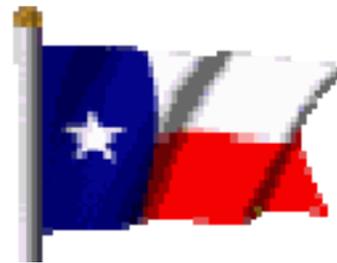
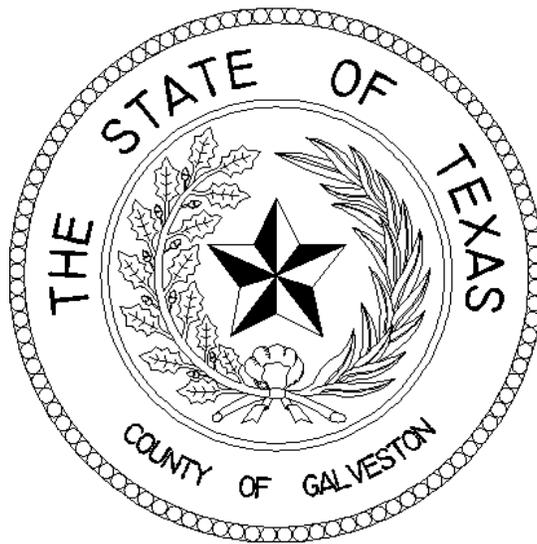


# **Galveston County, Texas**

## **COMPREHENSIVE**

### **ANNUAL FINANCIAL REPORT**



**FOR THE FISCAL YEAR ENDED**  
**SEPTEMBER 30, 2009**



GALVESTON COUNTY, TEXAS  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
For the fiscal year ended  
September 30, 2009

Prepared by:  
The Galveston County, Texas, Auditor's Office



Galveston County, Texas  
 Comprehensive Annual Financial Report  
 For the Fiscal Year Ended September 30, 2009

TABLE OF CONTENTS

|  | Page |
|--|------|
| <b>INTRODUCTORY SECTION</b>  |      |
| Letter of Transmittal .....  | 9    |
| Certificate of Achievement for Excellence in Financial Reporting .....   | 17   |
| Galveston County, Texas, Organizational Chart.....   | 18   |
| Galveston County, Texas, List of Elected and Appointed Officials .....   | 19   |
| <br><b>FINANCIAL SECTION</b>   |      |
| Independent Auditors' Report.....  | 23   |
| Management's Discussion and Analysis.....  | 25   |
| Basic Financial Statements:  |      |
| Government-wide Financial Statements:  |      |
| Statement of Net Assets .....  | 36   |
| Statement of Activities .....  | 37   |
| Fund Financial Statements:   |      |
| Balance Sheet – Governmental Funds .....   | 38   |
| Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Assets .....  | 41   |
| Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds .....   | 42   |
| Reconciliation of the Statement of Revenues, Expenditures, and Changes<br>in Fund Balances - Governmental Funds to the Statement of Activities ..... | 44   |
| Statement of Net Assets – Proprietary Funds.....   | 45   |
| Statement of Revenues, Expenses, and Changes in Fund Net Assets – Proprietary Funds .....  | 46   |
| Statement of Cash Flows – Proprietary Funds .....  | 47   |
| Statement of Fiduciary Net Assets – Fiduciary Funds .....  | 48   |
| Notes to the Financial Statements .....  | 49   |
| Required Supplementary Information:  |      |
| Schedule of Revenues, Expenditures, and Changes in<br>Fund Balances – Budget and Actual – General Fund .....   | 84   |
| Notes to the Required Supplementary Information .....  | 86   |
| Schedule of Funding Progress – Retirement Plan for the Employees of Galveston County, Texas ...  | 87   |
| Schedule of Funding Progress – Other Post-Employment Benefits Plan for the<br>Employees of Galveston County, Texas .....                             | 88   |
| Governmental Funds:  |      |
| Combined, Combining, and Individual Fund Statements and Schedules:   |      |
| Nonmajor Governmental Funds:   |      |
| Combined Balance Sheet – Nonmajor Governmental Funds.....  | 92   |
| Combined Statement of Revenues, Expenditures, and Changes<br>in Fund Balances – Nonmajor Governmental Funds .....                                    | 93   |
| Nonmajor Special Revenue Funds:  |      |
| Combining Balance Sheet – All Nonmajor Special Revenue Funds.....  | 104  |
| Combining Statement of Revenues, Expenditures, and Changes<br>in Fund Balances – All Nonmajor Special Revenue Funds .....                            | 112  |
| Combining Balance Sheet – Nonmajor Special Revenue Funds - Grant Funds .....   | 120  |
| Combining Statement of Revenues, Expenditures, and Changes in Fund<br>Balances – Nonmajor Special Revenue Funds - Grant Funds.....                   | 128  |

|  |     |
|--|-----|
| Individual Schedules of Revenues, Expenditures, and Changes in Fund  |     |
| Balances - Budget and Actual – Nonmajor Special Revenue Funds - Non-Grant Funds:   |     |
| County Records Management .....  | 136 |
| County Clerk Records Management And Preservation Fee .....   | 137 |
| Election Services Contract (Non-GAAP Budgetary Basis).....   | 138 |
| District Clerk Child Support IV-D .....  | 139 |
| District Clerk Records Management .....  | 140 |
| Tax Assessor-Collector Special Inventory Tax Escrow (Non-GAAP Budgetary Basis) ..  | 141 |
| Donations to Galveston County.....   | 142 |
| District Attorney Contraband Post-10/89 (Non-GAAP Budgetary Basis) .....   | 143 |
| District Attorney Check Collection Fees (Non-GAAP Budgetary Basis).....  | 144 |
| Unclaimed Property (Non-GAAP Budgetary Basis).....   | 145 |
| Courthouse Security .....  | 146 |
| Law Library .....  | 147 |
| Mediation Services Program .....   | 148 |
| Justice Court Technology .....   | 149 |
| Probate Court Contributions (Non-GAAP Budgetary Basis).....  | 150 |
| Adult Probation (Non-GAAP Budgetary Basis) .....   | 151 |
| Juvenile Justice.....  | 152 |
| Sheriff's Commissary (Non-GAAP Budgetary Basis).....   | 153 |
| Sheriff Seizures Post-10/89 (Non-GAAP Budgetary Basis) .....   | 154 |
| Task Force Seizures Pre-10/89 (Non-GAAP Budgetary Basis) .....   | 155 |
| Criminal Investigative Division Seizures Post-10/89 (Non-GAAP Budgetary Basis).....  | 156 |
| Law Enforcement Continued Education (Non-GAAP Budgetary Basis).....  | 157 |
| Constables' Seizures .....   | 158 |
| Emergency Management .....   | 159 |
| Road and Bridge.....   | 160 |
| Farm-to-Market Lateral Road.....   | 161 |
| Road District #1.....  | 162 |
| Flood Control .....  | 163 |
| Public Health .....  | 164 |
| Mosquito Control District.....   | 165 |
| Indigent Health Care Fund .....  | 166 |
| Child Welfare .....  | 167 |
| Beach and Parks .....  | 168 |
| Nonmajor Debt Service Funds:   |     |
| Combining Balance Sheet – Nonmajor Debt Service Funds.....   | 172 |
| Combining Statement of Revenues, Expenditures, and Changes<br>in Fund Balances – Nonmajor Debt Service Funds.....                  | 178 |
| Individual Schedules of Revenues, Expenditures, and Changes<br>in Fund Balances - Budget and Actual – Nonmajor Debt Service Funds: |     |
| General Obligation Refunding Bonds Series 2007 .....   | 184 |
| Limited Tax County Building Bonds Series 2009B.....  | 185 |
| Construction/ Improvement Tax and Revenue Certificates Of Obligation Series 1999 .....   | 186 |
| Combination Tax and Revenue Certificates Of Obligation Series 2003C .....  | 187 |
| Limited Tax Justice Center Bonds Series 2001 .....   | 188 |
| Limited Tax Criminal Justice Center Bonds Series 2003A.....  | 189 |
| Park Roads/Parking Lot Improvements Certificates Of Obligation Series 2002A .....  | 190 |
| Limited Tax Forward Refunding Bonds Series 2003 .....  | 191 |
| General Obligation 1999/2001 Refunding Bonds Series 2004 .....   | 192 |
| Pass-Through Toll Revenue and Limited Tax Bonds Series 2007.....   | 193 |

|  |     |
|--|-----|
| San Luis Pass Bridge Certificates Of Obligation Series 2002.....   | 194 |
| Unlimited Tax Road Bonds Series 2001 .....   | 195 |
| Unlimited Tax Road Bonds Series 2003B.....   | 196 |
| Unlimited Tax Road Refunding Bonds Series 2004A.....   | 197 |
| Unlimited Tax Road Bonds Series 2009A .....  | 198 |
| Limited Tax Flood Control Bonds Series 2009C-1 .....   | 199 |
| Limited Tax Flood Control Build America Bonds Series 2009C-2 .....   | 200 |
| Galveston County Certificates Of Obligation Series 2008.....   | 201 |
| Nonmajor Capital Projects Funds:   |     |
| Combining Balance Sheet – Nonmajor Capital Projects Funds .....  | 204 |
| Combining Statement of Revenues, Expenditures, and Changes<br>in Fund Balances – Nonmajor Capital Projects Funds .....                 | 208 |
| Individual Schedules of Revenues, Expenditures, and Changes in<br>Fund Balances - Budget and Actual – Nonmajor Capital Projects Funds: |     |
| County Capital Projects Fund.....  | 212 |
| Combination Tax and Revenue Certificates Of Obligation Series 2003C .....  | 213 |
| Limited Tax Criminal Justice Center Bonds Series 2003A.....  | 214 |
| Road Bonds Series 1987.....  | 215 |
| Unlimited Tax Road Bonds Series 2003B.....   | 216 |
| Unlimited Tax Road Bonds Series 2001 .....   | 217 |
| Galveston Causeway Railroad Bridge Project .....   | 218 |
| County Road and Bridge Projects .....  | 219 |
| Limited Tax Flood Control Bonds Series 2009C .....   | 220 |
| Galveston County Certificates Of Obligation Series 2008.....   | 221 |
| Proprietary Funds:   |     |
| Internal Service Funds:  |     |
| Combining Statement of Net Assets – Internal Service Funds .....   | 226 |
| Combining Statement of Revenues, Expenses, and Changes<br>in Fund Net Assets – Internal Service Funds .....                            | 227 |
| Combining Statement of Cash Flows – Internal Service Funds.....  | 228 |
| Fiduciary Funds:   |     |
| Agency Funds:  |     |
| Combining Balance Sheet – Agency Funds .....   | 234 |
| Combining Schedule of Changes in Assets and Liabilities – Agency Funds.....  | 237 |
| Capital Assets Used in the Operation of Governmental Funds:  |     |
| Comparative Schedules by Source.....   | 242 |
| Schedule by Function and Activity .....  | 244 |
| Schedule of Changes by Function and Activity .....   | 246 |

## STATISTICAL SECTION

### Financial Trends:

|  |     |
|--|-----|
| Net Assets by Component – Last Seven Fiscal Years .....                      | 252 |
| Changes in Net Assets – Last Seven Fiscal Years .....                        | 253 |
| Governmental Activities Tax Revenue by Source – Last Seven Fiscal Years..... | 254 |
| Fund Balances of Governmental Funds – Last Ten Fiscal Years .....            | 255 |
| Changes in Fund Balances of Governmental Funds – Last Ten Fiscal Years ..... | 256 |

### Revenue Capacity:

|  |     |
|--|-----|
| Assessed Value and Estimated Actual Value of Taxable Property – Last Eight Fiscal Years..... | 261 |
| Property Tax Rates - Direct and All Overlapping Governments – Last Ten Fiscal Years .....    | 262 |
| Principal Taxpayers.....   | 264 |
| Property Tax Levies and Collections – Last Eight Fiscal Years.....                           | 265 |

|   |     |
|---|-----|
| Debt Capacity:  |     |
| Ratio of Outstanding Debt by Type - Last Ten Fiscal Years .....   | 268 |
| Computation of Direct and Overlapping Bonded Debt – General Obligation Bonds .....  | 270 |
| Legal Debt Margin Information – Last Ten Fiscal Years .....   | 272 |
| Ratio of Net General Obligation Bonded Debt to Assessed Value and<br>Net General Obligation Bonded Debt per Capita – Last Ten Fiscal Years..... | 274 |
| Demographic and Economic Information:   |     |
| Demographic and Economic Statistics – Last Ten Fiscal Years.....  | 276 |
| Principal Employers – Current Year and Nine Years Ago .....   | 277 |
| Operating Information:  |     |
| County Employees by Function – Last Ten Fiscal Years .....  | 280 |
| Capital Asset Statistics by Function – Last Seven Fiscal Years .....  | 281 |
| Operating Indicators by Function – Last Four Fiscal Years .....   | 282 |
| County Auditor’s Office Personnel.....  | 286 |
| County Auditor’s Office Personnel - Organizational Chart.....   | 287 |

**I  
N  
T  
R  
O  
D  
U  
C  
T  
O  
R  
Y**

**S  
E  
C  
T  
I  
O  
N**





**Cliff Billingsley, CPA**  
**County Auditor**

**THE COUNTY OF GALVESTON**  
**COUNTY AUDITOR'S OFFICE**  
P.O. Box 1418  
Galveston, TX 77553-1418

**Ron Chapa, CPA**  
**First Assistant County Auditor–**  
**Director of Internal Audit**

**Freeman Mendell**  
**First Assistant County Auditor–**  
**Director of IT Systems**

**Jeff Modzelewski, CPA**  
**First Assistant County Auditor–**  
**Director of Accounting**

March 31, 2010

To the Honorable District Judges of Galveston County:

David E. Garner, 10<sup>th</sup> Judicial District  
Lonnie Cox, 56<sup>th</sup> Judicial District  
John A. Ellisor, Jr., 122<sup>nd</sup> Judicial District  
Susan E. Criss, 212<sup>th</sup> Judicial District  
Janis L. Yarbrough, 306<sup>th</sup> Family District  
Wayne J. Mallia, 405<sup>th</sup> Judicial District;

to the Honorable Members of the Galveston County Commissioners' Court:

James D. Yarbrough, County Judge  
Patrick Doyle, Commissioner - Precinct 1  
Bryan M. Lamb, Commissioner - Precinct 2  
Stephen D. Holmes, Commissioner - Precinct 3  
Kenneth D. Clark, Commissioner - Precinct 4;

and to the Citizens of Galveston County, Texas:

The Auditor's Office of the County of Galveston, Texas (the "county"), is pleased to have prepared and to now issue this Comprehensive Annual Financial Report ("CAFR") of the county for the fiscal year ended September 30, 2009.

**FORMAL TRANSMITTAL OF THE CAFR**

**Legal requirements.** This report is issued pursuant to the requirements of *Texas Local Government Code* §114.025, which states in part:

- (a) The county auditor shall make... annual reports to the commissioners court and to the district judges of the county. Each report must show:
- (1) the aggregate amounts received and disbursed from each county fund;
  - (2) the condition of each account on the books;
  - (3) the amount of county, district, and school funds on deposit in the county depository;
  - (4) the amount of county bonded indebtedness and other indebtedness; and
  - (5) any other fact of interest, information, or suggestion that the auditor considers proper or that the court or district judges require.

**Assumption of responsibility.** This report consists of the county's representations concerning its finances. Consequently, the county assumes full responsibility for the completeness and reliability of all of the information presented herein.

**Internal control.** To provide a reasonable basis for making these representations, the county has established a comprehensive internal-control framework that is designed both to protect the government's assets from loss, theft, and/or misuse, and to compile sufficient reliable information for the preparation of the county's financial statements in conformity with generally accepted accounting principles ("GAAP"). Because the cost of internal controls should not outweigh their benefits, the county's comprehensive framework of internal control has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement. The county asserts that, to the best of its knowledge and belief, this financial report is complete and reliable in all material respects.

**Independent audit.** The county's financial statements have been audited by Null-Lairson, PC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the county for the fiscal year ended September 30, 2009, are free of material misstatement. The independent audit involved: examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by the county; and evaluating the overall financial-statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the county's financial statements for the fiscal year ended September 30, 2009, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the Financial Section of this report.

The independent audit of the county's financial statements is part of a broader annual "Single Audit" which was federally mandated by the Single Audit Act of 1984 and the United States Office of Management and Budget's *Circular No. A-133: Audits of States, Local Governments, and Non-Profit Organizations*. The Single Audit Report, designed to meet the special needs of federal grantor agencies, includes a Schedule of Expenditures of Federal Awards. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and its compliance with legal requirements, especially those which involve the administration of federal awards. The report therefore also includes a Schedule of Findings and Questioned Costs. The Single Audit Report is available from the Galveston County Auditor's Office, P.O. Box 1418, Galveston, TX 77553-1418.

**Reference to MD&A.** GAAP require that the county provide a narrative introduction, overview, and analysis to accompany this report's basic financial statements in the form of Management's Discussion and Analysis ("MD&A"). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The MD&A can be found immediately following the report of the independent auditors.

## PROFILE OF THE GOVERNMENT

**Basic Information.** The county is a public corporation and political subdivision, organized and existing under the constitution and laws of the State of Texas. It was established on May 15, 1838, by an article approved by the President of the Republic of Texas, Sam Houston. It is located on the upper Texas coast of the Gulf of Mexico and comprises a land area of 430 square miles and a population that is approaching 300,000. The land area includes: Galveston Island (the "Island"), thirty-two miles long and situated two miles from the coast; a portion of the nearby mainland; and the Bolivar Peninsula, just northeast of the Island across the entrance to Galveston Bay. The county seat is the City of Galveston, located on the northern end of the Island and covering slightly more than forty-seven square miles.

The county has no legislative, and only restricted administrative and judicial, powers. The Galveston County, Texas, Commissioners' Court is the county's governing body. The Commissioners' Court is elected by county voters for staggered four-year terms and comprises the County Judge (the presiding officer) and four County Commissioners. Each of the four commissioners represents one of the four geographical precincts into which the county is divided. The Commissioners' Court holds only such powers as are conferred upon it by the Texas Constitution or by statute, or by necessary implication therefrom.

The county provides a full range of services with regard to public safety, health and social welfare, culture and recreation, conservation, and roads, bridges, and rights-of-way.

**Component Units.** A "component unit" is an organization which is legally separate from the primary government but which is subject to significant oversight by the latter, such that to exclude the component unit's financial information from that of the primary government could mislead readers. A component unit is termed either "discretely presented" or "blended" depending upon the greater or lesser degree of autonomy, respectively, with which it functions.

The county is financially accountable for the Galveston County Health District, which qualifies as a discretely presented component unit and is reported separately within the county's financial statements.

Certain county road construction and maintenance is performed by the Galveston County Road District #1, a blended component unit which functions, in essence, as a department of the county and which therefore has been included as an integral part of the county's financial statements.

Additional information on both of these component units is located in Note I.A.2. to the Financial Statements on pages 50 and 51.

**Budget.** Budgets serve as the foundation of the county's financial planning and control. Annual budgets are adopted for many of the county's governmental funds, including the General Fund, a number of Special Revenue Funds, and all Debt Service Funds. Capital Projects Funds generally adopt project-length budgets. Funds which lack annual budgets are subject to other controls imposed by bond orders, grant contracts, and statute. The legal level of budgetary control rests at the departmental level.

Budget preparation crystallizes during the third quarter of each fiscal year when departments draft requests for appropriations and submit them to the County Budget Officer. The Commissioners' Court is eventually presented a proposed county budget, holds a public hearing to discuss – and possibly alter – these tentative amounts, and finally adopts an approved budget by a majority vote at a regularly scheduled meeting. Budget-to-actual comparisons are provided in this report for many of the county's funds, whether those budgets were prepared on an annual, project-length or other basis.

## INFORMATION USEFUL IN ASSESSING THE COUNTY'S ECONOMIC CONDITION

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the county operates.

**Local economy.** The county currently enjoys an improving economic environment, and local indicators point to continued stability.

The region's diversified commercial, industrial, and manufacturing base dampens volatility in its unemployment rate. Major industries represented within, or in close proximity to, the government's

boundaries include oil and gas production, petrochemical processing, maritime shipping, agriculture, fishing, the teaching and practice of medicine, banking, insurance, and cruise- and land-based tourism.

Galveston's deep-water port, located on the Island at the entrance to Galveston Bay, is among the largest dry-cargo ports in the United States. A wide variety of exports and imports passes through its facilities. The port owns and operates public wharves, both open and covered storage facilities, and multiple freight-handling facilities, including a container terminal and a grain elevator.

The oldest medical school in the state, the Island's University of Texas Medical Branch, is one of the largest in the nation based upon student enrollment. Established in 1891, headquartered on the Island's northern end, and also a major employer, this health-science center is dedicated to a three-fold mission of scholarly teaching, state-of-the-art patient care, and innovative scientific investigation.

The mainland cities of Texas City and La Marque have long been home to important industrial corporations. Among those firms are Amoco Texas Refinery, B.P. Amoco Chemical, Marathon Petroleum, Sterling Chemicals, Union Carbide, and Valero Refining - Texas.

Tourism is an important presence in the county's economy. The Island's seashore, its historic downtown and residential districts, and its thriving cruise industry attract growing numbers of visitors, who in turn fuel the revenue streams of hotels and motels, restaurants, shops, and museums. On the mainland, La Marque's Gulf Greyhound Park is a popular attraction, as is Clear Lake City's Johnson Space Center, just northwest of Galveston County in adjacent Harris County.

The county profits from the availability of a wealth of year-round cultural, historical, and recreational activities. To those seeking outdoor relaxation, the Island offers the pleasures of Sea Wolf Park, R.A. Apfel Park, Stewart Beach Park, and Galveston Island State Park, as well as alcohol-free beaches stretching from 10<sup>th</sup> Street to 61<sup>st</sup> Street along the Island's famous Seawall Boulevard. The Island is also rich in culture and history, and it showcases both in numerous venues which are open to the public, including the restored mansions of Ashton Villa, the Bishop's Palace, and Moody Mansion; the Galveston Arts Center; and museums such as the Galveston County Historical Museum, the Railroad Museum, the Lone Star Flight Museum, and the Texas Seaport Museum, this last the home of the restored 1877 iron barque, *Elissa*.

Other Island attractions include the Downtown/Strand, East End, and Silk Stocking Historical Districts, which exhibit one of the nation's finest collections of restored commercial and residential Victorian architecture, and annual events such as Mardi Gras, the Oleander Festival, the Spring Homes Tour, the ARToberFEST art festival, the Grand 1894 Opera House's Grand Kids Festival, and Dickens on the Strand, which in the aggregate draw many thousands of visitors.

The Island is also home to exotic Moody Gardens. This complex houses: the Moody Gardens Convention Center with its 75,000 square feet of meeting space; a luxury, 300-room hotel; the ten-story Rainforest Pyramid featuring lush African, Asian, and American rainforests; the IMAX 3-D movie theater; the Discovery Pyramid with IMAX "RideFilms" and interactive displays; and a fifteen-story saltwater aquarium with several marine habitats, including a King Penguin exhibit.

Off the Island, the Galveston Bay/Clear Lake region is the "boating capital of Texas," harboring one of the largest fleets of pleasure craft in the United States, while across the mouth of Galveston Bay from the Island, Port Bolivar on the Bolivar Peninsula is a haven for beachcombers and fishermen.

The City of La Marque is home to the world-class Gulf Greyhound Park, a dog-racing track and one of the largest employers in the county. The facility opened in 1992 and boasts a clubhouse with full-service dining.

In Clear Lake City, about mid-way between the Island and Houston in southern Harris County, lies NASA's Johnson Space Center. This facility's Space Center Houston, a \$70 million state-of-the-art attraction designed by Walt Disney, offers a "hands-on" way to experience the story of human space exploration and also provides behind-the-scene tours of the Johnson Space Center complex. Features include: a giant-screen theater; spacecraft from the Mercury, Gemini, and Apollo missions; in-person appearances by active astronauts; hands-on simulators; and daily live demonstrations.

The county suffered great damage, both physical and economic, in mid-September 2008 when Hurricane Ike made landfall on eastern Galveston Island. Particularly hard-hit were the Island, Bolivar Peninsula and mainland communities on the bay. But despite the devastation and seemingly slow pace of initial recovery, the region has, indeed, recovered significantly, and to a greater extent in the intervening one and one-half years than many would have predicted immediately after the storm.

However, some Ike effects are long-term or even permanent. For example, the City of Galveston's population, estimated at 57,000 before Ike, now stands at 46,000 per a recent estimate. Fewer residents mean that there is less demand for goods and services to fuel local businesses; it also means that fewer homeowners pay ad valorem property taxes, the county's major source of revenue.

### **Long-term financial planning.**

*Debt administration.* The county funds much of its capital investment by issuing general obligation bonds and certificates of obligation. Most recently, in September 2009 the county issued \$135,000,000 in long-term debt comprising \$75,000,000 of road bonds, \$45,000,000 of building bonds and \$15,000,000 of flood-control bonds. Except for \$5,785,000 of the flood-control bonds, this newest debt is "Build America Bonds," which qualify for a federal credit of 35% of the interest paid thereon to bondholders, thus reducing the county's related expense.

The county works with its financial advisor to monitor the conditions of the borrowing market and issue refunding debt to defease outstanding obligations when it can lower its cost of money and/or ease cash flow constraints by spreading debt service payments over a longer period. As a general rule, the county does not issue refunding debt unless it can obtain a net-present-value savings of 3% or more by so doing. The county last issued refunding bonds in November 2007, to defease \$79,555,000 of outstanding principal.

At September 30, 2009, the county's outstanding bonded debt, including cumulative accretion, totaled \$378,387,614. During that fiscal year then ended, the county paid \$9,685,000 in principal and \$8,976,826 in interest. With bond insurance, the county maintains an "AA" rating from Fitch Ratings and an "Aa2" rating from Moody's Investors Service, Inc., for its general-obligation debt.

*Post-employment benefits.* The county provides post-employment health- and life-insurance benefits to its retirees. At September 30, 2009, the county recognized 355 retirees, 132 of whom were eligible for full health-insurance coverage and 223 of whom received reduced Medicare-supplement insurance. Previous GAAP allowed the county to account for these benefits on a "pay-as-you-go" basis. However, beginning in the fiscal year ending September 30, 2009, Governmental Accounting Standards Board Statement 45 requires the county to record in its financial statements annually an expense for a portion of these "other post-employment benefits." The county contracted with a consulting firm to provide the initial requisite actuarial computations to determine this future liability which it must recognize.

Additional information about the county's post-employment benefits can be found in Notes IV.G. - H. to the Financial Statements on pages 75-79 of this report.

**Relevant financial policies.** The county deposits idle cash into temporary investment vehicles as part of its cash management program and in accordance with its formal investment policy. Temporary investments may include, among others, certificates of deposit, United States government agency securities, money market investment accounts, negotiable order of withdrawal ("NOW") accounts, and local government investment pool facilities. During the year ended September 30, 2009, the county earned \$4,633,714 in interest, \$1,190,467 of that from investments and \$3,443,247 from deposits. More information about the county's deposits and investments can be found in Note III.A. to the Financial Statements on pages 59-62 of this report.

### **Major initiatives.**

*Hurricane Ike recovery.* Much of the county's capital-asset effort in fiscal year 2009 focused on recovery from the severe damage caused by Hurricane Ike in mid-September, 2008.

On Galveston Island:

- The Courthouse and the Sam Popovich Annex have been restored, as has the former's landscaped courtyard, which lost its lighting and many trees to the storm.
- The former Facilities Annex has been remediated but remains vacant while options for its future are considered.
- The Llewelyn Building has been remediated and its roof and electrical service have been replaced; it will become the new home of the CareHere! Clinic with its expanded services.
- The City National Bank building is undergoing refurbishment. The county museum located therein may relocate to Shearn Moody Plaza, in which case the building will be returned to the Mary Moody Northern Foundation.
- The Senior Center formerly on Avenue L vacated that building after Hurricane Ike. The building was remediated and has been proposed as a future centralized location for several social-service agencies, such as Gleanings from the Harvest and Catholic Charities. The Senior Center will relocate near the Courthouse.

The Island's Justice Center on Broadway survived Ike with only minor roof damage, remaining functional even during the storm.

In Crystal Beach on the Bolivar Peninsula, the Crystal Beach Annex was repaired after sustaining only minor damage despite Hurricane Ike's nineteen-foot storm surge, and the Joe Faggard Community Center has also reopened.

*Bond projects.* Voters approved the issuance of \$135 million of bonds in November 2008 to fund projects involving county facilities, roads and flood control. Significant current projects are as follows:

- The Mid-County Annex is being designed entirely in-house by the County Architect. Construction work is presently focused on roof and deck replacement and underground utilities.
- Underground-utility work and final selection of colors and furniture is under way for the Texas Cooperative Extension Service site, a project currently in the construction-drawing phase.
- The Galveston County Animal Resource Center is also entering its construction-drawing phase. The center will quadruple the size of the existing animal shelter; the latter will become the quarantine and intake areas of the facility, attached to the new construction via a sally port. Current work is focused on the levee easement surrounding the structure and the re-plat of the site with the City of Texas City, the land donor.
- Work is well under way to convert a portion of the former county jail into a records storage facility. Due to the severity of the damage from Hurricane Ike, the scope of this project was

increased to include more extensive use of the first floor as well as the attached County Courthouse Annex. The Galveston Senior Center, located on Avenue L on the Island until Ike, will relocate here.

*Community Development Block Grant (CDBG) Funding.* Much of the millions of dollars of CDBG funding awarded to the county as a result of Hurricane Ike will be used for housing, but much is proposed as well for projects including the following:

- The capacity to provide emergency electricity at the Justice Center will be enhanced, since that facility proved nearly impregnable to the major Hurricane Ike and thus will be used to a greater extent during future such events.
- A new fire/EMS station, fueling station and road barn will be constructed in Crystal Beach, all designed to be able to remain operational during a Hurricane Ike type of event.
- New fire/EMS stations will also be constructed in Bolivar and High Island.
- A twin to the Emergency Operations Center on Highway 646 will be constructed adjacent to the existing structure if CDBG “Round Two” money becomes available.

*Other facilities projects.*

- The remodeling of the previously unused sixth floor of the old courthouse is nearly complete. The floor will house the building-maintenance, construction and fleet-management groups.
- The county is engaged in a cooperative project with the City of Galveston to construct Fire Station No. 5, which is 50% complete. The project is funded by the city but managed and owned by the county.
- Water- and electrical-service expansion and facility modifications are in progress at the Jack Brooks Park Fairgrounds and Arena.
- The build-out of the Courthouse’s former jury assembly room has been completed, including ceiling work and a new HVAC system.
- Roof repair and exterior remodeling to the West County Annex is finished.
- The county is in serious negotiation with a potential buyer of excess property south of the Justice Center, the sale of which could close in fiscal year 2010. Other land transactions in progress are efforts to procure property in Hitchcock and High Island upon which to construct new EMS and fire/EMS stations, respectively.

*Non-facilities projects.*

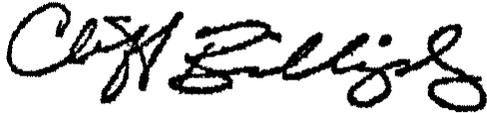
- The Information Technology Department is transferring the county communication network from AT&T to Comcast Fiber, a change which is projected to save more than \$100,000 per year.
- The county has successfully completed its conversion from manual to completely electronic voting.
- The implementation of Odyssey Court Management software is ahead of schedule and under budget for fiscal years 2009 and 2010.
- The upgrade of the IFAS financial and administrative software to version 7i is on schedule and nearly completed.
- Fleet-management and automated-parts inventory software is now installed at all of the intended county locations.

## AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association (“GFOA”) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County of Galveston, Texas, for its CAFR for the fiscal year ended September 30, 2008. This was the twelfth consecutive year that the government has received this prestigious award. In order to be awarded a Certificate of Achievement, the government had to publish an easily readable and efficiently organized CAFR that satisfied 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 the GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the efficient and dedicated service of the entire staff of the Galveston County, Texas, Auditor’s Office. I wish to express my appreciation to all members of the department who assisted with and contributed to the preparation of this report. I acknowledge the County Judge and Commissioners for their efforts in planning and conducting the operations of the county in a responsible and progressive manner. I especially thank the District Judges for their support and guidance in matters relating to the discharge of my duties as County Auditor.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Cliff Billingsley". The signature is written in a cursive, flowing style.

Cliff Billingsley, CPA  
County Auditor

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Galveston County  
Texas

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
September 30, 2008

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



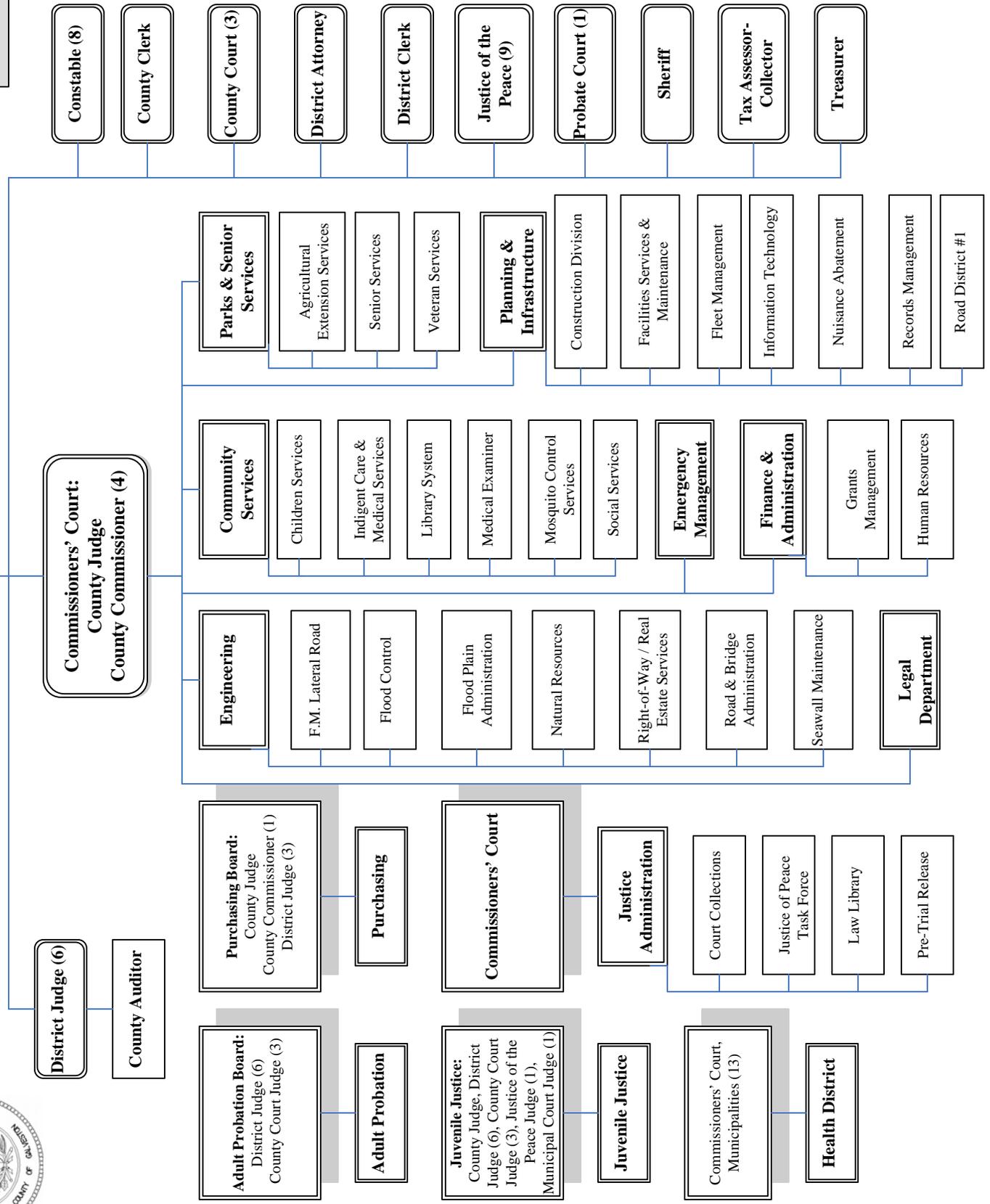
President

Executive Director



# Galveston County Citizens

## Galveston County Organizational Chart



**GALVESTON COUNTY, TEXAS**  
**LIST OF ELECTED AND APPOINTED OFFICIALS**  
**September 30, 2009**

|                                |   |
|--------------------------------|---|
| <i>David E. Garner</i>         | <i>Judge, 10th District Court</i>         |
| <i>Lonnie Cox</i>              | <i>Judge, 56th District Court</i>         |
| <i>John Ellisor</i>            | <i>Judge, 122nd District Court</i>        |
| <i>Susan E. Criss</i>          | <i>Judge, 212th District Court</i>        |
| <i>Janis L. Yarbrough</i>      | <i>Judge, 306th Family District Court</i> |
| <i>Wayne J. Mallia</i>         | <i>Judge, 405th District Court</i>        |
| <i>James D. Yarbrough</i>      | <i>County Judge</i>                       |
| <i>Patrick Doyle</i>           | <i>County Commissioner, Precinct 1</i>    |
| <i>Bryan Lamb</i>              | <i>County Commissioner, Precinct 2</i>    |
| <i>Stephen D. Holmes</i>       | <i>County Commissioner, Precinct 3</i>    |
| <i>Kenneth D. Clark</i>        | <i>County Commissioner, Precinct 4</i>    |
| <i>Cliff Billingsley</i>       | <i>County Auditor</i>                     |
| <i>Mary Ann Daigle</i>         | <i>County Clerk</i>                       |
| <i>Kurt Sistrunk</i>           | <i>Criminal District Attorney</i>         |
| <i>Latonia D. Wilson</i>       | <i>District Clerk</i>                     |
| <i>Mary Nell Crapitto</i>      | <i>Judge, County Court-at-Law 1</i>       |
| <i>C.G. "Trey" Dibrell III</i> | <i>Judge, County Court-at-Law 2</i>       |
| <i>Roy Quintanilla</i>         | <i>Judge, County Court-at-Law 3</i>       |
| <i>Gladys B. Burwell</i>       | <i>Judge, Probate Court</i>               |
| <i>Bruce A. Hughes</i>         | <i>Purchasing Agent</i>                   |
| <i>Freddie Poor</i>            | <i>Sheriff</i>                            |
| <i>Cheryl E. Johnson</i>       | <i>Tax Assessor-Collector</i>             |
| <i>Kevin C. Walsh</i>          | <i>Treasurer</i>                          |



This page left intentionally blank.

**F  
I  
N  
A  
N  
C  
I  
A  
L  
  
S  
E  
C  
T  
I  
O  
N**



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

2000 Loop 197 North, Suite 200  
Texas City, TX 77590  
(409) 948-4406



402 20<sup>th</sup> Street  
Galveston, TX 77550  
(409) 762-8380

2277 Plaza Drive, Suite 260  
Sugar Land, TX 77479  
(281) 242-8600

### **Independent Auditors' Report**

To the Honorable James D. Yarbrough, County Judge  
and Members of the Commissioners Court  
Galveston County, Texas

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Galveston County, Texas (the "County"), as of and for the year ended September 30, 2009, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Galveston County Health District, which represents 100% of the assets of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose reports were furnished to us, and our opinion, insofar as it relates to the amounts included for aggregate discretely presented component units is based on the report of other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Galveston County, Texas, as of September 30, 2009, 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.

To the Honorable James D. Yarbrough, County Judge  
and Members of the Commissioners Court  
Galveston County, Texas  
Page 2 of 2

In accordance with *Government Auditing Standards*, we have also issued our report dated March 30, 2010, on our consideration of Galveston County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis, Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund, Schedule of Funding Progress – Retirement Plan for the Employees of Galveston County, and the Schedule of Funding Progress – Other Post-Employment Benefits for the Employees of Galveston County are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. This required supplementary information is the responsibility of the County's management. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Galveston County, Texas basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.



Galveston, Texas  
March 30, 2010

## MANAGEMENT'S DISCUSSION AND ANALYSIS

The County of Galveston, Texas (the "county"), presents the following Management's Discussion and Analysis (the "MD&A") of its financial activities for the fiscal year ended September 30, 2009. Please read this narrative in conjunction with the Letter of Transmittal in the preceding Introductory Section and with the Basic Financial Statements which immediately follow it.

### Financial Highlights

- At September 30, 2009, the county's assets of \$553,195,608 exceeded its liabilities of \$424,850,295 by \$128,345,313 ("net assets"), a decrease of \$28,744,836 in net assets from September 30, 2008.
- Of these net assets of \$128,345,313, \$45,726,005 is available for use to meet the county's ongoing obligations ("unrestricted net assets").
- Of the liabilities of \$424,850,295, \$376,867,988 will not be extinguished in the current year ("long-term liabilities due in more than one year"). These long-term liabilities are primarily debt instruments. In the fiscal year ended September 30, 2009, the county issued \$135,000,000 of bonded debt, with the proceeds earmarked for roads (\$75,000,000), buildings (\$45,000,000) and flood control (\$15,000,000).
- The county's expenses of \$254,039,747 exceeded its revenues of \$225,294,911 by \$28,744,836 in this same fiscal year.
- Of these revenues of \$225,294,911, program revenues, such as grant revenues and charges for services, contributed \$109,452,955, while general revenues, such as ad valorem taxes, contributed 115,841,956.

### Overview of the Financial Statements

This MD&A introduces the county's Basic Financial Statements, which comprise three components:

- government-wide financial statements;
- fund financial statements; and
- notes to the financial statements.

This report also contains other information supplemental to the Basic Financial Statements.

### Government-wide Financial Statements

The government-wide financial statements provide readers with a broad overview of the county's finances in a manner similar to that of 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 might indicate 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 upon the occurrence of the underlying events giving rise to those changes, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items from which cash flows will not result until future fiscal periods (for example, uncollected taxes, and vacation leave which employees have earned but not used).

Both of the government-wide financial statements are designed to distinguish functions of the county that are principally supported by taxes and intergovernmental revenues ("governmental activities") from other functions that are intended to recover all or a significant portion of their costs through user fees and charges ("business-type activities"). The governmental activities of the county are divided into the

categories of general government, public safety, sanitation, health and social services, culture and recreation, conservation, and roads, bridges, and rights-of-way. The county currently engages in no business-type activities.

The government-wide financial statements include information not only for the county itself (the “primary government”) but also for the Galveston County Health District, a legally separate entity for which the county is financially accountable (a “component unit”). The financial information for this component unit is presented separately from the financial information for the primary government. Complete financial statements of the component unit can be obtained from their administrative office. The address for, and other information about, the Galveston County Health District are presented in Note I.A.2. to the Financial Statements on pages 50-51.

### Fund Financial Statements

A “fund” is a group of related accounts used to control resources that have been segregated for specific activities or objectives. The county, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the county can be divided into one of three categories: Governmental Funds, Proprietary Funds, or Fiduciary 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 Funds financial statements focus on near-term inflows and outflows of resources, and on the balances of those resources available for spending at fiscal year-end. Such information can be useful in evaluating a government’s near-term financing requirements. Governmental Funds include the General Fund, Special Revenue Funds, Debt Service Funds, Capital Projects Funds, and Permanent Funds. The county presently accounts for no Permanent Funds.

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 the former with similar information presented for governmental activities in the latter. By doing so, readers can better understand the long-term impact of the government’s near-term financing decisions. Fund financial statements either reinforce the information provided in the government-wide financial statements (for instance, with regard to proprietary funds) or provide additional information (for instance, with regard to governmental funds and fiduciary funds). Both the Governmental Funds Balance Sheet and the Governmental Funds 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 ninety-eight 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 following five funds, all of which are considered to be “major” funds:

- the General Fund
- the Disaster Recovery VI - Ike Special Revenue Grant Fund
- the Limited Tax County Building Bonds Series 2009B Capital Projects Fund
- the Pass-Through Toll Revenue and Limited Tax Bonds Series 2007 Capital Projects Fund
- the Unlimited Tax Road Bonds Series 2009A Capital Projects Fund

Data from the other Governmental Funds are combined into a single, aggregated presentation. Individual data for each of these nonmajor Governmental Funds is provided in the form of “combining statements” and “individual schedules” elsewhere in this report.

Comparison schedules for all Governmental Funds with budgets, except for grant Special Revenue Funds, are presented in this report to demonstrate budgetary compliance, regardless of the basis (annual, project-length, or other) on which those budgets were prepared.

*Proprietary Funds* include Enterprise Funds and Internal Service Funds. *Enterprise Funds* are used to report the same functions that are presented as business-type activities in the government-wide financial statements, but, as previously noted, the county currently engages in no business-type activities and thus maintains no Enterprise Funds. *Internal Service Funds* are an accounting device used to accumulate, and to allocate among the county's various functions, the costs of services generally provided within the reporting entity rather than to outside users. The county uses three Internal Service Funds, one each to account for activity related to: group health insurance; general casualty, liability, and unemployment insurance; and workers' compensation insurance. Because these services predominantly benefit governmental functions, they have been included within governmental activities in the government-wide financial statements. The Internal Service Funds are combined into a single, aggregated presentation in the Proprietary Funds financial statements. Individual fund data is provided in the form of "combining statements" elsewhere in this report.

*Fiduciary Funds* include Trust Funds and Agency Funds and are used to account for resources held for the benefit of parties external to the government. Fiduciary Funds are not reflected in the government-wide financial statements because the resources of these 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 county presently accounts for no Trust Funds and ten Agency Funds.

#### Notes to the Financial Statements

The Notes to the Financial Statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

#### Other Information

In addition to the Basic Financial Statements, this report also presents certain Required Supplementary Information ("RSI") about the budgetary compliance of the county's General Fund as well as schedules of funding progress for the county's retirement and other post-employment benefits plans.

#### **Government-wide Financial Analysis**

As noted earlier, net assets can serve over time as a useful indicator of a government's financial position. In the case of the county, assets exceeded liabilities by \$128,345,313 at the close of the fiscal year ended September 30, 2009.

By far the largest portion of the county's net assets (48.93%) comprises capital assets (for example, land, infrastructure, and buildings and improvements), net of the outstanding debt issued to finance their construction or acquisition. The county uses these capital assets to provide services to citizens, and consequently the assets are not available for future spending. Although, as mentioned, the county's investment in capital assets is reported net of related debt, it should be noted that the resources to re-pay this debt must be provided from other sources, since the capital assets themselves cannot be used to do so.

The usage of another 15.44% of the county's net assets is subject to external restrictions. The remaining balance (\$45,726,005) is unrestricted and available to meet the government's ongoing obligations to citizens and creditors.

