,504
Administration of justice	19,920,207	16,153,970	15,698,120
Construction and maintenance	2,589,045	2,670,845	2,162,152
Health and welfare	14,773,256	14,252,106	13,754,117
Cooperative service	972,816	978,654	871,547
Public safety	35,945,198	36,967,434	35,180,996
Parks and recreation	1,580,703	1,888,294	1,716,537
Libraries and education	8,891,877	8,863,569	8,731,484
Capital outlay	9,879,471	12,926,714	10,524,175
Total Expenditures	123,022,101	120,268,175	112,372,891
(Deficiency) of Revenues Under Expenditures	(16,961,531)	(10,129,817)	(314,286)
Other Financing Sources (Uses)			
Transfers in		770,868	822,607
Transfers (out)		(8,515,586)	(9,103,471)
Total Other Financing Sources (Uses)		(7,744,718)	(8,280,864)
Net Change in Fund Balances	(16,961,531)	(17,874,535)	(8,595,150)
Fund Balances, Beginning of Year	38,190,055	38,190,055	38,190,055
Fund Balances, End of Year	\$ 21,228,524	\$ 20,315,520	\$ 29,594,905

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

Variance from Amended Positive (Negative)	2003 Actual
\$ 431,698	\$ 83,463,182
2,929,373	10,686,123
(1,138,696)	3,300,577
(342,440)	1,392,135
40,312	3,014,179
<u>1,920,247</u>	<u>101,856,196</u>
1,689,687	21,269,486
143,139	4,351,766
455,850	14,053,692
508,693	1,820,474
497,989	12,742,155
107,107	865,010
1,786,438	31,621,228
171,757	1,545,849
132,085	7,667,889
2,402,539	6,627,178
<u>7,895,284</u>	<u>102,564,727</u>
9,815,531	(708,531)
51,739	450,117
(587,885)	(6,152,318)
<u>(536,146)</u>	<u>(5,702,201)</u>
9,279,385	(6,410,732)
	44,600,787
<u>\$ 9,279,385</u>	<u>\$ 38,190,055</u>

FORT BEND COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
ROAD AND BRIDGE
Year Ended September 30, 2004
With Comparative Totals For The Year Ended September 30, 2003

	Original Budget	Budget as Amended	Actual
Revenues			
Property taxes	\$ 8,134,954	\$ 8,134,954	\$ 8,145,488
Fees and fines	3,272,000	3,272,000	3,430,593
Intergovernmental	2,321,000	2,321,000	2,106,963
Earnings on investments	165,000	165,000	159,166
Miscellaneous	105,500	1,129,290	1,366,859
Total Revenues	13,998,454	15,022,244	15,209,069
Expenditures			
Current			
Construction and maintenance	16,880,147	16,385,325	16,122,047
Total Expenditures	16,880,147	16,385,325	16,122,047
(Deficiency) of Revenues Under Expenditures	(2,881,693)	(1,363,081)	(912,978)
Other Financing Sources (Uses)			
Transfers in		69,531	232,375
Transfers (out)		(9,459)	(9,459)
Total Other Financing Sources (Uses)		60,072	222,916
Net Change in Fund Balances	(2,881,693)	(1,303,009)	(690,062)
Fund Balances, Beginning of Year	5,732,853	5,732,853	5,732,853
Fund Balances, End of Year	\$ 2,851,160	\$ 4,429,844	\$ 5,042,791

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

Variance from Amended Positive (Negative)	2003 Actual
\$ 10,534	\$ 8,261,665
158,593	3,371,526
(214,037)	2,300,754
(5,834)	188,587
237,569	171,266
<u>186,825</u>	<u>14,293,798</u>
263,278	15,216,547
<u>263,278</u>	<u>15,216,547</u>
450,103	(922,749)
(162,844)	(12,302)
<u>(162,844)</u>	<u>(12,302)</u>
287,259	(935,051)
<u>287,259</u>	<u>6,667,904</u>
<u>\$ 287,259</u>	<u>\$ 5,732,853</u>



FINANCIAL STATEMENTS
PROPRIETARY FUNDS

FORT BEND COUNTY, TEXAS
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
September 30, 2004

	Governmental Activities- Internal Service Funds
	<hr/> <hr/>
<u>Assets</u>	
Current assets:	
Cash and cash equivalents	\$ 1,725,762
Due from other funds	2,288,318
Loan receivable	750,000
Other receivables	190,028
Total Assets	<hr/> <hr/> 4,954,108
 <u>Liabilities</u>	
Current liabilities:	
Accounts payable	53,511
Benefits payable	3,420,847
Due to other funds	6,150,000
Total Liabilities	<hr/> <hr/> 9,624,358
 <u>Net Assets (Deficit)</u>	
Unrestricted	<hr/> <hr/> \$ (4,670,250)

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, 2004

	Governmental Activities- Internal Service Funds
<u>Operating Revenues</u>	
Charges for services	\$ 14,569,618
Total Operating Revenues	14,569,618
<u>Operating Expenses</u>	
Current operations - general administration	3,821,962
Benefits provided	14,436,825
Total Operating Expenses	18,258,787
Operating (Loss)	(3,689,169)
<u>Non-Operating Revenues</u>	
Earnings on investments	43,327
Total Non-Operating Revenues	43,327
(Loss) Before Transfers	(3,645,842)
Transfers in	2,288,318
Change in Net Assets	(1,357,524)
Net (Deficit), Beginning	(3,312,726)
Net (Deficit), Ending	\$ (4,670,250)

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

FORT BEND COUNTY, TEXAS
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For The Year Ended September 30, 2004

	<u>Governmental Activities - Internal Service Funds</u>
Cash Flows From Operating Activities	
Charges for services	\$ 17,499,123
Payment of benefits	(14,622,321)
Payment of general administration expenses	(3,837,076)
	<hr/>
Net Cash (Used) by Operating Activities	(960,274)
Cash Flows From Noncapital Financing Activities	
Transfers in	2,288,318
	<hr/>
Net Cash Provided by Noncapital Financing Activities	2,288,318
Cash Flows From Investing Activities	
Interest earned on investments	43,327
Loans to others	(750,000)
	<hr/>
Net Cash (Used) by Investing Activities	(706,673)
Net Increase in Cash and Cash Equivalents	621,371
Cash and Cash Equivalents, October 1	1,104,391
	<hr/>
Cash and Cash Equivalents, September 30	\$ 1,725,762
	<hr/> <hr/>
Reconciliation of Operating (Loss) to Net Cash (Used) by Operating Activities	
Operating (loss)	\$ (3,689,169)
Change in assets and liabilities	
(Increase) decrease in other receivables	(142,590)
(Increase) decrease in due from other funds	(1,070,495)
Increase (decrease) in accounts payable	(15,114)
Increase (decrease) in benefits payable	(42,906)
Increase (decrease) in due to other funds	4,000,000
	<hr/>
Net Cash (Used) by Operating Activities	\$ (960,274)
	<hr/> <hr/>

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

FINANCIAL STATEMENTS
FIDUCIARY FUNDS

FORT BEND COUNTY, TEXAS
STATEMENT OF FIDUCIARY NET ASSETS
September 30, 2004

	Agency Funds
<u>Assets</u>	
Cash and cash equivalents	\$ 17,490,871
Due from other funds	139,437
Total Assets	\$ 17,630,308
<u>Liabilities</u>	
Accounts payable	\$ 1,270
Loans payable	750,000
Due to other funds	2,458,968
Due to other units	14,420,070
Total Liabilities	\$ 17,630,308

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

FINANCIAL STATEMENTS
COMPONENT UNITS

FORT BEND COUNTY, TEXAS

STATEMENT OF NET ASSETS

COMPONENT UNITS

September 30, 2004

	FBC Surface Water Supply Corporation	Fort Bend Toll Road Authority	Fort Bend Housing Finance Corporation	Totals
<u>Assets</u>				
Cash and cash equivalents	\$ 16,577	\$ 40,606,293	\$ 29,881	\$ 40,652,751
Cash held by fiscal agent		12,878,166		12,878,166
Investments		26,253,529	394,166	26,647,695
Prepays			702	702
Miscellaneous receivables		161,929		161,929
Deferred bond issuance costs		985,262		985,262
Capital assets:				
Construction in progress		70,642,500		70,642,500
Total Assets	16,577	151,527,679	424,749	151,969,005
<u>Liabilities and Net Assets</u>				
<u>Liabilities</u>				
Accounts payable	9,875	5,362,790	4,500	5,377,165
Retainage payable		359,577		359,577
Due to primary government		7,705,672		7,705,672
Accrued interest payable		1,637,282		1,637,282
Bond premium		4,002,745		4,002,745
Bonds payable		135,890,000		135,890,000
Total Liabilities	9,875	154,958,066	4,500	154,972,441
<u>Net Assets (Deficit)</u>				
Restricted		(3,430,387)		(3,430,387)
Unrestricted	6,702		420,249	426,951
Total Net Assets (Deficit)	\$ 6,702	\$ (3,430,387)	\$ 420,249	\$ (3,003,436)

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



FORT BEND COUNTY, TEXAS

STATEMENT OF ACTIVITIES

COMPONENT UNITS

Year Ended September 30, 2004

Functions/Programs	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
FBC Surface Water Supply Corporation			
Health and welfare	\$ 52,084	\$	\$ 5,200
Total FBC Surface Water Supply Corporation	52,084		5,200
Fort Bend Toll Road Authority			
General administration	19,632	151,418	
Interest on long term debt	4,651,311		
Total Fort Bend Toll Road Authority	4,670,943	151,418	
Fort Bend Housing Finance Corporation			
General administration	68,036		
Total Fort Bend Housing Finance Corporation	68,036		
Total Component Units	\$ 4,791,063	\$ 151,418	\$ 5,200

General Revenues:

Earnings on investments

Miscellaneous

Total General Revenues

Change in Net Assets

Net Assets, Beginning of Year

Net Assets, End of Year

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

Net (Expense) Revenue and Changes in Net Assets

FBC Surface Water Supply Corporation	Fort Bend Toll Road Authority	Fort Bend Housing Finance Corporation	Totals
\$ (46,884)	\$	\$	\$ (46,884)
<u>(46,884)</u>			<u>(46,884)</u>
	131,786		131,786
	(4,651,311)		(4,651,311)
	<u>(4,519,525)</u>		<u>(4,519,525)</u>
		(68,036)	(68,036)
		<u>(68,036)</u>	<u>(68,036)</u>
\$ (46,884)	\$ (4,519,525)	\$ (68,036)	\$ (4,634,445)
<u>(46,884)</u>	<u>(4,519,525)</u>	<u>(68,036)</u>	<u>(4,634,445)</u>
\$ 620	\$ 802,500	\$ 9,062	\$ 812,182
	164,189	42,808	206,997
<u>620</u>	<u>966,689</u>	<u>51,870</u>	<u>1,019,179</u>
(46,264)	(3,552,836)	(16,166)	(3,615,266)
52,966	122,449	436,415	611,830
<u>\$ 6,702</u>	<u>\$ (3,430,387)</u>	<u>\$ 420,249</u>	<u>\$ (3,003,436)</u>

FORT BEND COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2004

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

FORT BEND COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2004

construction of the Fort Bend Parkway in eastern Fort Bend County. The governing body is Commissioners Court.

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.

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

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

Statement of Net Assets - The Statement 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 Statement of Net Assets and report related depreciation expense, the cost of "using up" capital assets, in the Statement 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 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 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 GASB 34 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.

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

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

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

The focus of the GASB 34 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.

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D. Basis of Accounting

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

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

The accounts of the Governmental Fund Types (the General Fund, Special Revenue Funds, Debt Service Funds, and Capital Projects Funds) and certain Component Units 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.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. An exception to this general rule is that interfund services provided and used within the County are not eliminated in the process of consolidation. Elimination of these services would distort the direct costs and program revenues reported for the various functions concerned.

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.

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

E. Encumbrances

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

F. Cash and Cash Equivalents

The County's cash and cash equivalents are considered to be cash on hand, demand deposits, 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, such as lending/borrowing arrangements or amounts. In addition, the County maintains numerous bank accounts among all the funds and occasionally monies are deposited into the incorrect account. Therefore, a receivable and payable are recorded in the proper funds. 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. Interfund Transfers

The County maintains numerous special revenue and capital project funds to account separately for monies that have been set aside for particular purposes. Often, these monies are initially budgeted in the General

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Fund during the annual budget process and are then transferred to various funds during the course of the fiscal year. In addition, when these projects are complete, these same funds often transfer residual monies back to the General Fund or some other fund, as determined where the monies should be returned. These interfund transfers are classified as "transfers in" and "transfers out" within the primary government.

K. 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.

L. Capital Assets

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

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

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

<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

M. 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.

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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.

N. 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.

O. 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.

P. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual amounts could differ from those estimates.

NOTE 2 – 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 \$80,572,832 difference are as follows:

Bonds payable	\$ 76,355,000
Less: Deferred charge for issuance costs (to be amortized over the life of the debt)	(93,082)
Plus: Bond premium (to be amortized over the life of the debt)	665,000
Accrued interest payable	283,174
Accrued compensated absences	3,362,740
Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net assets - governmental activities</i>	<u><u>\$ 80,572,832</u></u>

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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.

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

B. Deficit Net Assets

Employee Benefits

The Employee Benefits Fund reported a deficit retained earnings balance of \$4,547,384 as of September 30, 2004. This deficit is a result of actual expenses exceeding the amount budgeted annually per employee for workers' compensation. Through proper budgeting and funding, this deficit should be avoided in the future.

Workers' Compensation

The Workers' Compensation Fund reported a deficit retained earnings balance of \$122,866 as of September 30, 2004. This deficit is a result of actual expenses exceeding the amount budgeted annually per employee for workers' compensation. Through proper budgeting and funding, this deficit should be avoided in the future.

Fort Bend Toll Road Authority

The Fort Bend Toll Road Authority, a component unit of the County, recorded a deficit net assets of \$3,430,387 as of September 30, 2004. This deficit is directly attributable to interest debt service payments, which began in fiscal year 2004. The Fort Bend County Toll Road Authority did not begin operating and collecting toll fees until August 2004. Therefore only one month of toll fees was available to service the debt. In the future, toll fees should be sufficient to meet annual debt service and operating requirements.

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VIT Interest Fund

The VIT Interest Fund reported a deficit fund balance of \$677 as of September 30, 2004. By statute, the tax assessor/collector is allowed to spend the interest earned on vehicle inventory tax monies being held throughout the year. A special revenue fund, the VIT Interest fund was established so that interest monies could be transferred to this fund periodically for the tax assessor/collector to spend, however this fund is not part of the County's annual adopted budget. In 2004, some expenditures were incurred before the tax assessor/collector moved enough interest earnings into this fund to cover the expenditures. In the future, although still not part of the County's annual budget, formal budgets will be established in this fund that will prevent this situation from recurring.

NOTE 4 – CASH AND INVESTMENTS**A. Cash and Cash Equivalents**

Cash and cash equivalents at year-end consists of cash and cash deposits in Texas CLASS, with maturities of three months or less when purchased. Texas CLASS 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, 2004, are summarized as follows:

	<u>Credit Risk</u>	<u>Carrying Amount</u>
Cash deposits	1	\$ 20,497,824
Total Cash and Cash Equivalents		\$ 20,497,824

The discretely presented component units' cash and cash equivalents at September 30, 2004, are summarized as follows:

	<u>Credit Risk</u>	<u>Carrying Amount</u>
Cash deposits	1	\$ 36,530,917
Investments considered cash and cash equivalents		17,000,000
Total Cash and Cash Equivalents		\$ 53,530,917

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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 – Texas CLASS

The investment in Texas CLASS in the amount of \$17,000,000 which approximates market value, is 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 Investments 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, 2004.

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, 2004. 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.

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

The investments in 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. Texas CLASS, an investment pool, provides for a safe environment for the placement of public funds in short-term, fully collateralized investments. Texas CLASS is required to comply with the Public Funds Investment Act of 1995.

The County's carrying amount of investments at September 30, 2004, which approximates fair value, is summarized as follows:

	<u>Investment Category</u>	<u>Carrying Amount</u>
Certificates of deposit	1	<u>\$ 22,000,000</u>
U.S. Government Securities		
U.S. Agency Securities	1	<u>22,685,302</u>
Total Investments		<u><u>\$ 44,685,302</u></u>

The discretely presented component units' carrying amount of investments at September 30, 2004, which approximates fair value, is summarized as follows:

	<u>Investment Category</u>	<u>Carrying Amount</u>
Certificates of deposit	1	<u>\$ 394,166</u>
U.S. Government Securities		
U.S. Agency Securities	1	<u>26,253,529</u>
Investments Not Subject to Categorization (classified as cash and cash equivalents)		
Texas CLASS Investments		<u>17,000,000</u>
Total Investments		<u><u>\$ 43,647,695</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, 2004.

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, 2004, was not significant.

FORT BEND COUNTY, TEXAS
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NOTE 5 – RECEIVABLES

Receivables, including applicable allowances for uncollectible accounts, as of September 30, 2004 are as follows:

Primary Government:

	Governmental Activities					Total
	General	Major Special Revenue - Road & Bridge	Major Capital Project - Mobility	Other Nonmajor Governmental Funds	Internal Service	
Receivables						
Taxes, net	\$ 4,396,802	\$ 675,582		\$ 924,889	\$	\$ 5,997,273
Grants				406,660		406,660
Fees & fines	2,101,492					2,101,492
Other	1,208,570	500,285	27,010	355,857	190,028	2,281,750
Total	\$ 7,706,864	\$ 1,175,867	\$ 27,010	\$ 1,687,406	\$ 190,028	\$ 10,787,175

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, 2004 the various components of deferred revenue reported in the governmental funds are as follows:

	Unavailable	Unearned
Delinquent property taxes (general fund)	4,396,801	
Delinquent property taxes (road and bridge fund)	675,582	
Delinquent property taxes (drainage district fund)	382,560	
Delinquent property taxes (debt service funds)	542,330	
Grant funds received prior to meeting all eligibility requirements		2,517,912
Total deferred revenue for governmental funds	\$ 5,997,273	\$ 2,517,912

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
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A. 2003 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 2004 fiscal year (2003 tax year), the County levied property taxes of \$0.5237 per \$100 of assessed valuation. The 2003 rates resulted in total tax levies of approximately \$110.9 million based on a total adjusted valuation of approximately \$21.1 billion. The total tax rate in the 2003 tax year was prorated as follows:

	<u>2003 Rate</u>	<u>2003 Limit</u>
Fort Bend County, Texas		
General, certain special revenue, and debt service	\$ 0.4607	\$ 0.8000
Special road & bridge funds	0.0380	0.1500
Fort Bend County Drainage District	0.0250	0.2500
Total Tax Rate	<u>\$ 0.5237</u>	<u>\$ 1.2000</u>

The tax rate for the Fort Bend Parkway Road District for the 2003 tax year was \$0.2200 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.

