

FORT BEND COUNTY, TEXAS COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended September 30, 2012



Kitty Hollow Park - Dew House



Bates Allen Park - Heritage House

**Robert Ed Sturdivant, CPA
County Auditor**

COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Year Ended September 30, 2012



Prepared by:

County Auditor's Office

Robert Ed Sturdivant, CPA

County Auditor

FORT BEND COUNTY, TEXAS
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COUNTY AUDITOR
Fort Bend County, Texas

Robert Ed Sturdivant
County Auditor

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

March 18, 2013

To the Honorable District Judges, Members of the Commissioners Court, and Citizens of Fort Bend County (the “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, 2012.

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.

Sandersen Knox and Company, L.L.P., has issued an unqualified (“clean”) opinion on Fort Bend County’s financial statements for the year ended September 30, 2012. 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 section of 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, which is composed of the County Judge and four County Commissioners, is the governing body of the County. 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 of 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 ten-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 County Toll Road Authority, Fort Bend Grand Parkway Toll Road Authority, Fort Bend County Surface Water Supply Corporation, Fort Bend County Housing Finance Corporation, and Fort Bend County Industrial Development Corporation are considered to meet the criteria of component units. The Toll Road Authorities, Surface Water Supply Corporation, Housing Finance Corporation, and Industrial Development Corporation have been included in the report as discretely presented component units. The Drainage District and the FBFCWSC have been included in the combining statements in other supplementary information, as they are reported as blended component units.

Local Economy

Fort Bend County experienced a slight upturn in the local economy for fiscal year 2012. This is evident by a modest increase in new home sales, labor force, and employment rate. The demand for services regarding the governmental functions performed by the County continues to increase at a greater rate. The Commissioners Court continues to use a conservative approach to the allocation of resources to serve the County's needs to ensure that Fort Bend County is prepared as the local economy improves. This ongoing conservative approach will allow the County to meet the service demands of the residents in Fort Bend County.

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 multi-year 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 documented with annual costs of new personnel, furnishings, utilities, and other operating costs attached. Annually, the Commissioners Court selects projects from this list to be accomplished during the current fiscal year and determines the capital outlay associated with those projects. These capital costs are budgeted within Capital Outlay and moved to individual project budgets within the parent fund as the projects develop, and current year operating costs are budgeted in the applicable departmental budget.

In June 2007, the County issued \$126.7 million in limited tax bonds for the construction of facilities. The majority of these facilities have been completed and placed in service. This capital initiative will provide sufficient facilities for at least fifteen years.

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 bond authorizations approved in fiscal years 2000 and 2007 for a total of \$242 million. The County has issued \$201 million of the authorized bonds as of the date of this report. Individual projects have been completed at a total cost of approximately \$129 million. The remaining projects will be completed over the next two years.

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; to fund infrastructure improvements and additions; to refund or defease existing debt; to fund capitalized interest; to fund 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 entity's 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, Industrial Development 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

Mobility remains 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. Right-of-way acquisitions for future roads have required more focus on future planning to prevent project delays. Completed road projects have proven to be effective in reducing congestion and enhancing safety within the County. After the remaining unissued bonds from the 2007 Unlimited Tax Road Bonds referendum are issued and expended, the Commissioners Court plans to ask the voters to consider the next phase of road projects to be funded by bonds. This is expected to occur sometime in 2015.

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 (CAFR) for the year ended September 30, 2011. This was the twenty-third 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 CAFR. 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 CAFR 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, 2011. 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 Sandersen Knox and Company, L.L.P., 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, 2011

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.



Christopher P. Moynell

President

Jeffrey R. Emer

Executive Director

FORT BEND COUNTY, TEXAS
LIST OF PRINCIPAL OFFICIALS
September 30, 2012

COMMISSIONERS COURT:

County Judge	Robert Hebert
Commissioner, Precinct #1	Richard Morrison
Commissioner, Precinct #2	Grady Prestage
Commissioner, Precinct #3	Andy Meyers
Commissioner, Precinct #4	James Patterson

OTHER COUNTY OFFICIALS:

Tax Collector	Patsy Shultz
County Clerk	Dianne Wilson
District Clerk	Annie Rebecca Elliot
County Treasurer	Jeff Council
County Auditor	Ed Sturdivant
County Sheriff	Milton Wright
Purchasing Agent	Gilbert Jalomo
Budget Officer	Pamela Gubbels

DISTRICT COURTS:

Judge, 240th District Court	Thomas Culver, III
Judge, 268th District Court	Brady Elliott
Judge, 328th District Court	Ronald Pope
Judge, 387th District Court	Robert Kern
Judge, 400th District Court	Clifford Vacek
Judge, 434th District Court	James Shoemake
District Attorney	John Healey

COUNTY COURT-AT-LAW:

Judge, County Court-at-Law #1	Ben "Bud" Childers
Judge, County Court-at-Law #2	Jeff McMeans
Judge, County Court-at-Law #3	Susan Lowery
Judge, County Court-at-Law #4	R.H. "Sandy" Bielstein
County Attorney	Roy Cordes, Jr.

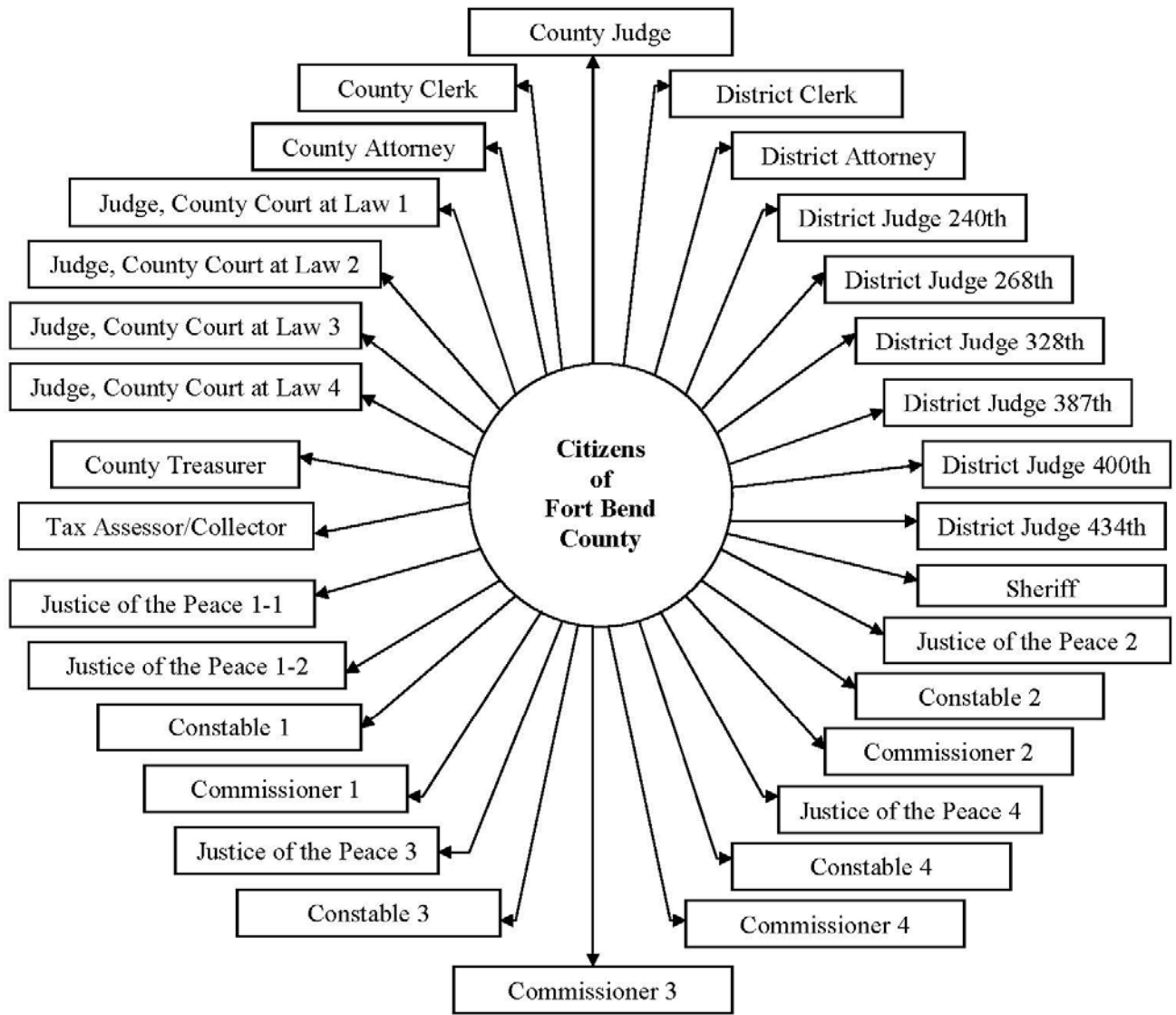
JUSTICES OF THE PEACE:

Justice of the Peace, Precinct #1-1	Gary Janssen
Justice of the Peace, Precinct #1-2	Mary Ward
Justice of the Peace, Precinct #2	Joel Clouser
Justice of the Peace, Precinct #3	Ken Cannata
Justice of the Peace, Precinct #4	Jim Richard

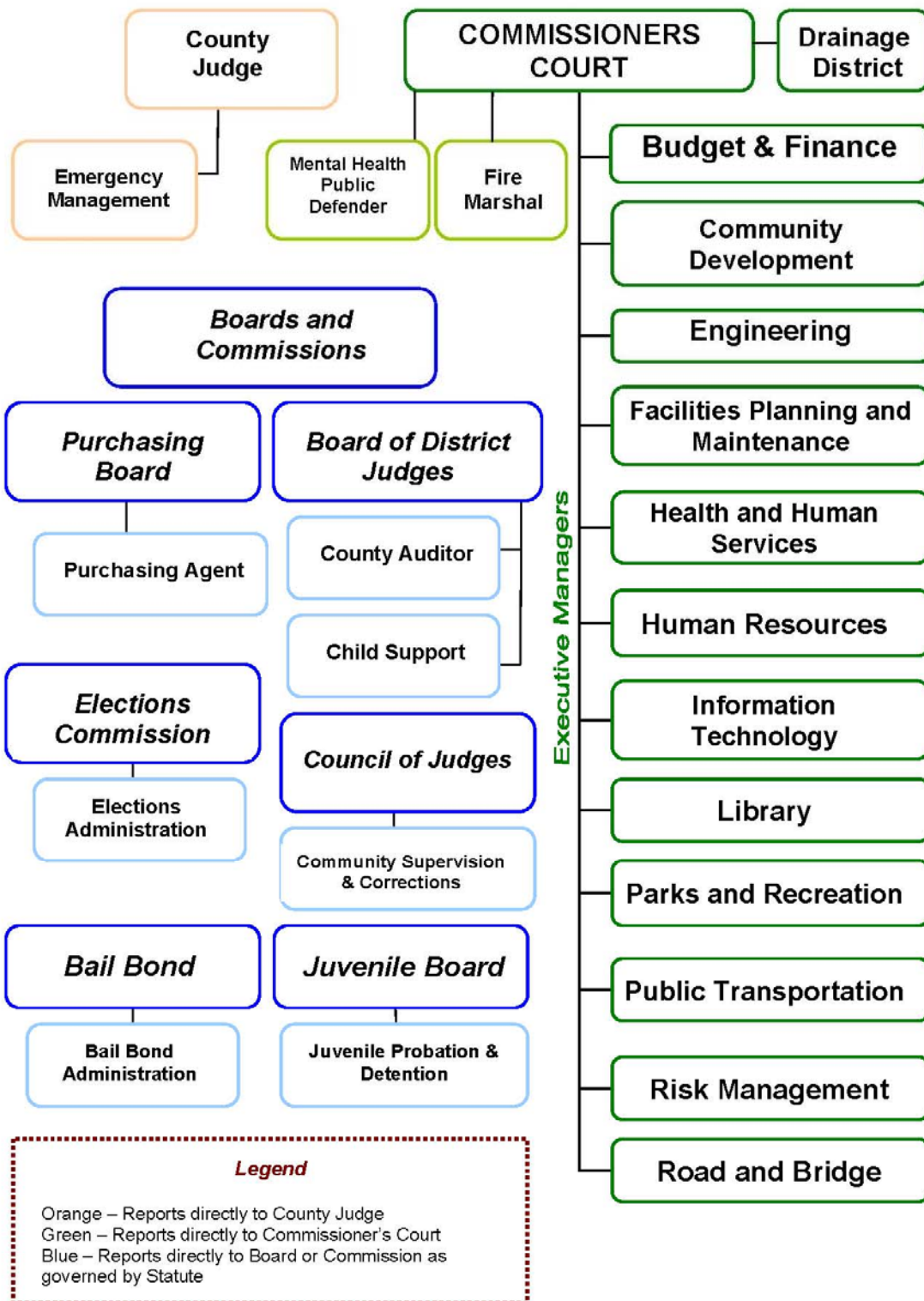
CONSTABLES:

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

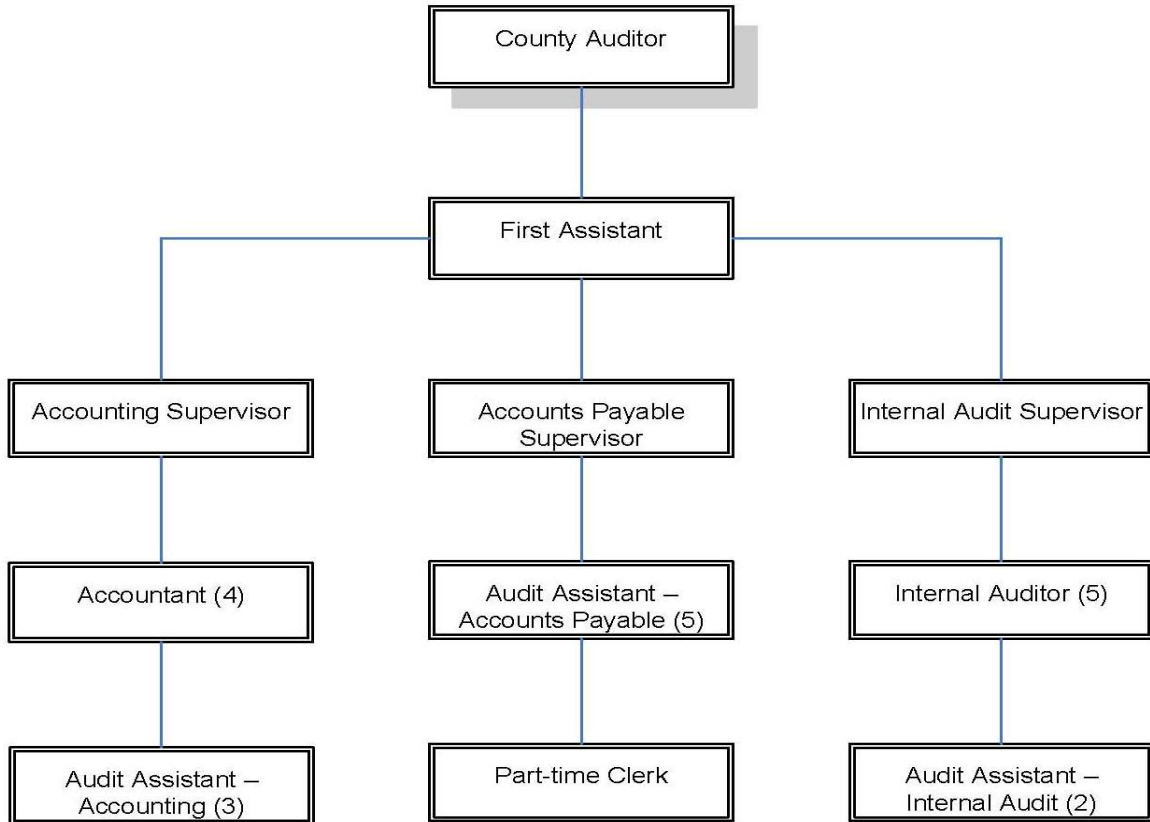
FORT BEND COUNTY, TEXAS
ORGANIZATIONAL CHART OF ELECTED OFFICIALS



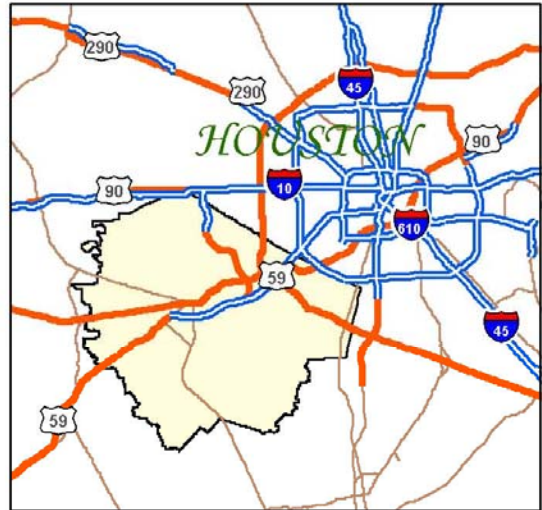
FORT BEND COUNTY, TEXAS
ORGANIZATIONAL CHART OF COUNTY DEPARTMENTS AND AGENCIES



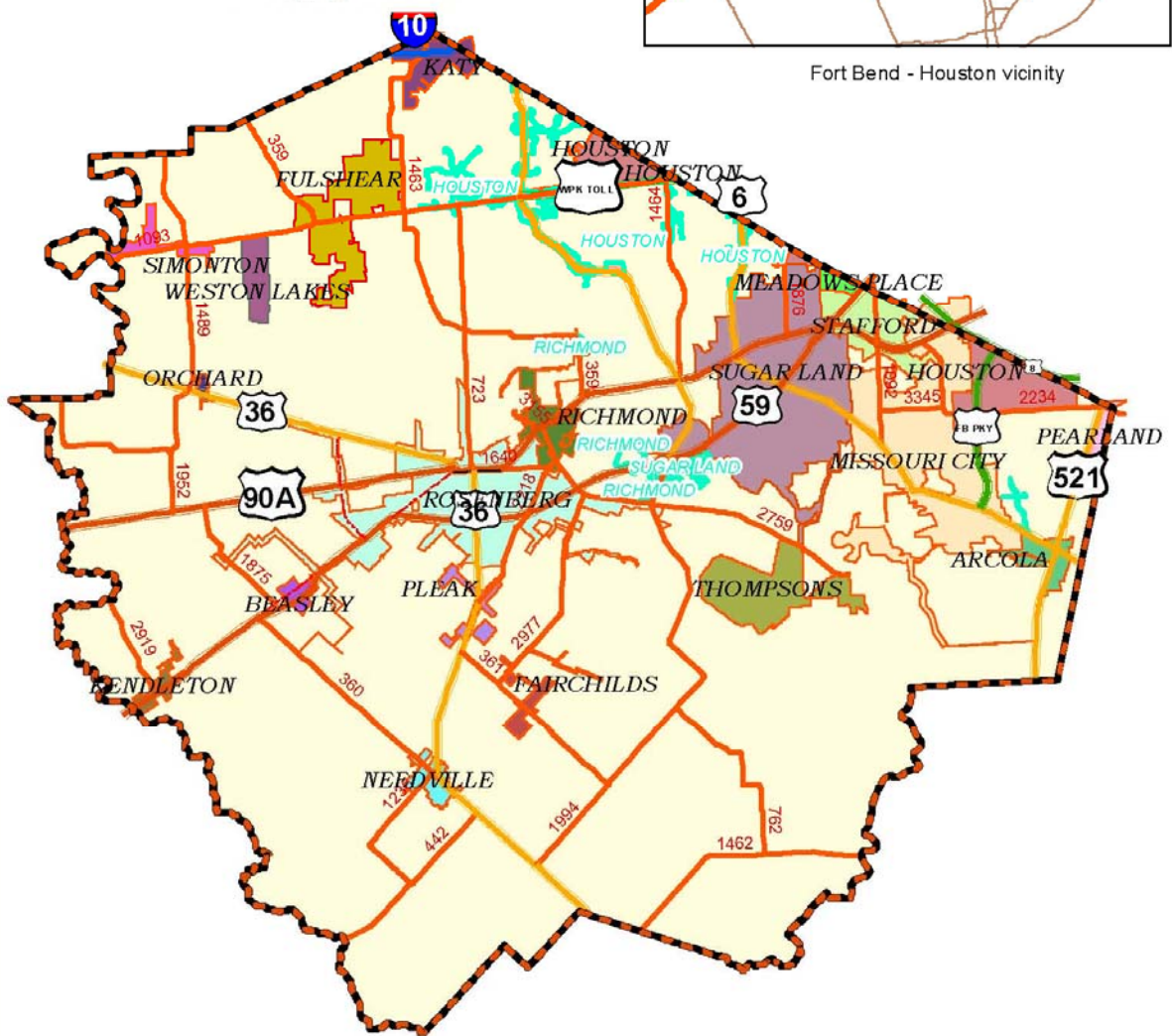
FORT BEND COUNTY, TEXAS
ORGANIZATIONAL CHART OF AUDITOR'S OFFICE



Fort Bend County



Fort Bend - Houston vicinity







130 Industrial Blvd, Suite 130 · Sugar Land, Texas 77478 · 281/242-3232 · fax 281/242-3252 · www.sktx.com

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, 2012, 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 the 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, 2012, and the respective changes in financial position, and cash flows where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 18, 2013, 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information on pages 3 through 13 and 66 through 78 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements, budgetary comparison schedules and statistical section, are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual nonmajor fund financial statements and budgetary comparison schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

A handwritten signature in cursive script that reads "Sanborn & Co." with a period at the end.

Sugar Land, Texas
March 18, 2013

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, 2012. The following narrative includes approximate values and percentages in the wording to summarize the schedules and financials in this report that include the exact values. 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 \$707.3 million (net assets). Of this amount, there is a deficit of \$64.0 million in unrestricted net assets due to the continued liability increase for other post-employment benefits (OPEB) that now totals \$130.0 million.
- The County's total net assets decreased by \$11.1 million.
- As of the close of the current fiscal year, the County's governmental funds reported a combined ending fund balance of \$114.8 million, an increase of \$35.4 million from the prior year.
- At the end of the current fiscal year approximately \$11.6 million is available for spending at the government's discretion in the General Fund (unassigned fund balance). This fund balance amounts to 6% of total General Fund expenditures.
- The County's total assets and liabilities increased by \$75 million and \$86 million, respectively 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. As noted above this narrative includes approximate values and percentages in the wording to summarize the schedules and financials in this report that include the exact values. 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 County's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. 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, construction and maintenance, health

FORT BEND COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS

and welfare, cooperative services, public safety, parks and recreation, libraries and education, and interest on long-term debt.

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 five discretely presented component units consist of the following:

- Fort Bend County Toll Road Authority
- Fort Bend Grand Parkway Toll Road Authority
- Fort Bend County Surface Water Supply Corporation
- Fort Bend County Housing Finance Corporation
- Fort Bend County Industrial Development Corporation

The government-wide financial statements can be found on pages 17 through 19 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 65 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, Debt Service Fund, and Mobility 2012 Projects Fund, all which are considered to be major funds. Data from the other 62 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major 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 20 through 23 of this report.

FORT BEND COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS

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 Other Self-Funded Insurance 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.

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 24 through 26 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 27 of this report.

Combining component unit financial statements

The County's five 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.

The combining component unit financial statements can be found on pages 29 through 31 of this report.

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 32 through 63 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 to demonstrate compliance with this budget. Required supplementary information can be found on pages 66 through 78 of this report.

FORT BEND COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS

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 \$707.3 million at the close of the most recent fiscal year.

The County's capital assets (e.g., land, buildings, vehicles, machinery and equipment, office furniture and equipment, infrastructure, and construction-in-progress), less any related debt used to acquire those assets that is still outstanding, total \$768.3 million. 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.

CONDENSED SCHEDULE OF NET ASSETS

September 30, 2012 and 2011

	Primary Government Governmental Activities	
	2012	2011
Current and other assets	\$ 184,988,663	\$ 140,500,675
Capital assets, net	1,095,062,057	1,064,662,220
Total Assets	1,280,050,720	1,205,162,895
Long-term liabilities	517,159,879	437,628,727
Other liabilities	55,627,407	49,183,444
Total Liabilities	572,787,286	486,812,171
Net Assets:		
Invested in capital assets, net of related debt	768,309,907	750,965,320
Restricted	2,977,051	4,477,906
Unrestricted	(64,023,524)	(37,092,502)
Total Net Assets	\$ 707,263,434	\$ 718,350,724

A portion of the County's net assets, \$3.0 million, represents resources that are subject to external restrictions on how they may be used. The deficit balance for unrestricted net assets of \$64.0 million was due to the continued liability increase for OPEB that now totals \$130.0 million.

The County's assets exceeded its liabilities by \$707.3 million, resulting in a decrease of \$11.1 million from the prior year. This decrease is primarily due to the following: increase in cash of \$35.6 million due to issuance of bonds for road projects; decrease in grants receivable of \$1.6 million; increase in capital assets of \$30.4 due to construction of new facilities and construction and contribution of new roads; increase in accounts payable of \$11.6 million due to road construction projects; decrease in retainage payable of \$3.6 million due to completion of large construction projects; decrease in due to component units of \$1.3 million for Grand Parkway Toll Road expenses owed to the Fort Bend County Toll Road Authority; and an increase in long term liabilities of \$79.5 million due to an increase of OPEB of \$28.3 million and an increase of \$51.3 million in bonds payable.

FORT BEND COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS

SCHEDULE OF CHANGES IN NET ASSETS
For the years ended September 30, 2012 and 2011

	Primary Government Governmental Activities	
	2012	2011
Revenues		
Program revenues:		
Charges for services	\$ 39,478,271	\$ 37,241,289
Operating grants and contributions	29,633,400	35,820,119
Capital grants and contributions	23,899,439	25,214,312
General revenues:		
Property taxes	199,213,697	196,820,339
Sales taxes	1,099,103	
Earnings on investments	2,584,776	2,925,202
Other	6,745,855	6,065,510
Total Revenues	302,654,541	304,086,771
Expenses		
General administration	39,469,034	40,835,503
Financial administration	8,345,130	9,441,048
Administration of justice	91,021,550	86,468,201
Construction and maintenance	54,818,967	45,632,055
Health and welfare	30,906,886	30,104,991
Cooperative services	1,118,341	1,177,426
Public safety	54,702,459	55,315,591
Parks and recreation	2,614,004	2,917,574
Libraries and education	15,708,114	14,800,838
Interest on long-term debt	15,037,346	14,887,908
Total Expenses	313,741,831	301,581,135
Change in Net Assets	(11,087,290)	2,505,636
Net Assets, Beginning	718,350,724	715,845,088
Net Assets, Ending	\$ 707,263,434	\$ 718,350,724

At the end of the current fiscal year, the County was 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 decreased the County's net assets by \$11.1 million. This decrease is down from last year's increase of \$2.5 million. The key elements of this change in net assets are as follows:

- Increase in charges for services of \$2.2 million primarily due to increased collections of fines, fees, court costs, and contract deputy services reimbursements.
- Increase in property taxes of \$2.4 million due to increase in property valuations.
- Decrease in earnings on investments of \$0.3 million due to reduced bank balances.
- Decrease in capital grants and contributions of \$1.3 million resulting from a decrease in participation in mobility projects by Texas Department of Transportation.
- Decrease in operating grants and contributions of \$6.2 million primarily due to decrease of grant funds received from the State of Texas of \$2.3 million, increase of \$1.3 million from local participation in capital projects, decrease of \$4.8 million in federal grant funds.
- General administration expenses decreased by \$1.4 million primarily due to the following:
 - Increase of \$0.4 million for the Emily Court parking lot and vehicles transferred to Purchasing for auction.

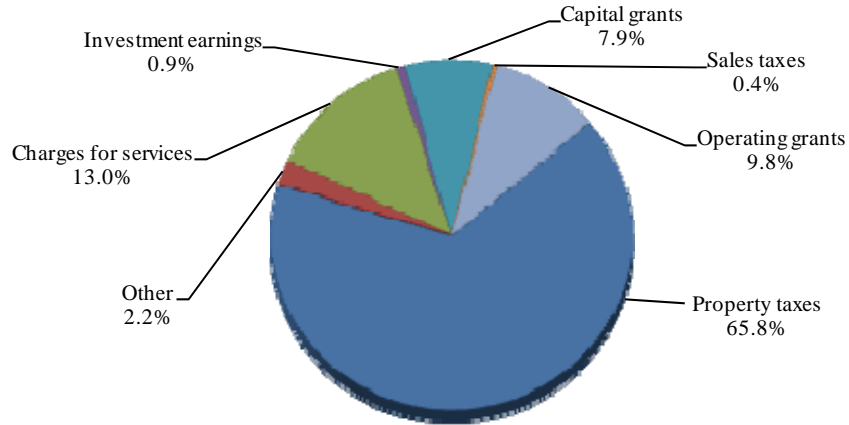
FORT BEND COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS

- Increase of \$0.6 million for stop-loss insurance premiums and retiree insurance coverage.
 - Decrease of \$1.8 million for facility projects completed in fiscal year 2011.
 - Decrease of \$0.1 million in records preservation costs.
 - Increase of \$0.2 million in election contract services.
 - Decrease of \$0.5 million in internal service fund allocation of costs.
- Financial administration expenses decreased by \$1.1 million primarily due to the following:
 - Decrease of \$0.8 million for the reallocation of the Emily Court facility and Travis building to other governmental functions.
 - Decrease of \$0.2 million in internal service fund allocation of costs.
- Administration of justice expenses increase by \$4.6 million primarily due to the following:
 - Increase in payroll costs of \$3.0 million as a result of a cost of living adjustment and rising healthcare costs.
 - Increase in depreciation expense of \$1.1 million due to the opening of the new justice center.
 - Decrease of \$0.4 million for the reallocation of the Emily Court facility and Travis building to other governmental functions.
 - Increase of \$1.0 million in court appointed fees for the District and County Courts.
- Construction and maintenance expenses increased by \$9.2 million primarily due to the following:
 - Decrease in road & bridge expenses of \$1.1 million due to reduced activity.
 - Increase in drainage expenses of \$0.4 million due to increased activity on the Stafford Run project.
 - Increase of \$9.7 million for depreciation expense due to mobility and facility projects placed in service.
 - Increase of \$0.5 million for the reallocation of the Emily Court facility and Travis building to other governmental functions.
 - Decrease of \$0.5 million in internal service fund allocation of costs.
- Health and welfare expenses increased by \$0.8 million primarily due to the reallocation of the Emily Court facility and Travis building along with the addition of the EMS Medic 6 facility.
- Public safety expenses decreased by \$0.6 million primarily due to the following:
 - Increase in Constable expenses for contract deputy services of \$0.3 million due to increased contract services (see increased capital grants and contributions above).
 - Increase in Sheriff's Office payroll expenses of \$1.6 million due to added positions and cost of living adjustments.
 - Decrease of \$1.3 million in internal service fund allocation of costs.
 - Decrease of \$1.4 million in prior period corrections due to depreciation expense correction in fiscal year 2011.
- Parks and recreation expenses decreased by \$0.3 million primarily due to reduced activity in the school lunch program.
- Libraries and education expenses increased by \$0.9 million due to the opening of a new library branch.

FORT BEND COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS

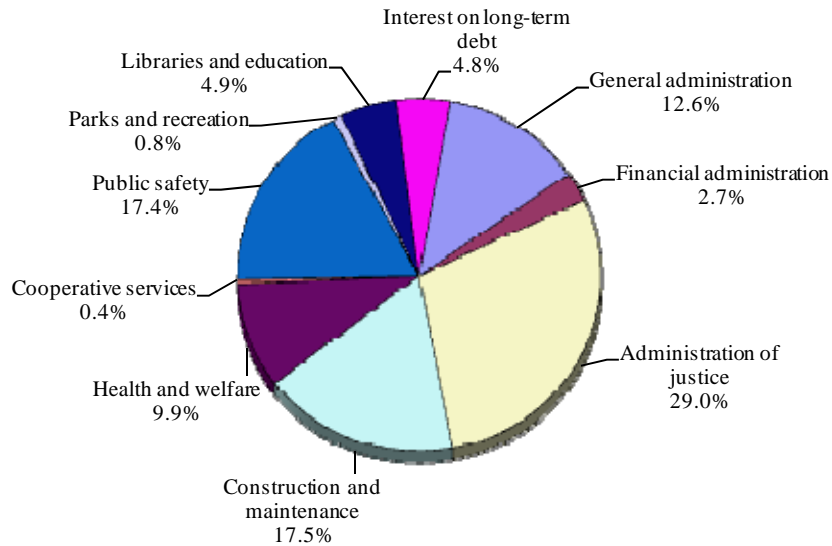
Governmental revenues for fiscal year 2012 are graphically displayed as follows:

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, unassigned 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 \$114.8 million. Of this, \$11.6 million is unassigned fund balance and available for day-to-day operations within General Fund. \$24.2 million is committed fund balance for capital projects within General Fund. \$78.9 million is restricted fund balance for General, debt service, mobility 2012 projects, and the non-major governmental funds in the amounts of \$0.2 million, \$4.0 million, \$43.3 million, and \$31.5 million respectively. \$91.0 thousand is designated as nonspendable fund balance for General Fund and the non-major governmental funds in the amount of \$36.8 thousand and \$54.2 thousand respectively for prepaid items.

