

FORT BEND COUNTY, TEXAS COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended September 30, 2007



Jail Expansion Project



**Robert Ed Sturdivant, CPA
County Auditor**

COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Year Ended September 30, 2007



Prepared by:

County Auditor's Office

Robert Ed Sturdivant, CPA

County Auditor

FORT BEND COUNTY, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
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COUNTY AUDITOR
Fort Bend County, Texas

Robert Ed Sturdivant
County Auditor

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sturdived@co.fort-bend.tx.us

May 30, 2008

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, 2007.

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, 2007. 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

At the national level we are in for a continuing economic slowdown. Alan Greenspan and Ben Bernanke (former and current chairman of the Federal Reserve Board), and the National Conference Board all believe the economy will continue to slow down. The major causes of this ‘slow-down’ are risky financial practices by lending institutions, Wall Street’s packaging of loans with little or no equity, and credit rating agencies’ enhancement of ratings on risky financial vehicles. Even with these predictions and factors, Fort Bend County has had record new home sales, 10,000 acres of new master planned communities coming on line, and the best affordability index in the region for real estate. Although Fort Bend County is continuing to enjoy growth and prosperity, the Commissioners’ Court has taken a much more conservative approach to the allocation of resources to serve the County’s needs to ensure that Fort Bend is ready when the economical slow down begins to affect this area. This conservative approach will not reduce the level of public service provided by the County to the residents.

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 in 2007. A new list of Mobility projects will be funded by a bond issue approved on May 12, 2007 in the amount of \$156,000,000. The first issuance is planned for the fall of 2008 with 2 additional issuances to follow at twelve and twenty-four months following the first.

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 December 2007, the county went live with a new financial and human capital software solution (Lawson). The core departments will work together during the stabilization period of approximately 12 months to streamline and exploit the full functionality of the new system. This new system will promote efficiency in use of resources and access to extensive financial and statistical data. In August 2007, the county went live with the probate module of the new courts management application (Tyler Technologies) within the County Clerk's Office. The remaining modules are planned to go live within all the participating offices over the twenty-four months following the first module.

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 extension of the levee with Levee Improvement District #6 is under construction to address the results of the new flood plain mapping.

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, 2006. This was the nineteenth 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, 2006. 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

FORT BEND COUNTY MISSION STATEMENT

Fort Bend County strives to be the most family friendly community in Texas by providing a high quality, enriching and safe environment. Each department and elective office provides fast, friendly service to its customers and continually strives to be number one in efficiency and effectiveness. The Commissioners Court fulfills its leadership role by providing necessary resources to the offices and departments to accomplish their duties and goals, by establishing budgets, policies and procedures to make the most efficient uses of the resources and by actively pursuing quality businesses to locate in Fort Bend County.

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, 2006

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.



Charles S. Cox

President

Jeffrey R. Emery

Executive Director

FORT BEND COUNTY, TEXAS

LIST OF PRINCIPAL OFFICIALS

September 30, 2007

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

Patsy Shultz

Dianne Wilson

Glory Hopkins

Jeff Council

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

Judge, 434th District Court

District Attorney

Thomas Culver III

Brady Elliott

Ronald Pope

Robert Kern

Clifford Vacek

James Shoemake

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

Ben "Bud" Childers

Walter McMeans

Susan Lowery

R.H. "Sandy" Bielstein

Roy Cordes, Jr.

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

Ken Cannata

Jim Richard

CONSTABLES:

Constable, Precinct #1

Constable, Precinct #2

Constable, Precinct #3

Constable, Precinct #4

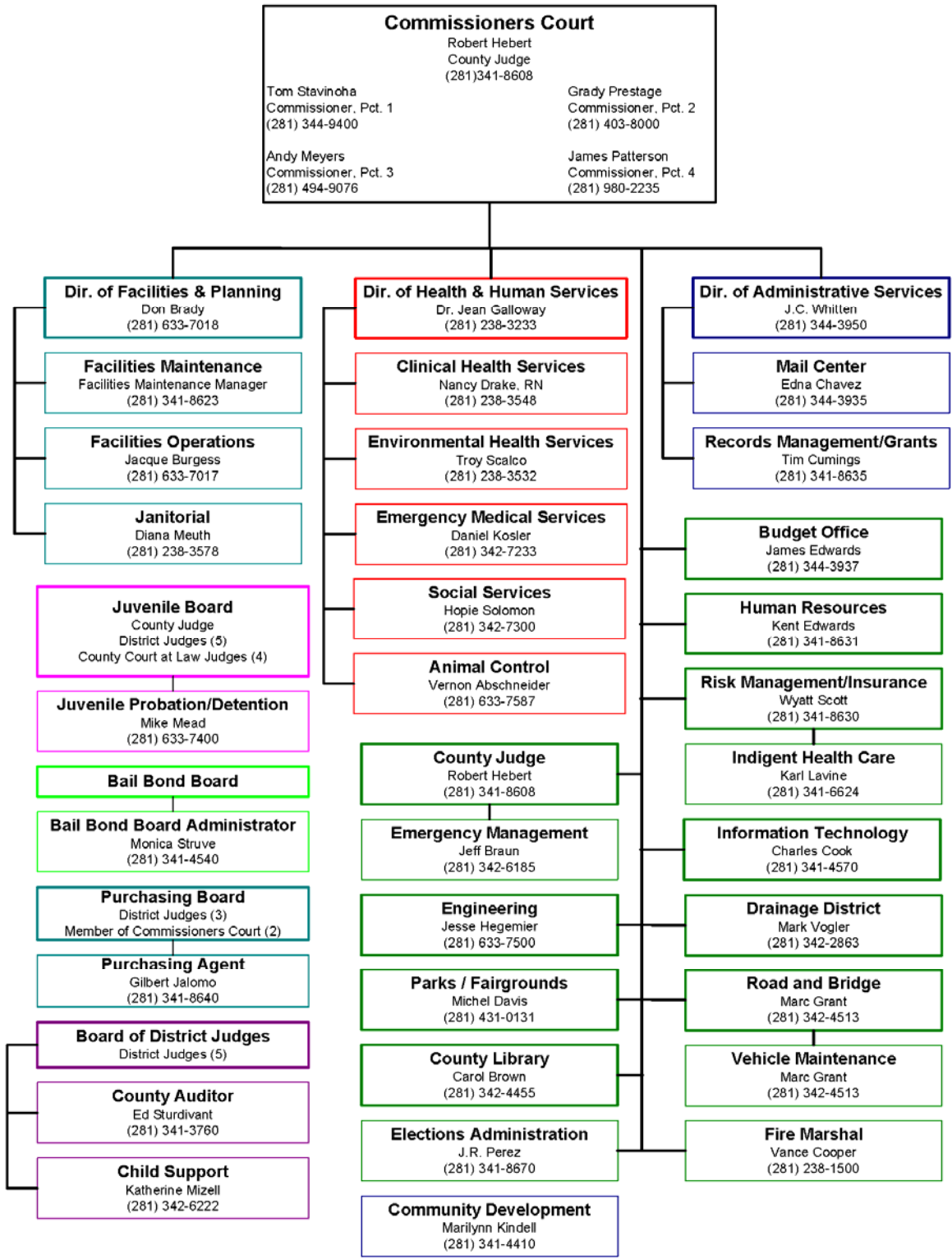
A. J. Dorr

Ruben Davis

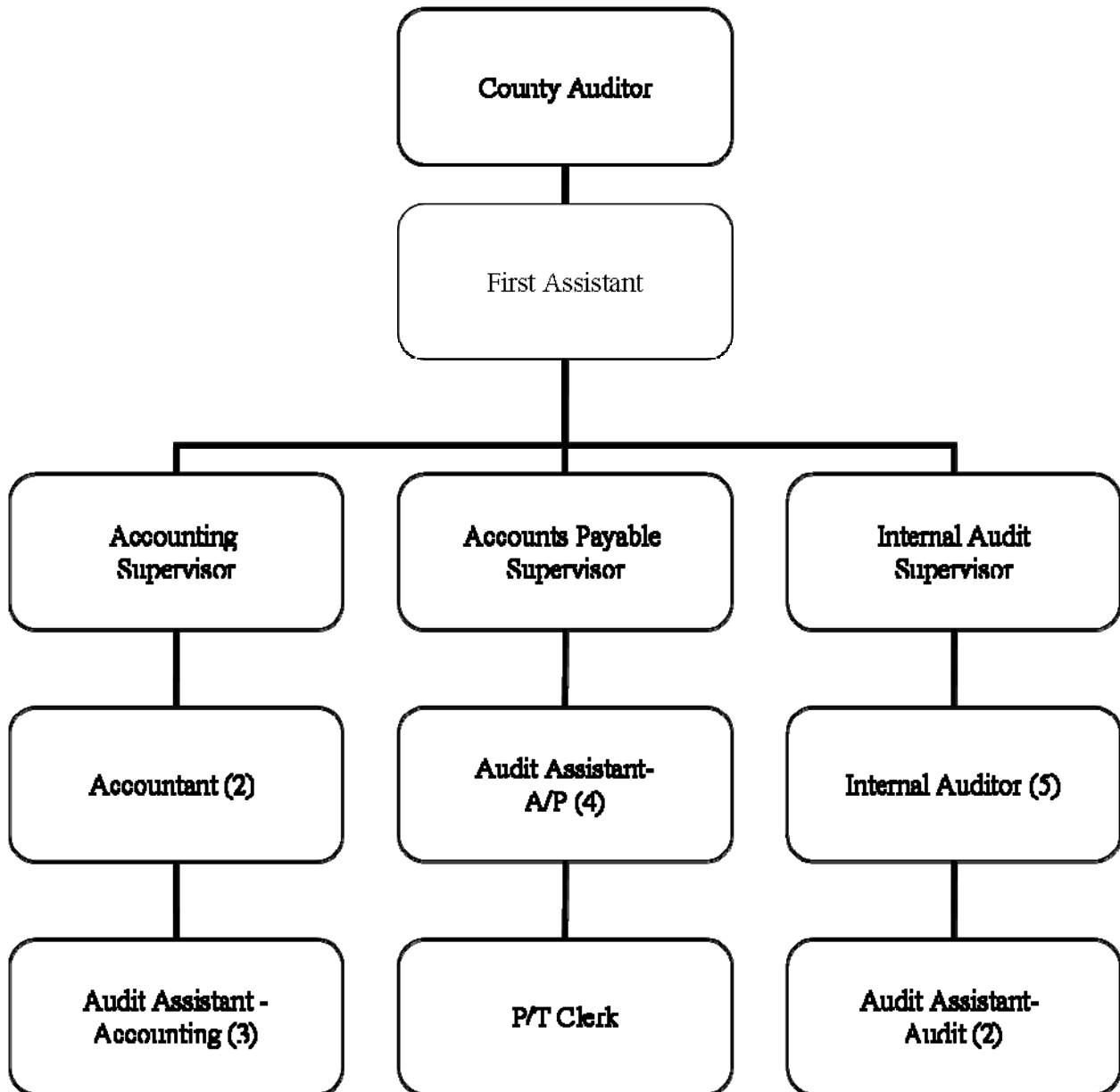
Rob Cook

Troy Nehls

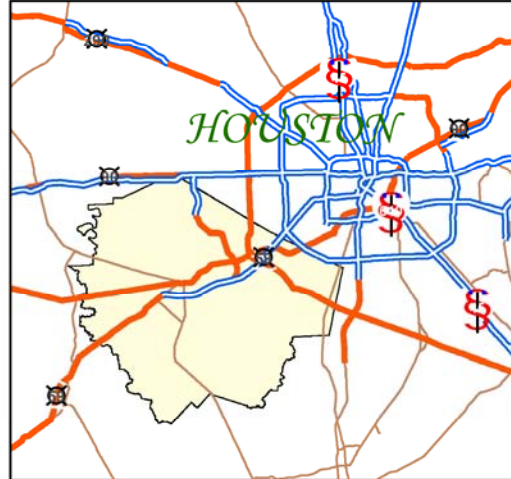
FORT BEND COUNTY, TEXAS
ORGANIZATION CHART



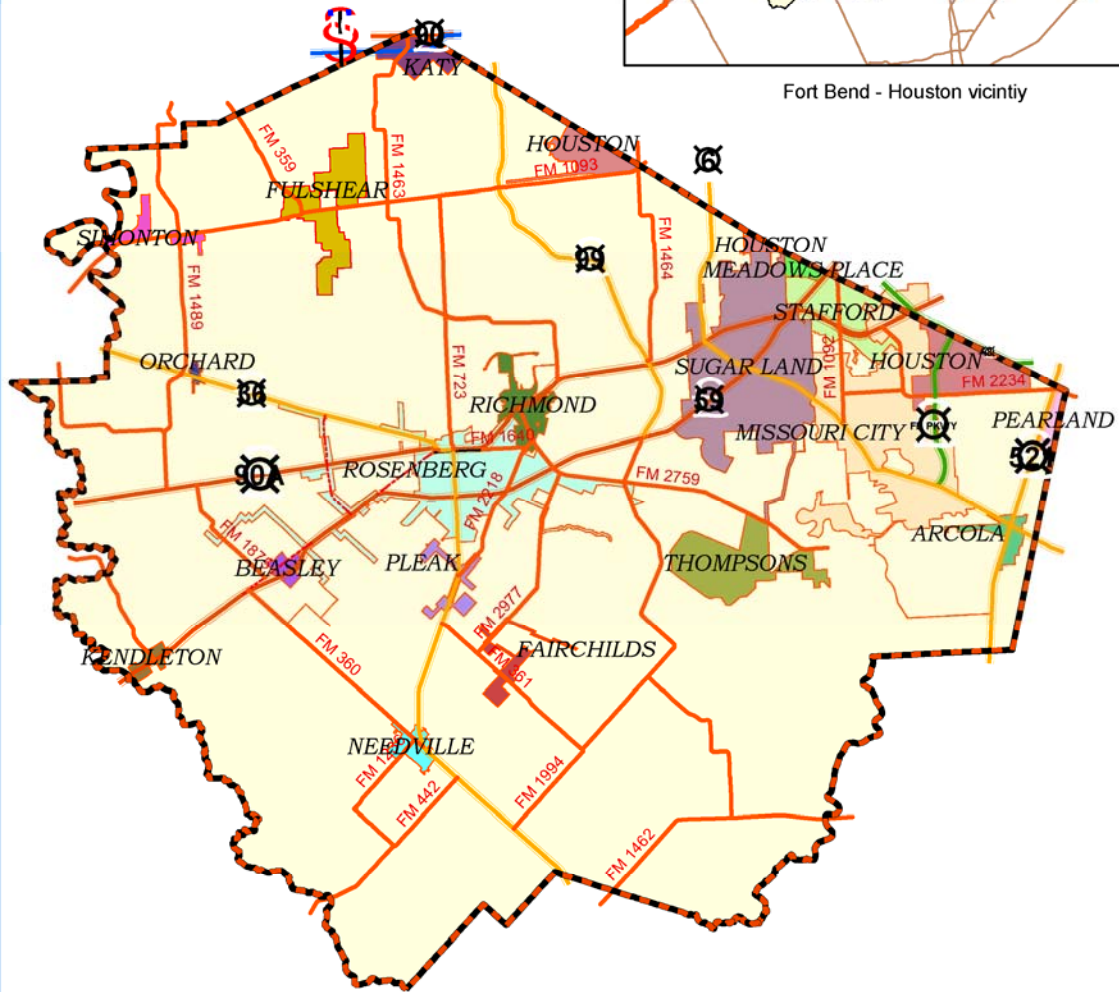
FORT BEND COUNTY AUDITOR'S OFFICE
ORGANIZATIONAL CHART
Auditor's Office



Fort Bend County



Fort Bend - Houston vicinity



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Houston, TX 77046
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2277 Plaza Drive, Suite 260
Sugar Land, TX 77479
(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, 2007, 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 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 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 the County, as of September 30, 2007, 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 May 30, 2008 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, which has been issued separately from this document, 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-Lainson, P.C." in a cursive, flowing script.

May 30, 2008
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, 2007. 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 \$642.2 million (*net assets*). Of this amount, \$68 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 \$124.3 million.
- As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$232.1 million, an increase of \$154.4 million over the prior year.
- At the end of the current fiscal year approximately \$35.4 million is *available for spending* at the government's discretion (*unreserved, undesignated general fund balance*). This fund balance amounts to 24.0 percent of total general fund expenditures.
- The County's total debt increased by \$145.6 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 62 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, debt service, mobility and 2007 facilities bond funds, all of which are considered to be major funds. Data from the other 58 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 58 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 \$642.2 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, 2007 and 2006

	Primary Government Governmental Activities	
	2007	2006
Current and other assets	\$ 278,241,320	\$ 112,182,850
Capital assets, net	644,835,009	529,923,876
Total Assets	923,076,329	642,106,726
Long-term liabilities	256,169,243	106,120,607
Other liabilities	24,707,998	18,045,759
Total Liabilities	280,877,241	124,166,366
Net Assets:		
Invested in capital assets, net of debt	571,604,116	449,275,091
Restricted :	2,712,985	3,082,489
Unrestricted	67,881,987	65,582,780
Total Net Assets	\$ 642,199,088	\$ 517,940,360

A portion of the County's net assets (\$2.7 million) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets* (\$68 million) may be used to meet the government's ongoing obligations to citizens and creditors.

The County's assets exceeded liabilities by 642.2 million, resulting from an increase of \$124.3 million from prior year. This increase primarily relates to the addition of capital assets of \$115 million as a result of the County's building of infrastructure, roads and bridges, and community developments. This increase is offset by an increase in liabilities of \$156.7 million primarily as a result of debt issued of \$26 million for mobility projects and approximately \$127 million for facility projects.

FORT BEND COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS

SCHEDULE OF CHANGES IN NET ASSETS
September 30, 2007 and 2006

	Primary Government	
	Governmental Activities	
	2007	2006
Revenues		
Program revenues:		
Charges for services	\$ 30,555,885	\$ 27,221,567
Operating grants and contributions	19,049,110	8,615,726
Capital grants and contributions	103,693,431	73,252,137
General revenues:		
Property taxes	151,404,502	137,839,711
Earnings on investments	12,009,284	5,999,017
Grants and Contributions not restricted to specific programs		4,515,643
Other	1,693,188	228,309
Total Revenues	318,405,400	257,672,110
Expenses		
General administration	12,414,272	23,638,550
Financial administration	5,666,739	5,127,456
Administration of justice	33,554,996	31,024,483
Road and bridge maintenance	44,381,066	22,545,473
Health and welfare	19,866,544	16,903,729
Cooperative services	934,276	941,743
Public safety	52,325,953	44,544,768
Parks and recreation	1,822,404	623,401
Flood control projects	6,434,608	10,175,820
Libraries and education	10,694,749	10,484,078
Interest on long-term debt	6,051,065	4,165,438
Total Expenses	194,146,672	170,174,939
Change in Net Assets	124,258,728	87,497,171
Net Assets, Beginning	517,940,360	430,443,189
Net Assets, Ending	\$ 642,199,088	\$ 517,940,360

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 increased the County's net assets by \$124.3 million. The key element of this increase is as follows:

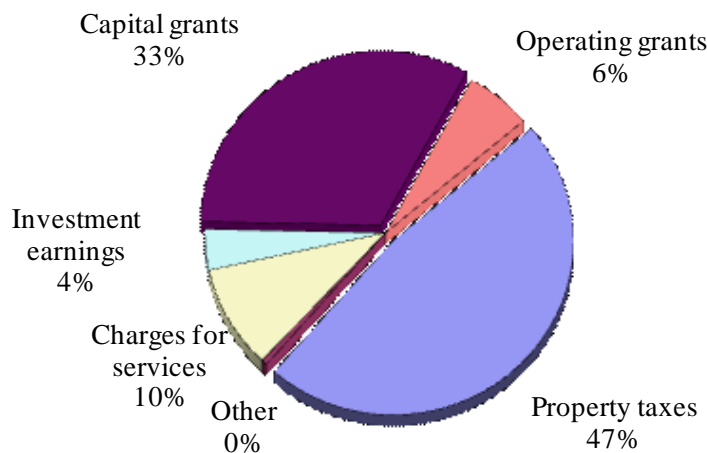
- Capital grants and contribution revenues of \$104 million, which increased by \$31 million from the prior year as a result of an increase in donations of roads and right of way for new subdivisions during 2007.

