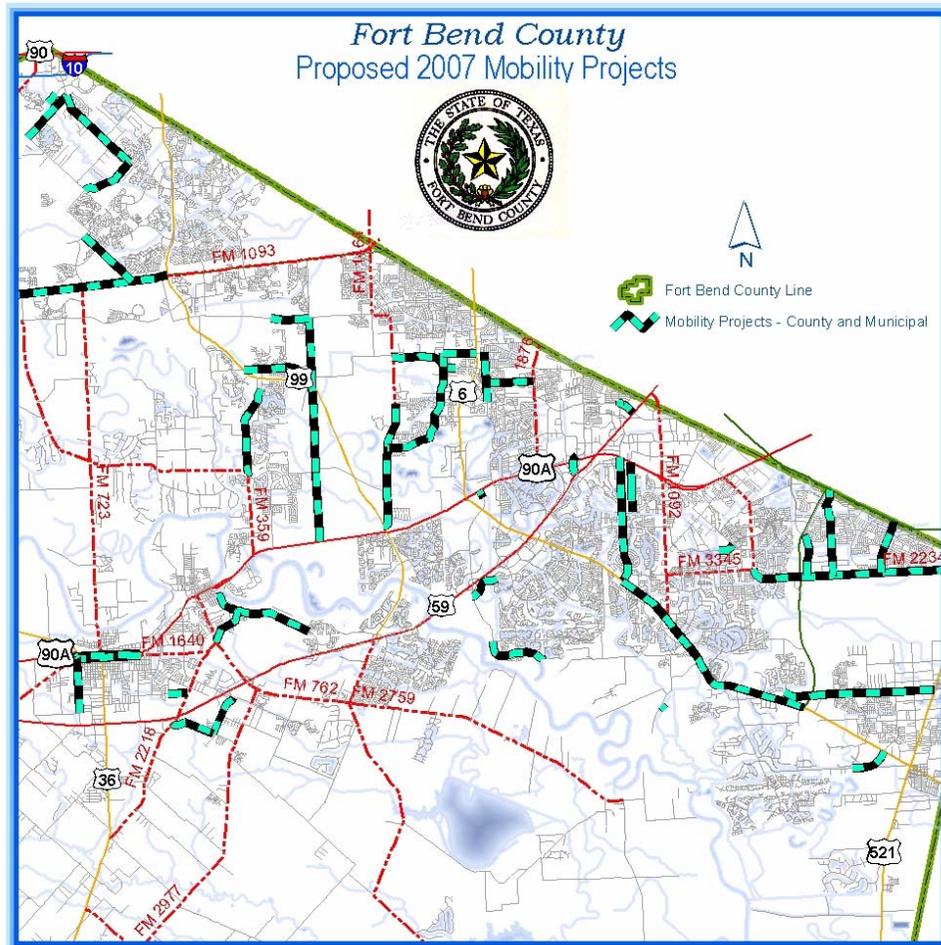


FORT BEND COUNTY, TEXAS COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended September 30, 2006



Robert Ed Sturdivant, CPA
County Auditor

COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Year Ended September 30, 2006



Prepared by:

County Auditor's Office

Robert Ed Sturdivant, CPA

County Auditor

FORT BEND COUNTY, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTORY SECTION	
Letter of Transmittal	i
GFOA Certificate of Achievement	vi
List of Principal Officials	vii
Organizational Charts	viii
Location Map	x
FINANCIAL SECTION	
Independent Auditors' Report	1
Management's Discussion and Analysis	3
Basic Financial Statements	
Government-wide Financial Statements	
Statement of Net Assets	15
Statement of Activities	16
Fund Financial Statements	
Governmental Funds Financial Statements	
Balance Sheet	18
Reconciliation of the Balance Sheet to the Statement of Net Assets	19
Statement of Revenues, Expenditures, and Changes in Fund Balances	20
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	21
Proprietary Funds Financial Statements	
Statement of Net Assets	22
Statement of Revenues, Expenses, and Changes in Fund Net Assets	23
Statement of Cash Flows	24
Fiduciary Fund Financial Statements	
Statement of Fiduciary Net Assets	25
Component Unit Financial Statements	
Statement of Net Assets	27
Statement of Activities	28
Notes to Financial Statements	30
Required Supplementary Information	
Schedule of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual – General Fund	54
Schedule of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual – Road and Bridge Special Revenue Fund	55
Notes to Required Supplementary Information	56
Schedule of Funding Progress – Texas County & District Retirement System	58

FORT BEND COUNTY, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
TABLE OF CONTENTS

	<u>Page</u>
Other Supplementary Information	
Combining and Individual Fund Statements and Schedules	
Combining Balance Sheet – Non-Major Governmental Funds	70
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance – Non-Major Governmental Funds	86
Schedules of Revenues, Expenditures, and Changes in Fund Balances, Budget and Actual	
Drainage District Special Revenue Fund	92
Debt Service Fund	93
Combining Statement of Net Assets – Internal Service Funds	94
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets – Internal Service Funds	95
Combining Statement of Cash Flows – Internal Service Funds	96
Statement of Changes in Assets and Liabilities – Agency Fund	97
Individual Fund Balance Sheets – Component Units	98
Individual Statements of Revenues, Expenditures and Changes in Fund Balance	99
 UNAUDITED STATISTICAL SECTION	
Net Assets by Component	113
Changes in Net Assets	114
Fund Balance of Governmental Funds	117
Changes in Fund Balances, Governmental Funds	118
Assessed Value of Taxable Property	120
Assessed And Estimated Actual Value of Real and Personal Property	123
Property Tax Rates - Direct and Overlapping Governments	124
Principal Property Taxpayers	113
Property Tax Levies and Collections	134
Ratio of Net General Long-Term Debt to Assessed Value Personal Income, and Net General Long-Term Debt Per Capita	136
Direct and Overlapping Debt	138
Computation of Legal Debt Margin	142
Demographic and Economic Statistics	144
Largest Employers	145
Capital Assets Used in the Operation of Governmental Funds Schedule by Activity	146
Full-Time Equivalent County Government Employees by Function	148
Operating Indicators by Function	150



COUNTY AUDITOR
Fort Bend County, Texas

Robert Ed Sturdivant
County Auditor

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sturdived@co.fort-bend.tx.us

March 28, 2007

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

According to Section 114.025 of the Local Government Code of the State of Texas, the County Auditor is required to submit an annual report to the Commissioners Court and District Judges of the County. This report is published to fulfill that requirement for the fiscal year ended September 30, 2006.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Null Lairson, P.C., Certified Public Accountants, have issued an unqualified (or “clean”) opinion on Fort Bend County’s financial statements for the year ended September 30, 2006. The independent auditors’ report is located at the front of the financial section of this report.

Management’s discussion and analysis (MD&A) immediately follows the independent auditors’ report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

PROFILE OF THE GOVERNMENT

Fort Bend County is located in the Houston metropolitan area of southeast Texas. It encompasses a total of 875.0 square miles (562,560 acres). The terrain varies from level to gently rolling with elevations from 46 to 127 feet above sea level, with an average elevation of 85 feet. US 59 traverses the center of the County from northeast to southwest, while US 90A crosses from east to west. State Highways (SH) 6, 36 and 99 provide important north-south routes. Neighboring counties are Austin, Brazoria, Harris, Waller and Wharton.

Fort Bend County has approximately 11 square miles of surface water in rivers, creeks and small lakes. The County is drained by the Brazos and San Bernard Rivers as well as Oyster Creek. The Brazos River formed a broad alluvial valley, up to ten miles wide in places. The resulting fertile soils have been a major contributing factor to the agricultural industry in the County. The three permanently floatable waterways in Fort Bend County are the Brazos River, the San Bernard River south of Farm to Market

Road 442, and Oyster Creek south of State Highway 6. The San Bernard River south of Interstate Highway 10 is a seasonally floatable waterway, shared on the west with adjacent counties. Soils vary from the rich alluvial soils in the Brazos River Valley to sandy loam and clay on the prairies. Native trees include pecan, oak, ash and cottonwood, with some old bottomland forests remaining along waterways.

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. In accordance with standards established by the Governmental Accounting Standards Board (GASB), the County reports all funds for which the County, as the primary government, is financially accountable. The Fort Bend County Drainage District, Fort Bend Flood Control Water Supply Corporation ("FBFCWSC"), Fort Bend Parkway Road District, Fort Bend Toll Road Authority, Fort Bend Surface Water Supply Corporation, and Fort Bend Housing Finance Corporation are considered to meet the criteria of component units. The Toll Road Authority, Surface Water Supply Corporation, and the Housing Finance Corporation have been included in the report as discretely presented component units. The Drainage District, FBFCWSC, and the Road District have been included in the combining statements in other supplementary information, as they are treated as blended component units.

LOCAL ECONOMY

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 Pointe Town Center, Stafford Centre, Newland Communities' 2,000 acres of development along US 59, and various other developments planned throughout the County. This is evidenced by the by Finger Furniture's decision to relocate to Sugar Land. Sugar Land City Council approved a tax abatement agreement for Finger Furniture on August 1, 2006 and the Fort Bend County Commissioner's Court passed its agreement August 8, 2006. Finger's proposed relocation will result in 170 new jobs, \$12 million in real property improvements, \$3 million in new personal property, and over \$12 million in inventory. The new addition will create over \$27 million in new taxable value for the City, County, MUD and school district.

LONG TERM FINANCIAL PLANNING AND RELEVANT FINANCIAL POLICIES

BUDGET

The County adopts a one-year budget through its fully coordinated financial planning process. The budget implements strategies, both financial and operational, identified through the strategic and long-range planning process to meet existing challenges and to effectively plan for future needs. The budget is a financial plan for a fiscal year of operations that matches all planned revenues and expenditures with the services provided the citizens of Fort Bend County based on the established budget policy. Decisions are not based solely on current conditions but on the long-term welfare of the community. The budget is developed and resources allocated based on the vision, mission, and goals of the County.

LONG TERM COMPREHENSIVE PLAN

The County's Long Term Comprehensive Plan outlines goals to be accomplished by the county through its various departments. Many of the specific goals have been met, but since all are long term, many are still in the future. The County's departments are working hard to realize these goals on a continuing basis. We intend to achieve all the goals and objectives in the plan over time. These goals are as follows:

- Assure that the County is a safe and attractive place to live, work and play.
- Utilize state-of-the-art equipment and methods appropriately in the provision and timely delivery of authorized and allowed services.
- Provide the necessary support for mobility and transportation needs in the County.
- Promote a favorable environment for retaining and expanding existing businesses while attracting a wide variety of new businesses to provide employment opportunities.
- Support environmental concerns for preservation of natural and historic resources balanced with sensitivity to the needs of development and recreation.
- Encourage cultural development and ethnic diversity.
- Develop a quality, consumer sensitive, holistic approach to health and human services that keeps pace with the County's growth.
- Actively seek to increase and coordinate volunteerism and active citizen participation that strives for the good of the County as a whole.
- Work cooperatively with other governmental entities to complement their efforts.
- Operate the County government in the most fiscally responsible manner.
- Reorganize and consolidate departments under the direction of competent, trained senior managers who report to Commissioners Court.
- Regularly consider the decisions on behalf of the County with respect to the goals set forth in the Plan. Review, update and amend the Plan on an annual basis.

CAPITAL IMPROVEMENT PROGRAM

The County maintains a multiyear Capital Projects Plan that includes two elements; facilities construction or remodeling, and mobility projects. Mobility projects include all projects not constructed by the Road and Bridge Department.

Under the facilities construction plan, all requested and anticipated construction projects are listed with annual costs of new personnel, furnishings, utilities, and other operating costs attached. Annually, the Commissioners Court selects from the list of projects those to be accomplished during the current fiscal year and the capital outlay associated with those projects. These capital costs are budgeted in the Capital Outlay Department, and current year operating costs are budgeted in the applicable departmental budget.

Mobility Projects include projects accomplished in cooperation with other entities, including the Texas Department of Transportation and other entities within Fort Bend County. The County's portion of these projects is being funded by a bond issue approved in fiscal year 2000 for a total of \$87,000,000. These bonds were issued in three pieces with the first in 2001, the second in 2006, and the final is expected to be issued in April 2007. Two major Mobility Projects completed in 2006 include the Fort Bend Parkway Toll Road and the Westpark Tollway. Both of these facilities are operated by the Fort Bend Toll Road Authority.

DEBT POLICY

The purpose of Fort Bend County's Debt Policy is to establish guidelines for the utilization of debt instruments issued by the County whether payable from County taxes or payable from certain revenues of the County. "Debt Instruments" may include general obligation tax bonds, revenue bonds, subordinate-lien bonds, commercial paper, variable rate demand notes, variable rate auction notes, bond anticipation notes, revenue anticipation notes, tax anticipation notes and capitalized leases, as well as combinations of the foregoing. These Debt Instruments shall only be used to fund the lease, purchase or construction costs of capital assets, infrastructure improvements, and additions, to refund or defease existing debt, to fund capitalized interest, costs of issuance or to make deposits to reserve funds and other funds required or provided for in debt instruments. Debt Instruments will not be used to fund operating expenses except in extreme circumstances for very short terms. This policy will apply to all debt issued by the County or any district or authority where the Commissioners Court acts as the governing body. It also may apply to those entities over which the Commissioners Court has oversight authority if the entities governing body approves a recommendation of the Commissioners Court to adopt this policy. This debt policy does not apply to debt issued by the Housing Finance Corporation, or similar agencies operating in Fort Bend County but responsible to another entity.

The County will ensure all uses of Debt Instruments are in compliance with all statutory requirements, and in accordance with the guidelines contained herein, outstanding ordinances, insurance covenants, and existing agreements. Further, the County will ensure that the utilization of any Debt Instrument provides the most prudent and cost-effective funding possible taking all material matters into account.

MAJOR INITIATIVES

In November 2003 Fort Bend County began an analysis of the information systems used by the departments and offices to administer the business of the county. For more than 15 years, Fort Bend County has been in the top 20 counties in the United States for economic excellence and population growth. Fort Bend County is the third fastest growing county in Texas, and one of the fastest growing in the United States. The growth fuels an ever-increasing need for County services. We have attempted to meet the growth demands by increasing our efficiency. The county selected a financial enterprise resource planning system in August 2006 to replace the aging applications currently in use. A courts management application was also selected in August 2006 to integrate the judicial processes throughout the county. The financial system is planned to go live in December 2007 with the Courts Management system planned to be implemented by July 2009. In every area, we are looking to advanced technology to improve our services to the public without unnecessarily increasing county staff.

The citizens of Fort Bend County have the highest educational attainment rates in the region; and exceed the national averages. The U.S. Bureau of Census estimates that 41.3% of all adults in Fort Bend County hold a bachelor's degree or greater compared to the national average of 27%. The high school dropout rates are well below area, state, and national averages.

Fort Bend County tops the nation for percentage of families with 84% of the population living in family households. Home ownership amongst Fort Bend residents is at 81%. The 2005 average household income in Fort Bend is estimated at \$97,650.

Today, Fort Bend has the ethnic diversity predicted for the U.S. in 2050. Fort Bend County is one of the first minority majority counties in the United States where no one ethnic group is more than 50% of the population. The diversity is embraced by residents and employers alike.

For people reporting one race alone, 58 percent were White; 21 percent were Black or African American; less than 0.5 percent were American Indian and Alaska Native; 15 percent were Asian; less than 0.5 percent were Native Hawaiian and Other Pacific Islander, and 6 percent were Some other race. One

percent reported two or more races. Twenty-two percent of the people in Fort Bend County were Hispanic. Forty-two percent of the people in Fort Bend County were White non-Hispanic. People of Hispanic origin may be of any race.

Identified as a County goal several years ago, mobility remains as one of the top priorities as the County continues to grow and develop. With the major roadways already heavily congested, mobility has been, and continues to be, a primary concern. Continued residential and commercial expansion has increased the use of County roads. What were once little used rural roads are more heavily traveled due to the new developments. In addition, bridges, ditches and right-of-ways are requiring more attention.

Drainage continues to be a significant area of interest for citizens. The County has begun to take on a larger role in drainage, both through the CIP and other planning efforts. Currently, the Big Creek project is underway. The purpose of the Big Creek project is to improve and enlarge approximately twenty linear miles of channel currently being maintained by the Fort Bend County Drainage District.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Fort Bend County, Texas, for its Comprehensive Annual Financial Report for the year ended September 30, 2005. This was the eighteenth consecutive year that the County has received this prestigious award.

In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

In addition, the County also received the GFOA's Distinguished Budget Presentation Award for its annual budget document dated September 30, 2005. In order to qualify for the Distinguished Budget Presentation Award, the government's budget document must be judged proficient as a policy document, a financial plan, an operations guide, and a communications device.

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 Null Lairson P.C., 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, 2005

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



President

Executive Director

FORT BEND COUNTY, TEXAS

LIST OF PRINCIPAL OFFICIALS

September 30, 2006

COMMISSIONERS COURT:

County Judge

Commissioner, Precinct #1

Commissioner, Precinct #2

Commissioner, Precinct #3

Commissioner, Precinct #4

Robert Hebert

Tom Stavinoha

Grady Prestage

Andy Meyers

James Patterson

OTHER COUNTY OFFICIALS:

Tax Collector

County Clerk

District Clerk

County Treasurer

County Auditor

County Sheriff

Purchasing Agent

Budget Officer

Marsha Gaines

Dianne Wilson

Glory Hopkins

Cliff Terrell

Ed Sturdivant

Milton Wright

Gilbert Jalomo

Jim Edwards

DISTRICT COURTS:

Judge, 240th District Court

Judge, 268th District Court

Judge, 328th District Court

Judge, 387th District Court

Judge, 400th District Court

District Attorney

Thomas Culver III

Brady Elliott

Ronald Pope

Robert Kern

Clifford Vacek

John Healey

COUNTY COURT-AT-LAW:

Judge, County Court-at-Law #1

Judge, County Court-at-Law #2

Judge, County Court-at-Law #3

Judge, County Court-at-Law #4

County Attorney

David Hunter

Walter McMeans

Susan Lowery

R.H. "Sandy" Bielstein

Ben Childers

JUSTICES OF THE PEACE:

Justice of the Peace, Precinct #1-1

Justice of the Peace, Precinct #1-2

Justice of the Peace, Precinct #2

Justice of the Peace, Precinct #3

Justice of the Peace, Precinct #4

Gary Fredrickson

Gary Geick

Joel Clouser

Faye Dettling

Jim Richard

CONSTABLES:

Constable, Precinct #1

Constable, Precinct #2

Constable, Precinct #3

Constable, Precinct #4

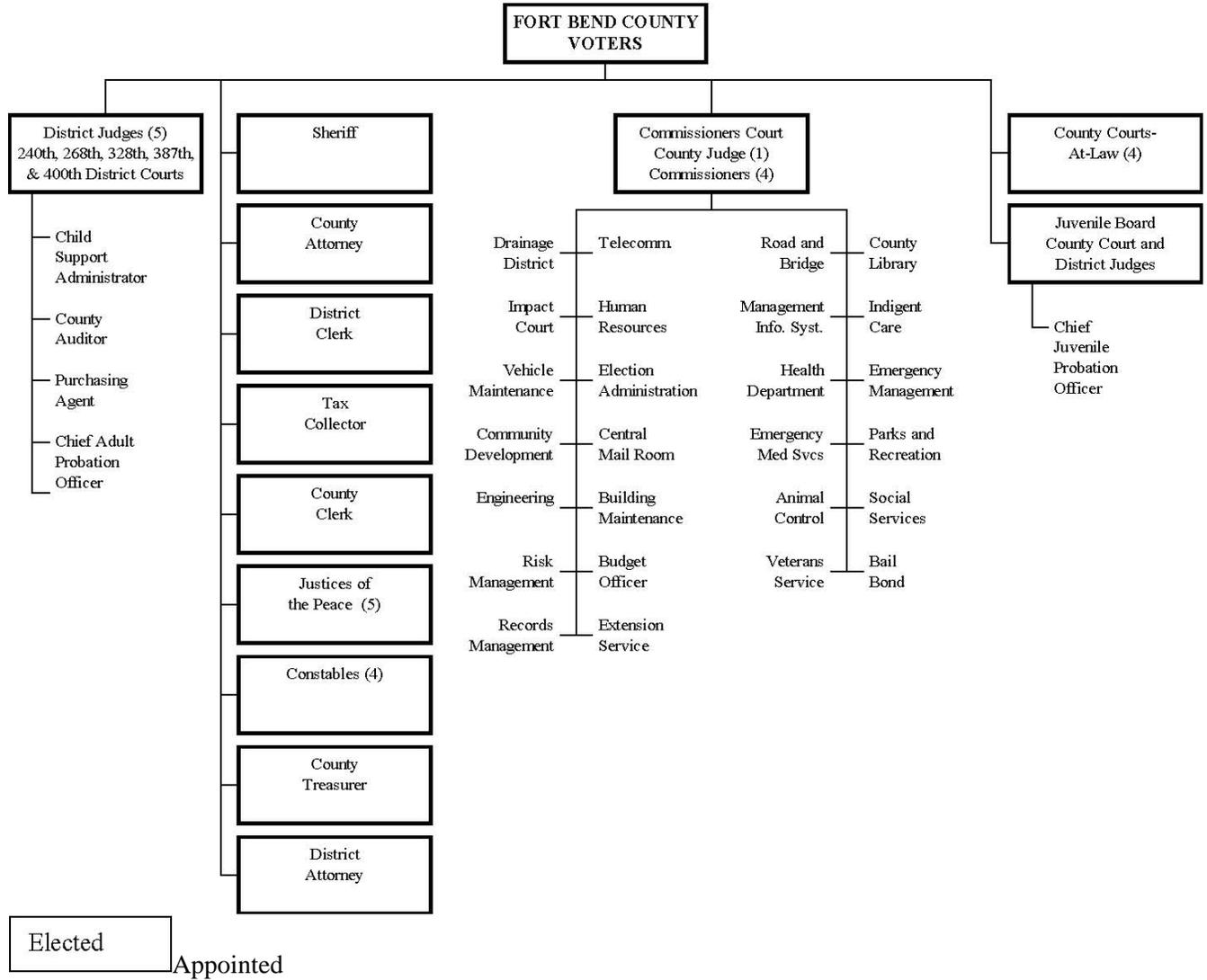
A. J. Dorr

Ruben Davis

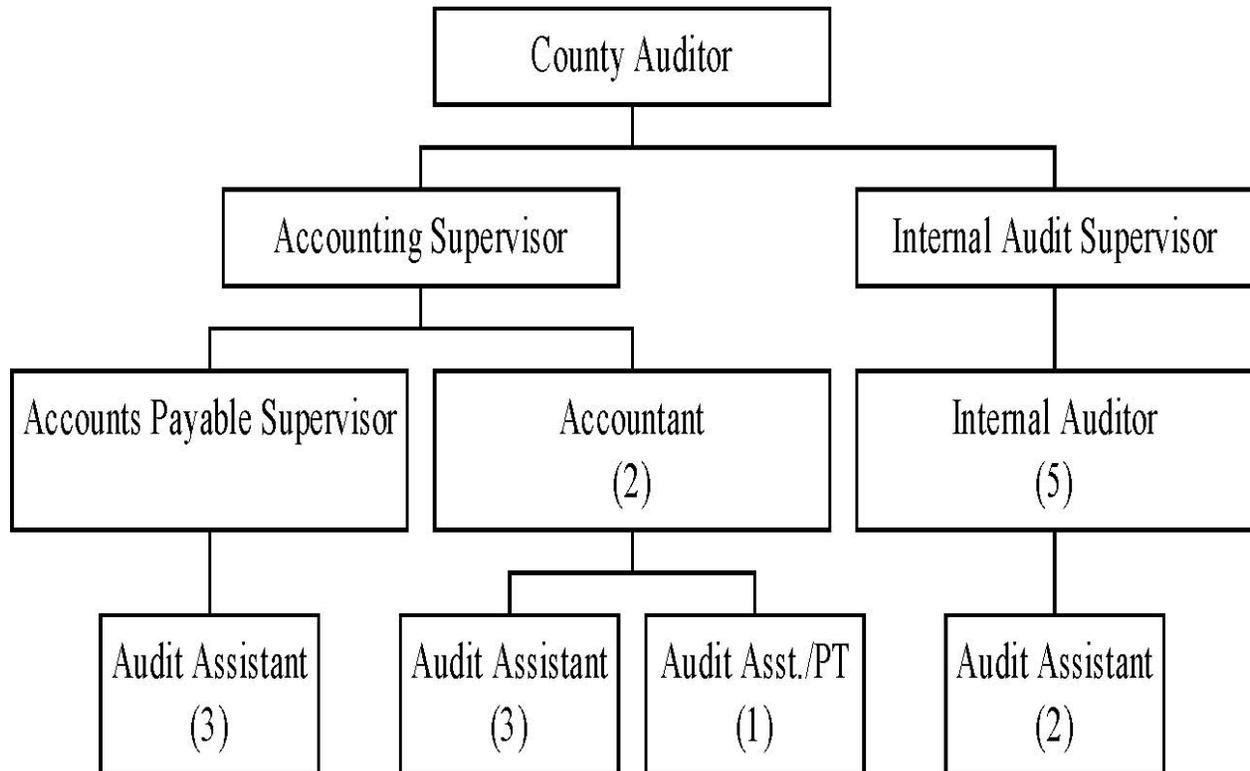
Rob Cook

Troy Nehls

**FORT BEND COUNTY, TEXAS
ORGANIZATION CHART**



FORT BEND COUNTY AUDITOR'S OFFICE
ORGANIZATIONAL CHART
Auditor's Office



11 Greenway Plaza, Suite 1515
Houston, TX 77046
(713) 621-1515
Fax: (713) 621-1570



One Sugar Creek Blvd., Suite 920
Sugar Land, TX 77478
(281) 242-8600
Fax: (281) 242-7333

Independent Auditors' Report

To the Honorable Robert E. Hebert, 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 and for the year ended September 30, 2006, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Fort Bend County Housing Finance Corporation, a discretely presented component unit of the County, which reflects .3 percent of total assets and .3 percent of total revenues of the discretely presented component units. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for that discretely presented component units is based solely on the report of the other auditors.