The county's net assets decreased by \$28,744,836 (18.30%) during the fiscal year ended September 30, 2009. Underlying revenues increased by \$65,885,004 (41.33%), while underlying expenses increased by

\$91,440,768 (56.24%). This decrease in net assets indicates that, on a flow-of-economic-resources basis, current-year revenues were insufficient to pay current-year expenses.

Key factors in the revenue growth include:

- \$62.5 million of Hurricane Ike-related state and federal disaster funding and insurance recoveries;
- \$4.5 million of contractually required payments from the Texas Department of Transportation toward the cost of construction of the FM 646 pass-through toll road; and
- \$135 million of proceeds from bonded debt approved by the voters in November 2008 and issued in September 2009.

Key factors in the expense growth include:

- \$70.7 million for ongoing Hurricane Ike disaster-recovery efforts, and
- a general increase in activity on a number of capital projects.

Since the county presently engages in no business-type activities, governmental activities account for all of the changes in net assets at the government-wide reporting level. These changes are presented in condensed format in the second table below.

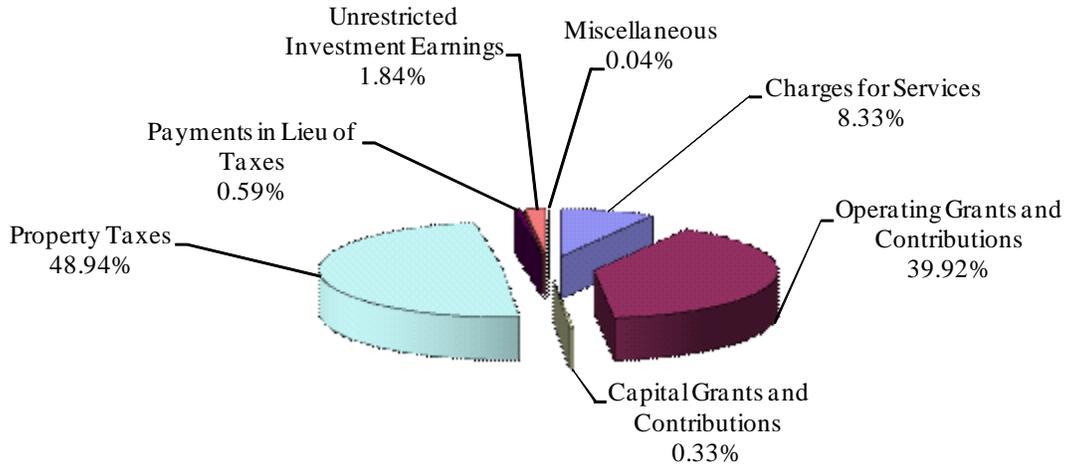
**COUNTY OF GALVESTON, TEXAS**  
**Net Assets**

|   | <u>2009</u>           | <u>2008</u>           |
|---|-----------------------|-----------------------|
| Current and Other Assets                        | \$ 305,029,809        | \$ 172,245,203        |
| Capital Assets                                  | 248,165,799           | 255,481,328           |
| Total Assets                                    | <u>553,195,608</u>    | <u>427,726,531</u>    |
| Long-Term Liabilities Outstanding               | 376,867,988           | 236,984,124           |
| Other Liabilities                               | 47,982,307            | 33,652,258            |
| Total Liabilities                               | <u>424,850,295</u>    | <u>270,636,382</u>    |
| Net Assets:                                     |                       |                       |
| Invested in Capital Assets, Net of Related Debt | 62,796,875            | 107,958,152           |
| Restricted                                      | 19,822,433            | 20,868,172            |
| Unrestricted                                    | 45,726,005            | 28,263,825            |
| Total Net Assets                                | <u>\$ 128,345,313</u> | <u>\$ 157,090,149</u> |

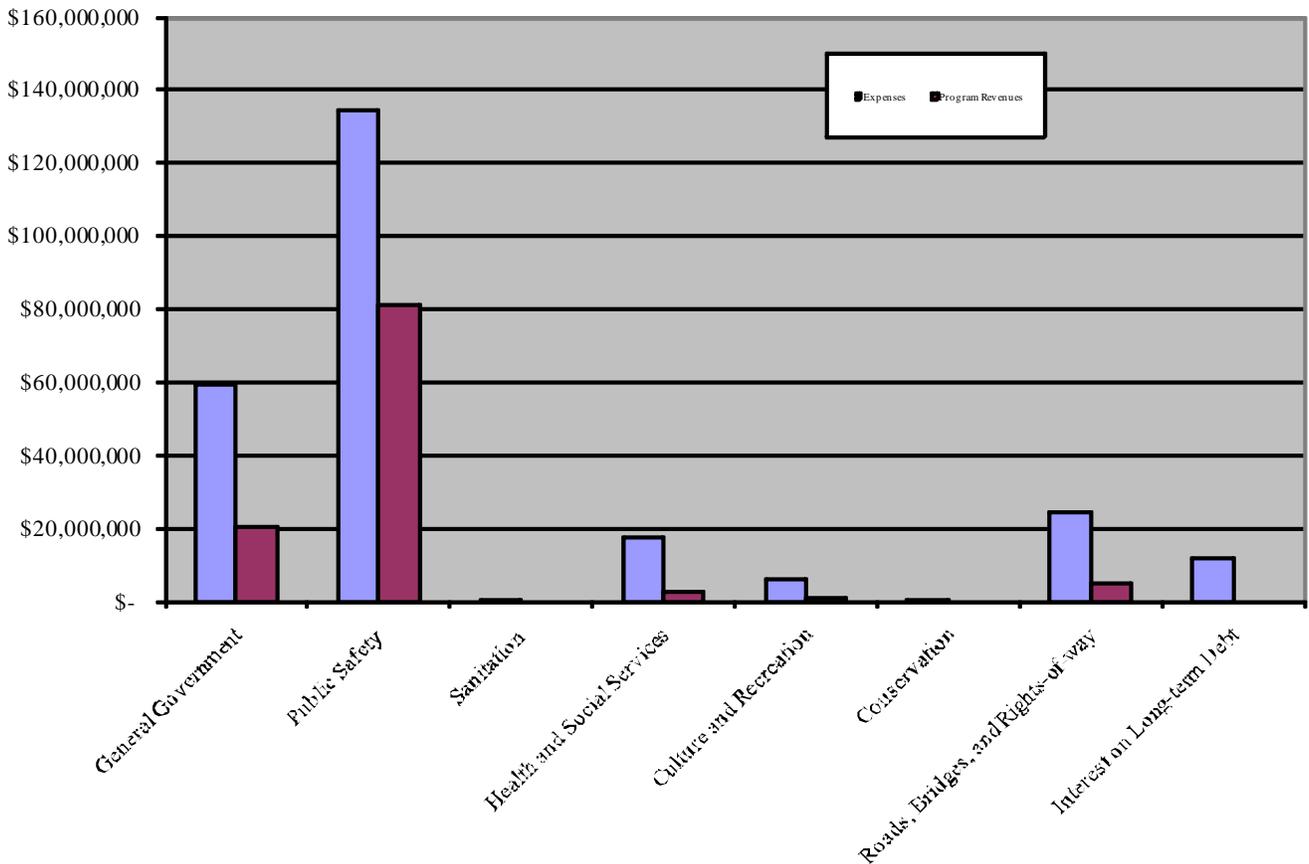
**COUNTY OF GALVESTON, TEXAS**  
**Changes in Net Assets**

|  | <u>2009</u>    | <u>2008</u>    |
|--|----------------|----------------|
| Revenues:  |                |                |
| Program Revenues:  |                |                |
| Charges for Services   | \$ 18,775,344  | \$ 21,433,105  |
| Operating Grants and Contributions   | 89,943,272     | 20,835,095     |
| Capital Grants and Contributions   | 734,339        | 36,469         |
| General Revenues:  |                |                |
| Property Taxes   | 110,253,004    | 109,834,487    |
| Payments in Lieu of Taxes  | 1,336,640      | 1,897,274      |
| Unrestricted Investment Earnings   | 4,151,743      | 4,605,098      |
| Gain on Sale of Assets   | -              | 660,328        |
| Miscellaneous  | 100,569        | 108,051        |
| Total Revenues   | 225,294,911    | 159,409,907    |
| Expenses:  |                |                |
| General Government   | 59,079,881     | 57,076,476     |
| Public Safety  | 134,746,249    | 57,561,631     |
| Sanitation   | 6,900          | 21,250         |
| Health and Social Services   | 17,454,999     | 18,212,546     |
| Culture and Recreation   | 6,264,769      | 6,428,381      |
| Conservation   | 535,046        | 474,676        |
| Roads, Bridges, and Rights-of-way  | 24,289,635     | 12,206,563     |
| Interest on Long-term Debt   | 11,662,268     | 10,617,456     |
| Total Expenses   | 254,039,747    | 162,598,979    |
| Excess/(Deficiency) before Extraordinary Item  | (28,744,836)   | (3,189,072)    |
| Extraordinary Item - Hurricane Ike Insurance<br>Proceeds, Net of Infrastructure Loss | -              | 5,167,331      |
| Increase (Decrease) in Net Assets  | (28,744,836)   | 1,978,259      |
| Net Assets - Beginning   | 157,090,149    | 155,111,890    |
| Net Assets - Ending  | \$ 128,345,313 | \$ 157,090,149 |

### Revenues By Source - Governmental Activities



### Expenses and Program Revenues - Governmental Activities



### **Financial Analysis of the Government's Funds**

The focus of the county's Governmental Funds is near-term resource inflows and outflows and the resource balances available for spending. Such information is useful in assessing the county's financing requirements. In particular, unreserved fund balance might serve as a useful measure of the county's net resources available for spending at fiscal year-end.

At September 30, 2009, the county's Governmental Funds reported a combined ending fund balance of \$246,028,596, an increase of \$119,919,032 from September 30, 2008. This increase was due primarily to the issuance of new bonded debt totaling \$135 million on September 29, 2009. Approximately 89% (\$219,701,795) of the fund balance constitutes unreserved fund balance, which is available for spending at the government's discretion. The remainder of fund balance is reserved - i.e., not available for new spending because it represents or is committed to pay for:

- restricted assets (\$32,167);
- encumbrances (\$9,892,451);
- inventory (\$617,722);
- prepaid expenditures (\$9,090);
- debt service (\$15,380,976); and
- Bolivar Peninsula user fees (\$394,395).

The General Fund is the county's chief operating fund. At September 30, 2009, the General Fund's unreserved fund balance totaled \$29,232,295; its total fund balance increased during the year then ended by \$2,273,645, to \$29,861,705. As a measure of the General Fund's liquidity, it might be useful to compare both the unreserved and total fund balances to total fund expenditures. The General Fund's unreserved fund balance and total fund balance represent 30.0% and 30.7%, respectively, of its total expenditures for the fiscal year ended September 30, 2009.

Key factors in the increase of the General Fund's fund balance are the following:

- The repayment by the Disaster Recovery VI – Ike Special Revenue Grant Fund to the General Fund of \$3.5 million of a total inter-fund loan of \$7.5 million;
- The return by the County Capital Projects Fund to the General Fund of \$3 million of a total inter-fund transfer of \$4.7 million; and
- Cooperation from department heads to reduce spending, to offset Hurricane Ike's impact on appraised property values and thus ad valorem tax revenues.

Three of the county's capital-projects funds qualified as major funds at September 30, 2009. The following are the amounts of their fund balances at that fiscal year-end and descriptions of their purposes:

- The Limited Tax County Building Bonds Series 2009B Capital Projects Fund has a fund balance of \$39,240,788. This fund was created at the end of the fiscal year ended September 30, 2009, to account for the financial resources - obtained through the issuance of bonded debt - that will be used to purchase, construct, reconstruct, improve and/or equip buildings or rooms for the housing of offices, courts, records or equipment, or for the conducting of other public business, and to pay for professional services rendered in connection with the aforementioned projects.
- The Pass-Through Toll Revenue and Limited Tax Bonds Series 2007 Capital Projects Fund has a fund balance of \$29,616,629. This fund was created in the fiscal year ended September 30, 2007, to account for the financial resources used to design, develop, finance, construct, extend, expand and improve a non-toll project or facility for Farm-to-Market Road 646, a part of the state highway system located in the county.
- The Unlimited Tax Road Bonds Series 2009A Capital Projects Fund has a fund balance of \$70,458,050. This fund was created at the end of the fiscal year ended September 30, 2009, to account for the financial resources – obtained through the issuance of bonded debt – that will be used to establish, construct, extend, maintain or improve a seawall, breakwater, levee, floodway and/or drainway, and to pay for professional services rendered in connection with the aforementioned projects.

The aggregate fund balance of the non-major capital-projects funds increased by \$19,543,454. This increase is primarily due to the deposit at the end of the fiscal year of the proceeds of a bond issuance of \$15 million for flood-control projects.

The aggregate fund balance of debt-service funds increased by \$3,511,793. The increase was primarily due to capitalized interest included in the proceeds of voter-approved debt obligations issued at fiscal year-end to fund road, building and flood-control capital projects.

The Disaster Recovery VI - Ike Special Revenue Grant Fund is a major fund with a fund balance at September 30, 2009, of \$1,371,324. The fund was created in the fiscal year ended September 30, 2008, pursuant to a Presidential Disaster Declaration for Public and Individual Assistance awarded the county on September 10 of that year. The Federal Emergency Management Agency awarded grants to fund approved pre-disaster and disaster-recovery projects necessitated by Hurricane Ike, which made landfall on Galveston Island on September 13, 2008.

The aggregate fund balance of the non-major special-revenue funds increased by \$22,828,821 largely due to an inter-fund transfer from the General Fund to the new Indigent Health Care Fund.

### **General Fund Budgetary Highlights**

The final amended General Fund expenditures budget of \$109,970,877 totaled \$1,179,723 less than the original budget of \$111,150,600. The decrease was primarily due to the intention of county executives to decrease operational spending to offset Hurricane Ike's impact on appraised property values and thus ad valorem tax revenue.

During the year, actual revenues were less, and actual expenditures were less, than final budgeted amounts by \$4,969,770 and \$12,630,625, respectively.

The negative variance in revenues is attributable in part to:

- An actual ad valorem-tax collection rate of 96.1% versus the anticipated 97.3%;
- a decrease in investment earnings due to the nation-wide economic malaise;
- less actual clerk and court revenues than were budgeted based upon prior-year collections, due to population displacement post-Hurricane Ike; and

- decreased revenue from foreign trade zones due to a drop in protests of real-property appraised values, these last already lowered significantly by the Central Appraisal District due to Ike damage.

The positive variance in expenditures is attributable in part to:

- the county’s policy to leave vacated positions unfilled for seven payroll periods unless an exception is requested of, and approved by, Commissioners’ Court; and
- efforts by department heads to decrease operational spending to offset Hurricane Ike’s impact on appraised property values and thus ad valorem tax revenue.

**Capital Asset and Debt Administration**

Capital Assets

The county’s investment in capital assets at September 30, 2009, net of accumulated depreciation, totaled \$248,165,799, a decrease of \$7,315,529 (2.9%). Capital assets are classified as land, infrastructure, buildings and improvements, machinery and equipment, improvements other than buildings, and construction in progress. The decrease in the investment in capital assets occurred largely in the infrastructure and buildings-and-improvements asset classes, the former due to roads damaged by Hurricane Ike, the latter due to depreciation, which is more than offset in many years by additions but not so in this fiscal year.

During the year, improvements to various county facilities continued. Completed was the therapeutic garden at Carbide Park, classified as construction-in-progress at last fiscal year-end. This project was transferred from the construction-in-progress to the improvements-other-than-buildings asset class. At September 30, 2009, construction in progress related to buildings, improvements other than buildings, and infrastructure totaled \$1,566,714, \$176,790 and \$1,805,390, respectively.

**COUNTY OF GALVESTON, TEXAS**  
**Capital Assets (Net of Depreciation)**  
**At September 30, 2009 and 2008**

|                                   | <u>2009</u>    | <u>2008</u>    |
|-----------------------------------|----------------|----------------|
| Land                              | \$ 27,822,267  | \$ 27,801,846  |
| Infrastructure                    | 64,667,593     | 67,831,379     |
| Buildings and Improvements        | 138,749,133    | 144,326,131    |
| Machinery and Equipment           | 12,574,251     | 13,542,862     |
| Improvements Other than Buildings | 803,661        | 703,783        |
| Construction in Progress          | 3,548,894      | 1,275,327      |
| Total                             | \$ 248,165,799 | \$ 255,481,328 |

Additional information on the county’s capital assets is found in Note III.C. to the Financial Statements on pages 64-65 of this report.

Debt Administration

At September 30, 2009, the county’s outstanding bonded debt, including cumulative accretion, totaled \$378,387,614, comprising \$18,345,000 in certificates of obligation and \$360,042,614 in general obligation bonds, all of which is backed by the full faith and credit of the government.

**GALVESTON COUNTY, TEXAS**  
**Bonded Debt Outstanding, Including Cumulative Accretion**  
**At September 30, 2009 and 2008**

|                            | <u>2009</u>    | <u>2008</u>    |
|----------------------------|----------------|----------------|
| Certificates of Obligation | \$ 18,345,000  | \$ 20,740,000  |
| General Obligation Bonds   | 360,042,614    | 230,250,697    |
| Total                      | \$ 378,387,614 | \$ 250,990,697 |

The county's outstanding bonded debt increased by 50.76% (\$127,396,917) during the fiscal year ended September 30, 2009. A gross increase of \$137,081,917 resulted primarily from the issuance of \$75,000,000 of Unlimited Tax Road Bonds Series 2009A, \$45,000,000 of Limited Tax County Building Bonds Series 2009B and \$15,000,000 of Limited Tax Flood Control Bonds Series 2009C. Current-year accretion of capital-appreciation bonds contributed another \$2,081,917 to this gross increase. Of the new debt, all but \$5,785,000 consists of "Build America Bonds," which qualify for a federal credit of 35% of the interest paid thereon to bondholders. The gross increase in outstanding bonded debt was slightly offset by scheduled principal payments of \$9,685,000. With bond insurance, the county maintains an "AA" rating from Fitch Ratings and an "Aa2" rating from Moody's Investors Service, Inc., on its general-obligation debt.

State statute limits the amount of general obligation debt a governmental entity may issue to five percent of the assessed valuation of all taxable property. The current applicable limit for the county is \$1,270,256,000, which significantly exceeds the amount of the county's outstanding general-obligation debt. In addition, Article III §52 of the Texas Constitution limits the amount of unlimited tax road bonds a governmental entity may issue to twenty-five percent of the assessed valuation of all taxable real property. The current applicable limit for the county is \$5,606,885,250, which also significantly exceeds the amount of the county's outstanding unlimited tax road bonds, including the cumulative accretion on capital-appreciation series.

Additional information concerning the county's long-term debt can be found in Note III.F. to the Financial Statements on pages 69-71 of this report.

**Next Year's Budgets and Rates**

During the fiscal year ended September 30, 2009, the General Fund's unreserved fund balance increased to \$29,232,295. The county has appropriated \$22,250,208 of the General Fund unreserved fund balance in its expenditure budget for the fiscal year ending September 30, 2009. The county has also designated \$6,435,522 of the unreserved fund balance for technology, self-insurance, and other contingencies.

**Requests for Information**

This financial report is intended to provide a general overview of the county's finances. Questions concerning the information in this report, and requests for additional financial information, should be addressed to the Galveston County Auditor's Office, P.O. Box 1418, Galveston, TX 77553-1418.

# Basic Financial Statements

**GALVESTON COUNTY, TEXAS**  
**STATEMENT OF NET ASSETS**  
**September 30, 2009**

|   | <b>Governmental<br/>Activities</b> | <b>Component Unit</b> |
|---|------------------------------------|-----------------------|
| <b>ASSETS</b>                                       |                                    |                       |
| Cash and Cash Equivalents                           | \$ 229,652,356                     | \$ 5,057,857          |
| Investments   | 22,170,471                         | 91,070                |
| Receivables (Net of Allowances for Uncollectibles): |                                    |                       |
| Taxes   | 12,777,052                         | -                     |
| Accounts and Other                                  | 35,049,050                         | 5,231,263             |
| Due from Others                                     | 30,736                             | -                     |
| Inventories   | 617,722                            | 51,460                |
| Prepaid Expenses                                    | 213,281                            | 68,159                |
| Deferred Charges                                    | 4,176,687                          | -                     |
| Restricted Assets:                                  |                                    |                       |
| Cash and Cash Equivalents                           | 342,454                            | -                     |
| Capital Assets (Net of Accumulated Depreciation):   |                                    |                       |
| Land  | 27,822,267                         | -                     |
| Infrastructure                                      | 64,667,593                         | -                     |
| Buildings and Improvements                          | 138,749,133                        | 252,566               |
| Machinery and Equipment                             | 12,574,251                         | 749,769               |
| Improvements Other Than Buildings                   | 803,661                            | 1,021,947             |
| Construction in Progress                            | 3,548,894                          | -                     |
| <b>Total assets</b>                                 | <b>553,195,608</b>                 | <b>12,524,091</b>     |
| <b>LIABILITIES</b>                                  |                                    |                       |
| Accounts Payable                                    | 18,327,558                         | 1,054,998             |
| Salaries Payable                                    | 2,683,000                          | -                     |
| Accrued Interest Payable                            | 1,510,191                          | -                     |
| Retainage Payable                                   | 5,227,457                          | -                     |
| Estimated Liability - Claims and Judgements         | 2,749,500                          | -                     |
| Due to Others                                       | 3,812,529                          | 527,047               |
| Payable from Restricted Assets:                     |                                    |                       |
| Escrow Deposits                                     | 310,287                            | -                     |
| Unearned Revenues                                   | 2,286,245                          | 2,410,228             |
| Long-term liabilities:                              |                                    |                       |
| Due within one year                                 | 11,075,540                         | 155,643               |
| Due in more than one year                           | 376,867,988                        | 519,759               |
| <b>Total liabilities</b>                            | <b>424,850,295</b>                 | <b>4,667,675</b>      |
| <b>NET ASSETS</b>                                   |                                    |                       |
| Invested in capital assets, net of related debt     | 62,796,875                         | 1,899,231             |
| Restricted for:                                     |                                    |                       |
| Grants  | 1,831,698                          | -                     |
| Debt Service  | 15,645,021                         | -                     |
| Clinic Operations                                   | -                                  | 2,190,743             |
| Capital projects                                    | 2,345,714                          | -                     |
| Unrestricted  | 45,726,005                         | 3,766,442             |
| <b>Total net assets</b>                             | <b>\$ 128,345,313</b>              | <b>\$ 7,856,416</b>   |

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

**GALVESTON COUNTY, TEXAS**  
**STATEMENT OF ACTIVITIES**  
For the Year Ended September 30, 2009

| Functions/Programs<br>Primary Government                     | Net (Expense) Revenue and Changes in Net Assets |                                    |                                  |                         |                         |             | Component Unit      |
|--|---|------------------------------------|----------------------------------|-------------------------|-------------------------|-------------|---------------------|
|  | Program Revenues                                |                                    |                                  | Primary Government      |                         | Total       |                     |
|  | Charges for Services                            | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities | Governmental            |             |                     |
| Governmental Activities                                      |   |                                    |                                  |                         |                         |             |                     |
| General Government   | \$ 59,079,881                                   | \$ 16,451,568                      | \$ 4,159,791                     | \$ -                    | \$ (38,468,522)         | \$ -        | \$ -                |
| Public Safety  | 134,746,249                                     | 1,576,425                          | 78,801,158                       | 491,627                 | (53,877,039)            | -           | -                   |
| Sanitation   | 6,900   | -                                  | -                                | -                       | (6,900)                 | -           | -                   |
| Health and Social Services                                   | 17,454,999                                      | 4,900                              | 2,180,937                        | 217,612                 | (15,051,550)            | -           | -                   |
| Culture and Recreation                                       | 6,264,769                                       | 321,255                            | 231,388                          | 25,100                  | (5,687,026)             | -           | -                   |
| Conservation   | 535,046   | -                                  | -                                | -                       | (535,046)               | -           | -                   |
| Roads, Bridges, and Rights-of-way                            | 24,289,635                                      | 421,196                            | 4,569,998                        | -                       | (19,298,441)            | -           | -                   |
| Interest on Long-term Debt                                   | 11,662,268                                      | -                                  | -                                | -                       | (11,662,268)            | -           | -                   |
| <b>Total governmental activities</b>                         | <b>\$ 254,039,747</b>                           | <b>\$ 18,775,344</b>               | <b>\$ 89,943,272</b>             | <b>\$ 734,339</b>       | <b>\$ (144,586,792)</b> | <b>\$ -</b> | <b>\$ -</b>         |
| <b>Component Unit</b>  |   |                                    |                                  |                         |                         |             |                     |
| Galveston County Health District                             | \$ 20,659,188                                   | \$ 8,575,919                       | \$ 6,059,828                     | \$ -                    | \$ (6,023,441)          | \$ -        | \$ (6,023,441)      |
| General revenues:  |   |                                    |                                  |                         |                         |             |                     |
| Taxes:   |   |                                    |                                  |                         |                         |             |                     |
| Property taxes, levied for general purposes                  |   |                                    |                                  |                         | 95,032,026              |             | 95,032,026          |
| Property taxes, levied for debt service                      |   |                                    |                                  |                         | 15,220,978              |             | 15,220,978          |
| Payments in lieu of taxes                                    |   |                                    |                                  |                         | 1,336,640               |             | 1,336,640           |
| Grants and contributions not restricted to specific programs |   |                                    |                                  |                         | -                       |             | -                   |
| Unrestricted investment earnings                             |   |                                    |                                  |                         | 4,151,743               |             | 7,852,900           |
| Miscellaneous  |   |                                    |                                  |                         | 100,569                 |             | 175,474             |
| Total general revenues and transfers                         |   |                                    |                                  |                         | 115,841,956             |             | 8,028,374           |
| Change in net assets   |   |                                    |                                  |                         | (28,744,836)            |             | 2,004,933           |
| <b>Net assets - beginning</b>                                |   |                                    |                                  |                         | 157,090,149             |             | 5,851,483           |
| <b>Net assets - ending</b>                                   |   |                                    |                                  |                         | <b>\$ 128,345,313</b>   |             | <b>\$ 7,856,416</b> |

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

**GALVESTON COUNTY, TEXAS  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
September 30, 2009**

|  | <u>General</u>              | <u>Disaster<br/>Recovery VI -<br/>Ike</u> | <u>Limited Tax<br/>County<br/>Building<br/>Bonds<br/>Series 2009B</u> | <u>Pass-Through Toll<br/>Revenue and<br/>Limited Tax Bonds<br/>Series 2007</u> |
|--|-----------------------------|---|---|--|
| <b>ASSETS</b>  |                             |   |   |  |
| Cash and Cash Equivalents                              | \$ 25,961,374               | \$ -                                      | \$ -  | \$ -   |
| Investments  | -                           |   | 39,240,788  | 31,644,584   |
| Receivables (Net of Allowances<br>for Uncollectibles): |                             |   |   |  |
| Taxes  | 10,355,416                  | -   | -   | -  |
| Accounts and Other                                     | 2,552,092                   | 29,489,221                                | -   | -  |
| Due from Other Funds                                   | 16,381,874                  | -   | -   | -  |
| Inventory at Cost                                      | -                           | -   | -   | -  |
| Prepaid Expenditures                                   | -                           | -   | -   | -  |
| Restricted Assets:                                     |                             |   |   |  |
| Cash and Cash Equivalents                              | 306,709                     | -   | -   | -  |
| <b>Total assets</b>                                    | <b><u>\$ 55,557,465</u></b> | <b><u>\$ 29,489,221</u></b>               | <b><u>\$ 39,240,788</u></b>   | <b><u>\$ 31,644,584</u></b>  |
| <b>LIABILITIES AND FUND BALANCES</b>                   |                             |   |   |  |
| <b>Liabilities:</b>                                    |                             |   |   |  |
| Accounts Payable                                       | \$ 5,571,452                | \$ 8,165,302                              | \$ -  | \$ 2,027,955   |
| Salaries Payable                                       | 2,066,214                   | 109,528                                   | -   | -  |
| Compensated Absences Payable                           | -                           | -   | -   | -  |
| Retainage Payable                                      | 1,885                       | 4,961,001                                 | -   | -  |
| Due to Others  | 984,070                     | 457,619                                   | -   | -  |
| Liabilities Payable from Restricted Assets:            |                             |   |   |  |
| Escrow Deposits  | -                           | -   | -   | -  |
| Deposits - Held  | 276,759                     | -   | -   | -  |
| Due to Other Funds                                     | 6,439,964                   | 14,424,447                                | -   | -  |
| Deferred Revenues                                      | 10,355,416                  | -   | -   | -  |
| <b>Total liabilities</b>                               | <b><u>25,695,760</u></b>    | <b><u>28,117,897</u></b>                  | <b><u>-</u></b>   | <b><u>2,027,955</u></b>  |
| <b>Fund Balances:</b>                                  |                             |   |   |  |
| Reserved for:  |                             |   |   |  |
| Restricted Assets                                      | 29,950                      | -   | -   | -  |
| Encumbrances   | 599,460                     | -   | 68,000  | 8,991,752  |
| Inventory  | -                           | -   | -   | -  |
| Prepaid Expenditures                                   | -                           | -   | -   | -  |
| Debt Service   | -                           | -   | -   | -  |
| Bolivar Peninsula User Fees                            | -                           | -   | -   | -  |
| Unreserved, Reported in:                               |                             |   |   |  |
| General Fund   | 29,232,295                  | -   | -   | -  |
| Special Revenue Funds                                  | -                           | 1,371,324                                 | -   | -  |
| Capital Projects Funds                                 | -                           | -   | 39,172,788  | 20,624,877   |
| <b>Total fund balances</b>                             | <b><u>29,861,705</u></b>    | <b><u>1,371,324</u></b>                   | <b><u>39,240,788</u></b>  | <b><u>29,616,629</u></b>   |
| <b>Total liabilities and fund balances</b>             | <b><u>\$ 55,557,465</u></b> | <b><u>\$ 29,489,221</u></b>               | <b><u>\$ 39,240,788</u></b>   | <b><u>\$ 31,644,584</u></b>  |

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

(Continued)

| <b>Unlimited<br/>Tax Road<br/>Bonds<br/>Series 2009A</b> | <b>Other<br/>Governmental<br/>Funds</b> | <b>Total<br/>Governmental<br/>Funds</b> |
|--|---|---|
| \$ -   | \$ 48,425,874                           | \$ 74,387,248                           |
| 70,563,137   | 28,251,159                              | 169,699,668                             |
| -  | 2,421,636                               | 12,777,052                              |
| -  | 2,771,207                               | 34,812,520                              |
| -  | 5,167,543                               | 21,549,417                              |
| -  | 617,722                                 | 617,722                                 |
| -  | 9,090                                   | 9,090                                   |
| -  | 35,745                                  | 342,454                                 |
| <b>\$ 70,563,137</b>                                     | <b>\$ 87,699,976</b>                    | <b>\$ 314,195,171</b>                   |
| \$ 5,087   | \$ 2,522,081                            | \$ 18,291,877                           |
| -  | 1,018,042                               | 3,193,784                               |
| -  | 9,439                                   | 9,439                                   |
| -  | 264,571                                 | 5,227,457                               |
| -  | 1,716,416                               | 3,158,105                               |
| -  | 32,191                                  | 32,191                                  |
| -  | 1,337                                   | 278,096                                 |
| -  | 2,047,918                               | 22,912,329                              |
| 100,000  | 4,607,881                               | 15,063,297                              |
| 105,087  | 12,219,876                              | 68,166,575                              |
| -  | 2,217                                   | 32,167                                  |
| -  | 233,239                                 | 9,892,451                               |
| -  | 617,722                                 | 617,722                                 |
| -  | 9,090                                   | 9,090                                   |
| -  | 15,380,976                              | 15,380,976                              |
| -  | 394,395                                 | 394,395                                 |
| -  | -                                       | 29,232,295                              |
| -  | 27,704,025                              | 29,075,349                              |
| 70,458,050   | 31,138,436                              | 161,394,151                             |
| 70,458,050   | 75,480,100                              | 246,028,596                             |
| <b>\$ 70,563,137</b>                                     | <b>\$ 87,699,976</b>                    | <b>\$ 314,195,171</b>                   |



This page left intentionally blank.

**GALVESTON COUNTY, TEXAS**  
**RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF NET ASSETS**  
**September 30, 2009**

|  |    |             |
|--|----|-------------|
| Total fund balance, governmental funds | \$ | 246,028,596 |
|--|----|-------------|

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

|   |             |
|---|-------------|
| Capital assets used in governmental activities are not current financial resources and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Assets. | 248,165,799 |
|---|-------------|

|   |           |
|---|-----------|
| Bond issuance costs are not financial resources and therefore are not reported as assets in governmental funds. These costs are to be amortized over the life of the bonds. | 4,176,687 |
|---|-----------|

|  |           |
|--|-----------|
| The assets and liabilities of certain internal service funds are not included in the fund financial statement, but are included in the governmental activities of the Statement of Net Assets. | 6,588,940 |
|--|-----------|

Some liabilities, (such as Long-term Claims and Judgements Payable, Long-term Compensated Absences, and Bonds Payable), are not due and payable in the current period and are not included in the fund financial statement, but are reported in the governmental activities of the Statement of Net Assets. These are as follows:

|   |               |
|---|---------------|
| Bonds payable                                       | (364,318,422) |
| Accumulated accretion on capital appreciation bonds | (14,069,192)  |
| Community disaster loan payable                     | (5,000,000)   |
| Compensated absences                                | (4,307,966)   |
| Net OPEB Payable                                    | (7,170,645)   |
| Interest on long-term debt                          | (1,457,672)   |
| Premiums on issuance of debt                        | 2,483,464     |
| Deferred loss on refunding                          | 4,448,672     |

|  |            |
|--|------------|
| Property taxes receivable have been levied and are due this year, but are not available soon enough to pay for the current period's expenditures, and therefore are deferred in the funds. | 12,777,052 |
|--|------------|

|  |    |             |
|--|----|-------------|
| Net assets of governmental activities in the Statement of Net Assets | \$ | 128,345,313 |
|--|----|-------------|

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

**GALVESTON COUNTY, TEXAS**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**For the Year Ended September 30, 2009**

|  | General              | Disaster<br>Recovery VI -<br>Ike | Limited Tax<br>County<br>Building<br>Bonds<br>Series 2009B | Pass-Through Toll<br>Revenue and<br>Limited Tax Bonds<br>Series 2007 |
|--|----------------------|----------------------------------|--|--|
| <b>REVENUES</b>  |                      |                                  |  |  |
| Taxes  | \$ 91,080,526        | \$ -                             | \$ -   | \$ -   |
| Licenses and Permits   | 58,927               | -                                | -  | -  |
| Intergovernmental  | 5,174,795            | 69,818,262                       | -  | 1,085,386  |
| Charges for Services   | 6,737,653            | -                                | -  | -  |
| Fines and Forfeitures  | 2,573,082            | -                                | -  | -  |
| Investment Earnings  | 2,414,588            | -                                | 676  | 1,042,544  |
| Miscellaneous  | 3,894,041            | 249,342                          | -  | -  |
| <b>Total revenues</b>  | <b>111,933,612</b>   | <b>70,067,604</b>                | <b>676</b>   | <b>2,127,930</b>   |
| <b>EXPENDITURES</b>  |                      |                                  |  |  |
| Current:   |                      |                                  |  |  |
| General Government   | 49,204,895           | -                                | -  | -  |
| Public Safety  | 32,238,129           | 77,930,165                       | -  | -  |
| Sanitation   | -                    | -                                | -  | -  |
| Health and Social Services   | 11,933,793           | -                                | -  | -  |
| Culture and Recreation   | 2,452,911            | -                                | -  | -  |
| Conservation   | 436,805              | -                                | -  | -  |
| Roads, Bridges, and Rights-of-Way                                    | -                    | -                                | -  | 8,970,709  |
| Debt Service:  |                      |                                  |  |  |
| Principal Retirement   | -                    | -                                | -  | -  |
| Interest and Fiscal Charges  | -                    | -                                | -  | -  |
| Bond Issuance Costs  | -                    | -                                | 679,393  | -  |
| Capital Outlay   | 1,073,719            | 267,570                          | 3,035,638  | -  |
| <b>Total expenditures</b>  | <b>97,340,252</b>    | <b>78,197,735</b>                | <b>3,715,031</b>   | <b>8,970,709</b>   |
| <b>Excess (deficiency) of revenues<br/>over (under) expenditures</b> | <b>14,593,360</b>    | <b>(8,130,131)</b>               | <b>(3,714,355)</b>   | <b>(6,842,779)</b>   |
| <b>OTHER FINANCING SOURCES (USES)</b>                                |                      |                                  |  |  |
| Transfers In   | 7,981,300            | 5,000,000                        | -  | -  |
| Transfers Out  | (25,356,125)         | (3,550,000)                      | -  | -  |
| Sale of Capital Assets   | 55,110               | -                                | -  | -  |
| Face Value - Long Term Debt Issued                                   | 5,000,000            | -                                | 42,955,143   | -  |
| Premium - Long Term Debt Issued                                      | -                    | -                                | -  | -  |
| Insurance Recovery Proceeds  | -                    | 230,817                          | -  | -  |
| <b>Total other financing sources (uses)</b>                          | <b>(12,319,715)</b>  | <b>1,680,817</b>                 | <b>42,955,143</b>  | <b>-</b>   |
| <b>Net change in fund balances</b>                                   | <b>2,273,645</b>     | <b>(6,449,314)</b>               | <b>39,240,788</b>  | <b>(6,842,779)</b>   |
| <b>Fund balances-beginning</b>                                       | <b>27,588,060</b>    | <b>7,820,638</b>                 | <b>-</b>   | <b>36,459,408</b>  |
| <b>Fund balances-ending</b>  | <b>\$ 29,861,705</b> | <b>\$ 1,371,324</b>              | <b>\$ 39,240,788</b>                                       | <b>\$ 29,616,629</b>   |

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

(Continued)

| <b>Unlimited<br/>Tax Road<br/>Bonds<br/>Series 2009A</b> | <b>Other<br/>Governmental<br/>Funds</b> | <b>Total<br/>Governmental<br/>Funds</b> |
|--|---|---|
| \$ -   | \$ 22,179,878                           | \$ 113,260,404                          |
| -  | 2,444,962                               | 2,503,889                               |
| -  | 14,525,933                              | 90,604,376                              |
| -  | 2,289,656                               | 9,027,309                               |
| -  | 791,922                                 | 3,365,004                               |
| 1,127  | 1,165,217                               | 4,624,152                               |
| -  | 1,146,105                               | 5,289,488                               |
| <u>1,127</u>   | <u>44,543,673</u>                       | <u>228,674,622</u>                      |
| -  | 3,225,149                               | 52,430,044                              |
| -  | 13,597,135                              | 123,765,429                             |
| -  | 6,900                                   | 6,900                                   |
| -  | 4,158,971                               | 16,092,764                              |
| -  | 534,676                                 | 2,987,587                               |
| -  | -                                       | 436,805                                 |
| 5,087  | 12,332,695                              | 21,308,491                              |
| -  | 9,685,000                               | 9,685,000                               |
| -  | 8,982,382                               | 8,982,382                               |
| 1,129,895  | 204,571                                 | 2,013,859                               |
| -  | 3,547,991                               | 7,924,918                               |
| <u>1,134,982</u>   | <u>56,275,470</u>                       | <u>245,634,179</u>                      |
| <u>(1,133,855)</u>                                       | <u>(11,731,797)</u>                     | <u>(16,959,557)</u>                     |
| -  | 18,952,526                              | 31,933,826                              |
| -  | (6,541,301)                             | (35,447,426)                            |
| -  | 30,481                                  | 85,591                                  |
| 71,591,905   | 20,452,952                              | 140,000,000                             |
| -  | 75,781                                  | 75,781                                  |
| -  | -                                       | 230,817                                 |
| <u>71,591,905</u>  | <u>32,970,439</u>                       | <u>136,878,589</u>                      |
| 70,458,050   | 21,238,642                              | 119,919,032                             |
| -  | 54,241,458                              | 126,109,564                             |
| <u>\$ 70,458,050</u>                                     | <u>\$ 75,480,100</u>                    | <u>\$ 246,028,596</u>                   |

**GALVESTON 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, 2009**

|   |           |                     |
|---|-----------|---------------------|
| Net change in fund balances - total governmental funds:   | \$        | 119,919,032         |
| Amounts reported for Governmental Activities in the Statement of Activities are different because:  |           |                     |
|   |           |                     |
| Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the Statement of Activities reports only a portion of the outlay as expense. The outlay is allocated over the assets' estimated useful lives as depreciation expense for the period. This is the amount by which depreciation of \$14,561,683 exceeded capital outlay of \$7,924,918 plus donated assets of \$23,010 in the current period. |           | (6,613,755)         |
|   |           |                     |
| Governmental funds report the entire net sales price (proceeds) from sale of an asset as revenue because it provides current financial resources. In contrast, the Statement of Activities reports only the gain on the sale of the assets. Thus, the change in the net assets differs from the change in fund balance by the cost of the asset sold.   |           | (701,775)           |
|   |           |                     |
| Governmental funds do not present revenues that are not available to pay current obligations. In contrast, such revenues are reported in the Statement of Activities when earned.   |           | (3,007,400)         |
|   |           |                     |
| Governmental funds report bond proceeds as current financial resources. In contrast, the Statement of Activities treats such issuance of debt as a liability. Governmental funds report repayment of bond principal as an expenditure. In contrast, the Statement of Activities treats such repayments as a reduction in long-term liabilities. This is the amount by which repayments exceeded proceeds.   |           | (130,390,781)       |
|   |           |                     |
| Some expenses reported in the statement of activities do not require the use of current financial resources and these are not reported as expenditures in governmental funds:   |           |                     |
| Accrued interest not reflected on governmental funds  |           | 52,069              |
| Compensated absences  |           | (346,358)           |
| Amortization of deferred charges  |           | (650,037)           |
| Other post employment benefits  |           | (7,170,645)         |
| Accretion of capital bond interest  |           | (2,081,917)         |
|   |           |                     |
| Bond issuance costs paid during the current year will be amortized over the life of the bonds.  |           | 2,013,858           |
|   |           |                     |
| Internal service funds are used by management to charge the costs of certain activities, such as health insurance and workers' compensation insurance, to individual funds. The net revenue (expense) of certain internal service funds is reported with governmental activities.   |           | 232,873             |
|   |           |                     |
| Change in net assets of governmental activities   | <u>\$</u> | <u>(28,744,836)</u> |

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

**GALVESTON COUNTY, TEXAS  
STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS  
September 30, 2009**

|  | <b>Governmental<br/>Activities - Internal<br/>Service Funds</b> |
|--|---|
| <b>ASSETS</b>  |   |
| Current Assets:  |   |
| Investments  | \$ 7,728,265  |
| Receivables (Net of Allowances<br>for Uncollectibles): |   |
| Accounts and Other                                     | 244,176   |
| Prepaid Items  | 204,191   |
| Due from Other Funds                                   | 1,393,648   |
| <b>Total current assets</b>                            | <b>9,570,280</b>  |
| <br><b>LIABILITIES</b>                                 |   |
| Current Liabilities:                                   |   |
| Accounts Payable                                       | 222,116   |
| Salaries Payable                                       | 9,724   |
| Estimated Liability - Claims                           | 2,749,500   |
| <b>Total current liabilities</b>                       | <b>2,981,340</b>  |
| <br><b>NET ASSETS</b>                                  |   |
| Unrestricted   | 6,588,940   |
| <b>Total net assets</b>                                | <b>\$ 6,588,940</b>   |

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

**GALVESTON COUNTY, TEXAS**  
**STATEMENT OF REVENUES, EXPENSES, AND**  
**CHANGES IN FUND NET ASSETS**  
**PROPRIETARY FUNDS**  
**For the Year Ended September 30, 2009**

|   | <b>Governmental<br/>Activities - Internal<br/>Service Funds</b> |
|---|---|
| <b>OPERATING REVENUES</b>               |   |
| Charges for Services                    | \$ 10,521,576   |
| Insurance Recovery - County             | 10,035  |
| Reimbursements                          | 1,651,256   |
| Miscellaneous                           | 22,852  |
| <b>Total operating revenues</b>         | <b>12,205,719</b>   |
| <b>OPERATING EXPENSES</b>               |   |
| Personal Services                       | 205,161   |
| Contract Services                       | 2,047,759   |
| Insurance                               | 3,113,316   |
| Claims Paid                             | 10,125,627  |
| Supplies                                | 4,145   |
| <b>Total operating expenses</b>         | <b>15,496,008</b>   |
| <b>Operating income (loss)</b>          | <b>(3,290,289)</b>  |
| <b>NONOPERATING REVENUES (EXPENSES)</b> |   |
| Investment Earnings                     | 9,562   |
| <b>Income (loss) before transfers</b>   | <b>(3,280,727)</b>  |
| Transfers In                            | 3,513,600   |
| <b>Change in net assets</b>             | <b>232,873</b>  |
| <b>Total net assets-beginning</b>       | <b>6,356,067</b>  |
| <b>Total net assets-ending</b>          | <b>\$ 6,588,940</b>   |

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

**GALVESTON COUNTY, TEXAS  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
For the Year Ended September 30, 2009**

|   | <b>Governmental<br/>Activities - Internal<br/>Service Funds</b> |
|---|---|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>   |   |
| Receipts from Users   | \$ 10,600,917   |
| Payments to Suppliers   | (5,627,031)   |
| Payments to Employees   | (205,639)   |
| Payments for Claims   | (9,680,116)   |
| Other Operating Revenues  | 1,496,422   |
| <b>Net cash provided (used) by operating activities</b>   | <b>(3,415,447)</b>  |
| <b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>  |   |
| Transfers in  | 3,513,600   |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>   |   |
| Purchase of Investments   | (7,728,265)   |
| Matured Investments   | 7,620,550   |
| Investment Earnings   | 9,562   |
| <b>Net cash provided (used) by investing activities</b>   | <b>(98,153)</b>   |
| <b>Net increase (decrease) in cash and cash equivalents</b>   | <b>-</b>  |
| <b>Cash and Cash Equivalents October 1, 2008</b>  | <b>-</b>  |
| <b>Cash and Cash Equivalents September 30, 2009</b>   | <b>\$ -</b>   |
| <b>Reconciliation of operating income to net cash provided (used) by operating activities:</b>        |   |
| <b>Operating income (loss)</b>  | <b>\$ (3,290,289)</b>   |
| <b>Adjustments to reconcile operating income to net cash provided (used) by operating activities:</b> |   |
| (Increase) Decrease in Accounts Receivable  | (110,173)   |
| (Increase) Decrease in Prepaid Items  | (23,337)  |
| Increase (Decrease) in Accounts Payable   | 11,091  |
| Increase (Decrease) in Salaries Payable   | 5,198   |
| Increase (Decrease) in Due to Other Funds   | (9,730)   |
| Increase (Decrease) in Estimated Liability - Claims Payable   | 1,793   |
| <b>Total adjustments</b>  | <b>(125,158)</b>  |
| <b>Net cash provided (used) by operating activities</b>   | <b>\$ (3,415,447)</b>   |

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

**GALVESTON COUNTY, TEXAS**  
**STATEMENT OF FIDUCIARY NET ASSETS**  
**FIDUCIARY FUNDS**  
**September 30, 2009**

|  | <b>AGENCY<br/>FUNDS</b> |
|--|-------------------------|
| <b>ASSETS</b>  |                         |
| Investments  | \$ 18,404,858           |
| Receivables (Net of Allowances<br>for Uncollectibles): |                         |
| Accounts and Other                                     | 4,717                   |
| Restricted Assets:                                     |                         |
| Guardianship Assets                                    | 1,577,088               |
| <b>Total assets</b>                                    | <b>\$ 19,986,663</b>    |
| <b>LIABILITIES</b>                                     |                         |
| Accounts Payable                                       | \$ 12,123               |
| Due to Others  | 12,731,443              |
| Due to Other Entities                                  | 4,488,181               |
| Due to Other Funds                                     | 30,736                  |
| Deposits Held  | 1,147,092               |
| Deposits Held for Restricted Assets                    | 1,577,088               |
| <b>Total liabilities</b>                               | <b>\$ 19,986,663</b>    |

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

Galveston County, Texas  
Notes to the Financial Statements  
September 30, 2009

Page

|  |    |
|--|----|
| <b>I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES</b>                                 |    |
| A. Reporting Entity  |    |
| 1. Primary government .....  | 50 |
| 2. Component units.....  | 50 |
| B. Government-wide and Fund Financial Statements .....                               | 51 |
| C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation..... | 52 |
| D. Assets, Liabilities, and Net Assets or Equity                                     |    |
| 1. Deposits and investments .....  | 53 |
| 2. Receivables and payables .....  | 54 |
| 3. Inventories and prepaid items.....  | 54 |
| 4. Restricted assets .....   | 55 |
| 5. Capital assets .....  | 55 |
| 6. Compensated absences .....  | 55 |
| 7. Long-term obligations .....   | 55 |
| 8. Fund equity.....  | 56 |
| 9. Comparative data/reclassifications .....  | 57 |
| 10. Use of estimates.....  | 57 |
| 11. Indirect expense allocation .....  | 58 |
| 12. Restricted resources.....  | 58 |
| <b>II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY</b>                               |    |
| A. Budgetary Information .....   | 58 |
| B. Excess of Expenditures over Appropriations .....                                  | 59 |
| C. Deficit Fund Equity .....   | 59 |
| <b>III. DETAILED NOTES ON ALL FUNDS</b>  |    |
| A. Deposits and Investments.....   | 59 |
| B. Receivables .....   | 63 |
| C. Capital Assets.....   | 64 |
| D. Inter-fund Receivables, Payables, and Transfers .....                             | 66 |
| E. Leases.....   | 67 |
| F. Long-term Debt.....   | 69 |
| <b>IV. OTHER INFORMATION</b>   |    |
| A. Risk Management.....  | 72 |
| B. Defeasance of Debt .....  | 73 |
| C. Arbitrage Compliance .....  | 73 |
| D. Guardianship Programs .....   | 73 |
| E. Contingent Liabilities.....   | 74 |
| F. Deferred Compensation Plan .....  | 74 |
| G. Employee Retirement System and Pension Plan.....                                  | 75 |
| H. Other Post-employment Benefits .....  | 77 |
| I. Subsequent Events .....   | 79 |

## I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### A. Reporting Entity

#### 1. Primary government

Galveston County, Texas (the “county”), is a public corporation and political subdivision organized and existing under the constitution and laws of the State of Texas. It was established on May 15, 1838, by an article approved by the President of the Republic of Texas, Sam Houston. It is located on the upper Texas coast of the Gulf of Mexico and comprises a land area of 430 square miles. The county is governed by an elected Commissioners’ Court composed of the County Judge and four County Commissioners. It provides services related to public safety, sanitation, health and social services, culture and recreation, conservation, and the construction, improvement, maintenance, and acquisition of roads, bridges, and rights-of-way.