There was an increase in the combined fund balance of \$35.4 million from the prior year for the governmental funds. This overall increase was primarily due to the issuance of the 2012 mobility bonds. General fund balance decreased by \$8.0 million which is down from the previous year's increase of \$0.7 million. This net decrease in change in fund balance of \$8.7 million is primarily due to the following factors:

- Increase in General Fund property tax allocation of \$2.4 million due to increased property valuations.
- Increase in fees of office collections of \$1.8 million due to increase in services from all the governmental functions.
- Decrease in federal funds of \$5.0 million primarily due to decrease in federal funding of \$1.7 million for energy efficiency grant, decrease in federal funding of \$2.1 million for Urban Area Security Initiative grants, and a decrease in federal funding of \$1.2 million for Urban Area transportation grants.
- Decrease in state funds of \$3.4 million primarily due to a decrease in funding for courthouse restoration of \$0.3 million, decrease in funding for Aircheck Texas grant of \$1.2 million, decrease in funding for mental health public defender grant of \$0.1 million, decrease in funding of \$0.1 million for Texas Commission on Environmental Quality grant, decrease in funding of \$0.1 million for Houston Galveston Area Council grant, decrease of \$0.1 million for tobacco grant, decrease of \$0.1 million for Lonestar library grant, and a decrease of \$1.5 million for right of way reimbursements for ongoing mobility projects.
- Increase in miscellaneous reimbursements of \$1.5 million primarily due to reimbursement from the University of Houston for the library of \$1.2 million and reimbursement for the Fort Bend County Fair Association of \$0.2 million for the pavilion construction.
- General administration expenditures decreased by \$0.9 million primarily due to the following:
 - Increase of \$0.6 million for stop-loss insurance premiums and retiree insurance coverage.
 - Increase of \$0.2 million in election contract services.
- Administration of justice expenditures increase by \$2.5 million primarily due to the following:
 - Increase in payroll costs of \$1.5 million as a result of a cost of living adjustment.
 - Increase of \$1.0 million in court appointed fees for the District and County Courts.

FORT BEND COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS

- Public safety expenditures increased by \$1.7 million primarily due to the following:
 - Increase in Constable expenditures for contract deputy services of \$0.3 million due to increased contract services.
 - Increase in Sheriff's Office payroll expenditures of \$1.6 million due to added positions and cost of living adjustments.

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 had a net assets balance at fiscal year-end of \$4.4 million, which is a \$3.9 million increase from the prior year. This increase was primarily caused by reduced healthcare costs in fiscal year 2012. The Other Self-Funded Insurance Fund has a deficit net assets balance of \$2.4 million at fiscal year-end, which is a slight improvement over the previous year's deficit net assets balance of \$2.5 million. The allocation for the Other Self-Funded Insurance Fund will continue to be increased in future fiscal years to eliminate this deficit net assets balance.

General Fund Budgetary Highlights

During the year there was a net decrease of \$5.7 million in expenditure appropriations between the original and final amended budget. The main components of this were based on the following: \$5.0 million budgeted for capital projects; \$1.2 million from surplus indigent healthcare funds. The capital project budget and the surplus amount from indigent healthcare were transferred to multi-year capital projects with budgets that extend beyond the County's fiscal year.

General Fund revenues exceeded the amended budget by \$2.0 million for the year. The reasons for this surplus are detailed as follows:

- Property taxes resulted in revenues of \$0.7 million excess over budget due to underestimation of the collection rate.
- Fees and fines resulted in \$1.3 million in excess revenues due to continued increased collections of fines, fees and court costs.
- Intergovernmental revenue resulted in \$0.4 million shortfall primarily due to decreased federal funding for transportation and energy efficiency and a decrease in state reimbursements for right-of-way acquisitions.
- Earnings on investments resulted in a \$0.1 million shortfall due to reduced cash balance for General Fund caused by continued expenditure of multi-year project budgets for facilities.
- Miscellaneous revenue resulted in \$0.5 million in excess revenues primarily due to increased reimbursements from University of Houston and the Fort Bend County Fair Association.

General Fund expenditures fell short of the amended budget by \$8.2 million for the year primarily due to turnover within each of the departments. There were minor budgetary shortfalls within budget categories of some departments. These minor shortfalls were not covered by budget transfers at the end of the year due to materiality and that the overall departmental expenditure budget had a surplus. The individual governmental function's budgetary performance for significant negative variances is detailed as follows:

- Administration of justice had two minor budget shortfalls within individual budget categories for 268th District Court information technology costs and County Attorney operating costs of \$81 and \$48,112, respectively. These shortfalls did not cause an overall budget deficit within Administration of justice, however, procedures have been put in place to prevent this in the future.

FORT BEND COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS

- Other financing (uses) had a budget shortfall of \$38,421 in transfers (out). This did not cause an overall budget deficit for Other financing (uses); however, procedures have been put in place to prevent this in the future.

Capital Assets and Debt Administration

Capital Assets - At the end of fiscal year 2012, the County's governmental activities had invested \$1.1 billion in a variety of capital assets and infrastructure, as reflected in the following schedule. This represents an increase of approximately \$30.4 million over the previous fiscal year.

	Governmental Activities	
	2012	2011
Non-Depreciable Capital Assets		
Land	\$ 354,419,189	\$ 337,804,967
Construction-in-progress	72,832,857	119,870,634
Other Capital Assets, Net		
Vehicles	12,478,578	11,702,452
Office furniture and equipment	9,857,936	11,303,773
Machinery and equipment	11,886,404	12,211,726
Buildings, facilities and improvements	257,335,918	251,258,481
Infrastructure	376,251,175	320,510,187
Totals	\$ 1,095,062,057	\$ 1,064,662,220

Construction-in-progress at year-end represents numerous ongoing projects, the largest of which are: Mobility Bond projects for \$42.2 million; Big Creek project for \$2.2 million; Big Creek Flood Control Water Supply Corporation project for \$12.9 million; Stafford Run project for \$2.0 million, Westpark B frontage road project of \$1.3 million, and Upper Oyster Creek project for \$7.6 million.

Long-Term Debt - At the end of the current fiscal year, the County had total bonds outstanding of \$363.2 million. This is an increase of \$44.9 million from the prior year due to the issuance of the 2012 Unlimited Tax Road Bonds offset by scheduled debt service payments made during fiscal year 2012. OPEB liability increased by \$28.3 million based on the actuarial valuation dated September 30, 2012 to a total balance of \$130.0 million.

	Governmental Activities	
	2012	2011
General obligation bonds	\$ 363,185,000	\$ 318,265,000
Premiums on bonds	18,417,454	12,043,251
Accrued compensated absences	5,527,515	5,560,434
Other post-employment benefits (OPEB) obligation	130,029,910	101,760,042
Total	\$ 517,159,879	\$ 437,628,727

FORT BEND COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS

The County received an insured rating of Aaa from Moody's and Standard and Poors on issuances prior to 2009. The issuance in 2012 was not insured and therefore retained the uninsured ratings. The uninsured ratings were as follows:

Moody Investor Service Aa2
Standard and Poor's AA+

The Fort Bend County Housing Finance Corporation (FBCHFC), a component unit of the County, issues conduit debt in the form of tax-exempt bonds for the purpose of providing below-market interest rate financing to qualified homebuyers and developers of affordable rental housing, and sponsorship or the federal low-income housing tax credit program. The tax-exempt bonds issued by FBCHFC do not constitute a debt or pledge of faith by FBCHFC, but are payable by the user pursuant to terms defined in the loan agreement underlying each issue. As of September 30, 2012, approximately \$10.2 million of total bonds were outstanding.

The Fort Bend County Industrial Development Corporation (FBCIDC), a component unit of the County, issues conduit debt in the form of bonds to finance all or part of the cost of one or more projects as defined in the Development Corporation Act of 1979, Article 5190.6, Vernon's Annotated Texas Civil Statutes, as amended. The bonds issued by the Corporation do not constitute a debt or pledge of faith by FBCIDC, but are payable by the user pursuant to terms defined in the loan agreement underlying each issue. As of September 30, 2012, approximately \$67.8 million of total bonds were outstanding.

Additional information on capital assets and long-term debt is available in Notes 6 and 7 respectively.

Economic Factors and Next Year's Budgets and Rates

The population of the County is estimated at 639,969 in 2012 and is expected to grow by 4.44% annually through 2015. Total employment is estimated at 239,123 in 2012 and is expected to grow by 3.37% annually over the same period.

The number of households has increased to 206,797 in 2012 and is expected to grow to 244,020 by 2015. Mean household income for 2012 is \$151,333 and is estimated to rise to \$171,460 by 2015. Income per capita is currently at \$42,194 and is expected to grow to \$48,354 by 2015. Retail sales increased by 5.7% to \$6.54 billion in 2012 and are expected to grow to \$7.37 billion by 2015.

The Commissioners Court approved a \$250.3 million total budget for the 2013 fiscal year. This is a 0.7% decrease over the adopted 2012 fiscal year budget. The decrease in the budget was a necessary response to the economic constraints of the area. Although the County enjoyed a 3.6% growth in assessed valuations, the financial requirements necessary to meet the needs of the residents of Fort Bend County are growing at a greater rate. The overall tax rate remained constant from 2012 to 2013 at \$0.49976 per \$100 of assessed valuation.

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, 2012

	Primary Government	
	Governmental Activities	Component Units
Assets		
Cash and cash equivalents	\$ 139,259,538	\$ 217,334,091
Investments		500,899
Receivables:		
Property taxes, net	6,705,004	
Sales taxes	408,254	
Grants	5,873,665	
Fees and fines	4,319,143	
Other	5,627,532	1,470,097
Prepaid items	91,109	
Deferred issuance costs	3,632,553	3,124,972
Deferred charges-debt refunding		12,069,898
Due from component units	19,071,865	
Capital assets, not being depreciated	427,252,046	61,423,865
Capital assets, net of accumulated depreciation	667,810,011	129,667,658
Total Assets	1,280,050,720	425,591,480
Liabilities		
Accounts payable and accrued expenses	49,361,006	3,900
Retainage payable	474,492	1,510,933
Accrued interest payable	1,422,067	2,143,863
Unearned revenues	3,764,100	
Due to primary government		19,071,865
Due to other governments	605,742	
Long-term liabilities due within one-year	17,011,879	1,900,000
Long-term liabilities due in more than one-year	500,148,000	346,259,355
Total Liabilities	572,787,286	370,889,916
Net Assets		
Invested in capital assets, net of related debt	768,309,907	12,831,291
Restricted for:		
Debt service	2,977,051	24,349,014
Unrestricted	(64,023,524)	17,521,259
Total Net Assets	\$ 707,263,434	\$ 54,701,564

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

FORT BEND COUNTY, TEXAS

STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2012

<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	\$ 39,469,034	\$ 7,558,755	\$ 4,167,626	\$
Financial administration	8,345,130	4,695,710		
Administration of justice	91,021,550	7,522,930	6,821,433	27,234
Construction and maintenance	54,818,967	7,466,798	949,663	23,872,205
Health and welfare	30,906,886	6,138,679	10,899,781	
Cooperative services	1,118,341			
Public safety	54,702,459	5,642,978	6,252,054	
Park and recreation	2,614,004	183,406	104,002	
Libraries and education	15,708,114	269,015	438,841	
Interest on long-term debt	15,037,346			
Total Primary Government	<u>\$ 313,741,831</u>	<u>\$ 39,478,271</u>	<u>\$ 29,633,400</u>	<u>\$ 23,899,439</u>
Component Units:				
FBC Surface Water Supply Corporation	\$	\$	\$	\$
FBC Toll Road Authority	10,388,658	19,325,050		761,500
FB Grand Parkway Toll Road Authority	1,743,403			53,322
FBC Housing Finance Corporation	30,335	58,318		
FBC Industrial Development Corporation	8,940	116,500		
Total Component Units	<u>\$ 12,171,336</u>	<u>\$ 19,499,868</u>	<u>\$</u>	<u>\$ 814,822</u>

General Revenues:

Property taxes, penalties, and interest

Sales taxes

Earnings on investments

Miscellaneous

Total General Revenues

Changes in Net Assets

Net Assets, Beginning of Year

Net Assets, End of Year

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

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

<u>Primary Government</u>	<u>Component Units</u>
 <u>Governmental Activities</u>	
\$ (27,742,653)	\$
(3,649,420)	
(76,649,953)	
(22,530,301)	
(13,868,426)	
(1,118,341)	
(42,807,427)	
(2,326,596)	
(15,000,258)	
(15,037,346)	
<u>(220,730,721)</u>	
	9,697,892
	(1,690,081)
	27,983
	107,560
	<u>8,143,354</u>
199,213,697	
1,099,103	
2,584,776	675,692
6,745,855	1,781
<u>209,643,431</u>	<u>677,473</u>
(11,087,290)	8,820,827
718,350,724	45,880,737
<u>\$ 707,263,434</u>	<u>\$ 54,701,564</u>

FORT BEND COUNTY, TEXAS

BALANCE SHEET

GOVERNMENTAL FUNDS

September 30, 2012

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Mobility 2012 Projects Fund</u>	<u>Non-major Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets					
Cash and cash equivalents	\$ 40,709,162	\$ 4,552,562	\$ 50,957,129	\$ 36,396,967	\$ 132,615,820
Taxes receivable, net	5,303,763	408,017		1,401,478	7,113,258
Grants receivable	5,297,787			575,878	5,873,665
Fines and fees receivable	4,319,143				4,319,143
Other receivables	3,446,293	112,340		2,068,747	5,627,380
Due from other funds	13,782,374		4,695	10,117,281	23,904,350
Due from component units	17,650,263		1,419,902	1,700	19,071,865
Prepaid items	36,826			54,201	91,027
Total Assets	<u>\$ 90,545,611</u>	<u>\$ 5,072,919</u>	<u>\$ 52,381,726</u>	<u>\$ 50,616,252</u>	<u>\$ 198,616,508</u>
Liabilities and Fund Balances					
Liabilities:					
Accounts payable	\$ 39,150,325	\$	\$	\$	\$ 39,150,325
Accrued payroll	4,829,921				4,829,921
Retainage payable	18,391		376,046	80,055	474,492
Due to other funds	28,021	673,801	8,755,518	14,527,379	23,984,719
Due to other governments	605,742				605,742
Deferred revenue	9,886,644	408,017		4,493,586	14,788,247
Total Liabilities	<u>54,519,044</u>	<u>1,081,818</u>	<u>9,131,564</u>	<u>19,101,020</u>	<u>83,833,446</u>
Fund Balances:					
Nonspendable	36,826			54,201	91,027
Restricted	246,021	3,991,101	43,250,162	31,461,031	78,948,315
Committed	24,179,874				24,179,874
Unassigned	11,563,846				11,563,846
Total Fund Balances	<u>36,026,567</u>	<u>3,991,101</u>	<u>43,250,162</u>	<u>31,515,232</u>	<u>114,783,062</u>
Total Liabilities and Fund Balances	<u>\$ 90,545,611</u>	<u>\$ 5,072,919</u>	<u>\$ 52,381,726</u>	<u>\$ 50,616,252</u>	<u>\$ 198,616,508</u>

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

FORT BEND COUNTY, TEXAS
RECONCILIATION OF THE BALANCE SHEET TO
THE STATEMENT OF NET ASSETS
September 30, 2012

Total fund balances, governmental funds	\$ 114,783,062
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 the fund financial statements, but are reported in the governmental activities of the Statement of Net Assets.	1,094,400,204
Other long-term assets are not available to pay for current-period expenditures and are therefore deferred in the funds.	11,024,147
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.	2,005,414
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 statements, but are reported in the governmental activities of the Statement of Net Assets.	
Bonds payable	(363,185,000)
Deferred issuance costs	3,632,553
Compensated absences	(5,527,515)
Other post-employment benefits (OPEB) obligation	(130,029,910)
Premiums on issuance of debt	(18,417,454)
Accrued interest is not due and payable in the current period and therefore not reported in the funds.	<u>(1,422,067)</u>
Net Assets of Governmental Activities	<u><u>\$ 707,263,434</u></u>

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

FORT BEND COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended September 30, 2012

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Mobility 2012 Projects Fund</u>	<u>Non-major Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues					
Property taxes	\$ 152,964,339	\$ 27,562,980	\$	\$ 19,529,188	\$ 200,056,507
Sales taxes				1,099,103	1,099,103
Fees and fines	28,304,371			11,294,069	39,598,440
Intergovernmental	15,999,897		35,750	13,341,586	29,377,233
Earnings on investments	1,376,442	118,090	358,322	598,723	2,451,577
Miscellaneous	4,696,145		102,511	2,376,842	7,175,498
Total Revenues	<u>203,341,194</u>	<u>27,681,070</u>	<u>496,583</u>	<u>48,239,511</u>	<u>279,758,358</u>
Expenditures					
Current:					
General administration	34,721,821			983,040	35,704,861
Financial administration	7,216,068			5,245	7,221,313
Administration of justice	56,676,737			18,609,305	75,286,042
Construction and maintenance	2,804,010			25,410,017	28,214,027
Health and welfare	22,806,164			5,029,096	27,835,260
Cooperative services	960,392				960,392
Public safety	44,403,985			1,059,608	45,463,593
Parks and recreation	1,957,044				1,957,044
Libraries and education	12,955,022			57,678	13,012,700
Capital Outlay	18,848,812		17,943,645	8,053,214	44,845,671
Debt Service:					
Principal		13,300,000			13,300,000
Interest and fiscal charges		15,571,727			15,571,727
Bond issuance costs			541,944		541,944
Total Expenditures	<u>203,350,055</u>	<u>28,871,727</u>	<u>18,485,589</u>	<u>59,207,203</u>	<u>309,914,574</u>
(Deficiency) of Revenues					
(Under) Expenditures	<u>(8,861)</u>	<u>(1,190,657)</u>	<u>(17,989,006)</u>	<u>(10,967,692)</u>	<u>(30,156,216)</u>
Other Financing Sources (Uses)					
Transfers in	363,140			12,894,987	13,258,127
Transfers (out)	(8,386,693)		(4,307,471)	(563,963)	(13,258,127)
Special revenue bonds issued			58,220,000		58,220,000
Premium on special revenue bonds issued			7,326,639		7,326,639
Total Other Financing Sources (Uses)	<u>(8,023,553)</u>		<u>61,239,168</u>	<u>12,331,024</u>	<u>65,546,639</u>
Net Change in Fund Balances	(8,032,414)	(1,190,657)	43,250,162	1,363,332	35,390,423
Fund Balances, Beginning of Year	44,058,981	5,181,758		30,151,900	79,392,639
Fund Balances, End of Year	<u>\$ 36,026,567</u>	<u>\$ 3,991,101</u>	<u>\$ 43,250,162</u>	<u>\$ 31,515,232</u>	<u>\$ 114,783,062</u>

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

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, 2012

Net change in fund balances - total governmental funds	\$ 35,390,423
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 current year capital outlay exceeded depreciation expense in the current period.	6,219,071
Capital contributions of infrastructure are reported in the government-wide financial statements but not in the fund financial statements.	23,872,206
Governmental funds report the entire net sales prices (proceeds) from the sales of capital assets as revenue because they provide current financial resources. In contrast, the Statement of Activities reports only the gain on the sale of the capital assets. Thus, the change in net assets differs from the change in fund balance by the costs of capital assets sold.	(264,482)
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.	(65,004,695)
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.	32,919
Changes in the other post-employment benefits (OPEB) obligation are not due and payable in the current period, and therefore are not reported in the governmental funds.	(28,269,868)
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.	(842,811)
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.	(197,171)
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.	731,552
Principal payments on bonds are reported as expenditures in governmental funds but not as expenses in the government-wide statements.	13,300,000
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) are reported with governmental activities.	<u>3,945,566</u>
Change in net assets of governmental activities	<u>\$ (11,087,290)</u>

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

FORT BEND COUNTY, TEXAS
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
September 30, 2012

	Governmental Activities
	Internal Service Funds
Assets	
Current Assets:	
Cash and cash equivalents	\$ 6,643,718
Prepaid expenses	82
Due from other funds	123,522
Other receivables	152
Total Current Assets	<u>6,767,474</u>
Noncurrent Assets:	
Capital assets, net of accumulated depreciation	661,853
Total Noncurrent Assets	<u>661,853</u>
Total Assets	<u>7,429,327</u>
Liabilities	
Current Liabilities:	
Benefits payable, current portion	3,345,844
Due to other funds	43,153
Total Current Liabilities	<u>3,388,997</u>
Noncurrent Liabilities:	
Benefits payable, long-term portion	2,034,916
Total Noncurrent Liabilities	<u>2,034,916</u>
Total Liabilities	<u>5,423,913</u>
Net Assets	
Invested in capital assets	661,853
Unrestricted	1,343,561
Total Net Assets	<u>\$ 2,005,414</u>

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

FORT BEND COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
For the Year Ended September 30, 2012

	Governmental Activities
	Internal Service Funds
Operating Revenues	
Charges for services	\$ 32,286,464
Total Operating Revenues	<u>32,286,464</u>
Operating Expenses	
Current operations - general administration	1,034,550
Benefits provided	27,439,546
Total Operating Expenses	<u>28,474,096</u>
Operating Income	3,812,368
Non-Operating Revenues	
Earnings on investments	133,198
Total Non-Operating Revenues	<u>133,198</u>
Change in Net Assets	3,945,566
Total Net (Deficit), Beginning of Year	<u>(1,940,152)</u>
Total Net Assets, End of Year	<u>\$ 2,005,414</u>

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

FORT BEND COUNTY, TEXAS**STATEMENT OF CASH FLOWS****PROPRIETARY FUNDS***For the Year Ended September 30, 2012*

	Governmental Activities
	Internal Service Funds
Cash Flows from Operating Activities	
Charges for services	\$ 32,509,568
Payment of benefits	(29,799,220)
Payment of general administration expenses	(1,019,388)
Net Cash Provided by Operating Activities	<u>1,690,960</u>
Cash Flows from Investing Activities	
Interest earned on investments	133,198
Net Cash Provided by Investing Activities	<u>133,198</u>
Cash Flows from Capital and Related Financing Activities:	
Purchase of capital assets	(597,168)
Net Cash (Used) by Capital and Related Financing Activities	<u>(597,168)</u>
Net Increase in Cash and Cash Equivalents	1,226,990
Cash and Cash Equivalents, Beginning of Year	<u>5,416,728</u>
Cash and Cash Equivalents, End of Year	<u>\$ 6,643,718</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities	
Operating Income	\$ 3,812,368
Adjustments of operations:	
Depreciation	15,244
Change in assets and liabilities:	
(Increase) in prepaid expenses	(82)
Decrease in other receivables	20,338
Decrease in due from other funds	159,715
Increase in due to other funds	43,051
(Decrease) in benefits payable	(2,359,674)
Total adjustments	<u>(2,121,408)</u>
Net Cash Provided by Operating Activities	<u>\$ 1,690,960</u>

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

FORT BEND COUNTY, TEXAS
STATEMENT OF FIDUCIARY NET ASSETS
September 30, 2012

	Agency Funds
Assets	
Cash and cash equivalents	\$ 30,627,989
Miscellaneous receivables	<u>243,103</u>
Total Assets	<u>\$ 30,871,092</u>
Liabilities	
Due to other governments	<u>\$ 30,871,092</u>
Total Liabilities	<u>\$ 30,871,092</u>

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



FORT BEND COUNTY, TEXAS

STATEMENT OF NET ASSETS

COMPONENT UNITS

September 30, 2012

	Fort Bend County Surface Water Supply Corporation	Fort Bend County Toll Road Authority	Fort Bend Grand Parkway Toll Road Authority	Fort Bend County Housing Finance Corporation	Fort Bend County Industrial Development Corporation	Totals
Assets						
Cash and cash equivalents	\$ 7,691	\$ 72,120,973	\$ 144,841,683	\$ 231,724	\$ 132,020	\$217,334,091
Investments				500,899		500,899
Miscellaneous receivables		1,469,710		387		1,470,097
Deferred bond issuance costs		1,509,722	1,615,250			3,124,972
Deferred charges-debt refunding		12,069,898				12,069,898
Capital assets, not being depreciated		18,903,204	42,520,661			61,423,865
Capital assets, net of accumulated depreciation		129,667,658				129,667,658
Total Assets	<u>7,691</u>	<u>235,741,165</u>	<u>188,977,594</u>	<u>733,010</u>	<u>132,020</u>	<u>425,591,480</u>
Liabilities and Net Assets						
Liabilities						
Accounts payable				3,900		3,900
Retainage payable		72,106	1,438,827			1,510,933
Due to primary government		3,573,989	15,496,560		1,316	19,071,865
Accrued interest payable		1,366,008	777,855			2,143,863
Long-term liabilities						
Due within one year		1,900,000				1,900,000
Due in more than one year		172,419,100	173,840,255			346,259,355
Total Liabilities		<u>179,331,203</u>	<u>191,553,497</u>	<u>3,900</u>	<u>1,316</u>	<u>370,889,916</u>
Net Assets (Deficit)						
Invested in capital assets, net of related debt		12,831,291				12,831,291
Restricted for:						
Debt service		3,460,767	20,888,247			24,349,014
Unrestricted	7,691	40,117,904	(23,464,150)	729,110	130,704	17,521,259
Total Net Assets (Deficit)	<u>\$ 7,691</u>	<u>\$ 56,409,962</u>	<u>\$ (2,575,903)</u>	<u>\$ 729,110</u>	<u>\$ 130,704</u>	<u>\$ 54,701,564</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, 2012

Functions/Programs	Program Revenues		
	Expenses	Charges for Services	Capital Grants and Contributions
Fort Bend County Surface Water Supply Corporation			
Health and welfare	\$	\$	\$
Total Fort Bend County Surface Water Supply Corporation			
Fort Bend County Toll Road Authority			
Toll road operations	8,057,261	19,325,050	761,500
Interest on long-term debt	2,331,397		
Total Fort Bend County Toll Road Authority	10,388,658	19,325,050	761,500
Fort Bend Grand Parkway Toll Road Authority			
Toll road operations	657,209		53,322
Operating interest	353,780		
Interest on long-term debt	732,414		
Total Fort Bend Grand Parkway Toll Road Authority	1,743,403		53,322
Fort Bend County Housing Finance Corporation			
Programs	20,705	58,318	
General administration	9,630		
Total Fort Bend County Housing Finance Corporation	30,335	58,318	
Fort Bend County Industrial Development Corporation			
General administration	8,940	116,500	
Total Fort Bend County Industrial Development Corporation	8,940	116,500	
Total Component Units	\$ 12,171,336	\$ 19,499,868	\$ 814,822

General Revenues:

Earnings on investments

Miscellaneous

Total General Revenues

Changes in Net Assets

Net Assets (Deficit), Beginning of Year

Net Assets (Deficit), End of Year

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

Net (Expense) Revenue and Changes in Net Assets

Fort Bend County Surface Water Supply Corporation	Fort Bend County Toll Road Authority	Fort Bend Grand Parkway Toll Road Authority	Fort Bend County Housing Finance Corporation	Fort Bend County Industrial Development Corporation	Totals
\$	\$	\$	\$	\$	\$
	12,029,289				12,029,289
	(2,331,397)				(2,331,397)
	9,697,892				9,697,892
		(603,887)			(603,887)
		(353,780)			(353,780)
		(732,414)			(732,414)
		(1,690,081)			(1,690,081)
			37,613		37,613
			(9,630)		(9,630)
			27,983		27,983
				107,560	107,560
				107,560	107,560
	9,697,892	(1,690,081)	27,983	107,560	8,143,354
77	523,604	149,456	2,555		675,692
	1,781				1,781
77	525,385	149,456	2,555		677,473
77	10,223,277	(1,540,625)	30,538	107,560	8,820,827
7,614	46,186,685	(1,035,278)	698,572	23,144	45,880,737
\$ 7,691	\$ 56,409,962	\$ (2,575,903)	\$ 729,110	\$ 130,704	\$ 54,701,564

FORT BEND COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies

A. Financial Reporting Entity

Fort Bend County, Texas (the "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 THE FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies (continued)

A. Financial Reporting Entity (continued)

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 County Toll Road Authority

The Fort Bend County Toll Road Authority is organized under the Texas Transportation Corporation Act and the Texas Non-Profit Corporation Act. The Authority 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 and operation of the Fort Bend Toll Road system that will extend from Sam Houston Parkway in Harris County to the Brazos River and the City of Fulshear in Fort Bend County. 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 located at 301 Jackson, Suite 533, Richmond, Texas.

Fort Bend Grand Parkway Toll Road Authority

The Fort Bend Grand Parkway 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 and operation of the Fort Bend Grand Parkway Toll Road that will extend from the Westpark Tollway along State Highway 99 to US 59. 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 located at 301 Jackson, Suite 533, Richmond, Texas.

Fort Bend County 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. 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 located at 301 Jackson, Suite 533, Richmond, Texas.

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. 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 THE FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies (continued)

A. Financial Reporting Entity (continued)

Discretely Presented Component Units (continued)

Fort Bend County Industrial Development Corporation

The Fort Bend County Industrial Development Corporation was established under the Development Corporation Act of 1979 (Act). The Corporation facilitates the issuance of obligations in the form of bonds to finance all or part of the cost of one or more projects as defined by the Act. The 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. The County has 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 located at 301 Jackson, Suite 533, Richmond, Texas.

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 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.

FORT BEND COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies (continued)

B. Government-wide and Fund Accounting (continued)

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.

Debt Service Fund

This fund is used to account for the debt service transactions relating to the following bond issues: Unlimited Tax Road Bonds Series 2006, Unlimited Tax Road Bonds Series 2007, Fort Bend Flood Control Water Supply Corporation Refunding Bonds Series 2010, Limited Tax Facilities Bonds Series 2007, Unlimited Tax Road Bonds Series 2009, Justice Center Limited Tax Bonds Series 2009, Unlimited Tax Road Refunding Series 2009, and Unlimited Tax Road Bonds Series 2012. Revenues in this fund are comprised of property taxes levied against property located in the County. These funds are restricted for the payment of debt service obligations.

Mobility 2012 Projects Fund

This fund is a Capital Projects fund used to account for the proceeds of the Unlimited Tax Road Bonds Series 2012, which are being used to finance the construction and/or expansion of numerous roads in the County. These funds are restricted pursuant to bond covenant.

The County also reports the following funds types:

Internal Service Funds

These funds are used to account for the County's employee benefits for employees, retirees, and their dependents, including medical and dental; and self-insurance programs, including workers' compensation, personal injury and property damage. The principal source of revenue is contributions paid by individual funds.

Agency Funds

These funds are custodial in nature and do not report operating results. They are used to account for assets held by the County as an agent for various local governments and individuals.

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.

FORT BEND COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies (continued)

C. Basis of Accounting (continued)

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 net assets. Proprietary fund-type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets.

The accounts of the Governmental Fund Types (the General Fund, Special Revenue Funds, Debt Service Funds, and Capital Projects Funds) and certain Component Units are maintained, and the financial statements have been prepared, on the modified accrual basis of accounting. Under this basis of accounting, revenues are recognized when they become susceptible to accrual (i.e., both measurable and available). Available means collectible within the current year or soon enough thereafter to pay liabilities of the current year. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Substantially all revenues, except property taxes, are considered to be susceptible to accrual. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Principal and interest on long-term debt are recognized as expenditures when due.

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

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

Proprietary funds present operating revenues and expenses as well as non-operating 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 are reported as non-operating 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.

FORT BEND COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies (continued)

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. Significant encumbrances outstanding at year-end are represented in aggregate within the respective fund balance category (restricted or committed) on the face of the balance sheet. Additional information regarding significant encumbrances is included in Note 12 on pages 60-61. 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. Investments

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

G. Receivables

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

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 by where the monies should be returned. These interfund transfers are classified as "transfers in" and "transfers out" within the primary government.

FORT BEND COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies (continued)

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 (currently \$5,000 on new assets) is met. All betterments to existing assets are capitalized, without any threshold. 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 the 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 estimated useful life for the type of assets as follows:

<u>Asset Description</u>	<u>Estimated Useful Life</u>
Vehicles	5 to 7 years
Office furniture and equipment	5 to 7 years
Machinery and equipment	7 to 15 years
Buildings, facilities and 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 80 hours is paid to nonexempt employees. 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. Upon retirement, an employee may be eligible to receive a payment for up to one-half of their unused sick leave balance, not to exceed a maximum of \$5,000. In the event of any termination other than retirement, an employee is not paid for any unused sick leave.

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

FORT BEND COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies (continued)

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. Date of Managements' Review

In preparing the financial statements, the County has evaluated events and transactions for potential recognition or disclosure through March 18, 2013, the date that the financial statements were available to be issued.

Q. Estimates

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

Note 2 - 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, regulates 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 110% of market value of principal and accrued interest.

FORT BEND COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS

Note 2 - Deposits (Cash) and Investments (continued)

A. Authorization for Deposits and Investments (continued)

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, is 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 of Texas. The County did not invest in repurchase agreements for the year ended September 30, 2012.

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 accounts.

At September 30, 2012, the County's cash deposits are either insured by FDIC or covered by collateral held by the County's agent in the County's name.