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

In our opinion, based on our audit and the report of other auditors, 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, 2006, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 16, 2007 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in conjunction with this report in considering the results of our audit

To the Honorable Robert E. Hebert, County Judge
and Members of the Commissioners Court
Fort Bend County, Texas

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Fort Bend County, Texas' basic financial statements. The management's discussion and analysis, budgetary comparison information, and pension system information on pages 3 through 11 and 54 through 58, 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 required supplementary information. However, we did not audit the information and express no opinion on it.

The introductory section, combining and individual fund financial statements and schedules, as well as statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

A handwritten signature in black ink that reads "Mull Laism, P.C." in a cursive style.

March 16, 2007
Houston, Texas

FORT BEND COUNTY, TEXAS

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Fort Bend County (the "County"), we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended September 30, 2006. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i-v of this report.

Financial Highlights

- The assets of the County exceeded its liabilities at the close of the most recent fiscal year by \$567.2 million (*net assets*). Of this amount, \$501.7 million (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors.
- The County's total net assets increased by \$153.1 million.
- As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$77.8 million, an increase of \$23.2 million over the prior year.
- At the end of the current fiscal year approximately \$36.7 million is *available for spending* at the government's discretion (*unreserved, undesignated general fund balance*). This fund balance amounts to 29.2 percent of total general fund expenditures.
- The County's total debt increased by \$ 24.3 million during the current fiscal year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of the County's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The *statement of activities* presents information showing how the government'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*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The government-wide financial statements present functions of the County that are principally supported by taxes (*governmental activities*). The governmental activities of the County include general administration, financial administration, administration of justice, road and bridge maintenance, health and welfare, cooperative service, public safety, parks and recreation, flood control projects, libraries and education, and interest on long-term debt.

FORT BEND COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS

The government-wide financial statements include not only the County itself (known as *the primary government*), but also legally separate entities for which the County is financially accountable. Financial information for these *component units* is reported separately from the financial information presented for the primary government itself. The County's three discretely presented component units consist of the following:

- Fort Bend Toll Road Authority
- Fort Bend Surface Water Supply Corporation
- Fort Bend Housing Finance Corporation

The government-wide financial statements can be found on pages 15 through 17 of this report-

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The County maintains 82 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general, road and bridge, mobility, and debt service funds, all of which are considered to be major funds. Data from the other 78 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in the comprehensive annual financial report.

The basic governmental fund financial statements can be found on pages 18 through 21 of this report.

Proprietary funds. The County uses internal service funds to report activities that provide services for the County's other programs and activities. The Employee Benefits Fund and Workers' Compensation fund are the County's internal service funds. Their purpose is to provide for the accumulation of money for insurance and employee benefits used in County operations. Because all of these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

FORT BEND COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS

All internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in the comprehensive annual financial report.

The basic proprietary fund financial statements can be found on pages 22 through 24 of this report.

Fiduciary funds. *Fiduciary* funds are used to account for resources held for the benefit of parties outside the government. *Fiduciary* funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statement can be found on page 25 of this report.

Combining component unit financial statements. The County's three discretely presented component units shown in aggregate on the face of the government-wide financial statements have individual information for each of the major discretely presented component units presented in the form of combining statements immediately following the fund financial statements of the primary government.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 30 through 51 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the County's progress in funding its obligation to provide pension benefits to its employees. The County adopts an annual appropriated budget for its general, debt service and certain special revenue funds. A budgetary comparison statement has been provided for the general fund and road and bridge fund to demonstrate compliance with these budgets. Required supplementary information can be found on pages 54 through 56 of this report.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the County, assets exceeded liabilities by \$567.2 million at the close of the most recent fiscal year.

By far the largest portion of the County's net assets (percent) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens. Consequently, these assets are *not* available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

FORT BEND COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS

CONDENSED SCHEDULE OF NET ASSETS
September 30, 2006 and 2005

	Primary Government Governmental Activities	
	2006	2005
Current and other assets	\$ 112,182,850	\$ 88,150,137
Capital assets, net	513,646,557	421,623,466
Total Assets	625,829,407	509,773,603
Long-term liabilities	106,120,607	80,609,002
Other liabilities	18,045,759	14,998,734
Total Liabilities	124,166,366	95,607,736
Net Assets:		
Invested in capital assets, net of debt	432,997,770	370,328,466
Restricted :	3,082,489	1,975,443
Unrestricted	65,582,780	41,861,958
Total Net Assets	\$ 501,663,039	\$ 414,165,867

A portion of the County's net assets (\$3.1 million) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets* (\$65.6 million) may be used to meet the government's ongoing obligations to citizens and creditors.

FORT BEND COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS

SCHEDULE OF CHANGES IN NET ASSETS
September 30, 2006 and 2005

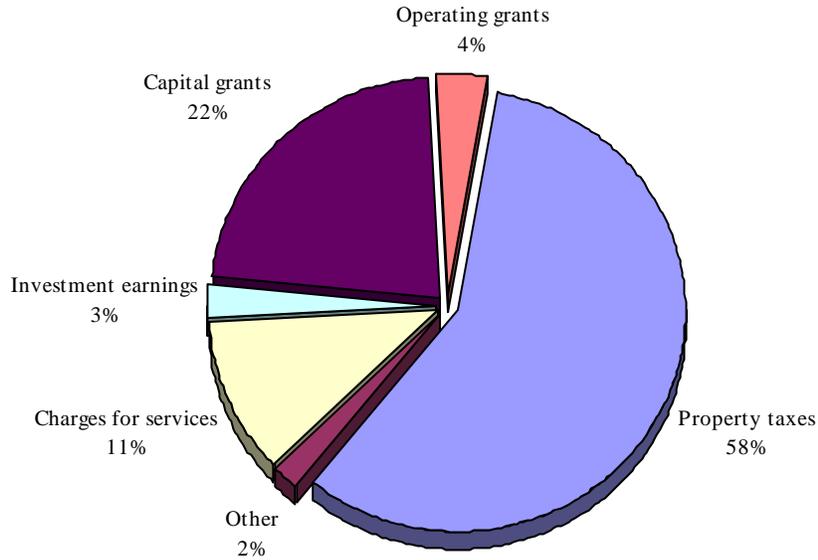
	Primary Government	
	Governmental Activities	
	2006	2005
Revenues		
Program revenues:		
Charges for services	\$ 27,221,567	\$ 36,559,925
Operating grants and contributions	8,615,726	14,341,902
Capital grants and contributions	73,252,137	21,348,940
General revenues:		
Property taxes	137,839,711	127,696,573
Earnings on investments	5,999,017	3,109,378
Grants and Contributions not restricted to specific programs	4,515,643	
Other	228,309	329,311
Total Revenues	257,672,110	203,386,029
Expenses		
General administration	\$23,638,550	42,976,074
Financial administration	5,127,456	4,176,563
Administration of justice	31,024,483	26,601,486
Road and bridge maintenance	22,545,473	23,700,731
Health and welfare	16,903,729	15,261,857
Cooperative services	941,743	837,121
Public safety	44,544,768	36,863,732
Parks and recreation	623,401	1,712,461
Flood control projects	10,175,820	7,723,490
Libraries and education	10,484,078	9,059,591
Interest on long-term debt	4,165,438	3,349,584
Total Expenses	170,174,939	172,262,690
Change in Net Assets	87,497,171	31,123,339
Net Assets, Beginning	414,165,867	383,042,528
Net Assets, Ending	\$ 501,663,038	\$ 414,165,867

At the end of the current fiscal year, the County is able to report a positive balance in net assets for the government as a whole. The same situation held true for the prior fiscal year.

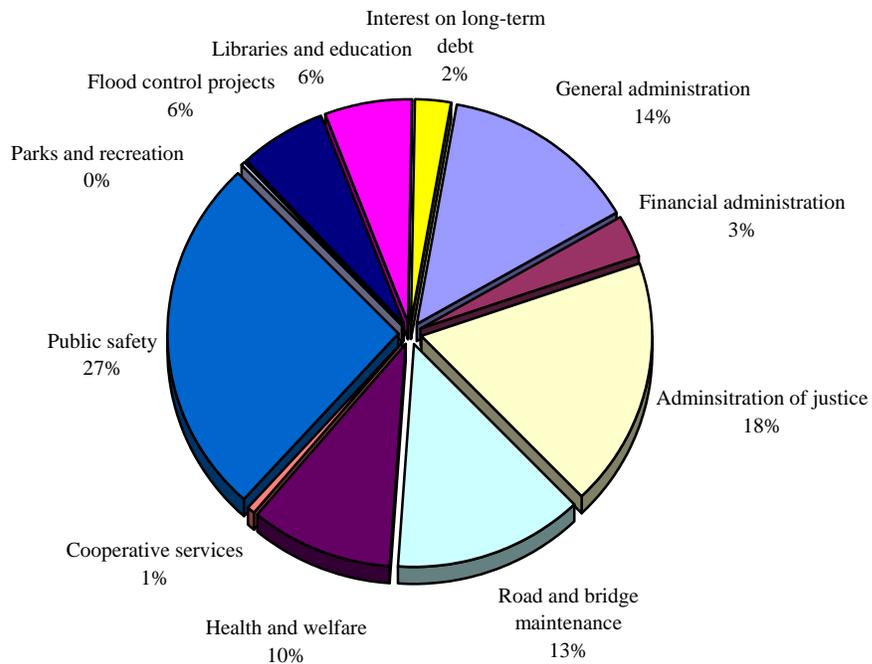
Governmental activities. Governmental activities increased the County's net assets by \$62.7 million. The key element of this increase is as follows:

- Net assets invested in capital assets, net of related debt increased by approximately \$50 million. This increase is primarily due to roads and related right-of-way that have been conveyed to the County by residential developers.

GOVERNMENTAL REVENUES



GOVERNMENTAL FUNCTIONAL EXPENSES



FORT BEND COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

As noted earlier, fund accounting is used to demonstrate and ensure compliance with finance-related legal requirements.

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 \$ 77.8 million. Of this, \$59.2 million is unreserved and available for day-to-day operations of the County. In addition, \$ 2.7 million is reserved for debt service and the remaining reserved amount is for capital projects and prepaid items of \$ 0.1 million.

There was an increase in the combined fund balance of \$ 23.2 million from the prior year. The increase in fund balance includes a \$ 7.4 million increase in the General fund and a \$16.7 million increase in the Mobility Capital Projects Fund. The increase in General fund is due to reduced expenditures and the increase in the mobility fund is due to the issuance of \$ 30.4 million in new debt during the 2nd quarter of 2006.

Proprietary Funds -The County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

The Employee Benefits Fund has a net assets balance at fiscal year end of \$ 0.2 million. In addition, the Other Insurance Fund has deficit net assets of \$ 2.1 million at fiscal year end. Expenditures in the Other Insurance Fund exceeded the amount budgeted in the current fiscal year. However, amounts budgeted for expenditures in this fund have been increased for the future fiscal period, which should reduce the deficit net assets.

GENERAL FUND BUDGETARY HIGHLIGHTS

During the year there was an approximate \$13 million decrease in appropriations between the original and final amended budget. The main components of the decrease are as follows:

- Approximately \$6.7 million was transferred from the general fund to the juvenile probation special revenue fund for operations of the juvenile probation department. This amount was originally budgeted in the general fund, however, was subsequently transferred to the special revenue fund to separately account for the operations of the department.
- Approximately \$2 million was transferred to multi-year capital projects with budgets that extend beyond the County's fiscal year. during the fiscal year for unanticipated state and federal grants received by the County.
- The remaining \$4.3 million was allocated to two capital software projects that were authorized in August 2006.

FORT BEND COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. At the end of fiscal year 2006, the County's governmental activities had invested \$513.6 million in a variety of capital assets and infrastructure, as reflected in the following schedule. This represents an increase of approximately \$ 92.0 million over the previous fiscal year.

	Governmental Activities	
	2006	2005
Non-Depreciable Assets		
Land and intangibles	\$ 182,516,092	\$ 123,842,696
Construction in progress	60,644,205	43,491,368
Other Capital Assets, Net		
Vehicles	3,729,873	4,340,008
Office furniture and equipment	8,802,970	3,076,608
Machinery and equipment	65,132,774	8,050,822
Buildings, facilities and improvements	187,424,298	66,183,757
Infrastructure	625,829,407	172,638,207
Totals	\$ 1,134,079,619	\$ 421,623,466

Construction in progress at year-end represents numerous ongoing projects, the largest of which relate to mobility capital projects.

Long-Term Debt. At the end of the current fiscal year, the County had total bonds and certificates of obligation outstanding of \$94.8 million. The total amount relates to general obligation bonds.

	Governmental Activities	
	2006	2005
General Obligation Bonds	\$ 94,800,000	\$ 70,500,000
Certificates of Obligation		50,000
Total	\$ 94,800,000	\$ 70,550,000

The County issued debt totaling \$30,245,000 with a premium of \$1,084,470 for mobility projects during 2006. At such time, the County received an insured rating of Aaa from Moody's. The uninsured ratings are as follows:

Moody Investor Service Aa2
Standard and Poor's AA

FORT BEND COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS

The Fort Bend Housing Finance Corporation (the "Corporation"), a component unit of the County, has issued conduit debt in the amount of \$97.4 million. The tax-exempt bonds issued by the Corporation do not constitute a debt or pledge of faith by the Corporation, but are payable by the user pursuant to terms defined in the loan agreement underlying each issue. As of September 30, 2006, approximately \$30.9 million of total bonds are outstanding.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The County's labor force stands at 229,377 for 2005, up 1.8% over the past year. In terms of job availability in the County, Woods and Poole estimates that the County has approximately 174,804 jobs that can be filled by Fort Bend County residents. This means that there are enough jobs in the County to support roughly 76% of the labor force today. There are currently 219,080 people employed in the County, leaving a 4.7% unemployment rate. This unemployment rate remains unchanged from the previous year.

The total designed development population for the 49 planned communities is expected to exceed 400,000 persons. The population of Fort Bend County is expected to increase from 452,890 in 2005 to 715,990 persons by the year 2020.

Property market values went up to \$37.7 billion in 2006 from \$33.8 billion in 2005. This is an 11.5% increase over the prior year. This increase is a combination of market appreciation on existing property as well as the new residential and commercial value added during the prior year. The County has experienced steady increases in market values over the past ten years. This growth allows the County to continue to provide necessary services to the citizens of the County without substantial tax increases to fund the costs of providing such services.

The Commissioners Court approved a \$190.6 million total budget for the 2007 fiscal year. This is a 10.6% increase over the adopted 2006 fiscal year budget. The growth in the budget is driven by increased costs of doing business as well as funding for drainage, mobility, and increased services to the citizens of the County. The overall tax rate of \$0.51674 remained the same as the previous fiscal year.

REQUESTS FOR INFORMATION

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



FORT BEND COUNTY, TEXAS
STATEMENT OF NET ASSETS
September 30, 2006

	Primary Governmental Activities	Component Units
ASSETS		
Cash and equivalents	\$ 80,258,290	\$ 12,330,740
Cash held by fiscal agent		1,430,037
Investments	11,270,349	450,238
Receivables:		
Taxes, net	9,651,581	
Grants	3,995,964	1,468,950
Fees and fines	4,355,104	
Other	927,183	3,429,582
Prepaid items	99,073	
Receivable from fiduciary fund	1,472,128	
Due from component units	153,178	
Capital assets, not being depreciated:	243,160,297	
Capital assets, net of accumulated depreciation:	270,486,260	
Total Assets	<u>625,829,407</u>	<u>173,888,233</u>
LIABILITIES		
Accounts payable and accrued expenses	12,436,099	3,765,032
Accrued payroll	1,634,331	
Retainage payable	331,017	1,158,447
Accrued interest payable	367,448	559,676
Deferred Revenues	3,033,783	
Due to primary government		153,178
Due to other governments	243,081	
Long-term liabilities due within one-year	14,954,272	
Long-term liabilities due in more than one-year	91,166,335	138,691,949
Total Liabilities	<u>124,166,366</u>	<u>144,328,282</u>
NET ASSETS		
Invested in capital assets, net of related debt	432,997,770	16,086,737
Restricted for:		
Debt Service	3,082,489	870,361
Unrestricted	65,582,780	12,602,853
Total net assets	<u>\$ 501,663,039</u>	<u>\$ 29,559,951</u>

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

FORT BEND COUNTY, TEXAS
STATEMENT OF ACTIVITIES
For the Year Ended January 0, 1900

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Primary Government				
Governmental Activities				
General administration	\$ 23,638,550	\$ 7,181,125	\$ 1,630,190	\$
Financial administration	5,127,456	613,495		
Administration of justice	31,024,483	5,761,276	4,089,072	
Road and bridge maintenance	22,545,473	3,569,625		73,252,137
Health and welfare	16,903,729	4,961,502	816,749	
Cooperative services	941,743			
Public safety	44,544,768	3,704,319	1,778,870	
Park and recreation	623,401	201,626	113,718	
Flood control projects	10,175,820	992,906		
Libraries and education	10,484,078	235,693	187,127	
Interest on Long-term Debt	4,165,438			
Total Primary Government	170,174,939	27,221,567	8,615,726	73,252,137
Component Units				
FB Surface Water Supply Corp.	\$	\$	\$	\$
FB Toll Road Authority	13,100,087	11,642,712		8,666,316
FB Housing Finance Corp.	26,313	58,566		
Total Component Units	\$ 13,126,400	\$ 11,701,278	\$	\$ 8,666,316

General revenues:

Property taxes, penalties, and interest
 Unrestricted earnings on investments
 Grants and Contributions not restricted to specific programs
 Miscellaneous

Total General Revenues

Changes in Net Assets

Net Assets, Beginning,
Net Assets, Ending

The notes to the financial statements are an integral part of this statement.

**Net (Expense) Revenue and
Changes in Net Assets**

Primary Government	
Governmental Activities	Component Units
\$ (14,827,235)	\$
(4,513,961)	
(21,174,135)	
54,276,289	
(11,125,478)	
(941,743)	
(39,061,579)	
(308,057)	
(9,182,914)	
(10,061,258)	
(4,165,438)	
<u>(61,085,509)</u>	
	\$
	7,208,941
	32,253
	<u>7,241,194</u>
137,839,711	
5,999,017	788,534
4,515,643	
228,309	145,455
<u>148,582,680</u>	<u>933,989</u>
87,497,171	8,175,183
414,165,868	21,384,768
<u>\$ 501,663,039</u>	<u>\$ 29,559,951</u>

FORT BEND COUNTY, TEXAS

BALANCE SHEET

GOVERNMENTAL FUNDS

September 30, 2006

	<u>General</u>	<u>Major Special Revenue - Road & Bridge</u>	<u>Major Capital Project - Mobility</u>	<u>Debt Service Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS						
Cash and Cash Equivalents	\$ 29,801,205	\$ 5,709,519	\$ 16,712,074	\$ 2,665,843	\$ 23,275,832	\$ 78,164,473
Investments	10,974,107				296,242	11,270,349
Taxes receivable, net	7,263,056	903,845		769,386	715,294	9,651,581
Grants receivable	3,700,750				254,272	3,955,022
Other receivables	4,402,184	74,293			245,113	4,721,590
Due from other funds	1,615,346	906,317	370	14,708	10,861	2,547,602
Due from component units	153,178					153,178
Prepaid items	97,835				1,238	99,073
Total Assets	<u>\$ 58,007,661</u>	<u>\$ 7,593,974</u>	<u>\$ 16,712,444</u>	<u>\$ 3,449,937</u>	<u>\$ 24,798,852</u>	<u>\$ 110,562,868</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts Payable	\$ 8,080,283	\$ 1,628,237	\$ 746,476	\$	\$ 2,003,301	\$ 12,458,297
Accrued Payroll	1,251,593	111,487	1,526		217,824	1,582,430
Retainage Payable		41,769	289,248			331,017
Due to other funds	13,232				1,136,651	1,149,883
Due to other governments	240,658					240,658
Deferred revenue	11,582,199	903,846		769,384	3,752,192	17,007,621
Total Liabilities	<u>21,167,965</u>	<u>2,685,339</u>	<u>1,037,250</u>	<u>769,384</u>	<u>7,109,968</u>	<u>32,769,906</u>
Fund Balances:						
Reserved for:						
Debt Service				2,680,553		2,680,553
Prepaid Items	97,835					97,835
Capital Projects			15,675,194		89,821	15,765,015
Unreserved, Reported in:						
General Fund	36,741,861					36,741,861
Special Revenue Funds		4,908,635			7,380,490	12,289,125
Capital Projects Funds					10,218,573	10,218,573
Total Fund Balances	<u>36,839,696</u>	<u>4,908,635</u>	<u>15,675,194</u>	<u>2,680,553</u>	<u>17,688,884</u>	<u>77,792,962</u>
Total Liabilities and Fund Balances	<u>\$ 58,007,661</u>	<u>\$ 7,593,974</u>	<u>\$ 16,712,444</u>	<u>\$ 3,449,937</u>	<u>\$ 24,798,852</u>	<u>\$ 110,562,868</u>

The notes to the financial statements are an integral part of this statement.

FORT BEND COUNTY, TEXAS
RECONCILIATION OF THE BALANCE SHEET TO
THE STATEMENT OF NET ASSETS
September 30, 2006

Total fund balance, governmental funds \$ 77,792,962

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

Capital assets used in governmental activities are not current financial resources and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Assets. 513,646,557

Other long-term assets are not available to pay for current-period expenditures and are therefore deferred in the funds. 14,009,050

Internal Service Funds are used by management to charge the costs of certain activities, such as insurance, to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Assets. (1,917,621)

Some liabilities, (such as Long-term Claims and Judgments Payable, Long-term Compensated Absences, and Bonds Payable), are not due and payable in the current period and are not included in the fund financial statement, but are reported in the governmental

Bonds payable	(94,800,000)
Deferred issuance costs	79,785
Compensated absences	(5,166,444)
Premiums on issuance of debt	(1,613,802)

Accrued interest is not due and payable in the current period and therefore not reported in the funds (367,448)

Net Assets of Governmental Activities \$ 501,663,039

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

FORT BEND COUNTY, TEXAS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

For the Year Ended September 30, 2006

	General	Major Special Revenue - Road & Bridge	Major Capital Project - Mobility	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
REVENUES						
Taxes	\$ 112,711,211	\$ 13,258,690	\$	\$ 8,349,499	\$ 6,087,215	\$ 140,406,615
Fees and fines	14,234,628	2,892,254		766,814	2,926,715	20,820,411
Intergovernmental	6,175,631	267,595	2,472,096		5,965,327	14,880,649
Earnings on investments	3,072,671	450,871	708,994	286,469	1,189,173	5,708,178
Contributions and Donations						
Miscellaneous	3,865,252	577,001		51,516	1,213,310	5,707,079
Total Revenues	<u>140,059,393</u>	<u>17,446,411</u>	<u>3,181,090</u>	<u>9,454,298</u>	<u>17,381,740</u>	<u>187,522,932</u>
EXPENDITURES						
Current:						
General administration	24,503,686				664,865	25,168,551
Financial administration	5,089,685				38,406	5,128,091
Administration of justice	17,656,232				12,121,974	29,778,206
Road and bridge maintenance	2,419,329	16,822,524				19,241,853
Health and welfare	14,416,893				2,775,280	17,192,173
Cooperative services	890,696					890,696
Public safety	44,440,563				1,095,518	45,536,081
Parks and recreation	1,667,241					1,667,241
Flood control projects					9,926,076	9,926,076
Libraries and education	10,059,445				94,784	10,154,229
Capital Outlay	4,582,355	763,784	15,503,276		28,903	20,878,318
Debt Service:						
Principal				5,995,000		5,995,000
Interest and fiscal charges				4,105,682		4,105,682
Total Expenditures	<u>125,726,125</u>	<u>17,586,308</u>	<u>15,503,276</u>	<u>10,100,682</u>	<u>26,745,806</u>	<u>195,662,197</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>14,333,268</u>	<u>(139,897)</u>	<u>(12,322,186)</u>	<u>(646,384)</u>	<u>(9,364,066)</u>	<u>(8,139,265)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	20,298				7,393,643	7,413,941
Transfers out	(6,901,658)				(512,283)	(7,413,941)
Bonds issued			30,245,000			30,245,000
Premium on bonds issued				1,084,470		1,084,470
Total other financing sources (uses)	<u>(6,881,360)</u>		<u>30,245,000</u>	<u>1,084,470</u>	<u>6,881,360</u>	<u>31,329,470</u>
Net change in fund balances	7,451,908	(139,897)	17,922,814	438,086	(2,482,706)	23,190,205
Fund balances-beginning	29,387,788	5,048,532	(2,247,620)	2,242,467	20,171,590	54,602,757
Fund balances-ending	<u>\$ 36,839,696</u>	<u>\$ 4,908,635</u>	<u>\$ 15,675,194</u>	<u>\$ 2,680,553</u>	<u>\$ 17,688,884</u>	<u>\$ 77,792,962</u>

The notes to the financial statements are an integral part of this statement.