FORT BEND COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS

- Property tax revenues of \$151 million, which increased by \$14 million as a result of increased valuation from the previous tax year.
- Increases in revenues were primarily offset by Road & Bridge expenditures attributable to mobility projects.

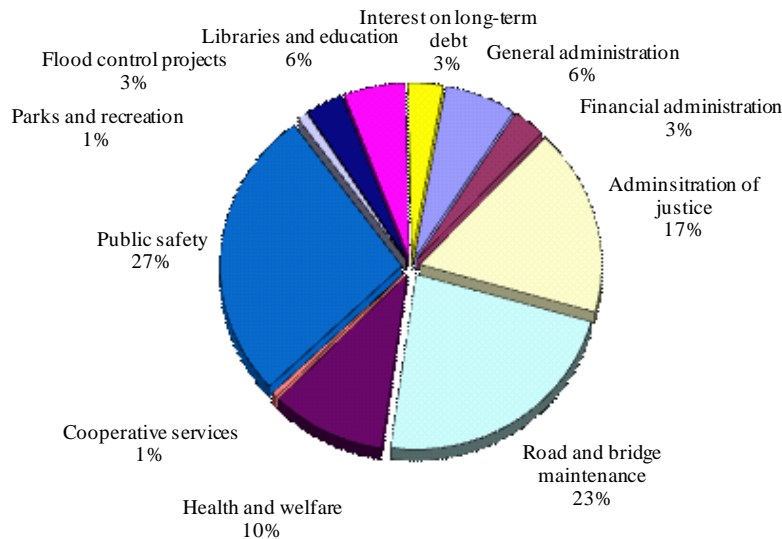
Governmental Revenues for fiscal year 2007 are graphically displayed as follows:

GOVERNMENTAL REVENUES



Governmental functional expenses were as follows:

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 \$232.1 million. Of this, \$35.4 million is unreserved and available for day-to-day operations of the County. In addition, \$4.0 million is reserved for debt service and the remaining reserved amount is for capital projects and prepaid items of \$171.2 million and \$0.3 million respectively.

There was an increase in the combined fund balance of \$154.2 million from the prior year. The increase in fund balance includes a \$21.7 million increase in the Mobility Capital Projects fund and the County's establishment of a capital project fund (2007 Facilities Bonds Fund) for facilities which has a fund balance of \$128.7 million. The increase in the Mobility Capital Projects fund and the 2007 Facilities Bonds Funds are primarily due to debt issued for \$26 million and \$127 million for the respective funds. The decrease in the General Fund of approximately \$1.1 million is due to expenditures incurred during the normal course of operations.

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 yearend of \$ 5.5 million. In addition, the Other Insurance Fund has deficit net assets of \$ 2.2 million at fiscal year end. Expenses in the Other Insurance Fund exceeded the amount budgeted in previous fiscal years. However, amounts budgeted for expenses in this fund (and therefore revenues) 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 \$12 million decrease in appropriations between the original and final amended budget. The main components of the decrease are as follows:

- Approximately \$1 million was transferred to multi-year capital projects with budgets that extend beyond the County's fiscal year.
- Approximately \$8 million was allocated to capital projects from surplus budgets.

FORT BEND COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. At the end of fiscal year 2007, the County's governmental activities had invested \$644.8 million in a variety of capital assets and infrastructure, as reflected in the following schedule. This represents an increase of approximately \$115 million over the previous fiscal year.

	Governmental Activities	
	2007	2006
Non-Depreciable Assets		
Land and intangibles	\$ 257,953,832	\$ 182,516,092
Construction in progress	94,641,782	76,921,524
Other Capital Assets, Net		
Vehicles	6,591,997	5,618,319
Office furniture and equipment	3,965,865	4,044,357
Machinery and equipment	8,830,097	8,569,267
Buildings, facilities and improvements	62,971,976	64,830,018
Infrastructure	209,879,460	187,424,298
Totals	\$ 644,835,009	\$ 529,923,875

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 \$240.4 million, which is an increase of \$145.6 million from prior year. This increase relates to debt issued during 2007 of \$26 million for mobility projects and approximately \$127 million for facilities, offset by payments of approximately \$7.1 million. The total amount relates to general obligation bonds.

	Governmental Activities	
	2007	2006
General Obligation Bonds	\$ 240,350,000	\$ 94,800,000
Total	\$ 240,350,000	\$ 94,800,000

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 \$98.3 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, 2007, approximately \$43.8 million of total bonds are outstanding.

Additional information on capital assets and long-term debt is available in notes 6 and 7 respectively, to the financial statements

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The County's labor force is estimated to be up 3.5% to almost 250,000. Of those only 9,912 are currently unemployed indicating a 4.0% unemployment rate. Job availability in Fort Bend is also up over 8.4% at 203,360. This means that there are enough jobs in the County to support roughly 85% of Fort Bend's employed labor force.

On the housing front, title data indicates that 8,774 new homes were sold in Fort Bend County in 2007, yet again breaking last year's record by 244 homes or a 2.9% increase year over year. We have had stable and consistent new home growth in Fort Bend over the past 7 years averaging over 7,300 homes since 2001 and 7,900 homes over the past five years. As we look forward into 2008 it appears interest rates will remain stable or decline, job growth appears strong and above average home appreciation seems probable. At this level and with 4000+ acres of new master planned communities coming on line over the next few years, we expect new home sales in Fort Bend to have another stellar year tracking very near levels achieved over the last few years. Our 2007 population grew to 514,010 from 488,860 for the 7th straight year of 5%+ growth (5.1%).

Property market values went up 10.3% to \$41.6 billion in 2007 from \$37.7 billion in 2006. This is a combination of market appreciation on existing property as well as new residential and commercial value added over the 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 2008 fiscal year. This is a 10.6% increase over the adopted 2007 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, 2007

	Primary Government	
	Governmental Activities	Component Units
ASSETS		
Cash and equivalents	\$ 157,598,172	\$ 8,244,276
Cash held by fiscal agent		570,450
Investments	96,009,981	12,447,047
Receivables:		
Taxes, net	9,832,216	
Grants	183,596	
Other	10,133,130	1,224,168
Prepaid items	333,491	1,382
Deferred issuance costs	2,086,568	879,698
Due from component units	2,064,166	
Capital assets, not being depreciated:	352,595,614	
Capital assets, net of accumulated depreciation:	292,239,395	157,223,368
Total Assets	923,076,329	180,590,389
LIABILITIES		
Accounts payable and accrued expenses	15,663,067	218,074
Accrued payroll	1,732,450	
Retainage payable	1,032,746	
Accrued interest payable	2,105,138	562,786
Unearned revenues	3,644,693	
Due to primary government		2,064,166
Due to other governments	529,904	
Long-term liabilities due within one-year	13,385,047	
Long-term liabilities due in more than one-year	242,784,196	139,463,880
Total Liabilities	280,877,241	142,308,906
NET ASSETS		
Invested in capital assets, net of related debt	571,604,116	17,759,488
Restricted for:		
Debt Service	2,712,985	7,664
Unrestricted	67,881,987	20,514,331
Total net assets	\$ 642,199,088	\$ 38,281,483

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

FORT BEND COUNTY, TEXAS
STATEMENT OF ACTIVITIES
For the Year Ended
September 30, 2007

<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	\$ 12,414,272	\$ 2,412,415	\$ 434,135	\$
Financial administration	5,666,739	1,760,789		
Administration of justice	33,554,996	12,194,000	4,978,848	
Road and bridge maintenance	44,381,066	6,412,780	861,013	103,693,431
Health and welfare	19,866,544	5,240,602	5,042,570	
Cooperative services	934,276		10,648	
Public safety	52,325,953	1,569,848	7,520,084	
Park and recreation	1,822,404	180,504	112,464	
Flood control projects	6,434,608	784,947		
Libraries and education	10,694,749		89,348	
Interest on long-term debt	6,051,065			
Total Primary Government	\$ 194,146,672	\$ 30,555,885	\$ 19,049,110	\$ 103,693,431
Component Units				
FB Surface Water Supply Corp.	\$	\$	\$	\$
FB Toll Road Authority	8,759,038	15,621,576		802,322
FB Housing Finance Corp.	78,795	43,816		
Total Component Units	\$ 8,837,833	\$ 15,665,392	\$	\$ 802,322

General revenues:

Property taxes, penalties, and interest
 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**

**Primary
Government**

Governmental Activities	Component Units
------------------------------------	----------------------------

\$ (9,567,722)	
(3,905,950)	
(16,382,148)	
66,586,158	
(9,583,372)	
(923,628)	
(43,236,021)	
(1,529,436)	
(5,649,661)	
(10,605,401)	
(6,051,065)	
<u>(40,848,246)</u>	

	\$
	7,664,860
	<u>(34,979)</u>
	<u>7,629,881</u>

151,404,502	
12,009,284	947,541
1,693,188	144,110
<u>165,106,974</u>	<u>1,091,651</u>
124,258,728	8,721,532
517,940,360	29,559,951
<u>\$ 642,199,088</u>	<u>\$ 38,281,483</u>

FORT BEND COUNTY, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2007

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Mobility Projects Fund</u>	<u>2007 Facilities Bonds Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS						
Cash and equivalents	\$ 15,644,708	\$ 4,024,649	\$ 6,898,163	\$ 7,743,024	\$ 18,874,035	\$ 53,184,579
Investments	27,171,160		32,345,908	123,073,131	13,637,900	196,228,099
Taxes receivable, net	7,410,536	786,201			1,635,479	9,832,216
Grants receivable					183,596	183,596
Other receivables	8,237,924		235,076		723,765	9,196,765
Due from other funds	687,676	7,273	21,216		1,083,799	1,799,964
Due from component units	2,064,166					2,064,166
Prepaid items	326,402				7,049	333,451
Total Assets	<u>\$ 61,542,572</u>	<u>\$ 4,818,123</u>	<u>\$ 39,500,363</u>	<u>\$ 130,816,155</u>	<u>\$ 36,145,623</u>	<u>\$ 272,822,836</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 7,226,685	\$	\$ 1,385,835	\$ 1,788,139	\$ 2,266,635	\$ 12,667,294
Accrued payroll	3,095,591		1,426		417,631	3,514,648
Retainage payable			686,371	333,659		1,020,030
Claims payable	1,150,394					1,150,394
Due to other funds	2,216,367				1,778,125	3,994,492
Due to other governments	422,299				109,444	531,743
Deferred revenue	11,729,679	786,200			5,280,173	17,796,052
Total Liabilities	<u>25,841,015</u>	<u>786,200</u>	<u>2,073,632</u>	<u>2,121,798</u>	<u>9,852,008</u>	<u>40,674,653</u>
Fund Balances:						
Reserved for:						
Debt Service		4,031,923				4,031,923
Prepaid Items	326,402					326,402
Capital Projects			37,426,731	128,694,357	5,125,394	171,246,482
Unreserved, Reported in:						
General Fund	35,375,155					35,375,155
Special Revenue Funds					16,787,185	16,787,185
Capital Projects Funds					4,381,036	4,381,036
Total Fund Balances	<u>35,701,557</u>	<u>4,031,923</u>	<u>37,426,731</u>	<u>128,694,357</u>	<u>26,293,615</u>	<u>232,148,183</u>
Total Liabilities and Fund Balances	<u>\$ 61,542,572</u>	<u>\$ 4,818,123</u>	<u>\$ 39,500,363</u>	<u>\$ 130,816,155</u>	<u>\$ 36,145,623</u>	<u>\$ 272,822,836</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, 2007

Total fund balance, governmental funds \$ 232,148,183

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. 644,835,009

Other long-term assets are not available to pay for current-period expenditures and are therefore deferred in the funds. 14,155,584

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. 3,299,951

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	(240,350,000)
Deferred issuance costs	2,086,568
Compensated absences	(5,657,126)
Premiums on issuance of debt	(6,213,943)

Accrued interest is not due and payable in the current period and therefore not reported in the funds (2,105,138)

Net Assets of Governmental Activities \$ 642,199,088

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, 2007

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Mobility Projects Fund</u>	<u>2007 Facilities Bonds Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES						
Taxes	\$ 122,607,412	\$ 11,873,409	\$	\$	\$ 16,815,457	\$ 151,296,278
Fees and fines	18,593,505	784,947			7,621,108	26,999,560
Intergovernmental	6,519,034		1,542,668		10,887,017	18,948,719
Earnings on investments	4,469,895	381,772	1,678,021	3,246,172	1,948,947	11,724,807
Miscellaneous	2,342,280	36,605	2,521,071		2,477,581	7,377,537
Total Revenues	<u>154,532,126</u>	<u>13,076,733</u>	<u>5,741,760</u>	<u>3,246,172</u>	<u>39,750,110</u>	<u>216,346,901</u>
EXPENDITURES						
Current:						
General administration	26,030,749				649,500	26,680,249
Financial administration	5,631,690				35,049	5,666,739
Administration of justice	18,784,040				14,464,578	33,248,618
Road and bridge maintenance	2,693,264				17,226,487	19,919,751
Health and welfare	14,957,641				3,269,859	18,227,500
Cooperative services	934,276					934,276
Public safety	50,294,207				720,373	51,014,580
Parks and recreation	1,822,404					1,822,404
Flood control projects					7,394,374	7,394,374
Libraries and education	10,605,484				89,265	10,694,749
Capital Outlay	<u>15,321,628</u>		<u>9,514,761</u>	<u>4,569,995</u>	<u>799,416</u>	<u>30,205,800</u>
Debt Service:						
Principal		7,125,000				7,125,000
Interest and fiscal charges		4,600,363				4,600,363
Debt issuance costs			588,022	1,422,244		2,010,266
Total Expenditures	<u>147,075,383</u>	<u>11,725,363</u>	<u>10,102,783</u>	<u>5,992,239</u>	<u>44,648,901</u>	<u>219,544,669</u>
Excess (Deficiency) of Revenues						
Over (Under) Expenditures	<u>7,456,743</u>	<u>1,351,370</u>	<u>(4,361,023)</u>	<u>(2,746,067)</u>	<u>(4,898,791)</u>	<u>(3,197,768)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	47,256				9,118,126	9,165,382
Transfers out	(8,642,138)				(523,244)	(9,165,382)
Bonds issued			26,000,000	126,675,000		152,675,000
Premium on bonds issued			112,560	4,765,424		4,877,984
Total other financing sources (uses)	<u>(8,594,882)</u>		<u>26,112,560</u>	<u>131,440,424</u>	<u>8,594,882</u>	<u>157,552,984</u>
Net change in fund balances	<u>(1,138,139)</u>	<u>1,351,370</u>	<u>21,751,537</u>	<u>128,694,357</u>	<u>3,696,091</u>	<u>154,355,216</u>
Fund balances-beginning	<u>36,839,696</u>	<u>2,680,553</u>	<u>15,675,194</u>	<u>22,597,524</u>	<u>22,597,524</u>	<u>77,792,967</u>
Fund balances-ending	<u>\$ 35,701,557</u>	<u>\$ 4,031,923</u>	<u>\$ 37,426,731</u>	<u>\$ 128,694,357</u>	<u>\$ 26,293,615</u>	<u>\$ 232,148,183</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, 2007

Net change in fund balances - total governmental funds: \$ 154,355,216

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 (\$36.0 million) exceeded depreciation expense (\$15.7 million) in the current period. 15,247,015

Capital contributions of infrastructure are reported in the governmental-wide financial statements but not in the fund financial statements. 99,664,117

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. (152,675,000)

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. (490,682)

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. (146,534)

Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds. This adjustment reflects the net change in interest payable on the accrual basis of accounting. (1,838,114)

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. (2,199,862)

Principal payments on bonds are reported as expenditures in governmental funds but not as expenses in the government-wide statements. 7,125,000

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. 5,217,572

Change in net assets of governmental activities \$ 124,258,728

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, 2007

	Governmental Activities - Internal Service Funds
	<u> </u>
ASSETS	
Current Assets:	
Cash and cash equivalents	\$ 4,195,474
Due from other funds	2,194,529
Other receivables	933,981
Total assets	<u>7,323,984</u>
 LIABILITIES	
Current liabilities:	
Accounts Payable	75,859
Benefits Payable - current portion	3,750,765
Total current liabilities	<u>3,826,624</u>
Non-current liabilities:	
Benefits payable	197,409
Total liabilities	<u>4,024,033</u>
 NET ASSETS	
Unrestricted	<u>\$ 3,497,360</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, 2007

	Governmental Activities
	Internal Service Funds
<u>Operating Revenues</u>	
Charges for Services	\$ 23,429,870
Total Operating Revenues	<u>23,429,870</u>
<u>Operating Expenses</u>	
Current operations - general administration	2,790,908
Benefits provided	15,705,862
Total Operating Expenses	<u>18,496,770</u>
Operating Income (Loss)	4,933,100
<u>Non-Operating Revenues</u>	
Earnings on investments	284,472
Total Non-Operating Expenses	<u>284,472</u>
Change in Net Assets	5,217,572
Net Assets (Deficit), Beginning	<u>(1,917,621)</u>
Net Assets (Deficit), Ending	<u>\$ 3,299,951</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, 2007

	Governmental Activities - Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES	
Charges for services	\$ 20,980,215
Payment of benefits	(16,369,943)
Payment of general administration expenses	<u>(2,790,908)</u>
Net Cash Provided by Operating Activities	<u>1,819,364</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest earned on investments	<u>284,472</u>
Net Cash Provided by Investing Activities	<u>284,472</u>
Net Increase in Cash and Cash Equivalents	2,103,836
Cash and Cash Equivalents, Beginning of Year	<u>2,091,638</u>
Cash and Cash Equivalents, End of Year	<u>\$ 4,195,474</u>
Reconciliation of Operating (Loss) to Net Cash (Used) by Operating Activities	
Operating (Loss)	\$ 4,933,100
Change in assets and liabilities	
(Increase) Decrease in other receivables	(331,713)
Increase (Decrease) in due from other funds	(2,117,942)
Increase (Decrease) in accounts payable	7,890
Increase (Decrease) in benefits payable	<u>(671,971)</u>
Total adjustments	<u>(3,113,736)</u>
Net Cash Provided by Operating Activities	<u>\$ 1,819,364</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, 2007

	AGENCY FUND
ASSETS	
Cash and cash equivalents	<u>\$ 21,689,321</u>
Total Assets	<u><u>\$ 21,689,321</u></u>
LIABILITIES	
Accounts payable	\$ 35,136
Due to other governments	<u>21,654,185</u>
Total Liabilities	<u><u>\$ 21,689,321</u></u>

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, 2007

	FBC Surface Water Supply Corporation	Fort Bend Toll Road Authority	Fort Bend Housing Finance Corporation	Totals
ASSETS				
Cash and cash equivalents	\$ 7,185	\$ 8,210,926	\$ 26,165	\$ 8,244,276
Cash held by fiscal agent		570,450		570,450
Investments		12,067,047	380,000	12,447,047
Accrued interest receivable			12,501	12,501
Miscellaneous receivables		1,183,434	28,233	1,211,667
Deferred bond issuance costs		879,698		879,698
Prepaid items			1,382	1,382
Capital assets, net		157,223,368		157,223,368
Total Assets	<u>7,185</u>	<u>180,134,923</u>	<u>448,281</u>	<u>180,590,389</u>
LIABILITIES AND NET ASSETS				
LIABILITIES				
Accounts payable		214,374	3,700	218,074
Due to primary government		2,064,166		2,064,166
Accrued interest payable		562,786		562,786
Long term liabilities				
Due in more than one year		139,463,880		139,463,880
Total Liabilities		<u>142,305,206</u>	<u>3,700</u>	<u>142,308,906</u>
NET ASSETS				
Invested in capital assets, net of related debt		17,759,488		17,759,488
Restricted for:				
Debt Service		7,664		7,664
Unrestricted	7,185	20,062,565	444,581	20,514,331
Total Net Assets	<u>\$ 7,185</u>	<u>\$ 37,829,717</u>	<u>\$ 444,581</u>	<u>\$ 38,281,483</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, 2007

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>	
		<u>Charges for Services</u>	<u>Capital Grants and Contributions</u>
Fort Bend Toll Road Authority			
Toll road operations	\$ 1,967,309	\$ 15,621,576	\$ 802,322
Interest on Long-term Debt	6,791,729		
Total Fort Bend Toll Road Authority	<u>8,759,038</u>	<u>15,621,576</u>	<u>802,322</u>
Fort Bend Housing Finance Corporation			
General administration	78,795	43,816	
Total Fort Bend Housing Finance Corporation	<u>78,795</u>	<u>43,816</u>	
Total Component Units	<u>\$ 8,837,833</u>	<u>\$ 15,665,392</u>	<u>\$ 802,322</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
\$	\$ 14,456,589	\$	\$ 14,456,589
	(6,791,729)		(6,791,729)
	7,664,860		7,664,860
		(34,979)	(34,979)
		(34,979)	(34,979)
	7,664,860	(34,979)	7,629,881
357	925,534	21,650	947,541
	144,110		144,110
357	1,069,644	21,650	1,091,651
357	8,734,504	(13,329)	8,721,532
6,828	29,095,213	457,910	29,559,951
\$ 7,185	\$ 37,829,717	\$ 444,581	\$ 38,281,483

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. Financial information is available at the County Auditor's Office.