NOTE 7 – INTERFUND RECEIVABLES AND PAYABLES

At September 30, 2004, the interfund receivables and payables were as follows:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ <u>19,515,494</u>	\$ <u>2,955,570</u>
Road & Bridge	<u>822,038</u>	<u> </u>

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Other Governmental Funds

Drainage District	9,383	
County Law Library	17,230	
Probate Court Training	445	
JP Technology Fund	6,680	
District Attorney Supplemental Salary		677
District Attorney Bad Check Collection Fee	610	541
Records Management – County Clerk	40,017	
County Attorney Supplemental Salary		1,333
Records Management – Fort Bend County	9,431	
V.I.T. Interest		537
Courthouse Security	22,350	
District Attorney Asset Forfeiture State		114
Capital Improvements	587,885	471
Joann Street Project	60,000	
Travis Building Renovation		371
Combined Debt Service	14,592	4,210,657
Community Development Combined Funds		33,048
Community Development Block Grants		20,310
Local Law Enforcement Block Grants	4,931	
Adult Probation – Basic Supervision		<u>572</u>
Total Other Governmental Funds	<u>773,554</u>	<u>4,268,631</u>
Internal Service Funds		
Employee Benefits	<u>3,038,318</u>	<u>6,150,000</u>
Total Internal Service Funds	<u>3,038,318</u>	<u>6,150,000</u>
Agency Funds		
Payroll		728
FBC 125 Employee Benefits		808,313
Fee Officers' Account		1,193,554
Taxes Holding Account		1,205,799
Bail Bond Securities		5
On-Site Waste Water		3
Consolidated Court Costs	139,437	559
Unclaimed Property		<u>7</u>
Total Agency Funds	<u>139,437</u>	<u>3,208,968</u>
Component Units		
Toll Road Authority		<u>7,705,672</u>
Total Interfund Transactions	\$ <u>24,288,841</u>	\$ <u>24,288,841</u>

FORT BEND COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2004

NOTE 8 – CAPITAL ASSETS

A summary of changes in primary government capital assets for the year ended September 30, 2004, follows:

	Primary Government			Balance Sept. 30, 2004
	Balance Oct. 1, 2003	Increases	(Decreases)	
Governmental Activities:				
Capital assets not being depreciated:				
Land and intangibles	\$ 98,957,712	\$ 15,171,306	\$	\$ 114,129,018
Construction in progress	21,757,804	16,990,540	(3,987,395)	34,760,949
Total capital assets not being depreciated	<u>120,715,516</u>	<u>32,161,846</u>	<u>(3,987,395)</u>	<u>148,889,967</u>
Other capital assets:				
Vehicles	10,166,506	2,240,180	(2,714,054)	9,692,632
Office furniture and fixtures	9,641,309	2,609,508	(1,742,091)	10,508,726
Machinery and equipment	16,315,350	3,900,868	(1,801,157)	18,415,061
Buildings, facilities and improvements	94,234,088	8,852,155	(399,969)	102,686,274
Infrastructure	204,047,728	23,106,865		227,154,593
Total other capital assets	<u>334,404,981</u>	<u>40,709,576</u>	<u>(6,657,271)</u>	<u>368,457,286</u>
Less accumulated depreciation for:				
Vehicles	(5,887,302)	(1,998,044)	2,446,347	(5,438,999)
Office furniture and equipment	(7,029,690)	(1,780,844)	1,612,655	(7,197,879)
Machinery and equipment	(10,045,436)	(1,854,451)	1,235,404	(10,664,483)
Buildings, facilities and improvements	(35,752,294)	(2,617,545)	126,188	(38,243,651)
Infrastructure	(54,921,288)	(6,293,690)		(61,214,978)
Total accumulated depreciation	<u>(113,636,010)</u>	<u>(14,544,574)</u>	<u>5,420,594</u>	<u>(122,759,990)</u>
Other capital assets, net	<u>220,768,971</u>	<u>26,165,002</u>	<u>(1,236,677)</u>	<u>245,697,296</u>
Totals	<u>\$ 341,484,487</u>	<u>\$ 58,326,848</u>	<u>\$ (5,224,072)</u>	<u>\$ 394,587,263</u>

Depreciation was charged to governmental functions as follows:

General administration	\$ 1,367,840
Financial administration	7,790
Administration of justice	448,885
Road & bridge maintenance	7,986,539
Health and welfare	296,669
Cooperative service	81,765
Public safety	2,708,223
Parks and recreation	296,295
Drainage	703,856
Library	<u>646,712</u>
Total Governmental Activities Depreciation Expense	<u>\$ 14,544,574</u>

FORT BEND COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2004

Construction in progress and remaining commitments under related construction contracts for general government construction projects at September 30, 2004, follows:

Project Description	Authorized Contract (1)	Contract Expenditures	Other Costs	Total In Progress	Remaining Commitment
Telecomm IVRS Server	\$	\$	\$ 218,345	\$ 218,345	\$
IT Enhancements			147,297	147,297	
EMS Medic 6 Facility	187,165	35,670		35,670	151,495
Travis Building Renovations - 5th Flr.			1,232	1,232	
Park Upgrades			263,865	263,865	
Courthouse Complex Landscaping			10,084	10,084	
Jane Long Renovations			32,812	32,812	
JP 1-2 Relocation			126,545	126,545	
Travis Bldg. Parking Lot			11,442	11,442	
Building Slab Remediation			27,179	27,179	
JJAEP Facility	713,324	645,841	3,934	649,775	67,483
EMS Medic 2 Satellite Facility			3,066	3,066	
Library Building All Branches			8,750	8,750	
Scanlin Road Utilities Project	479,230	388,249	117,998	506,247	90,981
Fresh Water Supply District #1			1,884,581	1,884,581	
Fresh Water Supply District #2			806,593	806,593	
Four Corners Park			96,501	96,501	
Sienna Library Project			75,104	75,104	
Fairgrounds Renovation Project	488,875	488,875	384,472	873,347	
Basketball Court Remodel			102,610	102,610	
Traffic Signal Project	990,086	922,152	170,589	1,092,741	67,934
Needville Service Center			101,965	101,965	
Extension Service Office Building			31,233	31,233	
5th Street Headstart	878,254	235,137	11,020	246,157	643,117
Mustang Community Center			191,734	191,734	
Chimney Rock Road Project			69,920	69,920	
MacMane/Joann Street	167,590	153,871	49,395	203,266	13,719
Mobility Projects	7,587,992	5,531,734	21,345,462	26,877,196	2,056,258
FB Parkway Project			2,350	2,350	
Rosenberg JJAEP Remodel			63,342	63,342	
Totals	\$ 11,492,516	\$ 8,401,529	\$ 26,359,420	\$ 34,760,949	\$ 3,090,987

(1) Several capital projects have begun and various costs have been incurred, however, as of September 30, 2004 a construction contract has not been signed. In addition, some capital projects do not require a formal construction contract.

FORT BEND COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2004

A summary of changes in discretely presented component unit capital assets for the year ended September 30, 2004, follows:

	Discretely Presented Component Units			Balance Sept. 30, 2004
	Balance Oct. 1, 2003	Increases	(Decreases)	
Capital assets not being depreciated:				
Construction in progress	\$ 28,023,695	\$ 42,618,805	\$	\$ 70,642,500
Total capital assets not being depreciated	<u>\$ 28,023,695</u>	<u>\$ 42,618,805</u>	<u>\$</u>	<u>\$ 70,642,500</u>

Construction in progress and remaining commitments under related construction contracts for discretely presented component unit construction projects at September 30, 2004, follows:

Project Description	Authorized Contract(1)	Contract Expenditures	Other Costs	Total In Progress	Remaining Commitment
Fort Bend Toll Road	<u>\$ 71,221,557</u>	<u>\$ 31,221,236</u>	<u>\$ 39,421,264</u>	<u>\$ 70,642,500</u>	<u>\$ 40,000,321</u>

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, 2004, are listed on the following page:

FORT BEND COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2004

Primary Government				
Original Issue	Description	Interest Rate %	Matures	Debt Outstanding
General Obligation Bonds				
\$ 25,285,000	Permanent Improvement Refunding Bonds, Series 2003	1.50 - 5.00	2011	\$ 22,565,000
6,850,000	Fort Bend Flood Control Water Supply Corporation Bonds, Series 1995	5.30	2008	2,900,000
5,000,000	Library Permanent Improvement Bonds, Series 1997	4.50 - 6.50	2016	3,875,000
14,060,000	Fort Bend Flood Control Water Supply Corp. Bonds, Series 1999 Refunding	4.00 - 5.00	2008	6,855,000
29,000,000	Fort Bend General Obligation Bonds, Series 2001	4.00 - 5.00	2021	28,025,000
11,650,000	Fort Bend Flood Control Water Supply Refunding Bonds, Series 2001	2.85 - 5.38	2021	11,190,000
	Total Direct General Obligation Bonds			<u>75,410,000</u>
1,520,000	Fort Bend Parkway Road District Unlimited Tax Bonds, Series 1990	8.20 - 8.63	2010	845,000
	Total General Obligation Bonds			<u>\$ 76,255,000</u>
Certificates of Obligation				
\$ 500,000	Fairgrounds Arena Certificates of Obligation, Series 1991	6.57	2006	\$ 100,000
	Total Certificates of Obligation			<u>\$ 100,000</u>

A summary of long-term liability transactions of the County for the year ended September 30, 2004, follows:

	October 1, 2003			September 30, 2004	Amounts Due Within One Year
	Balance	Additions	Retirements	Balance	
General Obligation Bonds	\$ 81,935,000	\$	\$ 5,680,000	\$ 76,255,000	\$ 5,755,000
Certificates of Obligation	150,000		50,000	100,000	50,000
Totals	<u>82,085,000</u>		<u>5,730,000</u>	<u>76,355,000</u>	<u>5,805,000</u>
Accrued Compensated Absences	4,547,329	170,270	106,213	4,611,386	1,152,847
Totals	<u>4,547,329</u>	<u>170,270</u>	<u>106,213</u>	<u>4,611,386</u>	<u>1,152,847</u>
Total Long Term Liabilities	<u>\$ 86,632,329</u>	<u>\$ 170,270</u>	<u>\$ 5,836,213</u>	<u>\$ 80,966,386</u>	<u>\$ 6,957,847</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:

FORT BEND COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2004

	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
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>\$ 76,355,000</u>	<u>\$ 26,493,702</u>	<u>\$ 102,848,702</u>

Discretely presented component unit long-term bonded debt as of September 30, 2004, is listed below:

Discretely Presented Component Units				
<u>Original Issue</u>	<u>Description</u>	<u>Interest Rate %</u>	<u>Matures</u>	<u>Debt Outstanding</u>
General Obligation Bonds				
\$ 63,695,000	Unlimited Tax and Subordinate Lien Toll Road Revenue Bonds, Series 2003	4.00 - 5.00	2032	\$ 63,695,000
72,195,000	Unlimited Tax and Subordinate Lien Toll Road Revenue Bonds, Series 2004	3.63 - 5.00	2032	<u>72,195,000</u>
Total General Obligation Bonds				<u>\$ 135,890,000</u>

A summary of long-term liability transactions of the discretely component units for the year ended September 30, 2004, follows:

	<u>October 30, 2004 Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>September 30, 2004 Balance</u>	<u>Amounts Due Within One Year</u>
General Obligation Bonds	\$ 63,695,000	\$ 72,195,000	\$	\$ 135,890,000	\$
Totals	<u>63,695,000</u>	<u>72,195,000</u>	<u>\$</u>	<u>135,890,000</u>	<u>\$</u>
Total Long Term Liabilities	<u>\$ 63,695,000</u>	<u>\$ 72,195,000</u>	<u>\$</u>	<u>\$ 135,890,000</u>	<u>\$</u>

FORT BEND COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2004

Annual debt service requirements to maturity are summarized as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2005		7,952,992	7,952,992
2006		6,753,432	6,753,432
2007		6,753,432	6,753,432
2008		6,753,432	6,753,432
2009		6,753,432	6,753,432
2010		6,753,432	6,753,432
2011	1,400,000	6,725,432	8,125,432
2012	1,645,000	6,665,741	8,310,741
2013	1,900,000	6,596,050	8,496,050
2014	2,345,000	6,499,425	8,844,425
2015	2,820,000	6,370,300	9,190,300
2016	3,530,000	6,209,138	9,739,138
2017	4,240,000	6,009,488	10,249,488
2018	5,050,000	5,774,250	10,824,250
2019	5,550,000	5,509,250	11,059,250
2020	6,000,000	5,220,500	11,220,500
2021	6,320,000	4,912,500	11,232,500
2022	6,650,000	4,588,250	11,238,250
2023	6,975,000	4,247,625	11,222,625
2024	7,365,000	3,889,125	11,254,125
2025	7,720,000	3,512,000	11,232,000
2026	8,130,000	3,115,750	11,245,750
2027	8,550,000	2,698,750	11,248,750
2028	8,980,000	2,260,500	11,240,500
2029	9,430,000	1,800,250	11,230,250
2030	9,940,000	1,316,000	11,256,000
2031	10,410,000	807,250	11,217,250
2032	10,940,000	273,500	11,213,500
Totals	<u>\$ 135,890,000</u>	<u>\$ 136,721,226</u>	<u>\$ 272,611,226</u>

B. 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, 2004, approximately \$24.1 million of total bonds are outstanding.

FORT BEND COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2004

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	\$ 4,755,754	\$
Debt service		1,288,885
Totals	\$ 4,755,754	\$ 1,288,885

NOTE 11 - INTERFUND TRANSACTIONS

A summary of interfund transactions for the year ended September 30, 2004 is as follows:

	Transfers In	Transfers Out
General Fund	\$ 822,607	\$ 9,103,471
Road & Bridge	232,375	9,459
Other Governmental Funds		
Juvenile Probation Operating	5,865,961	300,000
Drainage District	36,344	658,088
County Historical Commission	351	
County Law Library	710	
Juvenile Probation Special		720
District Attorney Supplemental Salary		63
Records Management – County Clerk		8,729
Records Management – Fort Bend County	700	
Courthouse Security	2,639	
Capital Improvements	623,035	17,693
Joann Street Project	61,631	
Road and Bridge Capital Improvements		162,844
Needville JP/Constable Office		33,972
Travis Building Renovation	9,000	451,952
Combined Debt Service	657,360	
Community Development Combined Funds	132,903	

FORT BEND COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2004

Local Law Enforcement Block Grant	13,068	
Household Waste		11
Adult Probation - State Aid		6,803
Adult Probation - CCP	<u>6,803</u>	<u> </u>
Total Other Governmental Funds	<u>7,415,705</u>	<u>1,641,413</u>
Internal Service Funds		
Employee Benefits	<u>2,288,318</u>	<u> </u>
Total Internal Service Funds	<u>2,288,318</u>	<u> </u>
Total Interfund Transactions	\$ <u>10,753,805</u>	\$ <u>10,753,805</u>

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

FORT BEND COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2004

the covered payroll of employee members. Under the TCDRS Act, the contribution rate of the employer is actuarially determined annually. It was 10.62% for calendar year 2004. 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, 2004, the pension cost for the TCDRS plan and the actual contributions made were \$7,169,653. Because all contributions are made as required, no pension obligation existed at September 30, 2004.

Fiscal year	2004	2003	2002(1)
Net pension obligation (NPO) at the beginning of period			
Annual required contributions (ARC)	7,169,653	6,389,076	4,337,601
Contributions made	7,169,653	6,389,076	4,337,601
NPO at end of period	\$	\$	\$

The following is a summary of the actuarial assumptions:

Actuarial valuation date	12/31/2001	12/31/2002	12/31/2003
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⁾	5.5%	5.5%	5.5%
Inflation	3.5%	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

FORT BEND COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2004

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, 2004. 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.

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, 2004.

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.

Liabilities have been recorded for workers' compensation, auto liability, general liability, and employee benefits. These liabilities are recorded when it is probable that a loss has occurred and the amount can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are reevaluated periodically to consider the effects of inflation, recent claim settlement trends, and other economic and social factors. The estimate of the claims liability also includes amounts for incremental claim adjustment expenses regardless of whether allocated to specific claims. Nonincremental claims adjustment expenses have not been included as part of the liability for claims and judgements. However, estimated recoveries, for example from salvage or subrogation, are another component of the claims liability estimate. Changes in the balances of claims liabilities during the past two years are as follows:

	Year ended 9/30/04	Year ended 9/30/03
Unpaid claims, beginning of year	\$ 4,940,830	\$ 3,355,858
Incurred claims (including IBNRs)	14,013,915	14,728,762
Claim payments	<u>(14,189,834)</u>	<u>(13,143,790)</u>
Unpaid claims, end of year	<u>\$ 4,764,911</u>	<u>\$ 4,940,830</u>

**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, 2004

For the year ended September 30, 2004, the employer's annual pension cost for the TCDRS plan for its employees and the actual contributions made were \$7,169,653 for the County. Because all contributions are made as required, no pension obligation existed at September 30, 2004.

Fiscal year	2004	2003	2002
Actuarial valuation date	12/31/2003	12/31/2002	12/31/2001
Actuarial value of assets	\$132,671,550	\$114,079,566	\$102,204,452
Actuarial accrued liability	160,080,573	143,543,111	127,934,754
Percentage funded	83%	79%	80%
Unfunded actuarial accrued liability	27,409,023	29,463,545	25,730,302
Annual covered payroll	61,764,831	57,228,468	51,598,587
Unfunded actuarial accrued liability (UAAL)% of covered payroll	44%	51%	50%

(1) Due to a change in fiscal year, the 2002 amounts represent only nine months of required contributions while the amounts for 2003 and 2004 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, 2004

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.

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.

FORT BEND COUNTY, TEXAS
NON-MAJOR GOVERNMENTAL FUND DESCRIPTIONS
September 30, 2004

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.

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.

FORT BEND COUNTY, TEXAS
NON-MAJOR GOVERNMENTAL FUND DESCRIPTIONS
September 30, 2004

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 – County Clerk

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, 2004

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.

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

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.

FORT BEND COUNTY, TEXAS
NON-MAJOR GOVERNMENTAL FUND DESCRIPTIONS
September 30, 2004

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, 2004

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.

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, 2004

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 General Obligation Bonds Series 2001, Fort Bend Flood Control Water Supply Corporation ("FBFCWSC") Revenue Bonds Series 1995, FBFCWSC Refunding Bonds Series 1999, and the FBFCWSC Revenue Bonds Series 2001.