The county prepares its basic financial statements in conformity with generally accepted accounting principles of the United States promulgated by the Governmental Accounting Standards Board (“GASB”) and other authoritative sources identified in *Statement on Auditing Standards No. 69: The Meaning of “Present Fairly in Conformity with Generally Accepted Accounting Principles” in the Independent Auditor’s Report* of the American Institute of Certified Public Accountants.

#### 2. Component units

The accompanying financial statements present information for the government as well as its *component units*. A component unit is an organization which is legally separate from the primary government but which is subject to fiscal, and sometimes other, oversight by that government which is so significant that to exclude the component unit’s financial information from that of the primary government could mislead readers. Three specific tests are applied to determine whether a legally separate organization is a component unit of a government. These tests look at:

- the method of appointment of the organization’s governing board;
- the degree of the organization’s fiscal dependence upon the primary government; and
- the extent to which the exclusion of the organization’s data from that of the primary government could contribute to unclear financial reporting.

#### *Blended Component Units*

A component unit is called *blended* if its operations are so intertwined with those of the primary government that it functions, for all practical purposes, as an integral part of that primary government. No distinction is made between the data of the primary government and that of a blended component unit.

The county has determined that the Galveston County Road District #1 (“Road District #1”) qualifies for classification as a blended component unit and thus reports its financial data in the Road District #1 Special Revenue Fund. Road District #1 was created and defined under Article III, Section 52, of the Texas Constitution to construct, maintain, and operate macadamized, gravel, and paved roads and turnpikes. The Commissioners’ Court is the statutory governing body of Road District #1 and is authorized to act on its behalf to issue debt, set tax rates, and assess tolls. The county maintains all of the accounting records for Road District #1; separate financial statements are not issued.

### *Discretely Presented Component Units*

Alternatively, a component unit is labeled *discretely presented* when it operates with a greater degree of autonomy with relation to the primary government. The data of such a component unit is presented together with, but distinguishable from, the data of the primary government.

The Galveston County Health District (the “Health District”) qualifies for classification as a discretely presented component unit, and its financial data is reported in a single column in the government-wide financial statements. The structure and operation of the Health District is governed by the *Health and Safety Code*, Subtitle F, Chapter 121, “Local Public Health Reorganization Act.” The Health District was formed by contractual arrangement among the county and the cities within it. The contract provides for an administrative board, the Galveston County United Board of Health, which sets policy and associated operating budgets for the public-health, pollution-control, animal, and ambulance services that the Health District offers. The county partially subsidizes the cost of these services. The thirteen-member Galveston County Board of Health is nominated by the Commissioners’ Court and approved by a majority of the constituent entities of the Health District. Complete financial statements for the Health District may be obtained from its administrative office at 1207 Oak Street, La Marque, TX 77568.

### **B. Government-wide and Fund Financial Statements**

The *government-wide financial statements* (i.e., the Statement of Net Assets and the Statement of Activities) report information for all of the non-fiduciary activities of the primary government and for its discretely presented component unit. For the most part, the effect of inter-fund activity has been removed from these statements.

In the Statement of Net Assets, activities of the primary government are classified either as *governmental activities* or *business-type activities*. Governmental activities, which are normally supported by taxes and inter-governmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The county presently accounts for no business-type activities.

The Statement of Activities demonstrates the degree to which the *direct expenses* of a given function or segment are offset by *program revenues*. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include:

- charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and
- operating and capital grants and contributions that are restricted to use in meeting the operational or capital requirements of a particular function or segment.

Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for *Governmental Funds*, *Proprietary Funds*, and *Fiduciary Funds*, although the last are excluded from the government-wide financial statements. Major individual funds are reported as separate columns in the fund financial statements.

### **C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide, Proprietary Funds, and Fiduciary Funds financial statements are reported using the *economic resources measurement focus* (Agency Funds, one type of Fiduciary Fund, have no measurement focus) and the *accrual basis of accounting*. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Proprietary Funds distinguish *operating revenues and expenses* from *non-operating items*. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a Proprietary Fund's principal ongoing operations. The county's Proprietary Funds are its three Internal Service Funds; their operating revenues consist of charges to county employees and retirees for medical insurance, and reimbursements for claims from workers' compensation insurance. Operating expenses for these Internal Service Funds include the cost of services and administrative expenses.

Governmental Funds financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *measurable* if the transaction amounts can be determined and are considered to be *available* if they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this latter purpose, the government considers revenues to be available if they are collected within sixty days of the end of the fiscal period. Expenditures are generally recorded when a liability is incurred, as with accrual accounting. However, non-matured interest on general long-term debt, compensated absences, and claims and judgments are recorded when due.

Property and franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recorded as revenue of the period. Sales taxes collected and held by the state at year-end on behalf of the county are also recorded as revenue. Entitlements and shared revenue are recorded at the time of receipt or earlier if the accrual criteria are met. Operating grants are recorded as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met. All other revenue items are considered to be measurable and available only when cash is received by the government.

The government reports the following five major funds, all of which are Governmental Funds:

- The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government except those required to be accounted for in another fund. The principal sources of General Fund revenues are property taxes, charges for services, and fines and forfeitures. General Fund expenditures provide services with regard to public safety, sanitation, health and social services, culture and recreation, conservation, and capital outlay, in addition to funding general governmental administration.
- The Disaster Recovery VI - Ike Special Revenue Grant Fund was created in the fiscal year ended September 30, 2008, pursuant to a Presidential Disaster Declaration for Public and Individual Assistance awarded the county on September 10 of that year. The Federal Emergency Management Agency allocated grant funding for approved pre-disaster and disaster-recovery projects necessitated by Hurricane Ike, which made landfall on Galveston Island on September 13, 2008. Fund balance decreased by \$6.45 million in the fiscal year ended September 30, 2009. The decrease was due primarily to the usage of insurance proceeds and prepaid expenditures, accrued at the end of fiscal year 2008, for the remediation and reconstruction of county facilities.

- The Limited Tax County Building Bonds Series 2009B Capital Projects Fund was created in the fiscal year ended September 30, 2009, to account for the financial resources used to purchase, construct, reconstruct, improve and/or equip buildings or rooms for the housing of offices, courts, records or equipment, or for the conducting of other public business, and to pay for professional services rendered in connection with the aforementioned projects.
- The Pass-Through Toll Revenue and Limited Tax Bonds Series 2007 Capital Projects Fund was created in the fiscal year ended September 30, 2007, to account for the financial resources used to design, develop, finance, construct, extend, expand and improve a non-toll project or facility for Farm-to-Market Road 646, a part of the state highway system located in the county. Fund balance decreased by \$6.84 million in the fiscal year ended September 30, 2009, due to continuing construction costs of \$8.97 million, partially offset by a contractually required contribution from the state of \$1.09 million and investment earnings on unexpended funds of \$1.04 million.
- The Unlimited Tax Road Bonds Series 2009A Capital Projects Fund was created in the fiscal year ended September 30, 2009, to account for the financial resources used to establish, construct, extend, maintain or improve a seawall, breakwater, levee, floodway and/or drainway, and to pay for professional services rendered in connection with the aforementioned projects.

The government reports ninety-three other Governmental Funds as nonmajor funds in the *Special Revenue*, *Debt Service*, and *Capital Projects* fund types.

The government reports, as Proprietary Funds, three *Internal Service Funds*, which account for health, property, and workers'-compensation insurance provided for county employees and assets on a cost-reimbursement basis.

The government also reports, as Fiduciary Funds, ten *Agency Funds*. Agency Funds are custodial in nature and are used to account for assets that the county holds as agent for others. Agency Funds do not present results of operations. The county's ten Agency Funds, and the monies for which they account, are the following:

- Payroll – a clearing fund for the county's biweekly payroll expenses;
- Escrow – funds held in trust by the county or over which Commissioners' Court might exercise general oversight;
- Children's Protective Services – Social Security and child-support payments due to minors under the supervision of Children's Protective Services;
- Inmate Deposits – personal funds used by inmates while in jail and withdrawn upon release;
- Appellate Judicial System Fees – fees collected to defray the operating costs of the Fourteenth District Court of Appeals;
- District Clerk Trust – registry funds in the custody of the District Clerk until court order determines their disposition;
- County Clerk Trust – registry funds in the custody of the County Clerk until court order determines their disposition;
- Tax Assessor-Collector Undistributed Collections – tax receipts awaiting distribution to the various entities for which the county collects tax levies;
- Officers' Undistributed Fees – fees, fines, and court costs collected by county officers and held until distribution;
- Bond Escrow – money received from escrow agents of refunded bonds and paid to bondholders by the County Treasurer as paying agent.

## D. Assets, Liabilities, and Net Assets or Equity

### 1. Deposits and investments

The county's cash and cash equivalents are considered to comprise cash on hand, demand deposits, and short-term investments with original maturities of three months or less at the date of acquisition.

State statutes authorize the county to invest in United States Treasury, agency, and instrumentality obligations; certificates of deposit; repurchase agreements; brokers' acceptances; commercial paper; mutual funds; guaranteed investment contracts; and investment pools. Investments are stated at cost, amortized cost, or fair value.

In the fiscal year ended September 30, 2009, investment earnings of \$639,954 associated with other funds were reported as revenue in the General Fund.

Cash reported by the Health District consists of demand deposits held by financial institutions. These deposits are collateralized with securities held in the county's name. The Health District's investments were entirely invested in Texpool at year-end.

### 2. Receivables and payables

#### Intra-reporting-entity receivables/payables

Activity between funds, and between the primary government and its discretely presented component unit, that is representative of lending/borrowing arrangements and for which balances were outstanding at fiscal year-end are labeled either "due to/from other funds/primary government/component unit" (i.e., the current portion of intra-reporting-entity loans) or "advances to/from other funds/primary government/component unit" (i.e., the non-current portion of intra-reporting-entity loans). All other outstanding balances between funds, and between the primary government and its discretely presented component unit, are reported as "due to/from other funds/primary government/component unit."

#### Ad-valorem property-tax receivables

The county sets its tax rate and those of the Farm-to-Market Lateral Road and Flood Control operations. All ad-valorem property-tax receivables are shown net of allowances for estimated uncollectible accounts. The allowances are set at 2.7% and 6% of the current and delinquent receivables, respectively, outstanding at fiscal year-end. The allowance percentages for interest and penalties receivable depend upon the ages of the individual accounts and vary from 6% to 100%. Ad-valorem property-tax values are assessed at 100% of appraised market values as required by the state *Property Tax Code*. A summary of the timing of annual ad-valorem property-tax activity follows ("dd" indicates that the day of the month can vary; "y1" and "y2" refer to the earlier and later, respectively, of two consecutive calendar years):

|                     |  |
|---------------------|--|
| 01/01/y1            | – property values are assessed   |
| 07/25/y1            | – the certified tax roll is received from the Galveston County Central Appraisal District  |
| 08/dd/y1 - 09/dd/y1 | – tax rates are formally adopted   |
| 10/01/y1            | – taxes are levied, and tax bills are mailed as soon as practicable thereafter   |
| 01/01/y2            | – tax liens are placed on property to ensure eventual payment  |
| 02/01/y2            | – current taxes billed the prior October, if still unpaid, become delinquent, and penalties and interest begin to accrue   |
| 05/dd/y2            | – reminders of current-year unpaid taxes are mailed to property owners   |
| 08/01/y2            | – current taxes still unpaid are removed from the current tax roll and added to the cumulative amount of all prior years' unpaid taxes on the delinquent tax roll. |

### 3. Inventories and prepaid items

All inventories are valued at cost using the “first-in/first-out” method. Inventories of Governmental Funds are recorded as expenditures when consumed rather than when purchased.

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.

### 4. Restricted assets

The use of certain assets of the General Fund (\$306,709), and of the Child Welfare (\$1,337), Flood Control (\$2,217), and Emergency Management (\$32,191) Special Revenue Funds, is restricted by contract and by state law.

### 5. Capital assets

The county considers an asset to be a *capital asset* if it has an initial cost of at least \$5,000 and an *estimated useful life* that is longer than one year. Capital assets include land, construction in progress, buildings and improvements, improvements other than buildings, and machinery and equipment. Capital assets also include *infrastructure* – public-domain, long-lived, immovable assets such as roads, bridges, park trails, the Galveston seawall, dams, and levees. The county applies the same capitalization criteria to infrastructure that it applies to other assets.

Capital assets are reported in the government-wide financial statements. They are recorded:

- at historical cost or estimated historical cost, if purchased or constructed;
- at estimated fair market value at the donation date, if donated.

The cost of on-going construction is capitalized as work progresses. The costs of normal maintenance and repairs that do not add to asset values or materially extend asset lives are not capitalized. Interest expense incurred on borrowings during the construction of capital assets is not capitalized.

The depreciable capital assets of both the primary government and the Galveston County Health District, a discretely presented component unit, are *depreciated*, using the *straight-line method* and assuming no *salvage value*, over the following estimated useful lives.

|   | <u>Years</u> |                            | <u>Years</u> |
|---|--------------|----------------------------|--------------|
| Primary Government:   |              | Health District:           |              |
| Dams and levees   | 60           | Buildings and improvements | 15           |
| Bridges   | 50           | Equipment                  | 3 to 10      |
| Buildings and improvements  | 40           | Vehicles                   | 8            |
| Building components   | 10 to 40     |                            |              |
| Concrete and limestone streets; park trails and pathways; Galveston seawall | 30           |                            |              |
| Asphalt streets; improvements other than buildings                          | 20           |                            |              |
| General and heavy equipment   | 13           |                            |              |
| Portable buildings  | 10           |                            |              |
| Furniture and fixtures  | 7            |                            |              |
| Technological equipment; intangible assets                                  | 5            |                            |              |
| Vehicles  | 3 to 5       |                            |              |

### 6. Compensated absences

The county permits employees to accumulate earned but unused vacation and sick leave in amounts, and to limits, in accordance with policy adopted by the Commissioners’ Court. A liability for these amounts is accrued when incurred in the government-wide financial statements but is reported in Governmental Funds only if it has matured – for example, as a result of employee resignations and retirements.

### *Vacation Leave*

An employee accrues vacation leave beginning on the six-month anniversary of date of employment, at rates which differ with tenure, until, at twenty-five years of service, two hundred hours (five weeks) of vacation leave are awarded each year. An employee may accumulate up to 150% of the annual vacation accrual; any excess is forfeited at the next anniversary date. Half-time employees accrue vacation leave at one-half the rate of full-time employees. Upon termination, employees are paid for earned but unused vacation leave, presently up to a maximum of 300 hours, according to policy adopted by the Commissioners' Court.

### *Sick Leave*

An employee accrues sick leave beginning on the six-month anniversary of date of employment, at rates which differ according to tenure, to a maximum of 720 hours; any excess is forfeited at the next anniversary date. Half-time employees accrue vacation leave at one-half the rate of full-time employees. Employees are not paid for earned but unused sick leave at termination unless they qualify to retire, in which case they are paid for one-half of their accumulated balances, presently to a maximum of 360 hours, according to policy adopted by the Commissioners' Court.

At September 30, 2009 and 2008, the liabilities for compensated absences comprised the following:

|                               | <u>2009</u>         | <u>2008</u>         |
|-------------------------------|---------------------|---------------------|
| Earned, Unused Vacation Leave | \$ 3,457,732        | \$ 3,191,079        |
| Earned, Unused Sick Leave     | 859,673             | 781,196             |
| Total                         | <u>\$ 4,317,405</u> | <u>\$ 3,972,275</u> |

## **7. Long-term obligations**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Governmental Activities column in the Statement of Net Assets. Bond premiums, discounts, and issuance costs are deferred and amortized over the life of the bonds using the effective-interest method. Bonds payable are reported net of any applicable bond premium or discount.

In the Governmental Funds financial statements, bond premiums, discounts, and issuance costs are recognized in the current period. The face amount of debt issued and any related premiums are reported as other financing sources, while any related discounts are reported as other financing uses. Issuance costs, whether withheld from gross proceeds or separately disbursed, are reported as current-period expenditures.

## **8. Fund equity**

In the fund financial statements, Governmental Funds report *reservations* of fund balance for amounts that are not available for appropriation or are legally restricted by external parties for use for a specific purpose. *Designations* of fund balance represent management's tentative plans for the amounts, which are subject to change.

At September 30, 2009 and 2008, the county reported the following reservations and designations in its Governmental Funds:

|                      | <u>2009</u>          | <u>2008</u>          |                           | <u>2009</u>           | <u>2008</u>          |
|----------------------|----------------------|----------------------|---------------------------|-----------------------|----------------------|
| Reservations:        |                      |                      | Designations:             |                       |                      |
| Restricted Assets    | \$ 32,167            | \$ 36,858            | Special Lateral Roads (1) | \$ 384,785            | \$ 356,331           |
| Encumbrances         | 9,892,451            | 23,265,326           | Indigent Defense (2)      | 1,392,394             | 964,869              |
| Inventory            | 617,722              | 483,555              | Self-insurance (2)        | 1,500,000             | 1,500,000            |
| Prepaid Expenditures | 9,090                | 430,334              | Contingent Liability (2)  | 1,000,000             | 1,000,000            |
| Debt Service         | 15,380,976           | 11,869,183           | Disaster Protection (2)   | 2,500,000             | -                    |
| Bolivar Peninsula    |                      |                      | Capital Projects (3)      | 161,394,151           | 33,937,818           |
| User Fees            | 394,395              | 308,090              | Total Designations        | <u>\$ 168,171,330</u> | <u>\$ 37,759,018</u> |
| Total Reservations   | <u>\$ 26,326,801</u> | <u>\$ 36,393,346</u> |                           |                       |                      |

1) Farm-to-Market Lateral Road Special Revenue Fund

2) General Fund

3) Capital Projects Funds -

    County Capital Projects Fund: \$2,136,652

    County Road and Bridge Projects: \$103,104

    Road Bond Series 1987: \$881,369

    Unlimited Tax Road Bonds Series 2001: \$1,657,831

    Limited Tax Criminal Justice Center Bonds Series 2003A: \$61

    Unlimited Tax Road Bonds Series 2003B: \$6,774,320

    Combination Tax and Revenue Certificates of Obligation Series 2003C: \$1,269,524

    Pass-Through Toll Revenue and Limited Tax Bonds Series 2007: \$20,624,877

    Galveston County Certificates of Obligation Series 2008: \$4,125,757

    Unlimited Tax Road Bonds Series 2009A: \$70,458,050

    Limited Tax County Building Bonds Series 2009B: \$39,172,788

    Limited Tax Flood Control Bonds Series 2009C: \$14,189,818

## 9. Comparative data/reclassifications

Comparative amounts for the prior year have been presented in selected sections of the accompanying financial statements in order to provide an understanding of the changes in the financial position and operations of various funds. Certain amounts presented in the prior-year data have been reclassified in order to be consistent with the current year's presentation.

## 10. Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make assumptions which result in estimates that, at the date of those financial statements and during the reporting period then ended, affect:

- the reported amounts of assets and liabilities;
- the disclosures of contingent assets and liabilities; and
- the reported amounts of revenues and expenditures/expenses.

Actual results could differ from such estimates.

### **11. Indirect expense allocation**

Per county policy, indirect expenses are not allocated to the various functions in the government-wide Statement of Activities.

### **12. Restricted resources**

Per county policy, when both restricted and unrestricted resources are available to fund an expenditure/expense, the restricted resources are applied first.

## **II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

### **A. Budgetary Information**

For management control, annual budgets are adopted on a basis consistent with generally accepted accounting principles using the modified-accrual basis of accounting for certain Governmental Funds, including the General Fund, twenty-one Special Revenue Funds, and all of the Debt Service Funds.

Forty-five Special Revenue Funds, including all thirty-three of the county's grant funds, either do not issue budgets, or issue budgets that are not adopted through, and are not under the oversight of, Commissioners' Court.

The budgets of the District Attorney Check Collection Fees Fund, the District Attorney Contraband Post-10/89 Fund, and the Sheriff Seizures Post-10/89 Fund are "receive and file" court items only. The Elections Services Contract Fund, the Probate Court Contributions Fund and the Unclaimed Property Fund are under the jurisdictions of the County Clerk, the Probate Court Judge and the County Treasurer, respectively. The Law Enforcement Continued Education Fund and the Sheriff's Commissary Fund are governed by their own statutes; the county merely records and reports on their financial activity through its accounting system.

The twelve non-grant Special Revenue Funds not annually budgeted under Commissioners' Court oversight are the following:

|   |   |
|---|---|
| Adult Probation                                     | Probate Court Contributions                         |
| Criminal Investigative Division Seizures Post-10/89 | Sheriff Seizures Post-10/89                         |
| District Attorney Check Collection Fees             | Sheriff's Commissary                                |
| District Attorney Contraband Post-10/89             | Task Force Seizures Pre-10/89                       |
| Election Services Contract                          | Tax Assessor-Collector Special Inventory Tax Escrow |
| Law Enforcement Continued Education                 | Unclaimed Property                                  |

All of the Capital Projects Funds adopt project-length budgets.

Effective budgetary control of those funds that do not adopt an annual budget is achieved by the restrictions imposed by bond orders, grant and construction contracts, and statute.

County department heads submit annual budget requests to the County Budget Officer during the third quarter of the fiscal year. These budget requests may not exceed fund balances as of the first day of the fiscal year, nor exceed revenues as estimated by the County Auditor for the coming fiscal year. The County Budget Officer reviews the budget requests, meets with the department heads to discuss them, and then presents a proposed budget to the Commissioners' Court. A public hearing is held, at which time the Commissioners' Court may increase or decrease the proposed budget. The final budget is adopted by a majority vote of the Commissioners' Court at a regularly scheduled meeting. Once the budget is approved, an order is adopted to levy the taxes necessary to finance the majority of the budgeted expenditures.

Legal budgetary control (i.e., the degree of detail at which expenditures may not legally exceed appropriations) rests at the department level. Within the departmental budget, expenditures are presented by line items ("object codes") which are grouped into "major classes" such as Personal Services, Supplies, Other Services and Charges, Capital Outlay, and Debt Service.

In practice, budgetary control is even more strict than is required by the law because the county's computerized accounting system has been configured to monitor expenditures at the above-noted major-class (rather than departmental) level. The Commissioners' Court therefore must approve many intra-departmental budget transfers. As an example, if a department attempts to issue a purchase order against its Supplies major class in an amount which exceeds that major class's remaining budgeted funds, the accounting system will block the transaction, even though sufficient surplus might be present in another departmental major class. The department would request that the Commissioners' Court amend the budgets of two expenditure major classes, to transfer surplus from one in order to avoid a shortfall in the other.

Throughout the fiscal year, the Commissioners' Court may transfer existing surpluses to budgets of like kind and fund and, if deemed justified, may amend the adopted budget to provide for expenditures not therein included. Budget appropriations lapse at year-end.

*Encumbrance accounting* is employed in Governmental Funds. Encumbrances (e.g., purchase orders and contracts) outstanding at year-end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be re-appropriated and honored during the subsequent year.

#### **B. Excess of Expenditures over Appropriations**

For the year ended September 30, 2009, in the Sheriff's Commissary, Task Force Seizures Pre-10/89 and Emergency Management Special Revenue Funds, expenditures exceeded appropriations at the departmental level (the level of legal budgetary control) by \$87,133, \$441 and \$983, respectively.

#### **C. Deficit Fund Equity**

There are no fund-balance deficits at September 30, 2009.

### **III. DETAILED NOTES ON ALL FUNDS**

#### **A. Deposits and Investments**

##### *Policies and practices*

The Commissioners' Court is responsible for the selection of county depositories and safe-keeping custodians, and for the establishment of the county's investment policy, in accordance with state law.

The Commissioners' Court has designated Moody National Bank of Galveston the county's main depository. The county has appointed seven sub-depositaries: Amegy Bank, Bank of America, Chase Bank, Frost Bank, Prosperity Bank, Texas First Bank (its branches in Dickinson, Galveston, Hitchcock, Santa Fe, and Texas City), and Wells Fargo Bank. The county's depository contracts with these institutions ensure the protection of the county's deposits through the Federal Deposit Insurance Corporation (the "FDIC") and through qualified securities pledged by the institutions holding the deposits. The depository contracts are effective for the four-year period that began October 1, 2007, and expires September 30, 2011.

Pledged securities must meet the criteria of the county's depository contracts and applicable state law. As of September 30, 2009, custodians are the Federal Reserve Bank of Dallas, Texas, and Chase Securities, Inc., of Houston, Texas.

The depository is contractually required to maintain collateral of at least 110% of the amount of cash on deposit. Pledged securities must consist of

- direct obligations of the United States government, and/or
- direct obligations of a United States governmental agency or instrumentality, guaranteed by the full faith and credit of the United States government, except derivative securities.

#### *Deposits*

At September 30, 2009, the carrying value of the county's deposits totaled \$74,737,348 and the related balances per banks totaled \$69,570,220. The carrying value of the deposits of the Galveston County Health District discretely presented component unit totaled \$5,057,857 and the related balances per banks totaled \$4,901,850. The terms of the county's depository contract apply equally to the Health District, and the latter's deposits are therefore likewise secured by the insurance and/or pledged-securities collateral noted above.

Deposit custodial credit risk is the risk that, in the event of the financial failure of a depository, the county will not be able to recover deposits or collateral securities. The county would be exposed to this kind of risk if its deposits were not covered by depository insurance and were uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the county's name. The county's deposits at September 30, 2009, were secured by depository insurance or by collateral held by a third-party custodian in the county's name, and thus were not exposed to custodial credit risk.

#### *Investments*

The Commissioners' Court controls the county's investment portfolio in accordance with state statute and the county's formal investment policy. Applicable statute includes: *Texas Government Code*, Chapter 2256, "Public Funds Investment," Subchapter A, "Authorized Investments for Governmental Entities"; and *Texas Local Government Code*, Subchapter E, "Depository Accounts," Section 116.112, "Investment of Funds." The county's formal investment policy limits portfolio content to: United States Treasury bills, strips, and notes; United States government agency securities and instrumentalities; certificates of deposit at approved depository banks; repurchase agreements; money-market investment accounts; negotiable-order-of-withdrawal ("NOW") accounts; and local government investment pools.

Investments at September 30, 2009, consisted of: 1) certificates of deposit with original maturities of four months or greater at the date of acquisition; and 2) holdings in local government investment pools. The fair value of the county's investments totaled \$195,832,791.

Schedule of Deposits and Investments at September 30, 2009

|                                     | Fair Value     |
|-------------------------------------|----------------|
| Deposits:                           |                |
| Demand Deposits                     | \$ 74,737,348  |
| Investments:                        |                |
| Certificates of Deposit             | 48,597,493     |
| Local Government Investment Pools - |                |
| MBIA                                | 100,281        |
| Texpool                             | 13,532,808     |
| TexTerm                             | 133,602,209    |
| Total Investments                   | 195,832,791    |
| Total Deposits and Investments      | \$ 270,570,139 |

*Credit Risk*

State law and the county's investment policy limit investments in all categories to those most highly rated by nationally recognized statistical rating organizations. As of September 30, 2009, county investments had the following ratings:

| Investment                         | Rating |
|------------------------------------|--------|
| Local Government Investment Pools: |        |
| MBIA                               | AAAm   |
| Texpool                            | AAA    |
| TexTerm                            | AAAf   |

*Interest Rate Risk*

Interest rate risk is the risk that changes in interest rates may adversely affect the value of investments. The county's investment policy limits the maturities of investments and encourages the holding of investments to maturity. In accordance with its investment policy, the county reduces its exposure to declines in fair value via the weighted-average maturities of its operating funds' investment portfolio. Unless matched to a specific cash flow or specifically authorized by the Commissioners' Court, the county will not directly invest in securities maturing more than thirty-six months from the date of purchase.

The county recognizes that investment risk can result from changes in interest rates, leading to changes in the fair values of the underlying instruments. Investment officers are expected to display prudence, discretion, and intelligence in the selection of securities to minimize such risk. County investments are selected so as to ensure the preservation of capital in the overall portfolio.

At September 30, 2009, county exposure to interest-rate risk as measured by portfolio weighted average to maturity is as summarized below:

| Investment Type                        | Fair Value     | Weighted Average<br>to Maturity in Days<br>("WAM") |
|--|----------------|--|
| Certificates of Deposit                | \$ 48,597,493  | 154.15   |
| Local Government Investment Pools:     |                |  |
| MBIA                                   | 100,281        | 40.00  |
| Texpool                                | 13,532,808     | 41.00  |
| TexTerm                                | 133,602,209    | 57.00  |
|  | \$ 195,832,791 |  |
| Portfolio Weighted Average to Maturity |                | 79.99  |

*Concentration of Credit Risk*

The county's investment policy requires the investment portfolio to be diversified with regard to investment instruments, maturities, and financial institutions to reduce the risk of loss resulting from the over-concentration of assets in a specific class of investments, specific maturities, or specific issuers. However, the county does not limit the amounts it may place in the investments of any one issuer.

At September 30, 2009, the composition of the county's investment portfolio was as follows:

| Investment Type                     | Fair Value     | Percentage of<br>Total Portfolio |
|-------------------------------------|----------------|----------------------------------|
| Certificates of Deposit             | \$ 48,597,493  | 24.82%                           |
| Local Government Investment Pools - |                |                                  |
| MBIA                                | 100,281        | 0.05%                            |
| Texpool                             | 13,532,808     | 6.91%                            |
| TexTerm                             | 133,602,209    | 68.22%                           |
| Total Investments                   | \$ 195,832,791 |                                  |

MBIA and TexTerm are registered with the Securities and Exchange Commission, while the Texas State Comptroller of Public Accounts oversees Texpool. The fair value of the county's position in Texpool is the same as the value of its pool shares.

At September 30, 2009, Galveston County's discretely presented component unit had 100% of its investment holdings in Texpool, totaling \$91,070.

## B. Receivables

At September 30, 2009, receivables and related allowances for uncollectible accounts of the government's individual major funds, and of its nonmajor Governmental Funds and Internal Service and Fiduciary Funds in their aggregates, are as follows (with summary comparative amounts at September 30, 2008):

|                                       | General<br>Fund | Disaster<br>Recovery VI -<br>Ike | Nonmajor<br>Governmental<br>Funds | Internal<br>Service<br>and<br>Fiduciary<br>Funds | Total<br>2009 | Total<br>2008 |
|---------------------------------------|-----------------|----------------------------------|-----------------------------------|--|---------------|---------------|
| Gross Receivables:                    |                 |                                  |                                   |  |               |               |
| Taxes                                 | \$ 11,397,723   | \$ -                             | \$ 2,726,265                      | \$ -   | \$ 14,123,988 | \$ 16,863,657 |
| Accounts and Other                    | 2,552,092       | 29,489,221                       | 2,771,207                         | 248,893  | 35,061,413    | 21,079,269    |
| Total Gross Receivables               | 13,949,815      | 29,489,221                       | 5,497,472                         | 248,893  | 49,185,401    | 37,942,926    |
| Less: Allowance for<br>Uncollectibles | (1,042,307)     | -                                | (304,629)                         | -  | (1,346,936)   | (1,079,201)   |
| Total Net Receivables                 | \$ 12,907,508   | \$ 29,489,221                    | \$ 5,192,843                      | \$ 248,893                                       | \$ 47,838,465 | \$ 36,863,725 |

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. At September 30, 2009, the various components of deferred revenue reported in the Governmental Funds were as follows (with summary comparative amounts at September 30, 2008):

|                                      | General<br>Fund | Unlimited<br>Tax Road<br>Bonds<br>Series 2009 | Special<br>Revenue<br>Funds | Debt<br>Service<br>Funds | Total<br>2009 | Total<br>2008 |
|--------------------------------------|-----------------|---|-----------------------------|--------------------------|---------------|---------------|
| Delinquent Property Taxes Receivable | \$ 10,355,416   | \$ -  | \$ 699,922                  | \$ 1,721,717             | \$ 12,777,055 | \$ 15,784,456 |
| Grants                               | -               | -   | 2,183,546                   | -                        | 2,183,546     | 1,490,452     |
| Other                                | -               | 100,000                                       | 2,696                       | -                        | 102,696       | 2,696         |
| Total Deferred Revenue               | \$ 10,355,416   | \$ 100,000                                    | \$ 2,886,164                | \$ 1,721,717             | \$ 15,063,297 | \$ 17,277,604 |

### C. Capital Assets

#### Primary government

Capital-asset activity for the year ended September 30, 2009, which related solely to governmental activities, was as follows:

| <u>Primary Government</u>                   | Beginning<br>Balance,<br>10/1/2008 | Additions             | Deletions           | Ending<br>Balance,<br>9/30/2009 |
|---|------------------------------------|-----------------------|---------------------|---------------------------------|
| Governmental Activities -                   |                                    |                       |                     |                                 |
| Capital Assets Not Being Depreciated:       |                                    |                       |                     |                                 |
| Land  | \$ 27,801,846                      | \$ 20,421             | \$ -                | \$ 27,822,267                   |
| Construction in Progress                    | 1,275,327                          | 2,331,442             | (57,875)            | 3,548,894                       |
| Total Capital Assets Not Being Depreciated  | <u>29,077,173</u>                  | <u>2,351,863</u>      | <u>(57,875)</u>     | <u>31,371,161</u>               |
| Capital Assets Being Depreciated:           |                                    |                       |                     |                                 |
| Buildings and Improvements                  | 186,448,648                        | 3,101,992             | (1,279,628)         | 188,271,012                     |
| Improvements Other Than Buildings           | 1,174,926                          | 146,328               | -                   | 1,321,254                       |
| Machinery and Equipment                     | 32,389,021                         | 2,380,534             | (2,267,011)         | 32,502,544                      |
| Infrastructure                              | 141,467,018                        | 25,086                | -                   | 141,492,104                     |
| Total Capital Assets Being Depreciated      | <u>361,479,613</u>                 | <u>5,653,940</u>      | <u>(3,546,639)</u>  | <u>363,586,914</u>              |
| Less Accumulated Depreciation for:          |                                    |                       |                     |                                 |
| Buildings and Improvements                  | (42,122,517)                       | (8,176,689)           | 777,327             | (49,521,879)                    |
| Improvements Other Than Buildings           | (471,143)                          | (46,450)              | -                   | (517,593)                       |
| Machinery and Equipment                     | (18,846,159)                       | (3,149,672)           | 2,067,538           | (19,928,293)                    |
| Infrastructure                              | (73,635,639)                       | (3,188,872)           | -                   | (76,824,511)                    |
| Total Accumulated Depreciation              | <u>(135,075,458)</u>               | <u>(14,561,683)</u>   | <u>2,844,865</u>    | <u>(146,792,276)</u>            |
| Total Capital Assets Being Depreciated, Net | <u>226,404,155</u>                 | <u>(8,907,743)</u>    | <u>(701,774)</u>    | <u>216,794,638</u>              |
| Governmental Activities Capital Assets, Net | <u>\$ 255,481,328</u>              | <u>\$ (6,555,880)</u> | <u>\$ (759,649)</u> | <u>\$ 248,165,799</u>           |

Depreciation expense for the primary government for the year ended September 30, 2009, which related solely to governmental activities, was charged to functions/programs as follows:

|                                   | <u>2009</u>          | <u>2008</u>          |
|-----------------------------------|----------------------|----------------------|
| General Government                | \$ 5,421,522         | \$ 5,516,191         |
| Public Safety                     | 6,144,090            | 6,050,962            |
| Health and Social Services        | 155,161              | 172,185              |
| Culture and Recreation            | 653,424              | 649,278              |
| Conservation                      | 11,156               | 10,543               |
| Roads, Bridges, and Rights-of-way | 2,176,330            | 2,187,310            |
| Total Depreciation Expense        | <u>\$ 14,561,683</u> | <u>\$ 14,586,469</u> |

Capital projects of the primary government in progress at September 30, 2009, included park improvements and the tide-control project. At that date, construction commitments with contractors comprised the following:

| <u>Project</u>                       | Amount       |               | Remaining<br>Commitment |
|--------------------------------------|--------------|---------------|-------------------------|
|                                      | Authorized   | Spent to Date |                         |
| Galveston EMS/Fire Station           | \$ 2,269,908 | \$ 371,313    | \$ 1,898,595            |
| North County Jail Renovations        | 225,000      | 153,134       | 71,866                  |
| Animal Resource Center               | 397,800      | 10,037        | 387,763                 |
| Washington Park Boat Ramp            | 425,057      | 176,790       | 248,267                 |
| Texas City Pump Station Improvements | 1,058,418    | 859,532       | 198,886                 |
| La Marque Pump Station Improvements  | 192,744      | 172,698       | 20,046                  |
| Jack Brooks Park Equestrian Trail    | 11,754       | 11,754        | -                       |
| Moses Lake Tide Control Project      | 1,794,272    | 1,793,636     | 636                     |
| Total                                | \$ 6,374,953 | \$ 3,548,894  | \$ 2,826,059            |

The Washington Park Boat Ramp, Moses Lake Tide Control, Texas City Pump Station Improvements and La Marque Pump Station Improvements projects are financed both with county operating and grant funds. The Galveston EMS/Fire Station, North County Jail Renovations and Animal Resource Center projects are funded by long-term borrowings. The Jack Brooks Park Equestrian Trail is solely grant-funded.

*Component unit*

Capital-asset activity for the Galveston County Health District for the year ended September 30, 2009, follows.

| <u>Galveston County Health District</u> | Beginning             |            |           | Ending                |
|---|-----------------------|------------|-----------|-----------------------|
|   | Balance,<br>10/1/2008 | Additions  | Deletions | Balance,<br>9/30/2009 |
| Capital Assets Being Depreciated:       |                       |            |           |                       |
| Buildings and Improvements              | \$ 136,965            | \$ 193,525 | \$ -      | \$ 330,490            |
| Furniture and Equipment                 | 1,413,979             | 156,972    | (58,576)  | 1,512,375             |
| Vehicles                                | 1,678,493             | 410,125    | (262,072) | 1,826,546             |
| Total Capital Assets Being Depreciated  | 3,229,437             | 760,622    | (320,648) | 3,669,411             |
| Less Accumulated Depreciation for:      |                       |            |           |                       |
| Buildings and Improvements              | (60,612)              | (17,312)   | -         | (77,924)              |
| Furniture and Equipment                 | (652,051)             | (169,131)  | 58,576    | (762,606)             |
| Vehicles                                | (799,481)             | (267,190)  | 262,072   | (804,599)             |
| Total Accumulated Depreciation          | (1,512,144)           | (453,633)  | 320,648   | (1,645,129)           |
| Total Capital Assets, Net               | \$ 1,717,293          | \$ 306,989 | \$ -      | \$ 2,024,282          |

**D. Inter-fund Receivables, Payables, and Transfers**

Amounts due to/from funds of the county at September 30, 2009, are as follows (with summary comparative amounts at September 30, 2008):

| <u>Payable Reported by:</u> | <u>Receivable Reported by:</u> |  |   | <u>Total</u><br><u>2009</u> | <u>Total</u><br><u>2008</u> |
|-----------------------------|--------------------------------|--|---|-----------------------------|-----------------------------|
|                             | <u>General Fund</u>            | <u>Nonmajor</u><br><u>Governmental Funds</u> | <u>Internal</u><br><u>Service</u><br><u>Funds</u> |                             |                             |
| General Fund                | \$ -                           | \$ 5,144,401                                 | 1,295,563   | \$ 6,439,964                | \$ 130,455                  |
| Disaster Recovery VI - Ike  | 14,371,297                     | 4,788  | 48,362  | 14,424,447                  | -                           |
| Nonmajor Governmental Funds | 1,979,841                      | 18,354                                       | 49,723  | 2,047,918                   | 1,324,677                   |
| Internal Service Funds      | -                              | -  | -   | -                           | 9,731                       |
| Agency Funds                | 30,736                         | -  | -   | 30,736                      | 30,736                      |
| Total                       | <u>\$ 16,381,874</u>           | <u>\$ 5,167,543</u>                          | <u>\$ 1,393,648</u>                               | <u>\$ 22,943,065</u>        | <u>\$ 1,495,599</u>         |

In the fund financial statements, inter-fund balances result from normal inter-fund transactions and will be liquidated in the subsequent fiscal year. Balances between individual Governmental Funds and between Governmental Funds and Internal Service Funds are eliminated in the government-wide financial statements. The amounts payable to the General Fund are the result of year-end negative cash balances in county grant funds and unredeemed bond coupons in an agency fund.

Transfers among the Governmental and Internal Service Funds for the year ended September 30, 2009, are as follows (with summary comparative amounts for the year ended September 30, 2008):

| <u>Transfers Out</u>        | <u>Transfers In</u>           |   |  |   | <u>Total</u><br><u>2009</u> | <u>Total</u><br><u>2008</u> |
|-----------------------------|-------------------------------|---|--|---|-----------------------------|-----------------------------|
|                             | <u>General</u><br><u>Fund</u> | <u>Disaster</u><br><u>Recovery VI -</u><br><u>Ike</u> | <u>Nonmajor</u><br><u>Governmental</u><br><u>Funds</u> | <u>Internal</u><br><u>Service</u><br><u>Funds</u> |                             |                             |
| General Fund                | \$ -                          | \$ 5,000,000  | \$ 18,041,125  | \$ 2,315,000                                      | \$ 25,356,125               | \$ 13,392,834               |
| Disaster Recovery - Ike     | 3,550,000                     | -   | -  | -   | 3,550,000                   | -                           |
| Nonmajor Governmental Funds | 4,431,300                     | -   | 911,401  | 1,198,600   | 6,541,301                   | 8,177,762                   |
| Total Transfers Out         | <u>\$ 7,981,300</u>           | <u>\$ 5,000,000</u>                                   | <u>\$ 18,952,526</u>                                   | <u>\$ 3,513,600</u>                               | <u>\$ 35,447,426</u>        | <u>\$ 21,570,596</u>        |

Transfers are used: 1) to partially fund Internal Service and Special Revenue Funds' operations, and 2) to finance activity for which the government must account in specific funds, in accordance with budgetary authorization – for example, subsidies, grant matches, and funding of state-mandated programs.