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. Financial information is available at the County Auditor's Office.

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.

FORT BEND COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS

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, the FBFCWSC Revenue Bonds Series 2001, the Fort Bend County Unlimited Tax Road Bonds and the Bonds and the Fort Bend County Limited Tax Bonds Series 2007. 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.

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 and 2007 which are being used to finance the construction and/or expansion of numerous roads in the County.

2007 Facilities Bonds Fund

The 2007 Facilities Bonds Fund is a Capital Projects Fund used to account for the proceeds of the Fort Bend County Limited Tax (General Obligation) Bonds Series 2007 which are being used to finance the construction and/or expansion of numerous County facilities.

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.

FORT BEND COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS

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

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

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

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

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.

FORT BEND COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS

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.

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, 2007.

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:

	<u>Total Fair Value</u>
Cash deposits	\$ 57,380,054
Temporary investments	
MBIA	79,785,199
Texas Term	20,432,919
FNMA	7,946,329
FMCDN	88,063,652
Total Cash and investments	<u>\$ 253,608,153</u>

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>	<u>Percentage of Total Portfolio</u>
Temporary Investments			
Investment Pool:			
MBIA	\$ 79,785,199	41	41%
Texas Term	20,432,919	41	10%
Governmental securities:			
FNMA	7,946,329	180	4%
FMCDN	88,063,652	110	45%
Total Fair Value	<u>\$ 196,228,099</u>		
Portfolio weighted average maturity		<u>73</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'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, 2007, are as follows:

	Governmental Activities				Total
	General	Debt Service	Mobility Projects	Other Governmental Funds	
Receivables					
Taxes	\$ 8,233,929	\$ 873,557	\$	\$ 1,817,198	\$ 10,924,684
Grants				183,596	183,596
Fees & fines	4,319,143				4,319,143
Other	3,918,781		235,076	723,765	4,877,622
Gross receivables	16,471,853	873,557	235,076	2,724,559	20,305,045
Less: allowance for uncollectibles	(823,393)	(87,356)		(181,719)	(1,092,468)
Total	\$ 15,648,460	\$ 786,201	\$ 235,076	\$ 2,542,840	\$ 19,212,577

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, 2007, the various components of deferred revenue reported in the governmental funds are as follows:

	Unavailable	Unearned
Delinquent property taxes (general fund)	\$ 7,410,536	\$
Delinquent property taxes (road and bridge fund)	912,064	
Delinquent property taxes (drainage district fund)	723,414	
Delinquent property taxes (debt service fund)	769,321	
Fees and fines		
Grant funds received prior to meeting all eligibility requirements		3,644,693
Total deferred revenue for governmental funds	\$ 9,815,335	\$ 3,644,693

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. 2006 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 2007 fiscal year (2006 tax year), the County levied property taxes of \$0.51674 per \$100 of assessed valuation. The 2006 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 2006 tax year was prorated as follows:

	<u>2006 Rate</u>	<u>2006 Limit</u>
Fort Bend County, Texas		
General, certain special revenue, and debt service	\$0.45900	\$ 0.80000
Special road & bridge funds	0.03434	0.15000
Fort Bend County Drainage District	<u>0.02340</u>	<u>0.25000</u>
Total Tax Rate	<u><u>\$0.51674</u></u>	<u><u>\$ 1.20000</u></u>

The tax rate for the Fort Bend Parkway Road District for the 2006 tax year was \$0.06870 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, 2007, the interfund receivables and payables were as follows:

	Interfund Receivable	Interfund Payable
General Fund	\$ 687,675	\$2,216,367
Major Capital Project - Mobility	21,216	
Debt Service	7,273	
Non-major Governmental Funds	<u>1,083,799</u>	<u>1,778,125</u>
	<u>1,799,963</u>	<u>3,994,492</u>
Internal Service Funds	<u>2,194,529</u>	
Total Governmental Activity	<u><u>\$3,994,492</u></u>	<u><u>\$3,994,492</u></u>

Interfund transfers

Transfers totaling \$9.2 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, 2007 follows:

	Primary Government			Balance 09/30/07
	Balance 10/01/06	Increases	Decreases	
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 182,516,092	\$ 75,717,740	\$ (280,000)	\$ 257,953,832
CIP	76,921,524	20,683,163	(2,962,903)	94,641,784
Total cap. assets not depreciated	<u>259,437,616</u>	<u>96,400,903</u>	<u>(3,242,903)</u>	<u>352,595,616</u>
Other capital assets:				
Vehicles	15,516,124	3,237,069	(87,512)	18,665,681
Office furniture and equipment	13,455,422	1,591,731	(2,407,565)	12,639,588
Road Equipment	18,867,228	2,195,856	(2,264,497)	18,798,587
Buildings, facilities and improvements	108,342,431	297,286	(20,000)	108,619,717
Infrastructure	260,672,578	31,029,706	-	291,702,284
Total other capital assets	<u>416,853,783</u>	<u>38,351,648</u>	<u>(4,779,574)</u>	<u>450,425,857</u>
Less accumulated depreciation for:				
Vehicles	9,897,805	2,272,975	(97,096)	12,073,684
Office furniture and equipment	9,411,065	1,555,997	(2,293,340)	8,673,722
Road Equipment	10,297,961	1,145,601	(1,475,072)	9,968,490
Buildings, facilities and improvements	43,512,413	2,140,611	(6,283)	45,646,741
Infrastructure	73,248,280	8,575,544	-	81,823,824
Total accumulated depreciation	<u>146,367,524</u>	<u>15,690,728</u>	<u>(3,871,791)</u>	<u>158,186,461</u>
Other capital assets, net	<u>270,486,259</u>	<u>22,660,920</u>	<u>(907,783)</u>	<u>292,239,396</u>
Total Net Assets	<u>\$ 529,923,875</u>	<u>\$ 119,061,823</u>	<u>\$ (4,150,686)</u>	<u>\$ 644,835,012</u>

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

FY2007 Depreciation Expense	
General Administration	\$ 1,225,974
Financial Administration	6,759
Administration of Justice	453,691
Construction & Maintenance	9,875,351
Health & Welfare	346,313
Cooperative Services	53,696
Public Safety	2,247,180
Parks & Recreation	229,343
Drainage	466,726
Library	785,695
Total FY2007 Depreciation Expense	<u>\$ 15,690,728</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, 2007, follows:

Project	2007 CONSTRUCTION COSTS					
	Budget at 09/30/2007	Adjusted Balance at 9/30/2006	Increases (Retainage included)	Decreases	Encumbrances 9/30/2007	Balance 9/30/2007
HHS Coordinator Center	\$ 6,000	\$ 316	\$ 1,879			\$ 2,195
Building Slab Remediation	39,800	39,783		(39,783)		
UH Library	50,000	24,140	1,715		1,491	25,855
Rosenberg JJAEP Remodel	75,000	63,343			1,692	63,343
Library Building All Branches	82,589	37,258				37,258
FB Parkway Project	91,339	3,705				3,705
Travis Building Renovations 5th Floor	97,043	99,186		(99,186)		
Tax Office			42,750			42,750
S. Post Oak	50,000		6,515			6,515
Pct. 1 Facility			53,490			53,490
Fire Marshal/EMS			32,063			32,063
Arcola Projects			39,606			39,606
Gus George Library	85,000		24,990			24,990
Dew House	50,000		31,050			31,050
40 Acre Expansion			24,710			24,710
Pct. 4 Elevator	98,100	15,532	99,778		41,109	115,310
Travis Bldg. Parking Lot	130,040	128,465		(128,465)		
Harlem Road Project	175,000	174,369		(174,369)		
Jail Study	250,000	156,427	4,063		4,509	160,490
Chimney Rock Road Project	250,000	69,920		(69,920)		-
Needville Service Center	306,518	106,518			94,136	106,518
Court Complex Study	396,955	119,217	168,878		99,293	288,095
Bridge Construction	407,106	2,246				2,246
Jane Long Renovations	435,500	133,105	196,600		10,546	329,705
Hillcroft Reconstruction Project	495,106	417,857	13,891		27	431,748
IT Enhancements	502,983	223,855	195,477		4,220	419,332
SH 36 Park & Ride	593,628	28,105			125,331	28,105
Parks Upgrades	959,475	664,347	236,139		45,549	900,486
Fairgrounds Renovation Project	1,008,718	999,559	5,365			1,004,924
Pct. 3 Relocations	1,292,808	1,098,878	306,197		52,620	1,405,076
Traffic Signal Project	2,083,970	1,981,729				1,981,729
Fresh Water Supply District #1	3,001,734	2,615,852	162,112		223,770	2,777,964
Sienna Library Project	1,632,760	427,420	48,450		164,874	475,870
F&HC Software Project	4,806,865	838,202	2,541,400			3,379,602
JST Software Project	5,090,330	8,984	1,048,695			1,057,680
434th District Court Buildout	193,557		109,737			109,737
Travis Elevator Renovations	314,983		179,611			179,611
5th Street Expansion	390,822		39,900			39,900
Jail Expansion	2,350,000		3,359,530			3,359,530
Pct. 2 Service Center	683,512		455,826			455,826
BIG CREEK-FBFCWSC	10,603,250	9,171,657	1,431,593			10,603,250
BIG CREEK	1,784,884	1,704,428	80,456			1,784,883
UPPER OYSTER CREEK	3,125,816	2,963,606	162,211			3,125,816
CLEAR CREEK	935,056	926,706	8,349	(935,056)		
LOWER OYSTER CREEK	263,914	263,914		(263,914)		
OYSTER CREEK-FBFCWSC	1,252,208	1,247,008	5,200	(1,252,208)		
Mobility Projects	71,001,159	50,165,886	9,564,935		11,100,105	59,730,821
Total	\$ 117,443,528	\$ 76,921,524	\$ 20,683,163	\$ (2,962,903)	\$ 11,969,272	\$ 94,641,784

A summary of changes in the discretely presented component unit (Fort Bend Toll Road Authority) capital assets for the year ended September 30, 2007 follows

	Discretely Presented Component Units			
	Balance 10/01/06	Increases	Decreases	Balance 09/30/07
Governmental Activities:				
Other capital assets				
Toll Roads	\$ 156,722,410	\$ 5,955,321	\$ -	\$ 162,677,731
Total cap. Assets	156,722,410	5,955,321	-	162,677,731
Less accumulated depreciation for:				
Toll Roads	5,440,316	14,047	-	5,454,363
Total Net Assets	\$ 151,282,094	\$ 5,941,274	\$ -	\$ 157,223,368

FORT BEND COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS

NOTE 7 - LONG-TERM DEBT

A. General Obligation Bonds

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. A description of long-term bonded debt at September 30, 2007 follows:

Primary Government				
<u>Original Issue</u>	<u>Description</u>	<u>Interest Rate %</u>	<u>Matures</u>	<u>Debt Outstanding</u>
General Obligation Bonds				
\$ 25,285,000	Permanent Improvement Refunding Bonds, Series 2003	1.50 - 5.00	2011	\$ 14,420,000
6,850,000	Fort Bend Flood Control Water Supply Corporation Bonds, Series 1995	5.30	2008	815,000
5,000,000	Library Permanent Improvement Bonds, Series 1997	4.50 - 6.50	2016	3,140,000
14,060,000	Fort Bend Flood Control Water Supply Corp. Bonds, Series 1999 Refunding	4.00 - 5.00	2008	1,815,000
29,000,000	Fort Bend General Obligation Bonds, Series 2001	4.00 - 5.00	2021	27,000,000
30,245,000	Fort Bend General Obligation Bonds, Series 2006	4.00 - 5.00	2026	29,300,000
11,650,000	Fort Bend Flood Control Water Supply Refunding Bonds, Series 2001	2.85 - 5.38	2021	10,710,000
26,000,000	Unlimited Tax Road Bonds, Series 2007	4.00 - 4.25	2027	26,000,000
126,675,000	Facilities Limited Tax Bonds, Series 2007	4.00 - 5.00	2031	126,675,000
	Total Direct General Obligation Bonds			<u>239,875,000</u>
1,520,000	Fort Bend Parkway Road District Unlimited Tax Bonds, Series 1990	8.20 - 8.63	2010	475,000
	Total General Obligation Bonds			<u><u>\$ 240,350,000</u></u>

A summary of long-term liability transactions of the County for the year ended September 30, 2007, follows:

	<u>October 1, 2006</u> <u>Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>September 30, 2007</u> <u>Balance</u>	<u>Amounts Due</u> <u>Within One</u> <u>Year</u>
General Obligation Bonds	\$ 94,800,000	\$ 152,675,000	\$ 7,125,000	\$ 240,350,000	\$ 8,220,000
Premiums on bonds	1,613,802	4,877,984	277,843	6,213,943	
Totals	<u>96,413,802</u>	<u>157,552,984</u>	<u>7,402,843</u>	<u>246,563,943</u>	<u>8,220,000</u>
Claims and Judgements	4,620,146	3,696,155	4,368,127	3,948,174	3,750,765
Accrued Compensated Absences	5,166,444	589,919	99,237	5,657,126	1,414,282
Totals	<u>9,786,590</u>	<u>4,286,074</u>	<u>4,467,364</u>	<u>9,605,300</u>	<u>5,165,047</u>
Total Long Term Liabilities	<u><u>\$ 106,200,392</u></u>	<u><u>\$ 161,839,058</u></u>	<u><u>\$ 11,870,207</u></u>	<u><u>\$ 256,169,243</u></u>	<u><u>\$13,385,047</u></u>

FORT BEND COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS

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>
2008	\$ 8,220,000	\$ 12,264,112	\$ 20,484,112
2009	8,595,000	10,934,837	19,529,837
2010	8,540,000	10,623,016	19,163,016
2011	8,795,000	10,243,668	19,038,668
2012	9,285,000	9,737,111	19,022,111
2013	9,610,000	9,297,462	18,907,462
2014	10,040,000	8,816,004	18,856,004
2015	10,380,000	8,322,016	18,702,016
2016	10,715,000	7,814,876	18,529,876
2017	10,635,000	7,281,732	17,916,732
2018	11,010,000	6,751,285	17,761,285
2019	11,405,000	6,204,035	17,609,035
2020	11,790,000	5,637,835	17,427,835
2021	12,230,000	5,049,766	17,279,766
2022	9,640,000	4,515,101	14,155,101
2023	10,120,000	4,034,049	14,154,049
2024	10,630,000	3,527,806	14,157,806
2025	11,150,000	3,000,069	14,150,069
2026	11,700,000	2,450,447	14,150,447
2027	9,850,000	1,939,738	11,789,738
2028	8,370,000	1,511,688	9,881,688
2029	8,780,000	1,104,375	9,884,375
2030	9,205,000	677,231	9,882,231
2031	9,655,000	229,306	9,884,306
Totals	<u>\$ 240,350,000</u>	<u>\$ 141,967,565</u>	<u>\$ 382,317,565</u>

Discretely presented component unit long-term bonded debt as of September 30, 2007, is listed below:

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

FORT BEND COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS

A summary of long-term liability transactions of the discretely component units for the year ended September 30, 2007, follows:

	<u>October 1, 2006</u>			<u>September 30, 2007</u>
	<u>Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u>
General Obligation Bonds	\$ 135,890,000	\$	\$	\$ 135,890,000
Premiums on bonds issued	3,716,835		142,955	3,573,880
Total Long Term Liabilities	<u>\$ 139,606,835</u>	<u>\$ -</u>	<u>\$ 142,955</u>	<u>\$ 139,463,880</u>

Annual debt service requirements to maturity are summarized as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
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>\$ 115,261,370</u>	<u>\$ 251,151,370</u>

FORT BEND COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS

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 \$79,568,000 of bonds have been issued. As of September 30, 2007, \$43,789,070 of total bonds are outstanding.

NOTE 8 – NET ASSETS

Prior to Fiscal year 2007, the County did not capitalize drainage infrastructure systems, whether constructed by the Drainage District or Fort Bend Flood Control Water Supply Corporation. With the addition of these balances, the beginning net assets of the County have been restated as follows:

Beginning net assets, as previously reported	\$ 501,663,039
Drainage Projects not previously reported	<u>16,277,321</u>
Beginning net assets, as restated	<u><u>\$ 517,940,360</u></u>

FORT BEND COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS

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 10.35% for calendar year 2007. 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, 2007, the pension cost for the TCDRS plan and the actual contributions made were \$8,097,682. Because all contributions are made as required, no pension obligation existed at September 30, 2007.

	<u>2007</u>	<u>2006</u>	<u>2005</u>
Net pension obligation (NPO) at the beginning of period	\$	\$	\$
Annual required contributions (ARC)	8,097,682	7,322,925	7,169,653
Contributions made	8,097,682	7,322,925	284,600
NPO at end of period	<u><u>\$</u></u>	<u><u>\$</u></u>	<u><u>\$</u></u>

Actuarial valuation date	12/31/2006	12/31/2003	12/31/2004
Actuarial cost method	entry age	entry age	entry age
Amortization method	level percentage of payroll, open	level percentage of payroll, open	level percentage of payroll, open
Amortization period in years	20	20	20
Asset valuation method	long-term appreciation with adjustment	long-term appreciation with adjustment	long-term appreciation with adjustment
Assumptions:			
Investment return ⁽¹⁾	8.00%	8.00%	8.00%
Projected salary increases ⁽¹⁾	5.5%	5.5%	5.5%
Inflation	3.5%	3.5%	3.5%
Cost of living adjustments	0.0%	0.0%	0.0%

⁽¹⁾ includes inflation at the stated rate

NOTE 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, 2007. 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, 2007.