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.

CAPITAL PROJECTS FUNDS

Drainage District Capital Improvements

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

Upper Oyster Creek

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

Capital Improvements

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

Clear Creek

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

Lower Oyster Creek

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

Big Creek

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

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.

FORT BEND COUNTY, TEXAS
NON-MAJOR GOVERNMENTAL FUND DESCRIPTIONS
September 30, 2004

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.

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, 2004

Assets	Special Revenue Funds			
	Drainage District	Lateral Road	County Historical Commission	City Water Assistance
Cash and temporary investments:				
Cash and cash equivalents	\$ 338,240	\$ 60,488	\$ 6,400	\$ 9,001
Investments	2,500,000			
Receivables:				
Taxes - delinquent	398,499			
Less allowance for estimated uncollectibles	(15,940)			
Federal and state grants				
Other receivables				
Due from other funds	9,383			
Prepaid expenditures				
Total Assets	\$ 3,230,182	\$ 60,488	\$ 6,400	\$ 9,001
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 218,653	\$ 40,000	\$	\$ 37
Accrued payroll	172,598			
Retainage payable				
Due to other funds				
Due to other governmental units				
Deferred revenues	382,560			
Total Liabilities	773,811	40,000	6,400	37
Fund Balances:				
Reserved for debt service				
Unreserved and undesignated	2,456,371	20,488	6,400	8,964
Total Fund Balances	2,456,371	20,488	6,400	8,964
Total Liabilities and Fund Balances	\$ 3,230,182	\$ 60,488	\$ 6,400	\$ 9,001

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>Ambulance Service Paramedics</u>
\$ 148	\$ 10,480	\$ 116	\$ 324,903	\$ 240,482	\$ 12,688
			6,660 17,230	43,174	
<u>\$ 148</u>	<u>\$ 10,480</u>	<u>\$ 116</u>	<u>\$ 348,793</u>	<u>\$ 283,656</u>	<u>\$ 12,688</u>
\$	\$	\$	\$ 8,760 2,879	\$ 6,671	\$
			11,639	6,671	
<u>148</u>	<u>10,480</u>	<u>116</u>	<u>337,154</u>	<u>276,985</u>	<u>12,688</u>
<u>148</u>	<u>10,480</u>	<u>116</u>	<u>337,154</u>	<u>276,985</u>	<u>12,688</u>
<u>\$ 148</u>	<u>\$ 10,480</u>	<u>\$ 116</u>	<u>\$ 348,793</u>	<u>\$ 283,656</u>	<u>\$ 12,688</u>

FORT BEND COUNTY, TEXAS

COMBINING BALANCE SHEET

NON-MAJOR GOVERNMENTAL FUNDS

September 30, 2004

Assets	Special Revenue Funds			
	Library Donation	Mission West Park	Narcotics Fund - Asset Forfeiture State	D.W.I. Video Fee
Cash and temporary investments:				
Cash and cash equivalents	\$ 132,109	\$ 46,153	\$ 201,997	\$ 3,857
Investments				
Receivables:				
Taxes - delinquent				
Less allowance for estimated uncollectibles				
Federal and state grants				
Other receivables				15
Due from other funds				
Prepaid expenditures				
Total Assets	\$ 132,109	\$ 46,153	\$ 201,997	\$ 3,872
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 6,464	\$ 31	\$	\$
Accrued payroll				
Retainage payable				
Due to other funds				
Due to other governmental units				
Deferred revenues				
Total Liabilities	6,464	31		
Fund Balances:				
Reserved for debt service				
Unreserved and undesignated	125,645	46,122	201,997	3,872
Total Fund Balances	125,645	46,122	201,997	3,872
Total Liabilities and Fund Balances	\$ 132,109	\$ 46,153	\$ 201,997	\$ 3,872

Special Revenue Funds					
<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>	<u>District Attorney Forfeiture - Federal</u>
\$ 25,637	\$ 177,545	\$ 14,007	\$ 263,406	\$ 677	\$ 8,855
575 445	6,680	275	1,670		
<u>\$ 26,657</u>	<u>\$ 184,225</u>	<u>\$ 14,282</u>	<u>\$ 265,076</u>	<u>\$ 677</u>	<u>\$ 8,855</u>
\$	\$	\$ 1,734	\$	\$	\$
				677	
		1,734		677	
26,657	184,225	12,548	265,076		8,855
26,657	184,225	12,548	265,076		8,855
<u>\$ 26,657</u>	<u>\$ 184,225</u>	<u>\$ 14,282</u>	<u>\$ 265,076</u>	<u>\$ 677</u>	<u>\$ 8,855</u>

FORT BEND COUNTY, TEXAS

COMBINING BALANCE SHEET

NON-MAJOR GOVERNMENTAL FUNDS

September 30, 2004

Assets	Special Revenue Funds			
	District Attorney Bad Check Collection	Gus George Memorial	Records Management	District Attorney Special Fun Run
Cash and temporary investments:				
Cash and cash equivalents	\$ 63,101	\$ 7,057	\$ 754,480	\$ 21,615
Investments				
Receivables:				
Taxes - delinquent				
Less allowance for estimated uncollectibles				
Federal and state grants				
Other receivables	4,052		46,128	
Due from other funds	610		40,017	
Prepaid expenditures				
Total Assets	\$ 67,763	\$ 7,057	\$ 840,625	\$ 21,615
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 2,360	\$	\$ 411	\$
Accrued payroll	2,598		968	
Retainage payable				
Due to other funds	541			
Due to other governmental units				
Deferred revenues				
Total Liabilities	5,499		1,379	
Fund Balances:				
Reserved for debt service				
Unreserved and undesignated	62,264	7,057	839,246	21,615
Total Fund Balances	62,264	7,057	839,246	21,615
Total Liabilities and Fund Balances	\$ 67,763	\$ 7,057	\$ 840,625	\$ 21,615

Special Revenue Funds

<u>County Attorney Supplement</u>	<u>Records Management - County</u>	<u>VIT Interest</u>	<u>Courthouse Security</u>	<u>Elections Contract</u>	<u>Narcotics Fund - Asset Forfeiture Federal</u>
\$ 91,329	\$ 80,447	\$ 23	\$ 45,025 1,000,000	\$ 130,929	\$ 99,339
	5,085 9,431		17,083 22,351	16,018	
<u>\$ 91,329</u>	<u>\$ 94,963</u>	<u>\$ 23</u>	<u>\$ 1,084,459</u>	<u>\$ 146,947</u>	<u>\$ 99,339</u>
\$	\$ 10,935 4,330	\$ 163	\$ 717 14,345	\$ 6,190	\$ 3,860
1,333		537			
<u>1,333</u>	<u>15,265</u>	<u>700</u>	<u>15,062</u>	<u>6,190</u>	<u>3,860</u>
<u>89,996</u>	<u>79,698</u>	<u>(677)</u>	<u>1,069,397</u>	<u>140,757</u>	<u>95,479</u>
<u>89,996</u>	<u>79,698</u>	<u>(677)</u>	<u>1,069,397</u>	<u>140,757</u>	<u>95,479</u>
<u>\$ 91,329</u>	<u>\$ 94,963</u>	<u>\$ 23</u>	<u>\$ 1,084,459</u>	<u>\$ 146,947</u>	<u>\$ 99,339</u>

FORT BEND COUNTY, TEXAS

COMBINING BALANCE SHEET

NON-MAJOR GOVERNMENTAL FUNDS

September 30, 2004

Assets	Special Revenue Funds			
	Sheriff's Allocation Forfeiture/ State	Sheriff's Allocation Forfeiture/ Federal	Constable Precinct 2 Asset Forfeiture	Constable Precinct 4 Asset Forfeiture
Cash and temporary investments:				
Cash and cash equivalents	\$ 27,572	\$ 199,014	\$ 4,805	\$ 109
Investments				
Receivables:				
Taxes - delinquent				
Less allowance for estimated uncollectibles				
Federal and state grants				
Other receivables				
Due from other funds				
Prepaid expenditures	1,099			
Total Assets	\$ 28,671	\$ 199,014	\$ 4,805	\$ 109
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 1,182	\$ 47,875	\$	\$
Accrued payroll				
Retainage payable				
Due to other funds				
Due to other governmental units				
Deferred revenues				
Total Liabilities	1,182	47,875		
Fund Balances:				
Reserved for debt service				
Unreserved and undesignated	27,489	151,139	4,805	109
Total Fund Balances	27,489	151,139	4,805	109
Total Liabilities and Fund Balances	\$ 28,671	\$ 199,014	\$ 4,805	\$ 109

Special Revenue Funds

<u>Environmental Projects</u>	<u>District Attorney Asset Forfeiture State</u>	<u>Utility Assistance</u>	<u>UT-Health Science Center Grant</u>	<u>LEOSE Training</u>	<u>Katy Library Appropriations</u>
\$ 141	\$ 107,406	\$ 57	\$ 5,021	\$ 85,590	\$ 140,692
<u>\$ 141</u>	<u>\$ 107,406</u>	<u>\$ 57</u>	<u>\$ 5,021</u>	<u>\$ 85,590</u>	<u>\$ 140,692</u>
\$	\$ 15,702	\$	\$ 536	\$ 1,106	\$
	114				
	<u>15,816</u>		<u>536</u>	<u>1,106</u>	
<u>141</u>	<u>91,590</u>	<u>57</u>	<u>4,485</u>	<u>84,484</u>	<u>140,692</u>
<u>141</u>	<u>91,590</u>	<u>57</u>	<u>4,485</u>	<u>84,484</u>	<u>140,692</u>
<u>\$ 141</u>	<u>\$ 107,406</u>	<u>\$ 57</u>	<u>\$ 5,021</u>	<u>\$ 85,590</u>	<u>\$ 140,692</u>

FORT BEND COUNTY, TEXAS

COMBINING BALANCE SHEET

NON-MAJOR GOVERNMENTAL FUNDS

September 30, 2004

Assets	Special Revenue Funds			
	Temporary Emergency Relief	Emergency Food and Shelter Program	Juvenile Foster Care Title IV-E	Child Protective Services
Cash and temporary investments:				
Cash and cash equivalents	\$ 26	\$ 9,213	\$ 334,055	\$ 205,126
Investments			298,511	
Receivables:				
Taxes - delinquent				
Less allowance for estimated uncollectibles				
Federal and state grants				
Other receivables			1,518	93,015
Due from other funds				
Prepaid expenditures				
Total Assets	\$ 26	\$ 9,213	\$ 634,084	\$ 298,141
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$	\$ 9,097	\$ 10,205	\$ 4,550
Accrued payroll			10,052	
Retainage payable				
Due to other funds				
Due to other governmental units				
Deferred revenues	26	116	613,827	
Total Liabilities	26	9,213	634,084	4,550
Fund Balances:				
Reserved for debt service				
Unreserved and undesignated				293,591
Total Fund Balances				293,591
Total Liabilities and Fund Balances	\$ 26	\$ 9,213	\$ 634,084	\$ 298,141

Special Revenue Funds					
Community Development Combined Funds	Community Development Block Grants	Home Programs	HOPE 3 Program Sales	Child Support Title IV-D Reimbursement	Local Law Enforcement Block Grants
\$	\$	\$ 1,718	\$ 89,891	\$ 97,275	\$ 49,614
303,781	23,710				
1,259					4,931
<u>\$ 305,040</u>	<u>\$ 23,710</u>	<u>\$ 1,718</u>	<u>\$ 89,891</u>	<u>\$ 97,275</u>	<u>\$ 54,545</u>
\$ 248,927 23,065	\$ 3,400	\$ 1,718	\$ 7,332	\$	\$ 3,401
33,048	20,310				
			82,559	97,275	51,144
<u>305,040</u>	<u>23,710</u>	<u>1,718</u>	<u>89,891</u>	<u>97,275</u>	<u>54,545</u>
<u>\$ 305,040</u>	<u>\$ 23,710</u>	<u>\$ 1,718</u>	<u>\$ 89,891</u>	<u>\$ 97,275</u>	<u>\$ 54,545</u>

FORT BEND COUNTY, TEXAS

COMBINING BALANCE SHEET

NON-MAJOR GOVERNMENTAL FUNDS

September 30, 2004

Assets	Special Revenue Funds			
	Grant Administration	Juvenile Justice Alternative Education	Household A/G Waste Collection Grant	Juvenile Probation State Aid
Cash and cash equivalents	\$ 10,564	\$ 196,743	\$	\$
Investments				
Receivables:				
Taxes - delinquent				
Less allowance for estimated uncollectibles				
Federal and state grants				41,133
Other receivables				
Due from other funds				
Prepaid expenditures				
Total Assets	\$ 10,564	\$ 196,743	\$	\$ 41,133
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 8,000	\$ 2,842	\$	\$ 6,097
Accrued payroll		2,909		35,036
Retainage payable				
Due to other funds				
Due to other governmental units				
Deferred revenues		190,992		
Total Liabilities	8,000	196,743	\$	41,133
Fund Balances:				
Reserved for debt service				
Unreserved and undesignated	2,564			
Total Fund Balances	2,564			
Total Liabilities and Fund Balances	\$ 10,564	\$ 196,743	\$	\$ 41,133

Special Revenue Funds

<u>Juvenile Probation CCAP</u>	<u>Juvenile Special Needs</u>	<u>Adult Probation Supervision</u>	<u>Adult Probation DTP</u>	<u>Adult Probation CCP</u>	<u>Adult Probation TAIP</u>
\$ 7,449	\$ 539	\$ 935,471	\$ 407,654	\$ 215,028	\$ 61,243
		118,925		1,664	
		87			
<u>\$ 7,449</u>	<u>\$ 539</u>	<u>\$ 1,054,483</u>	<u>\$ 407,654</u>	<u>\$ 216,692</u>	<u>\$ 61,243</u>
\$ 7,449	\$ 361	\$ 79,426	\$	\$ 3,296	\$ 9,180
		103,588	27,818	24,121	2,073
		572			
	178	870,897	379,836	189,275	8,203
					41,787
<u>7,449</u>	<u>539</u>	<u>1,054,483</u>	<u>407,654</u>	<u>216,692</u>	<u>61,243</u>
<u>\$ 7,449</u>	<u>\$ 539</u>	<u>\$ 1,054,483</u>	<u>\$ 407,654</u>	<u>\$ 216,692</u>	<u>\$ 61,243</u>

FORT BEND COUNTY, TEXAS

COMBINING BALANCE SHEET

NON-MAJOR GOVERNMENTAL FUNDS

September 30, 2004

	<u>Special Revenue Fund</u>	<u>Debt Service Funds</u>	
	<u>Juvenile Probation</u>	<u>Fort Bend County Combined Debt Service</u>	<u>Fort Bend Parkway Unlimited Tax Bonds Series 1990</u>
Assets			
Cash and temporary investments:			
Cash and cash equivalents	\$ 580,823	\$ 258,388	\$ 29,423
Investments		5,103,192	93,948
Receivables:			
Taxes - delinquent		545,447	19,479
Less allowance for estimated uncollectibles		(21,817)	(779)
Federal and state grants			
Other receivables			
Due from other funds		14,510	81
Prepaid expenditures			
Total Assets	\$ 580,823	\$ 5,899,720	\$ 142,152
 Liabilities and Fund Balances			
Liabilities:			
Accounts payable	\$ 180,699	\$	\$
Accrued payroll	260,377		
Retainage payable			
Due to other funds		4,210,657	
Due to other governmental units			
Deferred revenues		523,630	18,700
Total Liabilities	441,076	4,734,287	18,700
Fund Balances:			
Reserved for debt service		1,165,433	123,452
Unreserved and undesignated	139,747		
Total Fund Balances	139,747	1,165,433	123,452
Total Liabilities and Fund Balances	\$ 580,823	\$ 5,899,720	\$ 142,152

Capital Projects Funds

<u>Drainage District Capital Improvements</u>	<u>Upper Oyster Creek</u>	<u>Capital Improvements</u>	<u>Clear Creek</u>	<u>Lower Oyster Creek</u>	<u>Big Creek</u>
\$ 14,640	\$ 303,037 200,000	\$ 236,581	\$ 23,914 500,000	\$ 1,001,071 200,000	\$ 834,945 99,612
		587,885	2,500		
<u>\$ 14,640</u>	<u>\$ 503,037</u>	<u>\$ 824,466</u>	<u>\$ 526,414</u>	<u>\$ 1,201,071</u>	<u>\$ 934,557</u>
\$	\$ 24,000	\$ 126,706	\$	\$	\$ 20,150
		25,514 472			
	24,000	152,692			20,150
14,640	479,037	671,774	526,414	1,201,071	914,407
14,640	479,037	671,774	526,414	1,201,071	914,407
<u>\$ 14,640</u>	<u>\$ 503,037</u>	<u>\$ 824,466</u>	<u>\$ 526,414</u>	<u>\$ 1,201,071</u>	<u>\$ 934,557</u>

FORT BEND COUNTY, TEXAS

COMBINING BALANCE SHEET

NON-MAJOR GOVERNMENTAL FUNDS

September 30, 2004

	Capital Projects Funds			
	Fifth Street Project	Grand Mission Crossing	Road & Bridge Capital Projects	Library Building
Assets				
Cash and temporary investments:				
Cash and cash equivalents	\$ 20,329	\$ 20,265	\$ 1	\$ 86,805
Investments				
Receivables:				
Taxes - delinquent				
Less allowance for estimated uncollectibles				
Federal and state grants				
Other receivables				
Due from other funds	60,000			
Prepaid expenditures				
Total Assets	\$ 80,329	\$ 20,265	\$ 1	\$ 86,805
 Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$	\$	\$	\$
Accrued payroll				
Retainage payable				
Due to other funds				
Due to other governmental units				
Deferred revenues				
Total Liabilities				
Fund Balances:				
Reserved for debt service				
Unreserved and undesignated	80,329	20,265	1	86,805
Total Fund Balances	80,329	20,265	1	86,805
Total Liabilities and Fund Balances	\$ 80,329	\$ 20,265	\$ 1	\$ 86,805

