

RULE 15c2-12 FILING COVER SHEET

This cover sheet is sent with all submissions to the Municipal Securities Rulemaking Board (the Nationally Recognized Municipal Securities Information Repository) and any applicable State Information Depository pursuant to Securities and Exchange Commission (SEC) Rule 15c2-12 or any analogous state statute.

Issuer Name: Fort Bend Grand Parkway Toll Road Authority

Issue(s):

\$ 155,085,000 Limited Contract Tax & Subordinate Lien Toll Road Revenue Bonds, Series 2012

Filing Format ☒ electronic ___ paper; If available on the Internet, give URL: _____

CUSIP Numbers to which the information filed relates (optional):

☒ Nine-digit number(s) (see following page(s)):

___ Six-digit number if information filed relates to all securities of the issuer

* * *

Financial & Operating Data Disclosure Information

☒ Annual Financial Report or CAFR

☒ Financial Information & Operating Data

___ Other (describe)

☒ Fiscal Period Covered: FYE 2013

___ Monthly ___ Quarterly ☒ Annual ___ Other:

* * *

I hereby represent that I am authorized by the issuer or its agent to distribute this information publicly:

Signature: _____

Name: James D. Condrey

Title: Chairman, Board of Directors

Employer: Fort Bend Grand Parkway Toll Road Authority

Voice Telephone Number: (713) 860-6415

Email Address: _____

DESCRIPTION OF ISSUES COVERED BY THIS REPORT

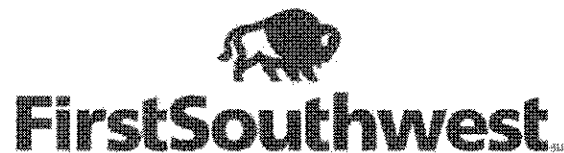
Limited Contract Tax & Subordinate Lien Toll Road Revenue Bonds, Series 2012

Date	Principal	CUSIP
03/01/21	\$ 1,230,000	346832AQ1
03/01/22	2,460,000	346832AA6
03/01/23	3,575,000	346832AB4
03/01/24	3,750,000	346832AC2
03/01/25	3,930,000	346832AD0
03/01/26	4,125,000	346832AE8
03/01/27	4,325,000	346832AF5
03/01/28	4,535,000	346832AG3
03/01/29	4,710,000	346832AH1
03/01/30	4,890,000	346832AJ7
03/01/31	5,080,000	346832AK4
03/01/32	5,275,000	346832AL2
03/01/37	30,525,000	346832AM0
03/01/42	38,850,000	346832AN8
03/01/46	37,825,000	346832AP3
	<u>\$ 155,085,000</u>	

**CONTINUING DISCLOSURE REPORT
FOR THE
FISCAL YEAR ENDED SEPTEMBER 30, 2013**

**FORT BEND GRAND PARKWAY TOLL ROAD
AUTHORITY**

TOLL REVENUE DEBT



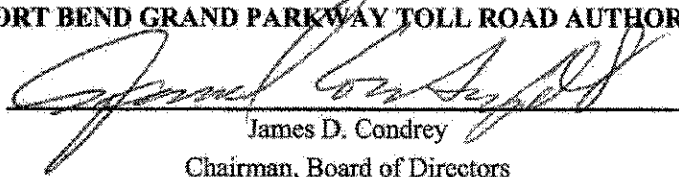
FINANCIAL STATEMENTS

The audited financial statements for the District for the fiscal year ended September 30, 2013 are being separately filed directly with the Nationally Recognized Municipal Securities Information Repository and any applicable State Information Depository, and are hereby incorporated by reference into this Annual Continuing Disclosure Report.

SIGNATURE OF ISSUER

The information set forth herein has been obtained from the District and other sources believed to be reliable, but such information is not guaranteed as to accuracy or completeness and is not to be construed as a promise or guarantee. This Annual Continuing Disclosure Report may contain, in part, estimates and matters of opinion which are not intended as statements of fact, and no representation is made as to the correctness of such estimates and opinions, or that they will be realized. The information and expressions of opinion contained herein are subject to change without notice, and the delivery of this Annual Continuing Disclosure Report will not, under any circumstances, create any implication that there has been no change in the affairs of the District or other matters described.

FORT BEND GRAND PARKWAY TOLL ROAD AUTHORITY



James D. Condrey

Chairman, Board of Directors

Approved for Submission:

Date

CERTIFICATE OF SUBMISSION OF ANNUAL REPORT

Subject to the continuing disclosure requirements of SEC Rule 15c2-12, this Annual Continuing Disclosure Report for the Fort Bend Grand Parkway Toll Road Authority with respect to the issues listed on the report cover was submitted directly to the National Recognized Municipal Securities Information Repository ("NRMSIR") listed below as well as to any applicable State Information Depository ("SID").