FORT BEND COUNTY, TEXAS

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2006

Net change in fund balances - total governmental funds: \$ 23,190,205

Adjustments for the Statement of Activities:

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 (\$29,144,692) exceeded depreciation expense (\$13,019,454) in the current period. 16,125,194

Capital contributions of infrastructure are reported in the governmental-wide financial statements but not in the fund financial statements. 70,915,851

The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items. (31,329,470)

The long-term portion of accrued compensated absences is not due and payable in the current period and is therefore not reported in governmental funds. 25,291

Revenues that do not provide current financial resources are not reported as revenues in the governmental funds. This adjustment reflects the net change in receivables on the accrual basis of accounting. 2,531,689

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. (100,424)

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. (40,668)

Principal payments on bonds are reported as expenditures in governmental funds but not as expenses in the government-wide statements. 5,995,000

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. 184,503

Change in net assets of governmental activities \$ 87,497,171

The notes to the financial statements are an integral part of the statement.

FORT BEND COUNTY, TEXAS
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
September 30, 2006

	<u>Governmental Activities - Internal Service Funds</u>
ASSETS	
Current Assets:	
Cash and cash equivalents	\$ 2,093,815
Due from other funds	76,587
Other receivables	602,268
Total Assets	<u>2,772,670</u>
LIABILITIES	
Current Liabilities:	
Accounts Payable	67,969
Benefits Payable	4,620,146
Due to other funds	2,176
Total Liabilities	<u>4,690,291</u>
NET ASSETS (DEFICIT)	
Unrestricted	<u>\$ (1,917,621)</u>

The notes to the financial statements are an integral part of this statement.

FORT BEND COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
For the Year Ended September 30, 2006

	<u>Governmental Activities Internal Service Funds</u>
<u>Operating Revenues</u>	
Charges for Services	\$ 19,493,952
Total Operating Revenues	<u>19,493,952</u>
<u>Operating Expenses</u>	
Current operations - general administration	2,664,501
Benefits provided	16,935,786
Total Operating Expenses	<u>19,600,287</u>
Operating Income (Loss)	(106,335)
<u>Non-Operating Revenues</u>	
Earnings on investments	290,838
Total Non-Operating Expenses	<u>290,838</u>
Change in Net Assets	184,503
Net Assets (Deficit), Beginning	<u>(2,102,124)</u>
Net Assets (Deficit), Ending	<u>\$ (1,917,621)</u>

The notes to the financial statements are an integral part of this statement.

FORT BEND COUNTY, TEXAS
STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended September 30, 2006

	<u>Governmental Activities - Internal Service Funds</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Charges for services	\$ 19,031,764
Payment of benefits	(15,745,070)
Payment of general administration expenses	<u>(2,664,501)</u>
Net Cash (Used) by Operating Activities	<u>622,193</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfers out	<u>(3,159,553)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest earned on investments	<u>290,838</u>
Net Increase in Cash and Cash Equivalents	(2,246,522)
Cash and Cash Equivalents, Beginning of Year	<u>4,340,337</u>
Cash and Cash Equivalents, End of Year	<u>\$ 2,093,815</u>
Reconciliation of Operating (Loss) to Net Cash (Used) by Operating Activities	
Operating (Loss)	\$ (106,335)
Change in assets and liabilities	
(Increase) Decrease in other receivables	(462,188)
Increase (Decrease) in accounts payable	(1,640)
Increase (Decrease) in benefits payable	<u>1,192,356</u>
Total adjustments	<u>728,528</u>
Net Cash (Used) by Operating Activities	<u>\$ 622,193</u>

The notes to the financial statements are an integral part of this statement.

FORT BEND COUNTY, TEXAS
STATEMENT OF FIDUCIARY NET ASSETS
September 30, 2006

	AGENCY FUND
	<hr/>
ASSETS	
Cash and cash equivalents	\$ 26,118,636
	<hr/>
Total Assets	\$ 26,118,636
	<hr/> <hr/>
LIABILITIES	
Accounts payable	\$ 14,534
Due to other governments	24,631,972
Due to other funds	1,472,130
	<hr/>
Total Liabilities	\$ 26,118,636
	<hr/> <hr/>

The notes to the financial statements are an integral part of this statement.



FORT BEND COUNTY, TEXAS
STATEMENT OF NET ASSETS
COMPONENT UNITS
September 30, 2006

	FBC Surface Water Supply Corporation	Fort Bend Toll Road Authority	Fort Bend Housing Finance Corporation	Totals
ASSETS				
Cash and cash equivalents	\$ 6,828	\$ 12,252,349	\$ 71,563	\$ 12,330,740
Cash held by fiscal agent		1,430,037		1,430,037
Investments		70,238	380,000	450,238
Grant Receivable		1,459,003	9,947	1,468,950
Miscellaneous receivables		3,429,582		3,429,582
Capital assets, net		154,778,686		154,778,686
Total Assets	<u>6,828</u>	<u>173,419,895</u>	<u>461,510</u>	<u>173,888,233</u>
LIABILITIES AND NET ASSETS				
LIABILITIES				
Accounts payable		3,761,432	3,600	3,765,032
Retainage payable		1,158,447		1,158,447
Due to primary government		153,178		153,178
Accrued interest payable		559,676		559,676
Long term liabilities				
Due in more than one year		138,691,949		138,691,949
Total Liabilities		<u>144,324,682</u>	<u>3,600</u>	<u>144,328,282</u>
NET ASSETS				
Invested in capital assets, net of related debt		16,086,737		16,086,737
Restricted for:				
Debt Service		870,361		870,361
Unrestricted	6,828	12,138,115	457,910	12,602,853
Total Net Assets	<u>\$ 6,828</u>	<u>\$ 29,095,213</u>	<u>\$ 457,910</u>	<u>\$ 29,559,951</u>

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

FORT BEND COUNTY, TEXAS
STATEMENT OF ACTIVITIES
COMPONENT UNITS
For the Year Ended September 30, 2006

<u>Functions/Programs</u>	<u>Program Revenues</u>		
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Capital Grants and Contributions</u>
Fort Bend Toll Road Authority			
Toll road operations	\$ 6,314,578	\$ 11,642,712	\$ 8,666,316
Interest on Long-term Debt	6,785,509		
Total Fort Bend Toll Road Authority	<u>13,100,087</u>	<u>11,642,712</u>	<u>8,666,316</u>
Fort Bend Housing Finance Corporation			
General administration	26,313	58,566	
Total Fort Bend Housing Finance Corporation	<u>26,313</u>	<u>58,566</u>	
Total Component Units	<u>\$ 13,126,400</u>	<u>\$ 11,701,278</u>	<u>\$ 8,666,316</u>

General revenues:

 Unrestricted earnings on investments

 Miscellaneous

Total General Revenues

Changes in Net Assets

Net Assets, Beginning,

Net Assets, Ending

The notes to the financial statements are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Assets

FBC Surface Water Supply Corporation	Fort Bend Toll Road Authority	Fort Bend Housing Finance Corporation	Totals
\$	\$ 13,994,450	\$	\$ 13,994,450
	(6,785,509)		(6,785,509)
	7,208,941		7,208,941
		32,253	32,253
		32,253	32,253
	7,208,941	32,253	7,241,194
309	772,799	15,426	788,534
	145,455		145,455
309	918,254	15,426	933,989
309	8,127,195	47,679	8,175,183
6,519	20,968,018	410,231	21,384,768
\$ 6,828	\$ 29,095,213	\$ 457,910	\$ 29,559,951

FORT BEND COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS

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. Complete financial statements for the District can be obtained at the Fort Bend County Auditor's Office located at 301 Jackson, Suite 533, Richmond, Texas.

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. Complete financial statements for the Corporation can be obtained at the Fort Bend County Auditor's Office located at 301 Jackson, Suite 533, Richmond, Texas.

FORT BEND COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS

Fort Bend Parkway Road District ("FBPRD")

The FBPRD, a limited purpose political subdivision, was created as a vehicle to provide cost participation for the development and construction of the Fort Bend Parkway in eastern Fort Bend County. The governing body is Commissioners Court. The District does not issue separate financial statements.

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. The Authority does not issue separate financial statements.

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. The Corporation does not issue separate financial statements.

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.

FORT BEND COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS

B. 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.

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.

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 Special Revenue Fund

The Road & Bridge Fund is a Special Revenue Fund 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.

FORT BEND COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS

Mobility Capital Projects Fund

The Mobility Fund is a Capital Projects Fund 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.

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. This fund is also 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.

C. 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.

FORT BEND COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS

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

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

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

D. 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.

E. 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.

F. 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.

G. Receivables

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

FORT BEND COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS

H. 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.

I. 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 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.

J. Interest Receivable

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

K. Capital Assets

Capital assets used in governmental fund types of the government are recorded as expenditures of the General, Special Revenue and Capital Projects Funds and as assets in the government-wide financial statements to the extent the County's capitalization threshold is met, currently \$5,000. 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 capital 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:

FORT BEND COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS

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

L. Accrued Compensated Absences

All full-time employees accumulate vacation benefits in varying annual number of days up to a maximum of twenty days a year. Accumulated vacation exceeding twenty days lapses on December 31 of each year.

Compensatory time exceeding 240 hours is paid to nonexempt employees except for the nonexempt law enforcement officers who are paid when hours exceed 480. In the event of termination, an employee is paid for all maximum allowable accumulation of vacation and compensatory time.

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

A liability for accrued compensated absences is recorded in the government-wide financial statements.

M. Restricted/Unrestricted Net Assets

It is the County's policy to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

N. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

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.

FORT BEND COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS

NOTE 2 – DEPOSITS (CASH) AND INVESTMENTS

A. Authorization for Deposits and Investments

The Texas Public Funds Investment Act (PFIA), as prescribed in Chapter 2256 of the Texas Government Code, regulate deposits and investment transactions of the County.

In accordance with applicable statutes, the County has a depository contract with an area bank (depository) providing for interest rates to be earned on deposited funds and for banking charges the County incurs for banking services received. The County may place funds with the depository in interest and non-interest bearing accounts. 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. County policy requires the collateralization level to be at least 100% of market value of principal and accrued interest.

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, 2005.

B. Deposit and Investment Amounts

The County's cash and investments are classified as: cash and cash equivalents, and investments. Cash and cash equivalents include cash on hand, deposits with financial institutions, and short-term investments in a privately-managed public funds investment pool account. The investments, which have maturities at purchase of greater than three months, consist mainly of U.S. agency securities.

The following schedule shows the County's recorded cash and investments at year-end:

	Total Fair Value
Cash deposits	\$ 55,556,037
Temporary investments	
MBIA	24,702,253
FNMA	11,270,349
Total Cash and Cash Equivalents	\$ 91,528,639

FORT BEND COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS

Interest Rate Risk

At year-end, the County had the following investments subject to interest rate risk disclosure, under U.S. generally accepted accounting principles:

	<u>Fair Value</u>	<u>Weighted Average Maturity (days)</u>
Temporary Investments		
Investment Pool:		
MBIA	\$ 24,702,253	39
Governmental securities:		
FNMA	11,270,349	19
Total Fair Value	<u>\$ 35,972,602</u>	
Portfolio weighted average maturity		<u>33</u>

It's the County's policy to select any individual investment with a maximum stated of thirty-six (36) months. Portfolio maturities will be structured to meet the obligations of the County first and then to achieve the highest rate of return of interest. When the County has funds not required to meet current-year obligations, maturity restraints will be imposed based upon the investment strategy for the group of funds.

Concentration of Credit Risk

It is the County's policy to diversify its portfolio to eliminate the risk of loss resulting from a concentration of assets in a specific maturity (save and except zero duration funds), a specific issuer or a specific class of investments. To achieve this diversification, the County will limit investments in specific types of securities to the following percentages of the total portfolio:

<u>Investment Type</u>	<u>Maximum Investment %</u>
Repurchase Agreements	up to 35%
Certificates of Deposit	up to 50%
U.S. Treasury Bills/Notes	up to 100%
Other U.S. Government Securities	up to 80%
Authorized Local Government Investment Pools	up to 80%
No Load Money Market Mutual Funds	up to 50%
Bankers Acceptances	up to 15%

It's the County's policy to select investments in order to provide stability of income and reasonable liquidity.

FORT BEND COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS

The County had investments in U.S. Agency securities that exceeded five percent of the total investment portfolio at year-end.

Investment Type	Fair Value	Percentage of Total Portfolio
MBIA	\$ 24,702,253	69%
FNMA	11,270,349	31%
	<u>\$ 35,972,602</u>	<u>100%</u>

The County's investment in Federal National Mortgage Association (FNMA) discount notes was rated Aaa by Moody's Investors Service and AAA by Standard and Poor's. The County's investment in the state investment pool via MBIA was rated Aa2 by Moody Investments and AA by Standard and Poor's.

NOTE 3 – RECEIVABLES

Receivables, including applicable allowances for uncollectible accounts, as of September 30, 2006, are as follows:

Primary Government:

	Governmental Activities				
	Major Special Revenue -		Debt Service	Nonmajor Funds	Total
	General	Road & Bridge			
Receivables					
Taxes	\$ 8,070,063	\$ 1,004,273	\$ 854,872	\$ 715,294	\$ 10,644,502
Grants	3,700,750			254,272	3,955,022
Fees & fines	18,650,646				18,650,646
Other	844,359	74,293		245,113	1,163,765
Gross receivables	31,265,818	1,078,566	854,872	1,214,679	34,413,935
Less: allowance for uncollectibles	(15,935,669)	(100,428)	(85,486)		(16,121,583)
Total	<u>\$ 15,330,149</u>	<u>\$ 978,138</u>	<u>\$ 769,386</u>	<u>\$ 1,214,679</u>	<u>\$ 18,292,352</u>

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. As of September 30, 2006, the various components of deferred revenue reported in the governmental funds are as follows:

	Unavailable	Unearned
Delinquent property taxes (general fund)	\$ 7,263,056	\$
Delinquent property taxes (road and bridge fund)	903,845	
Delinquent property taxes (drainage district fund)	715,294	
Delinquent property taxes (debt service fund)	769,386	
Grant funds received prior to meeting all eligibility requirements		3,033,783
Total deferred revenue for governmental funds	<u>\$ 9,651,581</u>	<u>\$ 3,033,783</u>

FORT BEND COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS

NOTE 4 – PROPERTY TAXES

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

A. 2005 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 2006 fiscal year (2005 tax year), the County levied property taxes of \$0.51674 per \$100 of assessed valuation. The 2005 rates resulted in total tax levies of approximately \$131.2 million based on a total adjusted valuation of approximately \$26 billion. The total tax rate in the 2005 tax year was prorated as follows:

	<u>2005</u>	<u>2005</u>
	<u>Rate</u>	<u>Limit</u>
Fort Bend County, Texas		
General, certain special revenue, and debt service	\$ 0.42425	\$ 0.8000
Special road & bridge funds	0.03759	0.1500
Fort Bend County Drainage District	0.02340	0.2500
Total Tax Rate	<u>\$ 0.48524</u>	<u>\$ 1.2000</u>

The tax rate for the Fort Bend Parkway Road District for the 2005 tax year was \$0.04153 per \$100 of assessed valuation.

B. Fort Bend Central Appraisal District

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

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

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

FORT BEND COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS

NOTE 5 – INTERFUND ACTIVITY

During the year, cash advances are occasionally made between funds for various projects and situations, which create receivables and payables between these funds. All of these interfund balances are expected to be paid within one year. At September 30, 2006, the interfund receivables and payables were as follows:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 1,615,346	\$ 13,232
Road & Bridge	906,317	
Major Capital Project - Mobility	370	
Debt Service	14,708	
Non-major Governmental Funds	<u>10,861</u>	<u>1,136,651</u>
	<u>2,547,602</u>	<u>1,149,883</u>
Internal Service Funds	<u>76,587</u>	<u>2,176</u>
Total Governmental Activity	<u>2,624,189</u>	<u>1,152,059</u>
Fiduciary Funds		<u>1,472,130</u>
Total interfund receivables/payables	<u><u>\$ 2,624,189</u></u>	<u><u>\$ 2,624,189</u></u>

Interfund transfers

Transfers totaling \$7.4 million were made during the year primarily for the purpose of moving unrestricted general fund revenues to finance various programs that the government must account for in other funds in accordance with the budgetary authorizations, including amounts provided as subsidies or matching funds for various grant programs.

FORT BEND COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS

NOTE 6 - CAPITAL ASSETS

A summary of changes in the primary government's capital assets for the year ended September 30, 2006 follows:

	Primary Government			Balance 09/30/06
	Balance 10/01/05	Increases	Decreases	
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$123,842,696	\$ 58,673,396	\$	\$ 182,516,092
Construction in Progress	43,491,368	17,152,837		60,644,205
Total cap. assets not depreciated	<u>167,334,064</u>	<u>75,826,233</u>		<u>243,160,297</u>
Other capital assets:				
Vehicles	10,720,906	2,685,500		13,406,406
Office furniture and equipment	11,085,865	2,120,954	447,456	12,759,363
Machinery and equipment	19,211,775	1,947,690	10,000	21,149,465
Buildings, facilities and improvements	107,143,156	1,722,815		108,865,971
Infrastructure	240,724,722	19,947,856		260,672,578
Total other capital assets	<u>388,886,424</u>	<u>28,424,815</u>	<u>457,456</u>	<u>416,853,783</u>
Less accumulated depreciation for:				
Vehicles	6,380,896	1,629,165		8,010,061
Office furniture and equipment	8,009,258	1,259,967	239,734	9,029,491
Machinery and equipment	11,160,953	1,194,273	8,731	12,346,495
Buildings, facilities and improvements	40,959,400	2,773,797		43,733,197
Infrastructure	68,086,515	6,164,296		73,248,280
Total accumulated depreciation	<u>134,597,022</u>	<u>13,021,498</u>	<u>248,465</u>	<u>146,367,524</u>
Other capital assets, net	<u>254,289,402</u>	<u>15,403,317</u>	<u>208,991</u>	<u>270,486,259</u>
Total Net Assets	<u>\$421,623,466</u>	<u>\$ 91,229,550</u>	<u>\$ 208,991</u>	<u>\$ 513,646,556</u>

Depreciation expenses were charged to the following function in the statement of activities:

General Administration	\$ 1,200,116
Financial Administration	16,358
Administration of Justice	270,179
Construction & Maintenance	7,221,646
Health & Welfare	406,877
Cooperative Services	65,269
Public Safety	2,217,247
Parks & Recreation	273,340
Drainage	567,087
Library	783,380
Total FY2006 Depreciation Expense	<u>13,021,498</u>

FORT BEND COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS

Construction in progress and remaining commitments under related construction contracts for general government construction projects at September 30, 2006, follows:

2006 CONSTRUCTION COSTS

Project	Budget at 09/30/2006	Adjusted Balance at 9/30/2005	Increases (Retainage included)	Decreases	Encumbrances 9/30/2006	Balance 9/30/2006
Other Multi-Year Projects (<\$100k)	\$ 677,585	\$ 241,597	\$ 161,595	\$ (119,929)	\$ 9,905	\$ 283,263
Clodine Reddick Road	119,217		119,216	(119,216)		-
Mustang CC Expansion	121,626		121,625	(121,625)		-
Travis Bldg. Parking Lot	130,040	97,233	31,232			128,465
JP 1-2 Relocation	135,389	128,611	6,777	(135,388)		-
Harlem Road Project	175,000		174,369			174,369
EMS Medic 6	219,341	216,324	3,016	(219,340)		-
Jail Study	250,000		156,427		8,574	156,427
Chimney Rock Road Project	250,000	69,920				69,920
Needville Service Center	306,518	106,518			31,736	106,518
Court Complex Study	396,955		119,217		194,171	119,217
Bridge Construction	407,106		2,246			2,246
Jane Long Renovations	435,500	117,257	15,848		6,848	133,105
Hillcroft Reconstruction Project	495,106	240,795	177,061		13,918	417,857
IT Enhancements	502,983	173,162	50,693		11,344	223,855
Scanlin Road Utilities Project	506,247	506,247		(506,247)	-	-
SH 36 Park & Ride	593,628	27,485	621		40,781	28,105
Right of Way Purchases	694,416	-	694,415		-	694,415
JJAEP Facility (Jake Dove)	755,089	754,848	240	(755,087)		-
Parks Upgrades	959,475	346,431	317,916		31,194	664,347
Fresh Water Supply District #2	1,000,000	922,263	77,737	(1,000,000)	-	-
Fairgrounds Renovation Project	1,008,718	914,099	85,460			999,559
Pct. 3 Relocations	1,292,808		1,098,878		23,604	1,098,878
Right of Way Purchases (MYMY)	1,942,239		54,235		100,643	54,235
Traffic Signal Project	2,083,970	1,513,776	467,953		16,194	1,981,729
Fresh Water Supply District #1	3,001,734	2,325,366	290,486		385,882	2,615,852
Sienna Library Project	3,400,000	126,825	300,595		158,044	427,420
F&HC Software Project	4,806,865		838,202		130,033	838,202
JST Software Project	5,090,330		8,984			8,984
Mobility Projects	39,862,481	34,662,611	15,503,276		3,488,069	50,165,887
Total w/out Toll Road	71,620,366	43,491,368	20,878,318	(2,976,833)	4,650,940	61,392,854
Toll Road Authority	155,768,798	133,546,352	14,148,928		6,137,497	147,695,279
Total including Toll Road	<u>\$ 227,389,164</u>	<u>\$ 177,037,720</u>	<u>\$ 35,027,246</u>	<u>\$ (2,976,833)</u>	<u>\$ 10,788,437</u>	<u>\$ 209,088,133</u>

*This project was to repair the waterways of the community and therefore not capitalized b/c the County does not own any property from the work completed.