**E. Leases**

*Operating Leases*

Primary Government:

The county is engaged in an operating lease of photocopy machines under a non-cancelable, five-year contract which began during the fiscal year ended September 30, 2007. Several amendments to this agreement have resulted in a change from the original lease cost of \$71,439 per month to the current average lease cost of \$67,057 per month. The lease cost for the year ended September 30, 2009, was \$795,942. The future minimum payments for this lease are as follows:

| <u>Year Ending</u><br><u>September 30,</u> | <u>Amount</u>       |
|--|---------------------|
| 2010                                       | \$ 804,689          |
| 2011                                       | 804,689             |
| 2012                                       | 603,513             |
| Total                                      | <u>\$ 2,212,891</u> |

Component Unit:

The Galveston County Health District discretely presented component unit is engaged in the following operating leases:

*With Mainland Children’s Partnership, Inc. -*

- for the Texas City 4C’s medical and dental clinic – five-year lease commenced September 1, 2006, with an option to renew for an additional ten years; minimum lease payments total \$26,561 per month;
- for the Women’s, Infants’, and Children’s (“WIC”) Program – one-year lease commenced on September 1, 2009, and will terminate on August 31, 2010; minimum lease payments total \$3,150 per month.

*With the Galveston Housing Authority -*

- for the Island Community Center – month-to-month lease commenced on December 1, 2008; minimum lease payments total \$11,475 per month;
- for the Island Community Center – five-year lease commenced August 1, 2006; minimum lease payments total \$14,161 per month;
- for the Island Community Center – five-year lease commenced April 1, 2007; minimum lease payments total \$1,882 per month.

*With the EETCO Texas General Partnership -*

- for space in Dickinson, Texas, for the WIC Program – five-year lease commenced March 1, 2004; minimum lease payments total \$3,006 per month.

*With Dixie Partners –*

- for space for the Immunization and the WIC Programs – ten-year lease commenced April 23, 2009; minimum lease payments total \$5,500 per month.

In total, the Galveston County Health District incurred lease expenditures of \$752,917 and \$748,380 during the years ended September 30, 2009 and 2008, respectively. Future minimum lease payments for the next four years are as follows:

| <u>Year Ending</u><br><u>September 30,</u> | <u>Amount</u>       |
|--|---------------------|
| 2010                                       | \$ 763,644          |
| 2011                                       | 682,637             |
| 2012                                       | 392,036             |
| 2013                                       | 380,745             |
| Total                                      | <u>\$ 2,219,062</u> |

## F. Long-term Debt

### General-obligation debt Primary Government

#### Note Payable -

On September 28, 2009, the county issued an uncollateralized note payable to the U.S. Department of Homeland Security under its Community Disaster Loan program. The note bears interest at 2.875% per annum and matures on June 18, 2014. Neither principal nor interest payments are required until maturity. The terms of the loan provide that if the recipient jurisdiction has not recovered sufficiently to meet its operating budget after three full fiscal years, repayment of all or part of the loan may be cancelled. The note balance at September 30, 2009, was \$5,000,000, the full amount of the borrowing. Annual debt-service requirements to maturity are as follows:

| <u>Year Ending</u><br><u>September 30,</u> | <u>Maturities on</u><br><u>Note Payable</u> |
|--|---|
| 2009                                       | \$ -  |
| 2010                                       | -   |
| 2011                                       | -   |
| 2012                                       | -   |
| 2013                                       | -   |
| 2014                                       | 5,678,185                                   |
| Total                                      | <u>\$ 5,678,185</u>                         |

#### Bonded Debt -

The county issues bonded debt:

- to provide funds for the acquisition and/or construction of capital facilities, and
- to refund existing debt at more favorable interest rates and/or to improve cash flow.

The debt is a direct obligation, and pledges the full faith and credit, of the county. It consists of:

- general-obligation bonds issued upon voter approval at open election, and
- certificates of obligation issued upon approval of the Commissioners' Court, as allowed by the *Certificate of Obligations Act*.

Generally, debt-service payments on bonded debt are funded primarily by ad-valorem tax revenues. Per requirements of its bond indentures, the county both calculates separate tax levies, and accumulates debt-service resources into individual funds, that are specific to each outstanding bond issue. The bond indentures prescribe various other restrictions related to general-obligation debt with which the county believes that it is in compliance.

An exception to the norm of servicing debt primarily through ad-valorem tax revenues will occur with the Pass-Through Toll Revenue and Limited Tax Bonds Series 2007. These bonds were issued in August, 2007, to fund the expansion and improvement of Farm-to-Market Road 646, a segment of the state highway system located in the county. Upon the completion of the project (estimated to last several years), the state will fund at least a portion of the county's debt service payments per criteria based upon road usage. The county issued bonds, in addition to those required to fund construction, sufficient to fund debt service until project completion and the subsequent start of the receipt of state subsidies.

The amount of general-obligation bonds issued in prior years is \$401,498,939. During the fiscal year

ended September 30, 2009, the county issued \$135,000,000 of new bonds, comprising \$75,000,000 of Unlimited Tax Road Bonds Series 2009A, \$45,000,000 of Limited Tax County Building Bonds Series 2009B, \$5,785,000 of Limited Tax Flood Control Bonds Series 2009C-1 and \$9,215,000 of Limited Tax Flood Control Build America Bonds Series 2009C-2.

The principal of general-obligation bonded debt currently outstanding is as follows:

| Purpose                             | Interest Rates | Total                 | Amount of Total That Is: |                       |
|-------------------------------------|----------------|-----------------------|--------------------------|-----------------------|
|                                     |                |                       | Capital-Related          | Non-Capital Related   |
| Governmental Activities             | 1.248-6.205 %  | \$ 246,263,434        | \$ 86,992,062            | \$ 159,271,372        |
| Governmental Activities - Refunding | 3.375-5.5 %    | 118,054,988           | 108,415,000              | 9,639,988             |
|                                     |                | <u>\$ 364,318,422</u> | <u>\$ 195,407,062</u>    | <u>\$ 168,911,360</u> |

Annual debt-service requirements to maturity for general-obligation bonds, all for governmental activities, and including accretion to maturity on capital-appreciation bonds, are as follows:

| Year Ending<br>September 30, | Principal             | Interest              |
|------------------------------|-----------------------|-----------------------|
| 2010                         | \$ 10,410,000         | \$ 14,717,342         |
| 2011                         | 15,620,000            | 14,815,671            |
| 2012                         | 16,539,988            | 15,029,259            |
| 2013                         | 17,820,000            | 13,679,662            |
| 2014                         | 17,060,000            | 13,001,519            |
| 2015                         | 17,770,000            | 12,263,964            |
| 2016                         | 18,580,000            | 11,455,797            |
| 2017                         | 15,462,138            | 14,653,527            |
| 2018                         | 15,732,087            | 14,336,625            |
| 2019                         | 16,070,488            | 13,971,483            |
| 2020                         | 16,584,273            | 13,563,086            |
| 2021                         | 17,065,965            | 13,066,975            |
| 2022                         | 17,591,822            | 12,514,182            |
| 2023                         | 18,201,620            | 11,908,421            |
| 2024                         | 18,855,406            | 11,235,614            |
| 2025                         | 19,565,544            | 10,508,123            |
| 2026                         | 20,349,091            | 9,717,013             |
| 2027                         | 26,990,000            | 3,015,437             |
| 2028                         | 28,275,000            | 1,739,458             |
| 2029                         | 14,450,000            | 669,290               |
| 2030                         | 2,600,000             | 191,187               |
| 2031                         | 2,725,000             | 64,719                |
| Total                        | <u>\$ 364,318,422</u> | <u>\$ 226,118,354</u> |

Component Unit

Notes Payable -

The Galveston County Health District's balances of notes payable to banks at September 30, 2009, comprised the following:

- Note payable, collateralized by equipment, payable in monthly installments of \$6,155, bearing interest at 5.8% per annum, maturing in November, 2009, balance \$17,625.
- Note payable, collateralized by ambulances, payable in monthly installments of \$5,263, bearing interest at 5.0% per annum, maturing in October, 2010, balance \$66,421.
- Note payable, collateralized by equipment, payable in monthly installments of \$1,997, bearing interest at 6.25% per annum, maturing in July, 2011, balance \$41,005.

Annual debt-service requirements to maturity are as follows:

| <u>Year Ending</u><br><u>September 30,</u> | <u>Maturities on</u><br><u>Notes Payable</u> |
|--|--|
| 2010                                       | \$ 105,643                                   |
| 2011                                       | 19,408                                       |
|  | <u>\$ 125,051</u>                            |

*Changes in Long-term Liabilities*

Long-term liability activity for the year ended September 30, 2009, was as follows:

|                               | <u>Beginning</u><br><u>Balance,</u><br><u>10/1/2008</u> | <u>Additions</u>     | <u>Reductions</u>   | <u>Ending</u><br><u>Balance,</u><br><u>9/30/2009</u> | <u>Due Within</u><br><u>One Year</u> |
|-------------------------------|---|----------------------|---------------------|--|--------------------------------------|
| <u>Primary Government</u>     |   |                      |                     |  |                                      |
| Note Payable:                 |   |                      |                     |  |                                      |
| Community Disaster Loan       | \$ -  | \$ 5,000,000         | \$ -                | 5,000,000  | \$ -                                 |
| Bonds Payable:                |   |                      |                     |  |                                      |
| General Obligation Bonds      | 239,003,422   | 135,000,000          | 9,685,000           | 364,318,422  | 10,410,000                           |
| Accumulated Accretion         | 11,987,275  | 2,081,917            |                     | 14,069,192   | -                                    |
| Plus Deferred Amounts:        |   |                      |                     |  |                                      |
| Loss on Refundings            | (5,074,135)   |                      | 625,463             | (4,448,672)  | -                                    |
| Issuance Premiums (Discounts) | (2,416,724)   | 75,781               | 142,521             | (2,483,464)  | -                                    |
| Total Bonds Payable           | <u>243,499,838</u>                                      | <u>137,157,698</u>   | <u>10,452,984</u>   | <u>371,455,478</u>                                   | <u>10,410,000</u>                    |
| Compensated Absences          | 3,972,275   | 793,845              | 448,715             | 4,317,405  | 665,540                              |
| Net OPEB Obligation           | -   | 9,009,674            | 1,839,029           | 7,170,645  | -                                    |
| Governmental Activity         |   |                      |                     |  |                                      |
| Total Long-term Liabilities   | <u>\$247,472,113</u>                                    | <u>\$151,961,217</u> | <u>\$12,740,728</u> | <u>\$387,943,528</u>                                 | <u>\$11,075,540</u>                  |
| <u>Component Unit</u>         |   |                      |                     |  |                                      |
| Notes Payable                 | \$ 255,550  | \$ 119,960           | \$ 250,459          | \$ 125,051   | \$ 105,643                           |
| Compensated Absences          | 475,524   | 74,827               | -                   | 550,351  | 50,000                               |
| Total Long-term Liabilities   | <u>\$ 731,074</u>                                       | <u>\$ 194,787</u>    | <u>\$ 250,459</u>   | <u>\$ 675,402</u>                                    | <u>\$ 155,643</u>                    |

A compensated-absences payable of \$9,439 is reflected as a current liability in the Governmental Funds Balance Sheet. The payment was due and payable by September 30, 2009. Liabilities for compensated absences are generally liquidated by the funds that bear the related employees' payroll costs prior to their termination, and by the General Fund if and to the extent that those funds lack sufficient monies.

#### **IV. OTHER INFORMATION**

##### **A. Risk Management**

The government is exposed to various risks of loss related to: errors, omissions, and torts; employee injuries; theft of, damage to, and destruction of assets; and natural disasters. The county Risk Manager is responsible for identifying, evaluating, and managing risk in order to minimize liability exposure and accidental damage to, and loss of, human resources and property. The county self-insures for group-health, workers'-compensation, and vehicular-damage claims, and it purchases commercial policies with a \$50,000 deductible for other casualty and liability insurance. In the past three years, the county has not significantly reduced insurance protection, and claim settlements have not exceeded coverage.

The county's Group Insurance, Workers' Compensation, and Self-Insurance Reserve Internal Service Funds account for the provision of services to the county and its employees for health, workers'-compensation, and casualty and liability (including crime, fidelity, professional-liability, and property) insurance benefits. Various county departments participate in these funds' expenses based upon estimates of amounts needed to pay prior- and current-years' claims. The claims liabilities in the Group Insurance and Workers' Compensation Funds at September 30, 2009, are reported in compliance with *GASB Statement 10: Accounting and Financial Reporting for Risk Financing and Related Insurance Issues* ("GASB 10"). *GASB 10* requires that an entity report a liability for claims of which it becomes aware after the date of the financial statements but before the date of issuance of those financial statements if it is probable that such liability had been incurred by the earlier date and the amount can be reasonably estimated.

The county's self-insurance coverage for employee health claims is limited to \$150,000 per employee and covered dependent, to a maximum of \$10,586,787 in aggregate claims. A stop-loss policy with American Stop-Loss Insurance pays claims in excess of the individual \$150,000 limit to a maximum of \$1,000,000 in aggregate claims.

The county's self-insurance coverage for workers' compensation claims provides medical and indemnification benefits for job-related injuries as is required by law. Excess claims are covered by a policy with Safety National Casualty Corporation. The retention (i.e., deductible) is \$300,000 per occurrence (\$600,000 for maritime incidents), in excess of which the policy covers amounts up to \$1,000,000. The aggregate retention for all occurrences is \$2,348,594, in excess of which the policy covers amounts up to \$2,000,000.

The *GASB 10* estimate of liability is based on industry experience, and on actuarial estimates of claims incurred but not reported (“IBNR”). Liability activity during the past two fiscal years is as follows:

|   | Year Ended<br><u>09/30/2009</u> | Year Ended<br><u>09/30/2008</u> |
|---|---------------------------------|---------------------------------|
| Unpaid Claims, Beginning of Fiscal Year | \$ 2,749,500                    | \$ 2,749,500                    |
| Incurred (Including IBNR) Claims        | 10,125,627                      | 9,359,238                       |
| Claim Payments                          | <u>(10,125,627)</u>             | <u>(9,359,238)</u>              |
| Unpaid Claims, End of Fiscal Year       | <u><u>\$ 2,749,500</u></u>      | <u><u>\$ 2,749,500</u></u>      |

### **B. Defeasance of Debt**

The county sometimes issues refunding debt to defease outstanding debt in order to take advantage of more favorable interest rates, to improve cash flow, etc. Proceeds of the new debt issuances sufficient to provide for all future debt-service payments for the defeased debt are placed into irrevocable trusts. In accordance with generally accepted accounting principles, neither the assets in trust nor the liability for the defeased debt are included in the county's financial statements. On September 30, 2009, \$96.085 million of bonds outstanding are considered defeased. In the aggregate, these refundings have resulted in an economic gain of \$3,350,840.

### **C. Arbitrage Compliance**

Per Section 148 of the *Internal Revenue Code of 1986* as amended (the “*Code*”), the county must meet certain criteria with regard to interest earnings on its proceeds from long-term debt issuances if it wishes the interest income paid on those obligations to be considered tax-exempt for the debt holders. Related United States Treasury regulations promulgated under that same *Code* section generally provide that the initial determination of the taxable or tax-exempt status of an obligation is made as of the date such obligation is issued, based on reasonable expectations regarding the use of the resulting proceeds.

Long-term debt that does not initially meet, and continue to meet, the minimum criteria of Section 148 of the *Code* and the related Treasury regulations, and particularly the requirement to rebate certain *arbitrage profits* to the federal government, is considered “arbitrage bonds” and forfeits its tax-exempt status. The county’s obligation to calculate and, if necessary, make rebate payments continues as long as proceeds of debt remain unexpended.

Arbitrage profits result when the interest rate earned on invested debt proceeds is materially greater than that paid to holders of that debt, as calculated beginning on the third anniversary of the debt’s issuance. Accordingly, any proceeds unexpended more than three years after debt issuance are subject to yield restriction. A yield restriction may be satisfied by making yield-reduction payments pursuant to Treasury Regulation Section 1.148-5(c).

The county presently:

- has unexpended proceeds from certain debt issues, the yield of which is restricted;
- is in compliance with such restrictions; and therefore
- does not anticipate associated non-compliance issues.

The county continues to exercise reasonable diligence to apply any remaining unexpended debt proceeds to qualifying projects and to retire related debt issues still outstanding. The county contracts with Arbitrage Compliance Specialists of Englewood, Colorado, to perform annual arbitrage calculations required under Section 148(f) of the *Code*. The most recent calculations were made through December 31, 2009, and Arbitrage Compliance Specialists has opined that the county has no filing requirements or arbitrage rebate liability as of that date on any unexpended debt proceeds.

**D. Guardianship Programs**

The Galveston County Department of Social Services, through Payee, Guardianship, and Administration Programs, administers financial and social services for persons whom the Galveston County Probate Judge has deemed legally incapable of obtaining those services for themselves. The Galveston County Probate Judge appoints guardians who, along with the payees and administrators, are employees of the Galveston County Department of Social Services.

The Texas Probate Court defines guardian responsibilities and ward rights. At September 30, 2009 and 2008, Galveston County Department of Social Services employees were administering approximately \$1,153,434 as follows:

| <u>Program</u> | <u>September 30, 2009</u> |  | <u>September 30, 2008</u> |  |
|----------------|---------------------------|--|---------------------------|--|
|                | <u>Number of Cases</u>    | <u>Approximate Assets Administered</u> | <u>Number of Cases</u>    | <u>Approximate Assets Administered</u> |
| Payee          | 71                        | \$ 106,781                             | 75                        | \$ 95,456                              |
| Guardianship   | 74                        | 946,653                                | 73                        | 735,966                                |
| Administration | 1                         | 100,000                                | 1                         | 100,000                                |
| Total          | <u>146</u>                | <u>\$ 1,153,434</u>                    | <u>149</u>                | <u>\$ 931,422</u>                      |

**E. Contingent Liabilities**

Amounts received or receivable through grants are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the government expects such amounts, if any, to be immaterial.

The county becomes party to lawsuits and other claims in the ordinary course of business. Pending actions include suits for damages arising from: vehicular accidents between law-enforcement employees and civilians; an alleged violation of federal employment law based upon race by a former employee; injuries suffered by a minor from SWAT-team activity at a crime scene; and the destruction of a house – an action not desired by its owner - during remediation work after Hurricane Ike.

Although the outcome of these matters, and of other such actions in which the county is presently or may become involved, are not determinable, it is the opinion of county counsel that they will not materially adversely affect the financial condition of the county.

**F. Deferred Compensation Plan**

In lieu of participation in the national Social Security system, Galveston County provides eligible employees a package of disability-insurance, survivorship, and deferred-compensation benefits commonly called the “Alternate Plan.”

The county pays the entire cost of the disability-insurance and survivorship benefits. It contributes to the deferred-compensation benefit, and employees fund the remainder under provisions of Section 457 of the *Internal Revenue Code of 1986* as amended, through mandatory tax-deferred payroll deductions. Employees may make optional deferred-compensation contributions in excess of the mandatory amounts.

In accordance with federal tax law, the Alternate Plan trust arrangement ensures the protection of employee deferred-compensation accounts until distribution. Both the county and employee contributions are forwarded monthly to selected third-party administrators who invest and disburse funds in accordance with Alternate Plan provisions.

Restricted deferred-compensation assets in the custody of third-party administrators at September 30, 2009 and 2008, consisted of the following:

|  | <u>2009</u>          | <u>2008</u>          |
|--|----------------------|----------------------|
| American United Life Accounts                    | \$ 52,384,551        | \$ 47,975,960        |
| Capital One (Coastal) Bank Account               | -                    | 7,662                |
| Lincoln National Account                         | 1,446,768            | 1,252,273            |
| N.A.C.O. Account                                 | 2,875,632            | 2,712,066            |
| Various Mutual Funds and Certificates of Deposit | <u>327,519</u>       | <u>327,519</u>       |
| Total Assets                                     | <u>\$ 57,034,470</u> | <u>\$ 52,275,480</u> |

**G. Employee Retirement System and Pension Plan**

*Plan description*

The county provides retirement, disability, and death benefits for full-time employees from an agent, multiple-employer, defined-benefit plan administered by the state-wide, public-employee Texas County and District Retirement System (“TCDRS”). TCDRS is governed by the TCDRS Board of Trustees and administers the pension plans of approximately 575 subdivisions. It issues in the aggregate, on a calendar-year basis, a comprehensive annual financial report which is available upon request from the TCDRS Board of Trustees at P.O. Box 2034, Austin, TX 78768-2034.

The TCDRS plan provisions are adopted by the participating employers’ governing bodies, subject to the state’s *TCDRS Act* (the “Act”). Employees qualify to retire:

- upon reaching sixty years of age and possessing eight years of service credit; or
- at any age and possessing thirty years of service credit; or
- when the sum of their years of age and their years of service credit totals seventy-five or more.

### *Funding policy*

The county has elected to follow the variable-rate-plan provisions of the *Act*. The employer contribution rate is actuarially determined each year as a percentage of employee earnings, subject to plan changes (e.g., for cost-of-living increases) adopted by the employer's governing body within the constraints imposed by the *Act*. The employee contribution rate likewise is a percentage of employee earnings subject to adjustment by the governing body of the employer within the constraints of the *Act*. Funding is provided by monthly contributions from both the employer and, through biweekly payroll deductions, the employee, and by interest earned thereon. The employer contribution rate was 9.84% for both of the fiscal years ended September 30, 2009 and 2008. The employee contribution rate was 7% for both of the calendar years ended December 31, 2009 and 2008.

### *Benefits*

Employees are vested after eight years of service but must leave their accumulated contributions in the plan in order to receive any future employer-contributed benefits. Members who withdraw their personal contributions in a lump sum are not entitled to any employer-contributed amounts.

Benefit amounts are based upon the sum of the employee's deposits to the plan, the interest earned thereon, and employer-financed monetary credits. The amount of these monetary credits is set by the participating employers' governing bodies within the actuarial constraints imposed by the *Act*, so that eventual benefits can be expected to be adequately financed by the employer's commitment to contribute. Upon disability, retirement, or death, benefits are calculated by converting the sum of the employee's deposits to the Alternate Plan, the interest earned thereon, and the employer-financed monetary credits to a monthly annuity using annuity purchase rates prescribed by the *Act*.

### *Annual pension cost*

In the fiscal year ended September 30, 2009, the cost of the county's TCDRS pension plan as well as the county's required and actual contributions equaled \$5,429,566. The contributions complied with *GASB Statement No.27: Accounting for Pensions by State and Local Governmental Employers* based upon the actuarial valuations as of December 31, 2008 and 2007, which were the basis for determining the contribution rates for calendar years 2009 and 2008, respectively. The most recent actuarial valuation is that of December 31, 2008.

The required contribution was determined as part of the December 31, 2008, actuarial valuation using the entry-age actuarial cost method. The actuarial assumptions at December 31, 2008, included: (a) an 8.0% investment rate of return; (b) projected salary increases of 5.3%; and (c) no cost-of-living adjustment. Both (a) and (b) include an inflation component of 3.5%. The county's unfunded actuarial accrued liability is being amortized as a level percentage of projected payrolls on a closed basis. The remaining amortization period at December 31, 2008, was 14.3 years.

### *Funded Status and Funding Progress*

As of December 31, 2008, the most recent actuarial valuation date, the actuarial value of plan assets as a percentage of the actuarial accrued liability (the "funded ratio") was 89.16%. The actuarial accrued liability for benefits was \$176.5 million and the actuarial value of assets was \$157.3 million, resulting in an unfunded actuarial accrued liability ("UAAL") of \$19.1 million. The annual covered payroll was \$54.6 million, and the ratio of the UAAL to the annual covered payroll was 35.03%.

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

| <u>Actuarial Valuation Date</u> | <u>12/31/2008</u>                           | <u>12/31/2007</u>                           | <u>12/31/2006</u>                           |
|---------------------------------|---|---|---|
| Actuarial Cost Method           | Entry Age                                   | Entry Age                                   | Entry Age                                   |
| Amortization Method             | Level Percentage of Payroll, Closed         | Level Percentage of Payroll, Closed         | Level Percentage of Payroll, Closed         |
| Amortization Period in Years    | 14.3  | 2.8   | 3.8   |
| Asset Valuation Method          | SAF: 10-Yr. Smoothed Value; ESF: Fund Value | SAF: 10-Yr. Smoothed Value; ESF: Fund Value | SAF: 10-Yr. Smoothed Value; ESF: Fund Value |
| Actuarial Assumptions:          |   |   |   |
| Investment Return               | 8.0%  | 8.0%  | 8.0%  |
| Projected Salary Increases      | 5.3%  | 5.3%  | 5.3%  |
| Inflation                       | 3.5%  | 3.5%  | 3.5%  |
| Cost-of-Living Adjustments      | -   | -   | -   |

Trend information for the retirement plan for the employees of Galveston County, Texas, follows:

| <u>Fiscal Year Ended</u> | <u>Annual Pension Cost (APC)</u> | <u>Percentage of APC Contributed</u> | <u>Net Pension Obligation</u> |
|--------------------------|----------------------------------|--------------------------------------|-------------------------------|
| September 30, 2009       | \$ 5,429,566                     | 100%                                 | \$0                           |
| September 30, 2008       | 5,046,015                        | 100%                                 | 0                             |
| September 30, 2007       | 4,413,271                        | 100%                                 | 0                             |

#### **H. Other Post-employment Benefits (“OPEB”)**

In June 2004, the Governmental Accounting Standards Board issued its Statement No. 45 (“GASB 45”) to create accounting standards for post-employment benefits other than pensions (“OPEB”). GASB 45 established rules for the financial reports of state and local governments regarding:

- the measurement, recognition and display of OPEB expenses/expenditures and related assets and liabilities;
- related note disclosures; and, if applicable,
- required supplementary information (“RSI”).

Galveston County is implementing GASB 45 timely in this present CAFR.

The county administers its own single-employer, defined-benefit OPEB plan for its former employees who qualified to retire per the criteria of the county’s pension plan, discussed in Note G. The plan offers life, major-medical, prescription-drug, dental and vision insurance. Texas Local Government Code §157.101 assigns to the county commissioners’ court the authority to establish and amend the plan’s terms.

Plan activity is recorded in the county’s Group Insurance Internal Service Fund using the economic resources measurement focus and the accrual basis of accounting. Plan member and employer contributions are recorded in the period in which the contributions are due, and benefits and refunds are

recognized when due and payable. No comprehensive, stand-alone OPEB-plan financial report is produced, although the regular reports issued by the county's health-plan third-party administrator present much data regarding retiree benefits discretely from that presented for active employees.

Texas Local Government Code §157.102 assigns to the county commissioners' court the authority to establish and amend the obligations of plan members and the county to contribute to the plan. The court reviews these amounts annually in comparison with recent claims experience, and adjusts them when it deems it necessary. The plan is financed on a pay-as-you-go basis.

Membership in the plan at September 30, 2009, comprised approximately 1,245 active members and 355 retirees. Of the 355 retirees, 132 were less than 65 years of age and 223 were age 65 or older. Retirees less than 65 years of age receive the same medical-plan insurance benefits as do active employees, but at age 65 the coverage is reduced to a supplement when the retirees become Medicare-eligible.

At September 30, 2009, required monthly contributions were as follows:

|                        | Retirees Less Than 65 Years Of Age |          |        |        | County        |          |        |        |
|------------------------|------------------------------------|----------|--------|--------|---------------|----------|--------|--------|
|                        | Medical Plans                      |          | Dental | Vision | Medical Plans |          | Dental | Vision |
|                        | Option A                           | Option B |        |        | Option A      | Option B |        |        |
| Retiree Only           | \$80                               | \$150    | \$25   | \$6    | \$523         | \$523    | \$0    | \$0    |
| Retiree and Spouse     | 220                                | 275      | 50     | 17     | 523           | 523      | 0      | 0      |
| Retiree and Child(ren) | 175                                | 255      | 50     | 14     | 523           | 523      | 0      | 0      |
| Retiree and Family     | 300                                | 395      | 76     | 22     | 523           | 523      | 0      | 0      |

|                        | Retirees 65 Years Of Age Or Older |          |        |        | County        |          |        |        |
|------------------------|-----------------------------------|----------|--------|--------|---------------|----------|--------|--------|
|                        | Medical Plans                     |          | Dental | Vision | Medical Plans |          | Dental | Vision |
|                        | Option A                          | Option B |        |        | Option A      | Option B |        |        |
| Retiree Only           | \$0                               | N/A      | \$25   | \$6    | \$179         | N/A      | \$0    | \$0    |
| Retiree and Spouse     | 110                               | N/A      | 50     | 17     | 179           | N/A      | 0      | 0      |
| Retiree and Child(ren) | 96                                | N/A      | 50     | 14     | 179           | N/A      | 0      | 0      |
| Retiree and Family     | 195                               | N/A      | 76     | 22     | 179           | N/A      | 0      | 0      |

The components of the OPEB cost for the fiscal year ended September 30, 2009, are as follows:

|  |                            |
|--|----------------------------|
| Annual Required Contribution ("ARC")   | \$ 9,009,674               |
| Add: Interest on Net OPEB Obligation   | -                          |
| Less: Adjustments to the ARC           | -                          |
| Annual OPEB Cost (a)                   | <u>9,009,674</u>           |
| Less: Estimated Contributions (b)      | <u>(1,839,029)</u>         |
| Increase in Net OPEB Obligation        | 7,170,645                  |
| Net OPEB Obligation, Beginning of Year | -                          |
| Net OPEB Obligation, End of Year       | <u><u>\$ 7,170,645</u></u> |

The percentage of the annual OPEB cost contributed ((b)/(a) in the above table) was 20.41%.

Data on the funded status of the plan at September 30, 2009, is as follows:

| Actuarial Valuation Date - September 30, | Actuarial Value of Assets (a) | Actuarial Accrued Liability ("AAL") (b) | Total Unfunded AAL ("UAAL") [(b)-(a)] (c) | Funded Ratio [(a)/(b)] | Annual Covered Payroll (d) | Ratio of UAAL to Annual Covered Payroll [(b)-(a)/(d)] |
|--|-------------------------------|---|---|------------------------|----------------------------|---|
| 2007                                     | \$ -                          | \$ 115,266,096                          | \$ 115,266,096                            | 0%                     | \$ 42,639,795              | 270.3252%   |

*Actuarial methods and assumptions*

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

The required schedule of funding progress immediately following the notes to the financial statements will eventually present 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 benefits. However, in this GASB45 transitional year, only one year of data is available.

Calculations are based on the types of benefits provided under the terms of the substantive plan at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point.

Actuarial calculations reflect a long-term perspective. Consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

The valuation required that the county and actuary make certain assumptions regarding such items as rates of employee turnover, retirement and mortality, as well as economic assumptions regarding trends of health-care costs and interest rates.

In the valuation performed as of September 30, 2007, the “projected unit credit” actuarial cost method was used. Assets held by the plan will be valued actuarially at those assets’ reported market values. The assumed inflation rate is 3% per year. The assumed investment rate of return is 4.5% per year, compounded annually and net of investment expenses. The actuarial calculations assumed no increase in postretirement benefits.

Salaries were assumed to increase by 4% per year due to general wage inflation. Additional increases were assumed for merit and longevity; these ranged from a high of 5.25% for new hires less than 30 years of age to a low of 0.25% for employees in higher age brackets and with more years of service. The payroll growth rate for financing unfunded actuarial accrued liabilities was assumed to be 3% per year.

The assumed rates of increase for major-medical and drug costs ranged from a high of 10% for 2007 to a low of 4.5% for 2018 and thereafter; those for dental and vision care were a static 4.5% for all years.

The amortization method and period are “level percentage of projected payroll” and thirty years-open, respectively.

## **I. Subsequent Events**

### *Claims and Judgments*

Pursuant to an agreement reached early in calendar-year 2009 with a major industrial real-property owner, the county will refund overpaid ad-valorem taxes of \$1,078,454.07 with an initial payment of \$20,787.35 plus four subsequent annual payments of \$264,416.68 each. The initial payment was made in May, 2009; the first of the four like payments occurred in January, 2010. All of the payments will be funded by tax revenues.

### *Formal Regulatory Closure of the Bolivar Peninsula Transfer Station*

The Bolivar Peninsula Transfer Station has ceased accepting waste and has completed a post-closure maintenance period. An inspection by the regional office of the Texas Commission on Environmental Quality (“TCEQ”) determined that all on-site activities necessary for the site to exit the post-closure-care maintenance period have been completed and that the site is thus eligible to exit this status phase. The TCEQ also determined that no penalties were pending and no fees due with regard to the station’s municipal solid-waste permit, and accordingly said permit was revoked on October 29, 2009. The county expects to return the funds escrowed for potential costs of remediation of the transfer station, along with interest earned thereon, to the General Fund. At September 30, 2009, the cash in the account totaled \$29,950.



This page left intentionally blank.



This page left intentionally blank.

## Required Supplementary Information

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**GENERAL FUND**  
**For the Year Ended September 30, 2009**

|   | Original<br>Budget | Final<br>Budget    | Actual             | Variance,<br>Actual from<br>Final Budget<br>Positive (Negative) | Actual<br>Prior Year |
|---|--------------------|--------------------|--------------------|---|----------------------|
| <b>REVENUES</b>                                   |                    |                    |                    |   |                      |
| Taxes   | \$ 93,696,773      | \$ 93,696,773      | \$ 91,080,526      | \$ (2,616,247)  | \$ 86,095,073        |
| Licenses and Permits                              | 26,000             | 26,000             | 58,927             | 32,927  | 26,273               |
| Intergovernmental                                 | 4,931,850          | 4,965,650          | 5,174,795          | 209,145   | 4,931,706            |
| Charges for Services                              | 7,358,660          | 7,358,660          | 6,737,653          | (621,007)   | 6,964,758            |
| Fines and Forfeitures                             | 3,068,600          | 3,068,600          | 2,573,082          | (495,518)   | 2,721,672            |
| Investment  | 2,628,900          | 2,628,900          | 2,414,588          | (214,312)   | 2,475,854            |
| Miscellaneous                                     | 5,152,799          | 5,158,799          | 3,894,041          | (1,264,758)   | 5,015,835            |
| <b>Total revenues</b>                             | <b>116,863,582</b> | <b>116,903,382</b> | <b>111,933,612</b> | <b>(4,969,770)</b>  | <b>108,231,171</b>   |
| <b>EXPENDITURES</b>                               |                    |                    |                    |   |                      |
| <b>General government</b>                         |                    |                    |                    |   |                      |
| General Government                                | 6,591,700          | 6,451,785          | 4,206,350          | 2,245,435   | 7,575,190            |
| County Judge and Commissioners' Court             | 324,000            | 324,000            | 313,244            | 10,756  | 301,983              |
| Commissioners' Court                              | 744,800            | 744,800            | 724,969            | 19,831  | 686,026              |
| County Clerk                                      | 3,280,700          | 3,476,550          | 3,079,766          | 396,784   | 3,857,551            |
| War Veterans Office                               | 104,500            | 104,500            | 99,818             | 4,682   | 74,033               |
| Bail Bond Board                                   | 700                | 700                | -                  | 700   | 146                  |
| District Courts                                   | 3,216,400          | 3,216,400          | 3,094,027          | 122,373   | 3,212,804            |
| 10th District Court                               | 182,700            | 182,700            | 177,906            | 4,794   | 168,961              |
| 56th District Court                               | 168,700            | 168,700            | 165,093            | 3,607   | 155,801              |
| 122nd District Court                              | 217,300            | 217,300            | 213,317            | 3,983   | 202,855              |
| 212th District Court                              | 167,500            | 167,500            | 162,674            | 4,826   | 152,798              |
| 306th District Court                              | 179,600            | 179,600            | 174,632            | 4,968   | 165,816              |
| 405th District Court                              | 181,200            | 181,200            | 176,374            | 4,826   | 168,299              |
| County Court #1                                   | 565,600            | 565,600            | 548,744            | 16,856  | 530,661              |
| County Court #2                                   | 559,400            | 559,400            | 540,191            | 19,209  | 510,547              |
| Probate Court                                     | 739,400            | 740,486            | 618,265            | 122,221   | 599,018              |
| County Court #3                                   | 524,700            | 524,700            | 495,519            | 29,181  | 500,575              |
| Justice Court Precinct #1                         | 209,400            | 209,400            | 161,652            | 47,748  | 187,730              |
| Justice Court Precinct #2                         | 170,300            | 170,300            | 166,486            | 3,814   | 156,960              |
| Justice Court Precinct #3                         | 254,300            | 254,300            | 242,086            | 12,214  | 234,143              |
| Justice Court Precinct #4                         | 310,200            | 310,200            | 268,039            | 42,161  | 281,392              |
| Justice Court Precinct #5                         | 261,700            | 261,700            | 234,760            | 26,940  | 240,880              |
| Justice Court Precinct #6                         | 322,200            | 322,200            | 294,747            | 27,453  | 256,320              |
| Justice Court Precinct #7                         | 256,500            | 256,500            | 247,437            | 9,063   | 236,696              |
| Justice Court Precinct #8                         | 204,200            | 204,200            | 197,663            | 6,537   | 186,849              |
| Justice Court Precinct #9                         | 251,300            | 251,300            | 205,373            | 45,927  | 236,157              |
| Indigent Defense                                  | -                  | -                  | -                  | -   | 9,312                |
| Jury and Trial Expense                            | 75,800             | 75,800             | 37,845             | 37,955  | 45,683               |
| District Clerk                                    | 3,516,500          | 3,516,500          | 2,901,285          | 615,215   | 2,829,216            |
| District Attorney                                 | 5,623,900          | 5,624,500          | 5,114,829          | 509,671   | 4,732,801            |
| Pre-Trial Release                                 | 402,100            | 402,100            | 377,581            | 24,519  | 357,709              |
| County Auditor                                    | 2,655,900          | 2,655,900          | 2,225,393          | 430,507   | 2,160,330            |
| Director of Finance/Administration/Budget Officer | 885,200            | 903,600            | 605,094            | 298,506   | 797,100              |
| County Tax Assessor-Collector                     | 2,806,600          | 2,806,000          | 2,520,961          | 285,039   | 2,469,555            |
| County Treasurer                                  | 518,800            | 518,800            | 484,828            | 33,972  | 456,996              |
| Purchasing Agent                                  | 662,000            | 662,000            | 639,181            | 22,819  | 594,928              |
| Legal Department                                  | 943,300            | 943,300            | 792,361            | 150,939   | 771,386              |
| Human Resources                                   | 568,900            | 568,900            | 498,164            | 70,736  | 482,245              |
| Information Technology                            | 10,661,100         | 10,628,300         | 9,204,204          | 1,424,096   | 8,719,323            |
| Facilities Services                               | 6,911,800          | 6,962,400          | 6,399,929          | 562,471   | 6,688,808            |
| County Engineer                                   | 713,900            | 856,553            | 594,108            | 262,445   | 508,643              |
| <b>Total general government</b>                   | <b>56,934,800</b>  | <b>57,170,674</b>  | <b>49,204,895</b>  | <b>7,965,779</b>  | <b>52,504,226</b>    |

(Continued)

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**GENERAL FUND**

**For the Year Ended September 30, 2009**

|  | Original<br>Budget  | Final<br>Budget      | Actual               | Variance,<br>Actual from<br>Final Budget<br>Positive (Negative) | Actual<br>Prior Year |
|--|---------------------|----------------------|----------------------|---|----------------------|
| <b>Public safety</b>   |                     |                      |                      |   |                      |
| Sheriff's Department   | \$ 30,020,300       | \$ 30,118,500        | \$ 28,794,745        | \$ 1,323,755  | \$ 24,475,023        |
| Constable Precinct #1  | 272,500             | 272,500              | 256,163              | 16,337  | 242,177              |
| Constable Precinct #2  | 270,000             | 270,000              | 256,108              | 13,892  | 247,414              |
| Constable Precinct #3  | 368,400             | 368,400              | 349,209              | 19,191  | 336,045              |
| Constable Precinct #4  | 317,500             | 331,300              | 295,725              | 35,575  | 240,908              |
| Constable Precinct #5  | 285,600             | 285,600              | 269,726              | 15,874  | 251,785              |
| Constable Precinct #7  | 509,300             | 509,300              | 469,816              | 39,484  | 416,086              |
| Constable Precinct #8  | 534,100             | 534,100              | 445,165              | 88,935  | 433,056              |
| Constable Precinct #9  | 230,600             | 230,600              | 209,897              | 20,703  | 201,299              |
| Emergency Management   | 963,000             | 1,045,473            | 891,575              | 153,898   | 867,462              |
| <b>Total public safety</b>   | <u>33,771,300</u>   | <u>33,965,773</u>    | <u>32,238,129</u>    | <u>1,727,644</u>  | <u>27,711,255</u>    |
| <b>Health and social services</b>                                    |                     |                      |                      |   |                      |
| Community Services   | 5,958,700           | 3,558,700            | 3,431,579            | 127,121   | 5,485,602            |
| Social Services  | 986,400             | 1,101,400            | 1,000,694            | 100,706   | 968,705              |
| Senior Citizens  | 969,400             | 975,400              | 607,620              | 367,780   | 763,385              |
| Public Health  | 6,893,900           | 6,893,900            | 6,893,900            | -   | 6,635,172            |
| <b>Total health and social services</b>                              | <u>14,808,400</u>   | <u>12,529,400</u>    | <u>11,933,793</u>    | <u>595,607</u>  | <u>13,852,864</u>    |
| <b>Culture and recreation</b>  |                     |                      |                      |   |                      |
| Beach and Parks Department   | 3,064,100           | 3,173,643            | 2,452,911            | 720,732   | 2,106,290            |
| <b>Conservation</b>  |                     |                      |                      |   |                      |
| County Extension Service   | 522,000             | 522,000              | 436,805              | 85,195  | 449,450              |
| <b>Debt Service</b>  |                     |                      |                      |   |                      |
| Principal Retirement   | -                   | -                    | -                    | -   | 321,011              |
| Interest and Fiscal Charges  | -                   | -                    | -                    | -   | 13,322               |
| <b>Total debt service</b>  | <u>-</u>            | <u>-</u>             | <u>-</u>             | <u>-</u>  | <u>334,333</u>       |
| <b>Capital outlay</b>  |                     |                      |                      |   |                      |
| Land   | -                   | -                    | -                    | -   | 70,608               |
| Buildings and Improvement  | 430,500             | 583,956              | 238,290              | 345,666   | 362,448              |
| Improvements Other Than Buildings                                    | 181,900             | 409,391              | 166,356              | 243,035   | 201,977              |
| Machinery and Equipment  | 405,400             | 494,117              | 170,222              | 323,895   | 207,972              |
| Vehicles   | 827,200             | 835,787              | 401,004              | 434,783   | 688,964              |
| Technology   | 205,000             | 286,136              | 97,847               | 188,289   | 553,388              |
| <b>Total capital outlay</b>  | <u>2,050,000</u>    | <u>2,609,387</u>     | <u>1,073,719</u>     | <u>1,535,668</u>  | <u>2,085,357</u>     |
| <b>Total expenditures</b>  | <u>111,150,600</u>  | <u>109,970,877</u>   | <u>97,340,252</u>    | <u>12,630,625</u>   | <u>99,043,775</u>    |
| <b>Excess (deficiency) of revenues<br/>over (under) expenditures</b> | <u>5,712,982</u>    | <u>6,932,505</u>     | <u>14,593,360</u>    | <u>7,660,855</u>  | <u>9,187,396</u>     |
| <b>OTHER FINANCING SOURCES (USES)</b>                                |                     |                      |                      |   |                      |
| Transfers In   | 1,416,000           | 7,976,986            | 7,981,300            | 4,314   | 2,525,550            |
| Transfers Out  | (8,974,700)         | (19,290,820)         | (25,356,125)         | (6,065,305)   | (13,392,834)         |
| Sale of Capital Assets   | 250,000             | 250,000              | 55,110               | (194,890)   | 129,027              |
| Face Value - Long Term Debt Issued                                   | -                   | -                    | 5,000,000            | -   | -                    |
| Transfers and Reserves   | (20,100,000)        | -                    | -                    | -   | -                    |
| <b>Total other financing sources (uses)</b>                          | <u>(27,408,700)</u> | <u>(11,063,834)</u>  | <u>(12,319,715)</u>  | <u>(6,255,881)</u>  | <u>(10,738,257)</u>  |
| <b>Net change in fund balances</b>                                   | <u>(21,695,718)</u> | <u>(4,131,329)</u>   | <u>2,273,645</u>     | <u>1,404,974</u>  | <u>(1,550,861)</u>   |
| <b>Fund balances-beginning</b>                                       | <u>27,588,060</u>   | <u>27,588,060</u>    | <u>27,588,060</u>    | <u>-</u>  | <u>29,138,921</u>    |
| <b>Fund balances-ending</b>  | <u>\$ 5,892,342</u> | <u>\$ 23,456,731</u> | <u>\$ 29,861,705</u> | <u>\$ 1,404,974</u>   | <u>\$ 27,588,060</u> |

Galveston County, Texas  
Notes to the Required Supplementary Information  
For the Year Ended September 30, 2009

Budgetary Basis of Accounting

An annual budget is adopted for the General Fund using the modified accrual basis of accounting, a basis sanctioned by, and consistent with, generally accepted accounting principles.

Galveston County, Texas  
Schedule of Funding Progress  
Retirement Plan for the Employees of Galveston County, Texas  
September 30, 2009

| Actuarial<br>Valuation<br>Date | Actuarial<br>Value of<br>Assets<br>(a) | Actuarial<br>Accrued<br>Liability (AAL)<br>– Entry Age<br>(b) | Unfunded<br>AAL<br>(UAAL)<br>(b - a) | Funded<br>Ratio<br>(a / b) | Covered<br>Payroll<br>(c) | UAAL as a<br>Percentage<br>of Covered<br>Payroll<br>((b - a) / c) |
|--------------------------------|--|---|--------------------------------------|----------------------------|---------------------------|---|
| 12/31/2006                     | \$ 147,850,183                         | \$ 153,950,537  | \$ 6,100,354                         | 96.04%                     | \$ 42,360,523             | 14.40%  |
| 12/31/2007                     | 158,508,872                            | 163,868,803   | 5,359,931                            | 96.73                      | 47,534,162                | 11.28   |
| 12/31/2008                     | 157,316,257                            | 176,451,887   | 19,135,630                           | 89.16                      | 54,622,846                | 35.03   |

Galveston County, Texas  
Schedule of Funding Progress  
Other Post-Employment Benefits Plan for the Employees of Galveston County, Texas  
September 30, 2009

| Actuarial<br>Valuation<br>Date -<br>September 30, | Actuarial<br>Value of<br>Assets<br>(a) | Actuarial<br>Accrued<br>Liability<br>("AAL")<br>(b) | Total<br>Unfunded AAL<br>("UAAL")<br>[=(b)-(a)]<br>(c) | Funded<br>Ratio<br>[=(a)/(b)] | Annual<br>Covered<br>Payroll<br>(d) | Ratio of<br>UAAL to<br>Annual<br>Covered<br>Payroll<br>[=(b)-(a)/(d)] |
|---|--|---|--|-------------------------------|-------------------------------------|---|
| 2007  | \$ -                                   | \$ 115,266,096                                      | \$ 115,266,096   | 0%                            | \$ 42,639,795                       | 270.3252%   |

## Nonmajor Governmental Funds



This page left intentionally blank.