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:

	<u>Year ended</u> <u>9/30/2007</u>	<u>Year ended</u> <u>9/30/2006</u>
Unpaid claims, beginning of year	\$ 4,620,146	\$ 4,867,267
Incurred claims (including IBNRs)	15,705,862	16,634,593
Claim payments	(16,377,834)	(16,881,714)
Unpaid claims, end of year	<u>\$ 3,948,174</u>	<u>\$ 4,620,146</u>

FORT BEND COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS

NOTE 13 – SUBSEQUENT EVENT

On May 10, 2008 Fort Bend County voters approved, with a 68% approval rating, the issuance of \$74 million limited tax bonds to construct a new integrated courts facility adjacent to the County Jail on Ransom Road. These bonds are expected to be issued by November 2008 to allow construction to begin in January 2009. Completion is planned for January 2010.



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, 2007

	Original Budget	Budget as Amended	Actual	Variance from Amended Positive (Negative)
Revenues				
Property taxes	\$ 123,420,999	\$ 123,420,999	\$ 122,533,112	\$ (887,887)
Fees and fines	16,353,000	16,686,770	16,390,367	(296,403)
Intergovernmental	2,300,000	2,300,000	4,086,825	1,786,825
Earnings on investments	1,006,000	1,012,962	1,402,054	389,092
Miscellaneous	2,928,500	3,055,901	3,373,539	317,638
Total Revenues	146,008,499	146,476,632	147,785,897	1,309,265
Expenditures				
Current				
General administration	29,015,536	24,911,384	24,712,555	198,829
Financial administration	6,169,904	5,718,964	5,631,691	87,273
Administration of justice	27,524,966	18,946,524	18,753,327	193,197
Construction and maintenance	2,895,194	1,988,854	1,967,190	21,664
Health and welfare	16,189,948	14,704,234	14,792,481	(88,247)
Cooperative service	1,003,740	941,891	934,276	7,615
Public safety	48,323,569	48,567,430	48,410,654	156,776
Parks and recreation	1,773,704	1,716,056	1,822,405	(106,349)
Libraries and education	10,765,723	10,542,333	10,542,301	32
Capital outlay	1,973,759	-	-	-
Total Expenditures	145,636,043	128,037,670	127,566,882	470,788
Excess (Deficiency) of Revenues Over (Under) Expenditures	372,456	18,438,962	20,219,015	1,780,053
Other Financing Sources (Uses)				
Multi-Year Budget Activity		(22,510,446)	(12,868,268)	9,642,178
Transfers in			47,256	47,256
Transfers (out)		(8,536,138)	(8,536,138)	
Total Other Financing Sources (Uses)		(31,046,584)	(21,357,150)	9,689,434
Net Change in Fund Balances	372,456	(12,607,622)	(1,138,135)	11,469,487
Fund Balances, Beginning of Year	36,839,696	36,839,696	36,839,696	
Fund Balances, End of Year	\$ 37,212,152	\$ 24,232,074	\$ 35,701,561	\$ 11,469,487

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, 2007, expenditures exceeded appropriations in the Parks and Receptions function by \$106,349 and in health and welfare by \$88,247. The over-expenditure was caused by excess expenditures over federal funding for the Summer Food Grant Program provided through the U.S. Department of Agriculture.

FORT BEND COUNTY, TEXAS
SCHEDULE OF FUNDING PROGRESS
TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM
September 30, 2007

Fiscal year	<u>2007</u>	<u>2006</u>	<u>2005</u>
Actuarial valuation date	12/31/2006	12/31/2005	12/31/2004
Actuarial value of assets	\$ 186,654,926	\$ 132,671,550	\$ 147,378,271
Actuarial accrued liability	210,196,865	160,195,715	175,746,074
Percentage funded	89%	83%	84%
Unfunded actuarial accrued liability	23,541,939	27,524,165	28,367,803
Annual covered payroll	73,899,065	61,764,831	66,178,539
Unfunded actuarial accrued liability (UAAL)% of covered payroll	32%	45%	43%
	<u>2007</u>	<u>2006</u>	<u>2005</u>
Net pension obligation (NPO) at the beginning of period	\$	\$	\$
Annual required contributions (ARC)	8,097,682	7,322,925	7,169,653
Contributions made	8,097,682	7,322,925	284,600
NPO at end of period	<u><u>\$</u></u>	<u><u>\$</u></u>	<u><u>\$</u></u>



OTHER SUPPLEMENTARY INFORMATION



**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**



FORT BEND COUNTY, TEXAS NON-MAJOR FUND DESCRIPTIONS

SPECIAL REVENUE FUNDS

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. This includes Fund 150.

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. This includes Fund 160.

Road and Bridge

This fund is used to account for the costs associated with the construction and maintenance of roads and bridges. Revenues are derived mainly from ad-valorem taxes, intergovernmental revenues, and fees and fines. This includes Fund 155.

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. This includes Fund 165.

County Historical Commission

This fund is used to account for funds donated to the County by private citizens and is to be spent for Texas historical markers. This includes Fund 170.

Utility Assistance

This fund is used to account for the receipts and disbursements related to private and public donations made to Fort Bend County. The monies are to be used to assist Fort Bend County residents that demonstrate an inability to pay their various utility bills. This includes Funds 175, 180, 185, 190 and 340.

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. This includes Fund 195.

Gus George Law 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. This includes Fund 200.

EMS Donations

This fund is used to account for revenues obtained from donations and fund raising events for the benefit of the ambulance and paramedics department. This includes Fund 210.

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. This includes Fund 215.

FORT BEND COUNTY, TEXAS NON-MAJOR FUND DESCRIPTIONS

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. This includes Fund 220.

Forfeited Assets-Task Force

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. This includes Fund 225.

DWI Video

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. This includes Fund 230.

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. This includes Fund 235.

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. This includes Fund 240.

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. This includes Fund 245.

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. This includes Fund 250.

District Attorney Asset Forfeiture

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. This includes Fund 255.

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. This includes Fund 260.

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. This includes Fund 265.

FORT BEND COUNTY, TEXAS NON-MAJOR 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. This includes Fund 270.

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. This includes Fund 275.

County Attorney Salary Supplement

This fund is used to account for funds received from the State to supplement the salary of the County Attorney. This includes Fund 280.

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. This includes Fund 285.

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. This includes Fund 290.

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. This includes Fund 295.

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. This includes Fund 300.

Asset Forfeitures

This fund is used to account for the receipts and disbursements of funds awarded by the courts and confiscated from drug traffickers. These forfeitures are being used to deter drug trafficking activities in the County. This includes Funds 305, 310, 315, 320, 325, and 335.

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. This includes Fund 345.

Gates Foundation Grant

This fund is used to account for the grant from the Gates Foundation to purchase computers for the Library. This includes Fund 350.

County Child Abuse Prevention

This fund is used account for fees collected by the County which are used to fund child abuse prevention programs in the County where the court is located. This includes Fund 355.

FORT BEND COUNTY, TEXAS NON-MAJOR FUND DESCRIPTIONS

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. This includes Fund 360.

Katy Library Appropriations

This fund is used to account for monies appropriated for building a new library in Katy. This includes Fund 370.

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. This includes Fund 375.

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. This includes Fund 380.

Juvenile Title IV-E Foster Care

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. This includes Fund 385.

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. This includes Fund 390.

Community Development Combined Funds

This fund is used to account for monies received from various housing programs. The majority of monies is received from the U.S. Department of Housing and Urban Development (HUD) and is to be used for housing rehabilitation projects. This includes Fund 400.

HOPE 3 Implementation And Program Sales

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. This includes Fund 402.

Child Support Title IV-D Reimbursement

This fund is used to account for monies received for processing child support payments. The amount of receipts depends 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. This includes Fund 410.

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. This includes Fund 415.

FORT BEND COUNTY, TEXAS NON-MAJOR FUND DESCRIPTIONS

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. This includes Fund 420.

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. This includes Fund 425.

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. This includes Fund 430.

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. This includes Fund 440.

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, Substance Abuse, Day Reporting, Drug Court, and Progressive Sanctions programs. This includes Funds 441, 448, 449, 450, and 451.

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, Sex Offenders, Computerized Literacy, Young Offenders, and Mental Impairment. This includes Funds 442, 443, 445, 446, and 447.

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. This includes Fund 444.

CAPITAL PROJECTS FUNDS

Drainage District Capital Projects

This fund is used to account for the receipts and disbursements related to the construction or improvements of various flood control projects, including Clear Creek, Big Creek, Upper Oyster Creek, and Lower Oyster Creek. This includes Funds 700, 702, 706, 708, and 710.

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. This includes Fund 704.

Joann / 5th Street Project

This fund is used to account for the receipts and disbursements related to the improvement of Joann/5th Street. This includes Fund 712.

FORT BEND COUNTY, TEXAS NON-MAJOR FUND DESCRIPTIONS

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. This includes Fund 714.

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. This includes Fund 720.

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. This includes Fund 722.

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. This includes Fund 724.

Fort Bend Flood Control Water Supply Corporation (FBFCWSC) Oyster Creek Construction Drainage Projects

This fund is used to account for the receipts and disbursements related to the proceeds of the issuance of Revenue Bonds for the construction of drainage facilities located along Oyster Creek within the County. This includes Fund 726.

Fort Bend Flood Control Water Supply Corporation (FBFCWSC) Big Creek Phase II Drainage Projects

This fund is used to account for the receipts and disbursements related to the proceeds of the issuance of Revenue Bonds for the construction of drainage facilities located along Big Creek within the County. This includes Fund 728

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. This includes Fund 730.

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

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, 2007

Special Revenue Funds

	Juvenile Operations	Drainage District	Road & Bridge Fund	Lateral Road
Assets				
Cash and Cash Equivalents	\$ 1,805,837	\$ 1,423,071	\$ 1,940,749	\$ 149,195
Investments		3,288,485	4,801,494	
Receivables net of allowance for estimated uncollectibles				
Taxes		723,414	912,065	
Federal and state grants	10,053			
Other receivables			71,069	57,285
Due from other funds		4,295	678,211	
Prepaid Items	1,398			
Total Assets	\$ 1,817,288	\$ 5,439,265	\$ 8,403,588	\$ 206,480
Total Liabilities and Fund Balances				
Liabilities				
Accounts payable	\$ 266,200	\$ 366,718	\$ 1,043,991	\$
Accrued payroll	109,959	64,344	174,406	
Due to other funds	58,459	1,600,420	35	
Due to other governmental units				
Deferred revenues		723,414	912,064	
Total Liabilities	434,618	2,754,896	2,130,496	
Fund Balances				
Reserved:				
Capital Projects				
Unreserved, reported in:				
Special revenue funds	1,382,670	2,684,369	6,273,092	206,480
Capital project funds				
Total Fund Balances	1,382,670	2,684,369	6,273,092	206,480
Total Liabilities and Fund Balances				
	\$ 1,817,288	\$ 5,439,265	\$ 8,403,588	\$ 206,480

Special Revenue Funds

County Historical Commission	Utility Assistance	County Law Library	Gus George Law Academy	EMS Donations	Library Donation
\$ 3,975	\$ 84,308	\$ 625,006	\$ 472,255	\$ 11,659	\$ 125,968
		17,460			
		600			325
<u>\$ 3,975</u>	<u>\$ 84,308</u>	<u>\$ 643,066</u>	<u>\$ 472,255</u>	<u>\$ 11,659</u>	<u>\$ 126,293</u>
\$ 53	\$ 5,992	\$ 12,843 1,068	\$ 6,174	\$	\$ 17,208
					626
<u>53</u>	<u>5,992</u>	<u>13,911</u>	<u>6,174</u>		<u>17,834</u>
3,922	78,316	629,155	466,081	11,659	108,459
<u>3,922</u>	<u>78,316</u>	<u>629,155</u>	<u>466,081</u>	<u>11,659</u>	<u>108,459</u>
<u>\$ 3,975</u>	<u>\$ 84,308</u>	<u>\$ 643,066</u>	<u>\$ 472,255</u>	<u>\$ 11,659</u>	<u>\$ 126,293</u>

FORT BEND COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2007

Special Revenue Funds

	Mission West Park	Forfeited Assets - Task Force	DWI Video	Probate Court Training
Assets				
Cash and Cash Equivalents	\$ 52,070	\$ 491,573	\$ 3,914	\$ 42,048
Investments				
Receivables net of allowance for estimated uncollectibles				
Taxes				
Federal and state grants				
Other receivables				289
Due from other funds		626		
Prepaid Items				
Total Assets	\$ 52,070	\$ 492,199	\$ 3,914	\$ 42,337
Total Liabilities and Fund Balances				
Liabilities				
Accounts payable	\$	\$	\$	\$
Accrued payroll				
Due to other funds		97		
Due to other governmental units				
Deferred revenues				
Total Liabilities		97		
Fund Balances				
Reserved:				
Capital Projects				
Unreserved, reported in:				
Special revenue funds	52,070	492,102	3,914	42,337
Capital project funds				
Total Fund Balances	52,070	492,102	3,914	42,337
Total Liabilities and Fund Balances				
	\$ 52,070	\$ 492,199	\$ 3,914	\$ 42,337

Special Revenue Funds

<u>JP Technology</u>	<u>Juvenile Alert Program</u>	<u>Juvenile Probation Special</u>	<u>District Attorney Asset Forfeiture</u>	<u>District Attorney Bad Check Collection Fee</u>	<u>Gus George Memorial</u>
\$ 442,037	\$ 21,088	\$ 169,670	\$ 18	\$ 76,540	\$ 7,187
7,012				305	
<u>\$ 449,049</u>	<u>\$ 21,088</u>	<u>\$ 169,670</u>	<u>\$ 18</u>	<u>\$ 76,845</u>	<u>\$ 7,187</u>
\$	\$ 496	\$ 4,601 1,446	\$	\$ 13,633	\$
				1,839	100
	<u>496</u>	<u>6,047</u>		<u>15,472</u>	<u>100</u>
449,049	20,592	163,623	18	61,373	7,087
<u>449,049</u>	<u>20,592</u>	<u>163,623</u>	<u>18</u>	<u>61,373</u>	<u>7,087</u>
<u>\$ 449,049</u>	<u>\$ 21,088</u>	<u>\$ 169,670</u>	<u>\$ 18</u>	<u>\$ 76,845</u>	<u>\$ 7,187</u>

FORT BEND COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2007

Special Revenue Funds

	Records Management - County Clerk	District Attorney Special Fun Run	County Attorney Salary Supplemental	Records Management - County
Assets				
Cash and Cash Equivalents	\$ 1,229,047	\$ 15,713	\$ 66,059	\$ 174,355
Investments				
Receivables net of allowance for estimated uncollectibles				
Taxes				
Federal and state grants				
Other receivables	51,140		62,500	11,694
Due from other funds				
Prepaid Items				
Total Assets	\$ 1,280,187	\$ 15,713	\$ 128,559	\$ 186,049
Total Liabilities and Fund Balances				
Liabilities				
Accounts payable	\$ 32,812	\$	\$	\$ 13,990
Accrued payroll	29,171		747	
Due to other funds				
Due to other governmental units				
Deferred revenues				
Total Liabilities	61,983		747	13,990
Fund Balances				
Reserved:				
Capital Projects				
Unreserved, reported in:				
Special revenue funds	1,218,204	15,713	127,812	172,059
Capital project funds				
Total Fund Balances	1,218,204	15,713	127,812	172,059
Total Liabilities and Fund Balances				
	\$ 1,280,187	\$ 15,713	\$ 128,559	\$ 186,049

Special Revenue Funds

<u>VIT Interest</u>	<u>Courthouse Security</u>	<u>Elections Contract</u>	<u>Asset Forfeitures</u>	<u>UT Health Science Center Grant</u>	<u>Gates Foundation Grant</u>
\$ 11,497	\$ 803,001	\$ 369,113	\$ 678,799	\$ 89	\$ 21,562
	21,721 570	53,130	3,975		
<u>\$ 11,497</u>	<u>\$ 825,292</u>	<u>\$ 422,243</u>	<u>\$ 682,774</u>	<u>\$ 89</u>	<u>\$ 21,562</u>
\$ 8,709	\$ 6,749 6,103	\$ 729	\$ 23,061 3,975	\$	\$
<u>8,709</u>	<u>12,852</u>	<u>729</u>	<u>27,036</u>		
2,788	812,440	421,514	655,738	89	21,562
<u>2,788</u>	<u>812,440</u>	<u>421,514</u>	<u>655,738</u>	<u>89</u>	<u>21,562</u>
<u>\$ 11,497</u>	<u>\$ 825,292</u>	<u>\$ 422,243</u>	<u>\$ 682,774</u>	<u>\$ 89</u>	<u>\$ 21,562</u>

FORT BEND COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2007

	Special Revenue Funds			
	Law			
	County Child Abuse Prevention	Enforcement Officers Standards Education Grant	Katy Library Appropriations	Temporary Emergency Relief
Assets				
Cash and Cash Equivalents	\$ 256	\$ 93,111	\$ 1,198	\$ 30
Investments				
Receivables net of allowance for estimated uncollectibles				
Taxes				
Federal and state grants				
Other receivables				
Due from other funds				
Prepaid Items		191		
Total Assets	\$ 256	\$ 93,302	\$ 1,198	\$ 30
Total Liabilities and Fund Balances				
Liabilities				
Accounts payable	\$	\$ 112	\$	\$
Accrued payroll				
Due to other funds		75		
Due to other governmental units				
Deferred revenues				
Total Liabilities		187		
Fund Balances				
Reserved:				
Capital Projects				
Unreserved, reported in:				
Special revenue funds	256	93,115	1,198	30
Capital project funds				
Total Fund Balances	256	93,115	1,198	30
Total Liabilities and Fund Balances	\$ 256	\$ 93,302	\$ 1,198	\$ 30

Special Revenue Funds

Emergency Food and Shelter Program	Juvenile Foster Care Title IV-E	Child Protective Services	Community Development Combined Funds	HOPE 3 Implementation and Program Sales	Child Support Title IV-D Reimbursement
\$ 117,761	\$ 1,513,683	\$ 122,051	\$ 133,641	\$ 69,739	\$ 149,710
	361,392	8,768	104,757		
<u>\$ 117,761</u>	<u>\$ 1,875,075</u>	<u>\$ 130,819</u>	<u>\$ 238,398</u>	<u>\$ 69,739</u>	<u>\$ 149,710</u>
\$ 113,889	\$ 2,609	\$ 33,064	\$ 134,308	\$	\$
369	3,836		8,001		
			96,089		
3,503	1,868,630			69,739	149,710
<u>117,761</u>	<u>1,875,075</u>	<u>33,064</u>	<u>238,398</u>	<u>69,739</u>	<u>149,710</u>
		97,755			
		<u>97,755</u>			
<u>\$ 117,761</u>	<u>\$ 1,875,075</u>	<u>\$ 130,819</u>	<u>\$ 238,398</u>	<u>\$ 69,739</u>	<u>\$ 149,710</u>

FORT BEND COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2007

Special Revenue Funds

	Local Law Enforcement Block Grants	Grant Administration	Juvenile Justice Alternative Education	Juvenile Probation - State Funds
Assets				
Cash and Cash Equivalents	\$ 26,077	\$ 10,544	\$ 411,009	\$ (7,520)
Investments				
Receivables net of allowance for estimated uncollectibles				
Taxes				
Federal and state grants				68,786
Other receivables				
Due from other funds				7
Prepaid Items				
Total Assets	\$ 26,077	\$ 10,544	\$ 411,009	\$ 61,273
Total Liabilities and Fund Balances				
Liabilities				
Accounts payable	\$ 3,608	\$	\$ 9,203	\$ 44,129
Accrued payroll			1,606	17,144
Due to other funds				
Due to other governmental units				
Deferred revenues	22,469		400,200	
Total Liabilities	26,077		411,009	61,273
Fund Balances				
Reserved:				
Capital Projects				
Unreserved, reported in:				
Special revenue funds		10,544		
Capital project funds				
Total Fund Balances		10,544		
Total Liabilities and Fund Balances				
	\$ 26,077	\$ 10,544	\$ 411,009	\$ 61,273