NRMSIR

Municipal Securities Rulemaking Board ("MSRB")
via the Electronic Municipal Market Access ("EMMA") system

First Southwest Company

Signed by:

/s/ Kristin Blomquist

FORT BEND GRAND PARKWAY TOLL ROAD AUTHORITY

2014 GENERAL OBLIGATION DEBT REPORT

HISTORICAL TRAFFIC COUNT

Data will be available starting in the first full year after completion of the Project.

TOLL RATE SCHEDULE

<u>Mainlane Plazas</u>		<u>Toll</u>
2 axle	Class 2	\$ 0.35
3 axle	Class 3	0.50
4 axle	Class 4	0.80
5 axle	Class 5	1.05
6 axle	Class 6	1.30

Source: The Authority.

SELECTED FINANCIAL INFORMATION OF THE AUTHORITY

Data will be available starting in the first full year after completion of the Project.

HISTORICAL TOLL ROAD OPERATING RESULTS AND COVERAGES

Data will be available starting in the first full year after completion of the Project.

DEBT SERVICE REQUIREMENTS

<u>Fiscal Year</u> <u>September 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u> <u>Debt Service</u>
2014	\$ 0	\$ 7,180,200	\$ 7,180,200
2015	0	7,180,200	7,180,200
2016	0	7,180,200	7,180,200
2017	0	7,180,200	7,180,200
2018	0	7,180,200	7,180,200
2019	0	7,180,200	7,180,200
2020	0	7,180,200	7,180,200
2021	1,230,000	7,149,450	8,379,450
2022	2,460,000	7,057,200	9,517,200
2023	3,575,000	6,906,325	10,481,325
2024	3,750,000	6,723,200	10,473,200
2025	3,930,000	6,531,200	10,461,200
2026	4,125,000	6,329,825	10,454,825
2027	4,325,000	6,118,575	10,443,575
2028	4,535,000	5,897,075	10,432,075
2029	4,710,000	5,713,050	10,423,050
2030	4,890,000	5,520,150	10,410,150
2031	5,080,000	5,321,700	10,401,700
2032	5,275,000	5,113,625	10,388,625
2033	5,535,000	4,843,375	10,378,375
2034	5,805,000	4,559,875	10,364,875
2035	6,090,000	4,262,500	10,352,500
2036	6,390,000	3,950,500	10,340,500
2037	6,705,000	3,623,125	10,328,125
2038	7,040,000	3,279,500	10,319,500
2039	7,385,000	2,918,875	10,303,875
2040	7,750,000	2,540,500	10,290,500
2041	8,135,000	2,143,375	10,278,375
2042	8,540,000	1,726,500	10,266,500
2043	8,920,000	1,334,600	10,254,600
2044	9,265,000	970,900	10,235,900
2045	9,630,000	593,000	10,223,000
2046	10,010,000	200,200	10,210,200
Total	<u>\$ 155,085,000</u>	<u>\$ 161,589,600</u>	<u>\$ 316,674,600</u>

COUNTY TAX INFORMATION

TABLE 1 - VALUATION, EXEMPTIONS AND GENERAL OBLIGATION DEBT

2013/2014 Certified Appraised Value by Fort Bend Central Appraisal District (excluding totally exempt property)		\$ 52,941,311,080
Less Exemptions/Reductions at 100% Market Value:		
Residential Homestead Exemptions	\$ 5,495,587,784	
Over 65 Exemptions	2,015,888,424	
Disabled & Deceased Veteran's Exemptions	333,574,809	
Lease Vehicle Exemption	156,777,204	
Abatements	236,296,530	
Productivity Loss	2,140,883,490	
Pollution	333,403,650	
House Bill 366	237,240	
Historical	12,890,345	
Community Housing Development	16,448,730	
Prorated Exempt Property	7,387,541	
10% Homestead Cap Adjustment	214,267,063	10,963,642,810
2013/2014 Taxable Assessed Valuation		\$ 41,977,668,270
County Funded Debt Payable from Ad Valorem Taxes (as of March 1, 2014)		
Limited Tax Bonds ⁽¹⁾	\$ 176,525,000	
Unlimited Tax Road Bonds ⁽²⁾	146,920,000	
Unlimited Tax Toll Road Bonds ⁽³⁾	118,460,000	
Fort Bend Flood Control Water Supply Corp. Revenue Bonds	6,665,000	
County Funded Debt Payable from Ad Valorem Taxes	\$ 448,570,000	
Ratio Tax Supported Gross Debt to Taxable Assessed Valuation		1.07%
2014 Population Estimate - 685,732 ⁽⁴⁾		
Per Capita Taxable Assessed Valuation - \$61,216		
Per Capita Tax Debt - \$654		