Capital Projects Funds

<u>Needville JP/Constable Office</u>	<u>Travis Building Renovation</u>	<u>Fort Bend Parkway</u>	<u>Juvenile Expansion Project</u>	<u>Bates Allen Park</u>	<u>FBFCWSC Construction County</u>	<u>Totals</u>
\$	\$ 7,366	\$ 25,435	\$	\$ 10,909	\$ 3,043,494 9,000,000	\$ 12,821,940 18,995,263
						963,425
						(38,536)
						406,660
						355,857
						773,554
						4,945
<u>\$</u>	<u>\$ 7,366</u>	<u>\$ 25,435</u>	<u>\$</u>	<u>\$ 10,909</u>	<u>\$ 12,043,494</u>	<u>\$ 34,283,108</u>
\$	\$	\$	\$	\$	\$ 846,192	\$ 1,976,415
	370					686,757
						25,514
						4,268,631
						8,203
						3,442,802
	370				846,192	10,408,322
	6,996	25,435		10,909	11,197,302	1,288,885
	6,996	25,435		10,909	11,197,302	22,585,901
	6,996	25,435		10,909	11,197,302	23,874,786
<u>\$</u>	<u>\$ 7,366</u>	<u>\$ 25,435</u>	<u>\$</u>	<u>\$ 10,909</u>	<u>\$ 12,043,494</u>	<u>\$ 34,283,108</u>

FORT BEND COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
Year Ended September 30, 2004

	<u>Special Revenue Funds</u>			
	<u>Drainage District</u>	<u>Lateral Road</u>	<u>County Historical Commission</u>	<u>City Water Assistance</u>
Revenues				
Taxes	\$ 5,314,489	\$	\$	\$
Fees and fines				
Intergovernmental				
Earnings on investments	42,064	848	88	110
Miscellaneous	727,904			2,709
Total Revenues	<u>6,084,457</u>	<u>848</u>	<u>88</u>	<u>2,819</u>
Expenditures				
Current				
General administration				
Financial administration				
Administration of justice				
Construction and maintenance		40,000		
Health and welfare				2,396
Cooperative Services				
Public safety				
Parks and recreation				
Flood control projects	5,484,093			
Libraries and education			359	
Capital outlay				
Debt service				
Principal retirement				
Interest and fiscal charges				
Total Expenditures	<u>5,484,093</u>	<u>40,000</u>	<u>359</u>	<u>2,396</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	600,364	(39,152)	(271)	423
Other Financing Sources (Uses)				
Operating transfers in	36,344		351	
Operating transfers (out)	(658,088)			
Total Other Financing Sources (Uses)	<u>(621,744)</u>		<u>351</u>	
Net Change in Fund Balances	(21,380)	(39,152)	80	423
Fund Balances, October 1	<u>2,477,751</u>	<u>59,640</u>	<u>6,320</u>	<u>8,541</u>
Fund Balances, September 30	<u>\$ 2,456,371</u>	<u>\$ 20,488</u>	<u>\$ 6,400</u>	<u>\$ 8,964</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>Ambulance Service Paramedics</u>
\$	\$	\$	\$	\$	\$
			206,700		
2	852	1	4,251	78,358	180
	5,228			3,359	200
<u>2</u>	<u>6,080</u>	<u>1</u>	<u>210,951</u>	<u>121,035</u>	<u>380</u>
			158,024		
150	1,907				2,506
				62,340	
<u>150</u>	<u>1,907</u>	<u></u>	<u>158,024</u>	<u>62,340</u>	<u>2,506</u>
(148)	4,173	1	52,927	58,695	(2,126)
			710		
			<u>710</u>		
(148)	4,173	1	53,637	58,695	(2,126)
296	6,307	115	283,517	218,290	14,814
<u>\$ 148</u>	<u>\$ 10,480</u>	<u>\$ 116</u>	<u>\$ 337,154</u>	<u>\$ 276,985</u>	<u>\$ 12,688</u>

FORT BEND COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
Year Ended September 30, 2004

	Special Revenue Funds			
	Library Donation	Mission West Park	Narcotics Fund Asset Forfeiture State	D.W.I. Video Fee
Revenues				
Taxes	\$	\$	\$	\$
Fees and fines				135
Intergovernmental				
Earnings on investments	1,723	585	2,558	48
Miscellaneous	45,028		133,798	
Total Revenues	<u>46,751</u>	<u>585</u>	<u>136,356</u>	<u>183</u>
Expenditures				
Current				
General administration				
Financial administration				
Administration of justice				
Construction and maintenance				
Health and welfare				
Cooperative Services				
Public safety				
Parks and recreation		179		
Flood control projects				
Libraries and education	44,666			
Capital outlay				
Debt service				
Principal retirement				
Interest and fiscal charges				
Total Expenditures	<u>44,666</u>	<u>179</u>	<u></u>	<u></u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,085	406	136,356	183
Other Financing Sources (Uses)				
Operating transfers in				
Operating transfers (out)				
Total Other Financing Sources (Uses)	<u></u>	<u></u>	<u></u>	<u></u>
Net Change in Fund Balances	2,085	406	136,356	183
Fund Balances, October 1	<u>123,560</u>	<u>45,716</u>	<u>65,641</u>	<u>3,689</u>
Fund Balances, September 30	<u>\$ 125,645</u>	<u>\$ 46,122</u>	<u>\$ 201,997</u>	<u>\$ 3,872</u>

Special Revenue Funds

<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>	<u>District Attorney Forfeiture - Federal</u>
\$ 7,086	\$ 85,061	\$	\$	\$	\$
292	2,112	201	4,877		107
		8,389	53,346		7,053
<u>7,378</u>	<u>87,173</u>	<u>8,590</u>	<u>58,223</u>		<u>7,160</u>
	21,559	6,275	10,784		1,441
	<u>21,559</u>	<u>6,275</u>	<u>10,784</u>		<u>1,441</u>
7,378	65,614	2,315	47,439		5,719
			(720)	(63)	
			(720)	(63)	
7,378	65,614	2,315	46,719	(63)	5,719
<u>19,279</u>	<u>118,611</u>	<u>10,233</u>	<u>218,357</u>	<u>63</u>	<u>3,136</u>
<u>\$ 26,657</u>	<u>\$ 184,225</u>	<u>\$ 12,548</u>	<u>\$ 265,076</u>	<u>\$</u>	<u>\$ 8,855</u>

FORT BEND COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
Year Ended September 30, 2004

	Special Revenue			
	District Attorney Bad Check Collection	Gus George Memorial	Records Management	District Attorney Special Fun Run
Revenues				
Taxes	\$	\$	\$	\$
Fees and fines	61,510		516,072	
Intergovernmental	8,437			
Earnings on investments		89	12,317	246
Miscellaneous				28,743
Total Revenues	<u>69,947</u>	<u>89</u>	<u>528,389</u>	<u>28,989</u>
Expenditures				
Current				
General administration			519,455	
Financial administration				
Administration of justice	92,782			28,245
Construction and maintenance				
Health and welfare				
Cooperative Services				
Public safety		59		
Parks and recreation				
Flood control projects				
Libraries and education				
Capital outlay				
Debt service				
Principal retirement				
Interest and fiscal charges				
Total Expenditures	<u>92,782</u>	<u>59</u>	<u>519,455</u>	<u>28,245</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(22,835)	30	8,934	744
Other Financing Sources (Uses)				
Operating transfers in				
Operating transfers (out)			(8,729)	
Total Other Financing Sources (Uses)			<u>(8,729)</u>	
Net Change in Fund Balances	(22,835)	30	205	744
Fund Balances, October 1	<u>85,099</u>	<u>7,027</u>	<u>839,041</u>	<u>20,871</u>
Fund Balances, September 30	<u>\$ 62,264</u>	<u>\$ 7,057</u>	<u>\$ 839,246</u>	<u>\$ 21,615</u>

Special Revenue Funds

<u>County Attorney Supplement</u>	<u>Records Management - County</u>	<u>VIT Interest</u>	<u>Courthouse Security</u>	<u>Elections Contract</u>	<u>Narcotics Fund - Asset Forfeiture Federal</u>
\$	\$	\$	\$	\$	\$
	106,654		281,632		
101,700					
1,057	1,228	22,662	11,517	1,494	1,516
				339,281	26,932
<u>102,757</u>	<u>107,882</u>	<u>22,662</u>	<u>293,149</u>	<u>340,775</u>	<u>28,448</u>
	58,814			306,033	
		23,339			
53,920	72,206				
			343,919		111,724
<u>53,920</u>	<u>131,020</u>	<u>23,339</u>	<u>343,919</u>	<u>306,033</u>	<u>111,724</u>
48,837	(23,138)	(677)	(50,770)	34,742	(83,276)
	700		2,639		
	<u>700</u>		<u>2,639.00</u>		
48,837	(22,438)	(677)	(48,131)	34,742	(83,276)
41,159	102,136		1,117,528	106,015	178,755
<u>\$ 89,996</u>	<u>\$ 79,698</u>	<u>\$ (677)</u>	<u>\$ 1,069,397</u>	<u>\$ 140,757</u>	<u>\$ 95,479</u>

FORT BEND COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
Year Ended September 30, 2004

	Special Revenue Funds			
	Sheriff's Forfeiture Allocation/ State	Sheriff's Forfeiture Allocation/ Federal	Constable Precinct 2 Asset Forfeiture	Constable Precinct 4 Asset Forfeiture
Revenues				
Taxes	\$	\$	\$	\$
Fees and fines				
Intergovernmental	11,509	148,673		
Earnings on investments	461	2,826	67	1
Miscellaneous	19,304			
Total Revenues	<u>31,274</u>	<u>151,499</u>	<u>67</u>	<u>1</u>
Expenditures				
Current				
General administration				
Financial administration				
Administration of justice				
Construction and maintenance				
Health and welfare				
Cooperative Services				
Public safety	27,687	240,333		
Parks and recreation				
Flood control projects				
Libraries and education				
Capital outlay				
Debt service				
Principal retirement				
Interest and fiscal charges				
Total Expenditures	<u>27,687</u>	<u>240,333</u>	<u></u>	<u></u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,587	(88,834)	67	1
Other Financing Sources (Uses)				
Operating transfers in				
Operating transfers (out)				
Total Other Financing Sources (Uses)	<u></u>	<u></u>	<u></u>	<u></u>
Net Change in Fund Balances	3,587	(88,834)	67	1
Fund Balances, October 1	<u>23,902</u>	<u>239,973</u>	<u>4,738</u>	<u>108</u>
Fund Balances, September 30	<u>\$ 27,489</u>	<u>\$ 151,139</u>	<u>\$ 4,805</u>	<u>\$ 109</u>

Special Revenue Funds

<u>Environmental Projects</u>	<u>District Attorney Asset Forfeiture/State</u>	<u>Utility Assistance</u>	<u>UT-Health Science Center Grant</u>	<u>LEOSE Training</u>	<u>Katy Library Appropriations</u>
\$	\$	\$	\$	\$	\$
				37,236	
28	219		70	1,197	1,398
	92,632		7,510		54,745
<u>28</u>	<u>92,851</u>		<u>7,580</u>	<u>38,433</u>	<u>56,143</u>
	65,930				
10,302				24,084	
			8,262		8,630
<u>10,302</u>	<u>65,930</u>		<u>8,262</u>	<u>24,084</u>	<u>8,630</u>
(10,274)	26,921		(682)	14,349	47,513
<u>(10,274)</u>	<u>26,921</u>		<u>(682)</u>	<u>14,349</u>	<u>47,513</u>
10,415	64,669	57	5,167	70,135	93,179
<u>\$ 141</u>	<u>\$ 91,590</u>	<u>\$ 57</u>	<u>\$ 4,485</u>	<u>\$ 84,484</u>	<u>\$ 140,692</u>

FORT BEND COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
Year Ended September 30, 2004

	Special Revenue Funds			
	Temporary Emergency Relief	Emergency Food and Shelter Program	Juvenile Foster Care Title IV-E	Child Protective Services
Revenues				
Taxes	\$	\$	\$	\$
Fees and fines				
Intergovernmental		301,623	398,525	134,701
Earnings on investments		754	5,720	3,768
Miscellaneous				453
Total Revenues		<u>302,377</u>	<u>404,245</u>	<u>138,922</u>
Expenditures				
Current				
General administration				
Financial administration				
Administration of justice			404,245	
Construction and maintenance				
Health and welfare		302,377		160,015
Cooperative Services				
Public safety				
Parks and recreation				
Flood control projects				
Libraries and education				
Capital outlay				
Debt service				
Principal retirement				
Interest and fiscal charges				
Total Expenditures		<u>302,377</u>	<u>404,245</u>	<u>160,015</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures				(21,093)
Other Financing Sources (Uses)				
Operating transfers in				
Operating transfers (out)				
Total Other Financing Sources (Uses)				
Net Change in Fund Balances				(21,093)
Fund Balances, October 1				314,684
Fund Balances, September 30	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 293,591</u>

Special Revenue Funds

<u>Community Development Combined Funds</u>	<u>Community Development Block Grants</u>	<u>Home Programs</u>	<u>HOPE 3 Program Sales</u>	<u>Child Support Title IV-D Reimbursement</u>	<u>Local Law Enforcement Block Grants</u>
\$	\$	\$	\$	\$	\$
3,158,258	163,663	49,451	1,159	20,095	69,967
4,500			6,669	1,389	470
<u>3,162,758</u>	<u>163,663</u>	<u>49,451</u>	<u>7,828</u>	<u>21,484</u>	<u>70,437</u>
				21,484	
3,295,661	163,663	49,451	7,828		83,505
<u>3,295,661</u>	<u>163,663</u>	<u>49,451</u>	<u>7,828</u>	<u>21,484</u>	<u>83,505</u>
(132,903)					(13,068)
132,903					13,068
<u>132,903</u>	<u></u>	<u></u>	<u></u>	<u></u>	<u>13,068</u>
<u>\$</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, 2004

	<u>Special Revenue Funds</u>			
	<u>Grant Administration</u>	<u>Juvenile Justice Alternative Education</u>	<u>Household A/G Waste Collection Grant</u>	<u>Juvenile Probation State Aid</u>
Revenues				
Taxes	\$	\$	\$	\$
Fees and fines				
Intergovernmental		99,372		708,224
Earnings on investments	103			
Miscellaneous	5,896			
Total Revenues	<u>5,999</u>	<u>99,372</u>	<u></u>	<u>708,224</u>
Expenditures				
Current				
General administration				
Financial administration				
Administration of justice		90,295		708,224
Construction and maintenance				
Health and welfare	10,539			
Cooperative Services	1,926			
Public safety				
Parks and recreation				
Flood control projects				
Libraries and education				
Capital outlay		9,077		
Debt service				
Principal retirement				
Interest and fiscal charges				
Total Expenditures	<u>12,465</u>	<u>99,372</u>	<u></u>	<u>708,224</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(6,466)			
Other Financing Sources (Uses)				
Operating transfers in				
Operating transfers (out)			(11)	
Total Other Financing Sources (Uses)			<u>(11)</u>	
Net Change in Fund Balances	(6,466)		(11)	
Fund Balances, October 1	<u>9,030</u>		<u>11</u>	
Fund Balances, September 30	<u>\$ 2,564</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

Special Revenue Funds

Juvenile Probation CCAP	Juvenile Special Needs	Adult Probation Supervision	Adult Probation DTP	Adult Probation CCP	Adult Probation TAIP
\$	\$	\$	\$	\$	\$
609,361	50,533	1,567,214 881,078 19,699 13,863	380,376	40,869 536,788	187,622
<u>609,361</u>	<u>50,533</u>	<u>2,481,854</u>	<u>380,376</u>	<u>577,657</u>	<u>187,622</u>
609,361	50,533	2,481,854	387,179	570,854	187,622
<u>609,361</u>	<u>50,533</u>	<u>2,481,854</u>	<u>387,179</u>	<u>570,854</u>	<u>187,622</u>
			(6,803)	6,803	
			6,803	(6,803)	
			<u>6,803</u>	<u>(6,803)</u>	
<u>\$</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, 2004

	<u>Special Revenue Fund</u>	<u>Debt Service Funds</u>	
	<u>Juvenile Probation</u>	<u>Fort Bend County Combined Debt Service</u>	<u>Fort Bend Parkway Unlimited Tax Bonds Series 1990</u>
Revenues			
Taxes	\$	\$ 8,452,995	\$ 220,891
Fees and fines			
Intergovernmental	207,143		
Earnings on investments	25,304	64,229	1,245
Miscellaneous	32,245	55,046	
Total Revenues	<u>264,692</u>	<u>8,572,270</u>	<u>222,136</u>
Expenditures			
Current			
General administration			
Financial administration			
Administration of justice	6,057,269		
Construction and maintenance			
Health and welfare			
Cooperative Services			
Public safety			
Parks and recreation			
Flood control projects			
Libraries and education			
Capital outlay	82,862		
Debt service			
Principal retirement		5,625,000	105,000
Interest and fiscal charges		3,480,677	76,881
Total Expenditures	<u>6,140,131</u>	<u>9,105,677</u>	<u>181,881</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,875,439)	(533,407)	40,255
Other Financing Sources (Uses)			
Operating transfers in	5,865,961	657,360	
Operating transfers (out)	(300,000)		
Total Other Financing Sources (Uses)	<u>5,565,961</u>	<u>657,360</u>	
Net Change in Fund Balances	(309,478)	123,953	40,255
Fund Balances, October 1	<u>449,225</u>	<u>1,041,480</u>	<u>83,197</u>
Fund Balances, September 30	<u>\$ 139,747</u>	<u>\$ 1,165,433</u>	<u>\$ 123,452</u>

Capital Projects Funds

<u>Drainage District Capital Improvements</u>	<u>Upper Oyster Creek</u>	<u>Capital Improvements</u>	<u>Clear Creek</u>	<u>Lower Oyster Creek</u>	<u>Big Creek</u>
\$	\$	\$	\$	\$	\$
205	41,511		14,182	22,430	18,305
	138,169				
<u>205</u>	<u>179,680</u>		<u>14,182</u>	<u>22,430</u>	<u>18,305</u>
	2,212,989				29,949
		404,289	491,774		
	<u>2,212,989</u>	<u>404,289</u>	<u>491,774</u>		<u>29,949</u>
205	(2,033,309)	(404,289)	(477,592)	22,430	(11,644)
		623,035			
		(17,693)			
		<u>605,342</u>			
205	(2,033,309)	201,053	(477,592)	22,430	(11,644)
<u>14,435</u>	<u>2,512,346</u>	<u>470,721</u>	<u>1,004,006</u>	<u>1,178,641</u>	<u>926,051</u>
<u>\$ 14,640</u>	<u>\$ 479,037</u>	<u>\$ 671,774</u>	<u>\$ 526,414</u>	<u>\$ 1,201,071</u>	<u>\$ 914,407</u>

FORT BEND COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
Year Ended September 30, 2004