## GOVERNMENTAL FUNDS

Governmental Funds consist of:

### The General Fund

The General Fund is the chief operating fund of the county. It accounts for all financial resources except those required to be accounted for in another fund. The General Fund is a major fund and is thus presented in the Basic Financial Statements of this report.

### Special Revenue Funds

Special Revenue Funds account for specific revenues that are legally restricted to expenditure for particular purposes. The Disaster Recovery IV – Ike Special Revenue Fund qualifies as a major fund and is thus presented in the Basic Financial Statements of this report

### Debt Service Funds

Debt Service Funds account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

### Capital Projects Funds

Capital Projects Funds account for the acquisition or construction of major capital facilities other than those financed by Proprietary and Trust Funds. The Pass-Through Toll Revenue and Limited Tax Bonds Series 2007, the Limited Tax County Building Bonds Series 2009B, and the Unlimited Tax Road Bonds Series 2009A Capital Projects Funds qualify as major funds and are thus presented in the Basic Financial Statements of this report.

**GALVESTON COUNTY, TEXAS  
COMBINED BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
September 30, 2009**

|  | <u>SPECIAL<br/>REVENUE</u>  | <u>DEBT<br/>SERVICE</u>     | <u>CAPITAL<br/>PROJECTS</u> | <u>TOTAL<br/>NONMAJOR<br/>GOVERNMENTAL<br/>FUNDS</u> |
|--|-----------------------------|-----------------------------|-----------------------------|--|
| <b>ASSETS</b>  |                             |                             |                             |  |
| Cash and Cash Equivalents                              | \$ 28,793,964               | \$ -                        | \$ 19,631,910               | \$ 48,425,874  |
| Investments  | -                           | 16,087,922                  | 12,163,237                  | 28,251,159   |
| Receivables (Net of Allowances for<br>Uncollectibles): |                             |                             |                             |  |
| Taxes  | 699,922                     | 1,721,714                   | -                           | 2,421,636  |
| Accounts and Other                                     | 2,372,769                   | -                           | 398,438                     | 2,771,207  |
| Due from Other Funds                                   | 5,167,238                   | -                           | 305                         | 5,167,543  |
| Inventory at Cost                                      | 617,722                     | -                           | -                           | 617,722  |
| Prepaid Expenditures                                   | 9,090                       | -                           | -                           | 9,090  |
| Restricted Assets:                                     |                             |                             |                             |  |
| Cash and Cash Equivalents                              | 35,745                      | -                           | -                           | 35,745   |
| <b>Total assets</b>                                    | <b><u>\$ 37,696,450</u></b> | <b><u>\$ 17,809,636</u></b> | <b><u>\$ 32,193,890</u></b> | <b><u>\$ 87,699,976</u></b>                          |
| <b>LIABILITIES</b>                                     |                             |                             |                             |  |
| Accounts Payable                                       | \$ 1,750,516                | \$ 186,435                  | \$ 585,130                  | \$ 2,522,081   |
| Salaries Payable                                       | 497,534                     | 520,508                     | -                           | 1,018,042  |
| Compensated Absences Payable                           | 9,439                       | -                           | -                           | 9,439  |
| Retainage Payable                                      | 11,150                      | -                           | 253,421                     | 264,571  |
| Due to Others  | 1,716,416                   | -                           | -                           | 1,716,416  |
| Payable from Restricted Assets:                        |                             |                             |                             |  |
| Escrow Deposits  | 32,191                      | -                           | -                           | 32,191   |
| Deposits - Held  | 1,337                       | -                           | -                           | 1,337  |
| Due to Other Funds                                     | 2,022,401                   | -                           | 25,517                      | 2,047,918  |
| Deferred Revenues                                      | 2,886,164                   | 1,721,717                   | -                           | 4,607,881  |
| <b>Total liabilities</b>                               | <b><u>8,927,148</u></b>     | <b><u>2,428,660</u></b>     | <b><u>864,068</u></b>       | <b><u>12,219,876</u></b>                             |
| <b>FUND BALANCES</b>                                   |                             |                             |                             |  |
| Reserved:  |                             |                             |                             |  |
| Restricted Assets                                      | 2,217                       | -                           | -                           | 2,217  |
| Encumbrances   | 41,853                      | -                           | 191,386                     | 233,239  |
| Inventory  | 617,722                     | -                           | -                           | 617,722  |
| Prepaid Expenditures                                   | 9,090                       | -                           | -                           | 9,090  |
| Debt Service   | -                           | 15,380,976                  | -                           | 15,380,976   |
| Bolivar Peninsula User Fee                             | 394,395                     | -                           | -                           | 394,395  |
| Unreserved:  |                             |                             |                             |  |
| Designated:  |                             |                             |                             |  |
| Special Lateral Roads                                  | 384,785                     | -                           | -                           | 384,785  |
| Capital Projects                                       | -                           | -                           | 31,138,436                  | 31,138,436   |
| Undesignated   | 27,319,240                  | -                           | -                           | 27,319,240   |
| <b>Total fund balances</b>                             | <b><u>28,769,302</u></b>    | <b><u>15,380,976</u></b>    | <b><u>31,329,822</u></b>    | <b><u>75,480,100</u></b>                             |
| <b>Total liabilities and fund balances</b>             | <b><u>\$ 37,696,450</u></b> | <b><u>\$ 17,809,636</u></b> | <b><u>\$ 32,193,890</u></b> | <b><u>\$ 87,699,976</u></b>                          |

**GALVESTON COUNTY, TEXAS**  
**COMBINED STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**For the Year Ended September 30, 2009**

|  | <b>SPECIAL<br/>REVENUE</b> | <b>DEBT<br/>SERVICE</b> | <b>CAPITAL<br/>PROJECTS</b> | <b>TOTAL<br/>NONMAJOR<br/>GOVERNMENTAL<br/>FUNDS</b> |
|--|----------------------------|-------------------------|-----------------------------|--|
| <b>REVENUES</b>  |                            |                         |                             |  |
| Taxes  | \$ 6,465,369               | \$ 15,714,509           | \$ -                        | \$ 22,179,878  |
| Licenses and Permits   | 2,444,962                  | -                       | -                           | 2,444,962  |
| Intergovernmental  | 10,081,986                 | -                       | 4,443,947                   | 14,525,933   |
| Charges for Services   | 2,289,656                  | -                       | -                           | 2,289,656  |
| Fines and Forfeitures  | 791,922                    | -                       | -                           | 791,922  |
| Investment   | 503,507                    | 330,095                 | 331,615                     | 1,165,217  |
| Miscellaneous  | 1,146,105                  | -                       | -                           | 1,146,105  |
| <b>Total revenues</b>  | <b>23,723,507</b>          | <b>16,044,604</b>       | <b>4,775,562</b>            | <b>44,543,673</b>                                    |
| <b>EXPENDITURES</b>  |                            |                         |                             |  |
| Current:   |                            |                         |                             |  |
| General Government   | 1,941,874                  | -                       | 1,283,275                   | 3,225,149  |
| Public Safety  | 13,597,135                 | -                       | -                           | 13,597,135   |
| Sanitation   | 6,900                      | -                       | -                           | 6,900  |
| Health and Social Services   | 4,158,971                  | -                       | -                           | 4,158,971  |
| Culture and Recreation   | 534,676                    | -                       | -                           | 534,676  |
| Roads, Bridges and Rights-of-Way                                     | 6,332,108                  | -                       | 6,000,587                   | 12,332,695   |
| Capital Outlay   | 1,951,263                  | -                       | 1,596,728                   | 3,547,991  |
| Debt Service:  |                            |                         |                             |  |
| Principal Retirement   | -                          | 9,685,000               | -                           | 9,685,000  |
| Interest and Fiscal Charges  | -                          | 8,982,382               | -                           | 8,982,382  |
| Bond Issuance Costs  | -                          | -                       | 204,571                     | 204,571  |
| <b>Total expenditures</b>  | <b>28,522,927</b>          | <b>18,667,382</b>       | <b>9,085,161</b>            | <b>56,275,470</b>                                    |
| <b>Excess (deficiency) of revenues<br/>over (under) expenditures</b> | <b>(4,799,420)</b>         | <b>(2,622,778)</b>      | <b>(4,309,599)</b>          | <b>(11,731,797)</b>                                  |
| <b>OTHER FINANCING SOURCES (USES)</b>                                |                            |                         |                             |  |
| Transfers In   | 14,207,021                 | -                       | 4,745,505                   | 18,952,526   |
| Transfers Out  | (3,497,601)                | -                       | (3,043,700)                 | (6,541,301)  |
| Sale of Capital Assets   | 30,481                     | -                       | -                           | 30,481   |
| Face Value - Long Term Debt Issued                                   | -                          | 6,134,571               | 14,318,381                  | 20,452,952   |
| Premium - Long Term Debt Issued                                      | -                          | -                       | 75,781                      | 75,781   |
| <b>Total other financing sources (uses)</b>                          | <b>10,739,901</b>          | <b>6,134,571</b>        | <b>16,095,967</b>           | <b>32,970,439</b>                                    |
| <b>Net change in fund balances</b>                                   | <b>5,940,481</b>           | <b>3,511,793</b>        | <b>11,786,368</b>           | <b>21,238,642</b>                                    |
| <b>Fund balances-beginning</b>                                       | <b>22,828,821</b>          | <b>11,869,183</b>       | <b>19,543,454</b>           | <b>54,241,458</b>                                    |
| <b>Fund balances-ending</b>  | <b>\$ 28,769,302</b>       | <b>\$ 15,380,976</b>    | <b>\$ 31,329,822</b>        | <b>\$ 75,480,100</b>                                 |

NONMAJOR  
SPECIAL REVENUE FUNDS

PURPOSE:

COUNTY RECORDS MANAGEMENT (FUND 2101) – On May 30, 1993, Chapter 203, section 203.003-(6.) of the *Local Government Code* was amended by the Texas Legislature establishing a Records Management and Preservation Fund. Fees for this fund are authorized under Sections 51.317, 118.052, 118.0546, and 118.0645 of the *Local Government Code* and Article 102.005(d), of the *Code of Criminal Procedure*. This fund is under the direction of Commissioners' Court and the fees collected may only be used for the purpose of preserving county records and for county records' automation projects.

COUNTY CLERK RECORDS MANAGEMENT AND PRESERVATION FEE (FUND 2102) – The County Clerk Records Management and Preservation Fund was established under Chapter 203, section 203.003-(5.) of the *Local Government Code*. The fees collected by the County Clerk are deposited with the County Treasurer into a fund known as the County Clerk Records Management and Preservation Fund. These fees are to be used for the specific purpose of records management and automation projects.

ELECTION SERVICES CONTRACT (FUND 2103) – The Election Services Contract Fund was established pursuant to *Texas Election Code Chapter 123 Subchapter B*. Lessor which is the County of Galveston and the lessee enter into a lease agreement governed by and construed under the laws of the State of Texas to use electronic voting equipment and other related supplies and administrative fees incurred in the election services under Section 31.100(b), Texas Election Code. The fees collected by the County Clerks are deposited with the County Treasurer into the Election Services Contract Fund.

DISTRICT CLERK CHILD SUPPORT IV-D (FUND 2105) – The District Clerk Child Support IV-D Fund was created under the authority of *Texas Family Code* Chapter 231, Section 231.002. The Office of the Attorney General and Galveston County entered into an agreement to reimburse the County for processing child support payments sent to the County as part of the Cooperative Agreement for Title IV, Part-D of the Federal Social Security Act (IV-D) child support enforcement program. The purpose of this program is to provide Galveston County child support registry with a mechanism for supporting and improving the IV-D child support case services provided by the County.

DISTRICT CLERK RECORDS MANAGEMENT (FUND 2106) - The District Clerk Records Management Fund was established under the authority of Section 51.317 of the *Government Code* as amended by House Bill 1905 passed by the 78<sup>th</sup> Legislature of the State of Texas. The fees collected by the District Clerk are deposited with the County Treasurer into the District Clerk Records Management Fund. These fees are to be used for the specific purpose of records management and automation projects.

TAX ASSESSOR-COLLECTOR SPECIAL INVENTORY TAX ESCROW (FUND 2111) – Chapter 23.12 of the *Property Tax Code* states that certain taxpayers of inventory held for sale in a trade or business must prepay their property taxes. The Tax Assessor-Collector Special Inventory Tax Escrow Fund accounts for any interest earned and any fines or penalties assessed for non-payment on these property taxes.

DONATIONS TO GALVESTON COUNTY (FUND 2121) - The Donations to Galveston County Fund was approved by the Galveston County Commissioners' Court on February 2, 1995. The fund was created to account for all donations that are made to Galveston County.

DISTRICT ATTORNEY CONTRABAND POST-10/89 (FUND 2131) - Forfeitures after October 1989 collected by the District Attorney under *Code of Criminal Procedure* Chapter 59.06 regulations are accounted for in this fund. Forfeitures are used to defray expenses of the District Attorney's office.

DISTRICT ATTORNEY CHECK COLLECTION FEES (FUND 2132) - Fees collected in connection with processing checks issued or passed in violation of the *Code of Criminal Procedure* Chapter 102.07 are deposited in this fund and are used to defray expenses of the District Attorney's office. Forfeitures are used for law enforcement purposes.

UNCLAIMED PROPERTY (FUND 2148) - This fund was established to account for unclaimed property valued under \$100.00. The property is presumed abandoned as defined by Chapters 72 and 75 of the *Texas Property Code*.

COURTHOUSE SECURITY (FUND 2205) - The Courthouse Security Fund was created by Senate Bill 243 and became effective September 9, 1993, to finance security services for buildings housing a county court at law or a district court. The clerks of the respective courts are to collect fees and court costs as stated in Article 102.017 of the *Code of Criminal Procedure* and remit them to the County Treasurer to be deposited into a fund known as the Courthouse Security Fund.

LAW LIBRARY (FUND 2211) - Under *Local Government Code* Chapter 323, sections 323.021-323.025, the Commissioners' Court of a County may establish and maintain a county law library at the county seat. A sum set by Commissioners' Court, not to exceed \$20, shall be collected on each civil case filed in the County or District Court. The clerks of the respective court shall collect these fees and pay them to the County Treasurer to be deposited into a separate fund known as the Law Library Fund. The Law Library Fund is under the direction of the Commissioners' Court.

MEDIATION SERVICES PROGRAM (FUND 2212) - The Mediation Services Program, established under the authority of Chapter 152 of the *Civil Practice and Remedies*, was approved by the Galveston County Commissioners' Court January 27, 1992. The program was created to address the needs of both the civil and family courts by providing financially aided mediation to those families who cannot afford to pay. Funding for the program comes from an additional fee of ten dollars (\$10.00), being collected on each civil case filed.

JUSTICE COURT TECHNOLOGY (FUND 2215) - Subchapter A, Chapter 102, of the *Code of Criminal Procedure* was amended September 1, 2001 by adding Article 102.0173. This article allows Commissioners' Court of a county to create a Justice Court Technology Fund by charging an additional court cost technology fee not to exceed \$4.00. The fund designated by this article may be used to finance the purchase of technological enhancements for a justice court. The Justice Court Technology Fund is under the direction of the Commissioners' Court.

PROBATE COURT CONTRIBUTIONS (FUND 2216) – Effective September 1, 2001, *Government Code* Chapter 25, Section 25.00213 establishes a Contributions Fund under the direction of the Probate Court Judge in a county that collects additional fees under Chapter 51, Section 51.704 of the *Government Code*. Deposited into this fund is a State annual compensation of \$40,000 plus any excess state mandated fees. These state fees are pro-rated at year-end and returned to the Counties. Expenditures for this fund are to be used for court-related purposes.

ADULT PROBATION (FUND 2220) -The Texas Community Justice Assistance Division was created under Chapter 509 of the *Government Code*. The purpose of the Division is to make probation services available throughout the State and to improve effectiveness of probation services. The Division creates alternatives to incarceration by providing financial aid to judicial districts for the establishment and improvement of probation services and community-based correctional programs and facilities other than jails or prisons, and to establish uniform probation administration standards. Revenues of the Adult Probation Fund are derived from funds supplied by the State and from supervision fees imposed by the Courts and collected from the probationers. Expenditures are for salaries of probation officers and clerical staff, supplies, communications, travel and transportation expenses, and certain other operational items required for the supervision of probationers.

JUVENILE JUSTICE (FUND 2230) – Chapter 152.0901 of the *Human Resources Code* authorize the creation of a Juvenile Justice Board in Galveston County. Its purpose is to provide for the care, protection, supervision, instruction and alternative placement of children coming within its provisions. It also assists juveniles in obtaining admission to vocational training institutions, completion of G.E.D. requirements, and gainful employment plus individual/family counseling.

SHERIFF'S COMMISSARY (FUND 2240) - This fund, created under *Local Government Code* Chapter 351, Section 351.0415, accounts for the County Jail Commissary operations, which is controlled by the County Sheriff. The Commissary is a means for inmates to purchase products. The profits from operations are used to address the social needs of County inmates.

SHERIFF SEIZURES POST-10/89 (FUND 2242) - Funds collected in connection with drug seizures and forfeitures for the Sheriff's office after *Code of Criminal Procedure* Chapter 59.06 was passed in October 1989. Forfeitures are used to defray expenses of the Sheriff's office.

TASK-FORCE SEIZURES PRE-10/89 (FUND 2245) - Seizures and forfeitures collected by the Task Force prior to *Code of Criminal Procedure* Chapter 59.06 which was passed in October 1989, are accounted for in this fund. Forfeitures are used to defray expenses of the Task Force.

CRIMINAL INVESTIGATIVE DIVISION SEIZURES POST-10/89 (FUND 2246) – After October 1989, seized funds collected in connection with drug and other criminal activity by the Criminal Identification Division are accounted for in this fund under Chapter 59.06 of the *Code of Criminal Procedure*. Forfeitures are used to defray expenses of the Sheriff's Office.

LAW ENFORCEMENT CONTINUED EDUCATION (FUND 2250) - The Law Enforcement Continued Education Fund consists of annual allocation of payments by the Comptroller of Public Accounts from the Law Enforcement agencies as directed by Senate Bill 1135, passed by the 74<sup>th</sup> Texas Legislature. These funds are for expenses related to the continued education of persons licensed under *Occupation Code*, Title 10, and Chapter 1701.

CONSTABLES SEIZURES (FUND 2255) – Seizures and forfeitures collected by the Constables after *Code of Criminal Procedure* Chapter 59.06 was passed in October 1989, and are accounted for in this fund. Forfeitures are used to defray expenses of the Constables.

EMERGENCY MANAGEMENT (FUND 2260) – The Emergency Management Fund was created in May 2003 by Commissioners’ Court in order to establish better control and accountability of the various Office of Emergency Management projects.

ROAD AND BRIDGE (FUND 2301) - This fund was created and defined under Article 8, Section 9(c) of the *Texas Constitution* which authorizes an additional ad-valorem tax of \$ .15 per \$100 valuation to be levied and collected for the further maintenance of the public roads. Additionally, Chapter 256 of the *Texas Transportation Code*, states that these funds are to be used only for working public roads or building bridges, and only by the order of the Commissioners’ Court.

FARM-TO-MARKET LATERAL ROAD (FUND 2303) - On March 18, 1967, under Article 8, Section 1.a of the *Texas Constitution*, an election was held which authorized ad-valorem tax of \$ .15 per \$100 valuation to be levied. Additionally, Chapter 256, Section 256.044 of the *Texas Transportation Code*, states these funds are to be used only for construction and maintenance of farm-to-market and lateral roads within the county. This fund is under the jurisdiction and control of the Commissioners’ Court.

ROAD DISTRICT #1 (FUND 2341) – The Galveston County Road District #1 was created and defined under Article 3, Section 52 of the *Texas Constitution* to construct, maintain and operate macadamized, graveled, or paved roads and turnpikes. The Road District #1 is a corporate body and a taxing entity and is authorized from time to time to issue bonds. Commissioners' Court acts as the governing body.

FLOOD CONTROL (FUND 2370) - On March 18, 1967, under Article 8, Section 1.a of the *Texas Constitution*, an election was held which authorized ad-valorem tax of \$ .15 per \$100 valuation to be levied. Additionally, Chapter 256, Section 256.044 of the *Texas Transportation Code*, states these funds are to be used only for flood control purposes in the county. This fund is under the jurisdiction and control of the Commissioners’ Court.

PUBLIC HEALTH (FUND 2401) - The Public Health Fund was created under *the Health and Safety Code*, Chapter 121 Local Public Health Reorganization Act, for the delivery of health care services to the citizens of Galveston County. Various programs receive financial assistance from the federal and state governments for the delivery of these services.

MOSQUITO CONTROL DISTRICT (FUND 2410) – On November 7, 1953, in accordance with Chapter 344, section 344.001 of *the Texas Health and Safety Code*, an election was held to create a Mosquito Control District and authorized the levy and collection of taxes of \$ .15 per \$100 valuation for the purpose of eradicating mosquitoes in Galveston County. This fund is under the jurisdiction and control of the Commissioners’ Court.

INDIGENT HEALTH CARE FUND (FUND 2420) – The Indigent Health Care Fund is a dedicated fund intended to support the Galveston County Indigent Health Care Program and the Galveston County UPL Program in support of the general health and well being of eligible citizens. The eligibility of citizens is established in Chapter 61 of the Health and Safety Code and by the Galveston County Commissioners’ Court in the “Optional Services Resolution” approved each year preceding the State Fiscal Year.

CHILD WELFARE (FUND 2501) – Chapter 264, section 264.005 of the *Family Code* grants county Commissioners' Courts the authority to create a Child Welfare Board. The purpose of the board is to provide coordinated state and local public welfare services to the children and their families. The Commissioners' Court may appropriate the necessary funds from the General Fund or any of the other funds to carry out this program.

BEACH AND PARKS (FUND 2601) – Chapter 62 of the *Texas Natural Resource Code* authorizes the Commissioners' Court to create a board to operate the Beach Parks program. This board administers through a staff an extensive County Beach Parks System for the citizens of Galveston County.

## GRANTS

### PURPOSE:

LOW INCOME REPAIR ASSISTANCE PROGRAM (“L.I.R.A.P.”) (FUND 2816) - The low income vehicle, retrofit and accelerated vehicle replacement program (LIRAP) provides financial assistance for low income vehicle owners whose vehicle have failed emissions tests. HGAC (Houston-Galveston Area Council) will administer LIRAP in, and on behalf of Galveston County. Grant funding is through the Texas Commission on Environmental Quality.

LOCAL INITIATIVE PROJECT GRANT (FUND #2817) – the Local Initiative Project Grant (LIP) is a Clean Vehicle Fleet Project granted to Galveston County on April 14, 2009 by the Texas Commission of Environmental Quality under Senate Bill No. 12 Sec. 382.220 or 382.302 and administered in accordance with Chapter 783, Government Code to improve air quality. The purpose of the fund is to replace older high emission vehicles with a cleaner, more fuel efficient vehicles for the enhancement of air quality. These funds are available only to counties participating in the low-income vehicle repair assistance, retrofit, and accelerated vehicle retirement programs created under Sec. 382.209, Health and Safety Code.

ADULT PROBATION COMMUNITY CORRECTIONS (FUND 2824) - The Adult Probation Community Corrections Grant was awarded by the Texas Community Justice Assistance Division. Funds for this grant are to be used for supervision and for facilities.

JUVENILE ACCOUNTABILITY INCENTIVE BLOCK (FUND 2840) - The Juvenile Accountability Incentive Block Grant is funded by the Texas Criminal Justice Division. This grant provides funds that help Galveston County in reducing juvenile delinquency, improving the juvenile justice system and increasing juvenile accountability.

JUVENILE JUSTICE STATE AID (FUND 2841) - The Juvenile Probation State Aid Fund is provided by the State to each County based on a population of juvenile aged children and is used to provide for additional or initial probation services.

JUVENILE JUSTICE INTENSIVE SUPERVISION PROGRAM (FUND 2842) - The Juvenile Probation I.S.P. is a supplemental funding by TJPC. Funds are discretionary funds that were applied for and received to offer an intensive Supervision Program to juvenile offenders that require maximum attention.

INTENSIVE COMMUNITY-BASED PROGRAM (FUND 2843) – The Juvenile Probation Intensive Community Based Program fund is funded by the Texas Juvenile Probation Commission which provides funding for services for habitual misdemeanor youth. The grant funds are intended to serve a priority population of juvenile offenders adjudicated for misdemeanor offenses that, under prior law, were eligible for commitment to the Texas Youth Commission (TYC). [SB103, 80th Legislature Regular Session (2007)].

JUVENILE JUSTICE ALTERNATIVE EDUCATION (FUND 2848) - The Juvenile Justice Alternative Education Program (JJAEP) grant is funded by the Texas Juvenile Probation Commission. This grant provides an alternative education for students that have been expelled from one of the nine participating area school districts.

ORGANIZED CRIME CONTROL UNIT (FUND 2861) - The Organized Crime Control Unit CJD Grant is a multi-agency, regional approach to developing strategically and tactical intelligence pertaining to organized control as defined by Texas Law. The Organized Crime Control Unit investigates criminal activity organized by criminal groups identified in four forms; 1) Controlled substance trafficking 2) Burglary 3) Gambling and 4) Motor Vehicle Theft.

AUTO CRIMES TASK FORCE (FUND 2864) - The Texas Criminal Justice Division awarded Galveston County an Auto Crimes Task Force Grant to establish a multi-agency regional approach to investigation and prosecution of persons involved in auto theft, chop shop operations, burglary of motor vehicles, and theft of accessories from motor vehicles. Also, included in this grant are gang activities and violent crimes as they pertain to stolen vehicles.

DWI-TEXAS TRAFFIC SAFETY PROGRAM (FUND 2865) – The Texas department of Transportation awarded two grants to Galveston County Sheriff’s Department. The STEP grants were for additional sheriff units to be assigned during the holidays and Spring Break to conduct DWI and traffic enforcement.

STATE CRIMINAL ALIEN ASSISTANCE PROGRAM (FUND 2867) - SCAAP provides federal payments to States and localities that incurred correctional officer salary costs for incarcerating undocumented criminal aliens with at least one felony or two misdemeanor convictions for violations of State or local law, and incarcerated for at least four consecutive days during the reporting period. Grant funding is through the Bureau of Justice Assistance.

TEXAS VICTIM INFORMATION AND NOTIFICATION EVERY DAY (“V.I.N.E.”) (FUND 2870) – The Texas Attorney General’s Office has awarded Galveston County a grant to implement the VINE program. The purpose of this program is to reimburse Galveston County for certain costs incurred in the participation of a statewide crime victim notification service.

ATTORNEY GENERAL’S VICTIMS ASSISTANCE (FUND 2874) – This grant funds a salaried position in the District Attorney’s office whose responsibilities are to educate victims about available services, including financial assistance through the Crime Victims Compensation Act.

S.T.O.P. VIOLENCE AGAINST WOMEN ACT GRANT (FUND #2877) – the Galveston County Prosecution Project (VAWA) was awarded to Galveston County on October 23, 2008 by Office of the Governor, Criminal Justice Division to fund the prosecution of cases involving violent crimes against women. The Criminal Justice Division is working to ensure that communities throughout the state receive the resources to make Texas a safer place, promote help and healing for crime victims, provide safe places and positive role models for young Texans, enforce laws that protect citizens and expand training opportunities for Texas criminal justice professionals.

CHILDREN’S JUSTICE ACT PROJECT (FUND 2885) - The Children’s Justice Act Grant was awarded by The Texas Department of Protective and Regulatory Services. This grant enables the county to settle many CPS cases without a trial and to place children in permanent homes as quickly as possible. Four attorney mediators conduct mediations to settle differences between family members and avoid lengthy, costly legal battles.

OFFICE OF EMERGENCY MANAGEMENT (FUND 2891) - Texas Division of Emergency Management and Texas General Land Office has awarded several grants to Galveston County's Office of Emergency Management. These grants have funded HAZMAT equipment, and beach renourishment of Rollover Pass with used dredged materials.

STATE HOMELAND SECURITY (FUND 2892) – U.S. Department of Homeland Security awarded several grants to enhance the capacity of Galveston County emergency responders to prevent, respond to, and to recover from terrorism incidents involving chemical, biological, radiological, nuclear and explosive devices.

HMGP – IKE (FUND 2893) – This is funding from FEMA through the Texas Department of Emergency Management for individual home buyouts and elevation projects.

COMMUNITY DEVELOPMENT (FUND 2911) - The Office of Rural Community Affairs has awarded Galveston County several grants, which have been used in upgrade of the San Leon sewer system, and to finance repairs of the sand sock which protects the shoreline on Bolivar Peninsula.

CDBG HOUSING PROGRAM (FUND 2914) – The purpose of this grant is to provide financial assistance to extremely low, very low, and low-income households for the rehabilitation or construction of homes that were damaged as a result of Hurricane Dolly/Ike. The focus of the repair, reconstruction, replacement and rehabilitation work to be performed will be to provide safe, decent and sanitary housing by bringing existing substandard housing units into compliance with HUD section 8 Housing Quality Standards (HQS) for rehabilitation work, Texas Minimum Construction (TMCS) for reconstruction and replacement housing, FEMA elevation requirements, as well as all applicable local codes and ordinances.

CDBG INFRASTRUCTURE PROGRAM (FUND 2915) – This is a grant through the Office of Rural and Community affairs (ORCA) and is administered by the Texas Department of Housing and Community Affairs (TDHCA). A non-housing grant that is a supplement to the 2008 Disaster Recovery Grant to provide for restoration and revitalization of local economic and infrastructure projects.

SENIOR CITIZENS (FUND 2921) - The Galveston County Senior Citizens Grant Program was created by the County and funded through the regional council designated as Houston-Galveston Area Council. This program provides senior citizens centers with a hot meal program, and counseling to the senior citizens of Galveston County.

TEXANS FEEDING TEXANS PROGRAM GRANT - (FUND #2923) - This fund is a Home-Delivered Meal program granted to Galveston County Department of Parks and Senior Services that supplements and extends the existing services related directly to meals to homebound persons in the County who are elderly and/or have a disability. Grant funding is through the Texas Department of Agriculture.

KEMPNER (FUND 2925) – The Harris and Eliza Kempner Fund has awarded several grants to Galveston County's Senior Citizens. These grants were used to provide legal service seminars for senior citizens in Galveston County.

COMMUNITY DEVELOPMENT BLOCK – MEALS ON WHEELS (FUND 2927) – The City of Galveston has a contract with the Galveston County’s Senior Citizens to fund meals for home bound senior citizens who reside in the City of Galveston. These funds are provided by the City of Galveston Community Development Block Grant.

INTENSIVE FAMILY PRESERVATION (FUND 2941) - Moody Memorial Methodist Church Endowment Fund originally awarded the Intensive Family Preservation Grant to the Galveston County. Since its inception several other groups have taken over the funding of these expenditures. The purpose of the grant is to assist clients in meeting their concrete needs so that they may function as a family and prevent further disruption of the family unit.

BEACH CLEANING GRANT (FUND 2961) – This grant is awarded through HGAC for the Clear Creek Cleanup Project.

COUNTY BEACH AND PARKS PROJECTS (FUND 2962) - The National Oceanic Atmospheric Administration, U.S. Department of the Interior, Texas Parks and Wildlife Department, Texas Commission on Environmental Quality, Texas General Land Office and Union Carbide have awarded various grants to Galveston County. These grants were used to purchase land for a wetland protection project (McAllis Point), an ADA equestrian trail at Jack Brooks Park, clean up of Clear Creek and plans for a Therapeutic Gardens at Union Carbide Park.

UNITED STATES DEPARTMENT OF JUSTICE PROGRAMS (FUND 2975) - The U.S. Department of Justice has awarded several Local Law Enforcement Block Grants (LLEBG) and several Edward Byrne Memorial Justice Assistance Grants (JAG) to Galveston County. The purpose of these grants is to reduce crime and improve public safety. These grants were used to purchase small equipment, computer hardware and software.

MOODY FOUNDATION GRANTS (FUND 2985) – This grant was awarded to the Galveston County Sheriff’s Department for the purchase of equipment to continue to perform their duties in a safer and more protected way for the citizens and visitors of Galveston County.

HURRICANE IKE GRANTS (FUND 2993) – This is a State Grant through the Texas Department of Emergency Management to assist outside agencies in the rehabilitation and restoration of properties throughout the county.

DISASTER RECOVERY – RITA (FUND 2999) – After Hurricane Rita hit the Gulf Coast area; Galveston County received a Presidential Disaster Declaration for Public and Individual Assistance. The Federal Emergency Management Agency awarded a grant to fund approved pre-disaster and disaster recovery projects in Galveston County.



This page left intentionally blank.

**GALVESTON COUNTY, TEXAS  
COMBINING BALANCE SHEET  
ALL NONMAJOR SPECIAL REVENUE FUNDS  
September 30, 2009  
With Comparative Totals at September 30, 2008**

|   | <b>COUNTY<br/>RECORDS<br/>MANAGEMENT</b> | <b>COUNTY CLERK<br/>RECORDS<br/>MANAGEMENT<br/>AND<br/>PRESERVATION<br/>FEE</b> | <b>ELECTION<br/>SERVICES<br/>CONTRACT</b> | <b>DISTRICT<br/>CLERK CHILD<br/>SUPPORT<br/>IV-D</b> |
|---|--|---|---|--|
| <b>ASSETS</b>                                       |  |   |   |  |
| Cash and Cash Equivalents                           | \$ 166,812                               | \$ 2,565,615  | \$ 1,434,997                              | \$ 105,889   |
| Investments   | -  | -   | -   | -  |
| Receivables (Net of Allowances for Uncollectibles): |  |   |   |  |
| Taxes   | -  | -   | -   | -  |
| Accounts and Other                                  | 60                                       | 2,945   | -   | -  |
| Due from Other Funds                                | -  | -   | -   | -  |
| Inventory at Cost                                   | -  | -   | -   | -  |
| Prepaid Expenditures                                | -  | -   | -   | -  |
| Restricted Assets:                                  |  |   |   |  |
| Cash and Cash Equivalents                           | -  | -   | -   | -  |
| <b>Total assets</b>                                 | <b>\$ 166,872</b>                        | <b>\$ 2,568,560</b>   | <b>\$ 1,434,997</b>                       | <b>\$ 105,889</b>                                    |
| <b>LIABILITIES</b>                                  |  |   |   |  |
| Accounts Payable                                    | \$ -                                     | \$ 109,291  | \$ -                                      | \$ -   |
| Salaries Payable                                    | 15,492                                   | 11,176  | -   | -  |
| Compensated Absences Payable                        | -  | -   | -   | -  |
| Retainage Payable                                   | -  | -   | -   | -  |
| Due to Others                                       | -  | -   | -   | -  |
| Payable from Restricted Assets:                     |  |   |   |  |
| Escrow Deposits                                     | -  | -   | -   | -  |
| Deposits - Held                                     | -  | -   | -   | -  |
| Due to Other Funds                                  | 241                                      | 1,448   | 1,012,414                                 | -  |
| Deferred Revenues                                   | -  | -   | -   | -  |
| <b>Total liabilities</b>                            | <b>15,733</b>                            | <b>121,915</b>  | <b>1,012,414</b>                          | <b>-</b>   |
| <b>FUND BALANCES</b>                                |  |   |   |  |
| Reserved:   |  |   |   |  |
| Restricted Assets                                   | -  | -   | -   | -  |
| Encumbrances  | -  | -   | -   | -  |
| Inventory   | -  | -   | -   | -  |
| Prepaid Expenditures                                | -  | -   | -   | -  |
| Bolivar Peninsula User Fee                          | -  | -   | -   | -  |
| Unreserved:   |  |   |   |  |
| Designated:   |  |   |   |  |
| Special Lateral Roads                               | -  | -   | -   | -  |
| Undesignated  | 151,139                                  | 2,446,645   | 422,583                                   | 105,889  |
| <b>Total fund balances</b>                          | <b>151,139</b>                           | <b>2,446,645</b>  | <b>422,583</b>                            | <b>105,889</b>                                       |
| <b>Total liabilities and fund balances</b>          | <b>\$ 166,872</b>                        | <b>\$ 2,568,560</b>   | <b>\$ 1,434,997</b>                       | <b>\$ 105,889</b>                                    |



**GALVESTON COUNTY, TEXAS  
COMBINING BALANCE SHEET  
ALL NONMAJOR SPECIAL REVENUE FUNDS  
September 30, 2009  
With Comparative Totals at September 30, 2008**

|   | <b>UNCLAIMED<br/>PROPERTY</b> | <b>COURTHOUSE<br/>SECURITY</b> | <b>LAW<br/>LIBRARY</b> | <b>MEDIATION<br/>SERVICES<br/>PROGRAM</b> |
|---|-------------------------------|--------------------------------|------------------------|---|
| <b>ASSETS</b>                                       |                               |                                |                        |   |
| Cash and Cash Equivalents                           | \$ 186,581                    | \$ 359,130                     | \$ 309,738             | \$ 610,661                                |
| Investments   | -                             | -                              | -                      | -   |
| Receivables (Net of Allowances for Uncollectibles): |                               |                                |                        |   |
| Taxes   | -                             | -                              | -                      | -   |
| Accounts and Other                                  | -                             | 506                            | 1,425                  | 570                                       |
| Due from Other Funds                                | -                             | -                              | -                      | -   |
| Inventory at Cost                                   | -                             | -                              | -                      | -   |
| Prepaid Expenditures                                | -                             | -                              | -                      | -   |
| Restricted Assets:                                  |                               |                                |                        |   |
| Cash and Cash Equivalents                           | -                             | -                              | -                      | -   |
|   | <hr/>                         | <hr/>                          | <hr/>                  | <hr/>                                     |
| Total assets  | <b>\$ 186,581</b>             | <b>\$ 359,636</b>              | <b>\$ 311,163</b>      | <b>\$ 611,231</b>                         |
| <b>LIABILITIES</b>                                  |                               |                                |                        |   |
| Accounts Payable                                    | \$ -                          | \$ -                           | \$ 29,471              | \$ 1,550                                  |
| Salaries Payable                                    | -                             | 8,179                          | 1,834                  | -   |
| Compensated Absences Payable                        | -                             | -                              | -                      | -   |
| Retainage Payable                                   | -                             | -                              | -                      | -   |
| Due to Others                                       | 131,364                       | -                              | -                      | -   |
| Payable from Restricted Assets:                     |                               |                                |                        |   |
| Escrow Deposits                                     | -                             | -                              | -                      | -   |
| Deposits - Held                                     | -                             | -                              | -                      | -   |
| Due to Other Funds                                  | -                             | 1,207                          | 241                    | -   |
| Deferred Revenues                                   | -                             | -                              | -                      | -   |
| Total liabilities                                   | <hr/>                         | <hr/>                          | <hr/>                  | <hr/>                                     |
|   | 131,364                       | 9,386                          | 31,546                 | 1,550                                     |
| <b>FUND BALANCES</b>                                |                               |                                |                        |   |
| Reserved:   |                               |                                |                        |   |
| Restricted Assets                                   | -                             | -                              | -                      | -   |
| Encumbrances  | -                             | -                              | -                      | -   |
| Inventory   | -                             | -                              | -                      | -   |
| Prepaid Expenditures                                | -                             | -                              | -                      | -   |
| Bolivar Peninsula User Fee                          | -                             | -                              | -                      | -   |
| Unreserved:   |                               |                                |                        |   |
| Designated:   |                               |                                |                        |   |
| Special Lateral Roads                               | -                             | -                              | -                      | -   |
| Undesignated  | 55,217                        | 350,250                        | 279,617                | 609,681                                   |
| Total fund balances                                 | <hr/>                         | <hr/>                          | <hr/>                  | <hr/>                                     |
|   | 55,217                        | 350,250                        | 279,617                | 609,681                                   |
| Total liabilities and fund balances                 | <hr/>                         | <hr/>                          | <hr/>                  | <hr/>                                     |
|   | <b>\$ 186,581</b>             | <b>\$ 359,636</b>              | <b>\$ 311,163</b>      | <b>\$ 611,231</b>                         |

(Continued)

|           | JUSTICE<br>COURT<br>TECHNOLOGY | PROBATE<br>COURT<br>CONTRIBUTIONS | ADULT<br>PROBATION | JUVENILE<br>JUSTICE | SHERIFF'S<br>COMMISSARY |
|-----------|--------------------------------|-----------------------------------|--------------------|---------------------|-------------------------|
| \$        | 105,751                        | \$ 297,111                        | \$ 636,301         | \$ 1,295,774        | \$ 1,033,143            |
|           | -                              | -                                 | -                  | -                   | -                       |
|           | -                              | -                                 | -                  | -                   | -                       |
|           | -                              | 20,322                            | 3,854              | 60,985              | -                       |
|           | -                              | -                                 | -                  | -                   | -                       |
|           | -                              | -                                 | 9,090              | -                   | -                       |
|           | -                              | -                                 | -                  | -                   | -                       |
| <b>\$</b> | <b>105,751</b>                 | <b>\$ 317,433</b>                 | <b>\$ 649,245</b>  | <b>\$ 1,356,759</b> | <b>\$ 1,033,143</b>     |
| \$        | -                              | \$ 340                            | \$ 10,107          | \$ 67,916           | \$ -                    |
|           | -                              | -                                 | 73,427             | 118,979             | -                       |
|           | -                              | -                                 | -                  | -                   | -                       |
|           | -                              | -                                 | -                  | -                   | -                       |
|           | -                              | -                                 | 410,701            | 950                 | -                       |
|           | -                              | -                                 | -                  | -                   | -                       |
|           | -                              | -                                 | -                  | -                   | -                       |
|           | -                              | -                                 | -                  | 13,759              | 23,700                  |
|           | -                              | -                                 | 145,637            | -                   | -                       |
|           | -                              | 340                               | 639,872            | 201,604             | 23,700                  |
|           | -                              | -                                 | -                  | -                   | -                       |
|           | -                              | -                                 | -                  | -                   | -                       |
|           | -                              | -                                 | 9,090              | -                   | -                       |
|           | -                              | -                                 | -                  | -                   | -                       |
|           | 105,751                        | 317,093                           | 283                | 1,155,155           | 1,009,443               |
|           | 105,751                        | 317,093                           | 9,373              | 1,155,155           | 1,009,443               |
| <b>\$</b> | <b>105,751</b>                 | <b>\$ 317,433</b>                 | <b>\$ 649,245</b>  | <b>\$ 1,356,759</b> | <b>\$ 1,033,143</b>     |

**GALVESTON COUNTY, TEXAS  
COMBINING BALANCE SHEET  
ALL NONMAJOR SPECIAL REVENUE FUNDS  
September 30, 2009  
With Comparative Totals at September 30, 2008**

|   | <b>SHERIFF<br/>SEIZURES<br/>POST-10/89</b> | <b>TASK<br/>FORCE<br/>SEIZURES<br/>PRE-10/89</b> | <b>CRIMINAL<br/>INVESTIGATIVE<br/>DIVISION<br/>SEIZURES<br/>POST-10/89</b> | <b>LAW<br/>ENFORCEMENT<br/>CONTINUED<br/>EDUCATION</b> |
|---|--|--|--|--|
| <b>ASSETS</b>                                       |  |  |  |  |
| Cash and Cash Equivalents                           | \$ 74,752                                  | \$ 48,229  | \$ 5,919   | \$ 173,179   |
| Investments   | -  | -  | -  | -  |
| Receivables (Net of Allowances for Uncollectibles): |  |  |  |  |
| Taxes   | -  | -  | -  | -  |
| Accounts and Other                                  | -  | -  | -  | -  |
| Due from Other Funds                                | -  | -  | -  | -  |
| Inventory at Cost                                   | -  | -  | -  | -  |
| Prepaid Expenditures                                | -  | -  | -  | -  |
| Restricted Assets:                                  |  |  |  |  |
| Cash and Cash Equivalents                           | -  | -  | -  | -  |
| <b>Total assets</b>                                 | <b>\$ 74,752</b>                           | <b>\$ 48,229</b>                                 | <b>\$ 5,919</b>  | <b>\$ 173,179</b>                                      |
| <b>LIABILITIES</b>                                  |  |  |  |  |
| Accounts Payable                                    | \$ -                                       | \$ -   | \$ -   | \$ 20,064  |
| Salaries Payable                                    | -  | -  | -  | -  |
| Compensated Absences Payable                        | -  | -  | -  | -  |
| Retainage Payable                                   | -  | -  | -  | -  |
| Due to Others                                       | 23,772                                     | 12,817   | 5,919  | -  |
| Payable from Restricted Assets:                     |  |  |  |  |
| Escrow Deposits                                     | -  | -  | -  | -  |
| Deposits - Held                                     | -  | -  | -  | -  |
| Due to Other Funds                                  | -  | -  | -  | -  |
| Deferred Revenues                                   | -  | -  | -  | -  |
| <b>Total liabilities</b>                            | <b>23,772</b>                              | <b>12,817</b>                                    | <b>5,919</b>   | <b>20,064</b>  |
| <b>FUND BALANCES</b>                                |  |  |  |  |
| Reserved:   |  |  |  |  |
| Restricted Assets                                   | -  | -  | -  | -  |
| Encumbrances  | -  | -  | -  | -  |
| Inventory   | -  | -  | -  | -  |
| Prepaid Expenditures                                | -  | -  | -  | -  |
| Bolivar Peninsula User Fee                          | -  | -  | -  | -  |
| Unreserved:   |  |  |  |  |
| Designated:   |  |  |  |  |
| Special Lateral Roads                               | -  | -  | -  | -  |
| Undesignated  | 50,980                                     | 35,412   | -  | 153,115  |
| <b>Total fund balances</b>                          | <b>50,980</b>                              | <b>35,412</b>                                    | <b>-</b>   | <b>153,115</b>   |
| <b>Total liabilities and fund balances</b>          | <b>\$ 74,752</b>                           | <b>\$ 48,229</b>                                 | <b>\$ 5,919</b>  | <b>\$ 173,179</b>                                      |