- (1) Does not include debt of the Fort Bend Grand Parkway Toll Road Authority. The County has a joint project agreement with the Fort Bend Grand Parkway Toll Road Authority (the "Authority") in which it agrees to make payments to the Authority, calculated annually, and equal to the debt service on the Authority's bonds less the estimated amount of available net toll revenues.
- (2) Projected, includes \$18,900,000 Unlimited Tax Road Refunding Bonds, Series 2014 expected to be issued on April 3, 2014.
- (3) The Toll Road Bonds are secured by a subordinate lien on all net revenues from the operation of the Toll Roads. In addition, the Toll Road Bonds are secured by a pledge of the County's ad valorem taxes in the event that the net revenues from the operation of the Toll Roads are insufficient to pay principal and interest on the Toll Road Bonds.
- (4) Source: Fort Bend County.

TABLE 2 - TAXABLE ASSESSED VALUATIONS BY CATEGORY

Category	Tax Year					
	2013		2012		2011	
	Amount	% of Total	Amount	% of Total	Amount	% of Total
Real, Residential, Single-Family	\$ 34,939,222,040	66.00%	\$ 32,696,769,609	65.21%	\$ 31,039,400,739	64.21%
Real, Residential, Multi-Family	1,223,124,193	2.31%	1,038,540,000	2.07%	985,883,440	2.04%
Real, Vacant Lots/Tracts	910,690,568	1.72%	961,783,939	1.92%	982,287,088	2.03%
Real, Acreage (Land Only)	2,405,933,092	4.54%	2,535,052,048	5.06%	2,536,288,590	5.25%
Real, Farm and Ranch Improvements	368,553,330	0.70%	348,241,112	0.69%	331,068,370	0.68%
Real, Commercial and Industrial	7,241,630,477	13.68%	7,134,533,264	14.23%	7,050,117,340	14.58%
Real, Oil, Gas & Other Mineral Reserves	262,592,210	0.50%	333,441,300	0.66%	273,529,460	0.57%
Real and Tangible Personal, Utilities	627,521,930	1.19%	615,750,037	1.23%	661,509,515	1.37%
Tangible Personal, Commercial and Industrial	3,979,309,449	7.52%	3,599,878,815	7.18%	3,611,035,498	7.47%
Tangible Personal, Other	60,883,115	0.12%	55,486,280	0.11%	55,860,570	0.12%
Real, Inventory	793,911,390	1.50%	730,016,310	1.46%	729,776,091	1.51%
Special Inventory	102,899,736	0.19%	84,571,490	0.17%	74,140,120	0.15%
Intangible Property and/or Uncertified Property	25,039,550	0.05%	9,027,243	0.02%	10,398,285	0.02%
Total Appraised Value Before Exemptions	\$ 52,941,311,080	100.00%	\$ 50,143,091,447	100.00%	\$ 48,341,295,106	100.00%
Less: Total Exemptions/Reductions	10,963,642,810		10,703,144,393		10,306,807,994	
Taxable Assessed Value	<u>\$ 41,977,668,270</u>		<u>\$ 39,439,947,054</u>		<u>\$ 38,034,487,112</u>	

Category	Tax Year			
	2010		2009	
	Amount	% of Total	Amount	% of Total
Real, Residential, Single-Family	\$ 32,405,502,925	64.81%	\$ 31,469,106,324	62.57%
Real, Residential, Multi-Family	974,134,090	1.95%	933,131,501	1.86%
Real, Vacant Lots/Tracts	1,017,512,443	2.04%	1,117,900,848	2.22%
Real, Acreage (Land Only)	2,640,019,515	5.28%	2,747,928,916	5.46%
Real, Farm and Ranch Improvements	336,375,780	0.67%	337,629,492	0.67%
Real, Commercial and Industrial	7,186,318,692	14.37%	7,657,173,417	15.22%
Real, Oil, Gas & Other Mineral Reserves	334,652,480	0.67%	288,508,240	0.57%
Real and Tangible Personal, Utilities	680,505,438	1.36%	708,852,540	1.41%
Tangible Personal, Commercial and Industrial	3,519,402,303	7.04%	3,901,899,997	7.76%
Tangible Personal, Other	56,757,845	0.11%	65,568,290	0.13%
Real, Inventory	789,447,630	1.58%	998,032,310	1.98%
Special Inventory	46,825,140	0.09%	61,579,430	0.12%
Intangible Property and/or Uncertified Property	10,051,655	0.02%	9,736,015	0.02%
Total Appraised Value Before Exemptions	\$ 49,997,505,936	100.00%	\$ 50,297,047,320	100.00%
Less: Total Exemptions/Reductions	10,994,891,710		10,958,724,489	
Taxable Assessed Value	<u>\$ 39,002,614,226</u>		<u>\$ 39,338,322,831</u>	