<u>Special Revenue Funds</u>				<u>Capital Projects Funds</u>	
<u>Adult Probation - Supervision</u>	<u>Adult Probation - DTP</u>	<u>Adult Probation - CCP</u>	<u>Adult Probation - TAIP</u>	<u>Drainage District Capital Improvements</u>	<u>Capital Improvements</u>
\$ 904,777	\$ 188,568	\$ 94,806	\$ 123,880	\$ 2,911,603 1,005,606	\$ 10,254
90 560				400,000	
<u>\$ 905,427</u>	<u>\$ 188,568</u>	<u>\$ 94,806</u>	<u>\$ 123,880</u>	<u>\$ 4,317,209</u>	<u>\$ 10,254</u>
\$ 43,004 (200) 6,300	\$ 8,436 5,579	\$ 4,481 3,618	\$ 1,084 2,330	\$ 1,400	\$
856,323	14,036 160,517	9,323 77,384	84,246 36,220		
<u>905,427</u>	<u>188,568</u>	<u>94,806</u>	<u>123,880</u>	<u>1,400</u>	
				4,315,809	10,254
				<u>4,315,809</u>	<u>10,254</u>
<u>\$ 905,427</u>	<u>\$ 188,568</u>	<u>\$ 94,806</u>	<u>\$ 123,880</u>	<u>\$ 4,317,209</u>	<u>\$ 10,254</u>

FORT BEND COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2007

Capital Projects Funds

	Joann 5th Street Project	Grand Mission Crossing	Library Building	Travis Building Renovation
Assets				
Cash and Cash Equivalents	\$ 8,846	\$ 23,064	\$ 67,181	\$ 10,650
Investments				
Receivables net of allowance for estimated uncollectibles				
Taxes				
Federal and state grants				
Other receivables				
Due from other funds				
Prepaid Items				
Total Assets	\$ 8,846	\$ 23,064	\$ 67,181	\$ 10,650
Total Liabilities and Fund Balances				
Liabilities				
Accounts payable	\$	\$	\$	\$
Accrued payroll				
Due to other funds				
Due to other governmental units				
Deferred revenues				
Total Liabilities				
Fund Balances				
Reserved:				
Capital Projects			67,181	
Unreserved, reported in:				
Special revenue funds				
Capital project funds	8,846	23,064		10,650
Total Fund Balances	8,846	23,064	67,181	10,650
Total Liabilities and Fund Balances				
	\$ 8,846	\$ 23,064	\$ 67,181	\$ 10,650

Captial Projects Funds

Fort Bend Parkway	FBFCWSC Oyster Creek Constuction	FBFCWSC Big Creek Phase II	Bates M. Allen Park	TOTALS
\$ 26,428	\$ 128,329	\$ 404,543 4,542,315	\$ 12,413	\$ 18,874,035 13,637,900
				1,635,479 183,596 723,765 1,083,799 7,049
<u>\$ 26,428</u>	<u>\$ 128,329</u>	<u>\$ 4,946,858</u>	<u>\$ 12,413</u>	<u>\$ 36,145,623</u>
\$	\$	\$ 43,402	\$	\$ 2,266,635 417,631 1,778,125 109,444 5,280,173
		<u>43,402</u>		<u>9,852,008</u>
26,428	128,329	4,903,456		5,125,394 16,787,185 4,381,036
<u>26,428</u>	<u>128,329</u>	<u>4,903,456</u>	<u>12,413</u>	<u>26,293,615</u>
<u>\$ 26,428</u>	<u>\$ 128,329</u>	<u>\$ 4,946,858</u>	<u>\$ 12,413</u>	<u>\$ 36,145,623</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, 2007

	Special Revenue Funds			
	Juvenile Operations	Drainage District	Road & Bridge Fund	Lateral Road
Revenues				
Taxes	\$	\$ 6,775,642	\$ 10,039,815	\$
Fees and fines			4,420,977	
Intergovernmental	254,668		2,736,589	114,668
Earnings on Investments	213,200	272,845	549,783	7,241
Miscellaneous	27,196	438,669	1,070,322	
Total Revenues	<u>495,064</u>	<u>7,487,156</u>	<u>18,817,486</u>	<u>121,909</u>
Expenditures				
Current				
General administration				
Financial administration				
Administration of justice	7,952,526			
Health and welfare				
Cooperative services				
Public safety				
Flood control projects		5,957,581		
Libraries and education				
Capital Outlay		313,954	226,695	
Total Expenditures	<u>7,952,526</u>	<u>6,271,535</u>	<u>17,453,182</u>	
Excess (Deficiency) of Revenues	(7,457,462)	1,215,621	1,364,304	121,909
OTHER FINANCING SOURCES (USES)				
Transfers in	8,536,138	61,900		
Transfers out		(400,000)		
Total other financing sources (uses)	<u>8,536,138</u>	<u>(338,100)</u>		
Net change in fund balances	1,078,676	877,521	1,364,304	121,909
Fund balances-beginning	<u>303,994</u>	<u>1,806,848</u>	<u>4,908,788</u>	<u>84,571</u>
Fund balances-ending	<u>\$ 1,382,670</u>	<u>\$ 2,684,369</u>	<u>\$ 6,273,092</u>	<u>\$ 206,480</u>

Special Revenue Funds

County Historical Commission	Utility Assistance	County Law Library	Gus George Law Academy	EMS Donations	Library Donation
\$	\$	\$	\$	\$	\$
		266,230			
			29,916		
197	3,254	28,473	21,074		6,669
	82,661	1,816	50,958	950	71,368
<u>197</u>	<u>85,915</u>	<u>296,519</u>	<u>101,948</u>	<u>950</u>	<u>78,037</u>
		175,418			
	48,573			100	
			64,242		
					84,801
		6,613			
	<u>48,573</u>	<u>182,031</u>	<u>64,242</u>	<u>100</u>	<u>84,801</u>
197	37,342	114,488	37,706	850	(6,764)
		(1,500)			
		(1,500)			
197	37,342	112,988	37,706	850	(6,764)
<u>3,725</u>	<u>40,974</u>	<u>516,167</u>	<u>428,375</u>	<u>10,809</u>	<u>115,223</u>
<u>\$ 3,922</u>	<u>\$ 78,316</u>	<u>\$ 629,155</u>	<u>\$ 466,081</u>	<u>\$ 11,659</u>	<u>\$ 108,459</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, 2007

	Special Revenue Funds			
	Mission West Park	Forfeited Assets - Task Force	DWI Video	Probate Court Training
Revenues				
Taxes	\$	\$	\$	\$
Fees and fines				4,136
Intergovernmental				
Earnings on Investments	2,726	18,140	205	2,088
Miscellaneous		163,822		
Total Revenues	<u>2,726</u>	<u>181,962</u>	<u>205</u>	<u>6,224</u>
Expenditures				
Current				
General administration				
Financial administration				
Administration of justice				
Health and welfare				
Cooperative services				
Public safety		97		
Flood control projects				
Libraries and education				
Capital Outlay				
Total Expenditures		<u>97</u>		
Excess (Deficiency) of Revenues	2,726	181,865	205	6,224
OTHER FINANCING SOURCES (USES)				
Transfers in				
Transfers out				
Total other financing sources (uses)				
Net change in fund balances	2,726	181,865	205	6,224
Fund balances-beginning	<u>49,344</u>	<u>310,237</u>	<u>3,709</u>	<u>36,113</u>
Fund balances-ending	<u>\$ 52,070</u>	<u>\$ 492,102</u>	<u>\$ 3,914</u>	<u>\$ 42,337</u>

Special Revenue Funds

JP Technology	Juvenile Alert Program	Juvenile Probation Special	District Attorney Asset Forfeiture	District Attorney Bad Check Collection Fee	Gus George Memorial
\$ 84,174	\$	\$	\$	\$ 42,041 18,306	\$
19,941	979 6,600	49,063	1	(361)	381
<u>104,115</u>	<u>7,579</u>	<u>49,063</u>	<u>1</u>	<u>59,986</u>	<u>381</u>
4,064	1,845	92,398		54,960	
					209
<u>4,064</u>	<u>1,845</u>	<u>92,398</u>		<u>54,960</u>	<u>209</u>
100,051	5,734	(43,335)	1	5,026	172
<u>100,051</u>	<u>5,734</u>	<u>(43,335)</u>	<u>1</u>	<u>5,026</u>	<u>172</u>
348,998	14,858	206,958	17	56,347	6,915
<u>\$ 449,049</u>	<u>\$ 20,592</u>	<u>\$ 163,623</u>	<u>\$ 18</u>	<u>\$ 61,373</u>	<u>\$ 7,087</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, 2007

	Special Revenue Funds			
	Records Management - County Clerk	District Attorney Special Fun Run	County Attorney Salary Supplemental	Records Management - County
Revenues				
Taxes	\$	\$	\$	\$
Fees and fines	534,403			154,162
Intergovernmental			62,500	
Earnings on Investments	57,200	823	5,581	7,080
Miscellaneous		300		
Total Revenues	<u>591,603</u>	<u>1,123</u>	<u>68,081</u>	<u>161,242</u>
Expenditures				
Current				
General administration	423,055			104,730
Financial administration				
Administration of justice			54,593	
Health and welfare				
Cooperative services				
Public safety				
Flood control projects				
Libraries and education				
Capital Outlay				
Total Expenditures	<u>423,055</u>	<u> </u>	<u>54,593</u>	<u>104,730</u>
Excess (Deficiency) of Revenues	168,548	1,123	13,488	56,512
OTHER FINANCING SOURCES (USES)				
Transfers in				
Transfers out				
Total other financing sources (uses)	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net change in fund balances	168,548	1,123	13,488	56,512
Fund balances-beginning	<u>1,049,656</u>	<u>14,590</u>	<u>114,324</u>	<u>115,547</u>
Fund balances-ending	<u>\$ 1,218,204</u>	<u>\$ 15,713</u>	<u>\$ 127,812</u>	<u>\$ 172,059</u>

Special Revenue Funds

<u>VIT Interest</u>	<u>Courthouse Security</u>	<u>Elections Contract</u>	<u>Asset Forfeitures</u>	<u>UT Health Science Center Grant</u>	<u>Gates Foundation Grant</u>
\$	\$	\$	\$	\$	\$
	312,066				
37,058	41,676	18,128	368,855	108	1,072
	126	345,123	8,118		
<u>37,058</u>	<u>353,868</u>	<u>363,251</u>	<u>403,876</u>	<u>108</u>	<u>1,072</u>
35,049		121,715			
	403,573		177,040		
				4,464	
<u>35,049</u>	<u>403,573</u>	<u>121,715</u>	<u>177,040</u>	<u>4,464</u>	
2,009	(49,705)	241,536	226,836	(4,356)	1,072
		(45,323)			
		(45,323)			
2,009	(49,705)	196,213	226,836	(4,356)	1,072
779	862,145	225,301	428,902	4,445	20,490
<u>\$ 2,788</u>	<u>\$ 812,440</u>	<u>\$ 421,514</u>	<u>\$ 655,738</u>	<u>\$ 89</u>	<u>\$ 21,562</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, 2007

	Special Revenue Funds			
	Law			
	County Child Abuse Prevention	Enforcement Officers Standards Education Grant	Katy Library Appropriations	Temporary Emergency Relief
Revenues				
Taxes	\$	\$	\$	\$
Fees and fines	256			
Intergovernmental		41,142		26
Earnings on Investments		5,047	63	4
Miscellaneous				
Total Revenues	<u>256</u>	<u>46,189</u>	<u>63</u>	<u>30</u>
Expenditures				
Current				
General administration				
Financial administration				
Administration of justice				
Health and welfare				
Cooperative services				
Public safety		41,027		
Flood control projects				
Libraries and education				
Capital Outlay				
Total Expenditures		<u>41,027</u>		
Excess (Deficiency) of Revenues	256	5,162	63	30
OTHER FINANCING SOURCES (USES)				
Transfers in				
Transfers out				
Total other financing sources (uses)				
Net change in fund balances	256	5,162	63	30
Fund balances-beginning		87,953	1,135	
Fund balances-ending	<u>\$ 256</u>	<u>\$ 93,115</u>	<u>\$ 1,198</u>	<u>\$ 30</u>

Special Revenue Funds

Emergency Food and Shelter Program	Juvenile Foster Care Title IV-E	Child Protective Services	Community Development Combined Funds	HOPE 3 Implementation and Program Sales	Child Support Title IV-D Reimbursement
\$	\$	\$	\$	\$	\$
391,685	237,839	21,301	2,568,379		
3,763		5,608		11,945	2,460
		450	39,027	48,563	
<u>395,448</u>	<u>237,839</u>	<u>27,359</u>	<u>2,607,406</u>	<u>60,508</u>	<u>2,460</u>
395,448	237,839	143,257	2,606,973	60,508	2,460
<u>395,448</u>	<u>237,839</u>	<u>143,257</u>	<u>2,606,973</u>	<u>60,508</u>	<u>2,460</u>
		(115,898)	433		
		106,000			
			(433)		
		106,000	(433)		
		(9,898)			
		107,653			
<u>\$</u>	<u>\$</u>	<u>\$ 97,755</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, 2007

	Special Revenue Funds			
	Local Law Enforcement Block Grants	Grant Administration	Juvenile Justice Alternative Education	Juvenile Probation - State Funds
Revenues				
Taxes	\$	\$	\$	\$
Fees and fines				
Intergovernmental	31,998		177,584	1,413,510
Earnings on Investments	2,187	375		
Miscellaneous		21,930	273	
Total Revenues	<u>34,185</u>	<u>22,305</u>	<u>177,857</u>	<u>1,413,510</u>
Expenditures				
Current				
General administration				
Financial administration				
Administration of justice			177,857	1,413,510
Health and welfare		15,000		
Cooperative services				
Public safety	34,185			
Flood control projects				
Libraries and education				
Capital Outlay				
Total Expenditures	<u>34,185</u>	<u>15,000</u>	<u>177,857</u>	<u>1,413,510</u>
Excess (Deficiency) of Revenues		7,305		
OTHER FINANCING SOURCES (USES)				
Transfers in				
Transfers out				
Total other financing sources (uses)				
Net change in fund balances		7,305		
Fund balances-beginning		3,239		
Fund balances-ending	<u>\$</u>	<u>\$ 10,544</u>	<u>\$</u>	<u>\$</u>

<u>Special Revenue Funds</u>				<u>Capital Projects Funds</u>	
<u>Adult Probation - Supervision</u>	<u>Adult Probation - DTP</u>	<u>Adult Probation - CCP</u>	<u>Adult Probation - TAIP</u>	<u>Drainage District Capital Improvements</u>	<u>Capital Improvements</u>
\$	\$	\$	\$	\$	\$
1,649,213	153,450				
897,939	788,750	474,301	257,061		
70,509				201,006	
5,885				44,722	
<u>2,623,546</u>	<u>942,200</u>	<u>474,301</u>	<u>257,061</u>	<u>245,728</u>	
2,623,546	956,288	460,213	257,061		
<u>2,623,546</u>	<u>956,288</u>	<u>460,213</u>	<u>257,061</u>	<u>251,016</u>	
	(14,088)	14,088		(5,288)	
	14,088	(14,088)		400,000	
	<u>14,088</u>	<u>(14,088)</u>		<u>(61,900)</u>	
				338,100	
				332,812	
				3,982,997	10,254
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 4,315,809</u>	<u>\$ 10,254</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, 2007

	Capital Projects Funds			
	Joann 5th Street Project	Grand Mission Crossing	Library Building	Travis Building Renovation
Revenues				
Taxes	\$	\$	\$	\$
Fees and fines				
Intergovernmental				
Earnings on Investments	439	1,207	3,517	
Miscellaneous				
Total Revenues	<u>439</u>	<u>1,207</u>	<u>3,517</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				
Total Expenditures				
Excess (Deficiency) of Revenues	439	1,207	3,517	
OTHER FINANCING SOURCES (USES)				
Transfers in				
Transfers out				
Total other financing sources (uses)				
Net change in fund balances	439	1,207	3,517	
Fund balances-beginning	<u>8,407</u>	<u>21,857</u>	<u>63,664</u>	<u>10,650</u>
Fund balances-ending	<u>\$ 8,846</u>	<u>\$ 23,064</u>	<u>\$ 67,181</u>	<u>\$ 10,650</u>

Captial Projects Funds

Fort Bend Parkway	FBFCWSC Oyster Creek Constuction	FBFCWSC Big Creek Phase II	Bates M. Allen Park	TOTALS
\$	\$	\$	\$	\$ 16,815,457
				7,621,108
				10,887,017
1,409	6,621	289,311	650	1,948,947
				2,477,581
<u>1,409</u>	<u>6,621</u>	<u>289,311</u>	<u>650</u>	<u>39,750,110</u>
				649,500
				35,049
				14,464,578
				3,269,859
				720,373
	5,200	1,431,593		7,394,374
				89,265
<u>1,138</u>				<u>799,416</u>
<u>1,138</u>	<u>5,200</u>	<u>1,431,593</u>		<u>44,648,901</u>
271	1,421	(1,142,282)	650	(4,898,791)
				9,118,126
				(523,244)
				8,594,882
271	1,421	(1,142,282)	650	3,696,091
<u>26,157</u>	<u>126,908</u>	<u>6,045,738</u>	<u>11,763</u>	<u>22,597,524</u>
<u>\$ 26,428</u>	<u>\$ 128,329</u>	<u>\$ 4,903,456</u>	<u>\$ 12,413</u>	<u>\$ 26,293,615</u>

FORT BEND COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
DRAINAGE DISTRICT - BUDGETARY BASIS
Year Ended September 30, 2007

	Original Budget	Budget as Amended	Actual	Variance from Amended Positive (Negative)
Revenues				
Property taxes	\$ 6,911,865	\$ 6,911,865	\$ 6,911,865	\$
Earnings on investments	120,000	120,000	120,000	
Miscellaneous	50,000	50,000	438,669	388,669
Total Revenues	7,081,865	7,081,865	7,470,534	388,669
Expenditures				
Current				
Flood Control Projects	7,317,498	6,979,398	5,957,581	1,021,817
Capital Outlay			313,954	(313,954)
Total Expenditures	7,317,498	6,979,398	6,271,535	707,863
Excess (Deficiency) of Revenues Over (Under) Expenditures	(235,633)	102,467	1,198,999	1,096,532
Other Financing Sources (Uses)				
Transfers in		61,900	61,900	
Transfers (out)		(400,000)	(400,000)	
Total Other Financing Sources (Uses)		(338,100)	(338,100)	
Net Change in Fund Balances	(235,633)	(235,633)	860,899	1,096,532
Fund Balances, Beginning of Year	2,206,847	2,206,847	2,206,847	
Fund Balances, End of Year	\$ 1,971,214	\$ 1,971,214	\$ 3,067,746	\$ 1,096,532

FORT BEND COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
ROAD AND BRIDGE - BUDGETARY BASIS
Year Ended September 30, 2007

	Original Budget	Budget as Amended	Actual	Variance from Amended Positive (Negative)
Revenues				
Property taxes	\$ 10,147,728	\$ 10,147,728	\$ 10,033,589	\$ (114,139)
Fees and fines	3,860,000	3,860,000	3,697,667	(162,333)
Intergovernmental	2,200,000	2,200,000	2,736,589	536,589
Earnings on investments	300,000	300,000	541,140	241,140
Miscellaneous	177,980	767,355	1,074,543	307,188
Total Revenues	16,685,708	17,275,083	18,083,529	808,446
Expenditures				
Current				
Construction and maintenance	19,010,800	19,200,806	15,414,780	3,786,026
Total Expenditures	19,010,800	19,200,806	15,414,780	3,786,026
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,325,092)	(1,925,723)	2,668,749	4,594,472
Other Financing Sources (Uses)				
Multi-Year Budget Activity		(269,598)	(269,597)	(1)
Total Other Financing Sources (Uses)		(269,598)	(269,597)	(1)
Net Change in Fund Balances	(2,325,092)	(2,195,321)	2,399,152	4,594,471
Fund Balances, Beginning of Year	4,908,788	4,908,788	4,908,788	
Fund Balances, End of Year	\$ 2,583,696	\$ 2,713,467	\$ 7,307,940	\$ 4,594,471