(Continued)

| CONSTABLES'<br>SEIZURES | EMERGENCY<br>MANAGEMENT | ROAD<br>AND<br>BRIDGE | FARM-TO-<br>MARKET<br>LATERAL<br>ROAD | ROAD<br>DISTRICT<br>#1 |
|-------------------------|-------------------------|-----------------------|---------------------------------------|------------------------|
| \$ 3,500                | \$ 1,270,440            | \$ 5,060,434          | \$ 2,022,236                          | \$ 1,022,437           |
| -                       | -                       | -                     | -                                     | -                      |
| -                       | -                       | 181,065               | 31,027                                | 4,346                  |
| -                       | 6,651                   | 793,278               | 1,991                                 | -                      |
| -                       | 5,018,354               | -                     | -                                     | -                      |
| -                       | -                       | 342,930               | -                                     | -                      |
| -                       | -                       | -                     | -                                     | -                      |
| -                       | 32,191                  | -                     | -                                     | -                      |
| <b>\$ 3,500</b>         | <b>\$ 6,327,636</b>     | <b>\$ 6,377,707</b>   | <b>\$ 2,055,254</b>                   | <b>\$ 1,026,783</b>    |
| \$ -                    | \$ -                    | \$ 449,417            | \$ 7,485                              | \$ 6,421               |
| -                       | 4,301                   | 91,226                | 2,640                                 | -                      |
| -                       | -                       | -                     | -                                     | -                      |
| -                       | -                       | -                     | -                                     | -                      |
| -                       | -                       | 27,611                | 439                                   | -                      |
| -                       | 32,191                  | -                     | -                                     | -                      |
| -                       | -                       | -                     | -                                     | -                      |
| -                       | 240                     | 13,518                | 241                                   | -                      |
| -                       | -                       | 183,762               | 31,026                                | 4,346                  |
| -                       | 36,732                  | 765,534               | 41,831                                | 10,767                 |
| -                       | -                       | -                     | -                                     | -                      |
| -                       | -                       | 40,091                | -                                     | -                      |
| -                       | -                       | 342,930               | -                                     | -                      |
| -                       | -                       | -                     | -                                     | -                      |
| -                       | -                       | -                     | -                                     | -                      |
| -                       | -                       | -                     | 384,785                               | -                      |
| 3,500                   | 6,290,904               | 5,229,152             | 1,628,638                             | 1,016,016              |
| 3,500                   | 6,290,904               | 5,612,173             | 2,013,423                             | 1,016,016              |
| <b>\$ 3,500</b>         | <b>\$ 6,327,636</b>     | <b>\$ 6,377,707</b>   | <b>\$ 2,055,254</b>                   | <b>\$ 1,026,783</b>    |

**GALVESTON COUNTY, TEXAS  
COMBINING BALANCE SHEET  
ALL NONMAJOR SPECIAL REVENUE FUNDS  
September 30, 2009  
With Comparative Totals at September 30, 2008**

|   | <b>FLOOD<br/>CONTROL</b> | <b>PUBLIC<br/>HEALTH</b> | <b>MOSQUITO<br/>CONTROL<br/>DISTRICT</b> | <b>INDIGENT<br/>HEALTH<br/>CARE<br/>FUND</b> |
|---|--------------------------|--------------------------|--|--|
| <b>ASSETS</b>                                       |                          |                          |  |  |
| Cash and Cash Equivalents                           | \$ 2,355,131             | \$ -                     | \$ 641,255                               | \$ 1,637,340                                 |
| Investments   | -                        | -                        | -  | -  |
| Receivables (Net of Allowances for Uncollectibles): |                          |                          |  |  |
| Taxes   | 359,014                  | -                        | 124,470                                  | -  |
| Accounts and Other                                  | 214,468                  | 6,930                    | -  | 34   |
| Due from Other Funds                                | -                        | 33,869                   | -  | -  |
| Inventory at Cost                                   | -                        | -                        | 274,792                                  | -  |
| Prepaid Expenditures                                | -                        | -                        | -  | -  |
| Restricted Assets:                                  |                          |                          |  |  |
| Cash and Cash Equivalents                           | 2,217                    | -                        | -  | -  |
| <b>Total assets</b>                                 | <b>\$ 2,930,830</b>      | <b>\$ 40,799</b>         | <b>\$ 1,040,517</b>                      | <b>\$ 1,637,374</b>                          |
| <b>LIABILITIES</b>                                  |                          |                          |  |  |
| Accounts Payable                                    | \$ 315,608               | \$ 855                   | \$ 7,972                                 | \$ 111,517                                   |
| Salaries Payable                                    | 34,448                   | 31,902                   | 25,488                                   | -  |
| Compensated Absences Payable                        | -                        | -                        | -  | -  |
| Retainage Payable                                   | 11,150                   | -                        | -  | -  |
| Due to Others                                       | 3,896                    | 4,904                    | 11,669                                   | -  |
| Payable from Restricted Assets:                     |                          |                          |  |  |
| Escrow Deposits                                     | -                        | -                        | -  | -  |
| Deposits - Held                                     | -                        | -                        | -  | -  |
| Due to Other Funds                                  | 5,069                    | 3,138                    | 3,138                                    | -  |
| Deferred Revenues                                   | 359,014                  | -                        | 124,470                                  | -  |
| <b>Total liabilities</b>                            | <b>729,185</b>           | <b>40,799</b>            | <b>172,737</b>                           | <b>111,517</b>                               |
| <b>FUND BALANCES</b>                                |                          |                          |  |  |
| Reserved:   |                          |                          |  |  |
| Restricted Assets                                   | 2,217                    | -                        | -  | -  |
| Encumbrances  | 1,762                    | -                        | -  | -  |
| Inventory   | -                        | -                        | 274,792                                  | -  |
| Prepaid Expenditures                                | -                        | -                        | -  | -  |
| Bolivar Peninsula User Fee                          | -                        | -                        | -  | -  |
| Unreserved:   |                          |                          |  |  |
| Designated:   |                          |                          |  |  |
| Special Lateral Roads                               | -                        | -                        | -  | -  |
| Undesignated  | 2,197,666                | -                        | 592,988                                  | 1,525,857                                    |
| <b>Total fund balances</b>                          | <b>2,201,645</b>         | <b>-</b>                 | <b>867,780</b>                           | <b>1,525,857</b>                             |
| <b>Total liabilities and fund balances</b>          | <b>\$ 2,930,830</b>      | <b>\$ 40,799</b>         | <b>\$ 1,040,517</b>                      | <b>\$ 1,637,374</b>                          |

(Continued)

| CHILD<br>WELFARE  | BEACH<br>AND<br>PARKS | GRANTS              | TOTALS               |                      |
|-------------------|-----------------------|---------------------|----------------------|----------------------|
|                   |                       |                     | 2009                 | 2008                 |
| \$ 447,582        | \$ 888,593            | \$ 3,790,908        | \$ 28,793,964        | \$ 12,212,310        |
| -                 | -                     | -                   | -                    | 11,758,231           |
| -                 | -                     | -                   | 699,922              | 861,649              |
| 101               | 100                   | 1,256,606           | 2,372,769            | 3,272,193            |
| -                 | -                     | 115,015             | 5,167,238            | 153,597              |
| -                 | -                     | -                   | 617,722              | 483,555              |
| -                 | -                     | -                   | 9,090                | 334                  |
| 1,337             | -                     | -                   | 35,745               | 41,772               |
| <b>\$ 449,020</b> | <b>\$ 888,693</b>     | <b>\$ 5,162,529</b> | <b>\$ 37,696,450</b> | <b>\$ 28,783,641</b> |
| \$ 24,329         | \$ 31,657             | \$ 556,466          | \$ 1,750,516         | \$ 1,625,186         |
| -                 | 5,556                 | 72,886              | 497,534              | 388,329              |
| -                 | -                     | 9,439               | 9,439                | 10,489               |
| -                 | -                     | -                   | 11,150               | 66,691               |
| -                 | -                     | 1,082,374           | 1,716,416            | 235,766              |
| -                 | -                     | -                   | 32,191               | 31,067               |
| 1,337             | -                     | -                   | 1,337                | 2,751                |
| -                 | 966                   | 943,081             | 2,022,401            | 1,254,740            |
| -                 | -                     | 2,037,909           | 2,886,164            | 2,339,801            |
| 25,666            | 38,179                | 4,702,155           | 8,927,148            | 5,954,820            |
| -                 | -                     | -                   | 2,217                | 7,954                |
| -                 | -                     | -                   | 41,853               | 797,499              |
| -                 | -                     | -                   | 617,722              | 483,555              |
| -                 | -                     | -                   | 9,090                | 334                  |
| -                 | 394,395               | -                   | 394,395              | 308,090              |
| -                 | -                     | -                   | 384,785              | 356,331              |
| 423,354           | 456,119               | 460,374             | 27,319,240           | 20,875,058           |
| 423,354           | 850,514               | 460,374             | 28,769,302           | 22,828,821           |
| <b>\$ 449,020</b> | <b>\$ 888,693</b>     | <b>\$ 5,162,529</b> | <b>\$ 37,696,450</b> | <b>\$ 28,783,641</b> |

**GALVESTON COUNTY, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**ALL NONMAJOR SPECIAL REVENUE FUNDS**  
**For the Year Ended September 30, 2009**  
**With Comparative Totals for the Year Ended September 30, 2008**

|  | <b>COUNTY<br/>RECORDS<br/>MANAGEMENT</b> | <b>COUNTY CLERK<br/>RECORDS<br/>MANAGEMENT<br/>AND<br/>PRESERVATION<br/>FEE</b> | <b>ELECTION<br/>SERVICES<br/>CONTRACT</b> | <b>DISTRICT<br/>CLERK CHILD<br/>SUPPORT<br/>IV-D</b> |
|--|--|---|---|--|
| <b>REVENUES</b>  |  |   |   |  |
| Taxes  | \$ -                                     | \$ -  | \$ -                                      | \$ -   |
| Licenses and Permits   | -  | -   | -   | -  |
| Intergovernmental  | -  | -   | -   | 3,733  |
| Charges for Services   | 132,334                                  | 795,553   | 126,474                                   | -  |
| Fines and Forfeitures  | -  | -   | -   | -  |
| Investment Earnings  | -  | -   | -   | -  |
| Miscellaneous  | -  | -   | -   | -  |
| <b>Total revenues</b>  | <b>132,334</b>                           | <b>795,553</b>  | <b>126,474</b>                            | <b>3,733</b>   |
| <b>EXPENDITURES</b>  |  |   |   |  |
| Current :  |  |   |   |  |
| General Government   | 258,801                                  | 871,467   | 47,966                                    | -  |
| Public Safety  | -  | -   | -   | -  |
| Sanitation   | -  | -   | -   | -  |
| Health and Social Services   | -  | -   | -   | -  |
| Culture and Recreation   | -  | -   | -   | -  |
| Roads, Bridges, and Rights-of-Way                                    | -  | -   | -   | -  |
| Capital Outlay   | -  | -   | -   | -  |
| <b>Total expenditures</b>  | <b>258,801</b>                           | <b>871,467</b>  | <b>47,966</b>                             | <b>-</b>   |
| <b>Excess (deficiency) of revenues<br/>over (under) expenditures</b> | <b>(126,467)</b>                         | <b>(75,914)</b>   | <b>78,508</b>                             | <b>3,733</b>   |
| <b>OTHER FINANCING SOURCES (USES)</b>                                |  |   |   |  |
| Transfers In   | 80,000                                   | -   | -   | -  |
| Transfers Out  | (7,000)                                  | (476,900)   | -   | -  |
| Sale of Capital Assets   | -  | -   | -   | -  |
| <b>Total other financing sources (uses)</b>                          | <b>73,000</b>                            | <b>(476,900)</b>  | <b>-</b>                                  | <b>-</b>   |
| Net change in fund balances  | (53,467)                                 | (552,814)   | 78,508                                    | 3,733  |
| Fund balances-beginning  | 204,606                                  | 2,999,459   | 344,075                                   | 102,156  |
| <b>Fund balances-ending</b>  | <b>\$ 151,139</b>                        | <b>\$ 2,446,645</b>   | <b>\$ 422,583</b>                         | <b>\$ 105,889</b>                                    |

| DISTRICT<br>CLERK<br>RECORDS<br>MANAGEMENT | TAX ASSESSOR-<br>COLLECTOR<br>SPECIAL<br>INVENTORY TAX<br>ESCROW | DONATIONS<br>TO<br>GALVESTON<br>COUNTY | DISTRICT<br>ATTORNEY<br>CONTRABAND<br>POST-10/89 | DISTRICT<br>ATTORNEY<br>CHECK<br>COLLECTION<br>FEES |
|--|--|--|--|---|
| \$ -                                       | \$ 4,035   | \$ -                                   | \$ -   | \$ -  |
| -  | -  | -                                      | -  | -   |
| -  | -  | -                                      | -  | -   |
| 29,813                                     | -  | -                                      | -  | 9,086   |
| -  | -  | -                                      | 38,942   | -   |
| -  | 14,943   | -                                      | -  | -   |
| -  | -  | -                                      | -  | -   |
| 29,813                                     | 18,978   | -                                      | 38,942   | 9,086   |
| -  | -  | -                                      | 19,602   | 24,055  |
| -  | -  | -                                      | -  | -   |
| -  | -  | -                                      | -  | -   |
| -  | -  | -                                      | -  | -   |
| -  | -  | -                                      | -  | -   |
| -  | -  | -                                      | -  | -   |
| -  | -  | -                                      | 19,602   | 24,055  |
| 29,813                                     | 18,978   | -                                      | 19,340   | (14,969)  |
| -  | -  | -                                      | -  | -   |
| (40,000)                                   | (49,500)   | -                                      | -  | -   |
| -  | -  | -                                      | -  | -   |
| (40,000)                                   | (49,500)   | -                                      | -  | -   |
| (10,187)                                   | (30,522)   | -                                      | 19,340   | (14,969)  |
| 43,820                                     | 129,747  | 870                                    | 32,321   | 75,999  |
| <b>\$ 33,633</b>                           | <b>\$ 99,225</b>   | <b>\$ 870</b>                          | <b>\$ 51,661</b>                                 | <b>\$ 61,030</b>                                    |

**GALVESTON COUNTY, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**ALL NONMAJOR SPECIAL REVENUE FUNDS**  
**For the Year Ended September 30, 2009**  
**With Comparative Totals for the Year Ended September 30, 2008**

|  | <b>UNCLAIMED<br/>PROPERTY</b> | <b>COURTHOUSE<br/>SECURITY</b> | <b>LAW<br/>LIBRARY</b> | <b>MEDIATION<br/>SERVICES<br/>PROGRAM</b> |
|--|-------------------------------|--------------------------------|------------------------|---|
| <b>REVENUES</b>  |                               |                                |                        |   |
| Taxes  | \$ -                          | \$ -                           | \$ -                   | \$ -                                      |
| Licenses and Permits   | -                             | -                              | -                      | -   |
| Intergovernmental  | -                             | -                              | -                      | -   |
| Charges for Services   | -                             | 204,381                        | 235,455                | 131,981                                   |
| Fines and Forfeitures  | -                             | -                              | -                      | -   |
| Investment Earnings  | 6,499                         | -                              | -                      | 15,413                                    |
| Miscellaneous  | 425                           | -                              | -                      | -   |
| <b>Total revenues</b>  | <b>6,924</b>                  | <b>204,381</b>                 | <b>235,455</b>         | <b>147,394</b>                            |
| <b>EXPENDITURES</b>  |                               |                                |                        |   |
| Current :  |                               |                                |                        |   |
| General Government   | -                             | -                              | 323,507                | 9,750                                     |
| Public Safety  | -                             | 225,351                        | -                      | -   |
| Sanitation   | -                             | -                              | -                      | -   |
| Health and Social Services   | -                             | -                              | -                      | -   |
| Culture and Recreation   | -                             | -                              | -                      | -   |
| Roads, Bridges, and Rights-of-Way                                    | -                             | -                              | -                      | -   |
| Capital Outlay   | -                             | -                              | -                      | -   |
| <b>Total expenditures</b>  | <b>-</b>                      | <b>225,351</b>                 | <b>323,507</b>         | <b>9,750</b>                              |
| <b>Excess (deficiency) of revenues<br/>over (under) expenditures</b> | <b>6,924</b>                  | <b>(20,970)</b>                | <b>(88,052)</b>        | <b>137,644</b>                            |
| <b>OTHER FINANCING SOURCES (USES)</b>                                |                               |                                |                        |   |
| Transfers In   | -                             | -                              | -                      | 19,620                                    |
| Transfers Out  | -                             | (19,800)                       | (5,200)                | -   |
| Sale of Capital Assets   | -                             | -                              | -                      | -   |
| <b>Total other financing sources (uses)</b>                          | <b>-</b>                      | <b>(19,800)</b>                | <b>(5,200)</b>         | <b>19,620</b>                             |
| Net change in fund balances  | 6,924                         | (40,770)                       | (93,252)               | 157,264                                   |
| Fund balances-beginning  | 48,293                        | 391,020                        | 372,869                | 452,417                                   |
| <b>Fund balances-ending</b>  | <b>\$ 55,217</b>              | <b>\$ 350,250</b>              | <b>\$ 279,617</b>      | <b>\$ 609,681</b>                         |

| JUSTICE<br>COURT<br>TECHNOLOGY | PROBATE<br>COURT<br>CONTRIBUTIONS | ADULT<br>PROBATION | JUVENILE<br>JUSTICE | SHERIFF'S<br>COMMISSARY |
|--------------------------------|-----------------------------------|--------------------|---------------------|-------------------------|
| \$ -                           | \$ -                              | \$ -               | \$ -                | \$ -                    |
| -                              | -                                 | -                  | -                   | -                       |
| -                              | 60,322                            | 2,313,849          | 235,664             | -                       |
| -                              | -                                 | -                  | 490                 | -                       |
| 69,712                         | -                                 | -                  | -                   | -                       |
| -                              | -                                 | 20,883             | 40,561              | 26,556                  |
| -                              | -                                 | 9,455              | 3,144               | 217,629                 |
| 69,712                         | 60,322                            | 2,344,187          | 279,859             | 244,185                 |
| 60,000                         | 4,700                             | -                  | -                   | -                       |
| -                              | -                                 | 2,468,426          | 5,005,651           | 87,133                  |
| -                              | -                                 | -                  | -                   | -                       |
| -                              | -                                 | -                  | -                   | -                       |
| -                              | -                                 | -                  | -                   | -                       |
| -                              | -                                 | -                  | -                   | -                       |
| 60,000                         | 4,700                             | 2,468,426          | 5,005,651           | 87,133                  |
| 9,712                          | 55,622                            | (124,239)          | (4,725,792)         | 157,052                 |
| -                              | -                                 | -                  | 4,851,000           | -                       |
| -                              | (20,000)                          | -                  | (354,500)           | (23,700)                |
| -                              | -                                 | -                  | -                   | -                       |
| -                              | (20,000)                          | -                  | 4,496,500           | (23,700)                |
| 9,712                          | 35,622                            | (124,239)          | (229,292)           | 133,352                 |
| 96,039                         | 281,471                           | 133,612            | 1,384,447           | 876,091                 |
| <b>\$ 105,751</b>              | <b>\$ 317,093</b>                 | <b>\$ 9,373</b>    | <b>\$ 1,155,155</b> | <b>\$ 1,009,443</b>     |

**GALVESTON COUNTY, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**ALL NONMAJOR SPECIAL REVENUE FUNDS**  
**For the Year Ended September 30, 2009**  
**With Comparative Totals for the Year Ended September 30, 2008**

|  | <b>SHERIFF<br/>SEIZURES<br/>POST-10/89</b> | <b>TASK<br/>FORCE<br/>SEIZURES<br/>PRE-10/89</b> | <b>CRIMINAL<br/>INVESTIGATIVE<br/>DIVISION<br/>SEIZURES<br/>POST-10/89</b> | <b>LAW<br/>ENFORCEMENT<br/>CONTINUED<br/>EDUCATION</b> |
|--|--|--|--|--|
| <b>REVENUES</b>  |  |  |  |  |
| Taxes  | \$ -                                       | \$ -   | \$ -   | \$ -   |
| Licenses and Permits   | -  | -  | -  | -  |
| Intergovernmental  | -  | -  | -  | 7,664  |
| Charges for Services   | -  | -  | -  | -  |
| Fines and Forfeitures  | 7,319                                      | 3,790  | -  | -  |
| Investment Earnings  | 1,019                                      | -  | -  | -  |
| Miscellaneous  | -  | 402  | -  | -  |
| <b>Total revenues</b>  | <b>8,338</b>                               | <b>4,192</b>                                     | <b>-</b>   | <b>7,664</b>   |
| <b>EXPENDITURES</b>  |  |  |  |  |
| Current :  |  |  |  |  |
| General Government   | -  | -  | -  | -  |
| Public Safety  | -  | 441  | -  | 15,640   |
| Sanitation   | -  | -  | -  | -  |
| Health and Social Services   | -  | -  | -  | -  |
| Culture and Recreation   | -  | -  | -  | -  |
| Roads, Bridges, and Rights-of-Way                                    | -  | -  | -  | -  |
| Capital Outlay   | -  | -  | -  | -  |
| <b>Total expenditures</b>  | <b>-</b>                                   | <b>441</b>                                       | <b>-</b>   | <b>15,640</b>  |
| <b>Excess (deficiency) of revenues<br/>over (under) expenditures</b> | <b>8,338</b>                               | <b>3,751</b>                                     | <b>-</b>   | <b>(7,976)</b>   |
| <b>OTHER FINANCING SOURCES (USES)</b>                                |  |  |  |  |
| Transfers In   | -  | -  | -  | -  |
| Transfers Out  | -  | (5,400)  | -  | -  |
| Sale of Capital Assets   | -  | -  | -  | -  |
| <b>Total other financing sources (uses)</b>                          | <b>-</b>                                   | <b>(5,400)</b>                                   | <b>-</b>   | <b>-</b>   |
| Net change in fund balances  | 8,338                                      | (1,649)  | -  | (7,976)  |
| Fund balances-beginning  | 42,642                                     | 37,061   | -  | 161,091  |
| <b>Fund balances-ending</b>  | <b>\$ 50,980</b>                           | <b>\$ 35,412</b>                                 | <b>\$ -</b>  | <b>\$ 153,115</b>                                      |

| CONSTABLES'<br>SEIZURES | EMERGENCY<br>MANAGEMENT | ROAD<br>AND<br>BRIDGE | FARM-TO-<br>MARKET<br>LATERAL<br>ROAD | ROAD<br>DISTRICT<br>#1 |
|-------------------------|-------------------------|-----------------------|---------------------------------------|------------------------|
| \$ -                    | \$ -                    | \$ 3,087,892          | \$ 1,421                              | \$ 171                 |
| -                       | -                       | 2,444,962             | -                                     | -                      |
| -                       | 42,653                  | 1,565,347             | 28,455                                | -                      |
| -                       | -                       | -                     | -                                     | 385,746                |
| 3,500                   | -                       | 668,659               | -                                     | -                      |
| -                       | 540                     | 169,934               | 61,331                                | 32,644                 |
| -                       | 25,214                  | 10                    | 40,786                                | -                      |
| 3,500                   | 68,407                  | 7,936,804             | 131,993                               | 418,561                |
| -                       | -                       | 13,667                | -                                     | -                      |
| -                       | 262,130                 | -                     | -                                     | -                      |
| -                       | -                       | -                     | -                                     | -                      |
| -                       | -                       | -                     | -                                     | -                      |
| -                       | -                       | 5,655,456             | 119,006                               | 557,646                |
| -                       | -                       | 317,110               | 20,421                                | -                      |
| -                       | 262,130                 | 5,986,233             | 139,427                               | 557,646                |
| 3,500                   | (193,723)               | 1,950,571             | (7,434)                               | (139,085)              |
| -                       | 5,100,000               | -                     | -                                     | -                      |
| -                       | -                       | (2,063,100)           | (71,900)                              | (113,800)              |
| -                       | -                       | 21,752                | 4,550                                 | 2,784                  |
| -                       | 5,100,000               | (2,041,348)           | (67,350)                              | (111,016)              |
| 3,500                   | 4,906,277               | (90,777)              | (74,784)                              | (250,101)              |
| -                       | 1,384,627               | 5,702,950             | 2,088,207                             | 1,266,117              |
| <b>\$ 3,500</b>         | <b>\$ 6,290,904</b>     | <b>\$ 5,612,173</b>   | <b>\$ 2,013,423</b>                   | <b>\$ 1,016,016</b>    |

**GALVESTON COUNTY, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**ALL NONMAJOR SPECIAL REVENUE FUNDS**  
**For the Year Ended September 30, 2009**  
**With Comparative Totals for the Year Ended September 30, 2008**

|  | <b>FLOOD<br/>CONTROL</b> | <b>PUBLIC<br/>HEALTH</b> | <b>MOSQUITO<br/>CONTROL<br/>DISTRICT</b> | <b>INDIGENT<br/>HEALTH<br/>CARE<br/>FUND</b> |
|--|--------------------------|--------------------------|--|--|
| <b>REVENUES</b>  |                          |                          |  |  |
| Taxes  | \$ 2,263,081             | \$ -                     | \$ 1,108,769                             | \$ -   |
| Licenses and Permits   | -                        | -                        | -  | -  |
| Intergovernmental  | -                        | -                        | -  | 580  |
| Charges for Services   | 82,117                   | -                        | -  | -  |
| Fines and Forfeitures  | -                        | -                        | -  | -  |
| Investment Earnings  | 67,155                   | -                        | 36,867                                   | -  |
| Miscellaneous  | 115,139                  | -                        | 38                                       | -  |
| <b>Total revenues</b>  | <b>2,527,492</b>         | <b>-</b>                 | <b>1,145,674</b>                         | <b>580</b>                                   |
| <b>EXPENDITURES</b>  |                          |                          |  |  |
| Current :  |                          |                          |  |  |
| General Government   | 76,341                   | -                        | -  | -  |
| Public Safety  | 1,518,308                | -                        | -  | -  |
| Sanitation   | -                        | -                        | -  | -  |
| Health and Social Services   | -                        | -                        | 1,111,384                                | 859,723                                      |
| Culture and Recreation   | -                        | -                        | -  | -  |
| Roads, Bridges, and Rights-of-Way                                    | -                        | -                        | -  | -  |
| Capital Outlay   | 859,266                  | -                        | 439,520                                  | -  |
| <b>Total expenditures</b>  | <b>2,453,915</b>         | <b>-</b>                 | <b>1,550,904</b>                         | <b>859,723</b>                               |
| <b>Excess (deficiency) of revenues<br/>over (under) expenditures</b> | <b>73,577</b>            | <b>-</b>                 | <b>(405,230)</b>                         | <b>(859,143)</b>                             |
| <b>OTHER FINANCING SOURCES (USES)</b>                                |                          |                          |  |  |
| Transfers In   | 898,500                  | -                        | -  | 2,385,000                                    |
| Transfers Out  | (136,800)                | -                        | (68,300)                                 | -  |
| Sale of Capital Assets   | -                        | -                        | 1,395                                    | -  |
| <b>Total other financing sources (uses)</b>                          | <b>761,700</b>           | <b>-</b>                 | <b>(66,905)</b>                          | <b>2,385,000</b>                             |
| Net change in fund balances  | 835,277                  | -                        | (472,135)                                | 1,525,857                                    |
| Fund balances-beginning  | 1,366,368                | -                        | 1,339,915                                | -  |
| <b>Fund balances-ending</b>  | <b>\$ 2,201,645</b>      | <b>\$ -</b>              | <b>\$ 867,780</b>                        | <b>\$ 1,525,857</b>                          |

|           | CHILD<br>WELFARE | BEACH<br>AND<br>PARKS | GRANTS            | TOTALS               |                      |
|-----------|------------------|-----------------------|-------------------|----------------------|----------------------|
|           |                  |                       |                   | 2009                 | 2008                 |
| \$        | -                | \$ -                  | \$ -              | \$ 6,465,369         | \$ 6,036,742         |
|           | -                | -                     | -                 | 2,444,962            | 2,240,460            |
|           | 14,667           | 67,499                | 5,741,553         | 10,081,986           | 10,349,751           |
|           | -                | 156,226               | -                 | 2,289,656            | 2,914,266            |
|           | -                | -                     | -                 | 791,922              | 866,648              |
|           | -                | 3,068                 | 6,094             | 503,507              | 583,474              |
|           | 1,932            | 1,695                 | 730,236           | 1,146,105            | 543,172              |
|           | 16,599           | 228,488               | 6,477,883         | 23,723,507           | 23,534,513           |
|           | -                | -                     | 232,018           | 1,941,874            | 1,978,613            |
|           | -                | -                     | 4,014,055         | 13,597,135           | 13,364,088           |
|           | -                | -                     | 6,900             | 6,900                | 21,250               |
|           | 307,659          | -                     | 1,880,205         | 4,158,971            | 3,133,654            |
|           | -                | 492,444               | 42,232            | 534,676              | 706,617              |
|           | -                | -                     | -                 | 6,332,108            | 5,687,025            |
|           | -                | -                     | 314,946           | 1,951,263            | 3,711,531            |
|           | 307,659          | 492,444               | 6,490,356         | 28,522,927           | 28,602,778           |
|           | (291,060)        | (263,956)             | (12,473)          | (4,799,420)          | (5,068,265)          |
|           | 400,000          | 460,000               | 12,901            | 14,207,021           | 7,556,590            |
|           | (4,000)          | (24,800)              | (12,901)          | (3,497,601)          | (2,481,293)          |
|           | -                | -                     | -                 | 30,481               | 143,237              |
|           | 396,000          | 435,200               | -                 | 10,739,901           | 5,218,534            |
|           | 104,940          | 171,244               | (12,473)          | 5,940,481            | 150,269              |
|           | 318,414          | 679,270               | 472,847           | 22,828,821           | 22,678,552           |
| <b>\$</b> | <b>423,354</b>   | <b>\$ 850,514</b>     | <b>\$ 460,374</b> | <b>\$ 28,769,302</b> | <b>\$ 22,828,821</b> |

**GALVESTON COUNTY, TEXAS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR SPECIAL REVENUE FUNDS - GRANT FUNDS**  
**September 30, 2009**  
**With Comparative Totals at September 30, 2008**

|  | LOW INCOME<br>REPAIR<br>ASSISTANCE<br>PROGRAM<br>("L.I.R.A.P.") | LOCAL<br>INITIATIVE<br>PROJECT | ADULT<br>PROBATION<br>COMMUNITY<br>CORRECTIONS | JUVENILE<br>ACCOUNTABILITY<br>INCENTIVE<br>BLOCK |
|--|---|--------------------------------|--|--|
| <b>ASSETS</b>                                      |   |                                |  |  |
| Cash and Cash Equivalents                          | \$ 1,039,905  | \$ 2,227                       | \$ 144,129                                     | \$ 55,388  |
| Receivables: (Net of Allowance for Uncollectibles) |   |                                |  |  |
| Accounts and Other                                 | -   | -                              | 1,437  | 5,979  |
| Due from Other Funds                               | -   | -                              | -  | -  |
| <b>Total assets</b>                                | <b>\$ 1,039,905</b>   | <b>\$ 2,227</b>                | <b>\$ 145,566</b>                              | <b>\$ 61,367</b>                                 |
| <b>LIABILITIES</b>                                 |   |                                |  |  |
| Accounts Payable                                   | \$ -  | \$ -                           | \$ 15,576                                      | \$ 1,125   |
| Salaries Payable                                   | -   | -                              | 10,724   | 2,846  |
| Compensated Absences Payable                       | -   | -                              | -  | -  |
| Retainage Payable                                  | -   | -                              | -  | -  |
| Due to Others                                      | 1,026,447   | -                              | 50,002   | -  |
| Due to Other Funds                                 | -   | -                              | -  | 57,396   |
| Deferred Revenues                                  | -   | -                              | 69,264   | -  |
| <b>Total liabilities</b>                           | <b>1,026,447</b>  | <b>-</b>                       | <b>145,566</b>                                 | <b>61,367</b>                                    |
| <b>FUND BALANCES</b>                               |   |                                |  |  |
| Reserved:  |   |                                |  |  |
| Unreserved:  |   |                                |  |  |
| Undesignated                                       | 13,458  | 2,227                          | -  | -  |
| <b>Total fund balances</b>                         | <b>13,458</b>   | <b>2,227</b>                   | <b>-</b>                                       | <b>-</b>   |
| <b>Total liabilities and fund balances</b>         | <b>\$ 1,039,905</b>   | <b>\$ 2,227</b>                | <b>\$ 145,566</b>                              | <b>\$ 61,367</b>                                 |

(Continued)

| <b>JUVENILE<br/>JUSTICE<br/>STATE<br/>AID</b> | <b>JUVENILE JUSTICE<br/>INTENSIVE<br/>SUPERVISION<br/>PROGRAM</b> | <b>INTENSIVE<br/>COMMUNITY-<br/>BASED<br/>PROGRAM</b> | <b>JUVENILE<br/>JUSTICE<br/>ALTERNATIVE<br/>EDUCATION</b> | <b>ORGANIZED<br/>CRIME<br/>CONTROL<br/>UNIT</b> |
|---|---|---|---|---|
| \$ 8,838                                      | \$ 5,893  | \$ 112  | \$ 43   | \$ 1,824  |
| 40,833  | 33,165  | 8,114   | 26,554  | -   |
| -   | -   | -   | -   | -   |
| <b>\$ 49,671</b>                              | <b>\$ 39,058</b>  | <b>\$ 8,226</b>                                       | <b>\$ 26,597</b>  | <b>\$ 1,824</b>                                 |
| <hr/>   |   |   |   |   |
| \$ 17,311                                     | \$ 14,643   | \$ 8,226  | \$ 5,618  | \$ -  |
| 18,767  | 11,963  | -   | -   | -   |
| -   | -   | -   | -   | -   |
| -   | -   | -   | -   | -   |
| -   | -   | -   | -   | -   |
| 1,448   | 1,690   | -   | -   | -   |
| -   | -   | -   | -   | -   |
| 37,526  | 28,296  | 8,226   | 5,618   | -   |
| <hr/>   |   |   |   |   |
| 12,145  | 10,762  | -   | 20,979  | 1,824   |
| 12,145  | 10,762  | -   | 20,979  | 1,824   |
| <b>\$ 49,671</b>                              | <b>\$ 39,058</b>  | <b>\$ 8,226</b>                                       | <b>\$ 26,597</b>  | <b>\$ 1,824</b>                                 |

**GALVESTON COUNTY, TEXAS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR SPECIAL REVENUE FUNDS - GRANT FUNDS**  
**September 30, 2009**  
**With Comparative Totals at September 30, 2008**

|  | AUTO<br>CRIMES<br>TASK<br>FORCE | DWI-TEXAS<br>TRAFFIC<br>SAFETY<br>PROGRAM | STATE<br>CRIMINAL<br>ALIEN<br>ASSISTANCE<br>PROGRAM | TEXAS<br>VICTIM INFOR-<br>MATION AND<br>NOTIFICATION<br>EVERY DAY<br>("V.I.N.E.") |
|--|---------------------------------|---|---|---|
| <b>ASSETS</b>                                      |                                 |   |   |   |
| Cash and Cash Equivalents                          | \$ -                            | \$ 1,902                                  | \$ -  | \$ -  |
| Receivables: (Net of Allowance for Uncollectibles) |                                 |   |   |   |
| Accounts and Other                                 | 211,818                         | 3,914                                     | 70,311  | 2,151   |
| Due from Other Funds                               | 115,015                         | -   | -   | -   |
| <b>Total assets</b>                                | <b>\$ 326,833</b>               | <b>\$ 5,816</b>                           | <b>\$ 70,311</b>                                    | <b>\$ 2,151</b>   |
| <b>LIABILITIES</b>                                 |                                 |   |   |   |
| Accounts Payable                                   | \$ 20,305                       | \$ -                                      | \$ 15,469   | \$ 2,151  |
| Salaries Payable                                   | 21,336                          | -   | -   | -   |
| Compensated Absences Payable                       | -                               | -   | -   | -   |
| Retainage Payable                                  | -                               | -   | -   | -   |
| Due to Others                                      | 113                             | -   | -   | -   |
| Due to Other Funds                                 | 189,941                         | 5,816                                     | 54,842  | -   |
| Deferred Revenues                                  | -                               | -   | -   | -   |
| <b>Total liabilities</b>                           | <b>231,695</b>                  | <b>5,816</b>                              | <b>70,311</b>                                       | <b>2,151</b>  |
| <b>FUND BALANCES</b>                               |                                 |   |   |   |
| Reserved:  |                                 |   |   |   |
| Unreserved:  |                                 |   |   |   |
| Undesignated                                       | 95,138                          | -   | -   | -   |
| <b>Total fund balances</b>                         | <b>95,138</b>                   | <b>-</b>                                  | <b>-</b>  | <b>-</b>  |
| <b>Total liabilities and fund balances</b>         | <b>\$ 326,833</b>               | <b>\$ 5,816</b>                           | <b>\$ 70,311</b>                                    | <b>\$ 2,151</b>   |

(Continued)

| <b>ATTORNEY<br/>GENERAL'S<br/>VICTIMS<br/>ASSISTANCE</b> | <b>VIOLENCE<br/>AGAINST<br/>WOMEN<br/>ACT</b> | <b>CHILDREN'S<br/>JUSTICE<br/>ACT<br/>PROJECT</b> | <b>OFFICE OF<br/>EMERGENCY<br/>MANAGEMENT</b> |
|--|---|---|---|
| \$ 2,988   | \$ 2,991                                      | \$ 1,685  | \$ -  |
| 4,002  | 5,555   | -   | 84,149  |
| -  | -   | -   | -   |
| <b>\$ 6,990</b>  | <b>\$ 8,546</b>                               | <b>\$ 1,685</b>                                   | <b>\$ 84,149</b>                              |
| \$ -   | \$ -  | \$ -  | \$ 16,944                                     |
| 1,907  | 3,643   | -   | -   |
| -  | -   | -   | -   |
| -  | -   | -   | -   |
| -  | -   | -   | -   |
| 241  | 4,903   | -   | 67,205  |
| -  | -   | -   | -   |
| 2,148  | 8,546   | -   | 84,149  |
| 4,842  | -   | 1,685   | -   |
| 4,842  | -   | 1,685   | -   |
| <b>\$ 6,990</b>  | <b>\$ 8,546</b>                               | <b>\$ 1,685</b>                                   | <b>\$ 84,149</b>                              |

**GALVESTON COUNTY, TEXAS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR SPECIAL REVENUE FUNDS - GRANT FUNDS**  
**September 30, 2009**  
**With Comparative Totals at September 30, 2008**

|  | STATE<br>HOMELAND<br>SECURITY | HMGP<br>IKE       | COMMUNITY<br>DEVELOPMENT | CDBG<br>HOUSING<br>PROGRAM |
|--|-------------------------------|-------------------|--------------------------|----------------------------|
| <b>ASSETS</b>                                      |                               |                   |                          |                            |
| Cash and Cash Equivalents                          | \$ 286,647                    | \$ -              | \$ 99,685                | \$ -                       |
| Receivables: (Net of Allowance for Uncollectibles) |                               |                   |                          |                            |
| Accounts and Other                                 | 134,312                       | 313,701           | -                        | -                          |
| Due from Other Funds                               | -                             | -                 | -                        | -                          |
| <b>Total assets</b>                                | <b>\$ 420,959</b>             | <b>\$ 313,701</b> | <b>\$ 99,685</b>         | <b>\$ -</b>                |
| <b>LIABILITIES</b>                                 |                               |                   |                          |                            |
| Accounts Payable                                   | \$ -                          | \$ 313,701        | \$ -                     | \$ -                       |
| Salaries Payable                                   | 1,653                         | -                 | -                        | -                          |
| Compensated Absences Payable                       | -                             | -                 | -                        | -                          |
| Retainage Payable                                  | -                             | -                 | -                        | -                          |
| Due to Others                                      | 5,812                         | -                 | -                        | -                          |
| Due to Other Funds                                 | 413,494                       | -                 | -                        | -                          |
| Deferred Revenues                                  | -                             | -                 | 99,685                   | -                          |
| <b>Total liabilities</b>                           | <b>420,959</b>                | <b>313,701</b>    | <b>99,685</b>            | <b>-</b>                   |
| <b>FUND BALANCES</b>                               |                               |                   |                          |                            |
| Reserved:  |                               |                   |                          |                            |
| Unreserved:  |                               |                   |                          |                            |
| Undesignated                                       | -                             | -                 | -                        | -                          |
| <b>Total fund balances</b>                         | <b>-</b>                      | <b>-</b>          | <b>-</b>                 | <b>-</b>                   |
| <b>Total liabilities and fund balances</b>         | <b>\$ 420,959</b>             | <b>\$ 313,701</b> | <b>\$ 99,685</b>         | <b>\$ -</b>                |

(Continued)

| <b>CDBG<br/>INFRASTRUCTURE<br/>PROGRAM</b> | <b>SENIOR<br/>CITIZENS</b> | <b>TEXANS<br/>FEEDING<br/>TEXANS<br/>PROGRAM</b> | <b>KEMPNER</b> | <b>COMMUNITY<br/>DEVELOPMENT<br/>BLOCK -<br/>MEALS ON<br/>WHEELS</b> |
|--|----------------------------|--|----------------|--|
| \$ 300,000                                 | \$ -                       | \$ 43,962  | \$ 900         | \$ -   |
| -  | 132,241                    | -  | -              | 1,387  |
| -  | -                          | -  | -              | -  |
| <b>\$ 300,000</b>                          | <b>\$ 132,241</b>          | <b>\$ 43,962</b>                                 | <b>\$ 900</b>  | <b>\$ 1,387</b>  |
| <hr/>                                      |                            |  |                |  |
| \$ -                                       | \$ 21,143                  | \$ 21,984  | \$ -           | \$ -   |
| -  | 47                         | -  | -              | -  |
| -  | 9,439                      | -  | -              | -  |
| -  | -                          | -  | -              | -  |
| -  | -                          | -  | -              | -  |
| -  | 64,810                     | -  | -              | 1,387  |
| 300,000                                    | -                          | -  | 900            | -  |
| <b>300,000</b>                             | <b>95,439</b>              | <b>21,984</b>                                    | <b>900</b>     | <b>1,387</b>   |
| <hr/>                                      |                            |  |                |  |
| -  | 36,802                     | 21,978   | -              | -  |
| -  | 36,802                     | 21,978   | -              | -  |
| <b>\$ 300,000</b>                          | <b>\$ 132,241</b>          | <b>\$ 43,962</b>                                 | <b>\$ 900</b>  | <b>\$ 1,387</b>  |

**GALVESTON COUNTY, TEXAS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR SPECIAL REVENUE FUNDS - GRANT FUNDS**  
**September 30, 2009**  
**With Comparative Totals at September 30, 2008**

|  | <b>INTENSIVE<br/>FAMILY<br/>PRESERVATION</b> | <b>COUNTY<br/>BEACH AND<br/>PARKS<br/>PROJECTS</b> | <b>UNITED STATES<br/>DEPARTMENT<br/>OF JUSTICE<br/>PROGRAMS</b> |
|--|--|--|---|
| <b>ASSETS</b>                                      |  |  |   |
| Cash and Cash Equivalents                          | \$ 2,394                                     | \$ -   | \$ 49,952   |
| Receivables: (Net of Allowance for Uncollectibles) |  |  |   |
| Accounts and Other                                 | -  | 62,143   | 114,840   |
| Due from Other Funds                               | -  | -  | -   |
| <b>Total assets</b>                                | <b>\$ 2,394</b>                              | <b>\$ 62,143</b>                                   | <b>\$ 164,792</b>   |
| <b>LIABILITIES</b>                                 |  |  |   |
| Accounts Payable                                   | \$ -   | \$ -   | \$ 78,497   |
| Salaries Payable                                   | -  | -  | -   |
| Compensated Absences Payable                       | -  | -  | -   |
| Retainage Payable                                  | -  | -  | -   |
| Due to Others                                      | -  | -  | -   |
| Due to Other Funds                                 | -  | 61,554   | -   |
| Deferred Revenues                                  | -  | 589  | 75,621  |
| <b>Total liabilities</b>                           | <b>-</b>                                     | <b>62,143</b>                                      | <b>154,118</b>  |
| <b>FUND BALANCES</b>                               |  |  |   |
| Reserved:  |  |  |   |
| Unreserved:  |  |  |   |
| Undesignated                                       | 2,394  | -  | 10,674  |
| <b>Total fund balances</b>                         | <b>2,394</b>                                 | <b>-</b>   | <b>10,674</b>   |
| <b>Total liabilities and fund balances</b>         | <b>\$ 2,394</b>                              | <b>\$ 62,143</b>                                   | <b>\$ 164,792</b>   |

(Continued)

| MOODY<br>FOUNDATION<br>GRANTS | HURRICANE<br>IKE<br>GRANTS | DISASTER<br>RECOVERY -<br>RITA | TOTALS              |                     |
|-------------------------------|----------------------------|--------------------------------|---------------------|---------------------|
|                               |                            |                                | 2009                | 2008                |
| \$ 4,301                      | \$ 558,675                 | \$ 1,176,467                   | \$ 3,790,908        | \$ 770,597          |
| -                             | -                          | -                              | 1,256,606           | 1,934,476           |
| -                             | -                          | -                              | 115,015             | 115,797             |
| <b>\$ 4,301</b>               | <b>\$ 558,675</b>          | <b>\$ 1,176,467</b>            | <b>\$ 5,162,529</b> | <b>\$ 2,820,870</b> |
| \$ 3,773                      | \$ -                       | \$ -                           | \$ 556,466          | \$ 275,551          |
| -                             | -                          | -                              | 72,886              | 85,986              |
| -                             | -                          | -                              | 9,439               | 10,489              |
| -                             | -                          | -                              | -                   | 10,107              |
| -                             | -                          | -                              | 1,082,374           | 61,032              |
| -                             | -                          | 18,354                         | 943,081             | 614,480             |
| -                             | 558,675                    | 933,175                        | 2,037,909           | 1,290,378           |
| 3,773                         | 558,675                    | 951,529                        | 4,702,155           | 2,348,023           |
| 528                           | -                          | 224,938                        | 460,374             | 472,847             |
| 528                           | -                          | 224,938                        | 460,374             | 472,847             |
| <b>\$ 4,301</b>               | <b>\$ 558,675</b>          | <b>\$ 1,176,467</b>            | <b>\$ 5,162,529</b> | <b>\$ 2,820,870</b> |