NOTE: Valuations shown are certified taxable assessed values reported by the Fort Bend Central Appraisal District to the State Comptroller of Public Accounts. Certified values are subject to change throughout the year as contested values are resolved and the Appraisal District updates records.

TABLE 3 - VALUATION AND GENERAL OBLIGATION DEBT HISTORY

Fiscal Year				Tax	Ratio of Tax		
Ended	Estimated	Taxable	Taxable	Supported	Supported	Tax	
Sept 30	Population ⁽¹⁾	Assessed	Assessed	Debt	to Taxable	Supported	Tax
		Valuation ⁽²⁾	Valuation	Outstanding	Assessed	Debt	Year
			Per Capita	at End of Year ⁽³⁾	Valuation	Per Capita	
2009	547,876	\$ 37,636,014,706	\$ 68,694	\$ 479,050,000	1.27%	\$ 874	2008
2010	581,830	39,338,322,831	67,611	467,300,000	1.19%	803	2009
2011	606,786	39,002,614,226	64,277	452,755,000	1.16%	746	2010
2012	639,969	38,034,487,112	59,432	437,810,000	1.15%	684	2011
2013	659,355	39,439,947,054	59,816	468,360,000	1.19%	710	2012
2014	685,732	41,977,668,270	61,216	448,570,000 ⁽⁴⁾	1.07% ⁽⁴⁾	654 ⁽⁴⁾	2013

(1) Source: Fort Bend Economic Development Council.

(2) As reported by the Fort Bend Central Appraisal District; subject to change during the ensuing year.

(3) Includes toll road system debt. The Toll Road Bonds are secured by a subordinate lien on all net revenues from the operation of the Toll Roads. In addition, the Toll Road Bonds are secured by a pledge of the County's ad valorem taxes in the event that the net revenues from the operation of the Toll Roads are insufficient to pay principal and interest on the Toll Road Bonds.

(4) Projected, includes \$18,900,000 Unlimited Tax Road Refunding Bonds, Series 2014 expected to be issued on April 3, 2014.

TABLE 4 - TAX RATE, LEVY AND COLLECTION HISTORY

Fiscal Year	Tax		% Current	% Total
Ended	Rate	Tax Levy	Collections ⁽¹⁾	Collections ⁽²⁾
2009	\$ 0.49976	\$ 188,787,738	98.53%	99.80%
2010	0.49976	196,972,343	98.90%	99.79%
2011	0.49976	195,141,142	99.03%	99.76%
2012	0.49976	197,491,314	99.30%	99.68%
2013	0.49976	205,885,409	99.29%	99.29%
2014	0.49976	220,732,237	⁽³⁾	⁽³⁾

(1) Collected within the Fiscal Year of the levy.

(2) As of September 30, 2013 for each respective year's levy.

(3) In the process of collections.

TABLE 5 - TAX RATE DISTRIBUTION ANALYSIS

	Tax Year				
	2013	2012	2011	2010	2009
General Fund	\$ 0.38076	\$ 0.37776	\$ 0.38184	\$ 0.38100	\$ 0.38620
Road & Bridge Fund	0.03100	0.02800	0.03032	0.02770	0.03100
Debt Service Fund ⁽¹⁾	0.07300	0.07500	0.06880	0.07146	0.06180
Drainage District	0.01500	0.01900	0.01880	0.01960	0.02076
Farm-to-Market & Lateral Road Fund	0.00000	0.00000	0.00000	0.00000	0.00000
County Total Tax Rate	<u>\$ 0.49976</u>	<u>\$ 0.49976</u>	<u>\$ 0.49976</u>	<u>\$ 0.49976</u>	<u>\$ 0.49976</u>

(1) The debt service fund tax includes a levy for unlimited tax bonds which are outside the constitutional tax limit.