FORT BEND COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
DEBT SERVICE FUND
Year Ended September 30, 2007

	Original Budget	Budget as Amended	Actual	Variance from Amended Positive (Negative)
Revenues				
Property taxes	\$ 11,692,427	\$ 11,692,427	\$ 11,873,409	\$ 180,982
Fees and fines			784,947	784,947
Earnings on investments	193,500	193,500	381,772	188,272
Miscellaneous			36,605	36,605
Total Revenues	<u>11,885,927</u>	<u>11,885,927</u>	<u>13,076,733</u>	<u>1,190,806</u>
Expenditures				
Debt Service				
Principal retirement	6,990,000	6,990,000	7,125,000	(135,000)
Interest and fiscal charges	4,952,897 #	4,952,897	4,600,363	352,534
Total Expenditures	<u>11,942,897</u>	<u>11,942,897</u>	<u>11,725,363</u>	<u>217,534</u>
Net Change in Fund Balances	(56,970)	(56,970)	1,351,370	973,272
Fund Balances, Beginning of Year	<u>2,680,553</u>	<u>2,680,553</u>	<u>2,680,553</u>	
Fund Balances, End of Year	<u><u>\$ 2,623,583</u></u>	<u><u>\$ 2,623,583</u></u>	<u><u>\$ 4,031,923</u></u>	<u><u>\$ 973,272</u></u>

FORT BEND COUNTY, TEXAS
COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS
September 30, 2007

	<u>Employee Benefit Fund</u>	<u>Workers' Compensation Fund</u>	<u>Totals</u>
ASSETS			
Cash and cash equivalents	\$ 3,921,223	\$ 274,251	\$ 4,195,474
Due from other funds	2,191,360	3,169	2,194,529
Other Receivables	933,981		933,981
Total Assets	<u>7,046,564</u>	<u>277,420</u>	<u>7,323,984</u>
LIABILITIES			
Accounts payable	1,552	74,307	75,859
Benefits payable	1,539,477	2,408,697	3,948,174
Total Liabilities	<u>1,541,029</u>	<u>2,483,004</u>	<u>4,024,033</u>
NET ASSETS (Deficit)			
Unrestricted (deficit)	<u>5,505,535</u>	<u>(2,205,584)</u>	<u>3,299,951</u>
TOTAL NET ASSETS (DEFICIT)	<u><u>\$ 5,505,535</u></u>	<u><u>\$ (2,205,584)</u></u>	<u><u>\$ 3,299,951</u></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, 2007

	Employee Benefit Fund	Workers' Compensation Fund	Totals
REVENUES			
Charges for services	\$ 22,506,470	\$ 923,400	\$ 23,429,870
OPERATING EXPENSES			
Contractual services	2,521,951	268,957	2,790,908
Benefits provided	14,959,507	746,355	15,705,862
TOTAL OPERATING EXPENSES	<u>17,481,458</u>	<u>1,015,312</u>	<u>18,496,770</u>
Operating Income (Loss)	5,025,012	(91,912)	4,933,100
NON-OPERATING REVENUES			
Earnings on investments	<u>284,472</u>		<u>284,472</u>
Change in net assets	5,309,484	(91,912)	5,217,572
Total net assets-beginning	<u>196,051</u>	<u>(2,113,672)</u>	<u>(1,917,621)</u>
Total net assets-ending	<u>\$ 5,505,535</u>	<u>\$ (2,205,584)</u>	<u>\$ 3,299,951</u>

FORT BEND COUNTY, TEXAS
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended September 30, 2007

	Employee Benefit Fund	Workers' Compensation Fund	Totals
Cash Flows from Operating Activities			
Charges for services	\$ 20,053,944	\$ 926,271	\$ 20,980,215
Payment of benefits	(15,520,711)	(849,232)	(16,369,943)
Payment of general administrative expenses	(2,521,951)	(268,957)	(2,790,908)
Net Cash Provided (Used) by Operating Activities	<u>2,011,282</u>	<u>(191,918)</u>	<u>1,819,364</u>
Cash flows from investing activities:			
Interest earned on investments	284,472		284,472
Net Cash Flows from Investing Activities	<u>284,472</u>		<u>284,472</u>
Net increase (decrease) in cash and cash equivalents	2,295,754	(191,918)	2,103,836
Cash and Cash Equivalents October 1, 2006	<u>1,625,469</u>	<u>466,169</u>	<u>2,091,638</u>
Cash and Cash Equivalents September 30, 2007	<u>\$ 3,921,223</u>	<u>\$ 274,251</u>	<u>\$ 4,195,474</u>
Income (loss) before transfers provided (used) by operating activities:			
Operating income (loss)	\$ 5,025,012	\$ (91,912)	\$ 4,933,100
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
(Increase) Decrease in Accounts Receivable	(333,768)	2,055	(331,713)
(Increase) Decrease in Due From Other Funds	(2,118,758)	816	(2,117,942)
Increase (Decrease) in Accounts Payable	1,552	6,338	7,890
Increase (Decrease) in Benefits payable	(562,756)	(109,215)	(671,971)
Total adjustments	<u>(3,013,730)</u>	<u>(100,006)</u>	<u>(3,113,736)</u>
Net cash provided (used) by operating activities	<u>\$ 2,011,282</u>	<u>\$ (191,918)</u>	<u>\$ 1,819,364</u>

FORT BEND COUNTY, TEXAS
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - AGENCY FUND
For the Year Ended September 30, 2007

	<u>BALANCE</u> <u>10/1/06</u>	<u>INCREASES</u>	<u>DECREASES</u>	<u>BALANCE</u> <u>9/30/07</u>
ASSETS				
Cash and cash equivalents	\$ 24,646,506	\$ 34,352,513	\$ 37,309,698	\$ 21,689,321
Total assets	<u>\$ 24,646,506</u>	<u>\$ 34,352,513</u>	<u>\$ 37,309,698</u>	<u>\$ 21,689,321</u>
LIABILITIES				
Accounts Payable	\$ 14,534	\$ 3,492,915	\$ 3,472,313	\$ 35,136
Due to other governments	<u>24,631,972</u>	<u>45,006,621</u>	<u>47,984,408</u>	<u>21,654,185</u>
Total liabilities	<u>\$ 24,646,506</u>	<u>\$ 48,499,536</u>	<u>\$ 51,456,721</u>	<u>\$ 21,689,321</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>	103
Revenue Capacity <i>These schedules contain information to help the reader assess the County's most significant local revenue source, the property tax.</i>	110
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>	124
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>	136
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>	138

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 FIVE FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year				
	2003	2004	2005	2006	2007
Governmental activities					
Invested in capital assets, net of related debt	\$ 295,858,324	\$ 340,361,097	\$ 370,338,466	\$ 432,997,770	\$ 571,604,116
Restricted	824,924	1,005,711	1,975,443	3,082,489	2,712,985
Unrestricted	53,326,394	41,675,720	41,861,958	65,582,780	67,881,987
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>	<u>\$ 642,199,088</u>
Primary Government					
Total primary government net assets	<u>\$ 350,009,642</u>	<u>\$ 383,042,528</u>	<u>\$ 414,175,867</u>	<u>\$ 501,663,039</u>	<u>\$ 642,199,088</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 FIVE FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year				
	2003	2004	2005	2006	2007
Expenses					
Governmental Activities:					
General administration	\$ 30,985,677	\$ 42,976,074	\$ 42,976,074	\$ 23,638,550	\$ 12,414,272
Financial administration	4,443,323	4,176,563	4,176,563	5,127,456	5,666,739
Administration of justice	25,915,729	26,601,486	26,601,486	31,024,483	33,554,996
Road and bridge maintenance	21,637,150	23,700,731	23,700,731	22,545,473	44,381,066
Health and welfare	14,612,327	15,261,857	15,261,857	16,903,729	19,866,544
Cooperative services	939,145	837,121	837,121	941,743	934,276
Public safety	33,362,301	36,863,732	36,863,732	44,544,768	52,325,953
Park and recreation	1,692,779	1,712,461	1,712,461	623,401	1,822,404
Flood control projects	5,776,931	7,723,490	7,723,490	10,175,820	6,434,608
Libraries and education	8,214,638	9,059,591	9,059,591	10,484,078	10,694,749
Interest on Long-term Debt	4,290,170	3,349,584	3,349,584	4,165,438	6,051,065
Total governmental activities expenses	<u>\$ 151,870,170</u>	<u>\$ 172,262,690</u>	<u>\$ 172,262,690</u>	<u>\$ 170,174,939</u>	<u>\$ 194,146,672</u>
Program Revenues					
Governmental Activities:					
Charges for services:					
General administration	\$ 9,717,379	\$ 11,639,044	\$ 12,161,924	\$ 7,181,125	\$ 2,412,415
Financial administration	3,372,000	6,335,931	7,911,436	613,495	1,760,789
Administration of justice	4,611,550	5,349,116	5,593,224	5,761,276	12,194,000
Road and bridge maintenance	3,959,038	1,459,723	1,913,455	3,569,625	6,412,780
Health and welfare	2,426,239	3,455,407	4,736,269	4,961,502	5,240,602
Public safety	2,735,090	2,080,970	2,487,425	3,704,319	1,569,848
Park and recreation	181,043	169,455	186,611	201,626	180,504
Flood control projects	819,302	820,704	1,261,743	992,906	784,947
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	434,135
Financial administration	800				
Administration of justice	4,165,788	10,005,555	5,285,427	4,089,072	4,978,848
Road and bridge maintenance	635,831	77,245	135,247		861,013
Health and welfare	2,171,366	1,093,277	3,276,058	816,749	5,042,570
Cooperative services	3,000				10,648
Public safety	1,211,079	1,358,976	3,245,684	1,778,870	7,520,084
Park and recreation			176,577	113,718	112,464
Libraries and education	66,340	54,034	74,410	187,127	89,348
Capital grants and contributions:					
Road and bridge maintenance	35,039,719	37,964,056	21,348,940	73,252,137	103,693,431
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>	<u>\$ 153,298,426</u>
Total primary government program revenues	<u>\$ 72,381,182</u>	<u>\$ 82,924,884</u>	<u>\$ 72,150,767</u>	<u>\$ 109,089,430</u>	<u>\$ 153,298,426</u>

	Fiscal Year				
	2003	2004	2005	2006	2007
Net (Expense)/Revenue					
Governmental Activities	<u>\$ (79,488,988)</u>	<u>\$ (89,337,806)</u>	<u>\$(100,111,923)</u>	<u>\$ (61,085,509)</u>	<u>\$ (40,848,246)</u>
Total primary government net (expense)/revenue	<u><u>\$ (79,488,988)</u></u>	<u><u>\$ (89,337,806)</u></u>	<u><u>\$(100,111,923)</u></u>	<u><u>\$ (61,085,509)</u></u>	<u><u>\$ (40,848,246)</u></u>
General Revenues and Other changes in Net Assets					
Governmental Activities:					
Property taxes	\$ 105,235,742	\$ 112,279,163	\$ 127,696,573	\$ 137,839,711	\$ 151,404,502
Earnings on investments	2,593,227	2,024,399	3,109,378	5,999,017	12,009,284
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>	<u>1,693,188</u>
Total governmental activities	<u>108,112,539</u>	<u>114,939,183</u>	<u>131,135,262</u>	<u>148,582,680</u>	<u>165,106,974</u>
Total primary government	<u><u>\$ 108,112,539</u></u>	<u><u>\$ 114,939,183</u></u>	<u><u>\$ 131,135,262</u></u>	<u><u>\$ 148,582,680</u></u>	<u><u>\$ 165,106,974</u></u>
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>	<u>\$ 124,258,728</u>
Total primary government	<u><u>\$ 28,623,551</u></u>	<u><u>\$ 25,601,377</u></u>	<u><u>\$ 31,023,339</u></u>	<u><u>\$ 87,497,171</u></u>	<u><u>\$ 124,258,728</u></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 FIVE FISCAL YEARS
(modified accrual basis of accounting)

	Fiscal Year				
	2003	2004	2005	2006	2007
General Fund					
Reserved					
Prepaid Items	\$	\$	\$ 248,968	\$ 97,835	\$ 326,402
Capital Projects					
Unreserved	38,190,054	29,594,905	29,138,820	36,741,861	35,375,155
Total General Fund	<u>\$ 38,190,054</u>	<u>\$ 29,594,905</u>	<u>\$ 29,387,788</u>	<u>\$ 36,839,696</u>	<u>\$ 35,701,557</u>
All Other Governmental Funds					
Reserved					
Debt Service	\$ 1,124,677	\$ 1,288,885	\$ 2,242,467	\$ 2,680,553	\$ 4,031,923
Prepaid Items			11,528		
Capital Projects	16,747,773	15,953,056	9,310,616	15,765,015	171,246,482
Unreserved					
Special revenue funds	13,199,653	12,393,307	8,700,780	12,289,125	16,787,185
Capital project funds	19,099,442	4,038,083	4,949,578	10,218,573	4,381,036
Total All Other Governmental Funds	<u>\$ 50,171,545</u>	<u>\$ 33,673,331</u>	<u>\$ 25,214,969</u>	<u>\$ 40,953,266</u>	<u>\$ 196,446,626</u>

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

	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>
REVENUES				
Taxes	\$ 77,203,427	\$ 81,119,794	\$ 88,112,950	\$ 95,085,800
Fees and Fines	12,066,913	13,014,312	13,406,877	14,778,811
Intergovernmental	9,810,527	16,227,039	12,885,317	14,734,336
Earnings on investments	4,540,592	4,701,813	6,255,899	6,185,232
Miscellaneous	4,388,835	4,956,865	4,635,353	5,123,303
Total Revenues	<u>108,010,294</u>	<u>120,019,823</u>	<u>125,296,396</u>	<u>135,907,482</u>
EXPENDITURES				
Current:				
General administration	14,703,574	16,732,833	19,329,894	18,704,900
Financial administration	3,121,939	3,301,421	3,636,492	4,447,728
Administration of justice	16,704,607	17,877,141	19,887,115	21,474,900
Construction and maintenance	13,850,339	14,190,756	14,191,265	14,461,030
Health and welfare	9,962,769	11,591,244	10,939,637	12,311,836
Cooperative services	542,718	616,862	617,619	732,705
Public safety	19,855,001	22,856,866	26,239,132	29,121,223
Parks and recreation	1,201,276	1,518,971	1,366,623	1,499,519
Flood control projects	5,029,077	5,984,810	6,639,325	5,662,492
Libraries and education	5,429,853	6,410,608	6,838,073	7,015,618
Capital Outlay	7,107,842	4,019,397	7,318,743	7,032,973
Debt Service:				
Principal	4,632,791	4,840,399	5,377,530	5,913,096
Interest and fiscal charges	4,063,635	3,813,846	3,274,164	3,400,932
Total Expenditures	<u>106,205,421</u>	<u>113,755,154</u>	<u>125,655,612</u>	<u>131,778,952</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,804,873	6,264,669	(359,216)	4,128,530
OTHER FINANCING SOURCES (USES)				
Transfers In	1,609,384	4,141,243	8,051,807	12,316,141
Transfers Out	(1,609,384)	(4,491,243)	(8,051,807)	(14,137,325)
Bonds issued		14,089,928		40,346,641
Payments to current refunding bond agent		(14,086,090)		
Sale of capital assets				
Proceeds from capital lease		939,895	595,659	355,132
Total other financing sources (uses)		<u>593,733</u>	<u>595,659</u>	<u>38,880,589</u>
Net Change in Fund Balances	<u>\$ 1,804,873</u>	<u>\$ 6,858,402</u>	<u>\$ 236,443</u>	<u>\$ 43,009,119</u>
Debt service as a percentage of noncapital expenditures	8.78%	7.89%	7.31%	7.47%

2002	2003	2004	2005	2006	2007
\$ 99,578,488	\$ 105,288,111	\$ 112,345,331	\$ 124,128,673	\$ 140,406,615	\$ 151,296,278
11,747,190	16,734,820	18,874,999	20,732,680	20,820,411	26,999,560
11,024,068	12,751,135	15,355,629	18,740,497	14,880,649	18,948,719
2,815,189	2,533,594	1,961,631	2,700,358	5,708,178	11,724,807
4,110,450	4,900,307	7,207,238	5,099,717	5,707,079	7,377,537
<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>	<u>216,346,901</u>
16,260,804	21,787,458	20,027,561	23,528,699	25,168,551	26,680,249
3,213,423	4,411,882	4,613,843	4,793,678	5,128,091	5,666,739
18,291,723	25,613,661	27,778,206	29,106,358	29,778,206	33,248,618
12,545,989	17,053,564	18,324,199	18,311,565	19,241,853	19,919,751
10,178,844	14,994,700	17,760,912	16,411,989	17,192,173	18,227,500
591,257	865,468	873,473	884,948	890,696	934,276
25,079,460	32,329,232	36,074,647	41,102,638	45,536,081	51,014,580
1,230,488	1,547,020	1,716,716	1,619,136	1,667,241	1,822,404
4,326,935	5,833,047	8,920,676	8,147,434	9,926,076	7,394,374
5,912,073	7,733,697	8,793,401	9,127,100	10,154,229	10,694,749
7,989,999	16,415,905	24,378,682	13,793,033	20,878,318	30,205,800
5,705,531	5,460,000	5,730,000	5,805,000	5,995,000	7,125,000
4,684,404	4,457,074	3,557,558	3,352,437	4,105,682	6,610,629
<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>	<u>219,544,669</u>
13,264,455	(16,294,741)	(22,805,046)	(4,582,090)	(8,139,265)	(3,197,768)
7,374,567	6,221,498	8,465,487	7,422,408	7,413,941	9,165,382
(7,124,567)	(7,601,326)	(10,753,805)	(11,978,097)	(7,413,941)	(9,165,382)
				30,245,000	157,552,984
			472,300		
<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>157,552,984</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>	<u>\$ 154,355,216</u>
9.62%	6.98%	6.02%	5.65%	5.78%	7.25%

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

<u>Category</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Single Family Residence	\$ 23,347,791,025	\$ 21,196,909,564	\$ 19,021,880,667	\$ 17,265,593,654
Multifamily Residence	624,746,015	550,142,145	462,764,405	459,980,450
Vacant Lot	735,283,478	667,025,103	658,442,934	592,510,220
Qualified Ag Land	1,396,938,636			
Non-Qualified Ag Land	115,815,172			
Real, Acreage (Land only)		1,190,613,650	1,123,937,818	1,015,564,250
Farm or Ranch Improvement	277,749,409	245,112,091	225,753,781	214,786,460
Commercial Real Property	3,418,004,025			
Industrial Real Property	1,546,854,160			
Real, Commercial and Industrial		4,038,098,657	3,340,893,723	3,151,406,195
Oil and Gas	493,944,860			
Real, Oil, Gas, and Other Mineral Reserves		533,822,070	190,220,532	261,808,140
Tangible Personal Non-business Vehicles				
Real & Intangible Personal, Utilities		685,742,863	684,686,460	610,783,260
Water Systems	191,980			
Gas Distribution System	25,113,950			
Electric company (Including Co-op)	249,560,290			
Telephone Company (Including Co-op)	175,135,558			
Railroad	26,366,610			
Pipeline Company	73,393,462			
Cable Television Company	128,821,715			
Other Type of Utility	648,870			
Commercial Personal Property	1,268,271,001			
Industrial Personal Property	1,246,210,863			
Tangible Personal, Business		2,557,515,614	2,342,945,158	2,124,506,625
Tangible Other Personal, Mobile Homes	69,123,485			
Tangible Other Personal, Other		66,497,465	59,567,255	54,635,515
Residential Inventory	822,890,210	732,772,380	599,953,030	549,377,960
Special Inventory Tax	59,368,540	60,226,190	58,594,120	59,206,080
Total exempt property	80,080	1,251,170,920	1,087,629,482	1,079,746,481
Unidentified Category/ Error			190,233,752	
Total Taxable Value per Tax Year	\$ 36,102,303,394	\$ 33,775,648,712	\$ 30,047,503,117	\$ 27,439,905,290

Source of data: Fort Bend County Appraisal District and County Tax Assessor/Collector.