**GALVESTON COUNTY, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR SPECIAL REVENUE FUNDS - GRANT FUNDS**  
**For the Year Ended September 30, 2009**  
**With Comparative Totals for the Year Ended September 30, 2008**

|  | <b>LOW INCOME<br/>REPAIR<br/>ASSISTANCE<br/>PROGRAM<br/>("L.I.R.A.P.")</b> | <b>LOCAL<br/>INITIATIVE<br/>PROJECT</b> | <b>ADULT<br/>PROBATION<br/>COMMUNITY<br/>CORRECTIONS</b> | <b>JUVENILE<br/>ACCOUNTABILITY<br/>INCENTIVE<br/>BLOCK</b> |
|--|--|---|--|--|
| <b>REVENUES</b>  |  |   |  |  |
| Intergovernmental  | \$ 1,187,773   | \$ 217,612                              | \$ 434,576   | \$ 72,613  |
| Investment Earnings  | 3,038  | 1,303                                   | -  | -  |
| Miscellaneous  | -  | -                                       | -  | -  |
| <b>Total revenues</b>  | <b>1,190,811</b>   | <b>218,915</b>                          | <b>434,576</b>   | <b>72,613</b>  |
| <b>EXPENDITURES</b>  |  |   |  |  |
| Current :  |  |   |  |  |
| General Government   | -  | -                                       | -  | 72,613   |
| Public Safety  | -  | -                                       | 441,488  | -  |
| Sanitation   | -  | -                                       | -  | -  |
| Health and Social Services                                   | 1,187,775  | -                                       | -  | -  |
| Culture and Recreation                                       | -  | -                                       | -  | -  |
| Capital Outlay   | -  | 216,688                                 | -  | -  |
| <b>Total expenditures</b>                                    | <b>1,187,775</b>   | <b>216,688</b>                          | <b>441,488</b>   | <b>72,613</b>  |
| Excess (deficiency) of revenues<br>over (under) expenditures | 3,036  | 2,227                                   | (6,912)  | -  |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |  |   |  |  |
| Transfers In   | -  | -                                       | 12,901   | -  |
| Transfers Out  | -  | -                                       | (12,901)   | -  |
| <b>Total other financing sources (uses)</b>                  | <b>-</b>   | <b>-</b>                                | <b>-</b>   | <b>-</b>   |
| <b>Net change in fund balances</b>                           | <b>3,036</b>   | <b>2,227</b>                            | <b>(6,912)</b>   | <b>-</b>   |
| Fund balances-beginning                                      | 10,422   | -                                       | 6,912  | -  |
| <b>Fund balances-ending</b>                                  | <b>\$ 13,458</b>   | <b>\$ 2,227</b>                         | <b>\$ -</b>  | <b>-</b>   |

(Continued)

| <b>JUVENILE<br/>JUSTICE<br/>STATE<br/>AID</b> | <b>JUVENILE JUSTICE<br/>INTENSIVE<br/>SUPERVISION<br/>PROGRAM</b> | <b>INTENSIVE<br/>COMMUNITY-<br/>BASED<br/>PROGRAM</b> | <b>JUVENILE<br/>JUSTICE<br/>ALTERNATIVE<br/>EDUCATION</b> | <b>ORGANIZED<br/>CRIME<br/>CONTROL<br/>UNIT</b> |
|---|---|---|---|---|
| \$ 667,427                                    | \$ 489,691  | \$ 76,438   | \$ 292,764  | \$ -  |
| -   | -   | -   | -   | -   |
| -   | -   | -   | -   | -   |
| 667,427                                       | 489,691   | 76,438  | 292,764   | -   |
| -   | -   | -   | -   | -   |
| 655,282                                       | 484,349   | 83,281  | 271,785   | -   |
| -   | -   | -   | -   | -   |
| -   | -   | -   | -   | -   |
| -   | -   | -   | -   | -   |
| 655,282                                       | 484,349   | 83,281  | 271,785   | -   |
| 12,145  | 5,342   | (6,843)   | 20,979  | -   |
| -   | -   | -   | -   | -   |
| -   | -   | -   | -   | -   |
| 12,145  | 5,342   | (6,843)   | 20,979  | -   |
| -   | 5,420   | 6,843   | -   | 1,824   |
| <b>\$ 12,145</b>                              | <b>\$ 10,762</b>  | <b>\$ -</b>   | <b>\$ 20,979</b>  | <b>\$ 1,824</b>                                 |

**GALVESTON COUNTY, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR SPECIAL REVENUE FUNDS - GRANT FUNDS**  
**For the Year Ended September 30, 2009**  
**With Comparative Totals for the Year Ended September 30, 2008**

|  | <b>AUTO<br/>CRIMES<br/>TASK<br/>FORCE</b> | <b>DWI-TEXAS<br/>TRAFFIC<br/>SAFETY<br/>PROGRAM</b> | <b>STATE<br/>CRIMINAL<br/>ALIEN<br/>ASSISTANCE<br/>PROGRAM</b> | <b>TEXAS<br/>VICTIM INFOR-<br/>MATION AND<br/>NOTIFICATION<br/>EVERY DAY<br/>("V.I.N.E.")</b> |
|--|---|---|--|---|
| <b>REVENUES</b>  |   |   |  |   |
| Intergovernmental  | \$ 639,194                                | \$ 3,911  | \$ -   | \$ 25,817   |
| Investment Earnings  | -   | -   | -  | -   |
| Miscellaneous  | -   | -   | 70,311   | -   |
| <b>Total revenues</b>  | <b>639,194</b>                            | <b>3,911</b>  | <b>70,311</b>  | <b>25,817</b>   |
| <b>EXPENDITURES</b>  |   |   |  |   |
| Current :  |   |   |  |   |
| General Government   | -   | -   | -  | 25,817  |
| Public Safety  | 571,866                                   | 3,914   | 70,311   | -   |
| Sanitation   | -   | -   | -  | -   |
| Health and Social Services                                   | -   | -   | -  | -   |
| Culture and Recreation                                       | -   | -   | -  | -   |
| Capital Outlay   | 88,191                                    | -   | -  | -   |
| <b>Total expenditures</b>                                    | <b>660,057</b>                            | <b>3,914</b>  | <b>70,311</b>  | <b>25,817</b>   |
| Excess (deficiency) of revenues<br>over (under) expenditures | (20,863)                                  | (3)   | -  | -   |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |   |   |  |   |
| Transfers In   | -   | -   | -  | -   |
| Transfers Out  | -   | -   | -  | -   |
| <b>Total other financing sources (uses)</b>                  | <b>-</b>                                  | <b>-</b>  | <b>-</b>   | <b>-</b>  |
| Net change in fund balances                                  | (20,863)                                  | (3)   | -  | -   |
| Fund balances-beginning                                      | 116,001                                   | 3   | -  | -   |
| <b>Fund balances-ending</b>                                  | <b>\$ 95,138</b>                          | <b>\$ -</b>   | <b>\$ -</b>  | <b>\$ -</b>   |

(Continued)

| <b>ATTORNEY<br/>GENERAL'S<br/>VICTIMS<br/>ASSISTANCE</b> | <b>VIOLENCE<br/>AGAINST<br/>WOMEN<br/>ACT</b> | <b>CHILDREN'S<br/>JUSTICE<br/>ACT<br/>PROJECT</b> | <b>OFFICE OF<br/>EMERGENCY<br/>MANAGEMENT</b> |
|--|---|---|---|
| \$ 56,649  | \$ 78,477                                     | \$ -  | \$ 54,776                                     |
| -  | -   | -   | -   |
| -  | -   | -   | -   |
| 56,649   | 78,477  | -   | 54,776  |
| 55,111   | 78,477  | -   | -   |
| -  | -   | -   | 56,402  |
| -  | -   | -   | -   |
| -  | -   | -   | -   |
| -  | -   | -   | -   |
| 55,111   | 78,477  | -   | 56,402  |
| 1,538  | -   | -   | (1,626)                                       |
| -  | -   | -   | -   |
| -  | -   | -   | -   |
| -  | -   | -   | -   |
| 1,538  | -   | -   | (1,626)                                       |
| 3,304  | -   | 1,685   | 1,626   |
| <b>\$ 4,842</b>  | <b>\$ -</b>                                   | <b>\$ 1,685</b>                                   | <b>\$ -</b>                                   |

**GALVESTON COUNTY, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR SPECIAL REVENUE FUNDS - GRANT FUNDS**  
**For the Year Ended September 30, 2009**  
**With Comparative Totals for the Year Ended September 30, 2008**

|  | STATE<br>HOMELAND<br>SECURITY | HMGP<br>IKE    | COMMUNITY<br>DEVELOPMENT | CDBG<br>HOUSING<br>PROGRAM |
|--|-------------------------------|----------------|--------------------------|----------------------------|
| <b>REVENUES</b>  |                               |                |                          |                            |
| Intergovernmental  | \$ 133,472                    | \$ 313,701     | \$ 6,900                 | \$ -                       |
| Investment Earnings  | -                             | -              | -                        | -                          |
| Miscellaneous  | -                             | -              | -                        | -                          |
| <b>Total revenues</b>  | <b>133,472</b>                | <b>313,701</b> | <b>6,900</b>             | <b>-</b>                   |
| <b>EXPENDITURES</b>  |                               |                |                          |                            |
| Current :  |                               |                |                          |                            |
| General Government   | -                             | -              | -                        | -                          |
| Public Safety  | 133,472                       | 313,701        | -                        | -                          |
| Sanitation   | -                             | -              | 6,900                    | -                          |
| Health and Social Services                                   | -                             | -              | -                        | -                          |
| Culture and Recreation                                       | -                             | -              | -                        | -                          |
| Capital Outlay   | -                             | -              | -                        | -                          |
| <b>Total expenditures</b>                                    | <b>133,472</b>                | <b>313,701</b> | <b>6,900</b>             | <b>-</b>                   |
| Excess (deficiency) of revenues<br>over (under) expenditures | -                             | -              | -                        | -                          |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |                               |                |                          |                            |
| Transfers In   | -                             | -              | -                        | -                          |
| Transfers Out  | -                             | -              | -                        | -                          |
| <b>Total other financing sources (uses)</b>                  | <b>-</b>                      | <b>-</b>       | <b>-</b>                 | <b>-</b>                   |
| Net change in fund balances                                  | -                             | -              | -                        | -                          |
| Fund balances-beginning                                      | -                             | -              | -                        | -                          |
| <b>Fund balances-ending</b>                                  | <b>\$ -</b>                   | <b>\$ -</b>    | <b>\$ -</b>              | <b>\$ -</b>                |

(Continued)

| <b>CDBG<br/>INFRASTRUCTURE<br/>PROGRAM</b> | <b>SENIOR<br/>CITIZENS</b> | <b>TEXANS<br/>FEEDING<br/>TEXANS<br/>PROGRAM</b> | <b>KEMPNER</b> | <b>COMMUNITY<br/>DEVELOPMENT<br/>BLOCK -<br/>MEALS ON<br/>WHEELS</b> |
|--|----------------------------|--|----------------|--|
| \$ -                                       | \$ 562,132                 | \$ 87,935  | \$ -           | \$ -   |
| -  | -                          | -  | -              | -  |
| -  | -                          | -  | 3,600          | -  |
| -  | 562,132                    | 87,935   | 3,600          | -  |
| -  | -                          | -  | -              | -  |
| -  | -                          | -  | -              | -  |
| -  | 571,451                    | 115,363  | 3,600          | -  |
| -  | -                          | -  | -              | -  |
| -  | -                          | -  | -              | -  |
| -  | 571,451                    | 115,363  | 3,600          | -  |
| -  | (9,319)                    | (27,428)   | -              | -  |
| -  | -                          | -  | -              | -  |
| -  | -                          | -  | -              | -  |
| -  | -                          | -  | -              | -  |
| -  | (9,319)                    | (27,428)   | -              | -  |
| -  | 46,121                     | 49,406   | -              | -  |
| <b>\$ -</b>                                | <b>\$ 36,802</b>           | <b>\$ 21,978</b>                                 | <b>\$ -</b>    | <b>\$ -</b>  |

**GALVESTON COUNTY, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR SPECIAL REVENUE FUNDS - GRANT FUNDS**  
**For the Year Ended September 30, 2009**  
**With Comparative Totals for the Year Ended September 30, 2008**

|  | <b>INTENSIVE<br/>FAMILY<br/>PRESERVATION</b> | <b>COUNTY<br/>BEACH AND<br/>PARKS<br/>PROJECTS</b> | <b>UNITED STATES<br/>DEPARTMENT<br/>OF JUSTICE<br/>PROGRAMS</b> | <b>MOODY<br/>FOUNDATION<br/>GRANTS</b> |
|--|--|--|---|--|
| <b>REVENUES</b>  |  |  |   |  |
| Intergovernmental  | \$ -   | \$ 46,199  | \$ 160,154  | \$ -                                   |
| Investment Earnings  | -  | -  | 1,753   | -                                      |
| Miscellaneous  | -  | -  | -   | 15,000                                 |
| <b>Total revenues</b>  | <b>-</b>                                     | <b>46,199</b>                                      | <b>161,907</b>  | <b>15,000</b>                          |
| <b>EXPENDITURES</b>  |  |  |   |  |
| Current :  |  |  |   |  |
| General Government   | -  | -  | -   | -                                      |
| Public Safety  | -  | -  | 155,807   | 14,472                                 |
| Sanitation   | -  | -  | -   | -                                      |
| Health and Social Services                                   | 2,016  | -  | -   | -                                      |
| Culture and Recreation                                       | -  | 42,232   | -   | -                                      |
| Capital Outlay   | -  | 3,967  | 6,100   | -                                      |
| <b>Total expenditures</b>                                    | <b>2,016</b>                                 | <b>46,199</b>                                      | <b>161,907</b>  | <b>14,472</b>                          |
| Excess (deficiency) of revenues<br>over (under) expenditures | (2,016)                                      | -  | -   | 528                                    |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |  |  |   |  |
| Transfers In   | -  | -  | -   | -                                      |
| Transfers Out  | -  | -  | -   | -                                      |
| <b>Total other financing sources (uses)</b>                  | <b>-</b>                                     | <b>-</b>   | <b>-</b>  | <b>-</b>                               |
| Net change in fund balances                                  | (2,016)                                      | -  | -   | 528                                    |
| Fund balances-beginning                                      | 4,410  | -  | 10,674  | -                                      |
| <b>Fund balances-ending</b>                                  | <b>\$ 2,394</b>                              | <b>\$ -</b>  | <b>\$ 10,674</b>  | <b>\$ 528</b>                          |

(Continued)

| HURRICANE<br>IKE<br>GRANTS | DISASTER<br>RECOVERY -<br>RITA | TOTALS            |                   |
|----------------------------|--------------------------------|-------------------|-------------------|
|                            |                                | 2009              | 2008              |
| \$ 116,600                 | \$ 16,742                      | \$ 5,741,553      | \$ 6,715,370      |
| -                          | -                              | 6,094             | 7,599             |
| 641,325                    | -                              | 730,236           | 143,481           |
| 757,925                    | 16,742                         | 6,477,883         | 6,866,450         |
| -                          | -                              | 232,018           | 205,421           |
| 757,925                    | -                              | 4,014,055         | 3,915,308         |
| -                          | -                              | 6,900             | 21,250            |
| -                          | -                              | 1,880,205         | 1,725,266         |
| -                          | -                              | 42,232            | 78,911            |
| -                          | -                              | 314,946           | 280,047           |
| 757,925                    | -                              | 6,490,356         | 6,226,203         |
| -                          | 16,742                         | (12,473)          | 640,247           |
| -                          | -                              | 12,901            | 44,243            |
| -                          | -                              | (12,901)          | (693,373)         |
| -                          | -                              | -                 | (649,130)         |
| -                          | 16,742                         | (12,473)          | (8,883)           |
| -                          | 208,196                        | 472,847           | 481,730           |
| <b>\$ -</b>                | <b>\$ 224,938</b>              | <b>\$ 460,374</b> | <b>\$ 472,847</b> |

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**COUNTY RECORDS MANAGEMENT SPECIAL REVENUE FUND**  
**For the Year Ended September 30, 2009**  
**With Comparative Actual Amounts for the Year Ended September 30, 2008**

|  | <b>2009</b>                       |                           | <b>Variance with<br/>Final Budget -<br/>Positive<br/>(Negative)</b> | <b>2008<br/>Actual</b> |
|--|-----------------------------------|---------------------------|---|------------------------|
|  | <b>Final Budgeted<br/>Amounts</b> | <b>Actual<br/>Amounts</b> |   |                        |
| <b>REVENUES</b>  |                                   |                           |   |                        |
| Charges for Services   | \$ 133,805                        | \$ 132,334                | \$ (1,471)  | \$ 129,702             |
| Miscellaneous  | -                                 | -                         | -   | 35                     |
| <b>Total revenues</b>  | <b>133,805</b>                    | <b>132,334</b>            | <b>(1,471)</b>  | <b>129,737</b>         |
| <b>EXPENDITURES</b>  |                                   |                           |   |                        |
| General Government:  |                                   |                           |   |                        |
| Current:   |                                   |                           |   |                        |
| Personal Services  | 57,500                            | 68,618                    | (11,118)  | 52,642                 |
| Supplies   | 5,000                             | -                         | 5,000   | 49                     |
| Other Services and Charges   | 198,300                           | 190,183                   | 8,117   | 174,245                |
| <b>Total expenditures</b>  | <b>260,800</b>                    | <b>258,801</b>            | <b>1,999</b>  | <b>226,936</b>         |
| <b>Excess (deficiency) of revenues<br/>over (under) expenditures</b> | <b>(126,995)</b>                  | <b>(126,467)</b>          | <b>528</b>  | <b>(97,199)</b>        |
| <b>OTHER FINANCING SOURCES (USES)</b>                                |                                   |                           |   |                        |
| Transfers In   | 80,000                            | 80,000                    | -   | 120,000                |
| Transfers Out  | (7,000)                           | (7,000)                   | -   | (2,000)                |
| <b>Total other financing sources (uses)</b>                          | <b>73,000</b>                     | <b>73,000</b>             | <b>-</b>  | <b>118,000</b>         |
| <b>Net change in fund balances</b>                                   | <b>(53,995)</b>                   | <b>(53,467)</b>           | <b>528</b>  | <b>20,801</b>          |
| <b>Fund balances-beginning</b>                                       | <b>204,606</b>                    | <b>204,606</b>            | <b>-</b>  | <b>183,805</b>         |
| <b>Fund balances-ending</b>  | <b>\$ 150,611</b>                 | <b>\$ 151,139</b>         | <b>\$ 528</b>   | <b>\$ 204,606</b>      |

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**COUNTY CLERK RECORDS MANAGEMENT AND**  
**PRESERVATION FEE SPECIAL REVENUE FUND**  
**For the Year Ended September 30, 2009**  
**With Comparative Actual Amounts for the Year Ended September 30, 2008**

|  | <b>2009</b>                       |                           | <b>Variance with<br/>Final Budget -<br/>Positive<br/>(Negative)</b> | <b>2008<br/>Actual</b> |
|--|-----------------------------------|---------------------------|---|------------------------|
|  | <b>Final Budgeted<br/>Amounts</b> | <b>Actual<br/>Amounts</b> |   |                        |
| <b>REVENUES</b>  |                                   |                           |   |                        |
| Charges for Services   | \$ 816,400                        | \$ 795,553                | \$ (20,847)   | \$ 814,468             |
| <b>EXPENDITURES</b>  |                                   |                           |   |                        |
| General Government:  |                                   |                           |   |                        |
| Current:   |                                   |                           |   |                        |
| Personal Services  | 409,900                           | 296,333                   | 113,567   | 282,935                |
| Supplies   | 40,000                            | 79,025                    | (39,025)  | 44,381                 |
| Other Services and Charges   | 508,600                           | 496,109                   | 12,491  | 225,350                |
| Capital Outlay   | 1,351,469                         | -                         | 1,351,469   | -                      |
| <b>Total expenditures</b>  | <b>2,309,969</b>                  | <b>871,467</b>            | <b>1,438,502</b>  | <b>552,666</b>         |
| <b>Excess (deficiency) of revenues<br/>over (under) expenditures</b> | <b>(1,493,569)</b>                | <b>(75,914)</b>           | <b>1,417,655</b>  | <b>261,802</b>         |
| <b>OTHER FINANCING SOURCES (USES)</b>                                |                                   |                           |   |                        |
| Transfers Out  | (476,900)                         | (476,900)                 | -   | (441,100)              |
| <b>Net change in fund balances</b>                                   | <b>(1,970,469)</b>                | <b>(552,814)</b>          | <b>1,417,655</b>  | <b>(179,298)</b>       |
| <b>Fund balances-beginning</b>                                       | <b>2,999,459</b>                  | <b>2,999,459</b>          | <b>-</b>  | <b>3,178,757</b>       |
| <b>Fund balances-ending</b>  | <b>\$ 1,028,990</b>               | <b>\$ 2,446,645</b>       | <b>\$ 1,417,655</b>   | <b>\$ 2,999,459</b>    |

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET (NON-GAAP) AND ACTUAL**  
**ELECTION SERVICES CONTRACT FUND SPECIAL REVENUE FUND**  
**For the Year Ended September 30, 2009**  
**With Comparative Actual Amounts for the Year Ended September 30, 2008**

|  | <u>2009</u>                             |                                 |   | <u>2008</u><br><u>Actual</u> |
|--|---|---------------------------------|---|------------------------------|
|  | <u>Final Budgeted</u><br><u>Amounts</u> | <u>Actual</u><br><u>Amounts</u> | <u>Variance with</u><br><u>Final Budget -</u><br><u>Positive</u><br><u>(Negative)</u> |                              |
| <b>REVENUES</b>  |   |                                 |   |                              |
| Charges for Services   | \$ 126,474                              | \$ 126,474                      | \$ -  | \$ 246,917                   |
| <b>EXPENDITURES</b>  |   |                                 |   |                              |
| General Government:  |   |                                 |   |                              |
| Current:   |   |                                 |   |                              |
| Supplies   | -                                       | -                               | -   | 88,030                       |
| Other Services and Charges   | 47,966                                  | 47,966                          | -   | -                            |
| <b>Total expenditures</b>  | <u>47,966</u>                           | <u>47,966</u>                   | <u>-</u>  | <u>88,030</u>                |
| <b>Excess (deficiency) of revenues</b><br><b>over (under) expenditures</b> | 78,508                                  | 78,508                          | -   | 158,887                      |
| <b>Fund balances-beginning</b>   | <u>344,075</u>                          | <u>344,075</u>                  | <u>-</u>  | <u>185,188</u>               |
| <b>Fund balances-ending</b>  | <u>\$ 422,583</u>                       | <u>\$ 422,583</u>               | <u>\$ -</u>   | <u>\$ 344,075</u>            |

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**DISTRICT CLERK CHILD SUPPORT IV-D SPECIAL REVENUE FUND**  
**For the Year Ended September 30, 2009**  
**With Comparative Actual Amounts for the Year Ended September 30, 2008**

|  | <b>2009</b>                       |                           |   | <b>2008<br/>Actual</b> |
|--|-----------------------------------|---------------------------|---|------------------------|
|  | <b>Final Budgeted<br/>Amounts</b> | <b>Actual<br/>Amounts</b> | <b>Variance with<br/>Final Budget -<br/>Positive<br/>(Negative)</b> |                        |
| <b>REVENUES</b>  |                                   |                           |   |                        |
| Intergovernmental  | \$ 4,100                          | \$ 3,733                  | \$ (367)  | \$ 4,359               |
| <b>EXPENDITURES</b>  | -                                 | -                         | -   | -                      |
| <b>Excess (deficiency) of revenues<br/>    over (under) expenditures</b> | 4,100                             | 3,733                     | (367)   | 4,359                  |
| <b>OTHER FINANCING SOURCES (USES)</b>                                    |                                   |                           |   |                        |
| Transfers Out  | -                                 | -                         | -   | -                      |
| <b>Net change in fund balances</b>                                       | 4,100                             | 3,733                     | (367)   | 4,359                  |
| <b>Fund balances-beginning</b>   | 102,156                           | 102,156                   | -   | 97,797                 |
| <b>Fund balances-ending</b>  | <b>\$ 106,256</b>                 | <b>\$ 105,889</b>         | <b>\$ (367)</b>   | <b>\$ 102,156</b>      |

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**DISTRICT CLERK RECORDS MANAGEMENT SPECIAL REVENUE FUND**  
**For the Year Ended September 30, 2009**  
**With Comparative Actual Amounts for the Year Ended September 30, 2008**

|  | <b>2009</b>                       |                           | <b>Variance with<br/>Final Budget -<br/>Positive<br/>(Negative)</b> | <b>2008<br/>Actual</b> |
|--|-----------------------------------|---------------------------|---|------------------------|
|  | <b>Final Budgeted<br/>Amounts</b> | <b>Actual<br/>Amounts</b> |   |                        |
| <b>REVENUES</b>  |                                   |                           |   |                        |
| Charges for Services   | \$ 27,500                         | \$ 29,813                 | \$ 2,313  | \$ 26,527              |
| <b>EXPENDITURES</b>  | -                                 | -                         | -   | -                      |
| <b>Excess (deficiency) of revenues<br/>    over (under) expenditures</b> | 27,500                            | 29,813                    | 2,313   | 26,527                 |
| <b>OTHER FINANCING SOURCES (USES)</b>                                    |                                   |                           |   |                        |
| Transfers Out  | (40,000)                          | (40,000)                  | -   | (40,000)               |
| <b>Net change in fund balances</b>                                       | (12,500)                          | (10,187)                  | 2,313   | (13,473)               |
| <b>Fund balances-beginning</b>   | 43,820                            | 43,820                    | -   | 57,293                 |
| <b>Fund balances-ending</b>  | <b>\$ 31,320</b>                  | <b>\$ 33,633</b>          | <b>\$ 2,313</b>   | <b>\$ 43,820</b>       |

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET (NON-GAAP) AND ACTUAL**  
**TAX ASSESSOR-COLLECTOR SPECIAL INVENTORY TAX ESCROW SPECIAL REVENUE FUND**  
**For the Year Ended September 30, 2009**  
**With Comparative Actual Amounts for the Year Ended September 30, 2008**

|  | <b>2009</b>                       |                           | <b>Variance with<br/>Final Budget -<br/>Positive<br/>(Negative)</b> | <b>2008<br/>Actual</b> |
|--|-----------------------------------|---------------------------|---|------------------------|
|  | <b>Final Budgeted<br/>Amounts</b> | <b>Actual<br/>Amounts</b> |   |                        |
| <b>REVENUES</b>  |                                   |                           |   |                        |
| Taxes  | \$ -                              | \$ 4,035                  | \$ 4,035  | \$ 4,170               |
| Investment Earnings  | -                                 | 14,943                    | 14,943  | 22,886                 |
| <b>Total revenues</b>  | <b>-</b>                          | <b>18,978</b>             | <b>18,978</b>   | <b>27,056</b>          |
| <b>EXPENDITURES</b>  | <b>-</b>                          | <b>-</b>                  | <b>-</b>  | <b>-</b>               |
| <b>Excess (deficiency) of revenues<br/>over (under) expenditures</b> | <b>-</b>                          | <b>18,978</b>             | <b>18,978</b>   | <b>27,056</b>          |
| <b>OTHER FINANCING SOURCES (USES)</b>                                |                                   |                           |   |                        |
| Transfers Out  | (49,500)                          | (49,500)                  | -   | (19,000)               |
| <b>Net change in fund balances</b>                                   | <b>(49,500)</b>                   | <b>(30,522)</b>           | <b>18,978</b>   | <b>8,056</b>           |
| <b>Fund balances-beginning</b>                                       | <b>129,747</b>                    | <b>129,747</b>            | <b>-</b>  | <b>121,691</b>         |
| <b>Fund balances-ending</b>  | <b>\$ 80,247</b>                  | <b>\$ 99,225</b>          | <b>\$ 18,978</b>  | <b>\$ 129,747</b>      |

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**DONATIONS TO GALVESTON COUNTY SPECIAL REVENUE FUND**  
**For the Year Ended September 30, 2009**  
**With Comparative Actual Amounts for the Year Ended September 30, 2008**

|  | <u>2009</u>                       |                           | <b>Variance with<br/>Final Budget -<br/>Positive<br/>(Negative)</b> | <b>2008<br/>Actual</b> |
|--|-----------------------------------|---------------------------|---|------------------------|
|  | <b>Final Budgeted<br/>Amounts</b> | <b>Actual<br/>Amounts</b> |   |                        |
| <b>REVENUES</b>  | \$ -                              | \$ -                      | \$ -  | \$ 10,000              |
| <b>EXPENDITURES</b>  |                                   |                           |   |                        |
| Current:   |                                   |                           |   |                        |
| Other Services and Charges   | \$ 48,600                         | \$ -                      | \$ 48,600   | \$ 57,764              |
| <b>Excess (deficiency) of revenues<br/>    over (under) expenditures</b> | (48,600)                          | -                         | 48,600  | (47,764)               |
| <b>Fund balances-beginning</b>   | 870                               | 870                       | -   | 48,634                 |
| <b>Fund balances-ending</b>  | <u>\$ (47,730)</u>                | <u>\$ 870</u>             | <u>\$ 48,600</u>  | <u>\$ 870</u>          |

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET (NON-GAAP) AND ACTUAL**  
**DISTRICT ATTORNEY CONTRABAND POST-10/89 SPECIAL REVENUE FUND**  
**For the Year Ended September 30, 2009**  
**With Comparative Actual Amounts for the Year Ended September 30, 2008**

|  | <b>2009</b>                       |                           | <b>Variance with<br/>Final Budget -<br/>Positive<br/>(Negative)</b> | <b>2008<br/>Actual</b> |
|--|-----------------------------------|---------------------------|---|------------------------|
|  | <b>Final Budgeted<br/>Amounts</b> | <b>Actual<br/>Amounts</b> |   |                        |
| <b>REVENUES</b>  |                                   |                           |   |                        |
| Fines and Forfeitures  | \$ -                              | \$ 38,942                 | \$ 38,942   | \$ 25,302              |
| <b>EXPENDITURES</b>  |                                   |                           |   |                        |
| General Government:  |                                   |                           |   |                        |
| Current:   |                                   |                           |   |                        |
| Supplies   | 2,800                             | 1,647                     | 1,153   | 2,486                  |
| Other Services and Charges   | 28,063                            | 17,955                    | 10,108  | 34,446                 |
| <b>Total expenditures</b>  | <b>30,863</b>                     | <b>19,602</b>             | <b>11,261</b>   | <b>36,932</b>          |
| <b>Excess (deficiency) of revenues<br/>over (under) expenditures</b> | <b>(30,863)</b>                   | <b>19,340</b>             | <b>50,203</b>   | <b>(11,630)</b>        |
| <b>Fund balances-beginning</b>                                       | <b>32,321</b>                     | <b>32,321</b>             | <b>-</b>  | <b>43,951</b>          |
| <b>Fund balances-ending</b>  | <b>\$ 1,458</b>                   | <b>\$ 51,661</b>          | <b>\$ 50,203</b>  | <b>\$ 32,321</b>       |

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET (NON-GAAP) AND ACTUAL**  
**DISTRICT ATTORNEY CHECK COLLECTION FEES SPECIAL REVENUE FUND**  
**For the Year Ended September 30, 2009**  
**With Comparative Actual Amounts for the Year Ended September 30, 2008**

|  | 2009                      |                   | Variance with<br>Final Budget -<br>Positive<br>(Negative) | 2008<br>Actual   |
|--|---------------------------|-------------------|---|------------------|
|  | Final Budgeted<br>Amounts | Actual<br>Amounts |   |                  |
| <b>REVENUES</b>  |                           |                   |   |                  |
| Charges for Services   | \$ -                      | \$ 9,086          | \$ 9,086  | \$ 12,639        |
| <b>EXPENDITURES</b>  |                           |                   |   |                  |
| General Government:  |                           |                   |   |                  |
| Current:   |                           |                   |   |                  |
| Supplies   | 14,000                    | 284               | 13,716  | 881              |
| Other Services and Charges   | 43,800                    | 23,771            | 20,029  | 9,489            |
| Capital Outlay   | 4,000                     | -                 | 4,000   | -                |
| <b>Total expenditures</b>  | <b>57,800</b>             | <b>24,055</b>     | <b>33,745</b>   | <b>10,370</b>    |
| <b>Excess (deficiency) of revenues<br/>over (under) expenditures</b> | <b>(57,800)</b>           | <b>(14,969)</b>   | <b>42,831</b>   | <b>2,269</b>     |
| <b>Fund balances-beginning</b>                                       | <b>75,999</b>             | <b>75,999</b>     | <b>-</b>  | <b>73,730</b>    |
| <b>Fund balances-ending</b>  | <b>\$ 18,199</b>          | <b>\$ 61,030</b>  | <b>\$ 42,831</b>  | <b>\$ 75,999</b> |

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET (NON-GAAP) AND ACTUAL**  
**UNCLAIMED PROPERTY SPECIAL REVENUE FUND**  
**For the Year Ended September 30, 2009**  
**With Comparative Actual Amounts for the Year Ended September 30, 2008**

|  | <b>2009</b>                       |                           |   | <b>2008<br/>Actual</b> |
|--|-----------------------------------|---------------------------|---|------------------------|
|  | <b>Final Budgeted<br/>Amounts</b> | <b>Actual<br/>Amounts</b> | <b>Variance with<br/>Final Budget -<br/>Positive<br/>(Negative)</b> |                        |
| <b>REVENUES</b>  |                                   |                           |   |                        |
| Investment Earnings  | \$ -                              | \$ 6,499                  | \$ 6,499  | \$ 5,817               |
| Miscellaneous  | -                                 | 425                       | 425   | -                      |
| <b>Total revenues</b>  | <b>-</b>                          | <b>6,924</b>              | <b>6,924</b>  | <b>5,817</b>           |
| <b>Excess (deficiency) of revenues<br/>over (under) expenditures</b> | <b>-</b>                          | <b>6,924</b>              | <b>6,924</b>  | <b>5,817</b>           |
| <b>Fund balances-beginning</b>                                       | <b>48,293</b>                     | <b>48,293</b>             | <b>-</b>  | <b>42,476</b>          |
| <b>Fund balances-ending</b>  | <b>\$ 48,293</b>                  | <b>\$ 55,217</b>          | <b>\$ 6,924</b>   | <b>\$ 48,293</b>       |

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**COURTHOUSE SECURITY SPECIAL REVENUE FUND**  
**For the Year Ended September 30, 2009**  
**With Comparative Actual Amounts for the Year Ended September 30, 2008**

|  | <b>2009</b>                       |                           | <b>Variance with<br/>Final Budget -<br/>Positive<br/>(Negative)</b> | <b>2008<br/>Actual</b> |
|--|-----------------------------------|---------------------------|---|------------------------|
|  | <b>Final Budgeted<br/>Amounts</b> | <b>Actual<br/>Amounts</b> |   |                        |
| <b>REVENUES</b>  |                                   |                           |   |                        |
| Charges for Services   | \$ 210,800                        | \$ 204,381                | \$ (6,419)  | \$ 212,670             |
| <b>EXPENDITURES</b>  |                                   |                           |   |                        |
| Public Safety:   |                                   |                           |   |                        |
| Current:   |                                   |                           |   |                        |
| Personal Services  | 241,800                           | 202,633                   | 39,167  | 168,132                |
| Supplies   | 5,000                             | 1,518                     | 3,482   | 1,207                  |
| Other Services and Charges   | 29,400                            | 21,200                    | 8,200   | 20,300                 |
| <b>Total expenditures</b>  | <b>276,200</b>                    | <b>225,351</b>            | <b>50,849</b>   | <b>189,639</b>         |
| <b>Excess (deficiency) of revenues<br/>over (under) expenditures</b> | <b>(65,400)</b>                   | <b>(20,970)</b>           | <b>44,430</b>   | <b>23,031</b>          |
| <b>OTHER FINANCING SOURCES (USES)</b>                                |                                   |                           |   |                        |
| Transfers Out  | (19,800)                          | (19,800)                  | -   | (4,000)                |
| <b>Net change in fund balances</b>                                   | <b>(85,200)</b>                   | <b>(40,770)</b>           | <b>44,430</b>   | <b>19,031</b>          |
| <b>Fund balances-beginning</b>                                       | <b>391,020</b>                    | <b>391,020</b>            | <b>-</b>  | <b>371,989</b>         |
| <b>Fund balances-ending</b>  | <b>\$ 305,820</b>                 | <b>\$ 350,250</b>         | <b>\$ 44,430</b>  | <b>\$ 391,020</b>      |

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**LAW LIBRARY SPECIAL REVENUE FUND**  
**For the Year Ended September 30, 2009**  
**With Comparative Actual Amounts for the Year Ended September 30, 2008**

|  | <b>2009</b>                       |                           | <b>Variance with<br/>Final Budget -<br/>Positive<br/>(Negative)</b> | <b>2008<br/>Actual</b>   |
|--|-----------------------------------|---------------------------|---|--------------------------|
|  | <b>Final Budgeted<br/>Amounts</b> | <b>Actual<br/>Amounts</b> |   |                          |
| <b>REVENUES</b>  |                                   |                           |   |                          |
| Charges for Services   | \$ 217,600                        | \$ 235,455                | \$ 17,855   | \$ 217,639               |
| <b>EXPENDITURES</b>  |                                   |                           |   |                          |
| General Government:  |                                   |                           |   |                          |
| Current:   |                                   |                           |   |                          |
| Personal Services  | 61,000                            | 61,554                    | (554)   | 63,767                   |
| Supplies   | 264,563                           | 260,653                   | 3,910   | 235,786                  |
| Other Services and Charges   | 2,500                             | 1,300                     | 1,200   | 19,351                   |
| <b>Total expenditures</b>  | <u>328,063</u>                    | <u>323,507</u>            | <u>4,556</u>  | <u>318,904</u>           |
| <b>Excess (deficiency) of revenues<br/>over (under) expenditures</b> | (110,463)                         | (88,052)                  | 22,411  | (101,265)                |
| <b>OTHER FINANCING SOURCES (USES)</b>                                |                                   |                           |   |                          |
| Transfers Out  | (5,200)                           | (5,200)                   | -   | (1,200)                  |
| <b>Total other financing sources (uses)</b>                          | <u>(5,200)</u>                    | <u>(5,200)</u>            | <u>-</u>  | <u>(1,200)</u>           |
| <b>Net change in fund balances</b>                                   | (115,663)                         | (93,252)                  | 22,411  | (102,465)                |
| <b>Fund balances-beginning</b>                                       | <u>372,869</u>                    | <u>372,869</u>            | <u>-</u>  | <u>475,334</u>           |
| <b>Fund balances-ending</b>  | <u><u>\$ 257,206</u></u>          | <u><u>\$ 279,617</u></u>  | <u><u>\$ 22,411</u></u>   | <u><u>\$ 372,869</u></u> |

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**MEDIATION SERVICES PROGRAM SPECIAL REVENUE FUND**  
**For the Year Ended September 30, 2009**  
**With Comparative Actual Amounts for the Year Ended September 30, 2008**

|  | <b>2009</b>                       |                           | <b>Variance with<br/>Final Budget -<br/>Positive<br/>(Negative)</b> | <b>2008<br/>Actual</b>   |
|--|-----------------------------------|---------------------------|---|--------------------------|
|  | <b>Final Budgeted<br/>Amounts</b> | <b>Actual<br/>Amounts</b> |   |                          |
| <b>REVENUES</b>  |                                   |                           |   |                          |
| Charges for Services   | \$ 109,000                        | \$ 131,981                | \$ 22,981   | \$ 120,787               |
| Investment Earnings  | 11,000                            | 15,413                    | 4,413   | 13,113                   |
| <b>Total revenues</b>  | <u>120,000</u>                    | <u>147,394</u>            | <u>27,394</u>   | <u>133,900</u>           |
| <b>EXPENDITURES</b>  |                                   |                           |   |                          |
| General Government:  |                                   |                           |   |                          |
| Current:   |                                   |                           |   |                          |
| Other Services and Charges   | <u>75,000</u>                     | <u>9,750</u>              | <u>65,250</u>   | <u>31,610</u>            |
| <b>Excess (deficiency) of revenues<br/>over (under) expenditures</b> | 45,000                            | 137,644                   | 92,644  | 102,290                  |
| <b>OTHER FINANCING SOURCES (USES)</b>                                |                                   |                           |   |                          |
| Transfers In   | <u>19,620</u>                     | <u>19,620</u>             | <u>-</u>  | <u>-</u>                 |
| <b>Net change in fund balances</b>                                   | 64,620                            | 157,264                   | 92,644  | 102,290                  |
| <b>Fund balances-beginning</b>                                       | <u>452,417</u>                    | <u>452,417</u>            | <u>-</u>  | <u>350,127</u>           |
| <b>Fund balances-ending</b>  | <u><u>\$ 517,037</u></u>          | <u><u>\$ 609,681</u></u>  | <u><u>\$ 92,644</u></u>   | <u><u>\$ 452,417</u></u> |

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**JUSTICE COURT TECHNOLOGY SPECIAL REVENUE FUND**  
**For the Year Ended September 30, 2009**  
**With Comparative Actual Amounts for the Year Ended September 30, 2008**

|  | <u>2009</u>                       |                           | <b>Variance with<br/>Final Budget -<br/>Positive<br/>(Negative)</b> | <b>2008<br/>Actual</b> |
|--|-----------------------------------|---------------------------|---|------------------------|
|  | <b>Final Budgeted<br/>Amounts</b> | <b>Actual<br/>Amounts</b> |   |                        |
| <b>REVENUES</b>  |                                   |                           |   |                        |
| Fines and Forfeitures  | \$ 79,800                         | \$ 69,712                 | \$ (10,088)   | \$ 80,838              |
| <b>EXPENDITURES</b>  |                                   |                           |   |                        |
| General Government:  |                                   |                           |   |                        |
| Current:   |                                   |                           |   |                        |
| Other Services and Charges   | 60,000                            | 60,000                    | -   | 60,000                 |
| <b>Total expenditures</b>  | <b>60,000</b>                     | <b>60,000</b>             | <b>-</b>  | <b>60,000</b>          |
| <b>Excess (deficiency) of revenues<br/>  over (under) expenditures</b> | <b>19,800</b>                     | <b>9,712</b>              | <b>(10,088)</b>   | <b>20,838</b>          |
| <b>Fund balances-beginning</b>   | <b>96,039</b>                     | <b>96,039</b>             | <b>-</b>  | <b>75,201</b>          |
| <b>Fund balances-ending</b>  | <b>\$ 115,839</b>                 | <b>\$ 105,751</b>         | <b>\$ (10,088)</b>  | <b>\$ 96,039</b>       |

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET (NON-GAAP) AND ACTUAL**  
**PROBATE COURT CONTRIBUTIONS SPECIAL REVENUE FUND**  
**For the Year Ended September 30, 2009**  
**With Comparative Actual Amounts for the Year Ended September 30, 2008**

|  | <b>2009</b>                       |                           | <b>Variance with<br/>Final Budget -<br/>Positive<br/>(Negative)</b> | <b>2008<br/>Actual</b> |
|--|-----------------------------------|---------------------------|---|------------------------|
|  | <b>Final Budgeted<br/>Amounts</b> | <b>Actual<br/>Amounts</b> |   |                        |
| <b>REVENUES</b>  |                                   |                           |   |                        |
| Intergovernmental  | \$ -                              | \$ 60,322                 | \$ 60,322   | \$ 40,000              |
| <b>EXPENDITURES</b>  |                                   |                           |   |                        |
| General Government:  |                                   |                           |   |                        |
| Current:   |                                   |                           |   |                        |
| Supplies   | 2,000                             | 109                       | 1,891   | 480                    |
| Other Services and Charges   | 8,600                             | 4,591                     | 4,009   | 12,629                 |
| <b>Total expenditures</b>  | <b>10,600</b>                     | <b>4,700</b>              | <b>5,900</b>  | <b>13,109</b>          |
| <b>Excess (deficiency) of revenues<br/>over (under) expenditures</b> | <b>(10,600)</b>                   | <b>55,622</b>             | <b>66,222</b>   | <b>26,891</b>          |
| <b>OTHER FINANCING SOURCES (USES)</b>                                |                                   |                           |   |                        |
| Transfers Out  | (21,086)                          | (20,000)                  | 1,086   | (20,000)               |
| <b>Net change in fund balances</b>                                   | <b>(31,686)</b>                   | <b>35,622</b>             | <b>67,308</b>   | <b>6,891</b>           |
| <b>Fund balances-beginning</b>                                       | <b>281,471</b>                    | <b>281,471</b>            | <b>-</b>  | <b>274,580</b>         |
| <b>Fund balances-ending</b>  | <b>\$ 249,785</b>                 | <b>\$ 317,093</b>         | <b>\$ 67,308</b>  | <b>\$ 281,471</b>      |

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET (NON-GAAP) AND ACTUAL**  
**ADULT PROBATION SPECIAL REVENUE FUND**  
**For the Year Ended September 30, 2009**  
**With Comparative Actual Amounts for the Year Ended September 30, 2008**

|  | <b>2009</b>                       |                           | <b>Variance with<br/>Final Budget -<br/>Positive<br/>(Negative)</b> | <b>2008<br/>Actual</b> |
|--|-----------------------------------|---------------------------|---|------------------------|
|  | <b>Final Budgeted<br/>Amounts</b> | <b>Actual<br/>Amounts</b> |   |                        |
| <b>REVENUES</b>  |                                   |                           |   |                        |
| Intergovernmental  | \$ 4,163,210                      | \$ 2,313,849              | \$ (1,849,361)  | \$ 2,122,159           |
| Investment Earnings  | 38,000                            | 20,883                    | (17,117)  | 18,376                 |
| Miscellaneous  | 14,000                            | 9,455                     | (4,545)   | 4,701                  |
| <b>Total revenues</b>  | <b>4,215,210</b>                  | <b>2,344,187</b>          | <b>(1,871,023)</b>  | <b>2,145,236</b>       |
| <b>EXPENDITURES</b>  |                                   |                           |   |                        |
| Public Safety:   |                                   |                           |   |                        |
| Current:   |                                   |                           |   |                        |
| Personal Services  | 4,161,016                         | 1,933,147                 | 2,227,869   | 2,050,772              |
| Supplies   | 27,000                            | 9,414                     | 17,586  | 11,177                 |
| Other Services and Charges   | 454,047                           | 525,865                   | (71,818)  | 220,449                |
| <b>Total expenditures</b>  | <b>4,642,063</b>                  | <b>2,468,426</b>          | <b>2,173,637</b>  | <b>2,282,398</b>       |
| <b>Excess (deficiency) of revenues<br/>over (under) expenditures</b> | <b>(426,853)</b>                  | <b>(124,239)</b>          | <b>302,614</b>  | <b>(137,162)</b>       |
| <b>OTHER FINANCING SOURCES (USES)</b>                                |                                   |                           |   |                        |
| Transfers Out  | (34,234)                          | -                         | 34,234  | (31,370)               |
| <b>Net change in fund balances</b>                                   | <b>(461,087)</b>                  | <b>(124,239)</b>          | <b>336,848</b>  | <b>(168,532)</b>       |
| <b>Fund balances-beginning</b>                                       | <b>133,612</b>                    | <b>133,612</b>            | <b>-</b>  | <b>302,144</b>         |
| <b>Fund balances-ending</b>  | <b>\$ (327,475)</b>               | <b>\$ 9,373</b>           | <b>\$ 336,848</b>   | <b>\$ 133,612</b>      |