TABLE 6 - TEN LARGEST TAXPAYERS

Name of Taxpayer	Nature of Property	2013/2014 Taxable Assessed Valuation	% of Total Taxable Assessed Valuation
NRG Texas Power LLC	Electric Utility	\$ 1,191,244,470	2.84%
Centerpoint Energy Electric	Electric Utility	275,141,670	0.66%
Malls at Katy Mills LP ⁽¹⁾	Shopping Mall	117,522,290	0.28%
Schlumberger Tech Corp - Well Services	Oil & Gas	99,322,540	0.24%
Brazos Valley Energy LLC	Utility	92,822,080	0.22%
First Colony Mall LLC	Shopping Mall	90,179,840	0.21%
Fairfield Industries	Oil & Gas	84,270,520	0.20%
Lakepointe Assets LLC	Commercial	81,300,000	0.19%
Fountains Dunhill LLC	Commercial	75,283,830	0.18%
API Realty LLC	Commercial	74,467,840	0.18%
		<u>\$ 2,181,555,080</u>	<u>5.20%</u>

(1) The County has agreed to participate in a City of Katy TIRZ that includes the Katy Mills Mall. Under its TIRZ Participation Agreement with the City of Katy, the County has agreed to contribute fifty percent of the tax increment produced in the City of Katy TIRZ to the City of Katy tax increment fund.

TABLE 7 - TAX ADEQUACY

2014 Principal and Interest Requirements.....	\$ 39,815,532	(1)
\$0.09890 Tax Rate at 96% Collection Produces	\$ 39,855,277	
Average Principal and Interest Requirements (2014-2021).....	\$ 40,649,044	(1)
\$0.10090 Tax Rate at 96% Collection Produces	\$ 40,661,249	
Average Principal and Interest Requirements (2022-2026).....	\$ 38,179,402	(1)
\$0.09480 Tax Rate at 96% Collection Produces	\$ 38,203,036	
Average Principal and Interest Requirements (2027-2032).....	\$ 29,022,189	(1)
\$0.07210 Tax Rate at 96% Collection Produces	\$ 29,055,263	
Maximum Principal and Interest Requirements (2019).....	\$ 41,067,741	(1)
\$0.10200 Tax Rate at 96% Collection Produces	\$ 41,104,533	

(1) Projected, includes \$18,900,000 Unlimited Tax Road Refunding Bonds, Series 2014 expected to be issued on April 3, 2014.

COUNTY DEBT INFORMATION

TABLE 9 - GENERAL OBLIGATION DEBT SERVICE REQUIREMENTS

Year End September 30	County Debt Paid From Ad Valorem Taxes					
	Limited Tax Bonds	Unlimited Tax Bonds ⁽¹⁾	Flood Control Water Supply Corporation	Total Debt Service Paid From Ad Valorem	Toll Road Unlimited Tax	Grand Total
			Limited Tax			
			Bonds	Taxes	Bonds ⁽²⁾	Requirements
2014	\$ 15,916,938	\$ 14,398,444	\$ 1,323,700	\$ 31,639,082	\$ 8,176,450	\$ 39,815,532
2015	15,915,238	14,707,616	1,262,300	31,885,154	8,288,725	40,173,879
2016	15,918,338	14,685,754	1,182,100	31,786,191	8,839,625	40,625,816
2017	15,509,113	14,572,816	1,128,000	31,209,929	9,346,625	40,556,554
2018	15,513,038	14,475,297	1,074,500	31,062,835	9,921,875	40,984,710
2019	15,512,088	14,371,529	1,026,500	30,910,116	10,157,625	41,067,741
2020	15,513,488	14,269,654	949,500	30,732,641	10,321,875	41,054,516
2021	15,512,944	14,174,460	893,200	30,580,604	10,333,000	40,913,604
2022	15,512,750	12,332,319		27,845,069	10,339,125	38,184,194
2023	15,512,125	12,324,268		27,836,393	10,320,250	38,156,643
2024	15,515,500	12,330,325		27,845,825	10,354,875	38,200,700
2025	15,511,344	12,326,438		27,837,781	10,332,250	38,170,031
2026	15,512,875	12,330,444		27,843,319	10,342,125	38,185,444
2027	15,508,556	10,177,963		25,686,519	10,347,875	36,034,394
2028	15,512,588	8,267,450		23,780,038	10,339,000	34,119,038
2029	15,513,969	8,269,150		23,783,119	10,329,875	34,112,994
2030	15,511,213	4,497,000		20,008,213	10,357,188	30,365,400
2031	9,884,306	4,493,500		14,377,806	10,317,375	24,695,181
2032		4,494,625		4,494,625	10,311,500	14,806,125
	<u>\$ 274,806,406</u>	<u>\$ 217,499,051</u>	<u>\$ 8,839,800</u>	<u>\$ 501,145,257</u>	<u>\$ 189,077,238</u>	<u>\$ 690,222,495</u>

(1) Projected, includes \$18,900,000 Unlimited Tax Road Refunding Bonds, Series 2014 expected to be issued on April 3, 2014.