<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>
\$ 15,262,490,720	\$ 13,568,024,248	\$ 11,911,795,812	\$ 10,102,316,342	\$ 9,041,069,157	\$ 8,429,012,641
388,756,350	348,271,010	323,391,745	287,797,885	222,300,330	191,603,873
549,174,270	540,639,960	507,494,400	464,847,110	464,358,680	436,171,418
947,910,970	947,799,210	946,963,000	930,927,810	946,460,920	990,732,220
192,150,361	187,394,056	153,097,611	133,978,156	123,438,051	118,389,385
2,535,635,580	2,389,152,540	2,209,184,480	1,937,117,790	1,694,168,890	1,515,695,676
271,012,820	263,999,570	188,379,810	167,894,040	202,327,670	168,237,547
1,128,840,503	1,158,159,835	1,026,114,540	1,202,383,113	1,239,677,060	1,285,147,927
2,031,632,933	1,890,037,355	1,744,379,459	1,641,652,126	1,526,621,659	1,425,345,882
47,721,755	47,177,715	41,870,015	33,162,985	30,179,530	26,481,836
455,797,290	465,684,440	373,541,510	328,042,510	203,731,840	204,065,913
59,698,090	59,527,983	49,174,650			
1,014,533,165	958,044,945	913,766,905	875,161,020	820,049,820	786,666,307
				547,190	-
\$ 24,885,354,807	\$ 22,823,912,867	\$ 20,389,153,937	\$ 18,105,280,887	\$ 16,514,930,797	\$ 15,577,550,625



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	Value	Ratio	Tax Rate
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
2006	2007	34,898,864,755	5,874,692,725	29,024,172,030	83.2%	0.517

Source of data: Fort Bend County Appraisal District.

FORT BEND COUNTY
PROPERTY TAX RATES - DIRECT AND
OVERLAPPING GOVERNMENTS
Last Ten 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 LID #17	**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>	<u>2006</u>
\$ 0.56410	\$ 0.53874	\$ 0.52374	\$ 0.52374	\$ 0.51674	\$ 0.51674
0.81941	0.63922	0.62105	0.59200	0.56300	0.73000
0.31430	0.33069	0.33872	0.27613	0.41890	0.41687
1.20000	1.20000	1.18000	1.00000	0.95000	0.73000
0.64600	0.55000	0.55000	0.49000	0.45000	0.43000
1.31680	1.31680	1.50000	1.50000	**N/A	
0.75000	0.74000	0.74000	0.74000	0.35500	0.30000
0.43000	1.08000	1.02000	1.02000	1.00000	0.88000
0.69000	0.68000	0.60110	0.58000	0.56500	0.52000
0.84800	0.79800	0.62000	0.62000	0.54000	0.51000
0.96000	0.86000	0.71000	0.65000	0.59500	0.57500
0.83000	0.78000	0.72000	0.72000	0.64000	0.59000
0.82500	0.72500	0.70000	0.70000	0.61000	0.57500
0.97000	0.95000	0.94000	0.94000	0.91000	0.89000
0.81000	0.76000	0.76000	0.76000	0.74000	0.65000
1.02000	1.02000	0.87000	0.87000	0.67000	0.65000
0.85000	0.78000	0.69000	0.69000	0.59000	0.53000
0.42500	1.08000	1.02000	1.02000	1.00000	0.79000
0.72000	0.67000	0.60000	0.50000	0.43000	0.32000
0.21500	0.20555	0.19500	0.20500	0.19000	0.19460
0.34200	0.39200	0.39200	0.38500	0.37500	0.31500
**N/A	**N/A	**N/A	**N/A	**N/A	**N/A
**N/A	**N/A	**N/A	**N/A	**N/A	**N/A
**N/A	**N/A	**N/A	**N/A	**N/A	**N/A
**N/A	**N/A	**N/A	**N/A	**N/A	**N/A
**N/A	**N/A	**N/A	**N/A	**N/A	**N/A
**N/A	**N/A	**N/A	**N/A	**N/A	**N/A
**N/A	**N/A	**N/A	**N/A	**N/A	**N/A
**N/A	**N/A	**N/A	**N/A	**N/A	**N/A
0.58500	0.43500	0.40500	0.37500	0.34500	0.30000
0.23000	0.23000	0.21000	0.21000	0.18400	0.16500
0.27000	0.25000	0.25000	0.24000	0.23000	0.21500
0.49000	0.49000	0.49000	0.49000	0.47000	0.46000
0.41000	0.40000	0.40000	0.38700	0.32000	0.27000
0.50000	0.50000	0.50000	0.50000	0.50000	0.25000
0.41000	0.31000	0.28000	0.26000	0.21000	0.19000
**N/A	**N/A	**N/A	0.60000	0.70000	0.70000
**N/A	**N/A	**N/A	**N/A	0.54000	0.57000
0.82000	0.82000	0.82000	0.82000	0.75000	0.65000
0.49900	0.49900	0.48000	0.48000	0.46000	0.46000
1.20000	1.20000	1.20000	1.20000	1.20000	1.20000
0.49000	0.49000	0.49000	0.49000	0.47000	0.39000
1.20000	1.15000	1.06000	1.06000	1.02000	0.95000
0.92500	0.92500	0.89000	0.87000	0.86000	0.82000
0.77000	0.77000	0.77000	0.77000	0.73000	0.72000

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 #57	**N/A	**N/A	**N/A	**N/A
Fort Bend County MUD #58	**N/A	**N/A	**N/A	**N/A
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 #131	**N/A	**N/A	**N/A	**N/A
Fort Bend County MUD #136	**N/A	**N/A	**N/A	**N/A
Fort Bend County MUD #137	**N/A	**N/A	**N/A	**N/A
Fort Bend County MUD #138	**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 #141	**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 MUD #147	**N/A	**N/A	**N/A	**N/A
Fort Bend County MUD #148	**N/A	**N/A	**N/A	**N/A

2001	2002	2003	2004	2005	2006
**N/A	**N/A	**N/A	**N/A	**N/A	**N/A
1.04300	1.04300	1.04300	1.01300	0.99300	0.88000
1.07000	1.07000	1.05000	0.95000	0.84000	0.72000
**N/A	**N/A	1.25000	1.25000	1.25000	1.05000
0.63000	0.63000	0.63000	0.63000	0.63000	0.59000
0.60000	0.75000	0.70000	0.66000	0.62000	0.58000
0.50000	0.50000	0.48000	0.48000	0.46000	0.43000
1.05000	1.05000	1.05000	1.00000	0.95000	0.90000
1.25000	1.17000	1.17000	1.15000	1.15000	1.09000
1.06000	1.00000	0.98000	0.98000	0.96000	0.89000
0.88800	0.86000	0.84000	0.84000	0.80000	0.80000
0.83000	0.83000	0.90000	0.90000	0.90000	0.90000
**N/A	**N/A	**N/A	**N/A	1.50000	1.50000
**N/A	**N/A	**N/A	**N/A	1.50000	1.50000
0.50000	0.48500	0.46000	0.45000	0.44000	0.45000
0.47000	0.47000	0.46000	0.44000	0.43000	0.40500
0.41500	0.40000	0.39000	0.38000	0.37000	0.33000
0.75000	0.73000	0.73000	0.69000	0.57000	0.42500
0.72000	0.72000	0.71000	0.71000	0.71000	0.71000
0.58000	0.58000	0.57000	0.54000	0.50000	0.47000
0.47000	0.47000	0.46000	0.43000	0.42500	0.40000
0.58500	0.57000	0.55000	0.53000	0.51500	0.51000
0.37000	0.34000	0.34000	0.34000	0.32000	0.30000
0.82000	0.81000	0.73000	0.57000	0.46000	0.39000
0.48000	0.34000	0.33500	0.31500	^	**N/A
1.45000	1.45000	1.30000	1.30000	1.15000	1.13000
0.97000	0.97000	0.97000	0.97000	0.97000	0.59000
1.40000	1.40000	1.33000	1.16000	1.00000	0.89000
0.91000	0.91000	0.86000	0.84000	0.74000	0.67000
**N/A	**N/A	1.25000	1.20000	0.95000	0.75000
1.25000	1.25000	1.25000	1.25000	1.25000	1.25000
**N/A	**N/A	1.00000	1.00000	1.00000	1.00000
**N/A	**N/A	**N/A	1.00000	1.00000	1.00000
1.11300	1.15000	1.20000	1.20000	1.15000	0.99000
**N/A	**N/A	**N/A	0.90000	0.80000	0.80000
0.80000	0.80000	0.80000	0.80000	0.80000	0.79000
**N/A	**N/A	**N/A	**N/A	0.90000	0.90000
**N/A	**N/A	**N/A	**N/A	0.63000	0.63000
**N/A	**N/A	**N/A	**N/A	0.63000	0.63000
**N/A	**N/A	**N/A	**N/A	0.63000	0.63000
**N/A	**N/A	**N/A	1.25000	1.25000	1.25000
**N/A	**N/A	**N/A	**N/A	1.39000	1.39000
**N/A	**N/A	**N/A	1.33000	1.39000	1.32000
**N/A	**N/A	**N/A	1.00000	1.00000	1.25000
**N/A	**N/A	**N/A	1.00000	0.80000	0.80000
**N/A	**N/A	**N/A	1.25000	1.25000	1.20000
**N/A	**N/A	**N/A	**N/A	0.95000	0.95000
**N/A	**N/A	**N/A	**N/A	0.90000	0.90000

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 #150	**N/A	**N/A	**N/A	**N/A
Fort Bend County MUD #151	**N/A	**N/A	**N/A	**N/A
Fort Bend County MUD #152	**N/A	**N/A	**N/A	**N/A
Fort Bend County MUD #155	**N/A	**N/A	**N/A	**N/A
Fort Bend County MUD #158	**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
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 Fresh Water Supply #2	**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 Mission MUD #2	**N/A	**N/A	**N/A	**N/A
Grand Lakes MUD #1	**N/A	**N/A	**N/A	**N/A
Grand Lakes MUD #2	**N/A	**N/A	**N/A	**N/A
Grand Lakes MUD #4	**N/A	**N/A	**N/A	**N/A
Grand Lakes WCID	**N/A	**N/A	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

2001	2002	2003	2004	2005	2006
**N/A	**N/A	**N/A	**N/A	0.94500	-
**N/A	**N/A	**N/A	**N/A	1.30000	1.30000
**N/A	**N/A	**N/A	**N/A	1.45000	1.45000
**N/A	**N/A	**N/A	**N/A	1.39000	1.39000
**N/A	**N/A	**N/A	**N/A	1.45000	1.45000
0.16290	0.16290	0.16290	0.18000	0.18000	0.18000
0.50000	0.50000	0.50000	0.50000	0.50000	0.50000
**N/A	**N/A	**N/A	**N/A	**N/A	**N/A
**N/A	**N/A	0.06250	0.06250	0.06250	0.06250
**N/A	0.09800	0.09800	0.09800	0.09800	0.09200
**N/A	**N/A	**N/A	0.07000	0.07000	0.06750
**N/A	**N/A	**N/A	0.06000	0.07000	0.08897
0.03000	0.03000	**N/A	**N/A	**N/A	**N/A
0.03000	0.03000	**N/A	**N/A	**N/A	**N/A
**N/A	**N/A	0.25000	0.25000	0.25000	1.00000
**N/A	**N/A	**N/A	**N/A	0.25000	0.50000
1.68250	1.68250	1.67000	1.70750	1.69000	1.25000
0.49990	0.42170	0.22000	0.11448	0.04153	
0.40208	0.39251	0.37000	0.33000	0.32743	0.20592
1.00000	0.72000	1.00000	1.00000	1.00000	1.05000
**N/A	**N/A	**N/A	**N/A	1.00000	1.25000
**N/A	**N/A	1.25000	1.25000	1.15000	0.79000
**N/A	**N/A	1.22000	1.10000	0.97000	0.70000
0.23000	0.98000	0.90000	0.90000	0.82000	0.82000
1.00000	0.21000	0.17000	0.15000	0.10500	0.09500
0.09900	0.09900	0.09740	0.09700	0.09700	0.10000
1.14580	1.14580	1.10000	1.05000	1.00000	0.88000
**N/A	**N/A	**N/A	1.25000	1.25000	1.25000
0.44000	0.44000	0.50000	0.87000	0.95000	0.96000
1.06000	1.06000	0.97000	0.92000	0.86000	0.82000
0.65500	0.65500	0.65000	0.65000	0.64750	
0.08133	0.08133	0.08133	0.09598	0.09577	0.09518
0.61466	0.61466	0.61466	0.61466	0.61466	
1.92000	1.94000	1.94000	1.94000	**N/A	1.52660
0.70000	0.66000	0.70000	0.70945	0.70000	0.76503
1.50000	1.50000	1.78430	1.78000	1.78000	1.23170
0.94880	0.92000	0.92000	0.88000	0.84000	0.80000
1.66450	1.66450	1.66450	1.69760	1.69760	1.29765
0.43500	0.42000	0.42000	0.41000	0.38000	0.10000
0.73000	0.73000	0.73000	0.76000	0.76000	0.79000
0.62000	0.58000	0.56500	0.54000	0.45000	0.28000
0.50325	0.49146	0.51000	0.50165	0.49800	0.49926
0.52336	0.50955	0.49567	0.49995	0.48000	0.42284
1.51300	1.58700	1.66040	1.66400	1.66400	1.27929
0.85000	0.82000	0.82000	0.75000	0.63000	0.52000
0.22425	0.24423	0.32090	0.35148	0.34531	0.30750
0.88000	0.81000	0.79000	0.78000	0.74000	0.68000
0.78000	0.78000	0.68000	0.60000	0.55000	0.49000

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

	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>
Political Subdivision: (continued)				
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
Simonton, City of	**N/A	**N/A	**N/A	**N/A
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

**N/A Political entity not in existence at this time or taxes not yet levied. Data

^ Not able to obtain by report issuance

Source of data: Fort Bend County Appraisal District.

<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
0.65500	0.63500	0.59500	0.57500	0.51000	0.47000
1.00000	0.68500	0.65000	0.65000	0.63000	0.63000
0.29000	0.28000	0.28000	0.27000	**N/A	**N/A
0.79000	0.79000	0.79000	0.79000	0.79000	0.79000
0.55500	0.55500	0.55500	0.55500	0.55500	0.54500
0.59000	0.59000	0.60000	0.60000	0.60000	0.58000
**N/A	**N/A	**N/A	**N/A	**N/A	**N/A
0.90000	0.85000	0.83000	0.76000	0.72000	0.72000
0.90000	0.90000	0.90000	0.90000	0.88000	0.75000
**N/A	**N/A	**N/A	0.90000	0.90000	0.90000
**N/A	**N/A	**N/A	0.90000	0.90000	0.90000
**N/A	**N/A	**N/A	**N/A	0.2700	0.27
1.69500	1.71000	1.71550	1.70800	1.68660	1.25000
0.33330	0.32886	0.32840	0.32568	0.31711	0.30000
0.22000	0.22000	**N/A	**N/A	**N/A	**N/A
0.25100	0.22100	0.19100	0.19100	0.18100	0.12100
0.15635	0.16738	0.17401	0.16892	0.15595	0.13485
0.38700	0.35000	0.30000	0.27000	0.26000	0.20000
**N/A	**N/A	0.60000	0.60000	0.60000	0.60000



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

Taxpayer	Fiscal Year 2007			Fiscal Year 1997		
	Assessed Value	Rank	Percentage of Total Net Assessed Valuation	Assessed Value	Rank	Percentage of Total Net Assessed Valuation
NRG Texas LP	1,799,052,080	1	6.20 %			%
Centerpoint Energy Inc.	221,152,430	2	0.76			
Texas Instruments, Inc.	157,258,290	3	0.54	147,336,020	2	1.31
Conocophillips Company	148,455,640	4	0.51			
Katy Mills Mall LTD Partnership	148,319,680	5	0.51			
STC Manufacturing Group	101,650,560	6	0.35			
Tramontina USA Inc.	98,752,240	7	0.34			
Lakepointe Assets LLC	89,443,550	8	0.31			
Texas Genco LP	87,398,320	9	0.30			
Jetta Operating Company Inc.	71,518,610	10	0.25			
Sugar Land Telephone Co.				61,568,790	6	0.55
Phillips Petroleum Co.				63,272,170	4	0.56
Fluor Daniel, Inc.				81,601,640	3	0.73
Houston Lighting & Power				1,021,330,980	1	9.09
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
Cooper Cameron Corporation				44,704,920	10	0.40
Imperial Holly Corporation				48,925,360	9	0.44
Subtotal	\$ 2,923,001,400		10.07 %	\$ 1,632,547,620		14.53 %
Other tax payers	<u>26,101,170,630</u>		<u>89.93</u>	<u>9,604,981,492</u>		<u>85.47</u>
Total	<u><u>\$ 29,024,172,030</u></u>		<u><u>100.00 %</u></u>	<u><u>\$ 11,237,529,112</u></u>		<u><u>100.00 %</u></u>

Source of data: Fort Bend County Appraisal District.