FORT BEND COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS

A summary of changes in the discretely presented component unit (Fort Bend Toll Road Authority) capital assets for the year ended September 30, 2006 follows

	Discretely Presented Component Unit			Balance 09/30/06
	Balance 10/01/05	Increases	Decreases	
Governmental Activities:				
Infrastructre				
Toll Roads	\$ 145,816,057	\$ 10,906,353	\$	\$ 156,722,410
Total Capital Assets	145,816,057	10,906,353		156,722,410
Less accumulated depreciation for:				
General Administration				
Toll Roads	1,522,256	3,918,060		5,440,316
Net Capital Assets	\$ 144,293,801	\$ 6,988,293	\$	\$ 151,282,094

NOTE 7 - 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, 2006, are listed on the following page:

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	\$ 17,200,000
6,850,000	Fort Bend Flood Control Water Supply Corporation Bonds, Series 1995	5.30	2008	1,570,000
5,000,000	Library Permanent Improvement Bonds, Series 1997	4.50 - 6.50	2016	3,400,000
14,060,000	Fort Bend Flood Control Water Supply Corp. Bonds, Series 1999 Refunding	4.00 - 5.00	2008	3,555,000
29,000,000	Fort Bend General Obligation Bonds, Series 2001	4.00 - 5.00	2021	27,350,000
30,245,000	Fort Bend General Obligation Bonds, Series 2006	4.00 - 5.00	2026	30,245,000
11,650,000	Fort Bend Flood Control Water Supply Refunding Bonds, Series 2001	2.85 - 5.38	2021	10,870,000
	Total Direct General Obligation Bonds			94,190,000
1,520,000	Fort Bend Parkway Road District Unlimited Tax Bonds, Series 1990	8.20 - 8.63	2010	610,000
	Total General Obligation Bonds			\$ 94,800,000

FORT BEND COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS

A summary of long-term liability transactions of the County for the year ended September 30, 2006, follows:

	<u>October 1, 2005</u> Balance	<u>Additions</u>	<u>Retirements</u>	<u>September 30, 2006</u> Balance	<u>Amounts Due</u> <u>Within One</u> <u>Year</u>
General Obligation Bonds	\$ 70,500,000	\$ 30,245,000	\$ 5,945,000	\$ 94,800,000	\$ 7,125,000
Certificates of Obligation	50,000		50,000		
Preimims on bonds	570,000	1,084,470	40,668	1,613,802	
Deferred issuance costs	(80,134)			(80,134)	
Claims and Judgements	4,867,267	2,920,360	3,167,481	4,620,146	3,696,117
Accrued Compensated Absences	5,191,735	3,115,041	3,140,332	5,166,444	4,133,155
Total Long Term Liabilities	<u>\$ 81,098,868</u>	<u>\$ 37,364,871</u>	<u>\$ 12,343,481</u>	<u>\$106,120,258</u>	<u>\$ 14,954,272</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:

	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2007	\$ 7,125,000	\$ 4,333,480	\$ 11,458,480
2008	7,360,000	4,003,254	11,363,254
2009	7,695,000	3,739,433	11,434,433
2010	7,605,000	3,464,312	11,069,312
2011	7,390,000	3,131,764	10,521,764
2012	4,480,000	2,749,407	7,229,407
2013	4,585,000	2,526,208	7,111,208
2014	4,775,000	2,291,250	7,066,250
2015	4,855,000	2,055,837	6,910,837
2016	4,915,000	1,820,172	6,735,172
2017	4,555,000	1,571,903	6,126,903
2018	4,630,000	1,340,356	5,970,356
2019	4,710,000	1,106,856	5,816,856
2020	4,765,000	869,981	5,634,981
2021	4,855,000	629,481	5,484,481
2022	1,900,000	460,606	2,360,606
2023	1,995,000	363,231	2,358,231
2024	2,100,000	260,856	2,360,856
2025	2,200,000	157,481	2,357,481
2026	2,305,000	53,303	2,358,303
Totals	<u>\$ 94,800,000</u>	<u>\$ 36,929,176</u>	<u>\$ 131,729,176</u>

FORT BEND COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS

Discretely presented component unit long-term bonded debt as of September 30, 2006, is listed below:

Discretely Presented Component Units				
Original Issue	Description	Interest Rate %	Matures	Debt Outstanding
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	72,195,000
Total General Obligation Bonds				\$ 135,890,000

A summary of long-term liability transactions of the discretely component units for the year ended September 30, 2006, follows:

	October 1, 2005			September 30, 2006	Amounts Due Within One Year
	Balance	Additions	Retirements	Balance	
General Obligation Bonds	\$ 135,890,000	\$	\$	\$ 135,890,000	\$

FORT BEND COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS

Annual debt service requirements to maturity are summarized as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
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>\$ 122,014,802</u>	<u>\$ 257,904,802</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 \$78,614,000 of bonds have been issued. As of September 30, 2006, \$30,890,890 of total bonds are outstanding.

FORT BEND COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS

NOTE 8 - FUND EQUITY

Deficit Net Assets - Employee Benefits

The Workers' Compensation Fund reported a deficit net assets balance of \$2.1 million as of September 30, 2006. This deficit is a result of incurred-but-not-reported activity posted from an annual actuarial study. This liability totals \$2.5 million as of September 30, 2006. Through proper funding, this deficit should be reduced in the future.

NOTE 9 – EMPLOYEE RETIREMENT SYSTEM

A. Plan Description

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

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

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

B. Contributions

The employer has elected the annually determined contribution rate (ADCR) plan provisions of the TCDRS Act. The plan is funded by monthly contributions from both employee members and the employer based on the covered payroll of employee members. Under the TCDRS Act, the contribution rate of the employer is actuarially determined annually. It was 9.95% for calendar year 2006. 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.

FORT BEND COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS

For the year ended September 30, 2006, the pension cost for the TCDRS plan and the actual contributions made were \$7,322,925. Because all contributions are made as required, no pension obligation existed at September 30, 2006.

Fiscal year	2006	2005	2004
Net pension obligation (NPO) at the beginning of period	\$	\$	\$
Annual required contributions (ARC)	7,322,925	7,169,653	6,389,076
Contributions made	7,322,925	7,169,653	6,389,076
NPO at end of period	\$	\$	\$

Actuarial valuation date	12/31/2003	12/31/2004	12/31/2005
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)	5.50%	5.50%	5.30%
Inflation	3.50%	3.50%	3.50%
Cost of living adjustments	0.00%	0.00%	0.00%
(1) includes inflation at stated rate			

NOTE 10 - DEFERRED COMPENSATION PLAN

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

FORT BEND COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS

NOTE 11 – CONTINGENCIES AND COMMITMENTS

A. Construction Contract Commitments

The County had several capital improvement commitments at September 30, 2006. 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 6.

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, 2006.

NOTE 12 - 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 judgments. 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 9/30/2006	Year Ended 9/30/2005
Unpaid Claims, beginning of year	\$ 4,867,267	\$ 4,764,911
Incurred claims (including IBNR's)	16,634,593	16,806,438
Claim Payments	(16,881,714)	(16,704,082)
Unpaid claims, end of year	<u>\$ 4,620,146</u>	<u>\$ 4,867,267</u>

FORT BEND COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS

NOTE 13 – SUBSEQUENT EVENT

On March 13th, 2007 the County approved the pricing for the issuance of the 2007 Unlimited Tax Road Bonds in the amount of \$26,000,000. The Official Statement for this issuance indicates an expectation that the bonds will be available for delivery on April 10, 2007. This is the third and final issuance of the Mobility Bonds that were approved by the voters on November 7, 2000.



REQUIRED SUPPLEMENTARY INFORMATION

FORT BEND COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND - BUDGETARY BASIS
Year Ended September 30, 2006

	Original Budget	Budget as Amended	Actual	Variance from Amended Positive (Negative)
Revenues				
Property taxes	\$ 112,250,564	\$ 112,250,564	\$ 111,235,023	\$ (1,015,541)
Fees and fines	15,017,000	15,077,782	16,335,777	1,257,995
Intergovernmental	836,000	1,552,396	1,925,547	373,151
Earnings on investments	1,450,000	1,450,000	3,072,671	1,622,671
Miscellaneous	2,513,500	3,164,738	3,372,610	207,872
Total Revenues	132,067,064	133,495,480	135,941,628	2,446,148
Expenditures				
Current				
General administration	26,483,616	22,784,006	22,596,843	187,163
Financial administration	5,596,215	5,168,402	5,089,461	78,941
Administration of justice	23,991,067	17,495,554	17,301,068	194,486
Construction and maintenance	2,783,131	2,439,678	2,419,327	20,351
Health and welfare	14,652,474	13,682,321	13,557,659	124,662
Cooperative service	1,003,740	890,697	890,696	1
Public safety	42,883,578	43,390,415	43,246,893	143,522
Parks and recreation	1,545,438	1,698,707	1,667,090	31,617
Libraries and education	9,984,407	9,999,697	9,999,697	0
Capital outlay	2,717,020	694,416	694,415	1
Total Expenditures	131,640,686	118,243,893	117,463,149	780,744
Excess (Deficiency) of Revenues Over (Under) Expenditures	426,378	15,251,587	18,478,479	3,226,891
Other Financing Sources (Uses)				
Multi-Year Budget Activity	(4,125,217)	(4,125,217)	(4,125,217)	
Transfers in	150,000	150,000	298	(149,702)
Transfers (out)		(6,901,658)	(6,901,658)	
Total Other Financing Sources (Uses)	(3,975,217)	(6,751,658)	(11,026,577)	(149,702)
Net Change in Fund Balances	(3,548,839)	8,499,929	7,451,901	3,077,189
Fund Balances, Beginning of Year	29,387,788	29,387,788	29,387,788	
Fund Balances, End of Year	\$ 25,838,949	\$ 37,887,717	\$ 36,839,689	\$ 3,077,189

FORT BEND COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
ROAD AND BRIDGE - BUDGETARY BASIS
Year Ended September 30, 2006

	Original Budget	Budget as Amended	Actual	Variance from Amended Positive (Negative)
<u>Revenues</u>				
Property taxes	\$ 9,972,068	\$ 9,972,068	\$ 9,833,379	\$ (138,689)
Fees and fines	5,440,000	5,440,000	6,306,955	866,955
Intergovernmental	50,000	50,000	92,595	42,595
Earnings on investments	205,000	205,000	450,871	245,871
Miscellaneous	255,000	637,972	612,215	(25,757)
Total Revenues	15,922,068	16,305,040	17,296,014	990,974
<u>Expenditures</u>				
Current				
Construction and maintenance	16,753,630	17,549,850	16,818,199	731,651
Total Expenditures	16,753,630	17,549,850	16,818,199	731,651
Excess (Deficiency) of Revenues Over (Under) Expenditures	(831,562)	(1,244,810)	477,815	1,722,625
Other Financing Sources (Uses)				
Multi-Year Budget Activity	(617,711)	(617,711)	(617,711)	
Total Other Financing Sources (Uses)	(617,711)	(617,711)	(617,711)	
Net Change in Fund Balances	(1,449,273)	(1,862,521)	(139,896)	1,722,625
Fund Balances, Beginning of Year	5,048,532	5,048,532	5,048,532	
Fund Balances, End of Year	\$ 3,599,259	\$ 3,186,011	\$ 4,908,636	\$ 1,722,625

FORT BEND COUNTY, TEXAS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

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. Excess of Expenditures Over Appropriations

For the year ended September 30, 2006, expenditures exceeded appropriations in the Interest and Fiscal Charges functions of the Combined Debt Service fund by \$612,692. This overexpenditure was caused by new debt service for the 2006 Mobility Bond issuance and was funded by excess monies in Combined Debt Service fund balance.

FORT BEND COUNTY, TEXAS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

C. Budgetary Basis

Fort Bend County budgets for operational and capital activity through the fiscal year budget process for General Fund, Road & Bridge, and other funds. General Fund and Road and Bridge also include multi-year budgets that are not confined to the fiscal year ending September 30. These multi-year budgets are used to account for projects, capital projects, and grants. The funding for these projects and grants originates from a prior or current fiscal year budget allocation that is then transferred to the multi-year project budget. The schedules below show a reconciliation of the actual activity in these funds on the fiscal year and multi-year budgetary basis to determine the actual net change in fund balance.

General Fund	Actual Fiscal Year	Actual Multi-Year	Total Actual
Revenues	\$ 135,941,628	\$ 4,117,765	\$ 140,059,393
Expenditures	117,463,149	8,262,976	125,726,125
Excess (Deficiency) Revs over Exp	18,478,479	(4,145,211)	14,333,268
Transfers in	298	20,000	20,298
Transfers (out)	(6,901,658)	-	(6,901,658)
Net Change in Fund Balance	11,577,118	(4,125,210)	7,451,908
Fund Balances, Beginning of Year			29,387,788
Fund Balances, End of Year			\$ 36,839,696

Road & Bridge	Actual Fiscal Year	Actual Multi-Year	Total Actual
Revenues	17,296,014	150,397	17,446,411
Expenditures	16,818,199	768,109	17,586,308
Net Change in Fund Balance	477,815	(617,712)	(139,897)
Fund Balances, Beginning of Year			5,048,532
Fund Balances, End of Year			\$ 4,908,635

FORT BEND COUNTY, TEXAS
TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM -
SCHEDULE OF FUNDING PROGRESS
September 30, 2006

For the year ended September 30, 2006, the employer's annual pension cost for the TCDRS plan for its employees and the actual contributions made were \$7,322,925 for the County. Because all contributions are made as required, no pension obligation existed at September 30, 2006.

Fiscal year	2006		2005		2004	
Actuarial valuation date	12/31/2005		12/31/2004		12/31/2003	
Actuarial value of assets	\$	163,275,616	\$	147,378,271	\$	132,671,550
Actuarial accrued liability		192,738,129		176,423,753		160,195,715
Percentage funded		85%		84%		83%
Unfunded actuarial accrued liability		29,462,513		29,045,482		27,524,165
Annual covered payroll		70,100,314		66,178,539		61,764,831
Unfunded actuarial accrued liability (UAAL)% of covered payroll		42%		44%		45%

OTHER SUPPLEMENTARY INFORMATION



**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**

**FORT BEND COUNTY, TEXAS
NON-MAJOR GOVERNMENTAL FUND DESCRIPTIONS**

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

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 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.

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.

FORT BEND COUNTY, TEXAS NON-MAJOR GOVERNMENTAL FUND DESCRIPTIONS

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.

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.

FORT BEND COUNTY, TEXAS NON-MAJOR GOVERNMENTAL FUND DESCRIPTIONS

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.

Gates Foundation Grant

This fund is used to account for the grant from the Gates Foundation to purchase computers for the Library.

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

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

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 Funds

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.

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**

CAPITAL PROJECTS FUNDS

Road and Bridge Capital Projects

This fund is used to account for allocations from the Major Road and Bridge fund for road and/or bridge projects that are managed over multiple fiscal years.

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.

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.

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 COUNTY, TEXAS
NON-MAJOR GOVERNMENTAL FUND DESCRIPTIONS**

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.

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.

INTERNAL SERVICE FUNDS

Employee Benefits

This fund is used to account for allocations from various county budgets and employee contributions to administer the self-funded medical/dental benefits plan.

Workers Compensation / Unemployment

This fund is used to account for allocations from various county budgets to administer the self-funded Workers' Compensation plan and unemployment insurance administered through Texas Association of Counties.

FIDUCIARY FUND

Agency Fund

These funds are used to account for collections and disbursements of court costs, fees, fines, and other funds due to other entities for which the county serves as the fiscal agent.

FORT BEND COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2006

	Special Revenue Funds			
	Juvenile Operations	Drainage District	Lateral Road	County Historical Commission
Assets				
Cash and Cash Equivalents	\$ 702,513	\$ 3,281,297	\$ 84,571	\$ 3,778
Investments				
Receivables net of allowance for estimated uncollectibles				
Taxes		715,294		
Federal and state grants				
Other receivables	13,065	126		
Due from other funds		10,861		
Due from component units				
Prepaid Items				
Total Assets	\$ 715,578	\$ 4,007,578	\$ 84,571	\$ 3,778
Total Liabilities and Fund Balances				
Liabilities				
Accounts payable	\$ 312,135	\$ 421,099	\$	\$
Accrued payroll	99,448	64,337		
Due to other funds		1,000,000		53
Deferred revenues		715,295		
Total Liabilities	411,583	2,200,731		53
Fund Balances				
Reserved:				
Capital Projects				
Unreserved, reported in:				
Special revenue funds	303,995	1,806,847	84,571	3,725
Capital project funds				
Total Fund Balances	303,995	1,806,847	84,571	3,725
Total Liabilities and Fund Balances	\$ 715,578	\$ 4,007,578	\$ 84,571	\$ 3,778

Special Revenue Funds

<u>City Water Assistance</u>	<u>Emergency Heat Relief</u>	<u>Entex Contribution</u>	<u>HL&P Assistance</u>	<u>County Law Library</u>	<u>Gus George Law Academy</u>
\$ 11,225	\$ 160	\$ 10,419	\$ 41,380	\$ 510,637	\$ 62,192 296,242
				18,097	79,300
				395	
<u>\$ 11,225</u>	<u>\$ 160</u>	<u>\$ 10,419</u>	<u>\$ 41,380</u>	<u>\$ 529,129</u>	<u>\$ 437,734</u>
\$ 149	\$	\$	\$ 22,123	\$ 11,934 1,029	\$ 9,359
<u>149</u>	<u></u>	<u></u>	<u>22,123</u>	<u>12,963</u>	<u>9,359</u>
11,076	160	10,419	19,257	516,166	428,375
<u>11,076</u>	<u>160</u>	<u>10,419</u>	<u>19,257</u>	<u>516,166</u>	<u>428,375</u>
<u>\$ 11,225</u>	<u>\$ 160</u>	<u>\$ 10,419</u>	<u>\$ 41,380</u>	<u>\$ 529,129</u>	<u>\$ 437,734</u>

FORT BEND COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2006

	<u>Special Revenue Funds</u>			
	<u>Ambulance Paramedics</u>	<u>Library Donation</u>	<u>Mission West Park Pct 3</u>	<u>Asset Forfeiture- Task Force</u>
Assets				
Cash and Cash Equivalents	\$ 10,856	\$ 116,289	\$ 49,344	\$ 310,237
Investments				
Receivables net of allowance for estimated uncollectibles				
Taxes				
Federal and state grants				
Other receivables		91		
Due from other funds				
Due from component units				
Prepaid Items				
Total Assets	<u>\$ 10,856</u>	<u>\$ 116,380</u>	<u>\$ 49,344</u>	<u>\$ 310,237</u>
Total Liabilities and Fund Balances				
Liabilities				
Accounts payable	\$	\$ 1,157	\$	\$
Accrued payroll				
Due to other funds	46			
Deferred revenues				
Total Liabilities	<u>46</u>	<u>1,157</u>		
Fund Balances				
Reserved:				
Capital Projects				
Unreserved, reported in:				
Special revenue funds	10,810	115,223	49,344	310,237
Capital project funds				
Total Fund Balances	<u>10,810</u>	<u>115,223</u>	<u>49,344</u>	<u>310,237</u>
Total Liabilities and Fund Balances	<u>\$ 10,856</u>	<u>\$ 116,380</u>	<u>\$ 49,344</u>	<u>\$ 310,237</u>

Special Revenue Funds

<u>DWI Video</u>	<u>Probate Court Training</u>	<u>JP Technology Fund</u>	<u>Alert Program Juvenile</u>	<u>Juvenile Probation Special</u>	<u>DA Asset Forfeiture</u>
\$ 3,709	\$ 35,820	\$ 337,984	\$ 14,864	\$ 207,184	\$ 181
	293	13,012	110	2,289	
<u>\$ 3,709</u>	<u>\$ 36,113</u>	<u>\$ 350,996</u>	<u>\$ 14,974</u>	<u>\$ 209,473</u>	<u>\$ 181</u>
\$	\$	\$ 1,998	\$ 117	\$ 1,124 1,392	\$ 164
		<u>1,998</u>	<u>117</u>	<u>2,516</u>	<u>164</u>
3,709	36,113	348,998	14,857	206,957	17
<u>3,709</u>	<u>36,113</u>	<u>348,998</u>	<u>14,857</u>	<u>206,957</u>	<u>17</u>
<u>\$ 3,709</u>	<u>\$ 36,113</u>	<u>\$ 350,996</u>	<u>\$ 14,974</u>	<u>\$ 209,473</u>	<u>\$ 181</u>

FORT BEND COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2006

	<u>Special Revenue Funds</u>			
	<u>DA Bad Check - Collection Fees</u>	<u>Gus George Memorial</u>	<u>Records Management- CC</u>	<u>DA Special Fund (Fun Run)</u>
Assets				
Cash and Cash Equivalents	\$ 58,806	\$ 6,915	\$ 1,122,411	\$ 14,590
Investments				
Receivables net of allowance for estimated uncollectibles				
Taxes				
Federal and state grants				
Other receivables	3,468		40,942	
Due from other funds				
Due from component units				
Prepaid Items				
Total Assets	<u>\$ 62,274</u>	<u>\$ 6,915</u>	<u>\$ 1,163,353</u>	<u>\$ 14,590</u>
Total Liabilities and Fund Balances				
Liabilities				
Accounts payable	\$ 5,673	\$	\$ 113,697	\$
Accrued payroll				
Due to other funds	255			
Deferred revenues				
Total Liabilities	<u>5,928</u>		<u>113,697</u>	
Fund Balances				
Reserved:				
Capital Projects				
Unreserved, reported in:				
Special revenue funds	56,346	6,915	1,049,656	14,590
Capital project funds				
Total Fund Balances	<u>56,346</u>	<u>6,915</u>	<u>1,049,656</u>	<u>14,590</u>
Total Liabilities and Fund Balances				
	<u>\$ 62,274</u>	<u>\$ 6,915</u>	<u>\$ 1,163,353</u>	<u>\$ 14,590</u>

Special Revenue Funds

<u>County Attorney Supplemental</u>	<u>FBC Records Management</u>	<u>VIT Interest (Tax Collector)</u>	<u>Courthouse Security</u>	<u>Elections Contract</u>	<u>Asset Forfeiture- Task (Federal)</u>
\$ 127,904	\$ 117,790	\$ 3,822	\$ 866,296	\$ 334,631	\$ 100,318
	11,182		30,339		39
<u>\$ 127,904</u>	<u>\$ 128,972</u>	<u>\$ 3,822</u>	<u>\$ 896,635</u>	<u>\$ 334,631</u>	<u>\$ 100,357</u>
\$ 702 12,878	\$ 13,425	\$ 3,042	\$ 9,078 5,414 20,000	\$ 109,330	\$ 6,425
<u>13,580</u>	<u>13,425</u>	<u>3,042</u>	<u>34,492</u>	<u>109,330</u>	<u>6,425</u>
114,324	115,547	780	862,143	225,301	93,932
<u>114,324</u>	<u>115,547</u>	<u>780</u>	<u>862,143</u>	<u>225,301</u>	<u>93,932</u>
<u>\$ 127,904</u>	<u>\$ 128,972</u>	<u>\$ 3,822</u>	<u>\$ 896,635</u>	<u>\$ 334,631</u>	<u>\$ 100,357</u>

FORT BEND COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2006

	Special Revenue Funds			
	S.O. Allocation- F/Assets (State)	S.O. Allocation- F/Assets (Fed)	Asset Forfeiture- Const Pct 2	Asset Forfeiture (Fed) Cons Pct 4
Assets				
Cash and Cash Equivalents	\$ 61,344	\$ 242,031	\$ 4,314	\$ 118
Investments				
Receivables net of allowance for estimated uncollectibles				
Taxes				
Federal and state grants				
Other receivables	5,930	9,062		
Due from other funds				
Due from component units				
Prepaid Items				
Total Assets	\$ 67,274	\$ 251,093	\$ 4,314	\$ 118
Total Liabilities and Fund Balances				
Liabilities				
Accounts payable	\$	\$ 2,480	\$	\$
Accrued payroll				
Due to other funds				
Deferred revenues				
Total Liabilities		2,480		
Fund Balances				
Reserved:				
Capital Projects				
Unreserved, reported in:				
Special revenue funds	67,274	248,613	4,314	118
Capital project funds				
Total Fund Balances	67,274	248,613	4,314	118
Total Liabilities and Fund Balances				
	\$ 67,274	\$ 251,093	\$ 4,314	\$ 118

Special Revenue Funds

<u>Environmental Projects</u>	<u>Asset Forfeiture- DA(State)</u>	<u>Utility Assistance</u>	<u>UT Health Science Center Grant</u>	<u>Gates Foundation Grant</u>	<u>LEOSE</u>
\$ 152	\$ 24,327	\$ 62	\$ 4,445	\$ 20,490	\$ 91,059
					333
<u>\$ 152</u>	<u>\$ 24,327</u>	<u>\$ 62</u>	<u>\$ 4,445</u>	<u>\$ 20,490</u>	<u>\$ 91,392</u>
\$	\$ 8,272 26 1,378	\$	\$	\$	\$ 3,438
	<u>9,676</u>				<u>3,438</u>
152	14,651	62	4,445	20,490	87,954
<u>152</u>	<u>14,651</u>	<u>62</u>	<u>4,445</u>	<u>20,490</u>	<u>87,954</u>
<u>\$ 152</u>	<u>\$ 24,327</u>	<u>\$ 62</u>	<u>\$ 4,445</u>	<u>\$ 20,490</u>	<u>\$ 91,392</u>

FORT BEND COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2006

	Special Revenue Funds			
	Katy Library	Temporary Emergency Relief Program	Emergency Food and Shelter	Juvenile Foster Care Title 4-E
	- Appropriations	Program	Shelter	Title 4-E
Assets				
Cash and Cash Equivalents	\$ 1,149	\$ 28	\$ 16,099	\$ 1,038,359
Investments				
Receivables net of allowance for estimated uncollectibles				
Taxes				
Federal and state grants				
Other receivables				
Due from other funds				
Due from component units				
Prepaid Items				
Total Assets	\$ 1,149	\$ 28	\$ 16,099	\$ 1,038,359
Total Liabilities and Fund				
Balances				
Liabilities				
Accounts payable	\$ 14	\$	\$ 15,762	\$ 3,336
Accrued payroll				3,674
Due to other funds				
Deferred revenues		28	337	1,031,349
Total Liabilities	14	28	16,099	1,038,359
Fund Balances				
Reserved:				
Capital Projects				
Unreserved, reported in:				
Special revenue funds	1,135			
Capital project funds				
Total Fund Balances	1,135			
Total Liabilities and Fund				
Balances				
	\$ 1,149	\$ 28	\$ 16,099	\$ 1,038,359