(2) The Toll Road Bonds are secured by a subordinate lien on all net revenues from the operation of the Toll Roads. In addition, the Toll Road Bonds are secured by a pledge of the County's ad valorem taxes in the event that the net revenues from the operation of the Toll Roads are insufficient to pay principal and interest on the Toll Road Bonds.

TABLE 10 - INTEREST AND SINKING FUND BUDGET PROJECTION

Tax Supported Debt Service Requirements, Fiscal Year Ending September 30, 2014		\$ 39,815,532
Interest and Sinking Fund, September 30, 2013	2,475,770	
Calculated Interest and Sinking Fund Tax Levy @ 97% Collections	29,724,387	
Transfer from Toll Road Authority	8,176,450	
Projected Other Income	1,045,000	41,421,607
Estimated Balance, September 30, 2014		<u>\$ 1,606,075</u>

TABLE 11 - AUTHORIZED BUT UNISSUED BONDS

Purpose	Date Authorized	Amount Authorized	Issued To Date	Unissued Balance
County Roads	5/12/2007	\$ 156,000,000	\$ 115,000,000	\$ 41,000,000
County Roads	11/5/2013	184,900,000	-	184,900,000
		<u>\$ 340,900,000</u>	<u>\$ 115,000,000</u>	<u>\$ 225,900,000</u>

TABLE 12 - OTHER OBLIGATIONS

As of September 30, 2013, the County has no other outstanding obligations.

PENSION FUND

The County provides pension, disability and death benefits for all of its full-time employees through a non-traditional, joint contributory, defined contribution plan in the state-wide Texas County and District Retirement System (TCDRS). Under the state law governing TCDRS, the contribution rate of the County is a fixed percent equal to twice the contribution rate payable by the employee member. Currently, the employee member is required to contribute 7% and the County contributes 14%. This rate is not actuarially determined and is one of the rates that can be adopted by the County in accordance with the TCDRS Act. The matching rate is funded by direct allocation by the County along with plan savings from the prior year, therefore the actual allocation rate is less. The following schedule shows the County allocation rate over the past five years that was necessary to achieve a contribution rate of 14%:

Year:	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Rate:	10.07%	10.83%	10.65%	11.12%	11.55%

The plan of benefits adopted by the employer at the time of plan inception and when benefit increases are adopted is limited by statute to what the actuary determines can be adequately financed by the commitment of the employer to contribute on behalf of the employee to achieve the match described above. The statute specifies that the actuary's determination is based on a maximum period for amortizing the unfunded pension benefit obligation of 30 years. The schedule below shows a 5-year analysis of the County's pension benefit funding (data as of 12/31/2013 is not yet available):

Schedule of Funding Information

	<u>12/31/2008</u>	<u>12/31/2009</u>	<u>12/31/2010</u>	<u>12/31/2011</u>	<u>12/31/2012</u>
Actuarial valuation date					
Actuarial value of assets	\$ 209,747,313	\$ 238,298,754	\$ 257,926,802	\$ 277,022,916	\$ 293,944,235
Actuarial accrued liability (AAL)	\$ 254,807,906	\$ 283,956,716	\$ 307,767,507	\$ 334,116,854	\$ 356,860,353
Unfunded/(Overfunded) actuarial accrued liability (UAAL or OAAL)	\$ 45,060,593	\$ 45,657,962	\$ 49,840,705	\$ 57,093,938	\$ 62,916,118
Funded ratio	82.32%	83.92%	83.81%	82.91%	82.37%
Annual covered payroll (actuarial)	\$ 92,096,921	\$ 104,983,019	\$ 106,041,139	\$ 108,712,740	\$ 109,715,087
UAAL or OAAL as % of covered payroll	48.93%	43.49%	47.00%	52.52%	57.35%

(For more detailed information concerning the retirement plan, see the County's Annual Financial Report for Fiscal Year Ending September 30, 2013 - Note 8.)

Other Post-Employment Benefits

In addition to providing pension benefits through the TCDRS, the County sponsors and administers a single-employer defined benefit health care plan titled "Fort Bend County Employee Benefit Plan" (the "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.