	<u>Capital Projects Funds</u>			
	<u>Fifth Street Project</u>	<u>Grand Mission Crossing</u>	<u>Road & Bridge Capital Projects</u>	<u>Library Building</u>
Revenues				
Taxes	\$	\$	\$	\$
Fees and fines				
Intergovernmental				
Earnings on investments	545	257		1,243
Miscellaneous				
Total Revenues	<u>545</u>	<u>257</u>	<u></u>	<u>1,243</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	7,125			8,750
Debt service				
Principal retirement				
Interest and fiscal charges				
Total Expenditures	<u>7,125</u>	<u></u>	<u></u>	<u>8,750</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(6,580)	257		(7,507)
Other Financing Sources (Uses)				
Operating transfers in	61,631			
Operating transfers (out)			(162,844)	
Total Other Financing Sources (Uses)	<u>61,631</u>	<u></u>	<u>(162,844)</u>	<u></u>
Net Change in Fund Balances	55,051	257	(162,844)	(7,507)
Fund Balances, October 1	<u>25,278</u>	<u>20,008</u>	<u>162,845</u>	<u>94,312</u>
Fund Balances, September 30	<u>\$ 80,329</u>	<u>\$ 20,265</u>	<u>\$ 1</u>	<u>\$ 86,805</u>

Capital Projects Funds

<u>Needville JP/Constable Office</u>	<u>Travis Building Renovation</u>	<u>Fort Bend Parkway</u>	<u>Juvenile Expansion Project</u>	<u>Bates Allen Park</u>	<u>FBFCWSC Construction County</u>	<u>Totals</u>
\$	\$	\$	\$	\$	\$	\$ 13,988,375
						2,872,933
						8,342,693
		392		138	232,709	578,408
					481	1,849,442
		<u>392</u>		<u>138</u>	<u>233,190</u>	<u>27,631,851</u>
						884,302
						23,339
						12,080,086
						40,000
						4,006,795
						1,926
						893,651
						179
					1,193,645	8,920,676
						61,917
	12,250	994	64			1,017,185
						5,730,000
						3,557,558
	<u>12,250</u>	<u>994</u>	<u>64</u>		<u>1,193,645</u>	<u>37,217,614</u>
	(12,250)	(602)	(64)	138	(960,455)	(9,585,763)
	9,000					7,410,505
(33,972)	(451,952)					(1,640,875)
<u>(33,972)</u>	<u>(442,952)</u>					<u>5,769,630</u>
(33,972)	(455,202)	(602)	(64)	138	(960,455)	(3,816,133)
33,972	462,198	26,037	64	10,771	12,157,757	27,690,919
<u>\$</u>	<u>\$ 6,996</u>	<u>\$ 25,435</u>	<u>\$</u>	<u>\$ 10,909</u>	<u>\$ 11,197,302</u>	<u>\$ 23,874,786</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, 2004
with comparative actual amounts for the year ended September 30, 2003

	2004		Variance Positive (Negative)	2003 Actual
	Budget	Actual		
Revenues				
Taxes				
Property taxes - current	\$ 5,125,627	\$ 5,039,023	\$ (86,604)	\$ 4,815,477
Property taxes - delinquent	145,000	193,494	48,494	181,719
Penalties and interest	77,000	81,972	4,972	77,689
Total Taxes	<u>5,347,627</u>	<u>5,314,489</u>	<u>(33,138)</u>	<u>5,074,885</u>
Earnings on investments	44,000	42,064	(1,936)	64,821
Miscellaneous	500,000	727,904	227,904	813,303
Total Revenues	<u>5,891,627</u>	<u>6,084,457</u>	<u>192,830</u>	<u>5,953,009</u>
Expenditures				
Current:				
Flood control projects	5,787,023	5,484,093	302,930	5,347,708
Debt Service				
Principal retirement				
Interest and fiscal charges				
Total Expenditures	<u>5,787,023</u>	<u>5,484,093</u>	<u>302,930</u>	<u>5,347,708</u>
Excess of Revenues Over Expenditures	104,604	600,364	495,760	605,301
Other Financing Sources(Uses)				
Operating transfers in	36,344	36,344		
Operating transfers (out)		(658,088)	(658,088)	(762,233)
Total Other Financing Sources (Uses)	<u>36,344</u>	<u>(621,744)</u>	<u>(658,088)</u>	<u>(762,233)</u>
Net Change in Fund Balances	140,948	(21,380)	(162,328)	(156,932)
Fund Balances, Beginning	<u>2,477,751</u>	<u>2,477,751</u>		<u>2,634,683</u>
Fund Balances, Ending	<u>\$ 2,618,699</u>	<u>\$ 2,456,371</u>	<u>\$ (162,328)</u>	<u>\$ 2,477,751</u>

FORT BEND COUNTY, TEXAS
COMBINED DEBT SERVICE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended September 30, 2004
with comparative actual amounts for the year ended September 30, 2003

	2004		Variance Positive (Negative)	2003 Actual
	Budget	Actual		
Revenues				
Taxes				
Property taxes-current	\$ 8,098,491	\$ 8,044,344	\$ (54,147)	\$ 7,910,919
Property taxes-delinquent	217,000	292,849	75,849	284,619
Penalties and interest	107,200	115,802	8,602	113,168
Total Taxes	8,422,691	8,452,995	30,304	8,308,706
Earnings on investments	57,500	64,229	6,729	73,208
Miscellaneous		55,046	55,046	191,999
Total Revenues	8,480,191	8,572,270	92,079	8,573,913
Expenditures				
Debt service				
Principal retirement	5,625,000	5,625,000		5,365,000
Interest and fiscal charges	3,478,813	3,480,677	(1,864)	4,371,273
Total Expenditures	9,103,813	9,105,677	(1,864)	9,736,273
(Deficiency) of Revenues (Under) Expenditures	(623,622)	(533,407)	90,215	(1,162,360)
Other Financing Sources				
Operating transfers in		657,360	657,360	760,903
Total Other Financing Sources		657,360	657,360	760,903
Net Change in Fund Balances	(623,622)	123,953	747,575	(401,457)
Fund Balances, Beginning	1,041,480	1,041,480		1,442,937
Fund Balances, Ending	\$ 417,858	\$ 1,165,433	\$ 747,575	\$ 1,041,480

FORT BEND COUNTY, TEXAS
EMPLOYEE BENEFITS FUND
COMPARATIVE BALANCE SHEETS
As of September 30, 2004 and September 30, 2003

	<u>2004</u>	<u>2003</u>
Assets		
Cash and cash equivalents	\$ 842,627	\$
Due from other funds	2,288,318	1,217,058
Loan receivable	750,000	
Other receivables	133,528	938
	<u> </u>	<u> </u>
Total Assets	<u>\$ 4,014,473</u>	<u>\$ 1,217,996</u>
 Liabilities and Fund Equity		
Liabilities		
Accounts payable	\$	\$ 68,625
Benefits payable	2,411,857	2,498,573
Due to other funds	6,150,000	2,150,000
	<u> </u>	<u> </u>
Total Liabilities	<u>8,561,857</u>	<u>4,717,198</u>
 Fund Equity		
Retained earnings (deficit)	<u>(4,547,384)</u>	<u>(3,499,202)</u>
Total Fund Equity	<u>(4,547,384)</u>	<u>(3,499,202)</u>
 Total Liabilities and Fund Equity		
	<u>\$ 4,014,473</u>	<u>\$ 1,217,996</u>

FORT BEND COUNTY, TEXAS
EMPLOYEE BENEFITS FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN RETAINED EARNINGS
Year Ended September 30, 2004
with comparative totals for the year ended September 30, 2003

	<u>2004</u>	<u>2003</u>
Revenues		
Charges for services	\$ 13,971,757	\$ 12,359,002
Operating Expenses		
Current operations - general administration	3,596,980	3,256,118
Benefits provided	13,740,872	13,804,999
Total Operating Expenses	<u>17,337,852</u>	<u>17,061,117</u>
Operating (Loss)	(3,366,095)	(4,702,115)
Nonoperating Revenue		
Earnings on investments	29,595	33,219
Net (Loss) Before Operating Transfers In	(3,336,500)	(4,668,896)
Operating transfers in	2,288,318	1,209,828
Total Transfers In	<u>2,288,318</u>	<u>1,209,828</u>
Net (Loss)	(1,048,182)	(3,459,068)
Retained (Deficit), Beginning	(3,499,202)	(40,134)
Retained (Deficit), Ending	<u>\$ (4,547,384)</u>	<u>\$ (3,499,202)</u>

FORT BEND COUNTY, TEXAS
WORKERS' COMPENSATION FUND
COMPARATIVE BALANCE SHEETS
As of September 30, 2004 and September 30, 2003

	<u>2004</u>	<u>2003</u>
Assets		
Cash and cash equivalents	\$ 883,135	\$ 1,104,391
Due from other funds		765
Other receivables	56,500	46,500
	<u>939,635</u>	<u>1,151,656</u>
Total Assets	<u>\$ 939,635</u>	<u>\$ 1,151,656</u>
 Liabilities and Fund Equity		
Liabilities		
Accounts payable	\$ 53,511	\$ 965,180
Benefits payable	1,008,990	965,180
	<u>1,062,501</u>	<u>965,180</u>
Total Liabilities	<u>1,062,501</u>	<u>965,180</u>
 Fund Equity		
Retained earnings (deficit)	<u>(122,866)</u>	<u>186,476</u>
	<u>(122,866)</u>	<u>186,476</u>
Total Fund Equity	<u>(122,866)</u>	<u>186,476</u>
	<u>\$ 939,635</u>	<u>\$ 1,151,656</u>
Total Liabilities and Fund Equity	<u>\$ 939,635</u>	<u>\$ 1,151,656</u>

FORT BEND COUNTY, TEXAS
WORKERS' COMPENSATION FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN RETAINED EARNINGS
For The Year Ended September 30, 2004
with comparative totals for the year ended September 30, 2003

	<u>2004</u>	<u>2003</u>
Revenues		
Charges for services	\$ 597,861	\$ 663,307
Operating Expenses		
Current operations - general administration	224,982	221,780
Benefits provided	695,953	683,953
Total Operating Expenses	<u>920,935</u>	<u>905,733</u>
Operating (Loss)	(323,074)	(242,426)
Nonoperating Revenue		
Earnings on investments	<u>13,732</u>	<u>19,291</u>
Net (Loss)	(309,342)	(223,135)
Retained Earnings, Beginning	<u>186,476</u>	<u>409,611</u>
Retained Earnings (Deficit), Ending	<u><u>\$ (122,866)</u></u>	<u><u>\$ 186,476</u></u>

FORT BEND COUNTY, TEXAS
COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS
September 30, 2004

	<u>Employee Benefits</u>	<u>Workers' Compensation</u>	<u>Totals</u>
Assets			
Cash and cash equivalents	\$ 842,627	\$ 883,135	\$ 1,725,762
Due from other funds	2,288,318		2,288,318
Loan receivable	750,000		750,000
Other receivables	133,528	56,500	190,028
Total Assets	<u>\$ 4,014,473</u>	<u>\$ 939,635</u>	<u>\$ 4,954,108</u>
Liabilities and Net Assets			
Liabilities			
Accounts payable		53,511	53,511
Benefits payable	2,411,857	1,008,990	3,420,847
Due to other funds	6,150,000		6,150,000
Total Liabilities	<u>8,561,857</u>	<u>1,062,501</u>	<u>9,624,358</u>
Net Assets (Deficit)			
Unrestricted (deficit)	<u>(4,547,384)</u>	<u>(122,866)</u>	<u>(4,670,250)</u>
Total Net Deficit	<u>\$ (4,547,384)</u>	<u>\$ (122,866)</u>	<u>\$ (4,670,250)</u>

FORT BEND COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET ASSETS
INTERNAL SERVICE FUNDS
For The Year Ended September 30, 2004

	<u>Employee Benefits</u>	<u>Workers' Compensation</u>	<u>Totals</u>
Revenues			
Charges for services	\$ 13,971,757	\$ 597,861	\$ 14,569,618
Operating Expenses			
Current operations - general administration	3,596,980	224,982	3,821,962
Benefits provided	13,740,872	695,953	14,436,825
Total Operating Expenses	17,337,852	920,935	18,258,787
Operating (Loss)	(3,366,095)	(323,074)	(3,689,169)
Nonoperating Revenue			
Earnings on investments	29,595	13,732	43,327
Net (Loss) Before Operating Transfers In	(3,336,500)	(309,342)	(3,645,842)
Operating transfers in	2,288,318		2,288,318
Total Transfers In	2,288,318		2,288,318
Net (Loss)	(1,048,182)	(309,342)	(1,357,524)
Net Assets (Deficit), October 1	(3,499,202)	186,476	(3,312,726)
Net (Deficit), September 30	<u>\$ (4,547,384)</u>	<u>\$ (122,866)</u>	<u>\$ (4,670,250)</u>

FORT BEND COUNTY, TEXAS
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For The Year Ended September 30, 2004

	<u>Employee Benefits</u>	<u>Workers' Compensation</u>	<u>Totals</u>
Cash Flows From Operating Activities			
Charges for services	\$ 16,900,497	\$ 598,626	\$ 17,499,123
Payment of benefits	(13,960,178)	(662,143)	(14,622,321)
Payment of general administration expenses	(3,665,605)	(171,471)	(3,837,076)
Net Cash (Used) by Operating Activities	<u>(725,286)</u>	<u>(234,988)</u>	<u>(960,274)</u>
Cash Flows From Noncapital Financing Activities			
Operating transfers in	2,288,318		2,288,318
Net Cash Provided by Noncapital Financing Activities	<u>2,288,318</u>		<u>2,288,318</u>
Cash Flows From Investing Activities			
Interest earned on investments	29,595	13,732	43,327
Loans to others	(750,000)		(750,000)
Net Cash Provided (Used) by Investing Activities	<u>(720,405)</u>	<u>13,732</u>	<u>(706,673)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	842,627	(221,256)	621,371
Cash and Cash Equivalents, October 1		1,104,391	1,104,391
Cash and Cash Equivalents, September 30	<u>\$ 842,627</u>	<u>\$ 883,135</u>	<u>\$ 1,725,762</u>
Reconciliation of Operating (Loss) to Net Cash (Used) by Operating Activities			
Operating (loss)	\$ (3,366,095)	\$ (323,074)	\$ (3,689,169)
Change in assets and liabilities			
(Increase) decrease in other receivables	(132,590)	(10,000)	(142,590)
(Increase) decrease in due from other funds	(1,071,260)	765	(1,070,495)
Increase (decrease) in accounts payable	(68,625)	53,511	(15,114)
Increase (decrease) in benefits payable	(86,716)	43,810	(42,906)
Increase (decrease) in due to other funds	4,000,000		4,000,000
Net Cash (Used) by Operating Activities	<u>\$ (725,286)</u>	<u>\$ (234,988)</u>	<u>\$ (960,274)</u>

FORT BEND COUNTY, TEXAS
COMBINING BALANCE SHEET
DISCRETELY PRESENTED COMPONENT UNITS
September 30, 2004

	FBC Surface Water Supply Corporation	Fort Bend Toll Road Authority	Fort Bend Housing Finance Corporation	Totals
Assets				
Cash and temporary investments	\$ 16,577	\$ 40,606,293	\$ 29,881	\$ 40,652,751
Cash held by fiscal agent		12,878,166		12,878,166
Investments		26,253,529	394,166	26,647,695
Prepays			702	702
Miscellaneous receivables		161,929		161,929
Deferred bond issuance costs		985,262		985,262
Capital assets, net		70,642,500		70,642,500
Total Assets	\$ 16,577	\$ 151,527,679	\$ 424,749	\$ 151,969,005
Liabilities and Fund Equity				
Liabilities				
Accounts payable	\$ 9,875	\$ 5,362,790	\$ 4,500	\$ 5,377,165
Retainage payable		359,577		359,577
Due to primary government		7,705,672		7,705,672
Accrued interest payable		1,637,282		1,637,282
Bond premium		4,002,745		4,002,745
Bonds payable		135,890,000		135,890,000
Total Liabilities	9,875	154,958,066	4,500	154,972,441
Fund Equity				
Retained earnings		(3,430,387)		(3,430,387)
Unreserved and undesignated	6,702		420,249	426,951
Total Fund Equity	6,702	(3,430,387)	420,249	(3,003,436)
Total Liabilities and Fund Equity	\$ 16,577	\$ 151,527,679	\$ 424,749	\$ 151,969,005

FORT BEND COUNTY, TEXAS
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND EQUITY
DISCRETELY PRESENTED COMPONENT UNITS
Year Ended September 30, 2004

	FBC Surface Water Supply Corporation	Fort Bend Toll Road Authority	Fort Bend Housing Finance Corporation	Totals
Revenues				
Earnings on investments	\$ 620	\$ 802,500	\$ 9,062	\$ 812,182
Toll fees		151,418		151,418
Miscellaneous	5,200	164,189	42,808	212,197
Total Revenues	\$ 5,820	\$ 1,118,107	\$ 51,870	\$ 1,175,797
Expenditures				
Current				
General administration		19,632	68,036	87,668
Health and welfare	52,084			52,084
Debt service				
Interest and fiscal charges		4,651,311		4,651,311
Total Expenditures	52,084	4,670,943	68,036	4,791,063
(Deficiency) of Revenues (Under)				
Expenditures	(46,264)	(3,552,836)	(16,166)	(3,615,266)
Net Change in Fund Equity	(46,264)	(3,552,836)	(16,166)	(3,615,266)
Fund Equity, October 1	52,966	122,449	436,415	611,830
Fund Equity, September 30	\$ 6,702	\$ (3,430,387)	\$ 420,249	\$ (3,003,436)



FORT BEND COUNTY, TEXAS
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - AGENCY FUND
For The Year Ended September 30, 2004

Assets	Balance 10/1/03	Increases	Decreases	Balance 9/30/04
Payroll	\$ 398	\$ 5,530	\$ 5,200	\$ 728
FBC 125 employee benefits	76,178	1,018,100	285,220	809,058
Fee officers	1,660,033	324,177		1,984,210
County clerk trust	5,380,877		5,380,877	
District clerk trust	4,733,806		4,733,806	
Child support trust	4,046		4,046	
Taxes holding account	5,592,661	259,914		5,852,575
Consolidated agency funds	11,529	8,364,495		8,376,024
Adult restitution	47,734		47,734	
Pending forfeitures	202,645		202,645	
Sheriff inmate property	322,594		322,594	
Bail bond securities	3,232	41	38	3,235
Compensation to victims of crim	136,230	217,438	353,668	
Appellate judicial system	71,825	19,709	91,534	
Judicial court training	14,712	21,833	36,545	
Criminal justice planning	14	185	199	
Department of public safety fees	31,341	35,875	67,216	
Law enforcement officers standards and education(LEOSE)	6	57	63	
Bond fees to crime stoppers	1	12	13	
Comprehensive rehabilitation	10	25	35	
Traffic	4	32	36	
On-site waste water	611	5,215	3,803	2,023
Consolidated court costs	420,548	1,953,179	1,775,721	598,006
Unclaimed property	4,446	56	53	4,449
District attorney bad check	96		96	
Totals	\$ 18,715,577	\$ 12,225,873	\$ 13,311,142	\$ 17,630,308