The following schedule shows the County's recorded cash and cash equivalents and investment pools at year-end, excluding Agency Funds:

	Governmental Funds	Proprietary Funds	Total Governmental Activities	Component Units	Total
Cash deposits	\$ 131,293,682	\$ 6,608,510	\$ 137,902,192	\$ 190,549,490	\$ 328,451,682
Investment pools:					
Texas CLASS	1,313,737	34,201	1,347,938	289,706	1,637,644
TexasTERM	3,350		3,350	1,006	4,356
LOGIC	5,051	1,007	6,058	1,013	7,071
Wells Fargo 100% Treasury Money Market Fund				2,710,059	2,710,059
Wells Fargo Government Money Market Fund				23,782,817	23,782,817
Total cash and cash equivalents	132,615,820	6,643,718	139,259,538	217,334,091	356,593,629
Certificates of deposit				500,899	500,899
Total Cash and Investments	\$ 132,615,820	\$ 6,643,718	\$ 139,259,538	\$ 217,834,990	\$ 357,094,528

Texas Cooperative Liquid Assets Securities System Trust (Texas CLASS) is a local government investment pool organized under the authority of the Interlocal Cooperation Act, chapter 791, Texas Government Code, and the Public Funds Investment Act, chapter 2256, Texas Government Code. Texas CLASS was established in 1996. Pursuant to the Trust Agreement, Texas CLASS is supervised by a Board of Trustees who are elected by the Participants. The Board of Trustees supervises the Trust and its affairs and acts as the liaison between the Participants, the Custodian and the Program Administrator. Cutwater Investor Services Corp. serves as Program Administrator. Cutwater Investor Services Corp. is a subsidiary of Cutwater Asset Management. Texas CLASS is considered a '2a-7 like pool' under Governmental Accounting Standards Statement No. 31; it will operate the pool consistent with the SEC's Rule 2a7. It maintains a Net Asset Value of approximately \$1 per share.

FORT BEND COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS

Note 2 - Deposits (Cash) and Investments (continued)

B. Deposit and Investment Amounts (continued)

The TexasTERM Local Government Investment Pool (TexasTERM) is organized in conformity with the Texas Public Funds Investment Act of the Texas Government Code. It provides for a fixed-rate, fixed-term investment for a period of 60 days to one year and includes TexasDAILY, a portfolio of the Local Government Pool, providing daily access to funds. An Advisory Board composed of participants in TexasTERM and other parties who do not participate in the Pool, has responsibility for the overall management of the Pool, including formulation and implementation of its Investment and Operating Policies. PFM Asset Management LLC, a leading national financial and investment advisory firm, is the investment advisor to the pool. TexasTERM's TexasDAILY portfolio is considered a '2a-7 like pool' under Governmental Accounting Standards Statement No. 31; it will operate the pool consistent with the SEC's Rule 2a7. It maintains a Net Asset Value of approximately \$1 per share.

Local Government Investment Cooperative (LOGIC) is a local government investment pool organized under the authority of the Interlocal Cooperation Act, chapter 791, Texas Government Code, and the Public Funds Investment Act, chapter 2256, Texas Government Code. The Pool was created in April, 1994 through a contract among its participating governmental units, and is governed by a board of directors ('the board'), to provide for the joint investment of participant's public funds and funds under their control. LOGIC is considered a '2a-7 like pool' under Governmental Accounting Standards Statement No. 31; it will operate the pool consistent with the SEC's Rule 2a7. It maintains a Net Asset Value of approximately \$1 per share.

Wells Fargo 100% Treasury Money Market Fund seeks current income exempt from most state and local individual income taxes, while preserving capital and liquidity. It invests in high-quality, short-term money market instruments that consist of U.S. Treasury obligations.

Wells Fargo Government Money Market Fund seeks current income, while preserving capital and liquidity. It invests in high-quality, short-term money market instruments that consist of U.S. Government obligations and repurchase agreements collateralized by U.S. Government obligations.

C. 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>
Certificates of deposit	\$ 500,899	387	1.7%
Investment pools:			
Texas CLASS	1,637,644	39	5.7%
TexasTERM	4,356	54	0.0%
LOGIC	7,071	50	0.0%
Wells Fargo 100% Treasury Money Market Fund	2,710,059	54	9.5%
Wells Fargo Government Money Market Fund	23,782,817	33	83.0%
Total Fair Value	<u>\$ 28,642,846</u>		
Portfolio weighted average maturity		<u>42</u>	

FORT BEND COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS

Note 2 - Deposits (Cash) and Investments (continued)

C. Interest Rate Risk (continued)

It is the County's policy to select any individual investment with a maximum stated maturity 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.

D. Credit Risk

The County's investment policy does not require investments to hold certain credit ratings issued by nationally recognized statistical rating organizations. As of September 30, 2012, the County's investments in Texas CLASS, Texas TERM, and LOGIC were rated "AAAm" by Standard and Poor's. The County's investments in both Wells Fargo Money Market Funds were rated "AAAm" and "Aaa-mf" by Standard and Poor's and Moody's Investments, respectively.

E. 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:

Investment Type	Maximum Investment %
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 is the County's policy to select investments in order to provide stability of income and reasonable liquidity.

FORT BEND COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS

Note 3 - Receivables

Receivables, including applicable allowances for uncollectible accounts, as of September 30, 2012, were as follows:

	Governmental Activities			Total
	General	Debt Service	Non-major Governmental Funds	
Receivables:				
Property taxes	\$ 5,893,070	\$ 453,352	\$ 1,103,582	\$ 7,450,004
Sales taxes			408,254	408,254
Grants	5,297,787		575,878	5,873,665
Fees and fines	4,319,143			4,319,143
Other	3,446,293	112,340	2,068,747	5,627,380
Gross receivables	18,956,293	565,692	4,156,461	23,678,446
Less: allowance for uncollectibles	(589,307)	(45,335)	(110,358)	(745,000)
Total	\$ 18,366,986	\$ 520,357	\$ 4,046,103	\$ 22,933,446

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, 2012, the various components of deferred revenue reported in the governmental funds are as follows:

	Unavailable	Unearned
Delinquent property taxes (General Fund)	\$ 5,303,763	\$
Delinquent property taxes (Road and Bridge Fund)	699,007	
Delinquent property taxes (Drainage District Fund)	294,217	
Delinquent property taxes (Debt Service Fund)	408,017	
Fees and fines (General Fund)	4,319,143	
Grant funds received prior to meeting all eligibility requirements		3,764,100
Total deferred revenue for governmental funds	\$ 11,024,147	\$ 3,764,100

FORT BEND COUNTY, TEXAS
NOTES TO THE 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. 2011 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 2012 fiscal year (2011 tax year), the County levied property taxes of \$0.49976 per \$100 of assessed valuation. The 2011 rates resulted in total adjusted tax levies of approximately \$197.6 million based on a total adjusted valuation of approximately \$38.0 billion. The total tax rate in the 2011 tax year was prorated as follows:

	<u>2011 Rate</u>	<u>2011 Limit</u>
General, certain special revenue and debt service funds	\$ 0.45064	\$ 0.80000
Special road & bridge funds	\$ 0.03032	\$ 0.15000
Fort Bend County Drainage District	\$ 0.01880	\$ 0.25000
Total Tax Rate	<u>\$ 0.49976</u>	<u>\$ 1.20000</u>

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 THE 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, 2012, the interfund receivables and payables were as follows:

	Interfund Receivable	Interfund Payable
General Fund	\$ 13,782,374	\$ 28,021
Debt Service Fund		673,801
Mobility 2012 Projects Fund	4,695	8,755,518
Non-major Governmental Funds	10,117,281	14,527,379
	<u>23,904,350</u>	<u>23,984,719</u>
Internal Service Funds	123,522	43,153
Total Governmental Activity	<u>\$ 24,027,872</u>	<u>\$ 24,027,872</u>

Transfers totaling approximately \$13.3 million were made during the year primarily for the purpose of moving unrestricted 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.

	Transfers In	Transfers (Out)
General Fund	\$ 363,140	\$ 8,386,693
Mobility 2012 Projects Fund		4,307,471
Non-major Governmental Funds	12,894,987	563,963
	<u>\$ 13,258,127</u>	<u>\$ 13,258,127</u>

FORT BEND COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS

Note 6 - Capital Assets

A summary of changes in the primary government's capital assets for the year ended September 30, 2012, is as follows:

	Primary Government			Balance 9/30/12
	Balance 10/1/11	Increases	Decreases	
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 337,804,967	\$ 16,614,222	\$	\$ 354,419,189
Construction-in-progress	119,870,634	27,259,886	(74,297,663)	72,832,857
Total capital assets not being depreciated	457,675,601	43,874,108	(74,297,663)	427,252,046
Other capital assets:				
Vehicles	26,456,316	4,496,698	(2,614,832)	28,338,182
Office furniture and equipment	26,832,309	2,319,656	(221,236)	28,930,729
Machinery and equipment	25,768,990	1,637,930	(1,950,807)	25,456,113
Buildings, facilities and improvements	312,275,031	14,190,073	(4,468,635)	321,996,469
Infrastructure	443,465,714	77,217,745		520,683,459
Total other capital assets	834,798,360	99,862,102	(9,255,510)	925,404,952
Accumulated depreciation for:				
Vehicles	(14,753,864)	(3,341,788)	2,236,048	(15,859,604)
Office furniture and equipment	(15,528,536)	(3,659,567)	115,310	(19,072,793)
Machinery and equipment	(13,557,264)	(1,628,030)	1,615,585	(13,569,709)
Buildings, facilities and improvements	(61,016,550)	(8,112,636)	4,468,635	(64,660,551)
Infrastructure	(122,955,527)	(21,476,757)		(144,432,284)
Total accumulated depreciation	(227,811,741)	(38,218,778)	8,435,578	(257,594,941)
Other capital assets, net	606,986,619	61,643,324	(819,932)	667,810,011
Total governmental activities capital assets, net	\$ 1,064,662,220	\$ 105,517,432	\$(75,117,595)	\$1,095,062,057

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

Fiscal Year 2012 Depreciation Expense	
General administration	\$ 1,392,886
Financial administration	278,053
Administration of justice	6,346,932
Construction and maintenance	23,719,768
Health and welfare	1,432,633
Cooperative services	61,248
Public safety	3,169,361
Parks and recreation	484,064
Library	1,333,833
Total Depreciation Expense	\$ 38,218,778

FORT BEND COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS

Note 6 - Capital Assets (continued)

Construction-in-progress and remaining commitments under related construction contracts for general government construction projects at September 30, 2012, is as follows:

2012 CONSTRUCTION COSTS					
Project	Balance 10/1/11	Increases- Retainage Included	Decreases- Capitalizations	Balance 9/30/12	Remaining Commitments
Mobility Projects - Bonds	\$ 85,917,011	\$ 17,776,338	\$ (61,465,188)	\$ 42,228,161	\$ 25,881,838
Animal Control Expansion	58,746	583,111		641,857	
Barbara Jordan Community Center		290		290	9,200
Barker Cypress Park Lighting		2,759		2,759	47,167
Barker Cypress Park Trail		29,950		29,950	215,581
Big Creek	2,106,255	93,333		2,199,588	1,570,724
Big Creek FBFCWSC - Bonds	12,013,383	927,325		12,940,708	2,030,000
Bridge Construction	24,067	141,798		165,865	8,155
CAD 2 Access Road		23,179		23,179	
CAD Expansion	5,140	20,710		25,850	13,500
Civil Service Commission Remodel		8,574	(8,574)		500
Courthouse Renovation Grant	387,022	7,971		394,993	
Courthouse Renovation Project		422,987		422,987	
Crabb River Rd Expansion	628,450	7,645		636,095	57,149
Emily Court Parking Lot		17,100	(17,100)		6,500
Employee Clinic	88,810	487,801	(576,611)		29,455
Facilities Tracking Software	26,500		(26,500)		26,900
FM762 Landscaping	10,268			10,268	
GML Library Prop 2 - Bonds	728,145	69,828		797,973	
HHS Facility Precinct 2		10,551	(10,551)		2,722
Jail Generator Study		379,704	(379,704)		2,340
Kitty Hollow Park Expansion	28,140	281,940		310,080	12,283
Library Administration Facility		36,319		36,319	167,977
Phone System Upgrade	449,436	283,280		732,716	284,417
Rosenberg Annex Renovation		175,874	(175,874)		39,041
Senior Citizens' Community Center	185,689	94,872		280,561	2,307,496
Stafford Run Project		2,028,754		2,028,754	
Taylor House	53,298			53,298	
Traffic Signals					48,478
Travis Building Renovation	262,884	326,599	(589,483)		40,375
Upper Oyster Creek	7,570,220	690		7,570,910	
Westpark B Frontage Roads		1,299,696		1,299,696	
Projects Completed in FY 2012	9,327,170	1,720,908	(11,048,078)		
Totals	\$ 119,870,634	\$ 27,259,886	\$ (74,297,663)	\$ 72,832,857	\$ 32,801,798

FORT BEND COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS

Note 6 - Capital Assets (continued)

A summary of changes in the discretely presented component units (Fort Bend County Toll Road Authority and Fort Bend Grand Parkway Toll Road Authority) capital assets for the year ended September 30, 2012, is as follows:

	Discretely Presented Component Units			Balance 9/30/12
	Balance 10/1/11	Increases	Decreases	
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 10,973,709	\$ 1,321,351	\$	\$ 12,295,060
Construction-in-progress	12,580,205	36,548,600		49,128,805
Total capital assets not being depreciated	<u>23,553,914</u>	<u>37,869,951</u>	<u></u>	<u>61,423,865</u>
Other capital assets:				
Infrastructure	158,727,154			158,727,154
Total other capital assets	<u>158,727,154</u>	<u></u>	<u></u>	<u>158,727,154</u>
Accumulated depreciation for:				
Infrastructure	(25,188,819)	(3,870,677)		(29,059,496)
Total accumulated depreciation	<u>(25,188,819)</u>	<u>(3,870,677)</u>	<u></u>	<u>(29,059,496)</u>
Other capital assets, net	133,538,335	(3,870,677)		129,667,658
Total Governmental Activities capital assets, net	<u>\$ 157,092,249</u>	<u>\$ 33,999,274</u>	<u>\$</u>	<u>\$ 191,091,523</u>

Depreciation expense for the Fort Bend County Toll Road Authority and the Fort Bend Grand Parkway Toll Road Authority totaled \$3,870,677 for fiscal year 2012.

Construction-in-progress and remaining commitments under related construction contracts for the Fort Bend County Toll Road Authority and the Fort Bend Grand Parkway Toll Road Authority construction projects at September 30, 2012, are as follows:

2012 CONSTRUCTION COSTS					
Project	Balance 10/1/11	Increases- Retainage Included	Decreases- Capitalizations	Balance 9/30/12	Remaining Commitments
Fort Bend County Toll Road Authority	\$ 1,091,886	\$ 5,516,258	\$	\$ 6,608,144	\$ 6,003,122
Fort Bend Grand Parkway Toll Road Authority	11,488,319	31,032,342		42,520,661	3,867,655
Totals	<u>\$ 12,580,205</u>	<u>\$ 36,548,600</u>	<u>\$</u>	<u>\$ 49,128,805</u>	<u>\$ 9,870,777</u>

FORT BEND COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS

Note 7 - Long-Term Debt

A. General Obligation Bonds and Long-term Liabilities

Long-term liabilities applicable to the County’s governmental activities are not due and payable in the current period, and accordingly, are not reported as fund liabilities in the governmental funds. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. Long-term bonded debt as of September 30, 2012, is as follows:

Primary Government				
Original Issue	Description	Interest Rate	Matures	Debt
		%		Outstanding
General Obligation Bonds				
\$ 30,245,000	Unlimited Tax Road Bonds, Series 2006	4.00 - 5.00	2026	\$ 23,945,000
26,000,000	Unlimited Tax Road Bonds, Series 2007	4.00 - 4.25	2027	21,320,000
126,675,000	Facilities Limited Tax Bonds, Series 2007	4.00 - 5.00	2031	122,450,000
48,940,000	Unlimited Tax Road Bonds, Series 2009	3.00 - 5.00	2029	43,930,000
73,430,000	Justice Center Limited Tax Bonds, Series 2009	3.00 - 5.25	2030	67,880,000
20,780,000	Unlimited Tax Road Refunding Bonds, Series 2009	3.00 - 5.00	2021	16,775,000
9,675,000	Fort Bend Flood Control Water Supply Refunding Bonds, Series 2010	2.50 - 4.00	2021	8,665,000
58,220,000	Unlimited Tax Road Bonds, Series 2012	2.00 - 5.00	2032	<u>58,220,000</u>
	Total General Obligation Bonds			<u><u>\$ 363,185,000</u></u>

The County issues general obligation bonds primarily for the purpose of funding construction projects. The Facilities and Justice Center Limited Tax Bonds were issued to provide funds for the construction of major County facilities. The Unlimited Tax Road Bonds have been issued to fund the acquisition of right-of-way and the construction of roads and bridges that are within the County’s major thoroughfare plan. The Fort Bend Flood Control Water Supply Refunding Bonds were issued to refund and defease the FBFCWSC’s outstanding Revenue Bonds, Series 2001, which were originally issued to fund the improvement of Big Creek as a component of the Drainage District infrastructure.

All of the County’s outstanding bond issues are subject to federal arbitrage regulations. The County complies with the five year reporting requirements to the Internal Revenue Service for rebate calculation. As of the date of this report, the County has no contingent rebatable arbitrage.

FORT BEND COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS

Note 7 - Long-Term Debt (continued)

A. General Obligation Bonds and Long-term Liabilities (continued)

A summary of long-term liability transactions of the County for the year ended September 30, 2012, follows:

	Balance 10/1/11	Additions	Retirements	Balance 9/30/12	Amounts Due Within One Year
Bonds payable					
General obligation bonds	\$ 318,265,000	\$ 58,220,000	\$(13,300,000)	\$ 363,185,000	\$ 15,630,000
Premiums on bonds	12,043,251	7,326,638	(952,435)	18,417,454	
Total bonds payable	330,308,251	65,546,638	(14,252,435)	381,602,454	15,630,000
Accrued compensated absences	5,560,434	6,062,857	(6,095,776)	5,527,515	1,381,879
Other post-employment benefits (OPEB) obligation	101,760,042	32,376,384	(4,106,516)	130,029,910	
Total Long-Term Liabilities	\$ 437,628,727	\$ 103,985,879	\$(24,454,727)	\$ 517,159,879	\$ 17,011,879

In prior years, the General Fund's resources have been used to liquidate other long-term liabilities, including accrued compensated absences.

Annual debt service requirements to maturity for the general obligation bonds are summarized as follows:

	Principal	Interest	Totals
2013	\$ 15,630,000	\$ 16,745,429	\$ 32,375,429
2014	16,250,000	16,083,548	32,333,548
2015	16,750,000	15,418,872	32,168,872
2016	17,260,000	14,739,335	31,999,335
2017	17,445,000	13,977,898	31,422,898
2018-2022	95,470,000	56,722,878	152,192,878
2023-2027	105,595,000	32,303,408	137,898,408
2028-2032	78,785,000	7,406,800	86,191,800
Totals	\$ 363,185,000	\$ 173,398,168	\$ 536,583,168

FORT BEND COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS

Note 7 - Long-Term Debt (continued)

A. General Obligation Bonds and Long-term Liabilities (continued)

Discretely presented component units long-term bonded debt as of September 30, 2012, is listed below:

Discretely Presented Component Units				
Original Issue	Description	Interest Rate %	Matures	Debt Outstanding
<u>Fort Bend County Toll Road Authority:</u>				
General Obligation Bonds				
\$ 63,695,000	Unlimited Tax and Subordinate Lien Toll Road Revenue Bonds, Series 2003	4.00 - 5.00	2014	\$ 2,145,000
72,195,000	Unlimited Tax and Subordinate Lien Toll Road Revenue Bonds, Series 2004	3.63 - 5.00	2015	3,620,000
30,775,000	Senior Lien Toll Road Revenue Bonds, Series 2012	2.00 - 4.125	2040	30,775,000
116,940,000	Unlimited Tax and Subordinate Lien Toll Road Revenue Refunding Bonds Series 2012	4.00 - 5.00	2032	<u>116,940,000</u>
Total General Obligation Bonds				<u>\$ 153,480,000</u>
<u>Fort Bend Grand Parkway Toll Road Authority:</u>				
General Obligation Bonds				
\$ 155,085,000	Limited Contract Tax and Subordinate Lien Toll Road Revenue Bonds, Series 2012	3.00 - 5.00	2046	<u>\$ 155,085,000</u>
				<u>\$ 155,085,000</u>

On July 12, 2012, Fort Bend County issued \$116,940,000 of Unlimited Tax and Subordinate Lien Toll Road Revenue Refunding Bonds on behalf of the Fort Bend County Toll Road Authority to refund and defease a material portion of the Unlimited Tax and Subordinate Lien Toll Road Revenue Bonds, Series 2003 and 2004 of \$59,550,000 and \$67,530,000, respectively. This advance refunding was undertaken to reduce total debt service payments over the next 20 years by \$19,956,886 and resulted in an economic gain of \$17,834,986. On May 12, 2012, the Fort Bend County Toll Road Authority issued \$30,775,000 of Senior Lien Toll Road Revenue Bonds, Series 2012 to finance the construction of Parkway section B and assist with funding preliminary engineering for the construction of Westpark section B. On August 22, 2012, Fort Bend County issued \$155,085,000 of Limited Contract Tax and Subordinate Lien Toll Road Revenue Bonds, Series 2012 on behalf of the Fort Bend Grand Parkway Toll Road Authority to construct tolled overpasses along State Highway 99 from State Highway 59 to the Westpark Toll Road.

FORT BEND COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS

Note 7 - Long-Term Debt (continued)

A. General Obligation Bonds and Long-term Liabilities (continued)

A summary of long-term liability transactions of the discretely presented component units for the year ended September 30, 2012, follows:

Fort Bend County Toll Road Authority:

	Balance 10/1/11	Additions	Retirements	Balance 9/30/12	Amounts Due Within One Year
General obligation bonds	\$ 134,490,000	\$ 147,715,000	\$ (128,725,000)	\$ 153,480,000	\$ 1,900,000
Premiums on bonds	3,002,059	21,267,137	(3,107,603)	21,161,593	
Discounts on bonds		(326,378)	3,885	(322,493)	
Total Long-Term Liabilities	\$ 137,492,059	\$ 168,655,759	\$ (131,828,718)	\$ 174,319,100	\$ 1,900,000

Fort Bend Grand Parkway Toll Road Authority:

	Balance 10/1/11	Additions	Retirements	Balance 9/30/12	Amounts Due Within One Year
General obligation bonds	\$	\$ 155,085,000	\$	\$ 155,085,000	\$
Premiums on bonds		18,801,337	(46,082)	18,755,255	
Total Long-Term Liabilities	\$	\$ 173,886,337	\$ (46,082)	\$ 173,840,255	\$

FORT BEND COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS

Note 7 - Long-Term Debt (continued)

A. General Obligation Bonds and Long-term Liabilities (continued)

Annual debt service requirements to maturity the general obligation bonds are summarized as follows:

Fort Bend County Toll Road Authority:

	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2013	\$ 1,900,000	\$ 7,824,676	\$ 9,724,676
2014	2,345,000	6,952,650	9,297,650
2015	2,575,000	6,834,925	9,409,925
2016	3,745,000	6,705,875	10,450,875
2017	4,470,000	6,552,225	11,022,225
2018-2022	31,370,000	29,040,450	60,410,450
2023-2027	41,295,000	20,486,572	61,781,572
2028-2032	52,335,000	9,298,019	61,633,019
2033-2037	7,920,000	1,954,931	9,874,931
2038-2040	5,525,000	347,841	5,872,841
Totals	\$ 153,480,000	\$ 95,998,164	\$ 249,478,164

Fort Bend Grand Parkway Toll Road Authority:

	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2013	\$	\$ 7,359,705	\$ 7,359,705
2014		7,180,200	7,180,200
2015		7,180,200	7,180,200
2016		7,180,200	7,180,200
2017		7,180,200	7,180,200
2018-2022	3,690,000	35,747,250	39,437,250
2023-2027	19,705,000	32,609,125	52,314,125
2028-2032	24,490,000	27,565,600	52,055,600
2033-2037	30,525,000	21,239,375	51,764,375
2038-2042	38,850,000	12,608,750	51,458,750
2043-2046	37,825,000	3,098,700	40,923,700
Totals	\$ 155,085,000	\$ 168,949,305	\$ 324,034,305

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. As of September 30, 2012, \$10,232,220 of total bonds are outstanding.

FORT BEND COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS

Note 7 - Long-Term Debt (continued)

B. Conduit Debt (continued)

The Fort Bend County Industrial Development Corporation is authorized to finance industrial development projects as defined by the Development Act of 1979 by issuing bonds. The 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 2012, the corporation issued Industrial Development Revenue Bonds (NRG Energy, Inc. Project), Series 2012 in the amount of \$54,000,000. As of September 30, 2012, \$67,838,919 of total bonds are outstanding.

C. Defeasance of Debt

In fiscal year 2012 the County defeased a large portion of the Unlimited Tax and Subordinate Lien Toll Road Revenue Bonds, Series 2003 and 2004 by placing the proceeds of the refunding bonds in an irrevocable trust to provide for all future debt service on the refunded bonds. The trust account assets and the liability for the defeased bonds are not included in the County's basic financial statements. As of September 30, 2012, the outstanding balance of these refunded bonds was \$127,080,000.

Note 8 - 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 with eight or more years of service at age 60 and above, 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.

FORT BEND COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS

Note 8 - Employee Retirement System (continued)

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 11.12% for calendar year 2012. The contribution rate payable by the employee members is 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.

The County's total payroll in fiscal year 2012 was \$112.2 million and the County's contributions were based on a payroll of \$110.4 million. Contributions made by employees totaled \$7.7 million, and the County made contributions of \$12.1 million during the fiscal year ended September 30, 2012.

Three-year trend information for the Pension Plan is presented below:

	<u>2012</u>	<u>2011</u>	<u>2010</u>
Annual Pension Cost (APC)	\$ 12,127,523	\$ 11,418,711	\$ 11,235,138
Percentage of APC Contributed	100%	100%	100%
Net Pension Obligation at the End of Period	0	0	0

For the year ended September 30, 2012, the pension cost for the TCDRS plan and the actual contributions made were \$12,127,523. Because all contributions are made as required, no pension obligation existed at September 30, 2012.

<u>Actuarial Information</u>	<u>12/31/2011</u>
Actuarial cost method	Entry age
Amortization method	level percentage of payroll, closed
Amortization period	20 years
Asset valuation method	SAF: 10-year smoothed value ESF: Fund value
Assumptions:	
Investment return	8.0%
Projected salary increases	5.4%
Inflation	3.5%
Cost-of-living adjustments	0.0%

FORT BEND COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS

Note 8 - Employee Retirement System (continued)

C. Funded Status and Funding Progress

A schedule of funded status as of the most recent actuarial valuation is as follows:

Schedule of Funding Information

Actuarial valuation date		12/31/2011
Actuarial value of assets	\$	277,022,916
Actuarial accrued liability (AAL)	\$	334,116,854
liability (UAAL or OAAL)	\$	57,093,938
Funded ratio		82.91%
Annual covered payroll (actuarial)	\$	108,712,740
UAAL or OAAL as % of covered payroll		52.52%

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for the benefits.

Note 9 - 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, Security Benefit Life, and Edward Jones have been appointed as plan administrators. The plan permits employees to defer a portion of their salary until future years. The deferred compensation is not available to the employees until termination, retirement, death, or emergency. Amounts of compensation deferred by employees under the plan provisions are disbursed to the plan administrators after each pay period. The plan administrators hold all funds invested in the plan and disburse funds to employees in accordance with plan provisions. The County does not maintain significant oversight of the plan administrators' activities.

Note 10 - Other Post-Employment Benefits

A. Plan Description

In addition to providing pension benefits through the Texas County and District Retirement System, the County sponsors and administers a single-employer defined benefit health care plan titled "Fort Bend County Employee Benefit Plan" ("Plan"). The Plan was established and approved by Fort Bend County Commissioners Court and Chapter 175 of the Local Government Code which provides eligible employees, retirees, and their eligible dependents with the following post-employment benefits:

- Eligible retirees have a portion of their medical and dental insurance premiums paid by the County for participation with the County's healthcare provider; and at the County's cost to cover current employees
- Eligible dependents of retirees have a portion of their medical and dental insurance premiums paid by the County for participation with the County's healthcare provider; and at the County's cost to cover current employees

The Plan does not issue a separate, publicly available report.

FORT BEND COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS

Note 10 - Other Post-Employment Benefits (continued)

B. Funding Policy and Contribution Rates

The contribution requirements of the County and plan members are established and may be amended by Commissioners Court. These contributions are neither guaranteed nor mandatory. The County has retained the right to unilaterally modify its payments toward retiree healthcare benefits. The Plan provides for the payment of a portion of the health and dental insurance premiums for eligible retired employees and their dependents. Plan members receiving benefits contribute a percentage of the monthly insurance premium. Currently, the Plan pays a portion of the retiree's premiums, as well as his or her dependent coverage. The retiree contributes the premium cost each month, less the Plan subsidy.

The County is statutorily required to permit retiree participation in the health insurance program on a pooled non-differentiated basis. The County, therefore, charges both groups an equal, blended rate premium. Although both groups are charged the same rate, GAAP requires the actuarial figures to be calculated using age adjusted premiums approximating claim costs for retirees separately from active employees. The use of age adjusted premiums results in the addition of an implicit rate subsidy into the actuarial accrued liability. However, the County has elected to contribute to the Plan at a rate that is based on an actuarial valuation prepared using the blended rate premium that is actually charged to the Plan.

The County recognizes its share of the costs of providing these benefits when paid, on a "pay-as-you-go" basis. These payments are budgeted annually. At September 30, 2012, there were 418 retirees receiving benefits and approximately 2,463 active members not yet eligible to receive such benefits. Commencing in fiscal 2008, the County implemented GASB Statement No. 45 "Accounting and Financial Reporting by Employers for Post-employment Benefits Other Than Pensions." The County has performed an actuarial valuation of its post-retirement benefit liability. The financial statement disclosures for 2012 are as follows:

FORT BEND COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS

Note 10 - Other Post-Employment Benefits (continued)

C. Annual OPEB Costs and Net OPEB Obligation

For fiscal year 2012, the County's annual OPEB cost for the Plan was \$32,376,384. The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for the year ended September 30, 2012, were as follows:

	Fiscal Year Ending 9/30/12
Determination of Annual Required Contribution	
Normal Cost at Fiscal Year End	\$ 18,173,276
Amortization of Unfunded Actuarial Accrued Liability	15,791,161
Annual Required Contribution (ARC)	<u>33,964,437</u>
Determination of Net OPEB Obligation	
Annual Required Contribution	33,964,437
Interest on prior-year Net OPEB Obligation	4,070,402
Adjustment to ARC	<u>(5,658,455)</u>
Annual OPEB Cost	32,376,384
Less Assumed Contributions Made	<u>(4,106,516)</u>
Estimated Increase in Net OPEB Obligation	28,269,868
Net OPEB Obligation - Beginning of Year	<u>101,760,042</u>
Net OPEB Obligation - End of Year	<u><u>\$ 130,029,910</u></u>
Percentage of OPEB Cost Contributed	12.7%

D. Trend Information

The following table shows the annual OPEB cost and net OPEB obligation for the prior three years assuming the plan is not prefunded (4% discount):

Fiscal Year Ended	Discount Rate	Annual OPEB Cost	Percentage of OPEB Cost Contributed	Net OPEB Obligation
2010	4%	\$ 30,699,706	14.4%	\$ 75,112,628
2011	4%	\$ 31,751,414	16.1%	\$ 101,760,042
2012	4%	\$ 32,376,384	12.7%	\$ 130,029,910

FORT BEND COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS

Note 10 - Other Post-Employment Benefits (continued)

E. Funded Status and Funding Progress

A schedule of funded status as of the most recent actuarial valuation is as follows:

Actuarial valuation date		October 1, 2011
Actuarial value of plan assets (a)	\$	0
Actuarial accrued liability (AAL) (b)	\$	255,897,447
Unfunded/(Overfunded) actuarial accrued liability (UAAL or OAAL) (b-a)	\$	255,897,447
Funded Ratio (a/b)		0.0%
Annual Covered Payroll (c)	\$	108,712,740
UAAL or OAAL as % of covered payroll ((b-a)/c)		235.4%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability.

F. Actuarial Methods and Assumptions

The actuarial cost method used for determining the benefit obligations is a Projected Unit Credit Cost Method. Under this method, the actuarial present value of projected benefits is the value of benefits expected to be paid for current actives and retirees and is calculated based on certain assumptions and census data. The Actuarial Accrued Liability (AAL) is the actuarial present value of benefits attributed to employee service rendered prior to the valuation date. The AAL equals the present value of benefits multiplied by a fraction equal to service to date over service at expected retirement. The Normal Cost is the actuarial present value of benefits attributed to one year of service. This equals the present value of benefits divided by service at expected retirement. Since retirees are not accruing any more service, their normal cost is zero. In determining the Annual Required Contribution, The Unfunded AAL is amortized as a level dollar over 30 years. The actuarial assumptions included a 4% per annum discount rate for valuing liabilities. Employees eligible for retiree medical benefits assumed to elect continued medical coverage in retirement for themselves and their spouses is 100% and 40% respectively. The valuation assumes the following:

- Healthcare cost trend rates:
 - Pre-65 trend begins at 6.2% in fiscal year 2011 and falls to 4.7% in 2089.
 - Post-65 trend begins at 6.2% in fiscal year 2011 and falls to 4.8% in 2099.
 - Dental trend begins at 5.86% in fiscal year 2011 and falls to 3.95% in 2024.
- 4% per annum discount rate for valuing liabilities.
- Employees eligible for retiree medical benefits assumed to elect continued medical coverage in retirement for themselves and their spouses is 100% and 40% respectively.
- 2.75% inflation rate.
- No projected salary increases.