Special Revenue Funds

<u>Child Protective Services</u>	<u>Community Development Block Grant</u>	<u>Hope 3 Program Sales</u>	<u>Child Support Federal Reimb</u>	<u>Local Law Enf Block Grant</u>	<u>Grant Administration</u>
\$ 126,649	\$ 38,914	\$ 124,593	\$ 126,765	\$ 27,544	\$ 3,239
4,460	254,272		2,258		
	510				
<u>\$ 131,109</u>	<u>\$ 293,696</u>	<u>\$ 124,593</u>	<u>\$ 129,023</u>	<u>\$ 27,544</u>	<u>\$ 3,239</u>
\$ 23,456	\$ 193,132	\$	\$	\$ 8,803	\$
	100,564				
		124,593	129,023	18,741	
<u>23,456</u>	<u>293,696</u>	<u>124,593</u>	<u>129,023</u>	<u>27,544</u>	
107,653					3,239
<u>107,653</u>					<u>3,239</u>
<u>\$ 131,109</u>	<u>\$ 293,696</u>	<u>\$ 124,593</u>	<u>\$ 129,023</u>	<u>\$ 27,544</u>	<u>\$ 3,239</u>

FORT BEND COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2006

	<u>Special Revenue Funds</u>			
	<u>Juv. Justice</u>	<u>Juvenile Prob</u>		<u>Pre-Trial</u>
	<u>- Alternative Ed.</u>	<u>Agreement</u>	<u>Supervision</u>	<u>Grant</u>
				<u>(discretionary)</u>
Assets				
Cash and Cash Equivalents	\$ 320,648	\$ 194,816	\$ 1,002,817	\$ 76,701
Investments				
Receivables net of allowance for estimated uncollectibles				
Taxes				
Federal and state grants				
Other receivables		11,050		
Due from other funds				
Due from component units				
Prepaid Items				
Total Assets	<u>\$ 320,648</u>	<u>\$ 205,866</u>	<u>\$ 1,002,817</u>	<u>\$ 76,701</u>
Total Liabilities and Fund				
Balances				
Liabilities				
Accounts payable	\$ 17,037	\$ 25,420	\$ 109,016	\$ 9,503
Accrued payroll		17,686		3,041
Due to other funds			1,387	
Deferred revenues	303,611	162,760	892,414	64,157
Total Liabilities	<u>320,648</u>	<u>205,866</u>	<u>1,002,817</u>	<u>76,701</u>
Fund Balances				
Reserved:				
Capital Projects				
Unreserved, reported in:				
Special revenue funds				
Capital project funds				
Total Fund Balances				
Total Liabilities and Fund				
Balances	<u>\$ 320,648</u>	<u>\$ 205,866</u>	<u>\$ 1,002,817</u>	<u>\$ 76,701</u>

Special Revenue Funds

<u>Non-English Speaking</u>	<u>CCP-Sex Offenders</u>	<u>CSC-Treatment Alternatives</u>	<u>CCP-Computerized Literacy</u>	<u>CCP-Young Offenders</u>	<u>CCP-Mental Impairment</u>
\$ 33,718	\$ 53,977	\$ 77,304	\$ 21,520	\$ 9,566	\$ 19,300
<u>\$ 33,718</u>	<u>\$ 53,977</u>	<u>\$ 77,304</u>	<u>\$ 21,520</u>	<u>\$ 9,566</u>	<u>\$ 19,300</u>
\$ 2,248	\$ 5,677	\$ 8,439	\$ 4,431	\$ 736	\$ 1,479
2,593	2,143	919	599	851	1,707
<u>28,877</u>	<u>46,157</u>	<u>67,946</u>	<u>16,490</u>	<u>7,979</u>	<u>16,114</u>
<u>33,718</u>	<u>53,977</u>	<u>77,304</u>	<u>21,520</u>	<u>9,566</u>	<u>19,300</u>
<u>\$ 33,718</u>	<u>\$ 53,977</u>	<u>\$ 77,304</u>	<u>\$ 21,520</u>	<u>\$ 9,566</u>	<u>\$ 19,300</u>

FORT BEND COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2006

	<u>Special Revenue Funds</u>			
	<u>DTP- Substance Abuse</u>	<u>DTP-Day Reporting Center</u>	<u>DTP-Drug Court</u>	<u>DTP- Progressive Sanctions</u>
Assets				
Cash and Cash Equivalents	\$ 41,288	\$ 14,431	\$ 18,807	\$ 73,490
Investments				
Receivables net of allowance for estimated uncollectibles				
Taxes				
Federal and state grants				
Other receivables				
Due from other funds				
Due from component units				
Prepaid Items				
Total Assets	<u>\$ 41,288</u>	<u>\$ 14,431</u>	<u>\$ 18,807</u>	<u>\$ 73,490</u>
Total Liabilities and Fund				
Balances				
Liabilities				
Accounts payable	\$ 1,481	\$ 707	\$ 1,572	\$ 5,672
Accrued payroll	1,708	822	1,905	7,828
Due to other funds				
Deferred revenues	38,099	12,902	15,330	59,990
Total Liabilities	<u>41,288</u>	<u>14,431</u>	<u>18,807</u>	<u>73,490</u>
Fund Balances				
Reserved:				
Capital Projects				
Unreserved, reported in:				
Special revenue funds				
Capital project funds				
Total Fund Balances				
Total Liabilities and Fund				
Balances	<u>\$ 41,288</u>	<u>\$ 14,431</u>	<u>\$ 18,807</u>	<u>\$ 73,490</u>

Capital Projects Funds

Drainage District Capital Impr	Upper Oyster Creek	Capital Improvements	Clear Creek	Lower Oyster Creek	Big Creek
\$ 15,780	\$ 1,191,746	\$ 10,298	\$ 561,694	\$ 1,294,353	\$ 919,424
<u>\$ 15,780</u>	<u>\$ 1,191,746</u>	<u>\$ 10,298</u>	<u>\$ 561,694</u>	<u>\$ 1,294,353</u>	<u>\$ 919,424</u>
\$	\$	\$	\$	\$	\$
		44			
		<u>44</u>			
15,780	1,191,746	10,254	561,694	1,294,353	919,424
<u>15,780</u>	<u>1,191,746</u>	<u>10,254</u>	<u>561,694</u>	<u>1,294,353</u>	<u>919,424</u>
<u>\$ 15,780</u>	<u>\$ 1,191,746</u>	<u>\$ 10,298</u>	<u>\$ 561,694</u>	<u>\$ 1,294,353</u>	<u>\$ 919,424</u>

FORT BEND COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2006

	Capital Projects Funds			
	Joann Street Project	Grand Mission Crossing	Library Building	Travis Building Renovation
Assets				
Cash and Cash Equivalents	\$ 8,407	\$ 21,857	\$ 63,664	\$ 10,696
Investments				
Receivables net of allowance for estimated uncollectibles				
Taxes				
Federal and state grants				
Other receivables				
Due from other funds				
Due from component units				
Prepaid Items				
Total Assets	\$ 8,407	\$ 21,857	\$ 63,664	\$ 10,696
Total Liabilities and Fund Balances				
Liabilities				
Accounts payable	\$	\$	\$	\$
Accrued payroll				
Due to other funds				46
Deferred revenues				
Total Liabilities				46
Fund Balances				
Reserved:				
Capital Projects			63,664	
Unreserved, reported in:				
Special revenue funds				
Capital project funds	8,407	21,857		10,650
Total Fund Balances	8,407	21,857	63,664	10,650
Total Liabilities and Fund Balances				
	\$ 8,407	\$ 21,857	\$ 63,664	\$ 10,696

Capitol Projects Funds				
Fort Bend Parkway	Bates M. Allen Park	FBFCWSC Oyster Creek Constuction	FBFCWSC Big Creek Phase II	TOTALS
\$ 26,157	\$ 11,763	\$ 126,908	\$ 6,554,898	\$ 23,275,832 296,242
				715,294 254,272 245,113 10,861
				1,238
<u>\$ 26,157</u>	<u>\$ 11,763</u>	<u>\$ 126,908</u>	<u>\$ 6,554,898</u>	<u>\$ 24,798,852</u>
\$	\$	\$	\$ 509,161	\$ 2,003,301 217,824 1,136,651 3,752,192
			509,161	7,109,968
26,157				89,821
				7,380,490
	11,763	126,908	6,045,737	10,218,573
<u>26,157</u>	<u>11,763</u>	<u>126,908</u>	<u>6,045,737</u>	<u>17,688,884</u>
<u>\$ 26,157</u>	<u>\$ 11,763</u>	<u>\$ 126,908</u>	<u>\$ 6,554,898</u>	<u>\$ 24,798,852</u>

FORT BEND COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2006

	Special Revenue Funds			
	Juvenile Operations	Drainage District	Lateral Road	County Historical Commission
Revenues				
Taxes	\$	\$ 6,087,215	\$	\$
Fees and fines				
Intergovernmental	166,091			
Earnings on Investments	148,683	180,571	3,822	171
Miscellaneous	4,928	204,854		
Total Revenues	<u>319,702</u>	<u>6,472,640</u>	<u>3,822</u>	<u>171</u>
Expenditures				
Current				
General administration				
Financial administration				
Administration of justice	7,185,119			
Health and welfare				
Cooperative services				
Public safety				
Flood control projects		6,260,952		
Libraries and education				
Capital Outlay				
Total Expenditures	<u>7,185,119</u>	<u>6,260,952</u>		
Excess (Deficiency) of Revenues	(6,865,417)	211,688	3,822	171
OTHER FINANCING SOURCES (USES)				
Transfers in	6,820,222			
Transfers out		(400,000)		
Total other financing sources (uses)	<u>6,820,222</u>	<u>(400,000)</u>		
Net change in fund balances	(45,195)	(188,312)	3,822	171
Fund balances-beginning	<u>349,190</u>	<u>1,995,159</u>	<u>80,749</u>	<u>3,554</u>
Fund balances-ending	<u>\$ 303,995</u>	<u>\$ 1,806,847</u>	<u>\$ 84,571</u>	<u>\$ 3,725</u>

Special Revenue Funds

<u>City Water Assistance</u>	<u>Emergency Heat Relief</u>	<u>Entex Contribution</u>	<u>HL&P Assistance</u>	<u>County Law Library</u>	<u>Gus George Law Academy</u>
\$	\$	\$	\$	\$	\$
					43,876
					93,403
503	7	533	651	20,903	14,959
<u>2,646</u>		<u>879</u>	<u>85,000</u>	<u>254,323</u>	<u>8,461</u>
<u>3,149</u>	<u>7</u>	<u>1,412</u>	<u>85,651</u>	<u>275,226</u>	<u>160,699</u>
				169,978	
1,976		3,256	83,844		
					98,102
<u>1,976</u>		<u>3,256</u>	<u>83,844</u>	<u>169,978</u>	<u>98,102</u>
1,173	7	(1,844)	1,807	105,248	62,597
<u>1,173</u>	<u>7</u>	<u>(1,844)</u>	<u>1,807</u>	<u>105,248</u>	<u>62,597</u>
9,903	153	12,263	17,450	410,918	365,778
<u>\$ 11,076</u>	<u>\$ 160</u>	<u>\$ 10,419</u>	<u>\$ 19,257</u>	<u>\$ 516,166</u>	<u>\$ 428,375</u>

FORT BEND COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2006

	Special Revenue Funds			
	Ambulance Paramedics	Library Donation	Mission West Park Pct 3	Asset Forfeiture- Task Force
Revenues				
Taxes	\$	\$	\$	\$
Fees and fines				
Intergovernmental				
Earnings on Investments		5,760	2,230	12,638
Miscellaneous	651	40,687		74,263
Total Revenues	<u>651</u>	<u>46,447</u>	<u>2,230</u>	<u>86,901</u>
Expenditures				
Current				
General administration				
Financial administration				
Administration of justice				
Health and welfare	1,896			
Cooperative services				
Public safety				48,782
Flood control projects				
Libraries and education		48,298		
Capital Outlay				
Total Expenditures	<u>1,896</u>	<u>48,298</u>		<u>48,782</u>
Excess (Deficiency) of Revenues	(1,245)	(1,851)	2,230	38,119
OTHER FINANCING SOURCES (USES)				
Transfers in				
Transfers out				
Total other financing sources (uses)				
Net change in fund balances	(1,245)	(1,851)	2,230	38,119
Fund balances-beginning	<u>12,055</u>	<u>117,074</u>	<u>47,114</u>	<u>272,118</u>
Fund balances-ending	<u>\$ 10,810</u>	<u>\$ 115,223</u>	<u>\$ 49,344</u>	<u>\$ 310,237</u>

Special Revenue Funds

<u>DWI Video</u>	<u>Probate Court Training</u>	<u>JP Technology Fund</u>	<u>Alert Program- Juvenile</u>	<u>Juvenile Probation Special</u>	<u>DA Asset Forfeiture</u>
\$	\$	\$	\$	\$	\$
	4,317	82,995			
171	1,551	13,642	648		37
			6,435	48,168	
<u>171</u>	<u>5,868</u>	<u>96,637</u>	<u>7,083</u>	<u>48,168</u>	<u>37</u>
	951	1,998	2,043	79,658	931
	<u>951</u>	<u>1,998</u>	<u>2,043</u>	<u>79,658</u>	<u>931</u>
171	4,917	94,639	5,040	(31,490)	(894)
	<u>4,917</u>	<u>94,639</u>	<u>5,040</u>	<u>(31,490)</u>	<u>(894)</u>
171	4,917	94,639	5,040	(31,490)	(894)
3,538	31,196	254,359	9,817	238,447	911
<u>\$ 3,709</u>	<u>\$ 36,113</u>	<u>\$ 348,998</u>	<u>\$ 14,857</u>	<u>\$ 206,957</u>	<u>\$ 17</u>

FORT BEND COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2006

	Special Revenue Funds			
	DA Bad Check Collection Fees	Gus George Memorial	Records Management- CC	DA Special Fund (Fun Run)
Revenues				
Taxes	\$	\$	\$	\$
Fees and fines	50,006		514,015	
Intergovernmental	9,618			
Earnings on Investments		326	45,782	722
Miscellaneous				19,789
Total Revenues	<u>59,624</u>	<u>326</u>	<u>559,797</u>	<u>20,511</u>
Expenditures				
Current				
General administration			414,370	
Financial administration				
Administration of justice	41,873			24,699
Health and welfare				
Cooperative services				
Public safety		593		
Flood control projects				
Libraries and education				
Capital Outlay				
Total Expenditures	<u>41,873</u>	<u>593</u>	<u>414,370</u>	<u>24,699</u>
Excess (Deficiency) of Revenues	17,751	(267)	145,427	(4,188)
OTHER FINANCING SOURCES (USES)				
Transfers in				
Transfers out				
Total other financing sources (uses)				
Net change in fund balances	17,751	(267)	145,427	(4,188)
Fund balances-beginning	<u>38,595</u>	<u>7,182</u>	<u>904,229</u>	<u>18,778</u>
Fund balances-ending	<u>\$ 56,346</u>	<u>\$ 6,915</u>	<u>\$ 1,049,656</u>	<u>\$ 14,590</u>

Special Revenue Funds

<u>County Attorney Supplemental</u>	<u>FBC Records Management</u>	<u>VIT Interest (Tax Collector)</u>	<u>Courthouse Security</u>	<u>Elections Contract</u>	<u>Asset Forfeiture- Task (Federal)</u>
\$	\$	\$	\$	\$	\$
	109,060		298,496		
71,237					49,633
3,832	3,818	40,563	41,094	10,059	2,879
	30,200			220,042	5,630
<u>75,069</u>	<u>143,078</u>	<u>40,563</u>	<u>339,590</u>	<u>230,101</u>	<u>58,142</u>
	96,351			154,144	
		38,406			
52,296					
			422,925		112,959
<u>52,296</u>	<u>96,351</u>	<u>38,406</u>	<u>422,925</u>	<u>154,144</u>	<u>112,959</u>
22,773	46,727	2,157	(83,335)	75,957	(54,817)
			(20,000)		
			(20,000)		
22,773	46,727	2,157	(103,335)	75,957	(54,817)
91,551	68,820	(1,377)	965,478	149,344	148,749
<u>\$ 114,324</u>	<u>\$ 115,547</u>	<u>\$ 780</u>	<u>\$ 862,143</u>	<u>\$ 225,301</u>	<u>\$ 93,932</u>

FORT BEND COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2006

	Special Revenue Funds			
	S.O.	S.O.	Asset	Asset
	Allocation-	Allocation-	Forfeiture-	Forfeiture
	F/Assets	F/Assets (Fed)	Const Pct 2	(Fed) Cons Pct
	(State)			4
Revenues				
Taxes	\$	\$	\$	\$
Fees and fines				
Intergovernmental		426,333		
Earnings on Investments	3,453	10,074	195	6
Miscellaneous	29,066			
Total Revenues	<u>32,519</u>	<u>436,407</u>	<u>195</u>	<u>6</u>
Expenditures				
Current				
General administration				
Financial administration				
Administration of justice				
Health and welfare				
Cooperative services				
Public safety	24,857	294,080		
Flood control projects				
Libraries and education				
Capital Outlay				
Total Expenditures	<u>24,857</u>	<u>294,080</u>		
Excess (Deficiency) of Revenues	7,662	142,327	195	6
OTHER FINANCING SOURCES (USES)				
Transfers in				
Transfers out				
Total other financing sources (uses)				
Net change in fund balances	7,662	142,327	195	6
Fund balances-beginning	<u>59,612</u>	<u>106,286</u>	<u>4,119</u>	<u>112</u>
Fund balances-ending	<u>\$ 67,274</u>	<u>\$ 248,613</u>	<u>\$ 4,314</u>	<u>\$ 118</u>

Special Revenue Funds

<u>Environmental Projects</u>	<u>Asset Forfeiture- DA(State)</u>	<u>Utility Assistance</u>	<u>UT Health Science Center Grant</u>	<u>Gates Foundation Grant</u>	<u>LEOSE</u>
\$	\$	\$	\$	\$	\$
					39,767
7	2,346	3	226	771	4,388
	9,253			46,500	
<u>7</u>	<u>11,599</u>	<u>3</u>	<u>226</u>	<u>47,271</u>	<u>44,155</u>
	85,031				
					38,291
			1,440	26,781	
	<u>85,031</u>		<u>1,440</u>	<u>26,781</u>	<u>38,291</u>
7	(73,432)	3	(1,214)	20,490	5,864
7	(73,432)	3	(1,214)	20,490	5,864
<u>145</u>	<u>88,083</u>	<u>59</u>	<u>5,659</u>		<u>82,090</u>
<u>\$ 152</u>	<u>\$ 14,651</u>	<u>\$ 62</u>	<u>\$ 4,445</u>	<u>\$ 20,490</u>	<u>\$ 87,954</u>

FORT BEND COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2006

	Special Revenue Funds			
	Katy Library Appropriations	Temporary Emergency Relief Program	Emergency Food and Shelter	Juvenile Foster Care Title 4-E
Revenues				
Taxes	\$	\$	\$	\$
Fees and fines				
Intergovernmental			305,445	265,291
Earnings on Investments	440		2,244	
Miscellaneous				
Total Revenues	<u>440</u>	<u></u>	<u>307,689</u>	<u>265,291</u>
Expenditures				
Current				
General administration				
Financial administration				
Administration of justice				265,291
Health and welfare			307,689	
Cooperative services				
Public safety				
Flood control projects				
Libraries and education	18,265			
Capital Outlay				
Total Expenditures	<u>18,265</u>	<u></u>	<u>307,689</u>	<u>265,291</u>
Excess (Deficiency) of Revenues	(17,825)			
OTHER FINANCING SOURCES (USES)				
Transfers in				
Transfers out				
Total other financing sources (uses)				
Net change in fund balances	(17,825)			
Fund balances-beginning	<u>18,960</u>			
Fund balances-ending	<u>\$ 1,135</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

Special Revenue Funds

<u>Child Protective Services</u>	<u>Community Development Block Grant</u>	<u>Hope 3 Program Sales</u>	<u>Child Support Federal Reimb</u>	<u>Local Law Enf Block Grant</u>	<u>Grant Administration</u>
\$	\$	\$	\$	\$	\$
40,607	2,186,042			53,095	
4,191			2,055	2,132	227
9,332	25				8,463
<u>54,130</u>	<u>2,186,067</u>		<u>2,055</u>	<u>55,227</u>	<u>8,690</u>
			2,055		
182,442	2,186,067				8,110
				54,929	
<u>182,442</u>	<u>2,186,067</u>		<u>2,055</u>	<u>54,929</u>	<u>8,110</u>
(128,312)				298	580
81,436				(298)	
<u>81,436</u>				<u>(298)</u>	
(46,876)					580
<u>154,529</u>					<u>2,659</u>
<u>\$ 107,653</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 3,239</u>

FORT BEND COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2006

	Special Revenue Funds			
	Juv. Justice Alternative Ed.	Juvenile Prob Agreement	Supervision	Pre-Trial Grant (discretionary)
Revenues				
Taxes	\$	\$	\$	\$
Fees and fines			1,683,753	140,197
Intergovernmental	127,583		848,427	84,032
Earnings on Investments			(3,460)	
Miscellaneous			79,006	
Total Revenues	<u>127,583</u>	<u></u>	<u>2,607,726</u>	<u>224,229</u>
Expenditures				
Current				
General administration				
Financial administration				
Administration of justice	127,583		2,636,126	224,229
Health and welfare				
Cooperative services				
Public safety				
Flood control projects				
Libraries and education				
Capital Outlay				
Total Expenditures	<u>127,583</u>	<u></u>	<u>2,636,126</u>	<u>224,229</u>
Excess (Deficiency) of Revenues			(28,400)	
OTHER FINANCING SOURCES (USES)				
Transfers in				
Transfers out			(23,390)	
Total other financing sources (uses)			<u>(23,390)</u>	
Net change in fund balances			(51,790)	
Fund balances-beginning			<u>51,790</u>	
Fund balances-ending	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

Special Revenue Funds

Non-English Speaking	CCP-Sex Offenders	CSC-Treatment Alternatives	CCP-Computerized Literacy	CCP-Young Offenders	CCP-Mental Impairment
\$	\$	\$	\$	\$	\$
131,622	202,938	150,959	42,803	44,423	80,368
<u>131,622</u>	<u>202,938</u>	<u>150,959</u>	<u>42,803</u>	<u>44,423</u>	<u>80,368</u>
131,622	134,343	150,959	42,803	44,423	87,283
<u>131,622</u>	<u>134,343</u>	<u>150,959</u>	<u>42,803</u>	<u>44,423</u>	<u>87,283</u>
	68,595				(6,915)
	(68,595)				6,915
	<u>(68,595)</u>				<u>6,915</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
For the Year Ended September 30, 2006

	Special Revenue Funds			
	DTP- Substance Abuse	DTP-Day Reporting Center	DTP-Drug Court	DTP- Progressive Sanctions
Revenues				
Taxes	\$	\$	\$	\$
Fees and fines				
Intergovernmental	81,307	39,714	88,769	335,820
Earnings on Investments				
Miscellaneous				
Total Revenues	<u>81,307</u>	<u>39,714</u>	<u>88,769</u>	<u>335,820</u>
Expenditures				
Current				
General administration				
Financial administration				
Administration of justice	89,060	39,714	93,421	408,485
Health and welfare				
Cooperative services				
Public safety				
Flood control projects				
Libraries and education				
Capital Outlay				
Total Expenditures	<u>89,060</u>	<u>39,714</u>	<u>93,421</u>	<u>408,485</u>
Excess (Deficiency) of Revenues	(7,753)		(4,652)	(72,665)
OTHER FINANCING SOURCES (USES)				
Transfers in	7,753		4,652	72,665
Transfers out				
Total other financing sources (uses)	<u>7,753</u>		<u>4,652</u>	<u>72,665</u>
Net change in fund balances				
Fund balances-beginning				
Fund balances-ending	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

Capital Projects Funds

Drainage District Capital Impr	Upper Oyster Creek	Capital Improvements	Clear Creek	Lower Oyster Creek	Big Creek
\$	\$	\$	\$	\$	\$
713	53,693		24,304	58,343	41,740
	24,709				
<u>713</u>	<u>78,402</u>		<u>24,304</u>	<u>58,343</u>	<u>41,740</u>
	90,360				18,568
	<u>90,360</u>				<u>18,568</u>
713	(11,958)		24,304	58,343	23,172
	400,000				
	<u>400,000</u>				
713	388,042		24,304	58,343	23,172
15,067	803,704	10,254	537,390	1,236,010	896,252
<u>\$ 15,780</u>	<u>\$ 1,191,746</u>	<u>\$ 10,254</u>	<u>\$ 561,694</u>	<u>\$ 1,294,353</u>	<u>\$ 919,424</u>