Liabilities	Balance 10/1/03	Increases	Decreases	Balance 9/30/04
Payroll	\$ 398	\$ 5,530	\$ 5,200	\$ 728
FBC 125 employee benefits	76,178	1,018,100	285,220	809,058
Fee officers	1,660,033	324,177		1,984,210
County clerk trust	5,380,877		5,380,877	
District clerk trust	4,733,806		4,733,806	
Child support trust	4,046		4,046	
Taxes holding account	5,592,661	259,914		5,852,575
Consolidated agency funds	11,529	8,364,495		8,376,024
Adult restitution	47,734		47,734	
Pending forfeitures	202,645		202,645	
Sheriff inmate property	322,594		322,594	
Bail bond securities	3,232	41	38	3,235
Compensation to victims of crim	136,230	217,438	353,668	
Appellate judicial system	71,825	19,709	91,534	
Judicial court training	14,712	21,833	36,545	
Criminal justice planning	14	185	199	
Department of public safety fees	31,341	35,875	67,216	
Law enforcement officers standards and education(LEOSE)	6	57	63	
Bond fees to crime stoppers	1	12	13	
Comprehensive rehabilitation	10	25	35	
Traffic	4	32	36	
On-site waste water	611	5,215	3,803	2,023
Consolidated court costs	420,548	1,953,179	1,775,721	598,006
Unclaimed property	4,446	56	53	4,449
District attorney bad check	96		96	
Totals	\$ 18,715,577	\$ 12,225,873	\$ 13,311,142	\$ 17,630,308



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, 2004

Governmental Funds Capital Assets:

Land	\$ 114,129,018
Buildings	102,686,274
Vehicles	9,692,632
Office Furniture & Equipment	10,508,726
Machinery & Equipment	18,415,061
Infrastructure	227,154,593
Construction-in-Progress	<u>34,760,949</u>
Total Governmental Funds Capital Assets	<u><u>\$ 517,347,253</u></u>

Investment in Governmental Capital Assets by Source:

Current revenues	429,416,803
Capital projects funds	84,873,469
State and federal grants	2,070,466
Donations and other	<u>986,515</u>
Total Governmental Funds Capital Assets	<u><u>\$ 517,347,253</u></u>



FORT BEND COUNTY
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL
FUNDS - SCHEDULE BY FUND AND ACTIVITY
SEPTEMBER 30, 2004

Function / Department	Land	Buildings	Vehicles
General Administration			
County Judge	\$	\$	\$ 21,193
Commissioner Precinct #1			39,615
Commissioner Precinct #2			
Commissioner Precinct #3	120,188	54,064	18,299
Commissioner Precinct #4		245,064	21,795
Risk Management/Insurance			18,542
County Clerk			20,803
Elections Administrator			
Human Resources			
Building Services			59,123
Vehicle Maintenance		872,243	118,750
Management Information Systems			73,556
Telecommunications			
Nondepartmental	8,861,493	22,503,090	
Purchasing Agent			18,693
Records Management			
Centralized Mailroom			17,734
Total General Administration	<u>8,981,681</u>	<u>23,674,461</u>	<u>428,103</u>
Financial Administration			
Tax Collector			
Budget Office			
County Treasurer			
County Auditor			
Total Financial Administration			
Administration of Justice			
District Clerk			
Juvenile Probation/Detention		5,297,210	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	152,354
Justice of the Peace #1-2			
Justice of the Peace #2			20,999
Justice of the Peace #3		500,622	
Total Administration of Justice		<u>6,535,425</u>	<u>539,126</u>
Construction and Maintenance			
County Engineering Department		627,216	177,444
Road & Bridge Department	102,411,980	2,251,469	1,285,403
Total Construction and Maintenance	<u>102,411,980</u>	<u>2,878,685</u>	<u>1,462,847</u>

<u>Office Furniture & Equipment</u>	<u>Machinery & Equipment</u>	<u>Infrastructure</u>	<u>Construction-in -Progress</u>	<u>Total</u>
\$ 54,758	\$	\$	\$	\$ 75,951
8,507				39,615
5,444				8,507
12,291				197,995
6,000				279,150
477,498				24,542
289,988				498,301
				289,988
				59,123
35,276	11,986			1,038,255
2,000,000			147,297	2,220,853
1,314,756			218,345	1,533,101
			2,875,888	34,240,471
				18,693
135,003				135,003
9,461				27,195
<u>4,348,982</u>	<u>11,986</u>		<u>3,241,530</u>	<u>40,686,743</u>
104,816				104,816
6,110				6,110
7,995				7,995
19,463				19,463
<u>138,384</u>				<u>138,384</u>
176,610				176,610
154,405			815,728	6,511,712
5,995				5,995
117,369				117,369
22,429				22,429
5,500				5,500
472,674				573,052
11,765				32,791
11,602				11,602
100,848				990,795
22,002			126,545	148,547
12,775				33,774
				500,622
<u>1,113,974</u>			<u>942,273</u>	<u>9,130,798</u>
273,224	846,007			1,923,891
204,388	10,825,490	227,154,593	28,751,719	372,885,042
<u>477,612</u>	<u>11,671,497</u>	<u>227,154,593</u>	<u>28,751,719</u>	<u>374,808,933</u>

FORT BEND COUNTY
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL
FUNDS - SCHEDULE BY FUND AND ACTIVITY
SEPTEMBER 30, 2004

<u>Function / Department</u>	<u>Land</u>	<u>Buildings</u>	<u>Vehicles</u>
Health & Welfare			
FBC Social Services	\$	\$	\$ 70,846
County Health Department			148,820
Ambulance/EMS		261,764	803,688
Animal Control		407,107	203,687
Health & Human Services			
Community Development			18,784
Indigent Healthcare			
Environmental Health		19,295	221,859
Total Health & Welfare		<u>688,166</u>	<u>1,467,684</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			317,890
Constable #2		20,000	206,927
Constable #3			143,344
Constable #4			302,967
Sheriff and Jail	62,858	33,710,511	3,239,105
Department of Public Safety		7,568	
Fire Marshall			110,422
Homeland Security			
Emergency Management		294,170	20,211
Total Public Safety	<u>62,858</u>	<u>34,032,249</u>	<u>4,340,866</u>
Parks and Recreation			
Fairgrounds	419,552	3,286,197	15,962
Parks Department	1,312,251	4,879,918	104,577
Total Parks and Recreation	<u>1,731,803</u>	<u>8,166,115</u>	<u>120,539</u>
Drainage	<u>166,556</u>	<u>1,640,101</u>	<u>1,216,650</u>
Library	<u>774,140</u>	<u>22,974,598</u>	<u>70,318</u>
Totals Governmental Fund Capital Assets	<u>\$ 114,129,018</u>	<u>\$ 102,686,274</u>	<u>\$ 9,692,632</u>

<u>Office Furniture & Equipment</u>	<u>Machinery & Equipment</u>	<u>Infrastructure</u>	<u>Construction-in -Progress</u>	<u>Total</u>
\$	\$	\$	\$	\$
13,862				70,846
562,214	14,075		38,736	162,682
9,564				1,680,477
105,406				620,358
				105,406
				18,784
6,000				6,000
23,092	16,791			281,037
<u>720,138</u>	<u>30,866</u>		<u>38,736</u>	<u>2,945,590</u>
54,700	40,560		31,233	2,251,967
				17,499
<u>54,700</u>	<u>40,560</u>		<u>31,233</u>	<u>2,269,466</u>
39,695				357,585
14,805				241,732
9,070				152,414
				302,967
2,215,049	19,965			39,247,488
				7,568
26,175				136,597
85,929				85,929
14,781	33,503			362,665
<u>2,405,504</u>	<u>53,468</u>			<u>40,894,945</u>
47,995	125,888		873,347	4,768,941
64,308	287,069		798,256	7,446,379
<u>112,303</u>	<u>412,957</u>		<u>1,671,603</u>	<u>12,215,320</u>
89,030	6,193,727			9,306,064
1,048,099			83,855	24,951,010
<u>\$ 10,508,726</u>	<u>\$ 18,415,061</u>	<u>\$ 227,154,593</u>	<u>\$ 34,760,949</u>	<u>\$ 517,347,253</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, 2004

<u>Function / Department</u>	<u>Balance October 1</u>	<u>Additions</u>
General Administration		
County Judge	\$ 24,254	\$ 57,692
Commissioner Precinct #1	18,812	
Commissioner Precinct #2	18,186	16,233
Commissioner Precinct #3	92,201	
Commissioner Precinct #4	405,966	
Risk Management/Insurance	18,542	6,000
County Clerk	438,514	101,380
Elections Administrator	263,432	39,714
Human Resources	65,201	
Building Services	56,611	15,989
Vehicle Maintenance	994,894	83,578
Management Information Systems	1,805,920	683,406
Telecommunications	763,500	779,601
Nondepartmental	31,006,312	4,641,797
Purchasing Agent	17,888	
Records Management	104,805	37,099
Centralized Mailroom	28,282	
Total General Administration	<u>36,123,320</u>	<u>6,462,489</u>
Financial Administration		
Tax Collector	108,827	3,989
Budget Office	12,110	
County Treasurer	7,995	
County Auditor	15,857	
Total Financial Administration	<u>144,789</u>	<u>3,989</u>
Administration of Justice		
District Clerk	182,905	12,408
Juvenile Probation/Detention	5,848,006	932,376
240th District Court	5,995	
400th District Court	117,369	
County Court at Law #1	17,404	5,025
County Court at Law #4	5,500	
District Attorney	139,068	427,064
County Attorney	26,526	13,835
Child Support	10,414	11,602
Adult Probation	1,047,307	
Administrative Court Services		
Justice of the Peace #1-2		148,547
Justice of the Peace #2	33,774	
Justice of the Peace #3	819,930	
Total Administration of Justice	<u>8,254,198</u>	<u>1,550,857</u>

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Disposals</u>	<u>Balance September 30</u>
\$	\$	\$	\$
20,803		5,995	75,951
			39,615
		25,912	8,507
120,188		14,394	197,995
	120,188	6,628	279,150
			24,542
20,803	15,526	46,870	498,301
		13,158	289,988
		65,201	
		13,477	59,123
76,813	19,134	97,896	1,038,255
46,826		315,299	2,220,853
		10,000	1,533,101
		1,407,638	34,240,471
18,693		17,888	18,693
5,350		12,251	135,003
17,734	18,821		27,195
<u>327,210</u>	<u>173,669</u>	<u>2,052,607</u>	<u>40,686,743</u>
		8,000	104,816
	6,000		6,110
			7,995
10,526	6,920		19,463
<u>10,526</u>	<u>12,920</u>	<u>8,000</u>	<u>138,384</u>
		18,703	176,610
		268,670	6,511,712
			5,995
			117,369
			22,429
			5,500
6,920			573,052
		7,570	32,791
	10,414		11,602
		56,512	990,795
6,000		6,000	
			148,547
			33,774
		319,308	500,622
<u>12,920</u>	<u>10,414</u>	<u>676,763</u>	<u>9,130,798</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, 2004

<u>Function / Department</u>	<u>Balance January 1</u>	<u>Additions</u>
Construction and Maintenance		
County Engineering Department	\$ 1,724,107	\$ 298,240
Road & Bridge Department	321,970,116	52,575,013
Total Construction and Maintenance	<u>323,694,223</u>	<u>52,873,253</u>
Health & Welfare		
FBC Social Services	70,846	
County Health Department	162,682	
Environmental	1,621,932	214,573
Ambulance/EMS	699,054	76,031
Health & Human Services	54,406	51,000
Community Development	37,568	
Indigent Healthcare		6,000
Animal Control	237,148	58,386
Total Health & Welfare	<u>2,883,636</u>	<u>405,990</u>
Cooperative Service		
County Extension Service	2,208,242	43,725
Veterans' Service	17,499	
Total Cooperative Service	<u>2,225,741</u>	<u>43,725</u>
Public Safety		
Constable #1	369,741	41,006
Constable #2	265,153	18,904
Constable #3	227,916	62,711
Constable #4	317,227	97,266
Sheriff and Jail	40,071,547	1,862,992
Department of Public Safety	7,568	
Fire Marshall	157,641	24,995
Homeland Security		85,929
Emergency Management	401,288	1,629
Total Public Safety	<u>41,818,081</u>	<u>2,195,432</u>
Parks and Recreation		
Fairgrounds	4,422,110	390,447
Parks Department	6,816,621	820,997
Total Parks and Recreation	<u>11,238,731</u>	<u>1,211,444</u>
Drainage	<u>8,025,076</u>	<u>1,725,983</u>
Library	<u>20,712,701</u>	<u>6,816,309</u>
Total Governmental Fund Capital Assets	<u>\$ 455,120,496</u>	<u>\$ 72,871,423</u>

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Disposals</u>	<u>Balance September 30</u>
\$ 33,942	\$	\$ 132,398	\$ 1,923,891
101,796	18,693	1,743,190	372,885,042
<u>135,738</u>	<u>18,693</u>	<u>1,875,588</u>	<u>374,808,933</u>
52,647		52,647	70,846
			162,682
	23,790	132,238	1,680,477
	89,296	65,431	620,358
			105,406
		18,784	18,784
			6,000
		14,497	281,037
<u>52,647</u>	<u>113,086</u>	<u>283,597</u>	<u>2,945,590</u>
			2,251,967
			17,499
			<u>2,269,466</u>
		53,162	357,585
		42,325	241,732
		138,213	152,414
		111,526	302,967
24,134	134,805	2,576,380	39,247,488
			7,568
		46,039	136,597
			85,929
		40,252	362,665
<u>24,134</u>	<u>134,805</u>	<u>3,007,897</u>	<u>40,894,945</u>
	22,420	21,196	4,768,941
	70,646	120,593	7,446,379
	<u>93,066</u>	<u>141,789</u>	<u>12,215,320</u>
	6,522	438,473	9,306,064
		2,578,000	24,951,010
<u>\$ 563,175</u>	<u>\$ 563,175</u>	<u>\$ 10,644,666</u>	<u>\$ 517,347,253</u>



DEBT SCHEDULES

FORT BEND COUNTY, TEXAS
COMBINING SCHEDULE OF GENERAL LONG-TERM
DEBT BY MATURITY DATE
September 30, 2004

Fiscal Year Ending September 30,	Totals		
	Total	Principal	Interest
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	\$ 102,848,702	\$ 76,355,000	\$ 26,493,702

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
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	\$ 22,565,000	\$ 3,606,950	\$ 2,900,000	\$ 351,639	\$ 11,190,000	\$ 6,336,271

Fort Bend Parkway Road District Series 1990		Certificates of Obligation Series 1991		General Obligation Bonds Series 2001	
Principal	Interest	Principal	Interest	Principal	Interest
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
\$ 845,000	\$ 235,391	\$ 100,000	\$ 6,000	\$ 28,025,000	\$ 13,888,651

Permanent Improvement Bonds Series 1997		Fort Bend Flood Control and Water Supply Corporation Series 1999 Refunding	
Principal	Interest	Principal	Interest
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		
\$ 3,875,000	\$ 1,381,305	\$ 6,855,000	\$ 687,495



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

<u>Function</u>	<u>2004</u>	<u>2003</u>	<u>2002*</u>	<u>2001</u>
General Administration	\$ 20,027,561	\$ 21,957,458	\$ 16,260,804	\$ 18,704,900
Financial Administration	4,613,843	4,411,882	3,213,423	4,447,728
Administration of Justice	27,778,206	25,613,661	18,291,723	21,474,900
Construction and Maintenance	18,324,199	17,053,564	12,545,989	14,461,030
Health and Welfare	17,760,912	14,994,700	10,178,844	12,311,836
Cooperative Service	873,473	865,468	591,257	732,705
Public Safety	36,074,647	32,329,232	25,079,460	29,121,223
Parks and Recreation	1,716,716	1,547,020	1,230,488	1,499,519
Flood Control	8,920,676	5,833,047	4,326,935	5,662,492
Libraries and Education	8,793,401	7,733,697	5,912,073	7,015,618
Capital Outlay	24,378,682	16,415,905	7,989,999	5,435,868
Debt Service	9,287,558	9,917,074	10,389,935	9,314,028
TOTAL	<u>\$ 178,549,874</u>	<u>\$ 158,672,708</u>	<u>\$ 116,010,930</u>	<u>\$ 130,181,847</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

2000	1999	1998	1997	1996	1995
\$ 19,329,894	\$ 16,732,833	\$ 14,703,574	\$ 13,582,024	\$ 12,604,614	\$ 10,642,765
3,636,492	3,301,421	3,121,939	2,987,630	2,570,027	2,413,304
19,887,115	17,877,141	16,704,607	14,624,604	12,358,124	11,667,382
14,144,995	14,076,726	13,285,117	12,512,301	13,695,992	15,201,097
10,939,535	11,591,086	9,962,647	10,696,835	11,927,477	11,646,295
617,619	616,862	542,718	659,186	651,751	590,314
26,239,132	22,856,866	19,855,001	17,656,194	17,078,786	14,751,490
1,366,623	1,518,971	1,201,276	1,106,519	922,791	374,447
6,639,325	5,984,810	5,029,077	4,734,500	4,927,599	8,957,745
6,838,073	6,410,608	5,429,853	4,588,907	4,365,422	4,221,726
7,318,743	4,019,397	7,107,842	5,601,012	6,085,444	5,761,129
8,651,694	8,654,245	8,696,426	8,272,485	7,695,365	6,846,826
\$ 125,609,240	\$ 113,640,966	\$ 105,640,077	\$ 97,022,197	\$ 94,883,392	\$ 93,074,520

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

<u>Function</u>	<u>2004</u>	<u>2003</u>	<u>2002*</u>	<u>2001</u>
General Administration	11.2%	13.8%	14.0%	14.4%
Financial Administration	2.6%	2.8%	2.8%	3.4%
Administration of Justice	15.6%	16.1%	15.8%	16.5%
Construction and Maintenance	10.3%	10.7%	10.8%	11.1%
Health and Welfare	9.9%	9.5%	8.8%	9.5%
Cooperative Service	0.5%	0.5%	0.5%	0.6%
Public Safety	20.2%	20.4%	21.6%	22.4%
Parks and Recreation	1.0%	1.0%	1.1%	1.2%
Flood Control	5.0%	3.7%	3.7%	4.3%
Libraries and Education	4.9%	4.9%	5.1%	5.4%
Capital Outlay	13.7%	10.3%	6.9%	4.2%
Debt Service	5.1%	6.3%	8.9%	7.0%
TOTAL	100.0%	100.0%	100.0%	100.0%