FORT BEND COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS

Note 11 – Net Pension Obligation and Other Post-Employment Benefits Funding in Prior Years

The governmental funds that have been used to fund the net pension obligation and other post-employment benefit obligations in prior years have been the General Fund and the Drainage District Fund. The Drainage District Fund has only funded these obligations for retirees that worked for that department through the date of their retirement. All other obligations for retirees have been funded within the General Fund.

Note 12 – Fund Balances

As prescribed by GASB Statement No. 54, governmental funds report fund balance in classifications based primarily on the extent to which the County is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. As of September 30, 2012, fund balance for the government fund is made up of the following:

Nonspendable Fund Balance – includes amounts that are (a) not in spendable form, or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example: inventories, prepaid amounts, and long-term notes receivable.

Restricted Fund Balance - includes amounts that can be spent only for the specific purposes stipulated by external resource providers, constitutionally or through enabling legislation. Restrictions may effectively be changed or lifted only with the consent of resource providers. When restricted and unrestricted fund balance exists for the same purpose, restricted fund balance will be used first.

Committed Fund Balance – includes amounts that can only be used for the specific purposes determined by a formal action of the County’s highest level of decision-making authority, the County’s Board. Commitments may be changed or lifted only by the County’s Board taking the same formal action that imposed the constraint originally. Therefore an agenda item must be presented to the County’s Board to authorize the commitment or release of commitment of fund balance with a majority vote of approval.

Assigned Fund Balance – comprises amounts intended to be used by the County for specific purposes that are neither restricted nor committed. *Intent* is expressed by (a) the County’s Board or (b) a body (for example: a budget or finance committee) or official to which the County’s Board has delegated the authority to assign amounts to be used for specific purposes. As of the date of this report, the County’s Board has not authorized any other official to have the authority to assign fund balance; therefore the assignment of fund balance must be made by approval of the Board.

Unassigned Fund Balance – is the residual classification for the General Fund and includes all amounts not contained in the other classifications. Unassigned amounts are technically available for any purpose.

When various unrestricted fund balance is available for the same purpose, the County will use committed fund balance first, assigned fund balance next, and unassigned fund balance last.

GASB 54 requires disclosure of any formally adopted minimum fund balance policies. The County’s policy is to budget to maintain a minimum fund balance of 15% of the County’s General Fund annual operating expenditures. If the actual fund balance drops below 15%, it shall be budgeted for recovery the following year. This policy is reviewed annually.

FORT BEND COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS

Note 12 – Fund Balances (continued)

Fund balances for all the major and non-major governmental funds as of September 30, 2012, were distributed as shown below:

	<u>General</u>	<u>Debt Service</u>	<u>Mobility 2012 Project Funds</u>	<u>Non-major Governmental Funds</u>	<u>Total</u>
Nonspendable:					
Prepaid expenses	\$ 36,826	\$	\$	\$ 54,201	\$ 91,027
Subtotal	<u>36,826</u>			<u>54,201</u>	<u>91,027</u>
Restricted for:					
General administration	246,021			2,638,646	2,884,667
Financial administration				451	451
Administration of justice				1,633,686	1,633,686
Construction and maintenance			17,368,323	19,418,093	36,786,416
Health and welfare				110,093	110,093
Public safety				3,350,611	3,350,611
Library				125,922	125,922
Mobility road projects			25,881,839		25,881,839
Big Creek drainage project				3,600,724	3,600,724
Gapps Slough drainage project				81,564	81,564
Road and bridge construction projects				452,868	452,868
Juvenile justice alternative education				48,373	48,373
Debt service		3,991,101			3,991,101
Subtotal	<u>246,021</u>	<u>3,991,101</u>	<u>43,250,162</u>	<u>31,461,031</u>	<u>78,948,315</u>
Committed to:					
Capital projects	17,373,039				17,373,039
Facility construction/renovation	3,577,665				3,577,665
Emily Court parking lot	6,500				6,500
Central Appraisal District facility	13,500				13,500
Park restorations	59,450				59,450
Phone system upgrade	174,759				174,759
Jail generator replacement	2,340				2,340
Facilities tracking software	26,900				26,900
Right-of-way acquisitions	2,945,721				2,945,721
Subtotal	<u>24,179,874</u>				<u>24,179,874</u>
Unassigned	<u>11,563,846</u>				<u>11,563,846</u>
Total Fund Balances	<u>\$ 36,026,567</u>	<u>\$ 3,991,101</u>	<u>\$ 43,250,162</u>	<u>\$ 31,515,232</u>	<u>\$ 114,783,062</u>

FORT BEND COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS

Note 13 - Contingencies and Commitments

A. Construction Contract Commitments

The County had several capital improvement commitments at September 30, 2012. 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, 2012.

Note 14 - 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. Non-incremental claim 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. A summary of the changes in the balances of claims liabilities for the year ended September 30, 2012 are as follows:

	Balance			Balance	Amounts
	10/1/11	Additions	Retirements	9/30/12	Due Within
					One Year
Employee benefits	\$ 4,291,916	\$ 21,275,764	\$(23,872,846)	\$ 1,694,834	\$ 1,694,834
Other insurance	3,448,518	770,832	(533,424)	3,685,926	1,651,010
Total unpaid claims	\$ 7,740,434	\$ 22,046,596	\$(24,406,270)	\$ 5,380,760	\$ 3,345,844

FORT BEND COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS

Note 15 – Deficit Net Assets

As of September 30, 2012, Other Self-Funded Insurance Fund has deficit net assets of \$2,440,557. This was caused by a continued increase of workers' compensation claims during fiscal year 2012. Management plans to increase the allocation for Other Self-Funded Insurance in future years to eliminate this deficit net assets balance.

As of September 30, 2012, the Fort Bend Grand Parkway Toll Road Authority has deficit net assets of \$2,575,903. This is caused by the issuance of bonds for the construction of the tolled overpasses along State Highway 99. There are no revenues being collected to offset the long-term liability. The tolled overpasses are planned to be open in December 2013.

Note 16 – Restatement of Beginning Net Assets

During the 2012 fiscal year, the County made adjustments to its capital asset records. As a result of these adjustments, the County has restated its beginning capital asset amounts for land, construction-in-progress, vehicles, office furniture and equipment, road equipment, and infrastructure by \$4,370,217, (\$379,981), \$382,107, (\$216,278), \$116,224, and (\$4,005,686) respectively. Accumulated depreciation has been restated for vehicles, office furniture and equipment, road equipment, and infrastructure by (\$459,744), \$260,573, \$14,643, and \$544,336 respectively. Therefore, governmental activities total beginning net assets was increased by \$626,411.

During the 2012 fiscal year, the Fort Bend County Toll Road Authority made adjustments to its capital asset records. As a result of these adjustments, the Authority has restated its beginning capital asset balances for land by \$9,284,943, construction-in-progress by (\$1,997), and infrastructure by (\$9,282,946), for right-of-way purchases in prior fiscal years that were erroneously treated as an increase in the construction-in-progress and toll road system assets. The result of the change in the value of the toll road system and a miscalculation of depreciation in fiscal year 2007 caused a restatement of accumulated depreciation of \$2,927,261. The net of these corrections caused beginning net assets to decrease by \$2,927,261.

During the 2012 fiscal year, the Fort Bend Grand Parkway Toll Road Authority made an adjustment to its capital asset records to increase the construction-in-progress capital asset for capital costs incurred in the prior fiscal year that were not capitalized. The result of this correction caused beginning net assets to increase by \$2,709,742.

Note 17 - Subsequent Event

Fort Bend County and the Fort Bend County Toll Road Authority have plans for two bond sales in 2013. The County plans to issue \$29 million in certificates of obligation for the construction of phase one of the frontage roads for the Westpark Toll Road extension. The Fort Bend County Toll Road Authority also plans to issue \$60 million in senior lien revenue bonds for phase one of the Westpark Toll Road extension.



Required Supplementary Information

FORT BEND COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND - BUDGETARY BASIS
For the Year Ended September 30, 2012

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	<u>Original Budget</u>	<u>Budget as Amended</u>	<u>Actual Amounts Budgetary Basis</u>	<u>Variance from Amended Positive (Negative)</u>
Revenues				
Property taxes	\$ 152,257,345	\$ 152,257,345	\$ 152,964,339	\$ 706,994
Fees and fines	21,108,350	21,108,350	22,423,819	1,315,469
Intergovernmental	2,232,100	2,235,100	1,804,307	(430,793)
Earnings on investments	1,503,530	1,503,530	1,376,442	(127,088)
Miscellaneous	2,646,100	2,666,382	3,184,292	517,910
Total Revenues	<u>179,747,425</u>	<u>179,770,707</u>	<u>181,753,199</u>	<u>1,982,492</u>
Expenditures				
General Administration				
County Judge:				
Salaries and personnel costs	499,924	494,471	478,034	16,437
Operating costs	14,962	14,962	12,134	2,828
Information technology costs	1,814	314	311	3
Commissioner Precinct 1:				
Salaries and personnel costs	365,920	368,582	366,457	2,125
Operating costs	13,380	13,130	9,066	4,064
Information technology costs		250	249	1
Commissioner Precinct 2:				
Salaries and personnel costs	486,238	503,317	503,319	(2)
Operating costs	22,429	22,621	22,571	50
Information technology costs		375	374	1
Commissioner Precinct 3:				
Salaries and personnel costs	354,510	328,524	298,498	30,026
Operating costs	36,269	36,269	14,411	21,858
Information technology costs	700	700	72	628
Commissioner Precinct 4:				
Salaries and personnel costs	334,189	334,484	327,613	6,871
Operating costs	12,964	12,964	6,648	6,316
Information technology costs	1,185	1,185	790	395
County Clerk:				
Salaries and personnel costs	3,101,434	3,134,870	3,080,364	54,506
Operating costs	76,459	78,858	76,647	2,211
Information technology costs	5,000	5,000	4,982	18
Non-Departmental:				
Salaries and personnel costs	4,310,316	2,838,969	2,658,915	180,054
Operating costs	7,058,460	6,770,508	4,856,046	1,914,462
Risk Management/Insurance:				
Salaries and personnel costs	602,554	609,652	607,767	1,885
Operating costs	231,124	228,524	141,123	87,401
Information technology costs	937	3,537	1,628	1,909
Property/Casualty/Liability:				
Operating costs	2,640,000	2,640,000	2,273,898	366,102
Capital acquisitions	60,000	60,000	36,116	23,884

FORT BEND COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND - BUDGETARY BASIS
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	<u>Original Budget</u>	<u>Budget as Amended</u>	<u>Actual Amounts Budgetary Basis</u>	<u>Variance from Amended Positive (Negative)</u>
Elections Administrator:				
Salaries and personnel costs	548,748	554,145	528,659	25,486
Operating costs	159,142	159,142	130,197	28,945
Elections Services:				
Salaries and personnel costs	281,923	329,923	270,887	59,036
Operating costs	264,200	264,200	196,085	68,115
Information technology costs	9,000	9,000	6,555	2,445
Human Resources:				
Salaries and personnel costs	695,230	703,215	696,241	6,974
Operating costs	148,800	148,800	86,307	62,493
Information technology costs	1,955	1,955	472	1,483
Vehicle Maintenance:				
Salaries and personnel costs	9,050	12,552	8,713	3,839
Operating costs	1,581	12,477	2,166	10,311
Records Management:				
Salaries and personnel costs	351,785	357,108	357,073	35
Operating costs	18,451	18,221	13,088	5,133
Information technology costs		230	224	6
Central Mailroom:				
Salaries and personnel costs	176,556	178,331	172,570	5,761
Operating costs	506,945	508,445	501,326	7,119
Facilities Management and Planning:				
Salaries and personnel costs	444,783	450,740	450,740	
Operating costs	46,953	44,525	36,183	8,342
Information technology costs	1,317	3,417	3,293	124
Facilities Maintenance:				
Salaries and personnel costs	581,925	553,937	492,383	61,554
Operating costs	503,971	497,730	460,685	37,045
Information technology costs		6,241	6,192	49
Capital acquisitions	66,700	66,700	60,885	5,815
Facilities Operations:				
Salaries and personnel costs	259,706	264,142	261,661	2,481
Operating costs	7,431,422	5,454,080	5,380,600	73,480
Information technology costs		2,800	2,724	76
Janitorial:				
Salaries and personnel costs	474,466	461,739	449,235	12,504
Operating costs	457,850	457,850	438,718	19,132
Information technology:				
Salaries and personnel costs	3,781,502	3,738,038	3,586,787	151,251
Operating costs	1,234,859	1,191,091	1,120,049	71,042
Information technology costs	10,266	42,466	42,412	54
Capital acquisitions	211,490	221,828	221,808	20

FORT BEND COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND - BUDGETARY BASIS
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	<u>Original Budget</u>	<u>Budget as Amended</u>	<u>Actual Amounts Budgetary Basis</u>	<u>Variance from Amended Positive (Negative)</u>
Purchasing:				
Salaries and personnel costs	688,983	696,168	690,369	5,799
Operating costs	27,608	34,617	33,358	1,259
Capital acquisitions		5,080	5,080	
Capital Outlay-General Fund:				
Capital acquisitions	4,952,857			
Total General Administration	<u>44,580,792</u>	<u>35,952,999</u>	<u>32,491,758</u>	<u>3,461,241</u>
Financial Administration				
County Auditor:				
Salaries and personnel costs	1,777,023	1,773,780	1,760,147	13,633
Operating costs	20,111	20,452	19,234	1,218
Information technology costs	200	1,470	1,469	1
County Treasurer:				
Salaries and personnel costs	714,476	667,733	651,355	16,378
Operating costs	180,617	177,717	148,926	28,791
Information technology costs	2,832	5,732	2,897	2,835
Court Collections:				
Salaries and personnel costs	104,177	104,482	99,597	4,885
Operating costs	16,797	16,797	14,264	2,533
EMS Collections:				
Salaries and personnel costs	358,262	362,923	359,825	3,098
Operating costs	76,509	75,709	55,223	20,486
Information technology costs	7,200	7,200	6,781	419
Capital acquisitions		800	666	134
Tax Assessor/Collector:				
Salaries and personnel costs	3,361,649	3,392,365	3,379,613	12,752
Operating costs	288,412	270,520	268,477	2,043
Information technology costs	1,300	19,192	19,156	36
Budget Office:				
Salaries and personnel costs	415,146	418,712	417,291	1,421
Operating costs	26,590	22,388	7,612	14,776
Information technology costs		4,202	4,202	
Total Financial Administration	<u>7,351,301</u>	<u>7,342,174</u>	<u>7,216,735</u>	<u>125,439</u>
Administration of Justice				
County Court-at-Law #1:				
Salaries and personnel costs	438,709	441,871	438,425	3,446
Operating costs	231,000	379,539	375,409	4,130
Capital acquisitions		5,400	5,320	80
County Court-at-Law #2:				
Salaries and personnel costs	456,682	465,375	465,373	2
Operating costs	234,400	475,473	470,254	5,219
Information technology costs		1,100	1,074	26
Capital acquisitions		5,900	5,320	580

FORT BEND COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND - BUDGETARY BASIS
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	<u>Original Budget</u>	<u>Budget as Amended</u>	<u>Actual Amounts Budgetary Basis</u>	<u>Variance from Amended Positive (Negative)</u>
County Court-at-Law #3:				
Salaries and personnel costs	452,755	454,530	452,316	2,214
Operating costs	232,100	532,256	531,317	939
Information technology costs	2,085	2,085	1,953	132
County Court-at-Law #4:				
Salaries and personnel costs	457,664	460,326	453,218	7,108
Operating costs	228,823	931,892	931,312	580
Information technology costs	677	677		677
Associate County Court-at-Law:				
Salaries and personnel costs	185,152	191,212	191,211	1
Operating costs	10,419	13,207	13,207	
Information technology costs	1,224	936	935	1
240th District Court:				
Salaries and personnel costs	228,105	229,880	226,818	3,062
Operating costs	221,596	623,450	623,301	149
268th District Court:				
Salaries and personnel costs	230,378	231,651	228,798	2,853
Operating costs	233,500	479,768	478,877	891
Information technology costs	1,250	1,250	1,331	(81)
328th District Court:				
Salaries and personnel costs	366,101	368,763	366,978	1,785
Operating costs	225,000	224,289	224,289	
Information technology costs	1,427	2,177	1,924	253
387th District Court:				
Salaries and personnel costs	364,271	366,933	365,665	1,268
Operating costs	155,950	238,293	238,214	79
400th District Court:				
Salaries and personnel costs	228,126	230,621	229,902	719
Operating costs	219,575	650,854	649,466	1,388
434th District Court:				
Salaries and personnel costs	228,682	230,457	229,528	929
Operating costs	228,000	1,436,679	1,436,676	3
Child Support:				
Salaries and personnel costs	400,836	394,440	375,862	18,578
Operating costs	17,191	17,191	15,999	1,192
District Clerk:				
Salaries and personnel costs	3,343,924	3,365,815	3,318,655	47,160
Operating costs	129,242	138,642	136,077	2,565
Information technology costs	3,086	7,075	7,075	
District Clerk Jury Payments:				
Operating costs	325,000	325,000	217,779	107,221
Justice of the Peace Precinct #1, Place 1:				
Salaries and personnel costs	431,593	436,474	427,406	9,068
Operating costs	12,822	12,822	9,984	2,838

FORT BEND COUNTY, TEXAS
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	<u>Original Budget</u>	<u>Budget as Amended</u>	<u>Actual Amounts Budgetary Basis</u>	<u>Variance from Amended Positive (Negative)</u>
Justice of the Peace Precinct #1, Place 2:				
Salaries and personnel costs	556,737	563,835	562,498	1,337
Operating costs	21,940	21,940	20,678	1,262
Justice of the Peace Precinct #2:				
Salaries and personnel costs	528,220	463,450	445,257	18,193
Operating costs	20,982	20,982	16,653	4,329
Justice of the Peace Precinct #3:				
Salaries and personnel costs	485,133	491,344	487,418	3,926
Operating costs	10,930	10,930	10,247	683
Justice of the Peace Precinct #4:				
Salaries and personnel costs	402,410	404,432	399,230	5,202
Operating costs	13,950	13,950	8,448	5,502
Bail Bond Board:				
Salaries and personnel costs	65,493	66,380	66,220	160
Operating costs	5,050	5,050	4,176	874
Information technology costs	1,277	1,277	1,256	21
County Attorney:				
Salaries and personnel costs	1,827,313	1,803,263	1,771,969	31,294
Operating costs	128,904	212,094	260,206	(48,112)
Information technology costs	3,848	5,658	5,638	20
District Attorney:				
Salaries and personnel costs	6,674,582	6,698,630	6,645,703	52,927
Operating costs	275,566	152,410	146,742	5,668
District Judges Fees/Services:				
Operating costs	1,615,000			
Sheriff Detention Operating:				
Salaries and personnel costs	20,224,186	20,702,489	20,702,489	
Operating costs	6,397,903	6,632,137	6,544,500	87,637
Information technology costs	21,163	21,163	14,774	6,389
Capital acquisitions	92,311	6,874	6,873	1
Sheriff - Bailiffs:				
Salaries and personnel costs	1,290,865	1,956,853	1,956,852	1
Operating costs	23,382	47,539	28,317	19,222
Information technology costs		20,250	20,249	1
Sheriff - Courthouse Security:				
Salaries and personnel costs	415,853			
Operating costs	28,957			
Courts Administration:				
Salaries and personnel costs	147,272	152,074	151,965	109
Operating costs	18,950	18,850	15,840	3,010
Information technology costs		100	76	24
Indigent Defense Program:				
Salaries and personnel costs	187,142	188,917	177,681	11,236
Operating costs	50,063	50,063	45,530	4,533
Behavioral Health Services:				
Salaries and personnel costs	101,729	126,517	126,516	1
Operating costs	4,490	7,462	6,192	1,270
Information technology costs		28	28	

FORT BEND COUNTY, TEXAS
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	<u>Original Budget</u>	<u>Budget as Amended</u>	<u>Actual Amounts Budgetary Basis</u>	<u>Variance from Amended Positive (Negative)</u>
Choices and Consequences:				
Operating costs	61,840	61,840	52,597	9,243
Death Investigators:				
Operating costs	24,350	24,350	21,334	3,016
Adult Probation Operating:				
Salaries and personnel costs	82,048	70,770	60,521	10,249
Operating costs	152,394	151,634	70,683	80,951
Information technology costs		760	627	133
CSR Program:				
Salaries and personnel costs	270,537	270,537	246,064	24,473
Operating costs		8,000	7,501	499
Drug Court - County:				
Operating costs	55,000	60,451	60,451	
Juvenile Truancy Court:				
Salaries and personnel costs	325,231	261,740	261,740	
Operating costs	10,000	10,000	8,893	1,107
Information technology costs		4,425	4,425	
Total Administration of Justice	<u>53,150,346</u>	<u>56,165,751</u>	<u>55,592,305</u>	<u>573,446</u>
Construction and Maintenance				
Carpenter Shop:				
Salaries and personnel costs	907,138	915,915	877,980	37,935
Operating costs	23,123	23,123	12,276	10,847
Engineering:				
Salaries and personnel costs	1,454,380	1,433,521	1,412,686	20,835
Operating costs	215,519	209,919	151,749	58,170
Information technology costs	6,384	10,484	8,918	1,566
Capital acquisitions	19,000	19,000	18,784	216
Landfill:				
Salaries and personnel costs	43,161	44,048	30,660	13,388
Operating costs	136,879	136,879	95,157	41,722
Recycling Center:				
Salaries and personnel costs	126,215	130,278	122,455	7,823
Operating costs	29,565	29,565	15,339	14,226
Household/Ag Waste Program:				
Salaries and personnel costs	50,100	50,544	24,825	25,719
Operating costs	70,220	70,220	51,964	18,256
Total Construction and Maintenance	<u>3,081,684</u>	<u>3,073,496</u>	<u>2,822,793</u>	<u>250,703</u>
Health and Welfare				
Public Defender - Mental Health:				
Salaries and personnel costs	191,612			
Operating costs	88,204			
Capital acquisitions	16,000	16,000	14,833	1,167
Ambulance - EMS:				
Salaries and personnel costs	7,421,613	7,451,276	7,201,431	249,845
Operating costs	911,334	884,834	874,612	10,222
Information technology costs		12,500	8,901	3,599
Capital acquisitions	266,809	280,809	278,632	2,177

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	<u>Original Budget</u>	<u>Budget as Amended</u>	<u>Actual Amounts Budgetary Basis</u>	<u>Variance from Amended Positive (Negative)</u>
Public Transportation:				
Operating costs	2,389,504	2,165,874	505,616	1,660,258
Health Department - County:				
Salaries and personnel costs	754,521	470,860	423,930	46,930
Operating costs	77,051	48,651	37,294	11,357
Clinical Health Immunization:				
Salaries and personnel costs		267,476	254,605	12,871
Operating costs		28,400	12,488	15,912
Animal Control:				
Salaries and personnel costs	588,863	587,513	565,127	22,386
Operating costs	111,702	111,702	96,218	15,484
Information technology costs			296	(296)
Health and Human Services:				
Salaries and personnel costs	342,897	409,323	409,323	
Operating costs	38,871	60,071	59,866	205
Information technology costs		400	396	4
Senior Center:				
Salaries and personnel costs		22,063	22,063	
Environmental Services:				
Salaries and personnel costs	1,129,153	1,142,313	1,128,535	13,778
Operating costs	123,085	122,948	120,400	2,548
Information technology costs	1,043	1,180	839	341
Capital acquisitions	23,500	23,500	23,340	160
CIHC Coordinator - County:				
Salaries and personnel costs	533,694	538,532	479,299	59,233
Operating costs	4,348,741	3,154,546	1,893,978	1,260,568
Information technology costs		15,500	14,978	522
Capital acquisitions		32,250	32,168	82
Social Services:				
Salaries and personnel costs	661,858	651,502	634,523	16,979
Operating costs	588,763	600,963	587,818	13,145
Information technology costs		19,565	19,495	70
Total Health and Welfare	<u>20,608,818</u>	<u>19,120,551</u>	<u>15,701,004</u>	<u>3,419,547</u>
Cooperative Services				
Extension Service:				
Salaries and personnel costs	498,327	484,521	448,143	36,378
Operating costs	293,835	326,267	318,150	8,117
Information technology costs		2,100	2,095	5
Capital acquisitions	33,500	29,977	29,977	
Veterans Service:				
Salaries and personnel costs	178,827	182,230	182,230	
Operating costs	9,960	9,960	7,354	2,606
Total Cooperative Services	<u>1,014,449</u>	<u>1,035,055</u>	<u>987,949</u>	<u>47,106</u>

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	<u>Original Budget</u>	<u>Budget as Amended</u>	<u>Actual Amounts Budgetary Basis</u>	<u>Variance from Amended Positive (Negative)</u>
Public Safety				
Civil Service Commission:				
Salaries and personnel costs		39,303	30,544	8,759
Operating costs		3,430	1,904	1,526
Information technology costs		1,000	28	972
Fire Marshal:				
Salaries and personnel costs	696,488	714,149	713,933	216
Operating costs	1,586,684	1,593,698	1,593,698	
Information technology costs	7,908	4,410	4,123	287
Department of Public Safety:				
Salaries and personnel costs	103,945	104,851	104,849	2
Operating costs	4,100	4,308	4,274	34
Information technology costs	800	592	580	12
DPS - License and Weight:				
Operating costs	3,466	3,466	3,281	185
Constable Precinct #1:				
Salaries and personnel costs	1,336,072	1,351,288	1,342,580	8,708
Operating costs	100,749	107,827	107,174	653
Information technology costs	3,647	4,877	4,868	9
Capital acquisitions	33,321	26,243	24,492	1,751
Constable Precinct #2:				
Salaries and personnel costs	1,077,002	1,084,830	1,077,839	6,991
Operating costs	92,984	93,047	92,101	946
Information technology costs	2,684	2,684	2,547	137
Capital acquisitions		90,718	88,194	2,524
Constable Precinct #3:				
Salaries and personnel costs	837,193	852,795	851,365	1,430
Operating costs	82,252	85,252	85,130	122
Information technology costs	1,693	4,693	3,788	905
Capital acquisitions	41,500	41,500	40,322	1,178
Constable Precinct #4:				
Salaries and personnel costs	788,442	802,794	802,792	2
Operating costs	73,928	68,775	66,152	2,623
Information technology costs		5,153	5,151	2
Sheriff Enforcement Operating:				
Salaries and personnel costs	24,390,856	25,718,688	25,718,688	
Operating costs	3,375,392	3,364,747	3,251,733	113,014
Information technology costs	104,532	104,532	54,550	49,982
Capital acquisitions	1,040,654	801,318	800,985	333
Commissary Administration:				
Salaries and personnel costs	140,995	149,536	149,535	1
Emergency Management - County:				
Salaries and personnel costs	453,916	462,385	462,384	1
Operating costs	117,697	116,343	108,754	7,589
Information technology costs		1,354	1,014	340
Total Public Safety	<u>36,498,900</u>	<u>37,810,586</u>	<u>37,599,352</u>	<u>211,234</u>

FORT BEND COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND - BUDGETARY BASIS
For the Year Ended September 30, 2012

page 9 of 9

	<u>Original Budget</u>	<u>Budget as Amended</u>	<u>Actual Amounts Budgetary Basis</u>	<u>Variance from Amended Positive (Negative)</u>
Parks and Recreation				
Fairgrounds:				
Salaries and personnel costs	341,918	345,570	333,768	11,802
Operating costs	49,154	56,154	42,674	13,480
Capital acquisitions		8,262	7,695	567
Parks Department:				
Salaries and personnel costs	988,911	962,361	939,049	23,312
Operating costs	527,426	555,981	525,523	30,458
Information technology costs	5,405	1,046	1,046	
Capital acquisitions	34,000	40,546	39,762	784
Total Parks and Recreation	<u>1,946,814</u>	<u>1,969,920</u>	<u>1,889,517</u>	<u>80,403</u>
Libraries and Education				
County Library Operating:				
Salaries and personnel costs	10,242,910	10,315,265	10,244,656	70,609
Operating costs	2,701,724	2,610,556	2,604,003	6,553
Information technology costs	50,000	106,395	106,362	33
Capital acquisitions	30,000	50,619	50,617	2
Total Libraries and Education	<u>13,024,634</u>	<u>13,082,835</u>	<u>13,005,638</u>	<u>77,197</u>
Total Expenditures	<u>181,257,738</u>	<u>175,553,367</u>	<u>167,307,051</u>	<u>8,246,316</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,510,313)</u>	<u>4,217,340</u>	<u>14,446,148</u>	<u>10,228,808</u>
Other Financing Sources (Uses)				
Transfers in			355,539	355,539
Transfers (out)	(8,298,272)	(8,348,272)	(8,386,693)	(38,421)
Total Other Financing Sources (Uses)	<u>(8,298,272)</u>	<u>(8,348,272)</u>	<u>(8,031,154)</u>	<u>317,118</u>
Net Change in Fund Balance- Budgetary Basis	(9,808,585)	(4,130,932)	6,414,994	10,545,926
Net Adjustment to Reflect Operations in Accordance with GAAP (a)			(14,447,408)	
Fund Balance, Beginning of Year	44,058,981	44,058,981	44,058,981	
Fund Balance, End of Year	<u>\$ 34,250,396</u>	<u>\$ 39,928,049</u>	<u>\$ 36,026,567</u>	<u>\$ 10,545,926</u>

(a) See reconciliation on following page.

FORT BEND COUNTY, TEXAS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

Budgets

Formal budgets are legally adopted on a GAAP basis for the General Fund, certain Special Revenue Funds 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. The County does not present any major Special Revenue Funds as of September 30, 2012, regardless of whether there is a legally adopted budget.

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 major operating group level within each department. The four major operating groups are: salary and personnel costs, operating and training costs, information technology costs, and capital acquisition costs. Budgetary transfers between major operating groups within each department require Commissioners Court approval.

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

Budgetary Basis

Fort Bend County budgets for operational and capital activity through the fiscal year budget process for the General Fund, Road & Bridge, Drainage, and Debt Service Fund. The General Fund includes a multi-year budget that is not confined to the fiscal year ending September 30. This multi-year budget is used to account for capital projects, grants, and other activity expanding beyond the fiscal year. The funding for these projects and grants originates from a prior or current fiscal year budget allocation that is then transferred to the multi-year project budget. The schedule below shows a reconciliation of the actual activity in the General Fund in the fiscal year from a budgetary to GAAP basis.

	Actual Amounts Budgetary Basis	Actual Multi-Year	Actual Amounts GAAP Basis
General Fund			
Revenues	\$ 181,753,199	\$ 21,587,995	\$ 203,341,194
Expenditures	<u>167,307,051</u>	<u>36,043,004</u>	<u>203,350,055</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	14,446,148	(14,455,009)	(8,861)
Transfers in	355,539	7,601	363,140
Transfers (out)	<u>(8,386,693)</u>	<u>7,601</u>	<u>(8,386,693)</u>
Total Other Financing Sources (Uses)	(8,031,154)	7,601	(8,023,553)
Net Change in Fund Balance	6,414,994	(14,447,408)	(8,032,414)
Fund Balance, Beginning of Year			<u>44,058,981</u>
Fund Balance, End of Year			<u><u>\$ 36,026,567</u></u>

FORT BEND COUNTY, TEXAS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

Excess of Expenditures over Appropriations

For the year ended September 30, 2012, significant variances where expenditures exceeded appropriations in the following budget categories are detailed below:

Administration of Justice:	
County Attorney - Operating costs	48,112
Other Financing (Uses)	
Transfers (out)	38,421

All of the excess expenditures above were funded by other budget categories within those departments or categories. The excess expenditures in County Attorney's Office and Other Financing (Uses) were caused by accruals after the end of the fiscal year.

FORT BEND COUNTY, TEXAS
REQUIRED PENSION SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS
TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM
September 30, 2012

Schedule of Funding Information

	12/31/2009	12/31/2010	12/31/2011
Actuarial valuation date			
Actuarial value of assets	\$ 238,298,754	\$ 257,926,802	\$ 277,022,916
Actuarial accrued liability (AAL)	\$ 283,956,716	\$ 307,767,507	\$ 334,116,854
liability (UAAL or OAAL)	\$ 45,657,962	\$ 49,840,705	\$ 57,093,938
Funded ratio	83.92%	83.81%	82.91%
Annual covered payroll (actuarial)	\$ 104,983,019	\$ 106,041,139	\$ 108,712,740
UAAL or OAAL as % of covered payroll	43.49%	47.00%	52.52%

FORT BEND COUNTY, TEXAS
REQUIRED OTHER POST EMPLOYMENT BENEFIT SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS
FORT BEND COUNTY EMPLOYEE BENEFIT PLAN
September 30, 2012

Actuarial Valuation Date	Actuarial Value of Assets (a)	Discount Rate	Actuarial Accrued Liability (AAL) (b)	Unfunded Actuarial Accrued Liability (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll	UAAL as % of Covered Payroll
10/1/2007	\$ 0	4.0%	\$ 207,157,655	\$ 207,157,655	0.0%	\$ 92,096,921	224.9%
10/1/2009	\$ 0	4.0%	\$ 240,282,297	\$ 240,282,297	0.0%	\$ 104,983,019	228.9%
10/1/2011	\$ 0	4.0%	\$ 255,897,447	\$ 255,897,447	0.0%	\$ 108,712,740	235.4%

Note: Actuarial information is only available for Fort Bend County back to fiscal year 2008, the year that the County implemented GASB 45.