FORT BEND COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2006

	Capital Projects Funds			
	Joann Street Project	Grand Mission Crossing	Library Building	Travis Building Renovation
Revenues				
Taxes	\$	\$	\$	\$
Fees and fines				
Intergovernmental				
Earnings on Investments	380	988	3,082	
Miscellaneous				
Total Revenues	<u>380</u>	<u>988</u>	<u>3,082</u>	
Expenditures				
Current				
General administration				
Financial administration				
Administration of justice				
Health and welfare				
Cooperative services				
Public safety				
Flood control projects				
Libraries and education				
Capital Outlay			28,508	
Total Expenditures			<u>28,508</u>	
Excess (Deficiency) of Revenues	380	988	(25,426)	
OTHER FINANCING SOURCES (USES)				
Transfers in				
Transfers out				
Total other financing sources (uses)				
Net change in fund balances	380	988	(25,426)	
Fund balances-beginning	<u>8,027</u>	<u>20,869</u>	<u>89,090</u>	<u>10,650</u>
Fund balances-ending	<u>\$ 8,407</u>	<u>\$ 21,857</u>	<u>\$ 63,664</u>	<u>\$ 10,650</u>

Capitla Projects Funds

Fort Bend Parkway	Bates M. Allen Park	FBFCWSC Oyster Creek Constuction	FBFCWSC Big Creek Phase II	TOTALS
\$	\$	\$	\$	\$ 6,087,215
				2,926,715
				5,965,327
1,320	532	6,011	412,214	1,189,173
				1,213,310
<u>1,320</u>	<u>532</u>	<u>6,011</u>	<u>412,214</u>	<u>17,381,740</u>
				664,865
				38,406
				12,121,974
				2,775,280
				1,095,518
		9,854	3,546,342	9,926,076
				94,784
395				28,903
<u>395</u>		<u>9,854</u>	<u>3,546,342</u>	<u>26,745,806</u>
925	532	(3,843)	(3,134,128)	(9,364,066)
				7,393,643
				(512,283)
				6,881,360
925	532	(3,843)	(3,134,128)	(2,482,706)
<u>25,232</u>	<u>11,231</u>	<u>130,751</u>	<u>9,179,865</u>	<u>20,171,590</u>
<u>\$ 26,157</u>	<u>\$ 11,763</u>	<u>\$ 126,908</u>	<u>\$ 6,045,737</u>	<u>\$ 17,688,884</u>

FORT BEND COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
DRAINAGE
Year Ended September 30, 2006

	Original Budget	Budget as Amended	Actual	Variance from Amended Positive (Negative)
Revenues				
Property taxes	\$ 6,233,107	\$ 6,233,107	\$ 6,087,215	\$ (145,892)
Earnings on investments	75,000	75,000	180,571	105,571
Miscellaneous	45,000	82,440	204,854	122,414
Total Revenues	6,353,107	6,390,547	6,472,640	82,093
Expenditures				
Current				
Flood Control Projects	6,604,197	6,641,637	6,260,952	380,685
Total Expenditures	6,604,197	6,641,637	6,260,952	380,685
Excess (Deficiency) of Revenues Over (Under) Expenditures	(251,090)	(251,090)	211,688	462,778
Other Financing Sources (Uses)				
Transfers in				
Transfers (out)	(400,000)	(400,000)	(400,000)	
Sale of capital assets				
Total Other Financing Sources (Uses)	(400,000)	(400,000)	(400,000)	
Net Change in Fund Balances	(651,090)	(651,090)	(188,312)	462,778
Fund Balances, Beginning of Year	1,995,159	1,995,159	1,995,159	
Fund Balances, End of Year	\$ 1,344,069	\$ 1,344,069	\$ 1,806,847	\$ 462,778

FORT BEND COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
DEBT SERVICE FUND
Year Ended September 30, 2006

	Original Budget	Budget as Amended	Actual	Variance from Amended Positive (Negative)
Revenues				
Property taxes	\$ 8,358,309	\$ 8,358,309	\$ 8,349,500	\$ (8,809)
Fees & Fines			766,814	766,814
Earnings on investments	92,500	92,500	286,469	193,969
Miscellaneous	300,000	300,000	51,510	(248,490)
Total Revenues	8,750,809	8,750,809	9,454,293	703,484
Expenditures				
Debt Service				
Principal retirement	5,880,000	5,880,000	5,995,000	(115,000)
Interest and fiscal charges	3,435,443	3,435,443	4,105,682	(670,239)
Total Expenditures	9,315,443	9,315,443	10,100,682	(785,239)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(564,634)	(564,634)	(646,389)	(81,755)
Other Financing Sources (Uses)				
Bonds Issued			1,084,470	
Total Other Financing Sources (Uses)			1,084,470	
Net Change in Fund Balances	(564,634)	(564,634)	438,081	(81,755)
Fund Balances, Beginning of Year	2,242,467	2,242,467	2,242,467	
Fund Balances, End of Year	\$ 1,677,833	\$ 1,677,833	\$ 2,680,548	\$ (81,755)

FORT BEND COUNTY, TEXAS
COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS
September 30, 2006

	<u>EMPLOYEE BENEFITS</u>	<u>OTHER INSURANCE</u>	<u>TOTAL</u>
ASSETS			
Cash and cash equivalents	\$ 1,625,469	\$ 468,346	\$ 2,093,815
Due from other funds	72,602	3,985	76,587
Other Receivables	600,213	2,055	602,268
Total Assets	<u>2,298,284</u>	<u>474,386</u>	<u>2,772,670</u>
LIABILITIES			
Accounts payable	-	67,969	67,969
Benefits payable	2,102,233	2,517,913	4,620,146
Due to other funds	-	2,176	2,176
Total Liabilities	<u>2,102,233</u>	<u>2,588,058</u>	<u>4,690,291</u>
NET ASSETS (Deficit)			
Unrestricted (deficit)	<u>196,051</u>	<u>(2,113,672)</u>	<u>(1,917,621)</u>
TOTAL NET ASSETS (DEFICIT)	<u>\$ 196,051</u>	<u>\$ (2,113,672)</u>	<u>\$ (1,917,621)</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, 2006

	<u>EMPLOYEE BENEFITS</u>	<u>OTHER INSURANCE</u>	<u>TOTAL</u>
REVENUES			
Charges for services	\$ 18,825,745	\$ 668,207	\$ 19,493,952
OPERATING EXPENSES			
Current operations - general administration	2,412,022	252,479	2,664,501
Benefits provided	15,013,509	1,922,277	16,935,786
TOTAL OPERATING EXPENSES	<u>17,425,531</u>	<u>2,174,756</u>	<u>19,600,287</u>
Operating Income (Loss)	1,400,214	(1,506,549)	(106,335)
NON-OPERATING REVENUES			
Earnings on investments	290,838		290,838
Change in net assets	1,691,052	(1,506,549)	184,503
Total net assets-beginning	<u>(1,495,001)</u>	<u>(607,123)</u>	<u>(2,102,124)</u>
Total net assets-ending	<u>\$ 196,051</u>	<u>\$ (2,113,672)</u>	<u>\$ (1,917,621)</u>

FORT BEND COUNTY, TEXAS
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended September 30, 2006

	<u>EMPLOYEE BENEFITS</u>	<u>OTHER INSURANCE</u>	<u>TOTAL</u>
Cash Flows from Operating Activities			
Charges for services	\$ 18,367,094	\$ 664,670	\$ 19,031,764
Payment of benefits	(15,015,169)	(729,901)	(15,745,070)
Payment of general administrative expenses	(2,412,022)	(252,479)	(2,664,501)
Net Cash (Used) by Operating Activities	<u>939,903</u>	<u>(317,710)</u>	<u>622,193</u>
Cash Flows from Noncapital Financial Activities			
Transfers out	(3,159,553)		(3,159,553)
Net Cash Flows from Non-Capital Financing Activities	<u>(3,159,553)</u>		<u>(3,159,553)</u>
Cash flows from investing activities:			
Interest earned on investments	290,838		290,838
Net increase (decrease) in cash and cash equivalents	(1,928,812)	(317,710)	(2,246,522)
Cash and Cash Equivalents October 1, 2005	<u>3,554,281</u>	<u>786,056</u>	<u>4,340,337</u>
Cash and Cash Equivalents September 30, 2006	<u>\$ 1,625,469</u>	<u>\$ 468,346</u>	<u>\$ 2,093,815</u>
Income (loss) before transfers provided (used) by operating activities:			
Operating income (loss)	\$ 1,400,214	\$ (1,506,549)	\$ (106,335)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
(Increase) Decrease in Accounts Receivable	(458,651)	(3,537)	(462,188)
Increase (Decrease) in Accounts Payable	(1,660)	20	(1,640)
Increase (Decrease) in Benefits payable		1,192,356	1,192,356
Total adjustments	<u>(460,311)</u>	<u>1,188,839</u>	<u>728,528</u>
Net cash provided (used) by operating activities	<u>\$ 939,903</u>	<u>\$ (317,710)</u>	<u>\$ 622,193</u>

FORT BEND COUNTY, TEXAS
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - AGENCY FUND
For the Year Ended September 30, 2006

	<u>BALANCE</u> <u>10/1/05</u>	<u>INCREASES</u>	<u>DECREASES</u>	<u>BALANCE</u> <u>9/30/06</u>
ASSETS				
Cash and cash equivalents	\$ 20,580,143	\$ 30,132,713	\$ 24,594,220	\$ 26,118,636
Due from other funds	106,216	161,660	267,876	
Total assets	<u>\$ 20,686,359</u>	<u>\$ 30,294,373</u>	<u>\$ 24,862,096</u>	<u>\$ 26,118,636</u>
LIABILITIES				
Accounts Payable	\$	\$ 12,845,808	\$ 12,831,274	\$ 14,534
Due to other governments	17,509,237	30,727,027	23,604,292	24,631,972
Due to other funds	3,177,122	1,459,832	3,164,824	1,472,130
Total liabilities	<u>\$ 20,686,359</u>	<u>\$ 45,032,667</u>	<u>\$ 39,600,390</u>	<u>\$ 26,118,636</u>

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FORT BEND COUNTY, TEXAS
INDIVIDUAL FUND BALANCE SHEETS
COMPONENT UNITS
September 30, 2006

	<u>FBC Surface Water Supply Corporation General Fund</u>	<u>Fort Bend Toll Road Authority General Fund</u>
ASSETS		
Cash and cash equivalents	\$ 6,828	\$ 12,252,349
Cash held by fiscal agent		1,430,037
Investments		70,238
Grant Receivable		1,459,003
Miscellaneous receivables		992,006
Total Assets	<u>\$ 6,828</u>	<u>\$ 16,203,633</u>
 LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable	\$	\$ 3,761,432
Retainage payable		1,158,447
Due to primary government		153,178
Total Liabilities		<u>5,073,057</u>
 FUND BALANCE		
Reserved for debt service		1,430,037
Unreserved reported in		
General Fund	6,828	9,700,539
Total Fund Balance	<u>6,828</u>	<u>11,130,576</u>
Total Liabilities and Fund Balance	<u>\$ 6,828</u>	<u>\$ 16,203,633</u>

FORT BEND COUNTY, TEXAS

**INDIVIDUAL STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES**

COMPONENT UNITS

For the Year Ended September 30, 2006

	FBC Surface Water Supply Corporation General Fund	Fort Bend Toll Road Authority General Fund
Revenues		
Fees and fines	\$	\$ 2,843,477
Intergovernmental		8,666,316
Earnings on Investments	309	772,799
Miscellaneous		8,944,690
Total Revenues	<u>309</u>	<u>21,227,282</u>
Expenditures		
Current		
Toll road operations		2,396,517
Capital Outlay		16,840,521
Debt Service:		
Interest and fiscal charges		<u>2,396,517</u>
Total Expenditures		<u>21,633,555</u>
Net change in fund balances	309	(406,273)
Fund balances-beginning	<u>6,519</u>	<u>11,536,849</u>
Fund balances-ending	<u>\$ 6,828</u>	<u>\$ 11,130,576</u>



UNAUDITED STATISTICAL SECTION

This part of the County's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

Contents	Page
Financial Trends <i>These schedules contain trend information to help the reader understand how the County's financial performance and "well-being" have changed over time.</i>	113
Revenue Capacity <i>These schedules contain information to help the reader assess the County's most significant local revenue source, the property tax.</i>	120
Debt Capacity <i>These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.</i>	136
Demographic and Economic Information <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.</i>	144
Operating Information <i>These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs.</i>	146

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.



FORT BEND COUNTY, TEXAS
NET ASSETS BY COMPONENT
LAST FOUR FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year			
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Governmental activities				
Invested in capital assets, net of related debt	\$ 295,858,324	\$ 340,361,097	\$ 370,338,466	\$ 432,997,770
Restricted	824,924	1,005,711	1,975,443	3,082,489
Unrestricted	<u>53,326,394</u>	<u>41,675,720</u>	<u>41,861,958</u>	<u>65,582,780</u>
Total governmental activities net assets	<u>\$ 350,009,642</u>	<u>\$ 383,042,528</u>	<u>\$ 414,175,867</u>	<u>\$ 501,663,039</u>

Note: Accrual-basis financial information for Fort Bend County as a whole is available back to 2003 only, the year the County implemented GASB 34 .

FORT BEND COUNTY, TEXAS
CHANGES IN NET ASSETS
LAST FOUR FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year			
	2003	2004	2005	2006
Expenses				
Governmental Activities:				
General administration	\$ 30,985,677	\$ 42,976,074	\$ 42,976,074	\$ 23,638,550
Financial administration	4,443,323	4,176,563	4,176,563	5,127,456
Administration of justice	25,915,729	26,601,486	26,601,486	31,024,483
Road and bridge maintenance	21,637,150	23,700,731	23,700,731	22,545,473
Health and welfare	14,612,327	15,261,857	15,261,857	16,903,729
Cooperative services	939,145	837,121	837,121	941,743
Public safety	33,362,301	36,863,732	36,863,732	44,544,768
Park and recreation	1,692,779	1,712,461	1,712,461	623,401
Flood control projects	5,776,931	7,723,490	7,723,490	10,175,820
Libraries and education	8,214,638	9,059,591	9,059,591	10,484,078
Interest on Long-term Debt	4,290,170	3,349,584	3,349,584	4,165,438
Total governmental activities expenses	<u>\$ 151,870,170</u>	<u>\$ 172,262,690</u>	<u>\$ 172,262,690</u>	<u>\$ 170,174,939</u>
Program Revenues				
Governmental Activities:				
Charges for services:				
General administration	\$ 9,717,379	\$ 11,639,044	\$ 12,161,924	\$ 7,181,125
Financial administration	3,372,000	6,335,931	7,911,436	613,495
Administration of justice	4,611,550	5,349,116	5,593,224	5,761,276
Road and bridge maintenance	3,959,038	1,459,723	1,913,455	3,569,625
Health and welfare	2,426,239	3,455,407	4,736,269	4,961,502
Public safety	2,735,090	2,080,970	2,487,425	3,704,319
Park and recreation	181,043	169,455	186,611	201,626
Flood control projects	819,302	820,704	1,261,743	992,906
Libraries and education	234,664	254,980	307,838	235,693
Interest on long-term debt	129,459			
Operating Grants and Contributions:				
General administration	901,495	806,411	2,048,499	1,630,190
Financial administration	800			
Administration of justice	4,165,788	10,005,555	5,285,427	4,089,072
Road and bridge maintenance	635,831	77,245	135,247	
Health and welfare	2,171,366	1,093,277	3,276,058	816,749
Cooperative services	3,000			
Public safety	1,211,079	1,358,976	3,245,684	1,778,870
Park and recreation			176,577	113,718
Libraries and education	66,340	54,034	74,410	187,127
Capital grants and contributions:				
Road and bridge maintenance	35,039,719	37,964,056	21,348,940	73,252,137
Total governmental activities program revenues	<u>\$ 72,381,182</u>	<u>\$ 82,924,884</u>	<u>\$ 72,150,767</u>	<u>\$ 109,089,430</u>

	Fiscal Year			
	2003	2004	2005	2006
Net (Expense)/Revenue				
Governmental Activities	\$ (79,488,988)	\$ (89,337,806)	\$ (100,111,923)	\$ (61,085,509)
Total primary government net (expense)/revenue	<u>\$ (79,488,988)</u>	<u>\$ (89,337,806)</u>	<u>\$ (100,111,923)</u>	<u>\$ (61,085,509)</u>
General Revenues and Other changes in Net Assets				
Governmental Activities:				
Property taxes	\$ 105,235,742	\$ 112,279,163.0	\$ 127,696,573.0	\$ 137,839,711
Earnings on investments	2,593,227	2,024,399	3,109,378	5,999,017
Grants and Contributions not restricted to specific programs				4,515,643
Miscellaneous	<u>283,570</u>	<u>635,621</u>	<u>329,311</u>	<u>228,309</u>
Total governmental activities	<u>108,112,539</u>	<u>114,939,183</u>	<u>131,135,262</u>	<u>148,582,680</u>
Total primary government	\$ 108,112,539	\$ 114,939,183	\$ 131,135,262	\$ 148,582,680
Change in Net Assets				
Governmental Activities	<u>\$ 28,623,551</u>	<u>\$ 25,601,377</u>	<u>\$ 31,023,339</u>	<u>\$ 87,497,171</u>
Total primary government	<u>\$ 28,623,551</u>	<u>\$ 25,601,377</u>	<u>\$ 31,023,339</u>	<u>\$ 87,497,171</u>

Note: Accrual-basis financial information for Fort Bend County as a whole is available back to 2003 only, the year the County implemented GASB 34 .



FORT BEND COUNTY, TEXAS
FUND BALANCE OF GOVERNMENTAL FUNDS
LAST FOUR FISCAL YEARS
(modified accrual basis of accounting)

	Fiscal Year			
	2003	2004	2005	2006
General Fund				
Reserved				
Debt Service	\$ 1,124,677	\$	\$	\$
Prepaid Items			248,968	97,835
Capital Projects	16,747,773			
Unreserved	70,489,149	29,594,905	29,138,820	36,741,861
Total General Fund	<u>\$ 88,361,599</u>	<u>\$ 29,594,905</u>	<u>\$ 29,387,788</u>	<u>\$ 36,839,696</u>
All Other Governmental Funds				
Reserved				
Debt Service	\$ 1,124,677	\$ 1,288,885	\$ 2,242,467	\$ 2,680,553
Prepaid Items			11,528	
Capital Projects	16,747,773	15,953,056	9,310,616	15,765,015
Unreserved				
Special revenue funds		12,393,307	8,700,780	12,289,125
Capital project funds		4,038,083	4,949,578	10,218,573
Total All Other Governmental Funds	<u>\$ 17,872,450</u>	<u>\$ 33,673,331</u>	<u>\$ 25,214,969</u>	<u>\$ 40,953,266</u>

FORT BEND COUNTY, TEXAS
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>
REVENUES				
Taxes	\$ 72,761,599	\$ 77,203,427	\$ 81,119,794	\$ 88,112,950
Fees and Fines	11,059,399	12,066,913	13,014,312	13,406,877
Intergovernmental	7,805,592	9,810,527	16,227,039	12,885,317
Earnings on investments	4,790,096	4,540,592	4,701,813	6,255,899
Contributions and Donations				
Miscellaneous	4,798,833	4,388,835	4,956,865	4,635,353
Total Revenues	<u>101,215,519</u>	<u>108,010,294</u>	<u>120,019,823</u>	<u>125,296,396</u>
EXPENDITURES				
Current:				
General administration	13,582,024	14,703,574	16,732,833	19,329,894
Financial administration	2,987,630	3,121,939	3,301,421	3,636,492
Administration of justice	14,624,604	16,704,607	17,877,141	19,887,115
Construction and maintenance	12,512,301	13,850,339	14,190,756	14,191,265
Health and welfare	10,696,835	9,962,769	11,591,244	10,939,637
Cooperative services	659,186	542,718	616,862	617,619
Public safety	17,656,194	19,855,001	22,856,866	26,239,132
Parks and recreation	1,106,519	1,201,276	1,518,971	1,366,623
Flood control projects	4,734,500	5,029,077	5,984,810	6,639,325
Libraries and education	4,588,907	5,429,853	6,410,608	6,838,073
Capital Outlay	5,601,012	7,107,842	4,019,397	7,318,743
Debt Service:				
Principal	4,110,846	4,632,791	4,840,399	5,377,530
Interest and fiscal charges	4,161,639	4,063,635	3,813,846	3,274,164
Total Expenditures	<u>97,022,197</u>	<u>106,205,421</u>	<u>113,755,154</u>	<u>125,655,612</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	4,193,322	1,804,873	6,264,669	(359,216)
OTHER FINANCING SOURCES (USES)				
Transfers In	2,401,742	1,609,384	4,141,243	8,051,807
Transfers Out	(3,901,742)	(1,609,384)	(4,491,243)	(8,051,807)
Bonds issued	5,000,000		14,089,928	
Payments to current refunding bond agent			(14,086,090)	
Sale of capital assets				
Proceeds from capital lease	500,042		939,895	595,659
Total other financing sources (uses)	<u>4,000,042</u>		<u>593,733</u>	<u>595,659</u>
Net Change in Fund Balances	<u>\$ 8,193,364</u>	<u>\$ 1,804,873</u>	<u>\$ 6,858,402</u>	<u>\$ 236,443</u>
Debt service as a percentage of noncapital expenditures	9.05%	8.78%	7.89%	7.31%

2001	2002	2003	2004	2005	2006
\$ 95,085,800	\$ 99,578,488	\$ 105,288,111	\$ 112,345,331	\$ 124,128,673	\$ 140,406,615
14,778,811	11,747,190	16,734,820	18,874,999	20,732,680	20,820,411
14,734,336	11,024,068	12,751,135	15,355,629	18,740,497	14,880,649
6,185,232	2,815,189	2,533,594	1,961,631	2,700,358	5,708,178
5,123,303	4,110,450	4,900,307	7,207,238	5,099,717	5,707,079
<u>135,907,482</u>	<u>129,275,385</u>	<u>142,207,967</u>	<u>155,744,828</u>	<u>171,401,925</u>	<u>187,522,932</u>
18,704,900	16,260,804	21,787,458	20,027,561	23,528,699	25,168,551
4,447,728	3,213,423	4,411,882	4,613,843	4,793,678	5,128,091
21,474,900	18,291,723	25,613,661	27,778,206	29,106,358	29,778,206
14,461,030	12,545,989	17,053,564	18,324,199	18,311,565	19,241,853
12,311,836	10,178,844	14,994,700	17,760,912	16,411,989	17,192,173
732,705	591,257	865,468	873,473	884,948	890,696
29,121,223	25,079,460	32,329,232	36,074,647	41,102,638	45,536,081
1,499,519	1,230,488	1,547,020	1,716,716	1,619,136	1,667,241
5,662,492	4,326,935	5,833,047	8,920,676	8,147,434	9,926,076
7,015,618	5,912,073	7,733,697	8,793,401	9,127,100	10,154,229
7,032,973	7,989,999	16,415,905	24,378,682	13,793,033	20,878,318
5,913,096	5,705,531	5,460,000	5,730,000	5,805,000	5,995,000
3,400,932	4,684,404	4,457,074	3,557,558	3,352,437	4,105,682
<u>131,778,952</u>	<u>116,010,930</u>	<u>158,502,708</u>	<u>178,549,874</u>	<u>175,984,015</u>	<u>195,662,197</u>
4,128,530	13,264,455	(16,294,741)	(22,805,046)	(4,582,090)	(8,139,265)
12,316,141	7,374,567	6,221,498	8,465,487	7,422,408	7,413,941
(14,137,325)	(7,124,567)	(7,601,326)	(10,753,805)	(11,978,097)	(7,413,941)
40,346,641					30,245,000
355,132				472,300	
<u>38,880,589</u>	<u>250,000</u>	<u>(1,379,828)</u>	<u>(2,288,318)</u>	<u>(4,083,389)</u>	<u>30,245,000</u>
<u>\$ 43,009,119</u>	<u>\$ 13,514,455</u>	<u>\$ (17,674,569)</u>	<u>\$ (25,093,364)</u>	<u>\$ (8,665,479)</u>	<u>\$ 22,105,735</u>
7.47%	9.62%	6.98%	6.02%	5.65%	5.78%