* 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

2000	1999	1998	1997	1996	1995
15.4%	14.7%	13.9%	14.0%	13.3%	11.4%
2.9%	2.9%	3.0%	3.1%	2.7%	2.6%
15.8%	15.7%	15.8%	15.1%	13.0%	12.5%
11.3%	12.4%	12.6%	12.9%	14.4%	16.3%
8.7%	10.2%	9.4%	11.0%	12.6%	12.5%
0.5%	0.5%	0.5%	0.7%	0.7%	0.6%
20.9%	20.1%	18.8%	18.2%	18.0%	15.8%
1.1%	1.3%	1.1%	1.1%	1.0%	0.4%
5.3%	5.3%	4.8%	4.9%	5.2%	9.6%
5.4%	5.6%	5.1%	4.7%	4.6%	4.5%
5.8%	3.5%	6.7%	5.8%	6.4%	6.2%
6.9%	7.8%	8.3%	8.5%	8.1%	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>2004</u>	<u>2003</u>	<u>2002*</u>	<u>2001</u>
Taxes	\$ 112,345,331	\$ 105,288,111	\$ 99,578,488	\$ 95,085,804
Fees and fines	18,874,999	16,734,820	11,747,190	14,778,811
Intergovernmental	15,355,629	12,751,135	11,024,068	14,734,336
Interest	1,961,631	2,533,594	2,815,189	6,184,808
Miscellaneous	<u>7,207,238</u>	<u>4,900,307</u>	<u>4,110,450</u>	<u>5,123,303</u>
TOTAL	<u><u>\$ 155,744,828</u></u>	<u><u>\$ 142,207,967</u></u>	<u><u>\$ 129,275,385</u></u>	<u><u>\$ 135,907,062</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

2000	1999	1998	1997	1996	1995
\$ 88,112,950	\$ 81,119,794	\$ 77,203,427	\$ 72,761,599	\$ 68,854,432	\$ 67,739,548
13,406,877	13,014,312	12,066,913	11,059,399	9,713,398	9,051,635
12,885,317	16,227,039	9,810,527	7,805,592	7,479,400	8,066,753
6,255,573	4,701,586	4,540,320	4,790,096	4,087,077	2,910,024
4,635,353	4,956,865	4,388,835	4,798,833	3,027,178	2,542,327
<u>\$ 125,296,070</u>	<u>\$ 120,019,596</u>	<u>\$ 108,010,022</u>	<u>\$ 101,215,519</u>	<u>\$ 93,161,485</u>	<u>\$ 90,310,287</u>

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

<u>Function</u>	<u>2004</u>	<u>2003</u>	<u>2002*</u>	<u>2001</u>
Taxes	72.1%	74.0%	77.0%	70.0%
Fees and fines	12.1%	11.8%	9.1%	10.9%
Intergovernmental	9.9%	9.0%	8.5%	10.8%
Interest	1.3%	1.8%	2.2%	4.6%
Miscellaneous	4.6%	3.4%	3.2%	3.7%
TOTAL	<u><u>100.0%</u></u>	<u><u>100.0%</u></u>	<u><u>100.0%</u></u>	<u><u>100.0%</u></u>

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

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

TABLE IV

2000	1999	1998	1997	1996	1995
70.3%	67.6%	71.5%	71.9%	73.9%	75.0%
10.7%	10.8%	11.2%	10.9%	10.4%	10.0%
10.3%	13.5%	9.1%	7.7%	8.0%	8.9%
5.0%	3.9%	4.2%	4.7%	4.4%	3.2%
3.7%	4.2%	4.0%	4.8%	3.3%	2.9%
<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
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%
2003	2004	110,917,106	106,780,667	96.27%

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
1,444,329	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%
3,931,624	110,712,291	99.82%	5,997,273	5.41%

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	Net Assessed Value	Assessment Ratio
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%
2003	2004	25,365,488,170	4,228,880,660	21,136,607,510	83.3%

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
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
2003	2004	0.4212	0.0380		0.0250	0.0395	0.5237

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)	Net Assessed Value	Certificates of Obligation	General Obligation Bonds (2)	Loans Payable
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	
2003	2004	435,160	21,136,607,510	100,000	75,410,000	

(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
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
	75,510,000	1,165,433	74,344,567	0.35%	171

FORT BEND COUNTY, TEXAS
COMPUTATION OF LEGAL DEBT MARGIN
September 30, 2004
(UNAUDITED)

Assessed value of real property		\$ 18,075,649,455
Assessed value of personal and other property		<u>3,060,958,055</u>
Total assessed value:		<u><u>\$ 21,136,607,510</u></u>
Debt Limit, 25% of real property:		4,518,912,364
Amount of debt applicable to debt limit	\$ 75,510,000 (1)	
Less: Assets available in Debt Service Fund: for payment of principal	<u>1,165,433 (2)</u>	
Total amount of debt applicable to debt limit		<u>74,344,567</u>
LEGAL DEBT MARGIN		<u><u>\$ 4,444,567,797</u></u>

(1) This figure does not include the \$845,000 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 \$24.1 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
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%
2004	5,730,000	3,557,558	9,287,558	178,544,674	5.2%

(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, 2004

<u>Taxpayer</u>	<u>Type of Business</u>	<u>2003 Tax Year Net Assessed Valuation</u>	<u>Percent of Total Assessed Valuation</u>
Texas Genco LP	Utilities	\$ 504,688,150	2.39 %
Centerpoint Energy Inc.	Utilities	232,354,540	1.10
Katy Mills Mall LTD.	Shopping Mall	147,176,370	0.70
Texas Instruments Inc.	Electronics	119,162,520	0.56
Brazos Valley Energy LP	Nonutility Electric Power	110,214,690	0.52
Conocophillips Company	Oil & Gas Engineering	96,629,400	0.46
Sugar Land Telephone	Telephone	86,104,260	0.41
Lakepoint Assets LLC	Property Management	84,971,020	0.40
KIR Fountains on the Lake LP	Property Management	60,097,030	0.28
Ondeo-Nalco Energy	Oil & Gas	<u>57,782,940</u>	<u>0.27</u>
		1,499,180,920	7.09
Other		<u>19,637,426,590</u>	<u>92.91</u>
Total		<u><u>\$ 21,136,607,510</u></u>	<u><u>100.00 %</u></u>

Source - Tax assessor/collector's records.

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

September 30, 2004

<u>Taxing Jurisdiction</u>	<u>Long-Term Debt Outstanding</u>	<u>Applicable Percentage</u>	<u>Overlapping Debt</u>
Fort Bend County	\$ 47,485,000	100.00%	\$ 47,485,000
<u>Special Districts:</u>			
Big Oaks MUD	\$ 22,755,000	100.00%	\$ 22,755,000
Blue Ridge West MUD	129,888	100.00%	129,888
Burney Road MUD	10,900,000	100.00%	10,900,000
Cinco MUD #1	2,485,000	100.00%	2,485,000
Cinco MUD #2	6,905,000	100.00%	6,905,000
Cinco MUD #3	3,805,000	100.00%	3,805,000
Cinco MUD #5	4,900,000	100.00%	4,900,000
Cinco MUD #7	8,725,000	100.00%	8,725,000
Cinco MUD #8	8,830,000	100.00%	8,830,000
Cinco MUD #10	7,565,000	100.00%	7,565,000
Cinco MUD #12	1,945,000	100.00%	1,945,000
Cinco MUD #14	7,225,000	100.00%	7,225,000
Eldridge Road MUD	8,490,000	100.00%	8,490,000
First Colony LID	3,795,000	100.00%	3,795,000
First Colony LID #2	5,820,000	100.00%	5,820,000
First Colony MUD #9	23,340,000	100.00%	23,340,000
Fort Bend County LID #2	8,805,000	100.00%	8,805,000
Fort Bend County LID #7	17,160,000	100.00%	17,160,000
Fort Bend County LID #10	8,250,000	100.00%	8,250,000
Fort Bend County LID #11	24,880,000	100.00%	24,880,000
Fort Bend County LID #12	8,655,000	100.00%	8,655,000
Fort Bend County LID #14	7,580,000	100.00%	7,580,000
Fort Bend County MUD #1	20,525,000	100.00%	20,525,000
Fort Bend County MUD #2	5,730,000	100.00%	5,730,000
Fort Bend County MUD #19	2,150,000	100.00%	2,150,000
Fort Bend County MUD #21	16,175,000	100.00%	16,175,000
Fort Bend County MUD #23	26,910,000	100.00%	26,910,000
Fort Bend County MUD #25	38,220,000	100.00%	38,220,000
Fort Bend County MUD #26	13,275,000	100.00%	13,275,000
Fort Bend County MUD #30	23,460,000	100.00%	23,460,000
Fort Bend County MUD #34	6,060,000	100.00%	6,060,000
Fort Bend County MUD #37	1,795,000	100.00%	1,795,000
Fort Bend County MUD #41	9,355,000	100.00%	9,355,000
Fort Bend County MUD #42	13,370,000	100.00%	13,370,000
Fort Bend County MUD #46	10,335,000	100.00%	10,335,000
Fort Bend County MUD #47	4,505,000	100.00%	4,505,000

FORT BEND COUNTY, TEXAS

DIRECT AND OVERLAPPING DEBT

September 30, 2004

Taxing Jurisdiction	Long-Term Debt Outstanding	Applicable Percentage	Overlapping Debt
Special Districts: (continued)			
Fort Bend County MUD #48	2,675,000	100.00%	2,675,000
Fort Bend County MUD #49	3,365,000	100.00%	3,365,000
Fort Bend County MUD #50	4,065,000	100.00%	4,065,000
Fort Bend County MUD #67	7,875,000	100.00%	7,875,000
Fort Bend County MUD #68	7,185,000	100.00%	7,185,000
Fort Bend County MUD #69	4,895,000	100.00%	4,895,000
Fort Bend County MUD #81	7,345,000	100.00%	7,345,000
Fort Bend County MUD #94	5,240,000	100.00%	5,240,000
Fort Bend County MUD #106	16,440,000	100.00%	16,440,000
Fort Bend County MUD #108	8,415,000	100.00%	8,415,000
Fort Bend County MUD #109	12,350,000	100.00%	12,350,000
Fort Bend County MUD #111	12,305,000	100.00%	12,305,000
Fort Bend County MUD #112	8,080,000	100.00%	8,080,000
Fort Bend County MUD #113	12,875,000	100.00%	12,875,000
Fort Bend County MUD #115	9,270,000	100.00%	9,270,000
Fort Bend County MUD #116	11,015,000	100.00%	11,015,000
Fort Bend County MUD #117	27,050,000	100.00%	27,050,000
Fort Bend County MUD #118	25,240,000	100.00%	25,240,000
Fort Bend County MUD #119	26,750,000	100.00%	26,750,000
Fort Bend County MUD #121	3,310,000	100.00%	3,310,000
Fort Bend County MUD #124	5,150,000	100.00%	5,150,000
Fort Bend County MUD #130	2,665,000	100.00%	2,665,000
Fort Bend County WC&ID #3	1,500,000	100.00%	1,500,000
Fort Bend Pkwy Rd Dist.	845,000	100.00%	845,000
Grand Lakes MUD #1	5,800,000	100.00%	5,800,000
Grand Lakes MUD #2	14,135,000	100.00%	14,135,000
Grand Lakes MUD #4	19,440,000	100.00%	19,440,000
Grand Lakes WC&ID	4,525,000	100.00%	4,525,000
Meadowcreek MUD	680,000	100.00%	680,000
North Mission Glen MUD	24,695,000	100.00%	24,695,000
Palmer Plantation MUD #1	9,265,000	100.00%	9,265,000
Palmer Plantation MUD #2	10,995,000	100.00%	10,995,000
Pecan Grove MUD	10,525,000	100.00%	10,525,000
Plantation MUD	7,765,000	100.00%	7,765,000
Quail Valley UD	1,410,000	100.00%	1,410,000
Sienna Plantation LID	44,450,000	100.00%	44,450,000
Sienna Plantation MUD #2	30,650,000	100.00%	30,650,000

FORT BEND COUNTY, TEXAS
DIRECT AND OVERLAPPING DEBT
September 30, 2004

<u>Taxing Jurisdiction</u>	<u>Long-Term Debt Outstanding</u>	<u>Applicable Percentage</u>	<u>Overlapping Debt</u>
Sienna Plantation MUD #3	14,475,000	100.00%	14,475,000
<u>Co-Line Special Districts:</u>			
Cinco MUD #6	4,055,000	83.12%	3,370,516
Cinco MUD #9	7,345,000	58.65%	4,307,843
Chelford City MUD	3,780,000	53.85%	2,035,530
Cornerstones MUD	11,370,000	1.37%	155,769
Fort Bend County WC&ID #2	28,745,000	98.87%	28,420,182
Harris - Fort Bend Cos. MUD #5	10,185,000	60.99%	6,211,832
Harris - Fort Bend Cos. MUD #4	24,415,000	74.47%	18,181,851
Harris - Fort Bend Cos. MUD #1	13,735,647	99.99%	13,734,273
Kingsbridge MUD	30,920,000	94.65%	29,265,780
Mission Bend MUD #1	3,495,000	60.14%	2,101,893
Renn Road MUD	7,960,000	21.42%	1,705,032
West Harris County MUD #4	6,515,000	3.96%	257,994
West Keegans Bayou Impv. Dist.	2,745,000	86.78%	2,382,111
Willow Fork Drainage Dist.	41,095,000	91.36%	37,544,392
Total Special Districts			<u><u>\$ 969,199,886</u></u>
<u>Cities:</u>			
Beasley	\$ 446,000	100.00%	\$ 446,000
Kendleton	80,000	100.00%	80,000
Meadows Place	6,795,000	100.00%	6,795,000
Needville	1,187,500	100.00%	1,187,500
Orchard	107,000	100.00%	107,000
Richmond	11,300,000	100.00%	11,300,000
Rosenberg	25,785,000	100.00%	25,785,000
Sugar Land	113,762,966	100.00%	113,762,966
<u>County Line Cities:</u>			
Houston	1,705,171,981	0.63%	10,742,583
Katy	10,085,000	17.09%	1,723,527
Missouri City	38,875,000	91.67%	35,636,713
Stafford	13,280,000	98.84%	13,125,952
Total Cities			<u><u>\$ 220,692,241</u></u>
<u>School Districts:</u>			
Fort Bend ISD	\$ 616,792,684	100.00%	\$ 616,792,684
Kendleton ISD	1,235,000	100.00%	1,235,000
Lamar Consolidated ISD	205,563,926	100.00%	205,563,926

FORT BEND COUNTY, TEXAS
DIRECT AND OVERLAPPING DEBT
September 30, 2004

<u>Taxing Jurisdiction</u>	<u>Long-Term Debt Outstanding</u>	<u>Applicable Percentage</u>	<u>Overlapping Debt</u>
Needville ISD	18,070,000	100.00%	18,070,000
<u>Co-Line School Districts:</u>			
Brazos ISD	11,700,000	61.42%	7,186,140
Katy ISD	794,638,401	7.47%	59,359,489
Stafford MSD	15,675,000	97.30%	15,251,775
Total School Districts			<u>\$ 923,459,014</u>
<u>Other:</u>			
Houston Community College Dist.	144,255,000	1.92%	2,769,696
Total Other			<u>\$ 2,769,696</u>
<u>Summary of Total Estimated Overlapping Debt:</u>			
Special Districts			\$ 969,199,886
Cities			220,692,241
School Districts			923,459,014
Other			2,769,696
Estimated Overlapping Debt			<u>\$ 2,116,120,837</u>
<u>Fort Bend County</u>			
Fort Bend County - Direct Obligations			47,485,000
Fort Bend County - Fort Bend Toll Road Authority			
Total Direct and Estimated Overlapping Debt			<u>\$ 2,163,605,837</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>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>
Fort Bend County	\$ 0.65700	\$ 0.64700	\$ 0.64410	\$ 0.62910
Political Subdivision:				
Arcola, City of	1.00000	0.99500	0.99500	0.99500
Beasley, City of	0.22550	0.22900	0.21420	0.21740
Big Oaks MUD	0.16390	0.17106	1.40000	1.40000
Blue Ridge West MUD	0.93000	0.94110	0.94110	0.92000
Brazos ISD	^	^	^	^
Burney Road MUD	**N/A	**N/A	**N/A	**N/A
Chelford City MUD	0.50000	**N/A	**N/A	**N/A
Cinco MUD #1	**N/A	0.34000	0.43000	0.45000
Cinco MUD #2	**N/A	0.77000	0.85000	0.87000
Cinco MUD #3	**N/A	0.82400	0.90400	0.89700
Cinco MUD #5	**N/A	0.84000	0.93000	0.95000
Cinco MUD #6	**N/A	0.84000	0.92450	0.94900
Cinco MUD #7	**N/A	0.34000	0.93000	0.95000
Cinco MUD #8	**N/A	0.59000	0.93000	0.95000
Cinco MUD #9	**N/A	0.84000	0.93000	0.91000
Cinco MUD #10	**N/A	0.34000	0.43000	0.45000
Cinco MUD #12	**N/A	0.34000	0.93000	0.95000
Cinco MUD #14	**N/A	0.34000	0.43000	0.45000
Eldridge Road MUD	1.25000	1.15000	1.11400	1.11000
First Colony LID	0.45000	0.38000	0.30000	0.38000
First Colony LID #2	0.42700	0.38000	0.38000	0.38000
First Colony MUD #1	0.86000	0.86000	**N/A	**N/A
First Colony MUD #2	0.95000	0.95000	0.95000	0.94600
First Colony MUD #3	0.49000	0.42000	0.39000	0.39000
First Colony MUD #4	0.54000	0.54000	0.53364	0.35800
First Colony MUD #5	0.49000	0.39000	0.32000	0.35830
First Colony MUD #6	0.41600	0.40891	**N/A	**N/A
First Colony MUD #7	0.98000	0.85000	**N/A	**N/A
First Colony MUD #8	0.76800	0.60000	0.55000	0.49000
First Colony MUD #9	0.71000	0.69000	0.69000	0.68000
Fort Bend County LID #2	0.32600	0.32334	0.29707	0.26876
Fort Bend County LID #7	0.45250	0.45250	0.41250	0.40050
Fort Bend County LID #10	**N/A	**N/A	**N/A	**N/A
Fort Bend County LID #11	**N/A	0.73000	0.70000	0.69000
Fort Bend County LID #12	0.50000	0.50000	0.50000	0.50000
Fort Bend County LID #14	**N/A	**N/A	**N/A	0.66000
Fort Bend County LID #15	**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	0.80000	0.82000	0.78300	0.77000
Fort Bend County MUD #12	**N/A	**N/A	**N/A	**N/A
Fort Bend County MUD #19	**N/A	1.74330	1.74330	1.79930
Fort Bend County MUD #21	0.48000	0.51000	0.58000	0.58000
Fort Bend County MUD #23	1.50000	1.50000	1.50000	1.50000