Other Supplementary Information



**Combining and Individual Fund
Statements and Schedules**



FORT BEND COUNTY, TEXAS
NON-MAJOR FUND DESCRIPTIONS

Special Revenue Funds

Fort Bend County Assistance Districts

This fund is used to account for the receipts and disbursements of the Fort Bend County Assistance Districts. Revenues are derived mainly from sales tax. These funds are restricted by state statute. This includes Fund 130.

Fort Bend County ESD Agreement

This fund is used to account for the receipts and disbursements from the sales tax allocation derived from the agreement with the Fort Bend County Emergency Services District 100. The District is a political subdivision of Texas that is entrusted with providing emergency medical and fire services to within its district boundaries. These funds are restricted by the interlocal agreement for mobility improvements along FM 1093 within the district. This includes Fund 145.

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. These funds are restricted for the support of Juvenile probation pursuant to state statutes and granting agencies with the exception of the nonspendable portion of fund balance which is due to prepaid items. This includes Fund 150.

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. These funds are restricted pursuant to state statute. This includes Fund 155.

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. These funds are restricted pursuant to state statute with the exception of the nonspendable portion of fund balance which is due to prepaid items. This includes Fund 160.

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. These funds are restricted pursuant to state statute. This includes Fund 165.

County Historical Commission

This fund is used to account for funds donated to the County by private citizens and is restricted for spending on Texas historical markers. These funds are restricted pursuant to donor requirements. 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 restricted for assisting Fort Bend County residents that demonstrate an inability to pay their various utility bills. These funds are restricted pursuant to grant and donor requirements. This includes Funds 175, 185, and 190.

FORT BEND COUNTY, TEXAS
NON-MAJOR FUND DESCRIPTIONS

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 lawsuits. These funds are restricted pursuant to state statute. 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. These funds are restricted pursuant to grant requirements. This includes Fund 200.

EMS Donations

This fund is used to account for revenues obtained from donations and fundraising events for the benefit of the ambulance and paramedics department. These funds are restricted pursuant to donor requirements. This includes Fund 210.

Library Donations

This fund is used to account for donations by private citizens, which are used for the purchase of books and equipment for the County library system. These funds are restricted pursuant to donor requirements. This includes Fund 215.

Probate Court Training

This fund is used to account for the collection of certain probate fees, which are restricted for the use of continuing education of the probate staff pursuant to state statute. This includes Fund 235.

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. These funds are restricted pursuant to state statute. 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. These funds are restricted pursuant to state statute. This includes Fund 250.

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. These funds are restricted pursuant to state statute with the exception of the nonspendable portion of fund balance which is due to prepaid items. 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 restricted for law enforcement activities of the Sheriff's department pursuant to state statute. This includes Fund 265.

FORT BEND COUNTY, TEXAS
NON-MAJOR FUND DESCRIPTIONS

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. These funds are restricted pursuant to donor requirements. 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. These funds are restricted pursuant to state statute. 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. These funds are restricted pursuant to state statute with the exception of the nonspendable portion of fund balance which is due to prepaid items. 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. These funds are restricted pursuant to state statute. 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. These funds are restricted pursuant to state statute. 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. These funds are restricted pursuant to state statute. 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 restricted for expenditures to deter drug trafficking activities in the County. These funds are restricted pursuant to state statute with the exception of the nonspendable portion of fund balance which is due to prepaid items. This includes Funds 225, 255, 305, 310, 315, 320, 325, 332, and 335.

County Child Abuse Prevention

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

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 that are restricted to be used for education and training. These funds are restricted pursuant to grant requirements with the exception of the nonspendable portion of fund balance which is due to prepaid items. This includes Fund 360.

FORT BEND COUNTY, TEXAS
NON-MAJOR FUND DESCRIPTIONS

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 restricted to be used to assist those who need assistance in the payment of their food and utility bills in emergency situations. These funds are restricted pursuant to donor requirements. 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. These funds are restricted pursuant to grant requirements. 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. These funds are restricted pursuant to donor and grant requirements. 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. These funds are restricted pursuant to grant requirements. 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. These funds are restricted pursuant to grant requirements. 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. These funds are restricted pursuant to grant requirements. This includes Fund 415.

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. These funds are restricted pursuant to state statute. This includes Fund 425.

Juvenile Probation - State Funds

This fund is used to account for revenues received from the Texas Juvenile Justice Department ("TJJD"). The funds must be disbursed and restricted for use in accordance with TJJD regulations. This includes Fund 430.

FORT BEND COUNTY, TEXAS
NON-MAJOR FUND DESCRIPTIONS

Adult Probation - State Funds

This fund is used to account for revenues received from the Texas Department of Criminal Justice - Criminal Justice Assistance Division (“TDCJ-CJAD”), as well as probation fees collected by the Fort Bend County Community Supervision & Corrections Department (CSCD). The funds are disbursed and restricted in accordance with TDCJ-CJAD regulations. This includes Funds 440, 441, 442, 443, 444, 445, 447, 448, 450, 451, and 452.

Capital Project Funds

Fort Bend Flood Control Water Supply Corporation (FBFCWSC)

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 and Big Creek within the County. These funds are restricted pursuant to bond covenant. This includes Funds 726 and 728.

Mobility 2001-2007 Projects

This fund is used to account for the proceeds of the Unlimited Tax Road Bonds Series 2001, 2006, and 2007, which are being used to finance the construction and/or expansion of numerous roads in the County. These funds are restricted pursuant to bond covenant. This includes Fund 718.

2007 Facilities Bond Fund

This fund is used to account for the proceeds of the Fort Bend County Limited Tax (General Obligation) Bonds Series 2007, which are used to finance the construction and/or expansion of numerous County facilities. These funds are restricted pursuant to bond covenant with the exception of the nonspendable portion due to prepaid items. This includes Fund 732.

Justice Center Project Fund

This fund is used to account for the proceeds of the Fort Bend County Limited Tax Bonds Series 2009, which are being used to finance the construction of the County’s Justice Center. These funds are restricted pursuant to bond covenant. This includes Fund 734.

Mobility 2009 Projects Fund

This fund is used to account for the proceeds of the Unlimited Tax Road Bonds Series 2009, which are being used to finance the construction and/or expansion of numerous roads in the County. These funds are restricted pursuant to bond covenant. This includes Fund 736.

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.

Other Self-Funded Insurance

This fund is used to account for allocations from various County budgets to administer the self-funded workers' compensation plan, unemployment insurance administered through Texas Association of Counties, and property and casualty insurance.

FORT BEND COUNTY, TEXAS
NON-MAJOR FUND DESCRIPTIONS

Fiduciary Funds

Agency Funds

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
NON-MAJOR GOVERNMENTAL FUNDS
September 30, 2012

Special Revenue Funds

	FBC Assistance Districts	FBC ESD 100 Agreement	Juvenile Operations	Road and Bridge
Assets				
Cash and cash equivalents	\$ 692,672	\$ 931,286	\$ 886,568	\$ 6,156,840
Taxes receivable, net	408,254			699,007
Grants receivable			268	150,612
Other receivables		199,294	13,354	1,131,600
Due from other funds				20,223
Due from component units				1,700
Prepaid items			71	
Total Assets	\$ 1,100,926	\$ 1,130,580	\$ 900,261	\$ 8,159,982
Liabilities and Fund Balances				
Liabilities:				
Retainage payable	\$	\$	\$	\$ 41,405
Due to other funds			763,122	1,671,922
Deferred revenues				699,007
Total Liabilities			763,122	2,412,334
Fund Balances:				
Nonspendable			71	
Restricted	1,100,926	1,130,580	137,068	5,747,648
Total Fund Balances	1,100,926	1,130,580	137,139	5,747,648
Total Liabilities and Fund Balances	\$ 1,100,926	\$ 1,130,580	\$ 900,261	\$ 8,159,982

Special Revenue Funds

Drainage District	Lateral Road	County Historical Commission	Utility Assistance	County Law Library	Gus George Law Academy
\$ 5,223,107	\$ 480,946	\$ 4,255	\$ 40,808	\$ 1,017,179	\$ 829,538
294,217					
6,013					9,141
495,533				53,420	
669,106					460
300					
<u>\$ 6,688,276</u>	<u>\$ 480,946</u>	<u>\$ 4,255</u>	<u>\$ 40,808</u>	<u>\$ 1,070,599</u>	<u>\$ 839,139</u>
\$ 687,101	\$	\$	\$ 2,073	\$ 16,214	\$ 5,228
294,217					
<u>981,318</u>			<u>2,073</u>	<u>16,214</u>	<u>5,228</u>
300					
<u>5,706,658</u>	<u>480,946</u>	<u>4,255</u>	<u>38,735</u>	<u>1,054,385</u>	<u>833,911</u>
<u>5,706,958</u>	<u>480,946</u>	<u>4,255</u>	<u>38,735</u>	<u>1,054,385</u>	<u>833,911</u>
<u>\$ 6,688,276</u>	<u>\$ 480,946</u>	<u>\$ 4,255</u>	<u>\$ 40,808</u>	<u>\$ 1,070,599</u>	<u>\$ 839,139</u>

FORT BEND COUNTY, TEXAS
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS (continued)
September 30, 2012

Special Revenue Funds

	EMS Donations	Library Donations	Probate Court Training	Juvenile Alert Program
Assets				
Cash and cash equivalents	\$ 8,061	\$ 127,599	\$ 67,915	\$ 43,312
Taxes receivable, net				
Grants receivable				
Other receivables			790	165
Due from other funds				
Due from component units				
Prepaid items				
Total Assets	\$ 8,061	\$ 127,599	\$ 68,705	\$ 43,477
Liabilities and Fund Balances				
Liabilities:				
Retainage payable	\$	\$	\$	\$
Due to other funds	115	1,677		
Deferred revenues				
Total Liabilities	115	1,677		
Fund Balances:				
Nonspendable				
Restricted	7,946	125,922	68,705	43,477
Total Fund Balances	7,946	125,922	68,705	43,477
Total Liabilities and Fund Balances	\$ 8,061	\$ 127,599	\$ 68,705	\$ 43,477

Special Revenue Funds

Juvenile Probation Special	District Attorney Bad Check Collection Fee	Gus George Memorial	District Attorney Special Fun Run	County Attorney Salary Supplement	Records Management- County
\$ 59,289	\$ 122,850	\$ 2,708	\$ 17,671	\$ 180,018	\$ 1,857,667
315	135				162,147
	71				924
<u>\$ 59,604</u>	<u>\$ 123,056</u>	<u>\$ 2,708</u>	<u>\$ 17,671</u>	<u>\$ 180,018</u>	<u>\$ 2,020,738</u>
\$ 271	\$ 712	\$	\$	\$ 871	\$ 175,235
<u>271</u>	<u>712</u>			<u>871</u>	<u>175,235</u>
	71				924
<u>59,333</u>	<u>122,273</u>	<u>2,708</u>	<u>17,671</u>	<u>179,147</u>	<u>1,844,579</u>
<u>59,333</u>	<u>122,344</u>	<u>2,708</u>	<u>17,671</u>	<u>179,147</u>	<u>1,845,503</u>
<u>\$ 59,604</u>	<u>\$ 123,056</u>	<u>\$ 2,708</u>	<u>\$ 17,671</u>	<u>\$ 180,018</u>	<u>\$ 2,020,738</u>

FORT BEND COUNTY, TEXAS
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS (continued)
September 30, 2012

Special Revenue Funds

	<u>VIT Interest</u>	<u>Courthouse Security</u>	<u>Elections Contract</u>	<u>Asset Forfeitures</u>
Assets				
Cash and cash equivalents	\$ 451	\$	\$ 806,985	\$ 2,612,568
Taxes receivable, net				
Grants receivable				
Other receivables			9,030	1,557
Due from other funds				89
Due from component units				
Prepaid items				51,753
Total Assets	<u>\$ 451</u>	<u>\$</u>	<u>\$ 816,015</u>	<u>\$ 2,665,967</u>
Liabilities and Fund Balances				
Liabilities:				
Retainage payable	\$	\$	\$	\$
Due to other funds			26,203	113,300
Deferred revenues				
Total Liabilities			<u>26,203</u>	<u>113,300</u>
Fund Balances:				
Nonspendable				51,753
Restricted	451		789,812	2,500,914
Total Fund Balances	<u>451</u>		<u>789,812</u>	<u>2,552,667</u>
Total Liabilities and Fund Balances	<u>\$ 451</u>	<u>\$</u>	<u>\$ 816,015</u>	<u>\$ 2,665,967</u>

Special Revenue Funds

County Child Abuse Prevention	Law Enforcement Officers' Standards Education Grant	Emergency Food and Shelter Program	Juvenile Title IV-E Foster Care	Child Protective Services	Community Development Combined Funds
\$ 7,852	\$ 13,538	\$	\$ 1,038,140	\$ 71,170	\$ 51,630
228				15,521	394,323
	1,082				
<u>\$ 8,080</u>	<u>\$ 14,620</u>	<u>\$</u>	<u>\$ 1,038,140</u>	<u>\$ 86,691</u>	<u>\$ 445,953</u>
\$	\$ 460	\$	\$	\$ 31,359	\$ 445,953
			1,038,140		
	<u>460</u>		<u>1,038,140</u>	<u>31,359</u>	<u>445,953</u>
	1,082				
<u>8,080</u>	<u>13,078</u>			<u>55,332</u>	
<u>8,080</u>	<u>14,160</u>			<u>55,332</u>	
<u>\$ 8,080</u>	<u>\$ 14,620</u>	<u>\$</u>	<u>\$ 1,038,140</u>	<u>\$ 86,691</u>	<u>\$ 445,953</u>

FORT BEND COUNTY, TEXAS
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS (continued)
September 30, 2012

	Special Revenue Funds			
	HOPE 3 Implementation and Program Sales	Child Support Title IV-D Reimbursement	Local Law Enforcement Block Grants	Juvenile Justice Alternative Education
Assets				
Cash and cash equivalents	\$ 791	\$ 194,513	\$ 46,818	\$ 160,907
Taxes receivable, net				
Grants receivable				
Other receivables		1,179		
Due from other funds				
Due from component units				
Prepaid items				
Total Assets	\$ 791	\$ 195,692	\$ 46,818	\$ 160,907
Liabilities and Fund Balances				
Liabilities:				
Retainage payable	\$	\$	\$	\$
Due to other funds			5,357	9,934
Deferred revenues	791	195,692	41,461	150,973
Total Liabilities	791	195,692	46,818	160,907
Fund Balances:				
Nonspendable				
Restricted				
Total Fund Balances				
Total Liabilities and Fund Balances	\$ 791	\$ 195,692	\$ 46,818	\$ 160,907

Special Revenue Funds			Capital Projects Funds		
Juvenile Probation - State Funds	Adult Probation - State Funds	Total Non-major Special Revenue Funds	FBFCWSC Construction Drainage Projects	Mobility 2001-2007 Projects	2007 Facilities Bond Fund
\$ 345,291	\$ 2,068,344	\$ 26,169,287	\$ 3,211,175	\$	\$ 5,301,218
		1,401,478			
		575,878			
		2,068,747			
		689,878		5,073,214	
		1,700			
		54,201			
<u>\$ 345,291</u>	<u>\$ 2,068,344</u>	<u>\$ 30,961,169</u>	<u>\$ 3,211,175</u>	<u>\$ 5,073,214</u>	<u>\$ 5,301,218</u>
\$	\$	\$	\$	\$	\$
110,543	229,787	41,405	28,650		10,000
234,748	1,838,557	4,297,437	213,964	5,073,214	28,768
<u>345,291</u>	<u>2,068,344</u>	<u>8,832,428</u>	<u>242,614</u>	<u>5,073,214</u>	<u>38,768</u>
		54,201			
		22,074,540	2,968,561		5,262,450
		22,128,741	2,968,561		5,262,450
<u>\$ 345,291</u>	<u>\$ 2,068,344</u>	<u>\$ 30,961,169</u>	<u>\$ 3,211,175</u>	<u>\$ 5,073,214</u>	<u>\$ 5,301,218</u>

FORT BEND COUNTY, TEXAS
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS (continued)
September 30, 2012

	Capital Projects Funds			
	Justice Center Project Fund	Mobility 2009 Projects Fund	Total Non-major Capital Projects Funds	Total Non- major Governmental Funds
Assets				
Cash and cash equivalents	\$ 1,715,287	\$	\$ 10,227,680	\$ 36,396,967
Taxes receivable, net				1,401,478
Grants receivable				575,878
Other receivables				2,068,747
Due from other funds		4,354,189	9,427,403	10,117,281
Due from component units				1,700
Prepaid items				54,201
Total Assets	\$ 1,715,287	\$ 4,354,189	\$ 19,655,083	\$ 50,616,252
Liabilities and Fund Balances				
Liabilities:				
Retainage payable	\$	\$	\$ 38,650	\$ 80,055
Due to other funds	559,807	4,354,189	10,229,942	14,527,379
Deferred revenues				4,493,586
Total Liabilities	559,807	4,354,189	10,268,592	19,101,020
Fund Balances:				
Nonspendable				54,201
Restricted	1,155,480		9,386,491	31,461,031
Total Fund Balances	1,155,480		9,386,491	31,515,232
Total Liabilities and Fund Balances	\$ 1,715,287	\$ 4,354,189	\$ 19,655,083	\$ 50,616,252



FORT BEND COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2012

	Special Revenue Funds			
	FBC Assistance Districts	FBC ESD 100 Agreement	Juvenile Operations	Road and Bridge
Revenues				
Property taxes	\$	\$	\$	\$ 12,149,280
Sales taxes	1,099,103			
Fees and fines				6,744,835
Intergovernmental		1,123,169	141,388	192,270
Earnings on investments	1,823	7,411	62,721	158,975
Miscellaneous			27,088	799,872
Total Revenues	<u>1,100,926</u>	<u>1,130,580</u>	<u>231,197</u>	<u>20,045,232</u>
Expenditures				
Current:				
General administration				
Financial administration				
Administration of justice			9,863,239	
Construction and maintenance				17,129,826
Health and welfare				
Public safety				
Libraries and education				
Capital Outlay			349,532	2,747,472
Total Expenditures			<u>10,212,771</u>	<u>19,877,298</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,100,926	1,130,580	(9,981,574)	167,934
Other Financing Sources (Uses)				
Transfers in			8,222,643	
Transfers (out)				
Total Other Financing Sources (Uses)			<u>8,222,643</u>	
Net Change in Fund Balances	1,100,926	1,130,580	(1,758,931)	167,934
Fund Balances, Beginning of Year			1,896,070	5,579,714
Fund Balances, End of Year	<u>\$ 1,100,926</u>	<u>\$ 1,130,580</u>	<u>\$ 137,139</u>	<u>\$ 5,747,648</u>

Special Revenue Funds

<u>Drainage District</u>	<u>Lateral Road</u>	<u>County Historical Commission</u>	<u>Utility Assistance</u>	<u>County Law Library</u>	<u>Gus George Law Academy</u>
\$ 7,379,908	\$	\$	\$	\$	\$
669,106				318,632	85,500
551,318	66,279				65,559
96,789	4,756	42	334	9,865	7,829
52,364			48,640	496	128
<u>8,749,485</u>	<u>71,035</u>	<u>42</u>	<u>48,974</u>	<u>328,993</u>	<u>159,016</u>
				222,033	
6,882,254			35,132		92,351
965,274					27,807
<u>7,847,528</u>			<u>35,132</u>	<u>222,033</u>	<u>120,158</u>
901,957	71,035	42	13,842	106,960	38,858
901,957	71,035	42	13,842	106,960	38,858
4,805,001	409,911	4,213	24,893	947,425	795,053
<u>\$ 5,706,958</u>	<u>\$ 480,946</u>	<u>\$ 4,255</u>	<u>\$ 38,735</u>	<u>\$ 1,054,385</u>	<u>\$ 833,911</u>

FORT BEND COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS (continued)
For the Year Ended September 30, 2012

	Special Revenue Funds			
	EMS Donations	Library Donations	Probate Court Training	Juvenile Alert Program
Revenues				
Property taxes	\$	\$	\$	\$
Sales taxes				
Fees and fines			4,541	
Intergovernmental				
Earnings on investments		1,390	656	419
Miscellaneous		47,558		3,575
Total Revenues		48,948	5,197	3,994
Expenditures				
Current:				
General administration				
Financial administration				
Administration of justice				
Construction and maintenance				
Health and welfare	771			
Public safety				
Libraries and education		57,678		
Capital Outlay				
Total Expenditures	771	57,678		
Excess (Deficiency) of Revenues Over (Under) Expenditures	(771)	(8,730)	5,197	3,994
Other Financing Sources (Uses)				
Transfers in				
Transfers (out)				
Total Other Financing Sources (Uses)				
Net Change in Fund Balances	(771)	(8,730)	5,197	3,994
Fund Balances, Beginning of Year	8,717	134,652	63,508	39,483
Fund Balances, End of Year	\$ 7,946	\$ 125,922	\$ 68,705	\$ 43,477

Special Revenue Funds

Juvenile Probation Special	District Attorney Bad Check Collection Fee	Gus George Memorial	District Attorney Special Fun Run	County Attorney Salary Supplement	Records Management- County
\$	\$	\$	\$	\$	\$
	22,236				915,035
	13,329			125,000	
		30	170	1,415	
30,275			696		
<u>30,275</u>	<u>35,565</u>	<u>30</u>	<u>866</u>	<u>126,415</u>	<u>915,035</u>
					647,680
6,371	28,225			49,985	129,716
		597			
<u>6,371</u>	<u>28,225</u>	<u>597</u>		<u>49,985</u>	<u>44,800</u>
23,904	7,340	(567)	866	76,430	92,839
23,904	7,340	(567)	866	76,430	92,839
35,429	115,004	3,275	16,805	102,717	1,752,664
<u>\$ 59,333</u>	<u>\$ 122,344</u>	<u>\$ 2,708</u>	<u>\$ 17,671</u>	<u>\$ 179,147</u>	<u>\$ 1,845,503</u>

FORT BEND COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS (continued)
For the Year Ended September 30, 2012

	Special Revenue Funds			
	<u>VIT Interest</u>	<u>Courthouse Security</u>	<u>Elections Contract</u>	<u>Asset Forfeitures</u>
Revenues				
Property taxes	\$	\$	\$	\$
Sales taxes				
Fees and fines				
Intergovernmental				637,268
Earnings on investments	10,797		8,699	30,310
Miscellaneous			218,399	1,111,762
Total Revenues	<u>10,797</u>		<u>227,098</u>	<u>1,779,340</u>
Expenditures				
Current:				
General administration			335,360	
Financial administration	5,245			
Administration of justice				368,544
Construction and maintenance				
Health and welfare				
Public safety				754,719
Libraries and education				
Capital Outlay	<u>30,209</u>			<u>1,189,574</u>
Total Expenditures	<u>35,454</u>		<u>335,360</u>	<u>2,312,837</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(24,657)		(108,262)	(533,497)
Other Financing Sources (Uses)				
Transfers in				
Transfers (out)		(355,539)		
Total Other Financing Sources (Uses)		<u>(355,539)</u>		
Net Change in Fund Balances	(24,657)	(355,539)	(108,262)	(533,497)
Fund Balances, Beginning of Year	<u>25,108</u>	<u>355,539</u>	<u>898,074</u>	<u>3,086,164</u>
Fund Balances, End of Year	<u>\$ 451</u>	<u>\$</u>	<u>\$ 789,812</u>	<u>\$ 2,552,667</u>

Special Revenue Funds

<u>County Child Abuse Prevention</u>	<u>Law Enforcement Officers' Standards Education Grant</u>	<u>Emergency Food and Shelter Program</u>	<u>Juvenile Title IV-E Foster Care</u>	<u>Child Protective Services</u>	<u>Community Development Combined Funds</u>
\$	\$	\$	\$	\$	\$
1,609		197,735	30,225	25,650	4,534,794
	375			1,257	17,500
<u>1,609</u>	<u>375</u>	<u>197,735</u>	<u>30,225</u>	<u>26,907</u>	<u>4,552,294</u>
	3,790		30,225		
	39,650	197,735		143,164	4,652,294
	<u>43,440</u>	<u>197,735</u>	<u>30,225</u>	<u>143,164</u>	<u>4,652,294</u>
1,609	(43,065)			(116,257)	(100,000)
				64,050	100,000
				<u>64,050</u>	<u>100,000</u>
1,609	(43,065)			(52,207)	
6,471	57,225			107,539	
<u>\$ 8,080</u>	<u>\$ 14,160</u>	<u>\$</u>	<u>\$</u>	<u>\$ 55,332</u>	<u>\$</u>

FORT BEND COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS (continued)
For the Year Ended September 30, 2012

	Special Revenue Funds			
	HOPE 3 Implementation and Program Sales	Child Support Title IV-D Reimbursement	Local Law Enforcement Block Grants	Juvenile Justice Alternative Education
Revenues				
Property taxes	\$	\$	\$	\$
Sales taxes				
Fees and fines				
Intergovernmental		3,117	198,349	234,672
Earnings on investments		1,881	1,189	
Miscellaneous				
Total Revenues		<u>4,998</u>	<u>199,538</u>	<u>234,672</u>
Expenditures				
Current:				
General administration				
Financial administration				
Administration of justice		4,998		232,080
Construction and maintenance				
Health and welfare				
Public safety			172,291	
Libraries and education				
Capital Outlay			27,247	2,592
Total Expenditures		<u>4,998</u>	<u>199,538</u>	<u>234,672</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures				
Other Financing Sources (Uses)				
Transfers in				
Transfers (out)				
Total Other Financing Sources (Uses)				
Net Change in Fund Balances				
Fund Balances, Beginning of Year				
Fund Balances, End of Year	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

Special Revenue Funds			Capital Projects Funds		
Juvenile Probation - State Funds	Adult Probation - State Funds	Total Non-major Special Revenue Funds	FBFCWSC Construction Drainage Projects	Mobility 2001-2007 Projects	2007 Facilities Bond Fund
\$	\$	\$ 19,529,188	\$	\$	\$
		1,099,103			
	2,532,575	11,294,069			
2,501,440	2,595,790	13,237,352			
	29,406	438,539	55,377	6,478	60,776
	18,489	2,376,842			
<u>2,501,440</u>	<u>5,176,260</u>	<u>47,975,093</u>	<u>55,377</u>	<u>6,478</u>	<u>60,776</u>
		983,040			
		5,245			
2,501,440	5,168,659	18,609,305			
		24,012,080	47,948		1,273,487
		5,029,096			
		1,059,608			
		57,678			
		5,384,507	927,325	89,942	1,357,899
<u>2,501,440</u>	<u>5,168,659</u>	<u>55,140,559</u>	<u>975,273</u>	<u>89,942</u>	<u>2,631,386</u>
	7,601	(7,165,466)	(919,896)	(83,464)	(2,570,610)
	200,823	8,587,516			
	(208,424)	(563,963)			
	<u>(7,601)</u>	<u>8,023,553</u>			
		858,087	(919,896)	(83,464)	(2,570,610)
		21,270,654	3,888,457	83,464	7,833,060
<u>\$</u>	<u>\$</u>	<u>\$ 22,128,741</u>	<u>\$ 2,968,561</u>	<u>\$ 83,464</u>	<u>\$ 5,262,450</u>

FORT BEND COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS (continued)
For the Year Ended September 30, 2012

	<u>Capital Projects Funds</u>			
	<u>Justice Center Project Fund</u>	<u>Mobility 2009 Projects Fund</u>	<u>Total Non- major Capital Projects Funds</u>	<u>Total Non- major Governmental Funds</u>
Revenues				
Property taxes	\$	\$	\$	\$ 19,529,188
Sales taxes				1,099,103
Fees and fines				11,294,069
Intergovernmental		104,234	104,234	13,341,586
Earnings on investments	30,647	6,906	160,184	598,723
Miscellaneous				2,376,842
Total Revenues	<u>30,647</u>	<u>111,140</u>	<u>264,418</u>	<u>48,239,511</u>
Expenditures				
Current:				
General administration				983,040
Financial administration				5,245
Administration of justice				18,609,305
Construction and maintenance	76,502		1,397,937	25,410,017
Health and welfare				5,029,096
Public safety				1,059,608
Libraries and education				57,678
Capital Outlay	<u>293,541</u>		<u>2,668,707</u>	<u>8,053,214</u>
Total Expenditures	<u>370,043</u>		<u>4,066,644</u>	<u>59,207,203</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(339,396)	111,140	(3,802,226)	(10,967,692)
Other Financing Sources (Uses)				
Transfers in		4,307,471	4,307,471	12,894,987
Transfers (out)				(563,963)
Total Other Financing Sources (Uses)		<u>4,307,471</u>	<u>4,307,471</u>	<u>12,331,024</u>
Net Change in Fund Balances	(339,396)	4,418,611	505,245	1,363,332
Fund Balances, Beginning of Year	<u>1,494,876</u>	<u>(4,418,611)</u>	<u>8,881,246</u>	<u>30,151,900</u>
Fund Balances, End of Year	<u>\$ 1,155,480</u>	<u>\$</u>	<u>\$ 9,386,491</u>	<u>\$ 31,515,232</u>

FORT BEND COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
ROAD AND BRIDGE - BUDGETARY BASIS
For the Year Ended September 30, 2012

	Original Budget	Budget as Amended	Actual Amounts Budgetary Basis	Variance from Amended Positive (Negative)
Revenues				
Property taxes	\$ 12,113,848	\$ 12,113,848	\$ 12,149,280	\$ 35,432
Fees and fines	5,225,000	5,225,000	6,744,835	1,519,835
Intergovernmental	105,000	105,000	192,270	87,270
Earnings on investments	175,000	175,000	158,975	(16,025)
Miscellaneous	450,000	586,538	752,490	165,952
Total Revenues	18,068,848	18,205,386	19,997,850	1,792,464
Expenditures				
Current:				
Salaries and personnel costs	9,070,984	8,803,554	8,519,048	284,506
Operating costs	9,754,293	10,231,161	8,606,184	1,624,977
Information technology costs	4,806	4,806	4,594	212
Capital acquisitions	1,299,760	1,306,860	1,305,142	1,718
Total Expenditures	20,129,843	20,346,381	18,434,968	1,911,413
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,060,995)	(2,140,995)	1,562,882	3,703,877
Net Change in Fund Balance- Budgetary Basis	(2,060,995)	(2,140,995)	1,562,882	3,703,877
Net Adjustment to Reflect Operations in Accordance with GAAP (a)			(1,394,948)	
Fund Balance, Beginning of Year	5,579,714	5,579,714	5,579,714	
Fund Balance, End of Year	\$ 3,518,719	\$ 3,438,719	\$ 5,747,648	\$ 3,703,877

(a) See reconciliation below.

	Actual Amounts Budgetary Basis	Actual Multi-Year	Actual Amounts GAAP Basis
Revenues	\$ 19,997,850	\$ 47,382	\$ 20,045,232
Expenditures	18,434,968	1,442,330	19,877,298
Net Change in Fund Balance	1,562,882	(1,394,948)	167,934
Fund Balance, Beginning of Year			5,579,714
Fund Balance, End of Year			\$ 5,747,648

FORT BEND COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
DRAINAGE DISTRICT - BUDGETARY BASIS
For the Year Ended September 30, 2012

	Original Budget	Budget as Amended	Actual Amounts Budgetary Basis	Variance from Amended Positive (Negative)
Revenues				
Property taxes	\$ 7,419,983	\$ 7,419,983	\$ 7,379,908	\$ (40,075)
Fees and fines			669,106	669,106
Earnings on investments	100,000	100,000	96,789	(3,211)
Miscellaneous	90,000	90,000	52,364	(37,636)
Total Revenues	7,609,983	7,609,983	8,198,167	588,184
Expenditures				
Current:				
Salaries and personnel costs	5,067,263	5,046,416	4,976,703	69,713
Operating costs	2,023,021	1,963,343	1,904,946	58,397
Information technology costs	2,000	2,000	605	1,395
Capital acquisitions	638,400	718,925	718,662	263
Total Expenditures	7,730,684	7,730,684	7,600,916	129,768
Excess (Deficiency) of Revenues Over (Under) Expenditures	(120,701)	(120,701)	597,251	717,952
Other Financing (Uses)				
Transfers (out)	(563,000)			
Total Other Financing (Uses)	(563,000)			
Net Change in Fund Balance- Budgetary Basis	(683,701)	(120,701)	597,251	717,952
Net Adjustment to Reflect Operations in Accordance with GAAP (a)			304,706	
Fund Balance, Beginning of Year	4,805,001	4,805,001	4,805,001	
Fund Balance, End of Year	\$ 4,121,300	\$ 4,684,300	\$ 5,706,958	\$ 717,952

(a) See reconciliation below.