FORT BEND COUNTY, TEXAS
ASSESSED VALUE OF TAXABLE PROPERTY
LAST TEN TAX YEARS

<u>Category</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Single Family Residence	\$ 21,196,909,564	\$ 19,021,880,667	\$ 17,265,593,654	\$ 15,262,490,720
Multifamily Residence	550,142,145	462,764,405	459,980,450	388,756,350
Vacant Lot	667,025,103	658,442,934	592,510,220	549,174,270
Qualified Ag Land				
Non-Qualified Ag Land				
Real, Acreage (Land only)	1,190,613,650	1,123,937,818	1,015,564,250	947,910,970
Farm or Ranch Improvement	245,112,091	225,753,781	214,786,460	192,150,361
Commercial Real Property				
Industrial Real Property				
Real, Commercial and Industrial	4,038,098,657	3,340,893,723	3,151,406,195	2,535,635,580
Oil and Gas				
Real, Oil, Gas, and Other Mineral Reserves	533,822,070	190,220,532	261,808,140	271,012,820
Tangible Personal Non-business Vehicles				
Real & Intangible Personal, Utilities	685,742,863	684,686,460	610,783,260	1,128,840,503
Water Systems				
Gas Distribution System				
Electric company (Including Co-op)				
Telephone Company (Including Co-op)				
Railroad				
Pipeline Company				
Cable Television Company				
Other Type of Utility				
Commercial Personal Property				
Industrial Personal Property				
Tangible Personal, Business	2,557,515,614	2,342,945,158	2,124,506,625	2,031,632,933
Tangible Other Personal, Mobile Homes				
Tangible Other Personal, Other	66,497,465	59,567,255	54,635,515	47,721,755
Residential Inventory	732,772,380	599,953,030	549,377,960	455,797,290
Special Inventory Tax	60,226,190	58,594,120	59,206,080	59,698,090
Total exempt property	1,251,170,920	1,087,629,482	1,079,746,481	1,014,533,165
Unidentified Category/ Error		190,233,752		
Total Taxable Value per Tax Year	\$ 33,775,648,712	\$ 30,047,503,117	\$ 27,439,905,290	\$ 24,885,354,807

	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>
\$	13,568,024,248	\$ 11,911,795,812	\$ 10,102,316,342	\$ 9,041,069,157	\$ 8,429,012,641	\$ 7,709,106,726
	348,271,010	323,391,745	287,797,885	222,300,330	191,603,873	157,906,765
	540,639,960	507,494,400	464,847,110	464,358,680	436,171,418	402,747,590
	947,799,210	946,963,000	930,927,810	946,460,920	990,732,220	1,020,574,330
	187,394,056	153,097,611	133,978,156	123,438,051	118,389,385	110,707,390
	2,389,152,540	2,209,184,480	1,937,117,790	1,694,168,890	1,515,695,676	1,317,565,010
	263,999,570	188,379,810	167,894,040	202,327,670	168,237,547	130,797,650
	1,158,159,835	1,026,114,540	1,202,383,113	1,239,677,060	1,285,147,927	1,313,790,980
	1,890,037,355	1,744,379,459	1,641,652,126	1,526,621,659	1,425,345,882	1,304,647,605
	47,177,715	41,870,015	33,162,985	30,179,530	26,481,836	22,095,850
	465,684,440	373,541,510	328,042,510	203,731,840	204,065,913	201,356,140
	59,527,983	49,174,650				
	958,044,945	913,766,905	875,161,020	820,049,820	786,666,307	743,245,900
				547,190	-	
\$	22,823,912,867	\$ 20,389,153,937	\$ 18,105,280,887	\$ 16,514,930,797	\$ 15,577,550,625	\$ 14,434,541,936



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

Tax	Fiscal	Estimated	Less	Net	Assessment	Total Direct
Year	Year	Actual Value	Exemptions	Assessed	Ratio	Tax Rate
				Value		
1996	1997	12,912,636,194	1,675,107,082	11,237,529,112	87.0%	\$ 0.644
1997	1998	14,023,388,255	1,856,422,598	12,166,965,657	86.8%	0.629
1998	1999	14,909,178,872	2,031,087,436	12,878,091,436	86.4%	0.624
1999	2000	16,431,575,072	2,407,082,090	14,024,492,982	85.4%	0.624
2000	2001	18,562,470,712	2,823,713,480	15,738,757,232	84.8%	0.604
2001	2002	20,959,160,147	3,222,957,451	17,736,202,696	84.6%	0.564
2002	2003	22,983,634,660	3,623,915,365	19,359,719,295	84.2%	0.539
2003	2004	25,365,488,170	4,228,880,660	21,136,607,510	83.3%	0.524
2004	2005	27,925,658,267	4,666,247,520	23,259,410,747	83.3%	0.524
2005	2006	31,359,153,364	5,310,031,541	26,049,121,823	83.1%	0.517

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

	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>
Fort Bend County	\$ 0.62910	\$ 0.62410	\$ 0.62410	\$ 0.60410
Political Subdivision:				
Arcola, City of	0.99500	0.92500	0.92500	0.91000
Beasley, City of	0.21740	0.23000	0.23000	0.21935
Big Oaks MUD	1.40000	1.40000	1.35000	1.25000
Blue Ridge West MUD	0.92000	0.86500	0.78700	0.71600
Brazos ISD	^	^	1.50000	1.46320
Burney Road MUD	**N/A	**N/A	0.50000	0.75000
Cinco MUD #1	0.45000	0.45000	0.50000	0.47000
Cinco MUD #2	0.87000	0.87000	0.89000	0.85000
Cinco MUD #3	0.89700	0.87100	0.87100	0.88800
Cinco MUD #5	0.95000	0.93000	0.99000	0.97000
Cinco MUD #6	0.94900	0.95000	0.99000	0.97000
Cinco MUD #7	0.95000	0.95000	1.00000	0.91000
Cinco MUD #8	0.95000	0.95000	1.00000	0.97000
Cinco MUD #9	0.91000	0.90050	0.89000	0.84000
Cinco MUD #10	0.45000	0.45000	0.50000	0.97000
Cinco MUD #12	0.95000	0.95000	0.95000	0.95000
Cinco MUD #14	0.45000	0.45000	0.50000	0.47000
Eldridge Road MUD	1.11000	1.06000	0.97000	0.83000
First Colony LID	0.38000	0.26000	0.25000	0.23500
First Colony LID #2	0.38000	0.37500	0.35870	0.34200
First Colony MUD #1	**N/A	**N/A	**N/A	**N/A
First Colony MUD #2	0.94600	**N/A	**N/A	**N/A
First Colony MUD #3	0.39000	**N/A	**N/A	**N/A
First Colony MUD #4	0.35800	**N/A	**N/A	**N/A
First Colony MUD #5	0.35830	**N/A	**N/A	**N/A
First Colony MUD #6	**N/A	**N/A	**N/A	**N/A
First Colony MUD #7	**N/A	**N/A	**N/A	**N/A
First Colony MUD #8	0.49000	**N/A	**N/A	**N/A
First Colony MUD #9	0.68000	0.68000	0.68000	0.62960
Fort Bend County LID #2	0.26876	0.24901	0.23174	0.23000
Fort Bend County LID #7	0.40050	0.37350	0.33350	0.29950
Fort Bend County LID #10	**N/A	**N/A	0.35000	0.42000
Fort Bend County LID #11	0.69000	0.64000	0.55000	0.45000
Fort Bend County LID #12	0.50000	0.50000	0.50000	0.50000
Fort Bend County LID #14	0.66000	0.59000	0.59000	0.51900
Fort Bend County LID #15	**N/A	**N/A	**N/A	**N/A
Fort Bend County MUD #1	**N/A	**N/A	1.00000	0.93000
Fort Bend County MUD #2	0.77000	0.76000	0.71000	0.54400
Fort Bend County MUD #19	1.79930	1.94200	1.20000	1.22870
Fort Bend County MUD #21	0.58000	0.57000	0.54000	0.49000
Fort Bend County MUD #23	1.50000	1.37000	1.37000	1.29000
Fort Bend County MUD #25	1.24500	1.18000	1.08000	0.97500
Fort Bend County MUD #26	1.12000	1.00000	0.66900	0.79200

<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
\$ 0.56410	\$ 0.53874	\$ 0.52374	\$ 0.52374	\$ 0.51674
0.81941	0.63922	0.62105	0.59200	0.56300
0.31430	0.33069	0.33872	0.27613	0.41890
1.20000	1.20000	1.18000	1.00000	0.95000
0.64600	0.55000	0.55000	0.49000	0.45000
1.31680	1.31680	1.50000	1.50000	**N/A
0.75000	0.74000	0.74000	0.74000	0.35500
0.43000	1.08000	1.02000	1.02000	1.00000
0.69000	0.68000	0.60110	0.58000	0.56500
0.84800	0.79800	0.62000	0.62000	0.54000
0.96000	0.86000	0.71000	0.65000	0.59500
0.83000	0.78000	0.72000	0.72000	0.64000
0.82500	0.72500	0.70000	0.70000	0.61000
0.97000	0.95000	0.94000	0.94000	0.91000
0.81000	0.76000	0.76000	0.76000	0.74000
1.02000	1.02000	0.87000	0.87000	0.67000
0.85000	0.78000	0.69000	0.69000	0.59000
0.42500	1.08000	1.02000	1.02000	1.00000
0.72000	0.67000	0.60000	0.50000	0.43000
0.21500	0.20555	0.19500	0.20500	0.19000
0.34200	0.39200	0.39200	0.38500	0.37500
**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
0.58500	0.43500	0.40500	0.37500	0.34500
0.23000	0.23000	0.21000	0.21000	0.18400
0.27000	0.25000	0.25000	0.24000	0.23000
0.49000	0.49000	0.49000	0.49000	0.47000
0.41000	0.40000	0.40000	0.38700	0.32000
0.50000	0.50000	0.50000	0.50000	0.50000
0.41000	0.31000	0.28000	0.26000	0.21000
**N/A	**N/A	**N/A	0.60000	0.70000
0.82000	0.82000	0.82000	0.82000	0.75000
0.49900	0.49900	0.48000	0.48000	0.46000
1.20000	1.20000	1.20000	1.20000	1.20000
0.49000	0.49000	0.49000	0.49000	0.47000
1.20000	1.15000	1.06000	1.06000	1.02000
0.92500	0.92500	0.89000	0.87000	0.86000
0.77000	0.77000	0.77000	0.77000	0.73000

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

	1997	1998	1999	2000
Political Subdivision: (continued)				
Fort Bend County MUD #27	0.20000	**N/A	**N/A	**N/A
Fort Bend County MUD #30	1.16500	1.16000	1.12000	1.06300
Fort Bend County MUD #34	1.55000	1.43000	1.30000	1.09600
Fort Bend County MUD #35	**N/A	**N/A	**N/A	**N/A
Fort Bend County MUD #37	0.65000	0.63000	0.61000	0.62000
Fort Bend County MUD #41	1.03000	0.97000	0.91400	0.86400
Fort Bend County MUD #42	0.81000	0.67000	0.58500	0.53000
Fort Bend County MUD #46	1.20000	1.20000	1.15000	1.10000
Fort Bend County MUD #47	1.44000	1.43000	1.35560	1.26145
Fort Bend County MUD #48	1.22000	1.20000	1.13500	1.10000
Fort Bend County MUD #49	1.05000	1.04700	0.96000	0.88800
Fort Bend County MUD #50	0.73000	0.83000	0.83000	0.83000
Fort Bend County MUD #67	0.70000	0.62000	0.56000	0.51500
Fort Bend County MUD #68	0.75900	0.62900	0.56900	0.53500
Fort Bend County MUD #69	0.58000	0.50500	0.47780	0.44500
Fort Bend County MUD #81	0.89000	0.84000	0.79900	0.75000
Fort Bend County MUD #94	0.75000	0.72000	0.75000	0.70000
Fort Bend County MUD #106	0.72000	0.70000	0.66900	0.63000
Fort Bend County MUD #108	0.57000	0.55000	0.50500	0.49000
Fort Bend County MUD #109	0.70000	0.65500	0.63500	0.61000
Fort Bend County MUD #111	0.89887	0.63500	0.45160	0.38328
Fort Bend County MUD #112	**N/A	**N/A	1.00000	0.90000
Fort Bend County MUD #113	0.79000	0.86000	0.76000	0.60000
Fort Bend County MUD #116	**N/A	**N/A	1.45000	1.45000
Fort Bend County MUD #115	**N/A	**N/A	**N/A	0.97000
Fort Bend County MUD #118	**N/A	**N/A	**N/A	1.40000
Fort Bend County MUD #117	**N/A	**N/A	**N/A	0.91000
Fort Bend County MUD #119	**N/A	**N/A	**N/A	**N/A
Fort Bend County MUD #121	**N/A	**N/A	**N/A	1.25000
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	0.18100	0.16700	0.16700	0.16290
Fort Bend County WC&ID #3	**N/A	**N/A	0.50000	0.50000
Fort Bend County R.F. P. 1 & 2	0.05040	**N/A	**N/A	**N/A
Fort Bend Co. ESD #1	**N/A	**N/A	**N/A	**N/A
Fort Bend ESD #2	**N/A	**N/A	**N/A	**N/A
Fort Bend ESD #3	**N/A	**N/A	**N/A	**N/A

2001	2002	2003	2004	2005
**N/A	**N/A	**N/A	**N/A	**N/A
1.04300	1.04300	1.04300	1.01300	0.99300
1.07000	1.07000	1.05000	0.95000	0.84000
**N/A	**N/A	1.25000	1.25000	1.25000
0.63000	0.63000	0.63000	0.63000	0.63000
0.60000	0.75000	0.70000	0.66000	0.62000
0.50000	0.50000	0.48000	0.48000	0.46000
1.05000	1.05000	1.05000	1.00000	0.95000
1.25000	1.17000	1.17000	1.15000	1.15000
1.06000	1.00000	0.98000	0.98000	0.96000
0.88800	0.86000	0.84000	0.84000	0.80000
0.83000	0.83000	0.90000	0.90000	0.90000
0.50000	0.48500	0.46000	0.45000	0.44000
0.47000	0.47000	0.46000	0.44000	0.43000
0.41500	0.40000	0.39000	0.38000	0.37000
0.75000	0.73000	0.73000	0.69000	0.57000
0.72000	0.72000	0.71000	0.71000	0.71000
0.58000	0.58000	0.57000	0.54000	0.50000
0.47000	0.47000	0.46000	0.43000	0.42500
0.58500	0.57000	0.55000	0.53000	0.51500
0.37000	0.34000	0.34000	0.34000	0.32000
0.82000	0.81000	0.73000	0.57000	0.46000
0.48000	0.34000	0.33500	0.31500	^
1.45000	1.45000	1.30000	1.30000	1.15000
0.97000	0.97000	0.97000	0.97000	0.97000
1.40000	1.40000	1.33000	1.16000	1.00000
0.91000	0.91000	0.86000	0.84000	0.74000
**N/A	**N/A	1.25000	1.20000	0.95000
1.25000	1.25000	1.25000	1.25000	1.25000
**N/A	**N/A	1.00000	1.00000	1.00000
**N/A	**N/A	**N/A	1.00000	1.00000
1.11300	1.15000	1.20000	1.20000	1.15000
**N/A	**N/A	**N/A	0.90000	0.80000
0.80000	0.80000	0.80000	0.80000	0.80000
**N/A	**N/A	**N/A	1.25000	1.25000
**N/A	**N/A	**N/A	1.33000	1.39000
**N/A	**N/A	**N/A	1.00000	1.00000
**N/A	**N/A	**N/A	1.00000	0.80000
**N/A	**N/A	**N/A	1.25000	1.25000
0.16290	0.16290	0.16290	0.18000	
0.50000	0.50000	0.50000	0.50000	
**N/A	**N/A	**N/A	**N/A	**N/A
**N/A	**N/A	0.06250	0.06250	0.06250
**N/A	0.09800	0.09800	0.09800	0.09800
**N/A	**N/A	**N/A	0.07000	0.07000

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

	1997	1998	1999	2000
Political Subdivision: (continued)				
Fort Bend ESD #4	**N/A	**N/A	**N/A	**N/A
Fort Bend Fire District #1	^	^	0.03000	0.03000
Fort Bend Fire District #2	^	^	0.02242	0.02381
Fort Bend Fresh Water Supply #1	**N/A	**N/A	**N/A	**N/A
Fort Bend Independent School District	1.64350	1.67730	1.65700	1.69250
Fort Bend Parkway Road District	0.50190	0.50188	0.50500	0.51429
Fulshear, City of	0.48000	0.47516	0.47516	0.42174
Grand Mission MUD #1	**N/A	**N/A	0.60130	0.72000
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	1.00000	0.50000
Harris-Fort Bend EMS District	**N/A	**N/A	0.10000	0.09900
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	1.17000	1.06000
Houston, City of		0.66500	0.66500	0.66500
Houston Community College	0.06615	0.06615	0.06983	0.08200
Katy, City of	^	^	0.61466	0.61466
Katy ISD	^	^	1.69500	1.86750
Kendleton, City of	0.55000	0.55000	0.54202	0.97193
Kendleton ISD	1.50000	1.50000	1.50000	1.50000
Kingsbridge MUD	1.02000	0.98500	0.98000	0.94880
Lamar Consolidated I.S.D.	1.59000	1.59000	1.62680	1.65128
Meadowcreek MUD	0.38000	0.51000	0.51000	0.44920
Meadows Place, City of	0.73000	0.73000	0.73000	0.73000
Mission Bend MUD #1	0.76000	0.72500	0.68500	0.63780
Missouri City, City of	0.56862	0.56790	0.55033	0.52003
Needville, City of	0.53870	0.53870	0.54870	0.55750
Needville Independent School District	1.48500	1.55400	1.46100	1.57500
North Mission Glen MUD	1.07000	1.07000	1.04200	0.97000
Orchard, City of	0.25000	0.22973	0.23724	0.22640
Palmer Plantation MUD #1	1.15000	1.13000	1.08000	0.95000
Palmer Plantation MUD #2	1.15000	1.15000	1.07000	0.92000
Pecan Grove MUD	0.84000	0.81300	0.79570	0.69750
Plantation MUD	0.70000	0.66000	0.72000	0.68500
Quail Valley MUD	0.31000	0.30560	0.30560	0.29000
Richmond, City of	0.70250	0.74350	0.79000	0.79000
Rosenberg, City of	0.55500	0.55500	0.55500	0.55500
Sienna Plantation LID	0.40000	0.40000	0.49000	0.59000
Sienna Plantation MUD	1.10000	1.10000	1.00000	0.90000
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

2001	2002	2003	2004	2005
**N/A	**N/A	**N/A	0.06000	0.07000
0.03000	0.03000	**N/A	**N/A	
0.03000	0.03000	**N/A	**N/A	
**N/A	**N/A	0.25000	0.25000	0.25000
1.68250	1.68250	1.67000	1.70750	1.69000
0.49990	0.42170	0.22000	0.11448	0.04153
0.40208	0.39251	0.37000	0.33000	0.32743
1.00000	0.72000	1.00000	1.00000	1.00000
**N/A	**N/A	1.25000	1.25000	1.15000
**N/A	**N/A	1.22000	1.10000	0.97000
0.23000	0.98000	0.90000	0.90000	0.82000
1.00000	0.21000	0.17000	0.15000	
0.09900	0.09900	0.09740	0.09700	
1.14580	1.14580	1.10000	1.05000	
**N/A	**N/A	**N/A	1.25000	
0.44000	0.44000	0.50000	0.87000	0.95000
1.06000	1.06000	0.97000	0.92000	0.86000
0.65500	0.65500	0.65000	0.65000	
0.08133	0.08133	0.08133	0.09598	0.09577
0.61466	0.61466	0.61466	0.61466	
1.92000	1.94000	1.94000	1.94000	**N/A
0.70000	0.66000	0.70000	0.70945	0.70000
1.50000	1.50000	1.78430	1.78000	1.78000
0.94880	0.92000	0.92000	0.88000	0.84000
1.66450	1.66450	1.66450	1.69760	1.69760
0.43500	0.42000	0.42000	0.41000	0.38000
0.73000	0.73000	0.73000	0.76000	0.76000
0.62000	0.58000	0.56500	0.54000	0.45000
0.50325	0.49146	0.51000	0.50165	0.49800
0.52336	0.50955	0.49567	0.49995	0.48000
1.51300	1.58700	1.66040	1.66400	1.66400
0.85000	0.82000	0.82000	0.75000	0.63000
0.22425	0.24423	0.32090	0.35148	0.34531
0.88000	0.81000	0.79000	0.78000	0.74000
0.78000	0.78000	0.68000	0.60000	0.55000
0.65500	0.63500	0.59500	0.57500	0.51000
1.00000	0.68500	0.65000	0.65000	0.63000
0.29000	0.28000	0.28000	0.27000	^
0.79000	0.79000	0.79000	0.79000	0.79000
0.55500	0.55500	0.55500	0.55500	0.55500
0.59000	0.59000	0.60000	0.60000	0.60000
**N/A	**N/A	**N/A	**N/A	**N/A
0.90000	0.85000	0.83000	0.76000	0.72000
0.90000	0.90000	0.90000	0.90000	0.88000
**N/A	**N/A	**N/A	0.90000	0.90000
**N/A	**N/A	**N/A	0.90000	0.90000

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

	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>
Political Subdivision: (continued)				
Stafford Municipal School District	1.55000	1.59500	1.59500	1.64500
Sugar Land, City of	0.35830	0.35830	0.35830	0.34830
Thunderbird U.D.	0.31000	0.30670	0.29450	0.27000
West Keegans Bayou I.D.	0.36000	0.33500	0.30700	0.27100
Wharton County Junior College	0.16135	0.16135	0.15635	0.15635
Willow Fork Drainage District	**N/A	**N/A	0.50000	0.41700
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 or taxes not yet levied. Data provided by the Fort Bend Economic Development

^ Not able to obtain by report issuance date.

<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
1.69500	1.71000	1.71550	1.70800	1.68660
0.33330	0.32886	0.32840	0.32568	0.31711
0.22000	0.22000	**N/A	**N/A	**N/A
0.25100	0.22100	0.19100	0.19100	0.18100
0.15635	0.16738	0.17401	0.16892	0.15595
0.38700	0.35000	0.30000	0.27000	0.26000
**N/A	**N/A	0.60000	0.60000	0.60000



FORT BEND COUNTY, TEXAS
PRINCIPAL PROPERTY TAXPAYERS
Current Year and Nine Years Ago

Taxpayer	Fiscal Year 2006			Fiscal Year 1997		
	Assessed Value	Rank	Percentage of Total Net Assessed Valuation	Assessed Value	Rank	Percentage of Total Net Assessed Valuation
Texas Genco LP	765,842,350	1	2.94 %			%
Centerpoint Energy Inc.	238,466,050	2	0.92			
Conocophillips Company	209,342,250	3	0.80			
Katy Mills Mall LTD Partnership	148,026,410	4	0.57			
Texas Instruments, Inc.	120,759,750	5	0.46	147,336,020	2	1.31
Jetta Operating Company Inc.	88,109,580	6	0.34			
Lakepointe Assets LLC	85,038,750	7	0.33			
Sugar Land Telephone Co.	78,450,090	8	0.30	61,568,790	6	0.55
Tramontina USA Inc.	65,527,160	9	0.25			
KIR Fountains on the Lake LP	65,427,250	10	0.25			
Houston Lighting & Power				1,021,330,980	1	9.09
Fluor Daniel, Inc.				81,601,640	3	0.73
Phillips Petroleum Co.				63,272,170	4	0.56
Sugarland Properties, Inc.				62,074,220	5	0.55
Southwestern Bell Telephone				51,992,400	7	0.46
Western Gas Resources STG, Inc.				49,741,120	8	0.44
Imperial Holly Corporation				48,925,360	9	0.44
Cooper Cameron Corporation				44,704,920	10	0.40
Subtotal	\$ 1,864,989,640		7.16 %	\$ 1,632,547,620		14.53 %
Other tax payers	<u>24,184,132,183</u>		<u>92.84</u>	<u>9,604,981,492</u>		<u>85.47</u>
Total	<u>\$ 26,049,121,823</u>		<u>100.00 %</u>	<u>\$ 11,237,529,112</u>		<u>100.00 %</u>

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

Tax Year	Fiscal Year	Total Original Levy	Adjustments	Total Adjusted Levy	Collected within the Fiscal Year of the Levy	
					Amount	Percentage of Levy Collected
1996	1997	72,379,141	(2,443)	72,376,698	70,622,219	97.57%
1997	1998	76,648,044	(2,365)	76,645,679	75,822,350	98.92%
1998	1999	80,409,842	433	80,410,275	78,679,130	97.85%
1999	2000	87,685,271	11,553	87,696,824	86,359,993	98.49%
2000	2001	95,214,433	10,541	95,224,974	91,447,748	96.04%
2001	2002	100,185,341	130,794	100,316,135	96,072,422	95.89%
2002	2003	104,519,176	130,073	104,649,249	100,212,759	95.88%
2003	2004	110,917,106	144,643	111,061,749	106,780,667	96.27%
2004	2005	122,022,393	(101,900)	121,920,493	118,127,162	96.81%
2005	2006	131,200,048	(197,580)	131,002,468	129,519,480	98.72%

Collections in Subsequent Years	Total Tax Collections	Total Tax Collections as a Percentage of Current Levy	Outstanding Delinquent Taxes	Delinquent Taxes as a Percentage of Current Levy
1,647,802	72,270,021	99.85%	106,678	0.15%
704,885	76,527,235	99.84%	118,443	0.15%
1,596,985	80,276,115	99.83%	134,160	0.17%
1,166,848	87,526,841	99.82%	169,982	0.19%
3,546,381	94,994,129	99.77%	230,845	0.24%
3,994,962	100,067,384	99.88%	248,752	0.25%
4,143,190	104,355,949	99.84%	293,300	0.28%
3,921,280	110,701,947	99.81%	359,802	0.32%
3,143,304	121,270,466	99.38%	650,027	0.53%
	129,519,480	98.72%	2,432,923	1.85%

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

Tax Year	Fiscal Year	Population (1)	Net Assessed Value	Certificates of Obligation	General Obligation Bonds (2)	Loans Payable	Capital Leases Payable
1996	1997	312,547	\$ 10,621,294,760	\$ 1,525,000	\$ 67,960,000	\$ 415,000	\$ 813,661
1997	1998	327,990	11,237,529,112	1,225,000	64,245,000	210,000	440,870
1998	1999	343,372	12,166,965,657	910,000	60,405,000		1,100,366
1999	2000	354,452	14,024,492,982	585,000	56,125,000		998,495
2000	2001	376,573	15,738,757,232	240,000	92,220,000		420,531
2001	2002	398,817	17,736,202,696	200,000	87,060,000		
2002	2003	420,170	19,359,719,295	150,000	80,985,000		
2003	2004	442,389	21,136,607,510	100,000	75,410,000		
2004	2005	463,650	23,259,410,747	50,000	69,770,000		
2005	2006	493,187	26,049,121,823	-	94,190,000		

(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.