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1998	1999	2000	2001	2002	2003
\$ 0.62410	\$ 0.62410	\$ 0.60410	\$ 0.56410	\$ 0.53874	\$ 0.52374
0.92500	0.92500	0.91000	0.81941	0.63922	0.59200
0.23000	0.23000	0.21935	0.31430	0.33069	0.27613
1.40000	1.35000	1.25000	1.20000	1.20000	1.00000
0.86500	0.78700	0.71600	0.64600	0.55000	0.49000
^	1.50000	1.46320	1.31680	1.31680	1.70750
**N/A	0.50000	0.75000	0.75000	0.74000	0.74000
**N/A	**N/A	**N/A	**N/A	**N/A	**N/A
0.45000	0.50000	0.47000	0.43000	1.08000	1.02000
0.87000	0.89000	0.85000	0.69000	0.68000	0.58000
0.87100	0.87100	0.88800	0.84800	0.79800	0.62000
0.93000	0.99000	0.97000	0.96000	0.86000	0.65000
0.95000	0.99000	0.97000	0.83000	0.78000	0.72000
0.95000	1.00000	0.91000	0.82500	0.72500	0.70000
0.95000	1.00000	0.97000	0.97000	0.95000	0.94000
0.90050	0.89000	0.84000	0.81000	0.76000	0.76000
0.45000	0.50000	0.97000	1.02000	1.02000	0.87000
0.95000	0.95000	0.95000	0.85000	0.78000	0.69000
0.45000	0.50000	0.47000	0.42500	1.08000	1.02000
1.06000	0.97000	0.83000	0.72000	0.67000	0.50000
0.26000	0.25000	0.23500	0.21500	0.20555	0.20500
0.37500	0.35870	0.34200	0.34200	0.39200	0.38500
**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	**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	**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
0.68000	0.68000	0.62960	0.58500	0.43500	0.37500
0.24901	0.23174	0.23000	0.23000	0.23000	0.21000
0.37350	0.33350	0.29950	0.27000	0.25000	0.24000
**N/A	0.35000	0.42000	0.49000	0.49000	0.49000
0.64000	0.55000	0.45000	0.41000	0.40000	0.38700
0.50000	0.50000	0.50000	0.50000	0.50000	0.50000
0.59000	0.59000	0.51900	0.41000	0.31000	0.26000
**N/A	**N/A	**N/A	**N/A	**N/A	0.60000
**N/A	1.00000	0.93000	0.82000	0.82000	0.82000
0.76000	0.71000	0.54400	0.49900	0.49900	0.48000
**N/A	**N/A	**N/A	**N/A	**N/A	**N/A
1.94200	1.20000	1.22870	1.20000	1.20000	1.20000
0.57000	0.54000	0.49000	0.49000	0.49000	0.49000
1.37000	1.37000	1.29000	1.20000	1.15000	1.06000

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

	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>
Political Subdivision: (continued)				
Fort Bend County MUD #25	1.24000	1.30000	1.30000	1.24500
Fort Bend County MUD #26	1.57000	1.26359	1.19000	1.12000
Fort Bend County MUD #27	0.39500	0.37500	0.36100	0.20000
Fort Bend County MUD #28	**N/A	**N/A	**N/A	**N/A
Fort Bend County MUD #30	1.16000	1.16500	1.16500	1.16500
Fort Bend County MUD #34	**N/A	1.70300	1.59000	1.55000
Fort Bend County MUD #35	**N/A	**N/A	**N/A	**N/A
Fort Bend County MUD #37	**N/A	0.74000	0.65000	0.65000
Fort Bend County MUD #41	1.40000	1.21300	1.13000	1.03000
Fort Bend County MUD #42	1.03800	0.92100	0.87000	0.81000
Fort Bend County MUD #46	1.20000	1.20000	1.20000	1.20000
Fort Bend County MUD #47	1.48000	1.44000	1.44000	1.44000
Fort Bend County MUD #48	1.20000	1.16494	1.22000	1.22000
Fort Bend County MUD #49	**N/A	1.05000	1.05000	1.05000
Fort Bend County MUD #50	**N/A	0.73000	0.73000	0.73000
Fort Bend County MUD #67	0.87500	0.73500	0.73500	0.70000
Fort Bend County MUD #68	1.02000	1.01000	0.90195	0.75900
Fort Bend County MUD #69	0.77000	0.66000	0.61000	0.58000
Fort Bend County MUD #81	**N/A	0.95000	0.93000	0.89000
Fort Bend County MUD #94	**N/A	0.75000	0.75000	0.75000
Fort Bend County MUD #106	**N/A	0.72000	0.72000	0.72000
Fort Bend County MUD #108	**N/A	0.60000	0.60000	0.57000
Fort Bend County MUD #109	**N/A	0.72000	0.70000	0.70000
Fort Bend County MUD #111	**N/A	0.93000	0.90000	0.89887
Fort Bend County MUD #112	**N/A	**N/A	**N/A	**N/A
Fort Bend County MUD #113	**N/A	**N/A	**N/A	0.79000
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 #119	**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 #122	**N/A	**N/A	**N/A	**N/A
Fort Bend County MUD #123	**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 #129	**N/A	**N/A	**N/A	**N/A
Fort Bend County MUD #130	**N/A	**N/A	**N/A	**N/A
Fort Bend County MUD #140	**N/A	**N/A	**N/A	**N/A
Fort Bend County MUD #142	**N/A	**N/A	**N/A	**N/A
Fort Bend County MUD #143	**N/A	**N/A	**N/A	**N/A
Fort Bend County MUD #144	**N/A	**N/A	**N/A	**N/A
Fort Bend County MUD #146	**N/A	**N/A	**N/A	**N/A
Fort Bend County WC&ID #2	0.18600	0.18690	0.19500	0.18100
Fort Bend County WC&ID #3	**N/A	**N/A	**N/A	**N/A
Fort Bend County R.F. P. 1 & 2	0.05660	0.06000	0.05850	0.05040
Fort Bend Co. ESD #1	**N/A	**N/A	**N/A	**N/A

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1998	1999	2000	2001	2002	2003
1.18000	1.08000	0.97500	0.92500	0.92500	0.87000
1.00000	0.66900	0.79200	0.77000	0.77000	0.77000
**N/A	**N/A	**N/A	**N/A	**N/A	**N/A
**N/A	**N/A	**N/A	**N/A	**N/A	**N/A
1.16000	1.12000	1.06300	1.04300	1.04300	1.01300
1.43000	1.30000	1.09600	1.07000	1.07000	0.95000
**N/A	**N/A	**N/A	**N/A	**N/A	1.25000
0.63000	0.61000	0.62000	0.63000	0.63000	0.63000
0.97000	0.91400	0.86400	0.60000	0.75000	0.66000
0.67000	0.58500	0.53000	0.50000	0.50000	0.48000
1.20000	1.15000	1.10000	1.05000	1.05000	1.00000
1.43000	1.35560	1.26145	1.25000	1.17000	1.15000
1.20000	1.13500	1.10000	1.06000	1.00000	0.98000
1.04700	0.96000	0.88800	0.88800	0.86000	0.84000
0.83000	0.83000	0.83000	0.83000	0.83000	0.90000
0.62000	0.56000	0.51500	0.50000	0.48500	0.45000
0.62900	0.56900	0.53500	0.47000	0.47000	0.44000
0.50500	0.47780	0.44500	0.41500	0.40000	0.38000
0.84000	0.79900	0.75000	0.75000	0.73000	0.69000
0.72000	0.75000	0.70000	0.72000	0.72000	0.71000
0.70000	0.66900	0.63000	0.58000	0.58000	0.54000
0.55000	0.50500	0.49000	0.47000	0.47000	0.43000
0.65500	0.63500	0.61000	0.58500	0.57000	0.53000
0.63500	0.45160	0.38328	0.37000	0.34000	0.34000
**N/A	1.00000	0.90000	0.82000	0.81000	0.57000
0.86000	0.76000	0.60000	0.48000	0.34000	0.31500
**N/A	1.45000	1.45000	1.45000	1.45000	1.30000
**N/A	**N/A	0.97000	0.97000	0.97000	0.97000
**N/A	**N/A	1.40000	1.40000	1.40000	1.16000
**N/A	**N/A	0.91000	0.91000	0.91000	0.84000
**N/A	**N/A	**N/A	**N/A	**N/A	1.20000
**N/A	**N/A	1.25000	1.25000	1.25000	1.25000
**N/A	**N/A	**N/A	**N/A	**N/A	1.00000
**N/A	**N/A	**N/A	**N/A	**N/A	1.00000
**N/A	**N/A	**N/A	1.11300	1.15000	1.20000
**N/A	**N/A	**N/A	**N/A	**N/A	0.90000
**N/A	**N/A	**N/A	0.80000	0.80000	0.80000
**N/A	**N/A	**N/A	**N/A	**N/A	1.25000
**N/A	**N/A	**N/A	**N/A	**N/A	1.33000
**N/A	**N/A	**N/A	**N/A	**N/A	1.00000
**N/A	**N/A	**N/A	**N/A	**N/A	1.00000
**N/A	**N/A	**N/A	**N/A	**N/A	1.25000
0.16700	0.16700	0.16290	0.16290	0.16290	0.18000
**N/A	0.50000	0.50000	0.50000	0.50000	0.50000
**N/A	**N/A	**N/A	**N/A	**N/A	**N/A
**N/A	**N/A	**N/A	**N/A	**N/A	0.06250

FORT BEND COUNTY
PROPERTY TAX RATES - DIRECT AND
OVERLAPPING GOVERNMENTS

Last Ten Tax Years

	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>
Political Subdivision: (continued)				
Fort Bend ESD #2	**N/A	**N/A	**N/A	**N/A
Fort Bend ESD #3	**N/A	**N/A	**N/A	**N/A
Fort Bend ESD #4	**N/A	**N/A	**N/A	**N/A
Fort Bend Fire District #1	^	^	^	^
Fort Bend Fire District #2	^	^	^	^
Fort Bend Fresh Water Supply #1	**N/A	**N/A	**N/A	**N/A
Fort Bend Independent School Distric	1.58500	1.58500	1.61500	1.64350
Fort Bend Parkway Road Distric	0.50160	0.50200	0.50200	0.50190
Fulshear, City of	0.47940	0.48000	0.48000	0.48000
Grand Mission MUD #1	**N/A	**N/A	**N/A	**N/A
Grand Lakes MUD #1	**N/A	**N/A	**N/A	**N/A
Grand Lakes MUD #2	**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
Harris-Fort Bend MUD #3	**N/A	**N/A	**N/A	**N/A
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	0.62462	0.64735	
Houston Community College	0.05868	0.05868	0.06317	0.06615
Katy, City of	^	^	^	^
Katy ISD	^	^	^	^
Kendleton, City of	0.46560	0.46660	0.45730	0.55000
Kendleton ISD	1.50000	1.50000	1.50000	1.50000
Kingsbridge MUD	1.02000	1.02000	1.02489	1.02000
Lamar Consolidated I.S.D	1.50500	1.50500	1.57000	1.59000
Meadowcreek MUD	0.52000	0.52000	0.52000	0.38000
Meadows Place, City of	0.75000	0.75000	0.75000	0.73000
Meadows MUD	**N/A	**N/A	**N/A	**N/A
Mission Bend MUD #1	0.90000	0.81000	0.81000	0.76000
Missouri City, City of	0.54862	0.54862	0.56862	0.56862
Needville, City of	0.61000	0.61000	0.55870	0.53870
Needville Independent School Distric	1.39000	1.41700	1.45500	1.48500
North Mission Glen MUD	1.39300	1.07000	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	1.15000	1.15000	1.15000
Pecan Grove MUD	0.86000	0.86000	0.86000	0.84000
Plantation MUD	**N/A	0.77000	0.74000	0.70000
Post Oak Road MUD	**N/A	**N/A	**N/A	**N/A
Quail Valley MUD	0.35000	0.33000	0.34450	0.31000
Renn Road MUD	1.11750	**N/A	**N/A	**N/A
Richmond, City of	0.80170	0.70750	0.70250	0.70250
Rosenberg, City of	0.57500	0.57500	0.55500	0.55500
Sienna Plantation LID	0.50000	0.50000	0.50000	0.40000
Sienna Plantation MUD	**N/A	**N/A	**N/A	1.10000

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1998	1999	2000	2001	2002	2003
**N/A	**N/A	**N/A	**N/A	0.09800	0.09800
**N/A	**N/A	**N/A	**N/A	**N/A	0.07000
**N/A	**N/A	**N/A	**N/A	**N/A	0.06000
^	0.03000	0.03000	0.03000	0.03000	**N/A
^	0.02242	0.02381	0.03000	0.03000	**N/A
**N/A	**N/A	**N/A	**N/A	**N/A	0.25000
1.67730	1.65700	1.69250	1.68250	1.68250	1.70750
0.50188	0.50500	0.51429	0.49990	0.42170	0.11448
0.47516	0.47516	0.42174	0.40208	0.39251	0.33000
**N/A	0.60130	0.72000	1.00000	0.72000	1.00000
**N/A	**N/A	**N/A	**N/A	**N/A	1.25000
**N/A	**N/A	**N/A	**N/A	**N/A	1.10000
**N/A	**N/A	**N/A	0.23000	0.98000	0.90000
**N/A	1.00000	0.50000	1.00000	0.21000	0.15000
**N/A	0.10000	0.09900	0.09900	0.09900	0.09700
**N/A	**N/A	**N/A	1.14580	1.14580	1.05000
**N/A	**N/A	**N/A	**N/A	**N/A	1.25000
**N/A	**N/A	**N/A	0.44000	0.44000	0.87000
**N/A	1.17000	1.06000	1.06000	1.06000	0.92000
0.66500	0.66500	0.66500	0.65500	0.65500	0.65000
0.06615	0.06983	0.08200	0.08133	0.08133	0.09598
^	0.61466	0.61466	0.61466	0.61466	0.61466
^	1.69500	1.86750	1.92000	1.94000	1.94000
0.55000	0.54202	0.97193	0.70000	0.66000	0.70945
1.50000	1.50000	1.50000	1.50000	1.50000	1.78000
0.98500	0.98000	0.94880	0.94880	0.92000	0.88000
1.59000	1.62680	1.65128	1.66450	1.66450	1.69760
0.51000	0.51000	0.44920	0.43500	0.42000	0.41000
0.73000	0.73000	0.73000	0.73000	0.73000	0.76000
**N/A	**N/A	**N/A	**N/A	**N/A	**N/A
0.72500	0.68500	0.63780	0.62000	0.58000	0.54000
0.56790	0.55033	0.52003	0.50325	0.49146	0.50165
0.53870	0.54870	0.55750	0.52336	0.50955	0.49995
1.55400	1.46100	1.57500	1.51300	1.58700	1.66400
1.07000	1.04200	0.97000	0.85000	0.82000	0.75000
0.22973	0.23724	0.22640	0.22425	0.24423	0.35148
1.13000	1.08000	0.95000	0.88000	0.81000	0.78000
1.15000	1.07000	0.92000	0.78000	0.78000	0.60000
0.81300	0.79570	0.69750	0.65500	0.63500	0.57500
0.66000	0.72000	0.68500	1.00000	0.68500	0.65000
**N/A	**N/A	**N/A	**N/A	**N/A	**N/A
0.30560	0.30560	0.29000	0.29000	0.28000	0.27000
**N/A	**N/A	**N/A	**N/A	**N/A	**N/A
0.74350	0.79000	0.79000	0.79000	0.79000	0.79000
0.55500	0.55500	0.55500	0.55500	0.55500	0.55500
0.40000	0.49000	0.59000	0.59000	0.59000	0.60000
1.10000	1.00000	0.90000	**N/A	**N/A	**N/A

FORT BEND COUNTY
PROPERTY TAX RATES - DIRECT AND
OVERLAPPING GOVERNMENTS

Last Ten Tax Years

	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>
Political Subdivision: (continued)				
Sienna Plantation MUD #2	**N/A	**N/A	**N/A	**N/A
Sienna Plantation MUD #3	**N/A	**N/A	**N/A	**N/A
Sienna Plantation MUD #10	**N/A	**N/A	**N/A	**N/A
Sienna Plantation MUD #12	**N/A	**N/A	**N/A	**N/A
Stafford, City of	0.07900	**N/A	**N/A	**N/A
Stafford Municipal School District	1.62000	1.62000	1.58000	1.55000
Sugar Land, City of	0.45700	0.39830	0.36830	0.35830
Thunderbird U.D.	0.35000	0.33000	0.33000	0.31000
West Harris County MUD #4	3.33000	**N/A	**N/A	**N/A
West Keegans Bayou I.D	0.42000	**N/A	0.39000	0.36000
Wharton County Junior College	0.16390	0.17106	0.17106	0.16135
Willow Fork Drainage District	**N/A	**N/A	**N/A	**N/A
Woodcreek Reserve MUD '03	**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 the Fort Bend Economic Development Council.

^ Not able to obtain by report issuance date

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1998	1999	2000	2001	2002	2003
**N/A	**N/A	**N/A	0.90000	0.85000	0.76000
**N/A	**N/A	**N/A	0.90000	0.90000	0.90000
**N/A	**N/A	**N/A	**N/A	**N/A	0.90000
**N/A	**N/A	**N/A	**N/A	**N/A	0.90000
**N/A	**N/A	**N/A	**N/A	**N/A	**N/A
1.59500	1.59500	1.64500	1.69500	1.71000	1.70800
0.35830	0.35830	0.34830	0.33330	0.32886	0.32568
0.30670	0.29450	0.27000	0.22000	0.22000	**N/A
**N/A	**N/A	**N/A	**N/A	**N/A	**N/A
0.33500	0.30700	0.27100	0.25100	0.22100	0.19100
0.16135	0.15635	0.15635	0.15635	0.16738	0.16892
**N/A	0.50000	0.41700	0.38700	0.35000	0.27000
**N/A	**N/A	**N/A	**N/A	**N/A	0.60000

FORT BEND COUNTY, TEXAS
MISCELLANEOUS STATISTICS
September 30, 2004

Date of organization	December, 1837
Area	869 sq. mi.
Miles of County Roads	1,365
Number of County Bridges	173
Employees:	
Elected Officials	30
Full-Time	1,635
Registered voters	254,364
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