	Actual Amounts Budgetary Basis	Actual Multi-Year	Actual Amounts GAAP Basis
Revenues	\$ 8,198,167	\$ 551,318	\$ 8,749,485
Expenditures	7,600,916	246,612	7,847,528
Net Change in Fund Balance	597,251	304,706	901,957
Fund Balance, Beginning of Year			4,805,001
Fund Balance, End of Year			\$ 5,706,958

FORT BEND COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
DEBT SERVICE - BUDGETARY BASIS
For the Year Ended September 30, 2012

	<u>Original Budget</u>	<u>Budget as Amended</u>	<u>Actual Amounts Budgetary Basis</u>	<u>Variance from Amended Positive (Negative)</u>
Revenues				
Property taxes	\$ 27,368,891	\$ 27,368,891	\$ 27,562,980	\$ 194,089
Fees and fines	100,000	100,000		(100,000)
Earnings on investments	145,000	145,000	118,090	(26,910)
Total Revenues	<u>27,613,891</u>	<u>27,613,891</u>	<u>27,681,070</u>	<u>67,179</u>
Expenditures				
2006 Unlimited Tax Road Bonds:				
Principal	1,165,000	1,165,000	1,165,000	
Interest	1,196,031	1,196,031	1,196,031	
Fees	2,000	2,000	500	1,500
2007 Unlimited Tax Road Bonds:				
Principal	1,010,000	1,010,000	1,010,000	
Interest	899,279	899,279	899,279	
Fees	2,000	2,000	500	1,500
2007 Facilities Bonds:				
Principal	3,795,000	3,795,000	3,795,000	
Interest	6,088,425	6,088,425	6,088,425	
Fees	2,000	2,000		2,000
2009 Justice Center Bonds:				
Principal	2,670,000	2,670,000	2,670,000	
Interest	3,357,838	3,357,838	3,357,838	
Fees	2,000	2,000	500	1,500
2009 Unlimited Tax Road Bonds:				
Principal	1,735,000	1,735,000	1,735,000	
Interest	2,039,025	2,039,025	2,039,025	
Fees	2,000	2,000	500	1,500
2009 Unlimited Tax Road Bonds Refunding:				
Principal	1,985,000	1,985,000	1,985,000	
Interest	773,425	773,425	773,425	
Fees	2,000	2,000	500	1,500
2010 Fort Bend Flood Control Water Supply Corp. Refunding:				
Principal	920,000	920,000	940,000	(20,000)
Interest	490,438	490,438	344,737	145,701
Fees	2,000	2,000	500	1,500
2012 Unlimited Tax Road Bonds:				
Interest			869,967	(869,967)
Total Expenditures	<u>28,138,461</u>	<u>28,138,461</u>	<u>28,871,727</u>	<u>(733,266)</u>
(Deficiency) of Revenues (Under) Expenditures	<u>(524,570)</u>	<u>(524,570)</u>	<u>(1,190,657)</u>	<u>(666,087)</u>
Net Change in Fund Balance- Budgetary Basis	(524,570)	(524,570)	(1,190,657)	(666,087)
Fund Balance, Beginning of Year	5,181,758	5,181,758	5,181,758	
Fund Balance, End of Year	<u>\$ 4,657,188</u>	<u>\$ 4,657,188</u>	<u>\$ 3,991,101</u>	<u>\$ (666,087)</u>

FORT BEND COUNTY, TEXAS
COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS
September 30, 2012

	<u>Employee Benefits</u>	<u>Other Self- Funded Insurance</u>	<u>Totals</u>
Assets			
Current Assets:			
Cash and cash equivalents	\$ 5,417,295	\$ 1,226,423	\$ 6,643,718
Prepaid expenses	82		82
Due from other funds	104,487	19,035	123,522
Other receivables	152		152
Total Current Assets	<u>5,522,016</u>	<u>1,245,458</u>	<u>6,767,474</u>
Noncurrent Assets:			
Capital assets, net of accumulated depreciation	661,853		661,853
Total Noncurrent Assets	<u>661,853</u>		<u>661,853</u>
Total Assets	<u>6,183,869</u>	<u>1,245,458</u>	<u>7,429,327</u>
Liabilities			
Current Liabilities:			
Benefits payable, current portion	1,694,834	1,651,010	3,345,844
Due to other funds	43,064	89	43,153
Total Current Liabilities	<u>1,737,898</u>	<u>1,651,099</u>	<u>3,388,997</u>
Noncurrent Liabilities:			
Benefits payable, long-term portion		2,034,916	2,034,916
Total Noncurrent Liabilities		<u>2,034,916</u>	<u>2,034,916</u>
Total Liabilities	<u>1,737,898</u>	<u>3,686,015</u>	<u>5,423,913</u>
Net Assets (Deficit)			
Invested in capital assets	661,853		661,853
Unrestricted	3,784,118	(2,440,557)	1,343,561
Total Net Assets (Deficit)	<u>\$ 4,445,971</u>	<u>\$ (2,440,557)</u>	<u>\$ 2,005,414</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, 2012

	<u>Employee Benefits</u>	<u>Other Self- Funded Insurance</u>	<u>Totals</u>
Operating Revenues			
Charges for services	\$ 30,675,150	\$ 1,611,314	\$ 32,286,464
Total Operating Revenues	<u>30,675,150</u>	<u>1,611,314</u>	<u>32,286,464</u>
Operating Expenses			
Current operations - general administration	1,034,550		1,034,550
Benefits provided	<u>25,894,876</u>	<u>1,544,670</u>	<u>27,439,546</u>
Total Operating Expenses	<u>26,929,426</u>	<u>1,544,670</u>	<u>28,474,096</u>
Operating Income	3,745,724	66,644	3,812,368
Non-Operating Revenues			
Earnings on investments	<u>133,198</u>		<u>133,198</u>
Total Non-Operating Revenues	<u>133,198</u>		<u>133,198</u>
Change in Net Assets	3,878,922	66,644	3,945,566
Total Net Assets (Deficit), Beginning of Year	<u>567,049</u>	<u>(2,507,201)</u>	<u>(1,940,152)</u>
Total Net Assets (Deficit), End of Year	<u>\$ 4,445,971</u>	<u>\$ (2,440,557)</u>	<u>\$ 2,005,414</u>

FORT BEND COUNTY, TEXAS
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended September 30, 2012

	<u>Employee Benefits</u>	<u>Other Self- Funded Insurance</u>	<u>Totals</u>
Cash Flows from Operating Activities			
Charges for services	\$ 30,886,885	\$ 1,622,683	\$ 32,509,568
Payment of benefits	(28,491,958)	(1,307,262)	(29,799,220)
Payment of general administration expenses	(1,019,388)		(1,019,388)
Net Cash Provided by Operating Activities	<u>1,375,539</u>	<u>315,421</u>	<u>1,690,960</u>
Cash Flows from Investing Activities:			
Interest earned on investments	133,198		133,198
Net Cash Provided by Investing Activities	<u>133,198</u>		<u>133,198</u>
Cash Flows from Capital and Related Financing Activities:			
Purchase of capital assets	(597,168)		(597,168)
Net Cash (Used) by Capital and Related Financing Activities	<u>(597,168)</u>		<u>(597,168)</u>
Net Increase in Cash and Cash Equivalents	911,569	315,421	1,226,990
Cash and Cash Equivalents, Beginning of Year	<u>4,505,726</u>	<u>911,002</u>	<u>5,416,728</u>
Cash and Cash Equivalents, End of Year	<u>\$ 5,417,295</u>	<u>\$ 1,226,423</u>	<u>\$ 6,643,718</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities			
Operating Income	\$ 3,745,724	\$ 66,644	\$ 3,812,368
Adjustments of operations:			
Depreciation	15,244		15,244
Change in assets and liabilities:			
(Increase) in prepaid expenses	(82)		(82)
Decrease in other receivables	18,848	1,490	20,338
Decrease in due from other funds	149,823	9,892	159,715
Increase (Decrease) in due to other funds	43,064	(13)	43,051
Increase (Decrease) in benefits payable	(2,597,082)	237,408	(2,359,674)
Total Adjustments	<u>(2,370,185)</u>	<u>248,777</u>	<u>(2,121,408)</u>
Net Cash Provided by Operating Activities	<u>\$ 1,375,539</u>	<u>\$ 315,421</u>	<u>\$ 1,690,960</u>

FORT BEND COUNTY, TEXAS**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - AGENCY FUNDS***For the Year Ended September 30, 2012*

	<u>Balance</u> <u>10/1/11</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>9/30/12</u>
Assets				
Cash and cash equivalents	\$ 29,051,344	\$ 84,378,234	\$ 82,801,589	\$ 30,627,989
Miscellaneous receivables	311,599	383,543	452,039	243,103
Total Assets	<u>\$ 29,362,943</u>	<u>\$ 84,761,777</u>	<u>\$ 83,253,628</u>	<u>\$ 30,871,092</u>
Liabilities				
Due to other governments	\$ 29,362,943	\$ 93,847,641	\$ 92,339,492	\$ 30,871,092
Total Liabilities	<u>\$ 29,362,943</u>	<u>\$ 93,847,641</u>	<u>\$ 92,339,492</u>	<u>\$ 30,871,092</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	Pages
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>	118-127
Revenue Capacity <i>These schedules contain information to help the reader assess the County's most significant local revenue source, the property tax.</i>	128-145
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>	146-153
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>	154-155
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>	156-165

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 -
ACCRUAL BASIS OF ACCOUNTING
LAST TEN FISCAL YEARS
(UNAUDITED)

	Fiscal Year			
	2003	2004	2005	2006
Governmental activities				
Invested in capital assets, net of related debt	\$ 295,858,324	\$ 340,361,097	\$ 370,338,466	\$ 432,997,770
Restricted	824,924	1,005,711	1,975,443	3,082,489
Unrestricted	53,326,394	41,675,720	41,861,958	65,582,780
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>
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>

Fiscal Year					
2007	2008	2009	2010	2011	2012
\$ 571,604,116	\$ 617,510,083	\$ 679,586,901	\$ 714,396,078	\$ 750,965,320	\$ 768,309,907
2,712,985	4,034,606	5,363,740	4,168,945	4,477,906	2,977,051
<u>67,881,987</u>	<u>42,289,889</u>	<u>23,075,239</u>	<u>(2,719,935)</u>	<u>(37,092,502)</u>	<u>(64,023,524)</u>
<u><u>\$ 642,199,088</u></u>	<u><u>\$ 663,834,578</u></u>	<u><u>\$ 708,025,880</u></u>	<u><u>\$ 715,845,088</u></u>	<u><u>\$ 718,350,724</u></u>	<u><u>\$ 707,263,434</u></u>
<u><u>\$ 642,199,088</u></u>	<u><u>\$ 663,834,578</u></u>	<u><u>\$ 708,025,880</u></u>	<u><u>\$ 715,845,088</u></u>	<u><u>\$ 718,350,724</u></u>	<u><u>\$ 707,263,434</u></u>

FORT BEND COUNTY, TEXAS
CHANGES IN NET ASSETS - ACCRUAL
BASIS OF ACCOUNTING
LAST TEN FISCAL YEARS
(UNAUDITED)

	Fiscal Year			
	2003	2004	2005	2006
Expenses				
Governmental Activities:				
General administration	\$ 30,985,677	\$ 36,904,539	\$ 42,976,074	\$ 23,638,550
Financial administration	4,443,323	4,131,888	4,176,563	5,127,456
Administration of justice	25,915,729	25,912,081	26,601,486	31,024,483
Construction and maintenance	27,414,081	31,832,216	31,424,221	32,721,293
Health and welfare	14,612,327	16,754,319	15,261,857	16,903,729
Cooperative services	939,145	852,041	837,121	941,743
Public safety	33,362,301	34,474,028	36,863,732	44,544,768
Park and recreation	1,692,779	1,792,004	1,712,461	623,401
Libraries and education	8,214,638	8,623,790	9,059,591	10,484,078
Interest on long-term debt	4,290,170	3,554,275	3,349,584	4,165,438
Total governmental activities expenses	\$ 151,870,170	\$ 164,831,181	\$ 172,262,690	\$ 170,174,939
Program Revenues				
Governmental Activities:				
Charges for services:				
General administration	\$ 9,717,379	\$ 11,639,044	\$ 12,161,924	\$ 7,181,125
Financial administration	3,372,000	6,335,931	7,911,436	613,495
Administration of justice	4,611,550	5,349,116	5,593,224	5,761,276
Construction and maintenance	4,778,340	2,280,427	3,175,198	4,562,531
Health and welfare	2,426,239	3,455,407	4,736,269	4,961,502
Public safety	2,735,090	2,080,970	2,487,425	3,704,319
Park and recreation	181,043	169,455	186,611	201,626
Libraries and education	234,664	254,980	307,838	235,693
Interest on long-term debt	129,459			
Operating grants and contributions:				
General administration	901,495	806,411	2,048,499	1,630,190
Financial administration	800			
Administration of justice	4,165,788	10,005,555	5,285,427	4,089,072
Construction and maintenance	635,831	77,245	135,247	
Health and welfare	2,171,366	1,093,277	3,276,058	816,749
Cooperative services	3,000			
Public safety	1,211,079	1,358,976	3,345,684	1,778,870
Park and recreation			176,577	113,718
Libraries and education	66,340	54,034	74,410	187,127
Capital grants and contributions:				
Administration of justice				
Construction and maintenance	35,039,719	37,964,056	21,348,940	73,252,137
Health and welfare				
Libraries and education				
Total governmental activities program revenues	\$ 72,381,182	\$ 82,924,884	\$ 72,250,767	\$ 109,089,430

Fiscal Year					
2007	2008	2009	2010	2011	2012
\$ 36,523,584	\$ 33,235,842	\$ 40,876,045	\$ 38,638,166	\$ 40,835,503	\$ 39,469,034
5,655,962	7,581,878	8,841,189	8,059,389	9,441,048	8,345,130
33,416,844	65,681,467	75,836,037	78,173,873	86,468,201	91,021,550
25,197,262	47,535,293	47,188,776	46,946,163	45,632,055	54,818,967
19,465,407	21,592,759	25,623,533	28,566,454	30,104,991	30,906,886
826,741	1,143,390	1,188,580	1,123,951	1,177,426	1,118,341
49,422,796	50,016,288	61,126,911	55,269,509	55,315,591	54,702,459
1,699,999	2,128,502	1,879,525	2,263,280	2,917,574	2,614,004
10,474,327	12,325,097	12,956,363	13,468,700	14,800,838	15,708,114
9,190,051	10,621,067	12,338,352	15,494,994	14,887,908	15,037,346
<u>\$ 191,872,973</u>	<u>\$ 251,861,583</u>	<u>\$ 287,855,311</u>	<u>\$ 288,004,479</u>	<u>\$ 301,581,135</u>	<u>\$ 313,741,831</u>
\$ 1,630,304	\$ 6,962,663	\$ 6,991,778	\$ 7,023,114	\$ 7,054,198	\$ 7,558,755
1,760,789	1,976,033	2,451,191	3,273,137	3,988,371	4,695,710
11,948,143	6,692,111	6,828,228	7,032,374	7,222,932	7,522,930
7,690,682	8,305,998	8,442,746	6,737,542	6,679,429	7,466,798
5,240,602	4,036,821	5,057,246	5,652,201	6,396,645	6,138,679
3,493,999	3,946,125	4,887,245	5,060,714	5,621,993	5,642,978
86,733	189,273	187,724	136,864	141,893	183,406
240,363	262,957	256,730	240,719	246,699	269,015
1,633,383	6,386,016	6,257,935	2,034,953	5,257,804	4,167,626
4,944,665	5,995,866	7,242,476	6,805,719	7,719,264	6,821,433
368,058	1,137,555	1,509,761	356,447	1,381,572	949,663
5,042,570	4,663,836	4,982,855	8,188,534	12,506,581	10,899,781
10,648	1,936		13,136		
4,895,654	5,754,025	13,784,334	4,464,349	8,623,225	6,252,054
112,464	102,738	61,023	1,255,743	157,468	104,002
88,948	141,938	97,403	194,400	174,204	438,841
101,241,210	33,540,586	62,012,765	2,934		27,234
		45,000	30,355,407	25,214,312	23,872,205
		1,917,000			
<u>\$ 150,429,215</u>	<u>\$ 90,096,477</u>	<u>\$ 133,013,440</u>	<u>\$ 88,828,287</u>	<u>\$ 98,386,590</u>	<u>\$ 93,011,110</u>

FORT BEND COUNTY, TEXAS
CHANGES IN NET ASSETS - ACCRUAL
BASIS OF ACCOUNTING
LAST TEN FISCAL YEARS
(UNAUDITED)

	Fiscal Year			
	2003	2004	2005	2006
Net (Expense)/Revenue				
Governmental Activities	\$ (79,488,988)	\$ (81,906,297)	\$ (100,011,923)	\$ (61,085,509)
Total primary government net (expense)/revenue	<u>\$ (79,488,988)</u>	<u>\$ (81,906,297)</u>	<u>\$ (100,011,923)</u>	<u>\$ (61,085,509)</u>
General Revenues and Other Changes in Net Assets				
Governmental Activities:				
Property taxes, penalties, and interest	\$ 105,235,742	\$ 112,279,163	\$ 127,696,573	\$ 137,839,711
Sales taxes				
Earnings on investments	2,593,227	2,024,399	3,109,378	5,999,017
Grants and contributions not restricted to specific programs				4,515,643
Miscellaneous	283,570	635,621	329,311	228,309
Total governmental activities	<u>108,112,539</u>	<u>114,939,183</u>	<u>131,135,262</u>	<u>148,582,680</u>
Total primary government	<u>\$ 108,112,539</u>	<u>\$ 114,939,183</u>	<u>\$ 131,135,262</u>	<u>\$ 148,582,680</u>
Change in Net Assets				
Governmental Activities	\$ 28,623,551	\$ 33,032,886	\$ 31,123,339	\$ 87,497,171
Total primary government	<u>\$ 28,623,551</u>	<u>\$ 33,032,886</u>	<u>\$ 31,123,339</u>	<u>\$ 87,497,171</u>

Fiscal Year					
2007	2008	2009	2010	2011	2012
\$ (41,443,758)	\$ (161,765,106)	\$ (154,841,871)	\$ (199,176,192)	\$ (203,194,545)	\$ (220,730,721)
<u>\$ (41,443,758)</u>	<u>\$ (161,765,106)</u>	<u>\$ (154,841,871)</u>	<u>\$ (199,176,192)</u>	<u>\$ (203,194,545)</u>	<u>\$ (220,730,721)</u>
\$ 151,404,502	\$ 171,832,680	\$ 191,467,403	\$ 198,888,176	\$ 196,820,339	\$ 199,213,697
12,009,284	8,082,178	3,664,184	3,870,155	2,925,202	1,099,103
875,137	3,486,452	3,901,588	4,237,069	5,954,640	2,584,776
<u>164,288,923</u>	<u>183,401,310</u>	<u>199,033,175</u>	<u>206,995,400</u>	<u>205,700,181</u>	<u>209,643,431</u>
<u>\$ 164,288,923</u>	<u>\$ 183,401,310</u>	<u>\$ 199,033,175</u>	<u>\$ 206,995,400</u>	<u>\$ 205,700,181</u>	<u>\$ 209,643,431</u>
\$ 122,845,165	\$ 21,636,204	\$ 44,191,304	\$ 7,819,208	\$ 2,505,636	\$ (11,087,290)
<u>\$ 122,845,165</u>	<u>\$ 21,636,204</u>	<u>\$ 44,191,304</u>	<u>\$ 7,819,208</u>	<u>\$ 2,505,636</u>	<u>\$ (11,087,290)</u>

FORT BEND COUNTY, TEXAS
FUND BALANCES OF GOVERNMENTAL FUNDS -
MODIFIED ACCRUAL BASIS OF ACCOUNTING
LAST TEN FISCAL YEARS
(UNAUDITED)

	Fiscal Year			
	2003	2004	2005	2006
General Fund				
Reserved:				
Prepaid Items	\$	\$	\$ 248,968	\$ 97,835
Unreserved	38,190,054	29,594,905	29,138,820	36,741,861
Total General Fund	<u>\$ 38,190,054</u>	<u>\$29,594,905</u>	<u>\$29,387,788</u>	<u>\$36,839,696</u>
All Other Governmental Funds				
Reserved:				
Debt service	\$ 1,124,677	\$ 1,288,885	\$ 2,242,467	\$ 2,680,553
Prepaid items			11,528	
Capital projects	16,747,773	15,953,056	9,310,616	15,765,015
Unreserved, reported in:				
Special revenue funds	13,199,653	12,393,307	8,700,780	12,289,125
Capital project funds	19,099,442	4,038,083	4,949,578	10,218,573
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>

	Fiscal Year	
	2011	2012
General Fund		
Nonspendable	\$ 136,007	\$ 36,826
Restricted		246,021
Committed	33,106,759	24,179,874
Unassigned	10,816,215	11,563,846
Total General Fund	<u>\$ 44,058,981</u>	<u>\$36,026,567</u>
All Other Governmental Funds		
Nonspendable	\$ 69,379	\$ 54,201
Restricted	39,683,423	78,702,294
Unassigned	(4,419,144)	
Total All Other Governmental Funds	<u>\$ 35,333,658</u>	<u>\$78,756,495</u>

Note:

In 2011, the County implemented GASB 54, under which governmental fund balances are reported as nonspendable, restricted, committed, assigned, and unassigned, compared to reserved and unreserved. The County has not restated prior years.

Fiscal Year			
2007	2008	2009	2010
\$ 326,402	\$ 197,806	\$ 100,233	\$ 111,184
35,375,155	38,547,536	34,463,474	43,269,189
<u>\$ 35,701,557</u>	<u>\$ 38,745,342</u>	<u>\$ 34,563,707</u>	<u>\$ 43,380,373</u>
\$ 4,031,923	\$ 4,370,499	\$ 6,057,482	\$ 4,849,712
	7,879	11,224	4,305
171,246,482	106,937,644	154,475,649	76,694,711
16,787,185	15,585,100	23,120,456	22,906,854
4,381,036	4,857,926		
<u>\$ 196,446,626</u>	<u>\$ 131,759,048</u>	<u>\$ 183,664,811</u>	<u>\$ 104,455,582</u>

FORT BEND COUNTY, TEXAS
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS -
MODIFIED ACCRUAL BASIS OF ACCOUNTING
LAST TEN FISCAL YEARS
(UNAUDITED)

	Fiscal Year			
	2003	2004	2005	2006
Revenues				
Property taxes	\$ 105,288,111	\$ 112,345,331	\$ 124,128,673	\$ 140,406,615
Sales taxes (a)				
Fees and fines	16,734,820	18,874,999	20,732,680	20,820,411
Intergovernmental	12,751,135	15,355,629	18,740,497	14,880,649
Earnings on investments	2,533,594	1,961,631	2,700,358	5,708,178
Miscellaneous	4,900,307	7,207,238	5,099,717	5,707,079
Total Revenues	<u>142,207,967</u>	<u>155,744,828</u>	<u>171,401,925</u>	<u>187,522,932</u>
Expenditures				
Current:				
General administration	21,787,458	20,027,561	23,528,699	25,168,551
Financial administration	4,411,882	4,613,843	4,793,678	5,128,091
Administration of justice	25,613,661	27,778,206	29,106,358	29,778,206
Construction and maintenance	22,886,611	27,244,875	26,458,999	29,167,929
Health and welfare	14,994,700	17,760,912	16,411,989	17,192,173
Cooperative services	865,468	873,473	884,948	890,696
Public safety	32,329,232	36,074,647	41,102,638	45,536,081
Parks and recreation	1,547,020	1,716,716	1,619,136	1,667,241
Libraries and education	7,733,697	8,793,401	9,127,100	10,154,229
Capital Outlay	16,415,905	24,378,682	13,793,033	20,878,318
Debt Service:				
Principal	5,460,000	5,730,000	5,805,000	5,995,000
Interest and fiscal charges	4,457,074	3,557,558	3,352,437	4,105,682
Bond issuance costs (b)				
Total Expenditures	<u>158,502,708</u>	<u>178,549,874</u>	<u>175,984,015</u>	<u>195,662,197</u>
(Deficiency) of Revenues				
(Under) Expenditures	(16,294,741)	(22,805,046)	(4,582,090)	(8,139,265)
Other Financing Sources (Uses)				
Transfers in	6,221,498	8,465,487	7,422,408	7,413,941
Transfers (out)	(7,601,326)	(10,753,805)	(11,978,097)	(7,413,941)
Bonds issued				30,245,000
Refunding bonds issued				
Premium on bonds issued				1,084,470
Premium on refunding bonds issued				
Payments to current refunding bond agent				
Sale of capital assets			472,300	
Total Other Financing Sources (Uses)	<u>(1,379,828)</u>	<u>(2,288,318)</u>	<u>(4,083,389)</u>	<u>31,329,470</u>
Net Change in Fund Balances	<u>\$ (17,674,569)</u>	<u>\$ (25,093,364)</u>	<u>\$ (8,665,479)</u>	<u>\$ 23,190,205</u>
Debt service as a percentage of noncapital expenditures	6.98%	6.02%	5.65%	5.78%

(a) No sales taxes were collected prior to fiscal year 2012.

(b) Bond issuance costs were combined with interest and fiscal charges prior to fiscal year 2007.

Fiscal Year					
2007	2008	2009	2010	2011	2012
\$ 151,296,278	\$ 173,947,606	\$ 190,558,904	\$ 199,229,197	\$ 197,406,898	\$ 200,056,507
					1,099,103
26,999,560	28,948,356	34,591,324	35,306,339	37,371,124	39,598,440
18,948,719	27,189,804	35,910,436	28,400,145	36,971,987	29,377,233
11,724,807	7,875,929	3,509,046	3,744,027	2,798,039	2,451,577
7,377,537	5,397,431	8,396,202	7,256,967	6,635,261	7,175,498
<u>216,346,901</u>	<u>243,359,126</u>	<u>272,965,912</u>	<u>273,936,675</u>	<u>281,183,309</u>	<u>279,758,358</u>
26,680,249	36,060,406	38,259,862	40,727,455	42,352,337	35,704,861
5,666,739	6,330,272	7,162,814	6,725,826	7,176,186	7,221,313
33,248,618	38,895,064	68,150,496	67,310,882	71,839,346	75,286,042
27,314,125	28,584,504	30,896,400	26,775,517	29,542,425	28,214,027
18,227,500	20,369,042	22,539,945	21,124,782	22,067,744	27,835,260
934,276	975,720	1,049,985	933,519	986,392	960,392
51,014,580	63,081,120	44,578,722	40,895,974	44,156,502	45,463,593
1,822,404	1,739,346	1,815,986	2,231,528	2,263,590	1,957,044
10,694,749	10,422,032	11,398,561	11,354,804	12,176,637	13,012,700
30,205,800	78,040,663	102,627,536	99,931,347	88,927,796	44,845,671
7,125,000	8,220,000	8,305,000	8,100,000	12,590,000	13,300,000
4,600,363	12,266,435	12,149,302	16,341,773	15,528,257	15,571,727
2,010,266		1,176,319	225,979	249,266	541,944
<u>219,544,669</u>	<u>304,984,604</u>	<u>350,110,928</u>	<u>342,679,386</u>	<u>349,856,478</u>	<u>309,914,574</u>
(3,197,768)	(61,625,478)	(77,145,016)	(68,742,711)	(68,673,169)	(30,156,216)
9,165,382	9,569,698	23,578,390	15,248,368	14,402,786	13,258,127
(9,165,382)	(9,569,698)	(23,578,390)	(15,248,368)	(14,402,786)	(13,258,127)
152,675,000		119,910,000			58,220,000
		2,460,000	20,780,000	9,675,000	
4,877,984		5,241,474			
		122,676	2,170,147	784,853	7,326,639
		(2,865,000)	(24,600,000)	(10,230,000)	
<u>157,552,984</u>	<u></u>	<u>124,869,150</u>	<u>(1,649,853)</u>	<u>229,853</u>	<u>65,546,639</u>
<u>\$ 154,355,216</u>	<u>\$ (61,625,478)</u>	<u>\$ 47,724,134</u>	<u>\$ (70,392,564)</u>	<u>\$ (68,443,316)</u>	<u>\$ 35,390,423</u>
6.19%	9.03%	8.26%	10.07%	10.78%	10.89%

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

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

2006	2007	2008	2009	2010	2011
\$ 23,347,791,025	\$ 26,097,453,310	\$ 29,960,281,188	\$ 29,649,115,219	\$ 29,993,796,370	\$ 31,039,400,739
624,746,015	724,480,330	1,036,720,280	953,747,851	970,309,935	985,883,440
735,283,478	906,501,540	1,128,365,928	1,129,570,008	1,027,648,723	982,287,088
1,396,938,636	1,619,246,573	2,622,322,905			
115,815,172	149,627,110	197,166,064			
			2,745,455,296	2,629,194,720	2,536,288,590
277,749,409	298,618,116	348,641,070	330,298,802	327,283,766	331,068,370
3,418,004,025	3,606,646,451	6,042,412,301			
1,546,854,160	2,431,755,890	2,512,976,750			
			7,798,910,271	7,178,698,624	7,050,117,340
493,944,860	488,114,480	483,549,300			
			288,530,290	319,839,370	273,529,460
679,232,435	689,009,066	721,569,810	710,328,240	689,401,553	661,509,515
1,268,271,001	1,523,192,050	1,519,692,659			
1,246,210,863	1,810,785,110	1,888,201,580			
			3,955,067,370	3,544,368,206	3,611,035,498
69,123,485	75,153,055	68,619,455			
			65,665,620	56,722,635	55,860,570
			9,736,015	10,051,655	10,398,285
822,890,210	1,125,116,437	1,279,793,460	1,001,220,160	788,688,120	729,776,091
59,368,540	70,754,490	72,837,620	61,578,930	60,319,760	74,140,120
80,080	1,876,101,450	2,349,880,727	2,559,873,420	2,751,636,029	2,782,972,308
	19,389,929	11,877,010		8,860	
\$ 36,102,303,394	\$ 43,511,945,387	\$ 52,244,908,107	\$ 51,259,097,492	\$ 50,347,968,326	\$ 51,124,267,414



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

Tax Year	Fiscal Year	Estimated Actual Value	Less Exemptions	Net Assessed Value	Assessment Ratio	Total Direct Tax Rate
2002	2003	\$ 22,983,634,660	\$ 3,623,915,365	\$ 19,359,719,295	84.2%	\$ 0.53874
2003	2004	25,365,488,170	4,228,880,660	21,136,607,510	83.3%	0.52370
2004	2005	27,925,658,267	4,666,247,520	23,259,410,747	83.3%	0.52370
2005	2006	31,359,153,364	5,310,031,541	26,049,121,823	83.1%	0.51674
2006	2007	34,898,864,755	5,874,692,725	29,024,172,030	83.2%	0.51674
2007	2008	40,030,188,967	6,548,855,518	33,481,333,449	83.6%	0.51674
2008	2009	45,414,424,927	7,350,144,660	38,064,280,267	83.8%	0.49976
2009	2010	46,004,789,281	7,599,334,136	38,405,455,145	83.5%	0.49976
2010	2011	45,090,492,561	7,722,448,765	37,368,043,796	82.9%	0.49976
2011	2012	45,964,582,256	7,930,095,144	38,034,487,112	82.7%	0.49976

Source of data: Fort Bend County Central Appraisal District.