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. The County contributed approximately \$12.7 million for the fiscal year ended September 30, 2013. At September 30, 2013, there were 478 retirees receiving benefits and approximately 2,634 active members not yet eligible to receive such benefits. Commencing in fiscal year 2008, the County implemented GASB Statement No. 45 "Accounting and Financial Reporting by Employers for Post-employment Benefits Other Than Pensions." The County performs an annual actuarial valuation of its post-retirement benefit liability. The County discusses the pre-funding of this liability annually during the budget process while reviewing the actuarial valuation. The County has chosen to first modify the Plan to control and reduce cost before pre-funding the OPEB liability. The changes are not influencing the actuarial calculation yet. The major changes are:

- Increase the vesting period to be eligible to retire from 8 years to 16 years beginning 1/1/2010.
- Changed to a national provider network in 2012 to achieve greater discounts.
- Opened an employee/retiree primary care clinic January 2012 to control utilization and costs.

The financial statement disclosures for 2013 are as follows:

For fiscal year 2013, the County's annual OPEB cost for the Plan was \$33,507,178. 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, 2013, were as follows:

	Fiscal Year Ending 9/30/13
Determination of Annual Required Contribution	
Normal Cost at Fiscal Year End	\$ 18,173,276
Amortization of Unfunded Actuarial Accrued Liability	17,363,132
Annual Required Contribution (ARC)	<u>35,536,408</u>
Determination of Net OPEB Obligation	
Annual Required Contribution	35,536,408
Interest on prior-year Net OPEB Obligation	5,201,196
Adjustment to ARC	<u>(7,230,426)</u>
Annual OPEB Cost	33,507,178
Less Assumed Contributions Made	<u>(4,756,756)</u>
Estimated Increase in Net OPEB Obligation	28,750,422
Net OPEB Obligation - Beginning of Year	<u>130,029,910</u>
Net OPEB Obligation - End of Year	<u><u>\$ 158,780,332</u></u>
Percentage of OPEB Cost Contributed	14.2%

The following table shows the annual OPEB cost and net OPEB obligation for fiscal years 2009-2013 assuming the plan is not prefunded (4% discount)

Fiscal Year Ended	Discount Rate	Annual OPEB Cost	Percentage of OPEB Cost Contributed	Net OPEB Obligation
2008	4%	\$26,985,307	10.50%	\$24,163,790
2009	4%	26,608,211	7.30%	48,819,922
2010	4%	30,699,706	14.40%	75,112,628
2011	4%	31,751,414	16.10%	101,760,042
2012	4%	32,376,384	12.70%	130,029,910
2013	4%	33,507,178	14.20%	158,780,332

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)	\$ -
Actuarial accrued liability (AAL) (b)	\$ 255,897,447
Unfunded/(Overfunded) actuarial accrued liability (UAAL of OAAL)(b-a)	\$ 255,897,447
Funded Ratio (a/b)	0.0%
Annual Covered Payroll (c)	\$ 108,712,740
UALL 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.

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.

COUNTY FINANCIAL INFORMATION

TABLE 13 - CHANGE IN NET POSITION

	Fiscal Year Ended September 30,				
	2013	2012	2011	2010	2009
Revenues:					
Program Revenues:					
Charges for Services	\$ 44,068,025	\$ 39,478,271	\$ 37,241,289	\$ 35,156,664	\$ 35,102,888
Operating Grants and Contributions	33,304,392	29,633,400	35,820,119	23,313,282	33,935,787
Capital Grants and Contributions	30,132,207	23,899,439	25,214,312	30,358,341	63,974,765
General Revenues:					
Property Taxes	207,458,672	199,213,697	196,820,339	198,888,176	191,467,403
Sales Taxes	2,956,560	1,099,103	-	-	-
Earnings on Investments	963,652	2,584,776	2,925,202	3,870,155	3,664,184
Other	5,537,404	6,745,855	6,065,510	4,237,069	3,901,588
Total Revenues	<u>\$ 324,420,912</u>	<u>\$ 302,654,541</u>	<u>\$ 304,086,771</u>	<u>\$ 295,823,687</u>	<u>\$ 332,046,615</u>
Expenditures:					
General Administration	\$ 39,608,941	\$ 39,614,537	\$ 40,835,503	\$ 38,638,166	\$ 40,876,045
Financial Administration	8,831,020	8,344,714	9,441,048	8,059,389	8,841,189
Administration of Justice	94,514,365	90,907,609	86,468,201	78,173,873	75,836,037
Construction & Maintenance	48,109,474	46,468,925	45,632,055	46,946,163	47,188,776
Health & Welfare	34,351,387	30,677,345	30,104,991	28,566,454	25,623,533
Cooperative Service	1,067,104	1,118,341	1,177,426	1,123,951	1,188,580
Public Safety	55,826,754	54,954,201	55,315,591	55,269,509	61,126,911
Parks & Recreation	2,710,768	2,578,555	2,917,574	2,263,280	1,879,525
Libraries & Education	16,273,067	15,708,114	14,800,838	13,468,700	12,956,363
Interest on Long-Term Debt	15,771,373	15,037,346	14,887,908	15,494,994	12,338,352
Total Expenditures	<u>\$ 317,064,253</u>	<u>\$ 305,409,687</u>	<u>\$ 301,581,135</u>	<u>\$ 288,004,479</u>	<u>\$ 287,855,311</u>
Change in Net Position	\$ 7,356,659	\$ (2,755,146)	\$ 2,505,636	\$ 7,819,208	\$ 44,191,304
Net Position, Beginning	715,595,578	718,350,724	715,845,088	708,025,880	663,834,576
Ending Fund Balance	<u>\$ 722,952,237</u>	<u>\$ 715,595,578</u>	<u>\$ 718,350,724</u>	<u>\$ 715,845,088</u>	<u>\$ 708,025,880</u>