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
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%
2006	2007	149,988,123	(195,696)	149,792,427	145,982,621	97.33%

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
\$ 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%
973,614	130,493,094	99.46%	799,381	0.61%
	147,363,819	98.25%	2,428,608	1.62%

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
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		
2006	2007	507,110	29,024,172,030		239,875,000		

(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
\$ 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
239,875,000	3,965,968	235,909,032	15,364,670,000	1.54%	0.81%	465.20

FORT BEND COUNTY, TEXAS
DIRECT AND OVERLAPPING DEBT
September 30, 2007

<u>Taxing Jurisdiction</u>	<u>Long-Term Outstanding</u>	<u>Percentage</u>	<u>Debt</u>
Fort Bend County	\$ 380,074,452	100.00%	\$ 380,074,452
<u>Special Districts:</u>			
Big Oaks MUD	\$ 24,105,000	100.00%	\$ 24,105,000
Cinco MUD #1 (Contract)	60,695,000	100.00%	60,695,000
Cinco MUD #1	3,695,000	100.00%	3,695,000
Cinco MUD #2	5,795,000	100.00%	5,795,000
Cinco MUD #3	3,580,000	71.07%	2,544,306
Cinco MUD #5	4,855,000	100.00%	4,855,000
Cinco MUD #7	8,090,000	100.00%	8,090,000
Cinco MUD #8	8,735,000	100.00%	8,735,000
Cinco MUD #10	7,125,000	100.00%	7,125,000
Cinco MUD #12	1,800,000	100.00%	1,800,000
Cinco MUD #14	15,525,000	100.00%	15,525,000
Eldridge Road MUD	4,055,000	100.00%	4,055,000
First Colony LID	760,000	100.00%	760,000
First Colony LID #2	4,575,000	100.00%	4,575,000
First Colony MUD #9	19,210,000	100.00%	19,210,000
First Colony MUD #10	5,700,000	100.00%	5,700,000
Fort Bend County LID #2	5,695,000	100.00%	5,695,000
Fort Bend County LID #7	14,995,000	100.00%	14,995,000
Fort Bend County LID #10	10,560,000	100.00%	10,560,000
Fort Bend County LID #11	23,274,000	100.00%	23,274,000
Fort Bend County LID #12	16,315,000	100.00%	16,315,000
Fort Bend County LID #14	6,975,000	100.00%	6,975,000
Fort Bend County LID #15	8,500,000	100.00%	8,500,000
Fort Bend County LID #17	9,445,000	100.00%	9,445,000
Fort Bend County MUD #1	19,410,000	100.00%	19,410,000
Fort Bend County MUD #2	4,690,000	100.00%	4,690,000
Fort Bend County MUD #19	1,990,000	100.00%	1,990,000
Fort Bend County MUD #21	13,135,000	100.00%	13,135,000
Fort Bend County MUD #23	55,140,000	100.00%	55,140,000
Fort Bend County MUD #25	49,590,000	100.00%	49,590,000
Fort Bend County MUD #26	17,585,000	100.00%	17,585,000
Fort Bend County MUD #30	33,620,000	99.25%	33,367,850
Fort Bend County MUD #34	18,265,000	100.00%	18,265,000

FORT BEND COUNTY, TEXAS
DIRECT AND OVERLAPPING DEBT
September 30, 2007

<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 #35	29,380,000	100.00%	29,380,000
Fort Bend County MUD #41	7,620,000	100.00%	7,620,000
Fort Bend County MUD #42	12,335,000	100.00%	12,335,000
Fort Bend County MUD #46	13,830,000	100.00%	13,830,000
Fort Bend County MUD #48	4,985,000	100.00%	4,985,000
Fort Bend County MUD #49	2,795,000	100.00%	2,795,000
Fort Bend County MUD #50	6,970,000	100.00%	6,970,000
Fort Bend County MUD #67	5,840,000	100.00%	5,840,000
Fort Bend County MUD #68	6,305,000	100.00%	6,305,000
Fort Bend County MUD #69	3,895,000	100.00%	3,895,000
Fort Bend County MUD #81	5,890,000	100.00%	5,890,000
Fort Bend County MUD #94	6,965,000	100.00%	6,965,000
Fort Bend County MUD #106	14,430,000	100.00%	14,430,000
Fort Bend County MUD #108	6,980,000	100.00%	6,980,000
Fort Bend County MUD #109	11,280,000	100.00%	11,280,000
Fort Bend County MUD #111	10,410,000	100.00%	10,410,000
Fort Bend County MUD #112	7,560,000	100.00%	7,560,000
Fort Bend County MUD #113	-	100.00%	-
Fort Bend County MUD #115	15,470,000	100.00%	15,470,000
Fort Bend County MUD #116	30,705,000	100.00%	30,705,000
Fort Bend County MUD #117	24,960,000	100.00%	24,960,000
Fort Bend County MUD #118	32,965,000	100.00%	32,965,000
Fort Bend County MUD #119	25,500,000	100.00%	25,500,000
Fort Bend County MUD #121	21,625,000	100.00%	21,625,000
Fort Bend County MUD #122	16,685,000	100.00%	16,685,000
Fort Bend County MUD #123	4,595,000	100.00%	4,595,000
Fort Bend County MUD #124	10,750,000	100.00%	10,750,000
Fort Bend County MUD #129	4,600,000	100.00%	4,600,000
Fort Bend County MUD #130	13,755,000	100.00%	13,755,000
Fort Bend County MUD #137	5,515,000	100.00%	5,515,000
Fort Bend County MUD #138	5,760,000	100.00%	5,760,000
Fort Bend County MUD #140	11,325,000	100.00%	11,325,000
Fort Bend County MUD #142	15,450,000	100.00%	15,450,000
Fort Bend County MUD #143	7,875,000	100.00%	7,875,000
Fort Bend County MUD #144	2,815,000	100.00%	2,815,000

FORT BEND COUNTY, TEXAS
DIRECT AND OVERLAPPING DEBT
September 30, 2007

<u>Taxing Jurisdiction</u>	<u>Long-Term Debt Outstanding</u>	<u>Applicable Percentage</u>	<u>Overlapping Debt</u>
Fort Bend County MUD #146	18,570,000	100.00%	18,570,000
Fort Bend County MUD #148	2,040,000	100.00%	2,040,000
Fort Bend County MUD #151	12,470,000	100.00%	12,470,000
Fort Bend County WC&ID #3	2,890,000	100.00%	2,890,000
Grand Lakes MUD #1	17,130,000	100.00%	17,130,000
Grand Lakes MUD #2	15,645,000	100.00%	15,645,000
Grand Lakes MUD #4	19,740,000	100.00%	19,740,000
Grand Lakes WC&ID	3,795,000	100.00%	3,795,000
Grand Mission MUD #1	12,545,000	100.00%	12,545,000
Meadowcreek MUD	-	100.00%	-
North Mission Glen MUD	28,900,000	99.45%	28,741,050
Palmer Plantation MUD #1	7,730,000	100.00%	7,730,000
Palmer Plantation MUD #2	9,960,000	100.00%	9,960,000
Pecan Grove MUD	5,780,000	100.00%	5,780,000
Plantation MUD	7,045,000	100.00%	7,045,000
Sienna Plantation LID	66,605,000	100.00%	66,605,000
Sienna Plantation MUD #2	29,385,000	100.00%	29,385,000
Sienna Plantation MUD #3	42,455,000	100.00%	42,455,000
Sienna Plantation MUD #10	10,740,000	100.00%	10,740,000
Sienna Plantation MUD #12	3,000,000	100.00%	3,000,000
Woodcreek Reserve MUD	6,360,000	100.00%	6,360,000
 <u>Co-Line Special Districts:</u>			
Cinco MUD #6	3,895,000	51.05%	1,988,398
Cinco MUD #9	5,765,000	58.85%	3,392,703
Chelford City MUD	1,475,000	52.03%	767,443
Cornerstones MUD	7,380,000	6.92%	510,696
Fort Bend County WC&ID #2	31,990,000	98.11%	31,385,389
Harris - Fort Bend Cos. MUD #1	16,615,000	86.52%	14,375,298
Harris - Fort Bend Cos. MUD #4	21,835,000	83.69%	18,273,712
Harris - Fort Bend Cos. MUD #5	9,245,000	93.57%	8,650,547
Kingsbridge MUD	35,295,000	95.68%	33,770,256
Mission Bend MUD #1	415,000	57.59%	238,999
Renn Road MUD	10,880,000	21.44%	2,332,672
West Harris County MUD #4	5,890,000	6.12%	360,468
West Keegans Bayou Impv. Dist.	2,285,000	88.18%	2,014,913
Willow Fork Drainage Dist.	42,040,000	91.40%	38,424,560
Total Special Districts			<u><u>\$ 1,399,583,257</u></u>

FORT BEND COUNTY, TEXAS
DIRECT AND OVERLAPPING DEBT
September 30, 2007

<u>Taxing Jurisdiction</u>	<u>Long-Term Debt Outstanding</u>	<u>Applicable Percentage</u>	<u>Overlapping Debt</u>
<u>Cities:</u>			
Arcola	\$ -	100.00%	\$ -
Beasley	413,000	100.00%	413,000
Kendleton	74,000	100.00%	74,000
Needville	640,000	100.00%	640,000
Orchard	81,000	100.00%	81,000
Richmond	10,225,000	100.00%	10,225,000
Rosenberg	33,010,000	100.00%	33,010,000
Sugar Land	123,990,000	100.00%	123,990,000
<u>County Line Cities:</u>			
Houston	2,205,832,550	0.81%	17,867,244
Katy	8,430,000	33.94%	2,861,142
Missouri City	48,690,000	94.14%	45,836,766
Pearland	244,945,000	2.18%	5,339,801
Stafford	3,000,000	98.64%	2,959,200
Total Cities			<u><u>\$ 248,812,153</u></u>
<u>School Districts:</u>			
Fort Bend ISD	\$ 691,553,885	100.00%	\$ 691,553,885
Kendleton ISD	1,145,000	100.00%	1,145,000
Lamar Consolidated ISD	370,033,926	100.00%	370,033,926
Needville ISD	26,060,000	100.00%	26,060,000
<u>Co-Line School Districts:</u>			
Brazos ISD	11,239,993	84.34%	9,479,810
Katy ISD	822,387,877	29.36%	241,453,081
Stafford MSD	23,410,000	99.68%	23,335,088
Total School Districts			<u><u>\$ 1,363,060,790</u></u>
<u>Other:</u>			
Houston Community College District	149,215,000	5.52%	8,236,668
Total Other			<u><u>\$ 8,236,668</u></u>
<u>Summary of Total Estimated Overlapping Debt:</u>			
Special Districts			\$ 1,399,583,257
Cities			248,812,153
School Districts			1,363,060,790
Other			8,236,668
Estimated Overlapping Debt			<u><u>\$ 3,019,692,867</u></u>

**FORT BEND COUNTY, TEXAS
DIRECT AND OVERLAPPING DEBT
September 30, 2007**

<u>Taxing Jurisdiction</u>	<u>Long-Term Debt Outstanding</u>	<u>Applicable Percentage</u>	<u>Overlapping Debt</u>
<u>Fort Bend County</u>			
Fort Bend County - Direct Obligations			380,074,452
Fort Bend County Parkway Road District			475,000
Fort Bend County - Fort Bend Toll Road Authority			
Total Direct and Estimated Overlapping Debt			<u><u>\$ 3,400,242,319</u></u>

Source of data: First Southwest Bank.



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

	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>
Assessed value of real property:	\$ 10,017,620,998	\$ 10,608,913,287	\$ 11,749,370,653	\$ 13,257,881,758
Assessed value of personal and other property:	2,149,344,659	2,269,178,149	2,275,122,329	2,480,875,474
Total assessed value:	<u>\$ 12,166,965,657</u>	<u>\$ 12,878,091,436</u>	<u>\$ 14,024,492,982</u>	<u>\$ 15,738,757,232</u>
Debt Limit, 25% of real property:	\$ 2,504,405,250	\$ 2,652,228,322	\$ 2,937,342,663	\$ 3,314,470,440
Amount of debt applicable to debt limit:	66,140,870	62,415,366	57,708,495	92,880,531
Less: Assets available in Debt Service Funds for payment of principal	<u>3,230,136</u>	<u>2,357,150</u>	<u>1,707,163</u>	<u>1,864,575</u>
Total amount of debt applicable to debt limit:	62,910,734	60,058,216	56,001,332	91,015,956
LEGAL DEBT MARGIN	<u>\$ 2,441,494,516</u>	<u>\$ 2,592,170,106</u>	<u>\$ 2,881,341,331</u>	<u>\$ 3,223,454,484</u>
Total net debt applicable to the limit as a percentage of debt limit:	2.51%	2.26%	1.91%	2.75%

2002	2003	2004	2005	2006	2007
\$ 14,931,047,882	\$ 16,339,347,766	\$ 18,075,649,455	\$ 19,783,716,194	\$ 22,343,399,407	\$ 25,226,420,176
2,805,154,814	3,020,371,529	3,060,958,055	3,475,694,553	3,705,722,416	3,797,751,854
\$ 17,736,202,696	\$ 19,359,719,295	\$ 21,136,607,510	\$ 23,259,410,747	\$ 26,049,121,823	\$ 29,024,172,030
\$ 3,732,761,971	\$ 4,084,836,942	\$ 4,518,912,364	\$ 4,945,929,049	\$ 5,585,849,852	\$ 6,306,605,044
87,260,000	81,135,000	75,510,000	69,820,000	94,190,000	239,875,000
1,525,613	1,124,677	1,165,433	2,116,782	2,621,749	3,965,968
85,734,387	80,010,323	74,344,567	67,703,218	91,568,251	235,909,032
\$ 3,647,027,584	\$ 4,004,826,619	\$ 4,444,567,797	\$ 4,878,225,831	\$ 5,494,281,601	\$ 6,070,696,012
2.30%	1.96%	1.65%	1.37%	1.64%	3.74%

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

Year	Population	Personal Income	Per Capita Personal Income	Unemployment Rate
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%
2007	507,110	15,364,670,000	30,298	4.1%

Source of data: Fort Bend Economic Development Council.

FORT BEND COUNTY, TEXAS

LARGEST EMPLOYERS

Current Year and Nine Years Ago

Employer	Fiscal Year 1998		Fiscal Year 2007	
	Local Employees	Rank	Local Employees	Rank
Fort Bend ISD	4,776	1	8,563	1
Lamar CISD	1,950	4	3,000	2
Schlumberger Technology Corp.	1,850	5	2,650	3
Fluor Corporation	2,400	2	2,100	4
Fort Bend County	1,362	9	1,889	5
Texas Instruments	2,000	3	1,700	6
Richmond State School	1,400	7	1,370	7
Texas Department of Criminal Justice			1,092	8
United Parcel Service			744	9
Suntron Corporation			742	10
Southwestern Bell Telephone	1,486	6	315	
Schlumberger Companies	1,378	8		
Prudential Insurance	1,350	10		
	<u>19,952</u>		<u>23,850</u>	

Note: total employment base not readily available.
 Source of data: Fort Bend Economic Development Council.

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

Function	1998	1999	2000	2001
General administration	\$ 28,845,311	\$ 29,240,454	\$ 33,197,284	\$ 36,770,590
Financial administration	281,835	288,086	96,711	119,296
Administration of justice	6,078,737	6,141,824	5,347,403	5,531,407
Construction and maintenance	16,698,351	17,039,658	16,666,759	17,040,653
Health and welfare	1,951,121	1,947,188	1,711,126	1,703,477
Cooperative services	724,974	1,798,423	1,892,849	2,636,741
Public safety	40,022,104	40,511,924	40,746,052	41,223,942
Parks and recreation	4,293,556	4,933,125	4,921,023	4,897,607
Flood control projects	7,065,364	8,068,122	8,259,861	8,258,680
Libraries and education	17,375,689	19,038,303	17,880,182	17,896,960
Total	\$123,337,042	\$129,007,107	\$130,719,250	\$136,079,353

2002	2003	2004	2005	2006	2007
\$ 31,384,561	\$ 36,123,320	\$ 40,686,743	\$ 45,429,863	\$ 48,134,688	\$ 59,602,273
368,294	144,789	138,384	120,649	137,631	140,772
7,989,581	8,254,198	9,130,798	8,917,365	9,412,781	10,637,333
278,379,638	323,694,223	374,808,933	405,258,086	499,721,328	607,131,071
2,417,759	2,883,636	2,945,590	3,191,960	3,892,667	4,390,151
2,256,864	2,225,741	2,269,466	2,265,188	2,279,410	2,287,024
41,018,327	41,818,081	40,894,945	42,236,819	45,546,963	49,610,533
10,484,455	11,238,730	12,215,320	12,035,812	13,352,992	13,674,305
7,682,432	8,025,076	9,306,064	9,052,014	9,369,357	9,510,703
18,239,711	20,712,701	24,951,010	27,712,732	28,166,263	28,072,180
\$400,221,622	\$455,120,495	\$517,347,253	\$556,220,488	\$660,014,080	\$785,056,345

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

Source of data: County employment records.

Employees as of September 30

<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
169	174	178	182	193	193
79	79	82	83	88	88
183	184	197	204	215	218
149	160	162	164	167	167
117	120	138	145	146	146
15	17	17	17	10	11
493	514	553	563	606	631
19	18	18	19	19	19
74	74	74	74	74	74
96	96	113	113	113	117
<u>1,394</u>	<u>1,436</u>	<u>1,532</u>	<u>1,564</u>	<u>1,631</u>	<u>1,664</u>

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

Function	2005	2006	2007	Projected 2008
General Administration				
Documents filed with County Clerk	268,973	312,758	459,328	510,200
Copies issued by County Clerk	300,081	271,691	197,005	205,000
New employees Hired				
Full Time	128.00	207.00	193.00	211.43
Part Time	144.00	473.00	29,028	36,285
Technical Support Calls to IT	9,206	10,015	50,000	60,000
Medical Claims filed with Risk Management	46,428	42,777	100.00	115.00
On the job accident claims to Risk Management	125.00	91.00	73,000	75,000
Voter Registrations	65,591	85,000	1,380,000	1,240,000
Pieces of mail processed	1,081,440	1,167,955		
Records Management			570	550
On site storage (square footage)	760	634	13,532	14,500
Off site storag (square footage)	9,556	9,805		
Financial Adminstration				
Treasurer			10,500	11,000
Cash receipts processed	16,555	12,000	45,000	47,500
Checks distibuted	55,470	50,000		
Budget Office			-10.00%	-8.00%
Expenditures to Budget ratio	-5.86%	-4.09%		
Administration of Justice				
Worthless check clearance rate	79.44%	63.54%	65.00%	65.00%
Felony case disposition rate	87.60%	86.80%	87.00%	87.00%
Misdemeanor case disposition rate	86.80%	83.70%	85.00%	85.00%
Community Service Rehabilitation hours	73,578	72,956	73,578	72,000
Justice Court case filiings - Prct 1 Pl 1	65,913	72,956	5,124	5,225
Justice Court case filiings - Prct 1 Pl 2	6,074	7,500	18,000	20,000
Justice Court case filiings - Prct 2	15,983	16,500	5,000	5,000
Justice Court case filiings - Prct 2	7,163	4,396	13,437	14,000
Justice Court case filiings - Prct 3	N/A	9,854	5,550	5,600
Justice Court case filiings - Prct 4	6,735	5,500	4,400	4,700
Number of Justice Court cases disposed - Prct 1 Pl 2	10,417	12,500	9,000	9,200
Number of Justice Court cases disposed - Prct 2	3,053	4,095	4,200	4,300
Number of Justice Court cases disposed - Prct 3	N/A	10,514	10,905	9,500
Number of Justice Court cases disposed - Prct 4	3,337	2,445	2,670	2,670
Construction and Maintenance				
Building & Right-of-way permits issued	2,900	6,892	7,000	7200
Tonnage of recyclable diverted from landfills	281	312	343	375
Pounds of hazardous materials recycled	117,206	141,357	150,000	155000
Mileage of county roads - unincorporated areas	N/A	1,163	1,213	1250
New county road miles constructed - unincorporated areas	N/A	60	50	50

Source of data: various County departments.

Function	2005	2006	2007	Projected 2008
Health and Welfare				
Number of clients receiving Social Service assistance annually	5,711	6,008	6,609	6800
Number of child immunizations annually	11,194	14,296	15,000	15500
Number of reportable diseases documented	1,175	1,008	1,050	1200
Numer of food establishment inspections	1,382	1,379	1,312	1330
Number of septic system applications submitted	556	547	520	500
Number of licensed aerobic systems	4,035	4,502	4,715	5015
Number of citations issued for aerobic system non-compliance	1,195	2,284	2,500	2600
Number of EMS incident responses	20,295	21,837	74.67%	77.00%
Number of stray animals impounded	4,189	3,536	4,800	5614
Number of stray animals euthanised	3,841	3,104	4,000	4286
Number of stray animals adopted	348	424	340	304
Indigent healthcare clients - annual	1,393	N/A	1,793	3551
Public Safety				
Number of Civil processes received annually				
Constable Prct 2	12,626	8580	8232	11400
Constable Prct 3	6,891	7147	7147	7300
Homeland security grant funds expended	\$ 2,228,934	\$ 1,764,000	\$ 1,724,700	\$ 2,916,000
Fire calls responded to annually	6,391	7156	6600	6752
Parks and Recreation				
Number of facility rentals annually	462	623	650	700
Number of Park reservations annually	209	624	808	955
Libraries and Education				
Number of library transactions annually	3,226,568	3,743,391	4,504,342	4,553,906
Library circulation items per capita	678,660	763,781	\$ 2.39	\$ 2.44
Flood Control Projects				
Mileage of channel maintained	2,408	1800	1800	1800