FORT BEND COUNTY, TEXAS
PROPERTY TAX RATES - DIRECT AND
OVERLAPPING GOVERNMENTS
Last Ten Tax Years
(UNAUDITED)

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Fort Bend County	\$ 0.51254	\$ 0.49874	\$ 0.50012	\$ 0.49334	\$ 0.49334
Fort Bend County Drainage District	0.02620	0.02500	0.02362	0.02340	0.02340
Political Subdivision:					
Arcola, City of	0.63922	0.62105	0.59200	0.56300	0.73000
Beasley, City of	0.33069	0.33872	0.27613	0.41890	0.41687
Big Oaks MUD	1.20000	1.18000	1.00000	0.95000	0.73000
Blue Ridge West MUD	0.55000	0.55000	0.49000	0.45000	0.43000
Brazoria-Fort Bend MUD 1	**N/A	**N/A	**N/A	**N/A	**N/A
Brazos ISD	1.31680	1.50000	1.50000	**N/A	**N/A
Burney Road MUD	0.74000	0.74000	0.74000	0.35500	0.30000
Chelford City MUD	**N/A	**N/A	**N/A	**N/A	**N/A
Cimarron MUD	**N/A	**N/A	**N/A	**N/A	**N/A
Cinco MUD 1	1.08000	1.02000	1.02000	1.00000	0.88000
Cinco MUD 2	0.68000	0.60110	0.58000	0.56500	0.52000
Cinco MUD 3	0.79800	0.62000	0.62000	0.54000	0.51000
Cinco MUD 5	0.86000	0.71000	0.65000	0.59500	0.57500
Cinco MUD 6	0.78000	0.72000	0.72000	0.64000	0.59000
Cinco MUD 7	0.72500	0.70000	0.70000	0.61000	0.57500
Cinco MUD 8	0.95000	0.94000	0.94000	0.91000	0.89000
Cinco MUD 9	0.76000	0.76000	0.76000	0.74000	0.65000
Cinco MUD 10	1.02000	0.87000	0.87000	0.67000	0.65000
Cinco MUD 12	0.78000	0.69000	0.69000	0.59000	0.53000
Cinco MUD 14	1.08000	1.02000	1.02000	1.00000	0.79000
Cinco Southwest MUD 1	**N/A	**N/A	**N/A	**N/A	**N/A
Cinco Southwest MUD 2	**N/A	**N/A	**N/A	**N/A	**N/A
Cinco Southwest MUD 3	**N/A	**N/A	**N/A	**N/A	**N/A
Cinco Southwest MUD 4	**N/A	**N/A	**N/A	**N/A	**N/A
Cornerstone MUD	**N/A	**N/A	**N/A	**N/A	**N/A
Eldridge Road MUD	0.67000	0.60000	0.50000	0.43000	0.32000
First Colony LID	0.20555	0.19500	0.20500	0.19000	0.19460
First Colony LID 2	0.39200	0.39200	0.38500	0.37500	0.31500
First Colony MUD 9	0.43500	0.40500	0.37500	0.34500	0.30000
First Colony MUD 10	**N/A	**N/A	**N/A	**N/A	**N/A
Fort Bend County LID 2	0.23000	0.21000	0.21000	0.18400	0.16500
Fort Bend County LID 6	**N/A	**N/A	**N/A	**N/A	**N/A
Fort Bend County LID 7	0.25000	0.25000	0.24000	0.23000	0.21500
Fort Bend County LID 10	0.49000	0.49000	0.49000	0.47000	0.46000
Fort Bend County LID 11	0.40000	0.40000	0.38700	0.32000	0.27000
Fort Bend County LID 12	0.50000	0.50000	0.50000	0.50000	0.25000
Fort Bend County LID 14	0.31000	0.28000	0.26000	0.21000	0.19000
Fort Bend County LID 15	**N/A	**N/A	0.60000	0.70000	0.70000
Fort Bend County LID 17	**N/A	**N/A	**N/A	0.54000	0.57000
Fort Bend County LID 19	**N/A	**N/A	**N/A	**N/A	**N/A
Fort Bend County LID 20	**N/A	**N/A	**N/A	**N/A	**N/A
Fort Bend County MUD 1	0.82000	0.82000	0.82000	0.75000	0.65000
Fort Bend County MUD 2	0.49900	0.48000	0.48000	0.46000	0.46000

2007	2008	2009	2010	2011
\$ 0.49874	\$ 0.48376	\$ 0.47900	\$ 0.48016	\$ 0.48096
0.01800	0.01600	0.02076	0.01960	0.01880
0.73000	0.95258	0.96500	0.99000	0.95426
0.41687	0.44828	0.44828	0.44828	0.49314
0.73000	0.73000	0.79000	0.79000	0.79000
0.43000	0.42000	0.41500	0.41000	0.41000
0.85000	0.85000	0.85000	0.85000	0.90000
**N/A	1.22000	1.36890	1.39510	1.43285
0.30000	0.30000	0.24250	0.26750	0.26750
**N/A	0.43000	0.43000	0.43000	0.43000
**N/A	0.58000	0.57000	0.57000	0.57000
0.88000	0.88000	0.67500	0.64500	0.59500
0.52000	0.50000	0.47500	0.47500	0.47500
0.51000	0.51000	0.47000	0.47000	0.48000
0.57500	0.57500	0.50000	0.49500	0.49500
0.59000	0.59000	0.48000	0.48000	0.48000
0.57500	0.57500	0.52500	0.52000	0.49000
0.89000	0.89000	0.84000	0.85000	0.59500
0.65000	0.37000	0.61000	0.59500	0.59500
0.65000	0.65000	0.60000	0.61000	0.59000
0.53000	0.53000	0.47000	0.43000	0.43000
0.79000	0.79000	0.66000	0.63500	0.59500
0.90000	1.50000	1.50000	1.50000	1.50000
1.50000	1.50000	1.50000	1.50000	1.50000
**N/A	1.50000	1.50000	1.50000	1.50000
**N/A	1.50000	1.50000	1.50000	1.50000
**N/A	0.38000	0.37000	0.37000	0.36000
0.32000	0.25000	0.22000	0.08000	**N/A
0.19460	0.19460	0.19460	0.19460	0.19460
0.31500	0.29500	0.28500	0.27500	0.27500
0.30000	0.29500	0.29500	0.30500	0.32000
0.75000	0.75000	0.75000	0.49000	0.49000
0.16500	0.14500	0.13400	0.13400	0.13400
**N/A	0.50000	0.50000	0.50000	0.50000
0.21500	0.21500	0.21500	0.21500	0.21000
0.46000	0.47500	0.47500	0.47500	0.47500
0.27000	0.27000	0.27000	0.28000	0.28000
0.25000	0.19000	0.15000	0.14000	0.13000
0.19000	0.19000	0.20000	0.20000	0.20500
0.70000	0.70000	0.70000	0.80000	0.80000
0.57000	0.58000	0.63000	0.63000	0.63000
0.70000	0.70000	0.70000	0.80000	0.80000
**N/A	0.45000	0.45000	0.45000	0.45000
0.65000	0.65000	0.53000	0.65000	0.65000
0.46000	0.44000	0.50000	0.54000	0.65000

FORT BEND COUNTY, TEXAS
PROPERTY TAX RATES - DIRECT AND
OVERLAPPING GOVERNMENTS
Last Ten Tax Years
(UNAUDITED)

	2002	2003	2004	2005	2006
Political Subdivision: (continued)					
Fort Bend County MUD 5	**N/A	**N/A	**N/A	**N/A	**N/A
Fort Bend County MUD 19	1.20000	1.20000	1.20000	1.20000	1.20000
Fort Bend County MUD 21	0.49000	0.49000	0.49000	0.47000	0.39000
Fort Bend County MUD 23	1.15000	1.06000	1.06000	1.02000	0.95000
Fort Bend County MUD 24	**N/A	**N/A	**N/A	**N/A	**N/A
Fort Bend County MUD 25	0.92500	0.89000	0.87000	0.86000	0.82000
Fort Bend County MUD 26	0.77000	0.77000	0.77000	0.73000	0.72000
Fort Bend County MUD 30	1.04300	1.04300	1.01300	0.99300	0.88000
Fort Bend County MUD 34	1.07000	1.05000	0.95000	0.84000	0.72000
Fort Bend County MUD 35	**N/A	1.25000	1.25000	1.25000	1.05000
Fort Bend County MUD 37	0.63000	0.63000	0.63000	0.63000	0.59000
Fort Bend County MUD 41	0.75000	0.70000	0.66000	0.62000	0.58000
Fort Bend County MUD 42	0.50000	0.48000	0.48000	0.46000	0.43000
Fort Bend County MUD 46	1.05000	1.05000	1.00000	0.95000	0.90000
Fort Bend County MUD 47	1.17000	1.17000	1.15000	1.15000	1.09000
Fort Bend County MUD 48	1.00000	0.98000	0.98000	0.96000	0.89000
Fort Bend County MUD 49	0.86000	0.84000	0.84000	0.80000	0.80000
Fort Bend County MUD 50	0.83000	0.90000	0.90000	0.90000	0.90000
Fort Bend County MUD 57	**N/A	**N/A	**N/A	1.50000	1.50000
Fort Bend County MUD 58	**N/A	**N/A	**N/A	1.50000	1.50000
Fort Bend County MUD 66	**N/A	**N/A	**N/A	**N/A	**N/A
Fort Bend County MUD 67	0.48500	0.46000	0.45000	0.44000	0.45000
Fort Bend County MUD 68	0.47000	0.46000	0.44000	0.43000	0.40500
Fort Bend County MUD 69	0.40000	0.39000	0.38000	0.37000	0.33000
Fort Bend County MUD 81	0.73000	0.73000	0.69000	0.57000	0.42500
Fort Bend County MUD 94	0.72000	0.71000	0.71000	0.71000	0.71000
Fort Bend County MUD 106	0.58000	0.57000	0.54000	0.50000	0.47000
Fort Bend County MUD 108	0.47000	0.46000	0.43000	0.42500	0.40000
Fort Bend County MUD 109	0.57000	0.55000	0.53000	0.51500	0.51000
Fort Bend County MUD 111	0.34000	0.34000	0.34000	0.32000	0.30000
Fort Bend County MUD 112	0.81000	0.73000	0.57000	0.46000	0.39000
Fort Bend County MUD 113	0.34000	0.33500	0.31500	**N/A	**N/A
Fort Bend County MUD 115	0.97000	0.97000	0.97000	0.97000	0.59000
Fort Bend County MUD 116	1.45000	1.30000	1.30000	1.15000	1.13000
Fort Bend County MUD 117	0.91000	0.86000	0.84000	0.74000	0.67000
Fort Bend County MUD 118	1.40000	1.33000	1.16000	1.00000	0.89000
Fort Bend County MUD 119	**N/A	1.25000	1.20000	0.95000	0.75000
Fort Bend County MUD 121	1.25000	1.25000	1.25000	1.25000	1.25000
Fort Bend County MUD 122	**N/A	1.00000	1.00000	1.00000	1.00000
Fort Bend County MUD 123	**N/A	**N/A	1.00000	1.00000	1.00000
Fort Bend County MUD 124	1.15000	1.20000	1.20000	1.15000	0.99000
Fort Bend County MUD 128	**N/A	**N/A	**N/A	**N/A	**N/A
Fort Bend County MUD 129	**N/A	**N/A	0.90000	0.80000	0.80000
Fort Bend County MUD 130	0.80000	0.80000	0.80000	0.80000	0.79000
Fort Bend County MUD 131	**N/A	**N/A	**N/A	0.90000	0.90000
Fort Bend County MUD 133	**N/A	**N/A	**N/A	**N/A	**N/A
Fort Bend County MUD 134 C	**N/A	**N/A	**N/A	**N/A	**N/A

2007	2008	2009	2010	2011
**N/A	**N/A	1.50000	1.50000	1.50000
1.20000	1.20000	1.24000	1.38000	1.38000
0.39000	0.39000	0.27000	0.26000	0.26000
0.95000	0.91000	1.00000	1.03000	1.03000
1.29000	1.29000	1.29000	1.29000	1.35000
0.82000	0.82000	0.82000	0.82000	0.82000
0.72000	0.67000	0.70000	0.71000	0.86250
0.88000	0.87000	0.95000	0.98000	1.02000
0.72000	0.71000	0.71000	0.69000	0.68000
1.05000	0.89000	0.74000	0.69000	0.63000
0.59000	0.59000	0.56000	0.52000	0.52000
0.58000	0.55000	0.55000	0.55000	0.55000
0.43000	0.42000	0.42000	0.43000	0.43000
0.90000	0.90000	0.88000	0.88000	0.88000
1.09000	1.04000	1.04000	1.04000	1.04000
0.89000	0.88000	0.88000	0.88000	0.88000
0.80000	0.95000	0.95000	0.95000	0.95000
0.90000	0.90000	0.90000	0.90000	0.90000
1.50000	1.50000	1.50000	1.50000	1.45000
1.50000	1.50000	1.50000	1.50000	1.50000
1.35000	1.35000	1.35000	1.35000	1.50000
0.45000	0.47500	0.47500	0.47500	0.46500
0.40500	0.40500	0.40000	0.40000	0.40000
0.33000	0.40000	0.40000	0.40000	0.40000
0.42500	0.42500	0.38000	0.37000	0.37000
0.71000	0.71000	0.71000	0.77000	0.77000
0.47000	0.45000	0.45000	0.49000	0.52000
0.40000	0.39000	0.39000	0.42000	0.44000
0.51000	0.50700	0.58000	0.63000	0.66000
0.30000	0.30000	0.30000	0.30000	0.30000
0.39000	0.39000	0.38000	0.38000	0.38000
**N/A	**N/A	**N/A	**N/A	**N/A
0.59000	0.53000	0.50000	0.50000	0.50000
1.13000	1.13000	1.22000	1.22000	1.22000
0.67000	0.66000	0.66000	0.66000	0.69000
0.89000	0.84000	0.81000	0.78000	0.77000
0.75000	0.75000	0.71000	0.71000	0.71000
1.25000	1.20000	1.20000	1.20000	1.20000
1.00000	1.00000	1.00000	1.00000	1.00000
1.00000	1.00000	1.08000	1.14000	1.15000
0.99000	0.92000	0.92000	0.92000	0.99000
0.80000	0.80000	0.80000	0.70000	0.70000
0.80000	0.80000	0.80000	0.70000	0.67000
0.79000	0.77000	0.76000	0.76000	0.75000
0.90000	1.01000	1.01000	1.01000	1.01000
1.50000	1.50000	1.50000	1.50000	1.50000
**N/A	1.25000	1.25000	1.30000	1.30000

FORT BEND COUNTY, TEXAS
PROPERTY TAX RATES - DIRECT AND
OVERLAPPING GOVERNMENTS
Last Ten Tax Years
(UNAUDITED)

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Political Subdivision: (continued)					
Fort Bend County MUD 136	**N/A	**N/A	**N/A	0.63000	0.63000
Fort Bend County MUD 137	**N/A	**N/A	**N/A	0.63000	0.63000
Fort Bend County MUD 138	**N/A	**N/A	**N/A	0.63000	0.63000
Fort Bend County MUD 139	**N/A	**N/A	**N/A	**N/A	**N/A
Fort Bend County MUD 140	**N/A	**N/A	1.25000	1.25000	1.25000
Fort Bend County MUD 141	**N/A	**N/A	**N/A	1.39000	1.39000
Fort Bend County MUD 142	**N/A	**N/A	1.33000	1.39000	1.32000
Fort Bend County MUD 143	**N/A	**N/A	1.00000	1.00000	1.25000
Fort Bend County MUD 144	**N/A	**N/A	1.00000	0.80000	0.80000
Fort Bend County MUD 145	**N/A	**N/A	**N/A	**N/A	**N/A
Fort Bend County MUD 146	**N/A	**N/A	1.25000	1.25000	1.20000
Fort Bend County MUD 147	**N/A	**N/A	**N/A	0.95000	0.95000
Fort Bend County MUD 148	**N/A	**N/A	**N/A	0.90000	0.90000
Fort Bend County MUD 149	**N/A	**N/A	**N/A	**N/A	**N/A
Fort Bend County MUD 150	**N/A	**N/A	**N/A	0.94500	**N/A
Fort Bend County MUD 151	**N/A	**N/A	**N/A	1.30000	1.30000
Fort Bend County MUD 152	**N/A	**N/A	**N/A	1.45000	1.45000
Fort Bend County MUD 155	**N/A	**N/A	**N/A	1.39000	1.39000
Fort Bend County MUD 158	**N/A	**N/A	**N/A	1.45000	1.45000
Fort Bend County MUD 159	**N/A	**N/A	**N/A	**N/A	**N/A
Fort Bend County MUD 162	**N/A	**N/A	**N/A	**N/A	**N/A
Fort Bend County MUD 165	**N/A	**N/A	**N/A	**N/A	**N/A
Fort Bend County MUD 167	**N/A	**N/A	**N/A	**N/A	**N/A
Fort Bend County MUD 168	**N/A	**N/A	**N/A	**N/A	**N/A
Fort Bend County MUD 169	**N/A	**N/A	**N/A	**N/A	**N/A
Fort Bend County MUD 170	**N/A	**N/A	**N/A	**N/A	**N/A
Fort Bend County MUD 171	**N/A	**N/A	**N/A	**N/A	**N/A
Fort Bend County MUD 172	**N/A	**N/A	**N/A	**N/A	**N/A
Fort Bend County MUD 173	**N/A	**N/A	**N/A	**N/A	**N/A
Fort Bend County MUD 176	**N/A	**N/A	**N/A	**N/A	**N/A
Fort Bend County MUD 182	**N/A	**N/A	**N/A	**N/A	**N/A
Fort Bend County MUD 185	**N/A	**N/A	**N/A	**N/A	**N/A
Fort Bend County MUD 187	**N/A	**N/A	**N/A	**N/A	**N/A
Fort Bend County MUD 194	**N/A	**N/A	**N/A	**N/A	**N/A
Fort Bend County MUD 199	**N/A	**N/A	**N/A	**N/A	**N/A
Fort Bend County WC&ID 2	0.16290	0.16290	0.18000	0.18000	0.18000
Fort Bend County WC&ID 3	0.50000	0.50000	0.50000	0.50000	0.50000
Fort Bend County WC&ID 8	**N/A	**N/A	**N/A	**N/A	**N/A
Fort Bend County R.F. P. 1 & 2	**N/A	**N/A	**N/A	**N/A	**N/A
Fort Bend ESD 1	**N/A	0.06250	0.06250	0.06250	0.06250
Fort Bend ESD 2	0.09800	0.09800	0.09800	0.09800	0.09200
Fort Bend ESD 3	**N/A	**N/A	0.07000	0.07000	0.06750
Fort Bend ESD 4	**N/A	**N/A	0.06000	0.07000	0.08897
Fort Bend ESD 5	**N/A	**N/A	**N/A	**N/A	**N/A
Fort Bend Fire District 1	0.03000	**N/A	**N/A	**N/A	**N/A
Fort Bend Fire District 2	0.03000	**N/A	**N/A	**N/A	**N/A
Fort Bend Fresh Water Supply 1	**N/A	0.25000	0.25000	0.25000	1.00000

2007	2008	2009	2010	2011
0.63000	0.62000	0.62000	0.57000	0.57000
0.63000	0.62000	0.57000	0.57000	0.57000
0.63000	0.62000	0.57000	0.57000	0.57000
**N/A	**N/A	**N/A	0.57000	0.57000
1.25000	1.25000	1.25000	1.25000	1.25000
1.39000	**N/A	**N/A	**N/A	**N/A
1.32000	1.32000	1.32000	1.32000	1.32000
1.25000	1.31000	1.35000	1.35000	1.36000
0.80000	0.80000	0.80000	0.80000	0.80000
1.25000	1.25000	1.25000	1.25000	1.25000
1.20000	1.20000	1.15000	1.15000	1.15000
0.95000	0.95000	0.95000	0.95000	0.95000
0.90000	0.90000	0.90000	0.90000	0.90000
0.80000	0.80000	0.80000	0.70000	0.70000
**N/A	**N/A	**N/A	**N/A	**N/A
1.30000	1.30000	1.30000	1.27000	1.26000
1.45000	1.45000	1.45000	1.45000	1.45000
1.39000	1.39000	1.39000	1.39000	1.39000
1.45000	1.45000	1.45000	1.45000	1.45000
0.84000	0.84000	0.84000	0.84000	0.84000
0.55000	0.70000	0.74000	0.80000	1.00000
1.25000	1.31000	1.35000	1.36000	1.37000
0.85000	0.85000	0.85000	0.89000	0.89000
1.03000	**N/A	**N/A	**N/A	**N/A
**N/A	**N/A	**N/A	1.29500	1.29500
**N/A	**N/A	1.29400	1.29500	1.29500
**N/A	1.29400	1.29400	1.29500	1.29500
**N/A	**N/A	**N/A	1.29500	1.29500
**N/A	**N/A	**N/A	1.29500	1.29500
0.70000	0.65000	0.65000	0.65000	0.65000
0.91000	**N/A	**N/A	**N/A	**N/A
**N/A	1.25000	1.25000	1.25000	1.25000
**N/A	1.00000	1.00000	1.00000	1.00000
**N/A	**N/A	1.25000	1.25000	1.25000
**N/A	**N/A	**N/A	0.60000	0.60000
0.18000	0.18000	0.18000	0.18000	0.18000
0.50000	0.48000	0.48000	0.45000	0.45000
0.95000	0.95000	0.95000	0.95000	0.95000
**N/A	**N/A	**N/A	**N/A	**N/A
0.06250	0.06250	0.07500	0.07500	0.07500
0.09200	0.08830	0.09600	0.09800	0.09800
0.06750	0.06750	0.07900	0.08460	0.09100
0.08897	0.08502	0.08234	0.07804	0.07827
**N/A	0.08000	0.07997	0.07997	0.08298
**N/A	**N/A	**N/A	**N/A	**N/A
**N/A	**N/A	**N/A	**N/A	**N/A
1.00000	1.00000	1.00000	1.00000	1.00000

FORT BEND COUNTY, TEXAS
PROPERTY TAX RATES - DIRECT AND
OVERLAPPING GOVERNMENTS
Last Ten Tax Years
(UNAUDITED)

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Political Subdivision: (continued)					
Fort Bend Fresh Water Supply 2	**N/A	**N/A	**N/A	0.25000	0.50000
Fort Bend-Harris ESD 100	**N/A	**N/A	**N/A	**N/A	**N/A
Fort Bend Independent School District	1.68250	1.67000	1.70750	1.69000	1.25000
Fort Bend Parkway Road District	0.42170	0.22000	0.11448	0.04153	**N/A
Fulshear, City of	0.39251	0.37000	0.33000	0.32743	0.20592
Fulshear MUD 1	**N/A	**N/A	**N/A	**N/A	**N/A
Grand Mission MUD 1	0.72000	1.00000	1.00000	1.00000	1.05000
Grand Mission MUD 2	**N/A	**N/A	**N/A	1.00000	1.25000
Grand Lakes MUD 1	**N/A	1.25000	1.25000	1.15000	0.79000
Grand Lakes MUD 2	**N/A	1.22000	1.10000	0.97000	0.70000
Grand Lakes MUD 4	0.98000	0.90000	0.90000	0.82000	0.82000
Grand Lakes WCID	0.21000	0.17000	0.15000	0.10500	0.09500
Harris-Fort Bend EMS District	0.09900	0.09740	0.09700	0.09700	0.10000
Harris-Fort Bend MUD 1	1.14580	1.10000	1.05000	1.00000	0.88000
Harris-Fort Bend MUD 3	**N/A	**N/A	1.25000	1.25000	1.25000
Harris-Fort Bend MUD 4	0.44000	0.50000	0.87000	0.95000	0.96000
Harris-Fort Bend MUD 5	1.06000	0.97000	0.92000	0.86000	0.82000
Houston, City of	0.65500	0.65000	0.65000	0.64750	**N/A
HCC Stafford	0.08133	0.08133	0.09598	0.09577	0.09518
HCC Missouri City	**N/A	**N/A	**N/A	**N/A	**N/A
Imperial Redevelopment District	**N/A	**N/A	**N/A	**N/A	**N/A
Katy, City of	0.61466	0.61466	0.61466	0.61466	**N/A
Katy ISD	1.94000	1.94000	1.94000	**N/A	1.52660
Kendleton, City of	0.66000	0.70000	0.70945	0.70000	0.76503
Kendleton ISD	1.50000	1.78430	1.78000	1.78000	1.23170
Kingsbridge MUD	0.92000	0.92000	0.88000	0.84000	0.80000
Lamar Consolidated I.S.D.	1.66450	1.66450	1.69760	1.69760	1.29765
Meadowcreek MUD	0.42000	0.42000	0.41000	0.38000	0.10000
Meadows Place, City of	0.73000	0.73000	0.76000	0.76000	0.79000
Memorial MUD	**N/A	**N/A	**N/A	**N/A	**N/A
Mission Bend MUD 1	0.58000	0.56500	0.54000	0.45000	0.28000
Missouri City, City of	0.49146	0.51000	0.50165	0.49800	0.49926
Needville, City of	0.50955	0.49567	0.49995	0.48000	0.42284
Needville Independent School District	1.58700	1.66040	1.66400	1.66400	1.27929
North Mission Glen MUD	0.82000	0.82000	0.75000	0.63000	0.52000
Orchard, City of	0.24423	0.32090	0.35148	0.34531	0.30750
Palmer Plantation MUD 1	0.81000	0.79000	0.78000	0.74000	0.68000
Palmer Plantation MUD 2	0.78000	0.68000	0.60000	0.55000	0.49000
Pearland, City of	**N/A	**N/A	**N/A	**N/A	**N/A
Pecan Grove MUD	0.63500	0.59500	0.57500	0.51000	0.47000
Plantation MUD	0.68500	0.65000	0.65000	0.63000	0.63000
Quail Valley MUD	0.28000	0.28000	0.27000	**N/A	**N/A
Renn Road MUD	**N/A	**N/A	**N/A	**N/A	**N/A
Richmond, City of	0.79000	0.79000	0.79000	0.79000	0.79000
Rosenberg, City of	0.55500	0.55500	0.55500	0.55500	0.54500
Sienna Plantation LID	0.59000	0.60000	0.60000	0.60000	0.58000
Sienna Plantation Management	**N/A	**N/A	**N/A	**N/A	**N/A

2007	2008	2009	2010	2011
0.50000	0.50000	0.49900	0.50000	0.51000
0.10000	0.09473	0.09697	0.09000	0.09000
1.25000	1.27000	1.30500	1.34000	1.34000
0.05443	0.05443	0.01483	**N/A	**N/A
0.20592	0.20592	0.20592	0.20592	0.20592
**N/A	1.19000	1.19000	1.19000	1.19000
1.05000	1.10000	1.10000	1.10000	1.10000
1.25000	1.31000	1.31000	1.31000	1.31000
0.79000	0.79000	0.65000	0.63000	0.54000
0.70000	0.70000	0.46500	0.45500	0.44500
0.82000	0.82000	0.79000	0.79000	0.77000
0.09500	0.09500	0.08750	0.08250	0.08250
**N/A	**N/A	**N/A	**N/A	**N/A
0.88000	0.88000	0.77000	0.75000	0.73000
1.25000	1.25000	1.25000	1.25000	1.25000
0.96000	0.96000	0.96000	0.95000	0.95000
0.82000	0.82000	0.75000	0.73000	0.71000
**N/A	0.64375	0.63875	0.63875	0.63875
0.09518	0.09243	0.09222	0.09222	0.09722
0.09518	0.09243	0.09222	0.09222	0.09722
**N/A	1.00000	**N/A	**N/A	**N/A
**N/A	0.60540	0.59372	0.59372	0.59372
1.52660	1.52660	1.52660	1.52660	1.52660
0.76503	0.76632	0.89100	0.70627	0.69923
1.23170	1.20500	1.20830	**N/A	1.20830
0.80000	0.78000	0.78000	0.78000	0.78000
1.29765	1.29765	1.29765	1.36455	1.39005
0.10000	0.10000	0.10000	0.10000	0.10000
0.79000	0.79000	0.83000	0.89500	0.89869
**N/A	0.52000	0.54000	0.55500	0.55000
0.28000	0.25000	0.25000	0.25000	0.25000
0.49926	0.51724	0.52840	0.52840	0.52840
0.42284	0.39169	0.39153	0.38151	0.39779
1.27929	1.45600	1.48400	1.51999	1.57958
0.52000	0.52000	0.54400	0.57100	0.64110
0.30750	0.33123	0.39601	0.39267	0.42380
0.68000	0.68000	0.69000	0.73500	0.73500
0.49000	0.49000	0.49800	0.51500	0.51500
0.65260	0.65260	0.65260	0.66510	0.68510
0.47000	0.46800	0.46800	0.55000	0.55000
0.63000	0.63000	0.66000	0.66000	0.74000
**N/A	**N/A	**N/A	**N/A	**N/A
**N/A	0.63000	0.63000	0.66500	0.69000
0.79000	0.79000	0.78650	0.78650	0.78650
0.54500	0.52020	0.50000	0.50000	0.50000
0.58000	0.49000	0.49000	0.49000	0.49000
0.92000	1.01000	1.01000	1.01000	1.01000

FORT BEND COUNTY, TEXAS
PROPERTY TAX RATES - DIRECT AND
OVERLAPPING GOVERNMENTS
Last Ten Tax Years
(UNAUDITED)

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Political Subdivision: (continued)					
Sienna Plantation MUD 2	0.85000	0.83000	0.76000	0.72000	0.72000
Sienna Plantation MUD 3	0.90000	0.90000	0.90000	0.88000	0.75000
Sienna Plantation MUD 10	**N/A	**N/A	0.90000	0.90000	0.90000
Sienna Plantation MUD 12	**N/A	**N/A	0.90000	0.90000	0.90000
Simonton, City of	**N/A	**N/A	**N/A	0.27000	0.27000
Stafford Municipal School District	1.71000	1.71550	1.70800	1.68660	1.25000
Sugar Land, City of	0.32886	0.32840	0.32568	0.31711	0.30000
Thunderbird U.D.	0.22000	**N/A	**N/A	**N/A	**N/A
West Keegans Bayou I.D.	0.22100	0.19100	0.19100	0.18100	0.12100
West Harris County MUD 4	**N/A	**N/A	**N/A	**N/A	**N/A
Wharton County Junior College	0.16738	0.17401	0.16892	0.15595	0.13485
Willow Creek Farms MUD	**N/A	**N/A	**N/A	**N/A	**N/A
Willow Fork Drainage District	0.35000	0.30000	0.27000	0.26000	0.20000
Woodcreek Reserve MUD	**N/A	0.60000	0.60000	0.60000	0.60000

Source of data: Fort Bend County Central Appraisal District

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

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

2007	2008	2009	2010	2011
0.72000	0.71000	0.71000	0.71000	0.71000
0.75000	0.75000	0.73000	0.72000	0.72000
0.90000	0.94000	0.94000	0.94000	0.94000
0.90000	0.94000	0.94000	0.94000	0.94000
0.27000	0.27000	0.27000	0.27000	0.27000
1.25000	1.23500	1.23000	1.11000	1.22000
0.30000	0.30000	0.30000	0.30000	0.30245
**N/A	**N/A	**N/A	**N/A	**N/A
0.12100	0.12100	0.12100	1.05000	0.11100
**N/A	0.90000	0.95000	0.11100	1.06000
0.13485	0.13797	0.14666	0.14448	0.14414
**N/A	1.25000	1.25000	1.25000	1.25000
0.20000	0.19000	0.19000	0.19000	0.19000
0.60000	0.60000	0.60000	0.60000	0.60000



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

Taxpayer	Fiscal Year 2012			Fiscal Year 2003		
	Assessed Value	Rank	Percentage of Total Net Assessed Valuation	Assessed Value	Rank	Percentage of Total Net Assessed Valuation
NRG Texas Power LLC	\$ 1,421,179,330	1	3.74 %	\$		%
Centerpoint Energy Electric	237,460,690	2	0.62			
Katy Mills Mall LTD Partnership	100,168,290	3	0.26			
First Colony Mall Venture	94,024,230	4	0.25			
Inova Geophysical Equipment	84,725,890	5	0.22			
Tramontina USA Inc.	83,604,240	6	0.22			
Cardinal Health 411 Inc.	78,578,240	7	0.21	89,999,970	6	0.46
Lakepointe Assets LLC	74,000,000	8	0.19			
Fountains Dunhill LLC	70,886,673	9	0.19			
Medistar Sugar Land Medical Center, Ltd.	70,524,870	10	0.19	737,980,250	1	3.81
Reliant Energy HL&P				142,760,730	2	0.74
Katy Mills, LTD				139,520,840	3	0.72
Texas Instruments, Inc.				107,747,580	4	0.56
Phillips Petroleum Co.				90,415,700	5	0.47
STC Manufacturing Group-SPC				87,795,160	7	0.45
Sugar Land Telephone Co.				71,344,310	8	0.37
Imperial Sugar Company				54,099,710	9	0.28
Sugar Creek Place LP				51,127,840	10	0.26
Subtotal	2,315,152,453		6.09 %	1,572,792,090		8.12 %
Other taxpayers	<u>35,719,334,659</u>		<u>93.91</u>	<u>17,786,927,205</u>		<u>91.88</u>
Total	<u>\$38,034,487,112</u>		<u>100.00 %</u>	<u>\$19,359,719,295</u>		<u>100.00 %</u>

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

Tax Year	Fiscal Year	Total Original Levy	Adjustments	Total Adjusted Levy	Collected within the Fiscal Year of the Levy	
					Amount	Percentage of Levy Collected
2002	2003	\$ 104,518,809	\$ (434,587)	\$104,084,222	\$ 101,547,672	97.56%
2003	2004	110,886,224	(51,691)	110,834,533	108,209,146	97.63%
2004	2005	122,022,393	214,823	122,237,216	119,664,754	97.90%
2005	2006	138,737,128	(691,844)	138,045,284	135,004,728	97.80%
2006	2007	150,171,810	(1,235,654)	148,936,156	146,154,761	98.13%
2007	2008	173,203,701	(1,235,600)	171,968,101	169,011,211	98.28%
2008	2009	190,430,794	(1,811,425)	188,619,369	186,012,685	98.62%
2009	2010	191,862,995	4,896,417	196,759,412	194,801,625	99.00%
2010	2011	193,704,140	1,266,712	194,970,852	193,251,015	99.12%
2011	2012	197,913,656	(275,451)	197,638,205	196,106,467	99.22%

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
\$ 2,405,756	\$ 103,953,428	99.87%	\$ 130,794	0.13%
2,512,201	110,721,348	99.90%	113,185	0.10%
2,454,440	122,119,194	99.90%	118,022	0.10%
2,866,839	137,871,567	99.87%	173,718	0.13%
2,608,187	148,762,947	99.88%	173,208	0.12%
2,541,076	171,552,287	99.76%	415,814	0.24%
2,169,979	188,182,665	99.77%	436,704	0.23%
1,428,032	196,229,658	99.73%	529,754	0.28%
961,771	194,212,786	99.61%	758,066	0.39%
	196,106,467	99.22%	1,531,738	0.77%

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****(UNAUDITED)**

Tax Year	Fiscal Year	Population (1)	Net Assessed Value	Certificates of Obligation	General Obligation Bonds (2)	Total General Long-Term Debt (2)
2002	2003	420,170	\$ 19,359,719,295	\$ 150,000	\$ 80,985,000	\$ 81,135,000
2003	2004	442,389	21,136,607,510	100,000	75,410,000	75,510,000
2004	2005	463,650	23,259,410,747	50,000	69,770,000	69,820,000
2005	2006	493,187	26,049,121,823		94,190,000	94,190,000
2006	2007	507,110	29,024,172,030		239,875,000	239,875,000
2007	2008	531,660	33,481,333,449		231,800,000	231,800,000
2008	2009	547,876	38,064,280,267		343,160,000	343,160,000
2009	2010	581,830	38,405,455,145		331,410,000	331,410,000
2010	2011	606,786	37,368,043,796		318,265,000	318,265,000
2011	2012	639,969	38,034,487,112		363,185,000	363,185,000

(1) Source: 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.