Total General Long-Term Debt (2)	Amounts Available in Debt Service Fund (2)	Net General Long-Term Debt	Personal Income	Percent of Personal Income	General Long-Term Debt to Assessed Value	Net General Long-Term Debt Per Capita
\$ 70,713,661	\$ 2,660,611	\$ 68,053,050	\$ 8,185,070,000	0.83%	0.64%	217.74
66,120,870	3,230,136	62,890,734	8,984,130,000	0.70%	0.56%	191.75
62,415,366	2,357,150	60,058,216	9,937,870,000	0.60%	0.49%	174.91
57,708,495	1,707,163	56,001,332	11,308,130,000	0.50%	0.40%	157.99
92,880,531	1,864,575	91,015,956	11,828,020,000	0.77%	0.58%	241.70
87,260,000	1,525,613	85,734,387	12,002,380,000	0.71%	0.48%	214.97
81,135,000	1,124,677	80,010,323	12,244,960,000	0.65%	0.41%	190.42
75,510,000	1,165,433	74,344,567	13,338,140,000	0.56%	0.35%	168.05
69,820,000	2,116,782	67,703,218	13,949,480,000	0.49%	0.29%	146.02
94,190,000	2,621,749	91,568,251	14,734,540,000	0.62%	0.35%	185.67

**FORT BEND COUNTY, TEXAS
DIRECT AND OVERLAPPING DEBT
September 30, 2006**

<u>Taxing Jurisdiction</u>	<u>Long-Term Debt Outstanding</u>	<u>Applicable Percentage</u>	<u>Overlapping Debt</u>
Fort Bend County	\$ 230,080,000	100.00%	\$ 230,080,000
<u>Special Districts:</u>			
Big Oaks MUD	\$ 23,930,000	100.00%	\$ 23,930,000
Blue Ridge West MUD		100.00%	
Burney Road MUD	14,155,000	100.00%	14,155,000
Cinco MUD #1	2,380,000	100.00%	2,380,000
Cinco MUD #2	6,345,000	100.00%	6,345,000
Cinco MUD #3	3,660,000	100.00%	3,660,000
Cinco MUD #5	5,130,000	100.00%	5,130,000
Cinco MUD #7	8,450,000	100.00%	8,450,000
Cinco MUD #8	8,960,000	100.00%	8,960,000
Cinco MUD #10	7,280,000	100.00%	7,280,000
Cinco MUD #12	1,850,000	100.00%	1,850,000
Cinco MUD #14	15,945,000	100.00%	15,945,000
Eldridge Road MUD	5,830,000	100.00%	5,830,000
First Colony LID	910,000	100.00%	910,000
First Colony LID #2	5,055,000	100.00%	5,055,000
First Colony MUD #9	21,410,000	100.00%	21,410,000
Fort Bend County LID #2	7,465,000	100.00%	7,465,000
Fort Bend County LID #7	15,740,000	100.00%	15,740,000
Fort Bend County LID #10	10,980,000	100.00%	10,980,000
Fort Bend County LID #11	23,812,000	100.00%	23,812,000
Fort Bend County LID #12	16,315,000	100.00%	16,315,000
Fort Bend County LID #14	7,310,000	100.00%	7,310,000
Fort Bend County MUD #1	20,050,000	100.00%	20,050,000
Fort Bend County MUD #2	5,150,000	100.00%	5,150,000
Fort Bend County MUD #19	2,055,000	100.00%	2,055,000
Fort Bend County MUD #21	14,175,000	100.00%	14,175,000
Fort Bend County MUD #23	45,570,000	100.00%	45,570,000
Fort Bend County MUD #25	50,915,000	100.00%	50,915,000
Fort Bend County MUD #26	12,220,000	100.00%	12,220,000
Fort Bend County MUD #30	28,305,000	100.00%	28,305,000
Fort Bend County MUD #34	18,580,000	100.00%	18,580,000
Fort Bend County MUD #35	12,285,000	100.00%	12,285,000
Fort Bend County MUD #37	1,435,000	100.00%	1,435,000
Fort Bend County MUD #41	8,220,000	100.00%	8,220,000
Fort Bend County MUD #42	12,955,000	100.00%	12,955,000
Fort Bend County MUD #46	14,460,000	100.00%	14,460,000

FORT BEND COUNTY, TEXAS
DIRECT AND OVERLAPPING DEBT
September 30, 2006

<u>Taxing Jurisdiction</u>	<u>Long-Term Debt Outstanding</u>	<u>Applicable Percentage</u>	<u>Overlapping Debt</u>
<u>Special Districts: (continued)</u>			
Fort Bend County MUD #47	6,215,000	100.00%	6,215,000
Fort Bend County MUD #48	5,255,000	100.00%	5,255,000
Fort Bend County MUD #49	3,175,000	100.00%	3,175,000
Fort Bend County MUD #50	4,065,000	100.00%	4,065,000
Fort Bend County MUD #67	6,545,000	100.00%	6,545,000
Fort Bend County MUD #68	6,635,000	100.00%	6,635,000
Fort Bend County MUD #69	4,245,000	100.00%	4,245,000
Fort Bend County MUD #81	6,500,000	100.00%	6,500,000
Fort Bend County MUD #94	4,920,000	100.00%	4,920,000
Fort Bend County MUD #106	15,140,000	100.00%	15,140,000
Fort Bend County MUD #108	7,480,000	100.00%	7,480,000
Fort Bend County MUD #109	11,660,000	100.00%	11,660,000
Fort Bend County MUD #111	11,340,000	100.00%	11,340,000
Fort Bend County MUD #112	8,140,000	100.00%	8,140,000
Fort Bend County MUD #113	-	100.00%	-
Fort Bend County MUD #115	15,910,000	100.00%	15,910,000
Fort Bend County MUD #116	25,320,000	100.00%	25,320,000
Fort Bend County MUD #117	25,700,000	100.00%	25,700,000
Fort Bend County MUD #118	33,525,000	100.00%	33,525,000
Fort Bend County MUD #119	26,185,000	100.00%	26,185,000
Fort Bend County MUD #121	18,310,000	100.00%	18,310,000
Fort Bend County MUD #122	14,160,000	100.00%	14,160,000
Fort Bend County MUD #124	8,690,000	100.00%	8,690,000
Fort Bend County MUD #130	6,070,000	100.00%	6,070,000
Fort Bend County MUD #143	2,565,000	100.00%	2,565,000
Fort Bend County WC&ID #3	2,980,000	100.00%	2,980,000
Grand Lakes MUD #1	17,645,000	100.00%	17,645,000
Grand Lakes MUD #2	16,095,000	100.00%	16,095,000
Grand Lakes MUD #4	19,105,000	100.00%	19,105,000
Grand Lakes WC&ID	4,050,000	100.00%	4,050,000
Meadowcreek MUD	-	100.00%	-
North Mission Glen MUD	29,505,000	100.00%	29,505,000
Palmer Plantation MUD #1	8,430,000	100.00%	8,430,000
Palmer Plantation MUD #2	10,290,000	100.00%	10,290,000
Pecan Grove MUD	7,570,000	100.00%	7,570,000
Plantation MUD	7,415,000	100.00%	7,415,000
Quail Valley UD	-	100.00%	-

FORT BEND COUNTY, TEXAS
DIRECT AND OVERLAPPING DEBT
September 30, 2006

<u>Taxing Jurisdiction</u>	<u>Long-Term Debt Outstanding</u>	<u>Applicable Percentage</u>	<u>Overlapping Debt</u>
Sienna Plantation LID	58,500,000	100.00%	58,500,000
Sienna Plantation MUD #2	31,080,000	100.00%	31,080,000
Sienna Plantation MUD #3	35,800,000	100.00%	35,800,000
Sienna Plantation MUD #10	6,740,000	100.00%	6,740,000
Thunderbird UD	-	100.00%	-
Woodcreek Reserve MUD	2,700,000	100.00%	2,700,000
<u>Co-Line Special Districts:</u>			
Cinco MUD #6	4,210,000	83.12%	3,499,352
Cinco MUD #9	6,845,000	58.65%	4,014,593
Chelford City MUD	2,285,000	53.85%	1,230,473
Cornerstones MUD	9,455,000	1.37%	129,534
Fort Bend County WC&ID #2	24,990,000	98.87%	24,707,613
Harris - Fort Bend Cos. MUD #1	17,165,000	98.97%	16,988,201
Harris - Fort Bend Cos. MUD #4	24,415,000	74.47%	18,181,851
Harris - Fort Bend Cos. MUD #5	9,705,000	60.99%	5,919,080
Kingsbridge MUD	29,075,000	94.65%	27,519,488
Mission Bend MUD #1	1,515,000	60.14%	911,121
Renn Road MUD	11,260,000	21.42%	2,411,892
West Harris County MUD #4	6,105,000	3.96%	241,758
West Keegans Bayou Impv. Dist.	855,000	86.78%	741,969
Willow Fork Drainage Dist.	43,995,000	91.36%	40,193,832
Total Special Districts			<u><u>\$ 1,141,632,754</u></u>
<u>Cities:</u>			
Arcola	\$ -	100.00%	\$ -
Beasley	422,000	100.00%	422,000
Kendleton	76,000	100.00%	76,000
Meadows Place	5,955,000	100.00%	5,955,000
Needville	827,500	100.00%	827,500
Orchard	90,000	100.00%	90,000
Richmond	11,075,000	100.00%	11,075,000
Rosenberg	26,555,000	100.00%	26,555,000
Sugar Land	130,785,000	1.00	130,785,000
<u>County Line Cities:</u>			
Houston	2,227,445,562	0.63%	14,032,907
Katy	9,060,000	17.09%	1,548,354
Missouri City	42,055,000	91.67%	38,551,819
Stafford	3,950,000	98.84%	3,904,180
Total Cities			<u><u>\$ 233,822,760</u></u>

**FORT BEND COUNTY, TEXAS
DIRECT AND OVERLAPPING DEBT
September 30, 2006**

<u>Taxing Jurisdiction</u>	<u>Long-Term Debt Outstanding</u>	<u>Applicable Percentage</u>	<u>Overlapping Debt</u>
<u>School Districts:</u>			
Fort Bend ISD	\$ 705,098,390	100.00%	\$ 705,098,390
Kendleton ISD	1,175,000	100.00%	1,175,000
Lamar Consolidated ISD	233,128,926	100.00%	233,128,926
Needville ISD	17,005,000	100.00%	17,005,000
<u>Co-Line School Districts:</u>			
Brazos ISD	11,510,000	61.42%	7,069,442
Katy ISD	772,934,366	7.47%	57,738,197
Stafford MSD	15,995,000	97.30%	15,563,135
Total School Districts			<u><u>\$ 1,036,778,090</u></u>
<u>Other:</u>			
Houston Community College District	154,070,000	10.25%	15,792,175
Total Other			<u><u>\$ 15,792,175</u></u>
<u>Summary of Total Estimated Overlapping Debt:</u>			
Special Districts			\$ 1,141,632,754
Cities			233,822,760
School Districts			1,036,778,090
Other			15,792,175
Estimated Overlapping Debt			<u><u>\$ 2,428,025,778</u></u>
<u>Fort Bend County</u>			
Fort Bend County - Direct Obligations			47,485,000
Fort Bend County Parkway Road District			610,000
Fort Bend County - Fort Bend Toll Road Authority			
Total Direct and Estimated Overlapping Debt			<u><u>\$ 2,476,120,778</u></u>

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

FORT BEND COUNTY, TEXAS
COMPUTATION OF LEGAL DEBT MARGIN
LAST TEN FISCAL YEARS

	1997	1998	1999	2000
Assessed value of real property:	\$ 9,334,542,357	\$ 10,017,620,998	\$ 10,608,913,287	\$ 11,749,370,653
Assessed value of personal and other property:	1,902,986,755	2,149,344,659	2,269,178,149	2,275,122,329
Total assessed value:	<u>\$ 11,237,529,112</u>	<u>\$ 12,166,965,657</u>	<u>\$ 12,878,091,436</u>	<u>\$ 14,024,492,982</u>
Debt Limit, 25% of real property:	2,333,635,589	2,504,405,250	2,652,228,322	2,937,342,663
Amount of debt applicable to debt limit:	\$ 70,713,661	\$ 66,140,870	\$ 62,415,366	\$ 57,708,495
Less: Assets available in Debt Service Funds for payment of principal	<u>2,660,611</u>	<u>3,230,136</u>	<u>2,357,150</u>	<u>1,707,163</u>
Total amount of debt applicable to debt limit:	68,053,050	62,910,734	60,058,216	56,001,332
LEGAL DEBT MARGIN	<u>\$ 2,265,582,539</u>	<u>\$ 2,441,494,516</u>	<u>\$ 2,592,170,106</u>	<u>\$ 2,881,341,331</u>
Total net debt applicable to the limit as a percentage of debt limit:	2.92%	2.51%	2.26%	1.91%

2001	2002	2003	2004	2005	2006
\$ 13,257,881,758	\$ 14,931,047,882	\$ 16,339,347,766	\$ 18,075,649,455	\$ 19,783,716,194	\$ 22,343,399,407
2,480,875,474	2,805,154,814	3,020,371,529	3,060,958,055	3,475,694,553	3,705,722,416
\$ 15,738,757,232	\$ 17,736,202,696	\$ 19,359,719,295	\$ 21,136,607,510	\$ 23,259,410,747	\$ 26,049,121,823
3,314,470,440	3,732,761,971	4,084,836,942	4,518,912,364	4,945,929,049	5,585,849,852
\$ 92,880,531	\$ 87,260,000	\$ 81,135,000	\$ 75,510,000	\$ 69,820,000	\$ 94,190,000
1,864,575	1,525,613	1,124,677	1,165,433	2,116,782	2,621,749
91,015,956	85,734,387	80,010,323	74,344,567	67,703,218	91,568,251
\$ 3,223,454,484	\$ 3,647,027,584	\$ 4,004,826,619	\$ 4,444,567,797	\$ 4,878,225,831	\$ 5,494,281,601
2.75%	2.30%	1.96%	1.65%	1.37%	1.64%

FORT BEND COUNTY, TEXAS
DEMOGRAPHIC AND ECONOMIC STATISTICS,
LAST TEN FISCAL YEARS

Year	Population	Personal Income	Per Capita Personal Income	Unemployment Rate
1997	312,547	\$ 8,185,070,000	\$ 26,188	3.1%
1998	327,990	8,984,130,000	27,391	2.8%
1999	343,372	9,937,870,000	28,942	3.3%
2000	354,452	11,308,130,000	31,903	2.9%
2001	376,573	11,828,020,000	31,410	3.1%
2002	398,817	12,002,380,000	30,095	4.6%
2003	420,170	12,244,960,000	29,143	5.9%
2004	442,389	13,338,140,000	30,150	5.2%
2005	463,650	13,949,480,000	30,086	4.7%
2006	493,187	14,734,540,000	29,876	4.3%

FORT BEND COUNTY, TEXAS**LARGEST EMPLOYERS***Current Year and Nine Years Ago*

<u>Employer</u>	<u>Fiscal Year 1997</u>		<u>Fiscal Year 2006</u>	
	<u>Local Employees</u>	<u>Rank</u>	<u>Local Employees</u>	<u>Rank</u>
Fort Bend ISD	4,776	1	7,300	1
Lamar CISD	1,850	4	2,662	2
Schlumberger Technology Corp.			2,200	3
Fluor Corporation			2,000	4
Fort Bend County	1,362	8	1,827	5
Texas Instruments	2,000	3	1,400	6
Richmond State School	1,400	6	1,223	7
Texas Department of Criminal Justice	1,486	5	1,175	8
United Parcel Service			1,092	9
Suntron Corporation			742	10
Centerpoint Energy			670	
Unocal	950	10	568	
Baker Petrolite, Inc.			386	
Fluor Daniel	2,400	2		
Schlumberger Companies	1,378	7		
K*Tec Electronics	750			
Reliant Energy HL&P				
Prudential Insurance	1,350	9		
	<u>23,003</u>		<u>32,037</u>	

FORT BEND COUNTY***CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS******SCHEDULE BY ACTIVITY******LAST TEN FISCAL YEARS***

Function	1997	1998	1999	2000
General administration	\$ 26,140,955	\$ 28,845,311	\$ 29,240,454	\$ 33,197,284
Financial administration	416,146	281,835	288,086	96,711
Administration of justice	6,499,093	6,078,737	6,141,824	5,347,403
Construction and maintenance	17,109,632	16,698,351	17,039,658	16,666,759
Health and welfare	2,059,231	1,951,121	1,947,188	1,711,126
Cooperative services	679,809	724,974	1,798,423	1,892,849
Public safety	39,969,289	40,022,104	40,511,924	40,746,052
Parks and recreation	4,222,199	4,293,556	4,933,125	4,921,023
Flood control projects	7,138,621	7,065,364	8,068,122	8,259,861
Libraries and education	15,840,763	17,375,689	19,038,303	17,880,182
Total	\$ 120,075,738	\$ 123,337,042	\$ 129,007,107	\$ 130,719,250

2001	2002	2003	2004	2005	2006
\$ 36,770,590	\$ 31,384,561	\$ 36,123,320	\$ 40,686,743	\$ 45,429,863	\$ 48,134,688
119,296	368,294	144,789	138,384	120,649	137,631
5,531,407	7,989,581	8,254,198	9,130,798	8,917,365	9,412,781
17,040,653	278,379,638	323,694,223	374,808,933	405,258,086	499,721,328
1,703,477	2,417,759	2,883,636	2,945,590	3,191,960	3,892,667
2,636,741	2,256,864	2,225,741	2,269,466	2,265,188	2,279,410
41,223,942	41,018,327	41,818,081	40,894,945	42,236,819	45,546,963
4,897,607	10,484,455	11,238,730	12,215,320	12,035,812	13,352,992
8,258,680	7,682,432	8,025,076	9,306,064	9,052,014	9,369,357
17,896,960	18,239,711	20,712,701	24,951,010	27,712,732	28,166,263
\$ 136,079,353	\$ 400,221,622	\$ 455,120,495	\$ 517,347,253	\$ 556,220,488	\$ 660,014,080

Capital assets increased materially (\$264 million) from 2001 to 2002 as seen in the schedule in the statistical section that shows capital assets by function for the last ten years. This change is related to the inclusion of county infrastructure (roads, bridges, and right-of-way) in this schedule in 2002. This inclusion was prompted by the need to implement GASB statement 34 in 2003. In anticipation of this requirement, the county identified and captured the value of infrastructure one year in advance.

FORT BEND COUNTY, TEXAS**FULL-TIME EQUIVALENT COUNTY GOVERNMENT EMPLOYEES BY FUNCTION****LAST TEN FISCAL YEARS**

Function	Full-time Equivalent				
	*1997	1998	1999	2000	2001
General Administration	N/A	143	135	150	162
Financial Administration	N/A	76	70	71	77
Administration of Justice	N/A	305	114	153	178
Road & Bridge Maintenance	N/A	152	150	149	150
Health and Welfare	N/A	105	88	87	114
Cooperative Services	N/A	14	12	12	15
Public Safety	N/A	377	380	424	471
Parks and Recreation	N/A	16	15	15	18
Flood Control Projects	N/A	74	74	72	74
Libraries and Education	N/A	121	83	93	96
Total FTE's	N/A	1383	1,121	1,226	1,355

* Data was not available during 1997

Employees as of September 30

2002	2003	2004	2005	2006
169	174	178	182	193
79	79	82	83	88
183	184	197	204	215
149	160	162	164	167
117	120	138	145	146
15	17	17	17	10
493	514	553	563	606
19	18	18	19	19
74	74	74	74	74
96	96	113	113	113
1,394	1,436	1,532	1,564	1,631

FORT BEND COUNTY, TEXAS
OPERATING INDICATORS BY FUNCTION
LAST THREE FISCAL YEAR

<u>Function</u>	<u>2005</u>	<u>2006</u>	<u>Projected 2007</u>
General Administration			
Documents filed with County Clerk	268,973	312,758	325,000
Copies issued by County Clerk	300,081	271,691	273,737
New employees Hired			
Full Time	128.00	207.00	N/A
Part Time	144.00	473.00	N/A
Technical Support Calls to IT	9,206	10,015	10,100
Medical Claims filed with Risk Management	46,428	42,777	50,000
On the job accident claims to Risk Management	125.00	91.00	120.00
Voter Registrations	65,591	85,000	73,000
Pieces of mail processed	1,081,440	1,167,955	1,380,000
Records Management			
On site storage (square footage)	760	634	570
Off site storag (square footage)	9,556	9,805	13,532
Financial Adminstration			
Treasurer			
Cash receipts processed	16,555	12,000	12,000
Checks distibuted	55,470	50,000	50,000
Budget Office			
Expenditures to Budget ratio	-5.86%	-4.09%	-5.00%
Administration of Justice			
Worthless check clearance rate	79.44%	63.54%	75%
Felony case disposition rate	87.60%	86.80%	88.00%
Misdemeanor case disposition rate	86.80%	83.70%	88.00%
Community Service Rehabilitation hours	65,913	72,956	70,000
Justice Court case filiings - Prct 1 PI 1	6,074	7,500	N/A
Justice Court case filiings - Prct 1 PI 2	15,983	16,500	17,000
Justice Court case filiings - Prct 2	7,163	4,396	N/A
Justice Court case filiings - Prct 3	N/A	9,854	N/A
Justice Court case filiings - Prct 4	6,735	5,500	6,000
Number of Justice Court cases disposed - Prct 1 PI 2	10,417	12,500	12,000
Number of Justice Court cases disposed - Prct 2	3,053	4,095	N/A
Number of Justice Court cases disposed - Prct 3	N/A	10,514	N/A
Number of Justice Court cases disposed - Prct 4	3,337	2,445	4,200
Construction and Maintenance			
Building & Right-of-way permits issued	2,900	6,892	7000
Tonnage of recyclable diverted from landfills	281	312	343
Pounds of hazardous materials recycled	117,206	141,357	150000
Mileage of county roads - unincorporated areas	N/A	1,163	1213
New county road miles constructed - unincorporated areas	N/A	60	50

<u>Function</u>	<u>2005</u>	<u>2006</u>	<u>Projected 2007</u>
Health and Welfare			
Number of clients receiving Social Service assistance annually	5,711	6,008	6609
Number of child immunizations annually	11,194	14,296	15000
Number of reportable diseases documented	1,175	1,008	1050
Numer of food establishment inspections	1,382	1,379	1400
Number of septic system applications submitted	556	547	550
Number of licensed aerobic systems	4,035	4,502	5000
Number of citations issued for aerobic system non-compliance	1,195	2,284	3000
Number of EMS incident responses	20,295	21,837	24000
Number of stray animals impounded	4,189	3,536	3642
Number of stray animals euthanised	3,841	3,104	3197
Number of stray animals adopted	348	424	437
Indigent healthcare clients - annual	1,393	N/A	2687
Public Safety			
Number of Civil processes received annually			
Constable Prct 2	12,626	8580	12400
Constable Prct 3	6,891	7147	7795
Homeland security grant funds expended	\$ 2,228,934	\$ 1,764,000	\$ 1,724,700
Fire calls responded to annually	6,391	7156	7760
Parks and Recreation			
Number of facility rentals annually	462	623	N/A
Number of Park reservations annually	209	624	808
Libraries and Education			
Number of library transactions annually	3,226,568	3,743,391	4,104,341
Library circulation items per capita	678,660	763,781	748,563
Flood Control Projects			
Mileage of channel maintained	2,408	1800	1800