Source: County's audited financial statements.

TABLE 13A - GENERAL FUND REVENUES AND EXPENDITURES HISTORY

	Fiscal Year Ended September 30,				
	2013	2012	2011	2010	2009
<u>Revenues:</u>					
Taxes	\$ 157,461,669	\$ 152,964,339	\$ 150,611,129	\$ 154,092,302	\$ 150,881,918
Fees and Fines	31,895,803	28,304,371	26,538,216	24,501,004	22,691,631
Intergovernmental	24,270,370	15,999,897	23,894,468	18,114,404	24,989,268
Earnings on Investments	590,025	1,376,442	1,457,487	1,445,301	1,247,763
Miscellaneous	4,234,517	4,696,145	3,372,764	3,185,729	2,540,424
Total Revenues	<u>\$ 218,452,384</u>	<u>\$ 203,341,194</u>	<u>\$ 205,874,064</u>	<u>\$ 201,338,740</u>	<u>\$ 202,351,004</u>
<u>Expenditures:</u>					
Current Operating:					
General Administration	34,712,120	34,721,821	41,623,232	39,663,645	36,997,902
Financial Administration	7,169,404	7,216,068	7,158,932	6,709,784	7,130,068
Administration of Justice	56,060,130	56,676,737	54,210,526	50,317,627	50,165,055
Construction and Maintenance	2,699,036	2,804,010	2,843,242	2,795,780	3,057,376
Health & Welfare	24,940,619	22,806,164	17,345,040	17,576,622	19,440,480
Cooperative Service	883,324	960,392	986,392	933,519	1,049,985
Public Safety	43,775,844	44,403,985	42,751,912	39,189,698	43,501,625
Parks & Recreation	1,979,888	1,957,044	2,263,590	2,231,528	1,815,986
Libraries & Education	12,974,697	12,955,022	12,113,853	11,297,919	11,274,245
Capital Outlay	22,363,917	18,848,812	20,194,149	18,443,425	22,149,422
Total Expenditures	<u>\$ 207,558,979</u>	<u>\$ 203,350,055</u>	<u>\$ 201,490,868</u>	<u>\$ 189,159,547</u>	<u>\$ 196,582,144</u>
Revenues Over (Under) Expenditures	\$ 10,893,405	\$ (8,861)	\$ 4,383,196	\$ 12,179,193	\$ 5,768,860
Transfer In (Out)	(9,513,350)	(8,023,553)	(3,704,588)	(3,362,527)	(9,950,498)
Beginning Fund Balance, January 1	36,026,567	44,058,981	43,380,373	34,563,707	38,745,345
Ending Fund Balance	<u>\$ 37,406,622</u>	<u>\$ 36,026,567</u>	<u>\$ 44,058,981</u>	<u>\$ 43,380,373</u>	<u>\$ 34,563,707</u>

Source: County's audited financial statements.

TABLE 14 - CURRENT INVESTMENTS

As of December 31, 2013, the County's investable funds were invested in the following categories:

Description	Book Value	Market Value
Money Market Accounts - Prosperity	\$ 225,160,573	\$ 225,160,573
LOGIC State Pool	7,079	7,079
Texas Term Investment Pool	4,360	4,360
MBIA Investment Pool	1,069,272	1,069,272
	<u>\$ 226,241,284</u>	<u>\$ 226,241,284</u>