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
\$ 1,124,677	\$ 80,010,323	\$ 12,244,960,000	0.65%	0.41%	\$ 190
1,165,433	74,344,567	13,338,140,000	0.56%	0.35%	168
2,116,782	67,703,218	13,949,480,000	0.49%	0.29%	146
2,621,749	91,568,251	14,734,540,000	0.62%	0.35%	186
3,965,968	235,909,032	15,364,670,000	1.54%	0.81%	465
4,290,890	227,509,110	20,218,050,000	1.13%	0.68%	428
5,956,061	337,203,939	22,319,780,000	1.51%	0.89%	615
4,844,023	326,565,977	20,455,780,000	1.60%	0.85%	561
5,169,725	313,095,275	22,444,080,000	1.40%	0.84%	516
3,977,092	359,207,908	27,002,708,000	1.33%	0.94%	561

FORT BEND COUNTY, TEXAS
DIRECT AND OVERLAPPING DEBT
Fiscal Year 2012
(UNAUDITED)

page 1 of 4

<u>Taxing Jurisdiction</u>	<u>Long-Term Outstanding</u>	<u>Applicable Percentage</u>	<u>Overlapping Debt</u>
Fort Bend County	\$ 671,750,000 ⁽¹⁾	100.00%	\$ 671,750,000 ⁽¹⁾
Special Districts:			
Big Oaks MUD	22,720,000	100.00%	22,720,000
Brazoria-Fort Bend MUD 1	53,015,000	24.91%	13,206,037
Burney Road MUD	11,285,000	100.00%	11,285,000
Cimarron MUD	27,150,000	3.19%	866,085
Cinco MUD 1	3,070,000	100.00%	3,070,000
Cinco MUD 2	2,375,000	100.00%	2,375,000
Cinco MUD 3	2,960,000	86.01%	2,545,896
Cinco MUD 5	4,055,000	100.00%	4,055,000
Cinco MUD 7	5,690,000	100.00%	5,690,000
Cinco MUD 8	9,625,000	100.00%	9,625,000
Cinco MUD 10	6,240,000	100.00%	6,240,000
Cinco MUD 14	13,560,000	100.00%	13,560,000
Cinco Southwest MUD 2	25,975,000	100.00%	25,975,000
Cinco Southwest MUD 3	16,660,000	100.00%	16,660,000
Cinco Southwest MUD 4	21,750,000	100.00%	21,750,000
First Colony LID	140,000	100.00%	140,000
First Colony LID 2	960,000	100.00%	960,000
First Colony MUD 9	17,615,000	100.00%	17,615,000
First Colony MUD 10	15,375,000	100.00%	15,375,000
Fort Bend County LID 2	15,495,000	100.00%	15,495,000
Fort Bend County LID 7	14,855,000	100.00%	14,855,000
Fort Bend County LID 10	13,970,000	100.00%	13,970,000
Fort Bend County LID 11	24,140,000	100.00%	24,140,000
Fort Bend County LID 12	15,125,000	100.00%	15,125,000
Fort Bend County LID 14	5,135,000	100.00%	5,135,000
Fort Bend County LID 15	29,000,000	100.00%	29,000,000
Fort Bend County LID 17	54,000,000	100.00%	54,000,000
Fort Bend County LID 19	15,375,000	100.00%	15,375,000
Fort Bend County LID 20	1,500,000	100.00%	1,500,000
Fort Bend County MUD 2	1,350,000	100.00%	1,350,000
Fort Bend County MUD 5	3,450,000	100.00%	3,450,000
Fort Bend County MUD 19	1,350,000	100.00%	1,350,000
Fort Bend County MUD 21	9,290,000	100.00%	9,290,000
Fort Bend County MUD 23	60,420,000	100.00%	60,420,000
Fort Bend County MUD 24	4,390,000	100.00%	4,390,000
Fort Bend County MUD 25	85,845,000	100.00%	85,845,000
Fort Bend County MUD 26	14,485,000	100.00%	14,485,000
Fort Bend County MUD 30	41,350,000	99.99%	41,345,865
Fort Bend County MUD 34	18,380,000	100.00%	18,380,000
Fort Bend County MUD 35	41,730,000	100.00%	41,730,000
Fort Bend County MUD 41	3,900,000	100.00%	3,900,000
Fort Bend County MUD 42	8,710,000	100.00%	8,710,000
Fort Bend County MUD 46	17,545,000	100.00%	17,545,000
Fort Bend County MUD 47	4,425,000	100.00%	4,425,000
Fort Bend County MUD 48	8,455,000	100.00%	8,455,000
Fort Bend County MUD 49	2,580,000	100.00%	2,580,000
Fort Bend County MUD 50	35,255,000	100.00%	35,255,000

FORT BEND COUNTY, TEXAS**DIRECT AND OVERLAPPING DEBT***Fiscal Year 2012**(UNAUDITED)**page 2 of 4*

Taxing Jurisdiction	Long-Term Outstanding	Applicable Percentage	Overlapping Debt
Fort Bend County MUD 57	22,240,000	100.00%	22,240,000
Fort Bend County MUD 58	11,400,000	100.00%	11,400,000
Fort Bend County MUD 66	1,900,000	100.00%	1,900,000
Fort Bend County MUD 67	2,265,000	100.00%	2,265,000
Fort Bend County MUD 68	3,500,000	100.00%	3,500,000
Fort Bend County MUD 69	1,940,000	100.00%	1,940,000
Fort Bend County MUD 81	6,920,000	100.00%	6,920,000
Fort Bend County MUD 94	6,590,000	100.00%	6,590,000
Fort Bend County MUD 106	10,180,000	100.00%	10,180,000
Fort Bend County MUD 108	4,085,000	100.00%	4,085,000
Fort Bend County MUD 109	11,290,000	100.00%	11,290,000
Fort Bend County MUD 111	7,765,000	100.00%	7,765,000
Fort Bend County MUD 112	5,970,000	100.00%	5,970,000
Fort Bend County MUD 115	13,130,000	100.00%	13,130,000
Fort Bend County MUD 116	31,020,000	100.00%	31,020,000
Fort Bend County MUD 117	21,205,000	100.00%	21,205,000
Fort Bend County MUD 118	33,495,000	100.00%	33,495,000
Fort Bend County MUD 119	21,400,000	100.00%	21,400,000
Fort Bend County MUD 121	26,745,000	100.00%	26,745,000
Fort Bend County MUD 122	19,580,000	100.00%	19,580,000
Fort Bend County MUD 123	20,025,000	100.00%	20,025,000
Fort Bend County MUD 124	11,970,000	100.00%	11,970,000
Fort Bend County MUD 128	2,975,000	100.00%	2,975,000
Fort Bend County MUD 129	21,065,000	100.00%	21,065,000
Fort Bend County MUD 130	12,235,000	100.00%	12,235,000
Fort Bend County MUD 133	13,760,000	100.00%	13,760,000
Fort Bend County MUD 134C	15,010,000	100.00%	15,010,000
Fort Bend County MUD 136	2,375,000	100.00%	2,375,000
Fort Bend County MUD 137	29,550,000	100.00%	29,550,000
Fort Bend County MUD 138	25,420,000	100.00%	25,420,000
Fort Bend County MUD 139	5,690,000	100.00%	5,690,000
Fort Bend County MUD 140	12,410,000	100.00%	12,410,000
Fort Bend County MUD 142	51,090,000	100.00%	51,090,000
Fort Bend County MUD 143	15,230,000	100.00%	15,230,000
Fort Bend County MUD 144	5,265,000	100.00%	5,265,000
Fort Bend County MUD 145	2,450,000	100.00%	2,450,000
Fort Bend County MUD 146	32,550,000	100.00%	32,550,000
Fort Bend County MUD 148	1,850,000	100.00%	1,850,000
Fort Bend County MUD 149	2,500,000	100.00%	2,500,000
Fort Bend County MUD 151	37,200,000	100.00%	37,200,000
Fort Bend County MUD 152	2,335,000	100.00%	2,335,000
Fort Bend County MUD 155	7,890,000	100.00%	7,890,000
Fort Bend County MUD 158	6,085,000	100.00%	6,085,000
Fort Bend County MUD 159	2,500,000	100.00%	2,500,000
Fort Bend County MUD 162	5,485,000	100.00%	5,485,000
Fort Bend County MUD 165	6,935,000	100.00%	6,935,000
Fort Bend County MUD 167	13,570,000	100.00%	13,570,000
Fort Bend County MUD 171	14,180,000	100.00%	14,180,000
Fort Bend County MUD 176	2,690,000	100.00%	2,690,000

FORT BEND COUNTY, TEXAS
DIRECT AND OVERLAPPING DEBT
Fiscal Year 2012
(UNAUDITED)

<u>Taxing Jurisdiction</u>	<u>Long-Term Outstanding</u>	<u>Applicable Percentage</u>	<u>Overlapping Debt</u>
Fort Bend County MUD 185	6,685,000	100.00%	6,685,000
Fort Bend County MUD 199	2,055,000	100.00%	2,055,000
Fort Bend County WC&ID 3	3,630,000	100.00%	3,630,000
Fort Bend County WC&ID 8	1,500,000	100.00%	1,500,000
Fulshear MUD 1	4,500,000	100.00%	4,500,000
Grand Lakes MUD 1	14,095,000	100.00%	14,095,000
Grand Lakes MUD 2	12,485,000	100.00%	12,485,000
Grand Lakes MUD 4	19,380,000	100.00%	19,380,000
Grand Lakes WC&ID	5,280,000	100.00%	5,280,000
Grand Mission MUD 1	30,920,000	100.00%	30,920,000
Grand Mission MUD 2	5,015,000	100.00%	5,015,000
North Mission Glen MUD	28,005,000	100.00%	28,005,000
Palmer Plantation MUD 1	3,765,000	100.00%	3,765,000
Palmer Plantation MUD 2	8,210,000	100.00%	8,210,000
Pecan Grove MUD	35,950,000	100.00%	35,950,000
Plantation MUD	5,035,000	100.00%	5,035,000
Renn Road MUD	8,705,000	33.73%	2,936,197
Sienna Plantation Levee Improvement Dist.	82,020,000	100.00%	82,020,000
Sienna Plantation Management District	17,150,000	100.00%	17,150,000
Sienna Plantation MUD 2	25,465,000	100.00%	25,465,000
Sienna Plantation MUD 3	44,020,000	100.00%	44,020,000
Sienna Plantation MUD 10	38,525,000	100.00%	38,525,000
Sienna Plantation MUD 12	9,410,000	100.00%	9,410,000
Willow Creek Farms MUD	5,270,000	2.25%	118,575
Woodcreek Reserve MUD	5,555,000	100.00%	5,555,000

County Line Special Districts:

Chelford City MUD	6,150,000	53.28%	3,276,720
Cinco MUD 6	3,175,000	63.56%	2,018,030
Cinco MUD 9	2,300,000	59.06%	1,358,380
Cornerstones MUD	4,065,000	17.79%	723,164
Fort Bend County WC&ID 2	57,145,000	99.21%	56,693,555
Harris-Fort Bend Counties MUD 1	15,225,000	86.16%	13,117,860
Harris-Fort Bend Counties MUD 3	11,090,000	0.35%	38,815
Harris-Fort Bend Counties MUD 4	15,905,000	74.20%	11,801,510
Harris-Fort Bend Counties MUD 5	13,715,000	93.82%	12,867,413
Kingsbridge MUD	28,945,000	97.07%	28,096,912
West Harris County MUD 4	4,485,000	18.20%	816,270
Willow Fork Drainage District	30,625,000	93.16%	28,530,250
Total Special District Debt (2)			<u><u>\$ 1,961,172,532</u></u>

Cities:

Arcola	\$ 1,605,000	100.00%	\$ 1,605,000
Beasley	355,000	100.00%	355,000
Meadows Place	3,285,000	95.40%	3,133,890
Needville	1,217,500	100.00%	1,217,500
Richmond	9,715,000	100.00%	9,715,000
Rosenberg	56,469,000	100.00%	56,469,000
Sugar Land	232,965,000	100.00%	232,965,000

FORT BEND COUNTY, TEXAS
DIRECT AND OVERLAPPING DEBT
Fiscal Year 2012
(UNAUDITED)

<u>Taxing Jurisdiction</u>	<u>Long-Term Outstanding</u>	<u>Applicable Percentage</u>	<u>Overlapping Debt</u>
<u>County Line Cities:</u>			
Houston	3,208,460,000	0.53%	17,004,838
Katy	10,615,000	40.29%	4,276,784
Missouri City	144,605,000	100.00%	144,605,000
Pearland	304,725,000	1.65%	5,027,963
Stafford	435,000	100.00%	435,000
Total Cities			<u><u>\$ 476,809,974</u></u>
<u>School Districts:</u>			
Fort Bend ISD	\$ 908,794,425	100.00%	\$ 908,794,425
Lamar CISD	532,230,000	100.00%	532,230,000
Needville ISD	70,620,000	99.08%	69,970,296
<u>County Line School Districts:</u>			
Brazos ISD	16,404,991	68.28%	11,201,328
Katy ISD	1,165,099,928	37.96%	442,271,933
Stafford MSD	63,165,000	99.65%	62,943,923
Total School Districts			<u><u>\$ 2,027,411,904</u></u>
<u>Other:</u>			
Houston Community College District	\$ 285,310,000	4.27%	\$ 12,182,737
Total Other			<u><u>\$ 12,182,737</u></u>
<u>Summary of Total Estimated Overlapping Debt:</u>			
Special Districts			\$ 1,961,172,532
Cities			476,809,974
School Districts			2,027,411,904
Other			12,182,737
Estimated Overlapping Debt			<u><u>4,477,577,147</u></u>
<u>Fort Bend County</u>			
Fort Bend County - Direct Obligations			671,750,000 ⁽¹⁾
Total Direct and Estimated Overlapping Debt			<u><u>\$ 5,149,327,147</u></u>

(1) County debt outstanding as of September 30, 2012. Includes the Fort Bend Flood Control Water Supply Corporation debt and certain debt supported by the Fort Bend County Toll Road Authority and the Fort Bend Grand Parkway Toll Road Authority.

(2) Total Special District Debt includes numerous special districts with varying amounts of debt applicable to the County.

The allocation of the county-line jurisdictions is calculated by determining the ratio of the assessed valuation of taxable property that is within Fort Bend County. This rate is then applied to the outstanding debt of the county-line jurisdiction to calculate the overlapping debt amount.

Source: Texas Municipal Reports published by the Municipal Advisory Council of Texas.

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

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Assessed value of real property	\$ 16,339,347,766	\$ 18,075,649,455	\$ 19,783,716,194	\$ 22,343,399,407
Assessed value of personal and other property	<u>3,020,371,529</u>	<u>3,060,958,055</u>	<u>3,475,694,553</u>	<u>3,705,722,416</u>
Total assessed value	<u>\$ 19,359,719,295</u>	<u>\$ 21,136,607,510</u>	<u>\$ 23,259,410,747</u>	<u>\$ 26,049,121,823</u>
Debt Limit, 25% of real property	\$ 4,084,836,942	\$ 4,518,912,364	\$ 4,945,929,049	\$ 5,585,849,852
Amount of debt applicable to debt limit	81,135,000	75,510,000	69,820,000	94,190,000
Less: Assets available in Debt Service Funds for payment of principal	<u>1,124,677</u>	<u>1,165,433</u>	<u>2,116,782</u>	<u>2,621,749</u>
Total amount of debt applicable to debt limit	<u>80,010,323</u>	<u>74,344,567</u>	<u>67,703,218</u>	<u>91,568,251</u>
Legal Debt Margin	<u>\$ 4,004,826,619</u>	<u>\$ 4,444,567,797</u>	<u>\$ 4,878,225,831</u>	<u>\$ 5,494,281,601</u>
Total net debt applicable to to the limit as a percentage of debt limit	1.96%	1.65%	1.37%	1.64%

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

<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
\$ 25,226,420,176	\$ 28,931,048,114	\$ 33,294,278,049	\$ 33,574,551,064	\$ 32,877,992,163	\$ 33,530,169,247
<u>3,797,751,854</u>	<u>4,550,285,335</u>	<u>4,770,002,218</u>	<u>4,830,904,081</u>	<u>4,490,051,633</u>	<u>4,504,317,865</u>
<u>\$ 29,024,172,030</u>	<u>\$ 33,481,333,449</u>	<u>\$ 38,064,280,267</u>	<u>\$ 38,405,455,145</u>	<u>\$ 37,368,043,796</u>	<u>\$ 38,034,487,112</u>
\$ 6,306,605,044	\$ 7,232,762,029	\$ 8,323,569,512	\$ 8,393,637,766	\$ 8,219,498,041	\$ 8,382,542,312
239,875,000	231,800,000	343,160,000	331,410,000	318,265,000	363,185,000
<u>3,965,968</u>	<u>4,290,890</u>	<u>5,956,061</u>	<u>4,844,023</u>	<u>5,169,725</u>	<u>3,977,092</u>
<u>235,909,032</u>	<u>227,509,110</u>	<u>337,203,939</u>	<u>326,565,977</u>	<u>313,095,275</u>	<u>359,207,908</u>
<u>\$ 6,070,696,012</u>	<u>\$ 7,005,252,919</u>	<u>\$ 7,986,365,573</u>	<u>\$ 8,067,071,789</u>	<u>\$ 7,906,402,766</u>	<u>\$ 8,023,334,404</u>
3.74%	3.15%	4.05%	3.89%	3.81%	4.29%

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

Year	Population	Personal Income	Per Capita Personal Income	Unemployment Rate
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%
2008	531,660	20,218,050,000	38,028	4.8%
2009	547,876	22,319,780,000	40,739	7.2%
2010	581,830	20,455,780,000	35,158	8.2%
2011	606,786	22,444,080,000	36,988	7.7%
2012	639,969	27,002,708,000	42,194	6.1%

Source of data: Fort Bend Economic Development Council

FORT BEND COUNTY, TEXAS

LARGEST EMPLOYERS

Current Year and Nine Years Ago

(UNAUDITED)

<u>Employer</u>	<u>Fiscal Year 2012</u>		<u>Fiscal Year 2003</u>	
	<u>Local Employees</u>	<u>Rank</u>	<u>Local Employees</u>	<u>Rank</u>
Fort Bend ISD	9,085	1	7,300	1
Lamar CISD	2,884	2	2,210	3
Fluor Corporation	2,400	3	2,000	5
Fort Bend County	2,269	4	1,827	6
Methodist Sugar Land Hospital	2,200	5		
Schlumberger Technology Corporation	2,150	6	2,200	4
Richmond State School	1,370	7	1,370	8
United Parcel Service	924	8	1,092	10
Texas Department of Criminal Justice	816	9	1,175	9
OakBend Medical Center	668	10		
Baker Petrolite, Inc.			2,450	2
Texas Instruments			1,400	7
	<u>24,766</u>		<u>23,024</u>	

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
(UNAUDITED)

Function	2003	2004	2005	2006	2007
General administration	\$ 36,123,320	\$ 40,686,743	\$ 45,429,863	\$ 48,134,688	\$ 24,886,374
Financial administration	144,789	138,384	120,649	137,631	1,951,989
Administration of justice	8,254,198	9,130,798	8,917,365	9,412,781	28,459,912
Construction and maintenance	331,719,299	384,114,997	414,310,100	509,090,685	647,221,647
Health and welfare	2,883,636	2,945,590	3,191,960	3,892,667	4,160,584
Cooperative services	2,225,741	2,269,466	2,265,188	2,279,410	2,287,024
Public safety	41,818,081	40,894,945	42,236,819	45,546,963	50,123,838
Parks and recreation	11,238,730	12,215,320	12,035,812	13,352,992	15,882,914
Libraries and education	20,712,701	24,951,010	27,712,732	28,166,263	28,047,190
Health and wellness clinic					
Total	\$455,120,495	\$517,347,253	\$556,220,488	\$660,014,080	\$803,021,472

Note: In fiscal year 2011, Fort Bend County opened an Employee Health and Wellness Clinic. The capital assets of the Clinic are recorded in the Employee Benefits Fund, an internal service fund. These capital assets are shown separately above.

2008	2009	2010	2011	2012
\$ 25,143,119	\$ 21,386,052	\$ 27,725,376	\$ 30,424,429	\$ 31,031,555
1,889,426	6,375,329	8,103,759	7,551,132	8,024,825
35,161,552	147,292,804	189,617,993	213,531,972	210,853,352
703,697,692	791,157,372	850,839,272	919,567,377	973,992,987
4,908,808	12,995,437	16,185,268	20,751,252	22,657,817
2,287,024	2,256,940	2,300,936	2,312,616	2,342,593
97,267,937	26,227,701	29,744,390	30,849,243	33,968,171
17,342,600	17,436,639	18,276,965	18,871,156	19,685,257
29,238,712	37,076,054	41,604,572	48,525,974	49,423,344
			88,810	677,097
\$916,936,870	\$1,062,204,328	\$1,184,398,531	\$1,292,473,961	\$1,352,656,998

FORT BEND COUNTY, TEXAS

FULL-TIME EQUIVALENT COUNTY GOVERNMENT EMPLOYEES BY FUNCTION

LAST TEN FISCAL YEARS

(UNAUDITED)

Function	Full-time Equivalent Employees as of September 30				
	2003	2004	2005	2006	2007
General administration	174	178	182	193	193
Financial administration	79	82	83	88	88
Administration of justice *	184	197	204	215	218
Construction and maintenance	234	236	238	241	241
Health and welfare	120	138	145	146	146
Cooperative services	17	17	17	10	11
Public safety	514	553	563	606	631
Parks and recreation	18	18	19	19	19
Libraries and education	96	113	113	113	117
Total Full-Time Equivalents	1,436	1,532	1,564	1,631	1,664

Source of data: County employment records.

* Note: Prior to fiscal year 2012, the employees of the Juvenile Probation fund were not part of the budget process, and therefore, were not included in the full-time equivalent count.

Full-time Equivalent Employees as of September 30

2008	2009	2010	2011	2012
208	211	211	220	217
100	112	114	115	114
244	253	255	257	409
258	263	264	266	259
160	150	153	156	157
13	14	14	13	12
624	786	778	781	780
20	21	21	21	22
119	144	144	148	165
<u>1,746</u>	<u>1,954</u>	<u>1,954</u>	<u>1,977</u>	<u>2,135</u>

FORT BEND COUNTY, TEXAS
OPERATING INDICATORS BY FUNCTION
LAST EIGHT FISCAL YEARS
(UNAUDITED)

Function	2005	2006	2007	2008
General Administration				
Full-time equivalent count	204.00	207.00	208.35	210.43
Documents filed with County Clerk	268,973	312,758	459,328	423,350
Copies issued by County Clerk	300,081	271,691	197,005	163,492
Technical support calls to IT	9,206	10,015	29,028	36,770
County web-site visits (avg/day)	N/A	N/A	N/A	5,950
Medical claims filed with Risk Management	46,428	42,777	41,444	45,019
On the job accident claims to Risk Management	125	91	155	181
Voter registrations	65,591	85,000	31,420	36,900
Early voting as a percentage of turnout	N/A	N/A	N/A	42.5%
Job openings	N/A	N/A	263	308
Employee service awards				
5 years	N/A	N/A	N/A	95
10 years	N/A	N/A	N/A	54
15 years	N/A	N/A	N/A	52
20 years	N/A	N/A	N/A	26
25 years	N/A	N/A	N/A	26
30 years	N/A	N/A	N/A	5
35 years	N/A	N/A	N/A	0
Response to posted job openings	N/A	N/A	7,984	7,763
Pieces of mail processed	1,081,440	1,167,955	1,240,000	1,400,000
Facilities service requests (avg/month)	N/A	N/A	N/A	256
Bids, RFP's, & SOQ's solicited	N/A	N/A	N/A	98
Purchase orders issued	N/A	N/A	N/A	13,077
Public Transportation trips	N/A	N/A	N/A	118,189
Records Management				
On site storage (cubic footage)	760	634	536	536
Off site storage (cubic footage)	9,556	9,805	12,052	13,279
Financial Administration				
Full-time equivalent count	N/A	N/A	93.66	108.78
Cash receipts processed (count)	16,555	12,000	10,500	10,040
Checks processed (count)	55,470	50,000	31,556	108,500
Expenditures to budget ratio	-5.86%	-4.09%	-10.80%	-9.00%
Earned GFOA Certificate of Excellence for CAFR	Yes	Yes	Yes	Yes
Earned GFOA Certificate for Distinguished				
Budget Presentation	Yes	Yes	N/A	Yes
Invoice payment processing (days)	14	14	10	8
Journal entry count (estimated)	5,000	5,000	5,000	2,500

Source of data: various County departments

Note: Ten years are required; however, these annual operating indicators by function are only available back to 2005.

2009	2010	2011	2012
218.45	222.89	239.80	229.55
339,335	326,919	260,017	325,059
72,120	72,300	66,852	N/A
22,396	18,394	26,020	21,350
6,605	6,960	7,519	8,175
51,121	57,433	56,734	61,079
156	177	149	153
29,026	20,579	20,579	26,000
70.6%	61.2%	60.0%	60.0%
213	317	317	310
95	97	104	157
81	60	101	76
42	38	36	54
33	17	31	36
10	15	19	20
3	2	7	12
1	0	1	4
12,244	15,266	15,266	10,564
1,600,000	1,800,000	1,800,000	1,800,000
306	306	330	370
107	124	90	62
15,360	13,469	12,830	12,023
193,095	180,409	247,324	259,690
211	276	421	527
13,856	12,704	8,219	10,842
111.01	116.58	118.58	114.75
8,250	7,800	7,656	8,210
120,000	120,000	120,000	51,384
-8.00%	-9.00%	-7.00%	-5.00%
Yes	Yes	Yes	TBD
Yes	Yes	Yes	TBD
10	10	10	8
2,000	1,000	1,000	1,000

FORT BEND COUNTY, TEXAS
OPERATING INDICATORS BY FUNCTION
LAST EIGHT FISCAL YEARS
(UNAUDITED)

Function	2005	2006	2007	2008
Administration of Justice				
Full-time equivalent count	N/A	N/A	231.80	250.04
Child Support case inquiries	N/A	N/A	N/A	N/A
Passport applications (count)	N/A	N/A	3,783	8,835
Passport fees collected	N/A	N/A	\$ 113,490	\$ 265,050
Worthless check clearance rate	79.44%	63.54%	65.00%	74.40%
Felony case disposition rate	87.60%	86.80%	87.00%	87.40%
Misdemeanor case disposition rate	86.80%	83.70%	85.00%	89.10%
Misdemeanor case dispositions	N/A	N/A	N/A	N/A
Community Service rehabilitation hours	65,913	72,956	70,207	73,578
Justice Court case filings - Precinct 1 Place 1	6,074	7,500	4,909	5,569
Justice Court case filings - Precinct 1 Place 2	15,983	16,500	15,996	11,908
Justice Court case filings - Precinct 2	7,163	4,396	3,611	6,102
Justice Court case filings - Precinct 3	N/A	9,854	9,976	15,109
Justice Court case filings - Precinct 4	6,735	5,500	4,557	5,825
Justice Court cases disposed - Precinct 1 Place 1	N/A	N/A	3,984	4,558
Justice Court cases disposed - Precinct 1 Place 2	10,417	12,500	14,472	9,762
Justice Court cases disposed - Precinct 2	3,053	4,095	4,495	4,789
Justice Court cases disposed - Precinct 3	N/A	10,514	10,339	11,517
Justice Court cases disposed - Precinct 4	3,337	2,445	3,756	4,623
Construction and Maintenance				
Full-time equivalent count	N/A	N/A	254.93	263.08
Building & right-of-way permits issued	2,900	6,000	6,892	5,500
Tonnage of recyclable diverted from landfills	281	312	343	699
Pounds of hazardous materials collected	117,206	141,357	150,000	145,238
Mileage of drainage channel maintained	2,408	1,800	1,800	2,206
Mileage of county roads - unincorporated areas	N/A	1,163	1,213	1,263
New County road miles constructed - unincorporated areas	N/A	60	50	50
Health and Welfare				
Full-time equivalent count	N/A	N/A	151.98	168.85
Number of clients receiving Social Service assistance annually	5,711	6,008	6,609	5,094
Number of child immunizations annually	11,194	14,296	12,577	10,791
Number of reportable diseases documented	1,175	1,008	2,836	3,473
Number of food establishment inspected	1,382	1,379	1,030	1,424
Number of septic system applications submitted	556	547	547	471
Number of licensed aerobic systems	4,035	4,502	4,715	5,302
Number of citations issued for aerobic system non-compliance	1,195	2,284	2,500	3,604
Number of EMS incident responses	20,295	21,837	25,204	26,242
Number of stray animals impounded	4,189	3,536	4,058	3,613
Number of stray animals euthanised	3,841	3,104	3,768	3,204
Number of stray animals adopted	348	424	290	409
Indigent healthcare clients - annual	1,393	N/A	2,659	1,710

2009	2010	2011	2012
256.35	261.90	266.60	266.41
50,758	49,635	52,100	50,150
3,500	2,792	2,144	1,270
\$ 87,500	\$ 69,805	\$ 53,600	\$ 31,750
83.60%	97.80%	84.40%	91.20%
87.70%	101.20%	93.50%	91.90%
99.50%	N/A	N/A	N/A
104.3	96.6	116.6	111.0
75,652	77,578	73,456	71,851
5,341	5,592	5,170	5,314
11,771	9,377	9,905	1,000
6,102	7,577	7,000	7,489
23,409	19,952	20,739	18,800
8,959	8,517	7,195	6,000
4,537	6,262	4,724	4,775
11,713	8,537	10,441	10,480
4,789	5,275	5,100	5,753
16,015	16,215	15,821	16,500
6,973	7,502	7,744	8,400
272.49	275.21	276.06	266.59
4,500	4,826	4,260	5,032
732	676	676	702
171,109	160,450	160,500	184,943
1,988	2,150	1,850	2,000
1,404	1,600	1,664	1,655
35	N/A	20	N/A
157.90	160.42	160.52	160.25
8,888	6,012	5,924	7,074
14,398	11,776	11,367	10,000
1,893	3,175	1,360	1,750
825	787	986	1,027
330	361	360	170
5,896	6,203	6,588	6,713
2,521	3,500	3,535	3,438
28,603	26,677	26,850	28,899
3,615	4,323	4,141	3,700
2,798	3,599	3,408	2,300
817	727	733	700
1,314	2,996	2,622	1,630

FORT BEND COUNTY, TEXAS
OPERATING INDICATORS BY FUNCTION
LAST EIGHT FISCAL YEARS
(UNAUDITED)

<u>Function</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Cooperative Services				
Full-time equivalent count	N/A	N/A	11.07	13.00
Veterans' Services clients	N/A	N/A	N/A	234
Veterans' Services claims submitted	N/A	N/A	N/A	126
Public Safety				
Full-time equivalent count	N/A	N/A	637.04	620.35
Number of civil processes received annually				
Constable Precinct 1	N/A	N/A	13,400	14,000
Constable Precinct 2	12,626	8,580	8,232	N/A
Constable Precinct 3	6,891	7,147	7,147	N/A
Civil Process 24 hour success rate				
Constable Precinct 4	N/A	N/A	N/A	N/A
TCLEOSE training hours held per officer	N/A	N/A	864	853
Homeland security grant funds expended	N/A	\$ 2,228,934	\$ 1,764,000	\$ 1,724,700
Fire calls responded to annually	6,391	7,156	6,508	6,278
Parks and Recreation				
Full-time equivalent count	N/A	N/A	22.13	21.87
Number of facility rentals annually	462	623	650	700
Number of park reservations annually	209	624	655	808
Libraries and Education				
Full-time equivalent count	N/A	N/A	180.00	182.00
Number of library transactions annually	3,226,568	3,743,391	4,456,882	4,188,249
Library circulation items per capita	2.10	1.85	1.78	1.64

2009	2010	2011	2012
14.00	14.00	13.00	12.00
458	645	619	729
228	348	225	345
784.63	776.07	779.87	785.13
15,000	16,093	16,434	15,070
8,827	5,550	6,921	7,660
7,635	8,963	8,963	5,577
86%	78%	75%	84%
974	1,014	1,203	1,210
\$ 3,917,747	\$ 5,004,054	\$ 355,927	\$ 3,586,852
6,927	5,584	7,901	5,956
22.43	22.25	22.67	23.20
845	651	818	908
955	955	918	1,010
170.00	172.00	218.00	224.00
4,385,041	4,732,773	4,890,834	5,025,104
1.61	1.65	1.51	1.55

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