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**JUVENILE JUSTICE SPECIAL REVENUE FUND**  
**For the Year Ended September 30, 2009**  
**With Comparative Actual Amounts for the Year Ended September 30, 2008**

|  | <u>2009</u>                       |                            | <b>Variance with<br/>Final Budget -<br/>Positive<br/>(Negative)</b> | <u>2008<br/>Actual</u>     |
|--|-----------------------------------|----------------------------|---|----------------------------|
|  | <u>Final Budgeted<br/>Amounts</u> | <u>Actual<br/>Amounts</u>  |   |                            |
| <b>REVENUES</b>  |                                   |                            |   |                            |
| Intergovernmental  | \$ 324,500                        | \$ 235,664                 | \$ (88,836)   | \$ 310,110                 |
| Charges for Services   | 500                               | 490                        | (10)  | 490                        |
| Investment Earnings  | 75,000                            | 40,561                     | (34,439)  | 73,079                     |
| Miscellaneous  | 5,000                             | 3,144                      | (1,856)   | 760                        |
| <b>Total revenues</b>  | <u>405,000</u>                    | <u>279,859</u>             | <u>(125,141)</u>  | <u>384,439</u>             |
| <b>EXPENDITURES</b>  |                                   |                            |   |                            |
| Public Safety:   |                                   |                            |   |                            |
| Current:   |                                   |                            |   |                            |
| Personal Services  | 3,797,700                         | 3,388,308                  | 409,392   | 3,290,651                  |
| Supplies   | 87,500                            | 64,675                     | 22,825  | 90,210                     |
| Other Services and Charges   | 1,639,600                         | 1,552,668                  | 86,932  | 1,408,099                  |
| Total Public Safety:   | <u>5,524,800</u>                  | <u>5,005,651</u>           | <u>519,149</u>  | <u>4,788,960</u>           |
| Capital Outlay   | 6,500                             | -                          | 6,500   | -                          |
| <b>Total expenditures</b>  | <u>5,531,300</u>                  | <u>5,005,651</u>           | <u>525,649</u>  | <u>4,788,960</u>           |
| <b>Excess (deficiency) of revenues<br/>over (under) expenditures</b> | <u>(5,126,300)</u>                | <u>(4,725,792)</u>         | <u>400,508</u>  | <u>(4,404,521)</u>         |
| <b>OTHER FINANCING SOURCES (USES)</b>                                |                                   |                            |   |                            |
| Transfers In   | 4,851,000                         | 4,851,000                  | -   | 4,073,000                  |
| Transfers Out  | (427,000)                         | (354,500)                  | 72,500  | (110,000)                  |
| <b>Total other financing sources (uses)</b>                          | <u>4,424,000</u>                  | <u>4,496,500</u>           | <u>72,500</u>   | <u>3,963,000</u>           |
| <b>Net change in fund balances</b>                                   | (702,300)                         | (229,292)                  | 473,008   | (441,521)                  |
| <b>Fund balances-beginning</b>                                       | <u>1,384,447</u>                  | <u>1,384,447</u>           | <u>-</u>  | <u>1,825,968</u>           |
| <b>Fund balances-ending</b>  | <u><u>\$ 682,147</u></u>          | <u><u>\$ 1,155,155</u></u> | <u><u>\$ 473,008</u></u>  | <u><u>\$ 1,384,447</u></u> |

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET (NON-GAAP) AND ACTUAL**  
**SHERIFF'S COMMISSARY SPECIAL REVENUE FUND**  
**For the Year Ended September 30, 2009**  
**With Comparative Actual Amounts for the Year Ended September 30, 2008**

|  | <b>2009</b>                       |                           | <b>Variance with<br/>Final Budget -<br/>Positive<br/>(Negative)</b> | <b>2008<br/>Actual</b> |
|--|-----------------------------------|---------------------------|---|------------------------|
|  | <b>Final Budgeted<br/>Amounts</b> | <b>Actual<br/>Amounts</b> |   |                        |
| <b>REVENUES</b>  |                                   |                           |   |                        |
| Investment Earnings  | \$ -                              | \$ 26,556                 | \$ 26,556   | \$ 22,986              |
| Miscellaneous  | -                                 | 217,629                   | 217,629   | 234,123                |
| <b>Total revenues</b>  | <b>-</b>                          | <b>244,185</b>            | <b>244,185</b>  | <b>257,109</b>         |
| <b>EXPENDITURES</b>  |                                   |                           |   |                        |
| Public Safety:   |                                   |                           |   |                        |
| Current:   |                                   |                           |   |                        |
| Other Services and Charges   | -                                 | 87,133                    | (87,133)  | 117,846                |
| <b>Excess (deficiency) of revenues<br/>over (under) expenditures</b> | <b>-</b>                          | <b>157,052</b>            | <b>157,052</b>  | <b>139,263</b>         |
| <b>OTHER FINANCING SOURCES (USES)</b>                                |                                   |                           |   |                        |
| Transfers Out  | (23,700)                          | (23,700)                  | -   | -                      |
| <b>Net change in fund balances</b>                                   | <b>(23,700)</b>                   | <b>133,352</b>            | <b>157,052</b>  | <b>139,263</b>         |
| <b>Fund balances-beginning</b>                                       | <b>876,091</b>                    | <b>876,091</b>            | <b>-</b>  | <b>736,828</b>         |
| <b>Fund balances-ending</b>  | <b>\$ 852,391</b>                 | <b>\$ 1,009,443</b>       | <b>\$ 157,052</b>   | <b>\$ 876,091</b>      |

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET (NON-GAAP) AND ACTUAL**  
**SHERIFF SEIZURES POST-10/89 SPECIAL REVENUE FUND**  
**For the Year Ended September 30, 2009**  
**With Comparative Actual Amounts for the Year Ended September 30, 2008**

|  | 2009                      |                   |   | 2008<br>Actual   |
|--|---------------------------|-------------------|---|------------------|
|  | Final Budgeted<br>Amounts | Actual<br>Amounts | Variance with<br>Final Budget -<br>Positive<br>(Negative) |                  |
| <b>REVENUES</b>  |                           |                   |   |                  |
| Fines and Forfeitures  | \$ -                      | \$ 7,319          | \$ 7,319  | \$ 3,946         |
| Investment Earnings  | -                         | 1,019             | 1,019   | 1,800            |
| <b>Total revenues</b>  | <b>-</b>                  | <b>8,338</b>      | <b>8,338</b>  | <b>5,746</b>     |
| <b>EXPENDITURES</b>  |                           |                   |   |                  |
| Capital Outlay   | -                         | -                 | -   | 693              |
| <b>Total expenditures</b>  | <b>-</b>                  | <b>-</b>          | <b>-</b>  | <b>693</b>       |
| <b>Excess (deficiency) of revenues<br/>over (under) expenditures</b> | <b>-</b>                  | <b>8,338</b>      | <b>8,338</b>  | <b>5,053</b>     |
| <b>Fund balances-beginning</b>                                       | <b>42,642</b>             | <b>42,642</b>     | <b>-</b>  | <b>37,589</b>    |
| <b>Fund balances-ending</b>  | <b>\$ 42,642</b>          | <b>\$ 50,980</b>  | <b>\$ 8,338</b>   | <b>\$ 42,642</b> |

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET (NON-GAAP) AND ACTUAL**  
**TASK FORCE SEIZURES PRE-10/89 SPECIAL REVENUE FUND**  
**For the Year Ended September 30, 2009**  
**With Comparative Actual Amounts for the Year Ended September 30, 2008**

|  | 2009                      |                         | Variance with<br>Final Budget -<br>Positive<br>(Negative) | 2008<br>Actual          |
|--|---------------------------|-------------------------|---|-------------------------|
|  | Final Budgeted<br>Amounts | Actual<br>Amounts       |   |                         |
| <b>REVENUES</b>  |                           |                         |   |                         |
| Fines and Forfeitures  | \$ -                      | \$ 3,790                | \$ 3,790  | \$ 18,660               |
| Miscellaneous  | -                         | 402                     | 402   | -                       |
| <b>Total revenues</b>  | <u>-</u>                  | <u>4,192</u>            | <u>4,192</u>  | <u>18,660</u>           |
| <b>EXPENDITURES</b>  |                           |                         |   |                         |
| Public Safety:   |                           |                         |   |                         |
| Current:   |                           |                         |   |                         |
| Miscellaneous  | -                         | 441                     | (441)   | -                       |
| <b>Excess (deficiency) of revenues<br/>over (under) expenditures</b> | -                         | 3,751                   | 3,751   | 18,660                  |
| <b>OTHER FINANCING SOURCES (USES)</b>                                |                           |                         |   |                         |
| Transfers Out  | -                         | (5,400)                 | (5,400)   | (5,250)                 |
| <b>Net change in fund balances</b>                                   | -                         | (1,649)                 | (1,649)   | 13,410                  |
| <b>Fund balances-beginning</b>                                       | <u>37,061</u>             | <u>37,061</u>           | <u>-</u>  | <u>23,651</u>           |
| <b>Fund balances-ending</b>  | <u><u>\$ 37,061</u></u>   | <u><u>\$ 35,412</u></u> | <u><u>\$ (1,649)</u></u>                                  | <u><u>\$ 37,061</u></u> |

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET (NON-GAAP) AND ACTUAL**  
**CRIMINAL INVESTIGATIVE DIVISION SEIZURES POST-10/89 SPECIAL REVENUE FUND**  
**For the Year Ended September 30, 2009**  
**With Comparative Actual Amounts for the Year Ended September 30, 2008**

|                                | <u>2009</u>                             |                                 |   | <u>2008</u><br><u>Actual</u> |
|--------------------------------|---|---------------------------------|---|------------------------------|
|                                | <u>Final Budgeted</u><br><u>Amounts</u> | <u>Actual</u><br><u>Amounts</u> | <u>Variance with</u><br><u>Final Budget -</u><br><u>Positive</u><br><u>(Negative)</u> |                              |
| <b>Fund balances-beginning</b> | \$ -                                    | \$ -                            | \$ -  | \$ -                         |
| <b>Fund balances-ending</b>    | <u>\$ -</u>                             | <u>\$ -</u>                     | <u>\$ -</u>   | <u>\$ -</u>                  |

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET (NON-GAAP) AND ACTUAL**  
**LAW ENFORCEMENT CONTINUED EDUCATION SPECIAL REVENUE FUND**  
**For the Year Ended September 30, 2009**  
**With Comparative Actual Amounts for the Year Ended September 30, 2008**

|  | <u>2009</u>                       |                           | <b>Variance with<br/>Final Budget -<br/>Positive<br/>(Negative)</b> | <b>2008<br/>Actual</b> |
|--|-----------------------------------|---------------------------|---|------------------------|
|  | <b>Final Budgeted<br/>Amounts</b> | <b>Actual<br/>Amounts</b> |   |                        |
| <b>REVENUES</b>  |                                   |                           |   |                        |
| Intergovernmental  | \$ 7,664                          | \$ 7,664                  | \$ -  | \$ 35,222              |
| <b>EXPENDITURES</b>  |                                   |                           |   |                        |
| Public Safety:   |                                   |                           |   |                        |
| Current:   |                                   |                           |   |                        |
| Inter-/Intragovernmental   | 168,755                           | 15,640                    | 153,115   | 13,971                 |
| <b>Excess (deficiency) of revenues<br/>    over (under) expenditures</b> | (161,091)                         | (7,976)                   | 153,115   | 21,251                 |
| <b>Fund balances-beginning</b>   | 161,091                           | 161,091                   | -   | 139,840                |
| <b>Fund balances-ending</b>  | <u>\$ -</u>                       | <u>\$ 153,115</u>         | <u>\$ 153,115</u>   | <u>\$ 161,091</u>      |

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET (NON-GAAP) AND ACTUAL**  
**CONSTABLES' SEIZURES SPECIAL REVENUE FUND**  
**For the Year Ended September 30, 2009**  
**With Comparative Actual Amounts for the Year Ended September 30, 2008**

|  | <b>2009</b>                       |                           | <b>Variance with<br/>Final Budget -<br/>Positive<br/>(Negative)</b> | <b>2008<br/>Actual</b> |
|--|-----------------------------------|---------------------------|---|------------------------|
|  | <b>Final Budgeted<br/>Amounts</b> | <b>Actual<br/>Amounts</b> |   |                        |
| <b>REVENUES</b>  |                                   |                           |   |                        |
| Fines and Forfeitures  | \$ -                              | \$ 3,500                  | \$ 3,500  | \$ -                   |
| <b>EXPENDITURES</b>  | -                                 | -                         | -   | -                      |
| <b>Excess (deficiency) of revenues<br/>    over (under) expenditures</b> | -                                 | 3,500                     | 3,500   | -                      |
| <b>Fund balances-beginning</b>   | -                                 | -                         | -   | -                      |
| <b>Fund balances-ending</b>  | <u>\$ -</u>                       | <u>\$ 3,500</u>           | <u>\$ 3,500</u>   | <u>\$ -</u>            |

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**EMERGENCY MANAGEMENT SPECIAL REVENUE FUND**  
**For the Year Ended September 30, 2009**  
**With Comparative Actual Amounts for the Year Ended September 30, 2008**

|  | <b>2009</b>                       |                           | <b>Variance with<br/>Final Budget -<br/>Positive<br/>(Negative)</b> | <b>2008<br/>Actual</b> |
|--|-----------------------------------|---------------------------|---|------------------------|
|  | <b>Final Budgeted<br/>Amounts</b> | <b>Actual<br/>Amounts</b> |   |                        |
| <b>REVENUES</b>  |                                   |                           |   |                        |
| Intergovernmental  | \$ -                              | \$ 42,653                 | \$ 42,653   | \$ 9,613               |
| Investment Earnings  | 48,000                            | 540                       | (47,460)  | 1,471                  |
| Miscellaneous  | -                                 | 25,214                    | 25,214  | 17,529                 |
| <b>Total revenues</b>  | <b>48,000</b>                     | <b>68,407</b>             | <b>20,407</b>   | <b>28,613</b>          |
| <b>EXPENDITURES</b>  |                                   |                           |   |                        |
| Public Safety:   |                                   |                           |   |                        |
| Current:   |                                   |                           |   |                        |
| Other Services and Charges   | 261,147                           | 262,130                   | (983)   | 265,422                |
| <b>Total expenditures</b>  | <b>261,147</b>                    | <b>262,130</b>            | <b>(983)</b>  | <b>265,422</b>         |
| <b>Excess (deficiency) of revenues<br/>over (under) expenditures</b> | <b>(213,147)</b>                  | <b>(193,723)</b>          | <b>19,424</b>   | <b>(236,809)</b>       |
| <b>OTHER FINANCING SOURCES (USES)</b>                                |                                   |                           |   |                        |
| Transfers In   | 100,000                           | 5,100,000                 | 5,000,000   | 706,000                |
| <b>Net change in fund balances</b>                                   | <b>(113,147)</b>                  | <b>4,906,277</b>          | <b>5,019,424</b>  | <b>469,191</b>         |
| <b>Fund balances-beginning</b>                                       | <b>1,384,627</b>                  | <b>1,384,627</b>          | <b>-</b>  | <b>915,436</b>         |
| <b>Fund balances-ending</b>  | <b>\$ 1,271,480</b>               | <b>\$ 6,290,904</b>       | <b>\$ 5,019,424</b>   | <b>\$ 1,384,627</b>    |

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**ROAD AND BRIDGE SPECIAL REVENUE FUND**  
**For the Year Ended September 30, 2009**  
**With Comparative Actual Amounts for the Year Ended September 30, 2008**

|  | <b>2009</b>                             |                                 |   | <b>2008</b><br><b>Actual</b> |
|--|---|---------------------------------|---|------------------------------|
|  | <b>Final Budgeted</b><br><b>Amounts</b> | <b>Actual</b><br><b>Amounts</b> | <b>Variance with</b><br><b>Final Budget -</b><br><b>Positive</b><br><b>(Negative)</b> |                              |
| <b>REVENUES</b>  |   |                                 |   |                              |
| Taxes  | \$ 3,177,200                            | \$ 3,087,892                    | \$ (89,308)   | \$ 2,876,266                 |
| Licenses and Permits   | 2,350,000                               | 2,444,962                       | 94,962  | 2,240,460                    |
| Intergovernmental  | 810,000                                 | 1,565,347                       | 755,347   | 912,602                      |
| Fines and Forfeitures  | 760,000                                 | 668,659                         | (91,341)  | 737,902                      |
| Investment Earnings  | 200,000                                 | 169,934                         | (30,066)  | 183,776                      |
| Miscellaneous  | -                                       | 10                              | 10  | 967                          |
| <b>Total revenues</b>  | <b>7,297,200</b>                        | <b>7,936,804</b>                | <b>639,604</b>  | <b>6,951,973</b>             |
| <b>EXPENDITURES</b>  |   |                                 |   |                              |
| General Government   |   |                                 |   |                              |
| Current:   |   |                                 |   |                              |
| Personal Services  | 9,400                                   | -                               | 9,400   | -                            |
| Other Services and Charges   | 844,575                                 | 13,667                          | 830,908   | 285,992                      |
| Total General Government   | 853,975                                 | 13,667                          | 840,308   | 285,992                      |
| Roads, Bridges, & R.O.W:   |   |                                 |   |                              |
| Current:   |   |                                 |   |                              |
| Personal Services  | 2,893,300                               | 2,597,613                       | 295,687   | 2,262,955                    |
| Supplies   | 2,784,800                               | 2,477,553                       | 307,247   | 2,310,161                    |
| Other Services and Charges   | 517,100                                 | 397,290                         | 119,810   | 350,799                      |
| Miscellaneous  | 193,000                                 | 183,000                         | 10,000  | 167,000                      |
| Total Roads, Bridges, & R.O.W:   | 6,388,200                               | 5,655,456                       | 732,744   | 5,090,915                    |
| Capital Outlay   | 1,243,804                               | 317,110                         | 926,694   | 1,188,132                    |
| <b>Total expenditures</b>  | <b>8,485,979</b>                        | <b>5,986,233</b>                | <b>2,499,746</b>  | <b>6,565,039</b>             |
| <b>Excess (deficiency) of revenues</b><br><b>over (under) expenditures</b> | <b>(1,188,779)</b>                      | <b>1,950,571</b>                | <b>3,139,350</b>  | <b>386,934</b>               |
| <b>OTHER FINANCING SOURCES (USES)</b>                                      |   |                                 |   |                              |
| Transfers Out  | (2,183,100)                             | (2,063,100)                     | 120,000   | (840,000)                    |
| Sale of Capital Assets   | -                                       | 21,752                          | 21,752  | 106,786                      |
| <b>Total other financing sources (uses)</b>                                | <b>(2,183,100)</b>                      | <b>(2,041,348)</b>              | <b>141,752</b>  | <b>(733,214)</b>             |
| <b>Net change in fund balances</b>   | <b>(3,371,879)</b>                      | <b>(90,777)</b>                 | <b>3,281,102</b>  | <b>(346,280)</b>             |
| <b>Fund balances-beginning</b>   | <b>5,702,950</b>                        | <b>5,702,950</b>                | <b>-</b>  | <b>6,049,230</b>             |
| <b>Fund balances-ending</b>  | <b>\$ 2,331,071</b>                     | <b>\$ 5,612,173</b>             | <b>\$ 3,281,102</b>   | <b>\$ 5,702,950</b>          |

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**FARM-TO-MARKET LATERAL ROAD SPECIAL REVENUE FUND**  
**For the Year Ended September 30, 2009**  
**With Comparative Actual Amounts for the Year Ended September 30, 2008**

|  | <b>2009</b>                       |                           |   | <b>2008</b><br><b>Actual</b> |
|--|-----------------------------------|---------------------------|---|------------------------------|
|  | <b>Final Budgeted<br/>Amounts</b> | <b>Actual<br/>Amounts</b> | <b>Variance with<br/>Final Budget -<br/>Positive<br/>(Negative)</b> |                              |
| <b>REVENUES</b>  |                                   |                           |   |                              |
| Taxes  | \$ 1,800                          | \$ 1,421                  | \$ (379)  | \$ 2,016                     |
| Intergovernmental  | 30,000                            | 28,455                    | (1,545)   | 30,612                       |
| Investment Earnings  | 70,000                            | 61,331                    | (8,669)   | 70,486                       |
| Miscellaneous  | 38,300                            | 40,786                    | 2,486   | 38,855                       |
| <b>Total revenues</b>  | <b>140,100</b>                    | <b>131,993</b>            | <b>(8,107)</b>  | <b>141,969</b>               |
| <b>EXPENDITURES</b>  |                                   |                           |   |                              |
| Roads, Bridges, and Rights-of-Way:                                   |                                   |                           |   |                              |
| Current:   |                                   |                           |   |                              |
| Personal Services  | 186,600                           | 72,623                    | 113,977   | 70,106                       |
| Supplies   | 3,000                             | 1,052                     | 1,948   | 137                          |
| Other Services and Charges   | 56,100                            | 45,331                    | 10,769  | 25,378                       |
| Total Roads, Bridges, and Rights-of-Way:                             | 245,700                           | 119,006                   | 126,694   | 95,621                       |
| Capital Outlay   | 327,234                           | 20,421                    | 306,813   | 38,412                       |
| <b>Total expenditures</b>  | <b>572,934</b>                    | <b>139,427</b>            | <b>433,507</b>  | <b>134,033</b>               |
| <b>Excess (deficiency) of revenues<br/>over (under) expenditures</b> | <b>(432,834)</b>                  | <b>(7,434)</b>            | <b>425,400</b>  | <b>7,936</b>                 |
| <b>OTHER FINANCING SOURCES (USES)</b>                                |                                   |                           |   |                              |
| Transfers Out  | 1,433,800                         | (71,900)                  | (1,505,700)   | (48,000)                     |
| Sale of Capital Assets   | 3,000                             | 4,550                     | 1,550   | 14,250                       |
| <b>Total other financing sources (uses)</b>                          | <b>1,436,800</b>                  | <b>(67,350)</b>           | <b>(1,504,150)</b>  | <b>(33,750)</b>              |
| <b>Net change in fund balances</b>                                   | <b>1,003,966</b>                  | <b>(74,784)</b>           | <b>(1,078,750)</b>  | <b>(25,814)</b>              |
| <b>Fund balances-beginning</b>                                       | <b>2,088,207</b>                  | <b>2,088,207</b>          | <b>-</b>  | <b>2,114,021</b>             |
| <b>Fund balances-ending</b>  | <b>\$ 3,092,173</b>               | <b>\$ 2,013,423</b>       | <b>\$ (1,078,750)</b>   | <b>\$ 2,088,207</b>          |

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**ROAD DISTRICT #1 SPECIAL REVENUE FUND**  
**For the Year Ended September 30, 2009**  
**With Comparative Actual Amounts for the Year Ended September 30, 2008**

|  | <b>2009</b>                       |                           | <b>Variance with<br/>Final Budget -<br/>Positive<br/>(Negative)</b> | <b>2008<br/>Actual</b> |
|--|-----------------------------------|---------------------------|---|------------------------|
|  | <b>Final Budgeted<br/>Amounts</b> | <b>Actual<br/>Amounts</b> |   |                        |
| <b>REVENUES</b>  |                                   |                           |   |                        |
| Taxes  | \$ 30                             | \$ 171                    | \$ 141  | \$ 38                  |
| Charges for Services   | 760,000                           | 385,746                   | (374,254)   | 730,917                |
| Investment Earnings  | 40,000                            | 32,644                    | (7,356)   | 38,333                 |
| Miscellaneous  | -                                 | -                         | -   | 10,000                 |
| <b>Total revenues</b>  | <b>800,030</b>                    | <b>418,561</b>            | <b>(381,469)</b>  | <b>779,288</b>         |
| <b>EXPENDITURES</b>  |                                   |                           |   |                        |
| Roads, Bridges, and Rights-of-Way:                                   |                                   |                           |   |                        |
| Current:   |                                   |                           |   |                        |
| Supplies   | 10,000                            | 4,825                     | 5,175   | 5,508                  |
| Other Services and Charges   | 702,500                           | 552,821                   | 149,679   | 494,981                |
| Total Roads, Bridges, and Rights-of-Way:                             | 712,500                           | 557,646                   | 154,854   | 500,489                |
| Capital Outlay   | 37,701                            | -                         | 37,701  | -                      |
| <b>Total expenditures</b>  | <b>750,201</b>                    | <b>557,646</b>            | <b>192,555</b>  | <b>500,489</b>         |
| <b>Excess (deficiency) of revenues<br/>over (under) expenditures</b> | <b>49,829</b>                     | <b>(139,085)</b>          | <b>(188,914)</b>  | <b>278,799</b>         |
| <b>OTHER FINANCING SOURCES (USES)</b>                                |                                   |                           |   |                        |
| Transfers Out  | (113,800)                         | (113,800)                 | -   | (109,600)              |
| <b>Net change in fund balances</b>                                   | <b>(63,971)</b>                   | <b>(250,101)</b>          | <b>(186,130)</b>  | <b>169,199</b>         |
| <b>Fund balances-beginning</b>                                       | <b>1,266,117</b>                  | <b>1,266,117</b>          | <b>-</b>  | <b>1,096,918</b>       |
| <b>Fund balances-ending</b>  | <b>\$ 1,202,146</b>               | <b>\$ 1,016,016</b>       | <b>\$ (186,130)</b>   | <b>\$ 1,266,117</b>    |

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**FLOOD CONTROL SPECIAL REVENUE FUND**  
**For the Year Ended September 30, 2009**  
**With Comparative Actual Amounts for the Year Ended September 30, 2008**

|  | <b>2009</b>                       |                           | <b>Variance with<br/>Final Budget -<br/>Positive<br/>(Negative)</b> | <b>2008<br/>Actual</b> |
|--|-----------------------------------|---------------------------|---|------------------------|
|  | <b>Final Budgeted<br/>Amounts</b> | <b>Actual<br/>Amounts</b> |   |                        |
| <b>REVENUES</b>  |                                   |                           |   |                        |
| Taxes  | \$ 2,314,277                      | \$ 2,263,081              | \$ (51,196)   | \$ 2,117,577           |
| Charges for Services   | 606,900                           | 82,117                    | (524,783)   | 96,230                 |
| Investment Earnings  | 90,000                            | 67,155                    | (22,845)  | 82,269                 |
| Miscellaneous  | 31,700                            | 115,139                   | 83,439  | 81,450                 |
| <b>Total revenues</b>  | <b>3,042,877</b>                  | <b>2,527,492</b>          | <b>(515,385)</b>  | <b>2,377,526</b>       |
| <b>EXPENDITURES</b>  |                                   |                           |   |                        |
| General Government:  |                                   |                           |   |                        |
| Current:   |                                   |                           |   |                        |
| Other Services and Charges   | 178,088                           | 76,341                    | 101,747   | 148,630                |
| Total General Government   | 178,088                           | 76,341                    | 101,747   | 148,630                |
| Public Safety:   |                                   |                           |   |                        |
| Current:   |                                   |                           |   |                        |
| Personal Services  | 1,083,400                         | 987,235                   | 96,165  | 1,249,607              |
| Supplies   | 215,700                           | 195,109                   | 20,591  | 170,911                |
| Other Services and Charges   | 497,800                           | 335,964                   | 161,836   | 370,026                |
| Total Public Safety  | 1,796,900                         | 1,518,308                 | 278,592   | 1,790,544              |
| Capital Outlay   | 3,329,026                         | 859,266                   | 2,469,760   | 2,097,133              |
| <b>Total expenditures</b>  | <b>5,304,014</b>                  | <b>2,453,915</b>          | <b>2,850,099</b>  | <b>4,036,307</b>       |
| <b>Excess (deficiency) of revenues<br/>over (under) expenditures</b> | <b>(2,261,137)</b>                | <b>73,577</b>             | <b>2,334,714</b>  | <b>(1,658,781)</b>     |
| <b>OTHER FINANCING SOURCES (USES)</b>                                |                                   |                           |   |                        |
| Transfers In   | 898,500                           | 898,500                   | -   | 1,700,200              |
| Transfers Out  | (136,800)                         | (136,800)                 | -   | (100,000)              |
| Sale of Capital Assets   | 500                               | -                         | (500)   | -                      |
| <b>Total other financing sources (uses)</b>                          | <b>762,200</b>                    | <b>761,700</b>            | <b>(500)</b>  | <b>1,600,200</b>       |
| <b>Net change in fund balances</b>                                   | <b>(1,498,937)</b>                | <b>835,277</b>            | <b>2,334,214</b>  | <b>(58,581)</b>        |
| <b>Fund balances-beginning</b>                                       | <b>1,366,368</b>                  | <b>1,366,368</b>          | <b>-</b>  | <b>1,424,949</b>       |
| <b>Fund balances-ending</b>  | <b>\$ (132,569)</b>               | <b>\$ 2,201,645</b>       | <b>\$ 2,334,214</b>   | <b>\$ 1,366,368</b>    |

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**PUBLIC HEALTH SPECIAL REVENUE FUND**  
**For the Year Ended September 30, 2009**  
**With Comparative Actual Amounts for the Year Ended September 30, 2008**

|                                | <b>2009</b>                       |                           |   | <b>2008</b><br><b>Actual</b> |
|--------------------------------|-----------------------------------|---------------------------|---|------------------------------|
|                                | <b>Final Budgeted<br/>Amounts</b> | <b>Actual<br/>Amounts</b> | <b>Variance with<br/>Final Budget -<br/>Positive<br/>(Negative)</b> |                              |
| <b>Fund balances-beginning</b> | \$ -                              | \$ -                      | \$ -  | \$ -                         |
| <b>Fund balances-ending</b>    | <u>\$ -</u>                       | <u>\$ -</u>               | <u>\$ -</u>   | <u>\$ -</u>                  |

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**MOSQUITO CONTROL DISTRICT SPECIAL REVENUE FUND**  
**For the Year Ended September 30, 2009**  
**With Comparative Actual Amounts for the Year Ended September 30, 2008**

|  | <b>2009</b>                       |                           |   | <b>2008<br/>Actual</b> |
|--|-----------------------------------|---------------------------|---|------------------------|
|  | <b>Final Budgeted<br/>Amounts</b> | <b>Actual<br/>Amounts</b> | <b>Variance with<br/>Final Budget -<br/>Positive<br/>(Negative)</b> |                        |
| <b>REVENUES</b>  |                                   |                           |   |                        |
| Taxes  | \$ 1,149,178                      | \$ 1,108,769              | \$ (40,409)   | \$ 1,036,675           |
| Investment Earnings  | 40,000                            | 36,867                    | (3,133)   | 39,756                 |
| Miscellaneous  | -                                 | 38                        | 38  | -                      |
| <b>Total revenues</b>  | <b>1,189,178</b>                  | <b>1,145,674</b>          | <b>(43,504)</b>   | <b>1,076,431</b>       |
| <b>EXPENDITURES</b>  |                                   |                           |   |                        |
| Health and Social Services:  |                                   |                           |   |                        |
| Current:   |                                   |                           |   |                        |
| Personal Services  | 682,500                           | 595,745                   | 86,755  | 575,717                |
| Supplies   | 387,100                           | 428,903                   | (41,803)  | 299,936                |
| Other Services and Charges   | 101,300                           | 86,736                    | 14,564  | 93,312                 |
| Total Health and Social Services:                                    | <u>1,170,900</u>                  | <u>1,111,384</u>          | <u>59,516</u>   | <u>968,965</u>         |
| Capital Outlay   | 513,038                           | 439,520                   | 73,518  | 33,114                 |
| <b>Total expenditures</b>  | <b>1,683,938</b>                  | <b>1,550,904</b>          | <b>133,034</b>  | <b>1,002,079</b>       |
| <b>Excess (deficiency) of revenues<br/>over (under) expenditures</b> | <b>(494,760)</b>                  | <b>(405,230)</b>          | <b>89,530</b>   | <b>74,352</b>          |
| <b>OTHER FINANCING SOURCES (USES)</b>                                |                                   |                           |   |                        |
| Transfers Out  | (116,463)                         | (68,300)                  | 48,163  | (13,200)               |
| Sale of Capital Assets   | -                                 | 1,395                     | 1,395   | 1                      |
| <b>Total other financing sources (uses)</b>                          | <b>(116,463)</b>                  | <b>(66,905)</b>           | <b>49,558</b>   | <b>(13,199)</b>        |
| <b>Net change in fund balances</b>                                   | <b>(611,223)</b>                  | <b>(472,135)</b>          | <b>139,088</b>  | <b>61,153</b>          |
| <b>Fund balances-beginning</b>                                       | <b>1,339,915</b>                  | <b>1,339,915</b>          | <b>-</b>  | <b>1,278,762</b>       |
| <b>Fund balances-ending</b>  | <b>\$ 728,692</b>                 | <b>\$ 867,780</b>         | <b>\$ 139,088</b>   | <b>\$ 1,339,915</b>    |

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**INDIGENT HEALTH CARE SPECIAL REVENUE FUND**  
**For the Year Ended September 30, 2009**  
**With Comparative Actual Amounts for the Year Ended September 30, 2008**

|  | <b>2009</b>                       |                           | <b>Variance with<br/>Final Budget -<br/>Positive<br/>(Negative)</b> | <b>2008<br/>Actual</b> |
|--|-----------------------------------|---------------------------|---|------------------------|
|  | <b>Final Budgeted<br/>Amounts</b> | <b>Actual<br/>Amounts</b> |   |                        |
| <b>REVENUES</b>  |                                   |                           |   |                        |
| Intergovernmental  | \$ -                              | \$ 580                    | \$ 580  | \$ -                   |
| <b>EXPENDITURES</b>  |                                   |                           |   |                        |
| Health and Social Services:  |                                   |                           |   |                        |
| Current:   |                                   |                           |   |                        |
| Other Services and Charges   | 2,385,000                         | 859,723                   | 1,525,277   | -                      |
| <b>Total expenditures</b>  | <u>2,385,000</u>                  | <u>859,723</u>            | <u>1,525,277</u>  | <u>-</u>               |
| <b>Excess (deficiency) of revenues<br/>over (under) expenditures</b> | <u>(2,385,000)</u>                | <u>(859,143)</u>          | <u>1,525,857</u>  | <u>-</u>               |
| <b>OTHER FINANCING SOURCES (USES)</b>                                |                                   |                           |   |                        |
| Transfers In   | 2,385,000                         | 2,385,000                 | -   | -                      |
| <b>Net change in fund balances</b>                                   | -                                 | 1,525,857                 | 1,525,857   | -                      |
| <b>Fund balances-beginning</b>                                       | <u>-</u>                          | <u>-</u>                  | <u>-</u>  | <u>-</u>               |
| <b>Fund balances-ending</b>  | <u>\$ -</u>                       | <u>\$ 1,525,857</u>       | <u>\$ 1,525,857</u>   | <u>\$ -</u>            |

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**CHILD WELFARE SPECIAL REVENUE FUND**  
**For the Year Ended September 30, 2009**  
**With Comparative Actual Amounts for the Year Ended September 30, 2008**

|  | <b>2009</b>                       |                           | <b>Variance with<br/>Final Budget -<br/>Positive<br/>(Negative)</b> | <b>2008<br/>Actual</b> |
|--|-----------------------------------|---------------------------|---|------------------------|
|  | <b>Final Budgeted<br/>Amounts</b> | <b>Actual<br/>Amounts</b> |   |                        |
| <b>REVENUES</b>  |                                   |                           |   |                        |
| Intergovernmental  | \$ 25,000                         | \$ 14,667                 | \$ (10,333)   | \$ 39,060              |
| Miscellaneous  | 1,200                             | 1,932                     | 732   | 1,271                  |
| <b>Total revenues</b>  | <b>26,200</b>                     | <b>16,599</b>             | <b>(9,601)</b>  | <b>40,331</b>          |
| <b>EXPENDITURES</b>  |                                   |                           |   |                        |
| Health and Social Services:  |                                   |                           |   |                        |
| Current:   |                                   |                           |   |                        |
| Personal Services  | 50,800                            | 5,564                     | 45,236  | 37,109                 |
| Supplies   | 113,000                           | 58,563                    | 54,437  | 73,784                 |
| Other Services and Charges   | 321,500                           | 243,532                   | 77,968  | 270,766                |
| <b>Total expenditures</b>  | <b>485,300</b>                    | <b>307,659</b>            | <b>177,641</b>  | <b>381,659</b>         |
| <b>Excess (deficiency) of revenues<br/>over (under) expenditures</b> | <b>(459,100)</b>                  | <b>(291,060)</b>          | <b>168,040</b>  | <b>(341,328)</b>       |
| <b>OTHER FINANCING SOURCES (USES)</b>                                |                                   |                           |   |                        |
| Transfers In   | 400,000                           | 400,000                   | -   | 437,000                |
| Transfers Out  | (154,000)                         | (4,000)                   | 150,000   | -                      |
| <b>Total other financing sources (uses)</b>                          | <b>246,000</b>                    | <b>396,000</b>            | <b>150,000</b>  | <b>437,000</b>         |
| <b>Net change in fund balances</b>                                   | <b>(213,100)</b>                  | <b>104,940</b>            | <b>318,040</b>  | <b>95,672</b>          |
| <b>Fund balances-beginning</b>                                       | <b>318,414</b>                    | <b>318,414</b>            | <b>-</b>  | <b>222,742</b>         |
| <b>Fund balances-ending</b>  | <b>\$ 105,314</b>                 | <b>\$ 423,354</b>         | <b>\$ 318,040</b>   | <b>\$ 318,414</b>      |

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**BEACH AND PARKS SPECIAL REVENUE FUND**  
**For the Year Ended September 30, 2009**  
**With Comparative Actual Amounts for the Year Ended September 30, 2008**

|  | <b>2009</b>                       |                           |   | <b>2008</b><br><b>Actual</b> |
|--|-----------------------------------|---------------------------|---|------------------------------|
|  | <b>Final Budgeted<br/>Amounts</b> | <b>Actual<br/>Amounts</b> | <b>Variance with<br/>Final Budget -<br/>Positive<br/>(Negative)</b> |                              |
| <b>REVENUES</b>  |                                   |                           |   |                              |
| Intergovernmental  | \$ 130,644                        | \$ 67,499                 | \$ (63,145)   | \$ 130,644                   |
| Charges for Services   | 428,730                           | 156,226                   | (272,504)   | 305,280                      |
| Investment Earnings  | 1,000                             | 3,068                     | 2,068   | 1,727                        |
| Miscellaneous  | -                                 | 1,695                     | 1,695   | -                            |
| <b>Total revenues</b>  | <b>560,374</b>                    | <b>228,488</b>            | <b>(331,886)</b>  | <b>437,651</b>               |
| <b>EXPENDITURES</b>  |                                   |                           |   |                              |
| Culture and Recreation:  |                                   |                           |   |                              |
| Current:   |                                   |                           |   |                              |
| Personal Services  | 213,700                           | 149,706                   | 63,994  | 115,279                      |
| Supplies   | 51,100                            | 42,782                    | 8,318   | 47,900                       |
| Other Services and Charges   | 529,000                           | 299,956                   | 229,044   | 464,527                      |
| Total Culture and Recreation:  | 793,800                           | 492,444                   | 301,356   | 627,706                      |
| Capital Outlay   | 83,500                            | -                         | 83,500  | 74,000                       |
| <b>Total expenditures</b>  | <b>877,300</b>                    | <b>492,444</b>            | <b>384,856</b>  | <b>701,706</b>               |
| <b>Excess (deficiency) of revenues<br/>over (under) expenditures</b> | <b>(316,926)</b>                  | <b>(263,956)</b>          | <b>52,970</b>   | <b>(264,055)</b>             |
| <b>OTHER FINANCING SOURCES (USES)</b>                                |                                   |                           |   |                              |
| Transfers In   | 460,000                           | 460,000                   | -   | 476,147                      |
| Transfers Out  | (24,800)                          | (24,800)                  | -   | (3,200)                      |
| Sale of Capital Assets   | -                                 | -                         | -   | 22,200                       |
| <b>Total other financing sources (uses)</b>                          | <b>435,200</b>                    | <b>435,200</b>            | <b>-</b>  | <b>495,147</b>               |
| <b>Net change in fund balances</b>                                   | <b>118,274</b>                    | <b>171,244</b>            | <b>52,970</b>   | <b>231,092</b>               |
| <b>Fund balances-beginning</b>                                       | <b>679,270</b>                    | <b>679,270</b>            | <b>-</b>  | <b>448,178</b>               |
| <b>Fund balances-ending</b>  | <b>\$ 797,544</b>                 | <b>\$ 850,514</b>         | <b>\$ 52,970</b>  | <b>\$ 679,270</b>            |

NONMAJOR  
DEBT SERVICE FUNDS

PURPOSE:

GENERAL OBLIGATION REFUNDING BONDS SERIES 2007 (Fund 4020) – The General Obligation Refunding Bonds Series 2007 were issued to advance refund a portion of the County’s outstanding Combination Tax and Revenue Certificates of Obligation Series 2002, Combination Tax and Revenue Certificates of Obligation Series 2002A, Limited Tax Criminal Justice Bonds Series 2003A and Combination Tax and Revenue Certificates of Obligation Series 2003C (collectively referred to as “Refunded Obligations”).)

LIMITED TAX COUNTY BUILDING BONDS SERIES 2009B (FUND 4021) – The Series 2009B bonds were issued to: (i) purchase, construct, reconstruct, improve, and/or equip buildings or rooms for the housing of offices, courts, records or equipments, or for the conducting of other public business; (ii) pay for professional services rendered in connection with the aforementioned projects; (iii) pay the costs associated with the issuance of the bonds; and (iv) pay a portion of the interest on the bonds.

CONSTRUCTION/IMPROVEMENT TAX AND REVENUE CERTIFICATES OF OBLIGATION SERIES 1999 (FUND 4205) - The Tax and Revenue Certificates of Obligation Series 1999 were issued to build and improve various county facilities.

COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION SERIES 2003C (FUND 4214) - The Combination Tax and Revenue Certificates of Obligation Series 2003C were issued to purchase, among other items, materials, supplies, equipment, machinery, buildings, land, and right-of way for authorized needs and purposes and to construct public works within the county.

LIMITED TAX JUSTICE CENTER BONDS SERIES 2001 (FUND 4215) - The Justice Center and Public Safety Building Bonds Series 2001 were issued to build, improve, and equip building, jail, and court facilities within the county and to purchase, improve, and build necessary related sites and parking facilities for same.

LIMITED TAX CRIMINAL JUSTICE CENTER BONDS SERIES 2003A (FUND 4216) - The Limited Tax Criminal Justice Bonds Series 2003A were issued to build, improve, and equip buildings, jail, and court facilities within the county.

PARK ROADS/PARKING LOT IMPROVEMENTS CERTIFICATES OF OBLIGATION SERIES 2002A (FUND 4230) - The Combination Tax and Revenue Certificates of Obligation Series 2002A were issued to repair and improve park roads and parking lots within the county.

LIMITED TAX FORWARD REFUNDING BONDS SERIES 2003 (FUND 4282) - The Limited Tax Forward Refunding Bonds Series 2003 were issued to refund a portion of the county’s outstanding Limited Refunding Bonds Series 1993.

GENERAL OBLIGATION 1999/2001 REFUNDING BOND SERIES 2004 (FUND 4284) - The General Obligation 1999/2001 Refunding Bonds Series 2004 were issued to refund a portion of the county's outstanding Tax and Revenue Certificates of Obligation Series 1999 and a portion of the county's outstanding Justice Center and Public Safety Building Bonds Series 2001.

PASS-THROUGH TOLL REVENUE AND LIMITED TAX BONDS SERIES 2007 (FUND 4358) - The Pass-Through Toll Revenue and Limited Tax Bonds were issued to fund: i) the design, development, financing, construction, extension, expansion, and improvement of a non-toll project or facility for Farm-to-Market Road 646, a part of the state highway system located in the county; ii) the payment of interest on the bonds while the project is constructed; and iii) the payment of the costs of issuing the bonds.

SAN LUIS PASS BRIDGE CERTIFICATES OF OBLIGATION SERIES 2002 (FUND 4362) - The Combination Tax and Revenue Certificates of Obligation Series 2002 were issued to repair and improve the San Luis Pass Bridge.

UNLIMITED TAX ROAD BONDS SERIES 2001 (FUND 4368) - The Unlimited Tax Road Bonds Series 2001 were issued to build and improve roads within the county.

UNLIMITED TAX ROAD BONDS SERIES 2003B (FUND 4369) - The Unlimited Tax Roads Bonds Series 2003B were issued to build and improve roads within the county.

UNLIMITED TAX ROAD REFUNDING BONDS SERIES 2004A (FUND 4370) - The Unlimited Tax Road Refunding Bonds Series 2004A were issued to refund a portion of the county's outstanding Unlimited Tax Road Bonds Series 2001.

UNLIMITED TAX ROAD BONDS SERIES 2009A (FUND 4371) – The Series 2009A bonds were issued to: (i) construct, purchase, maintain and/or operate macadamized, graveled and paved roads and turnpikes; (ii) pay for professional services rendered in connection with the aforementioned projects; (iii) pay the costs associated with the issuance of the bonds; and (iv) pay a portion of the interest on the bonds.

LIMITED TAX FLOOD CONTROL BONDS SERIES 2009C-1 (FUND 4390) – The Series 2009C-1 bonds were issued to: (i) establish, construct, extend, maintain, or improve seawalls, breakwaters, levees, floodways, and/or drainways; (ii) pay for professional services rendered in connection with the aforementioned projects; (iii) pay the costs associated with the issuance of the bonds; and (iv) pay a portion of the interest on the bonds. This portion of the 2009C bonds is tax-exempt; another portion (2009C-2) is “Build America Bonds,” which are not tax-exempt but which qualify for a federal subsidy of 35% of the interest paid to bondholders.

LIMITED TAX FLOOD CONTROL BUILD AMERICA BONDS SERIES 2009C-2 (FUND 4393) - The Series 2009C-2 bonds were issued to: (i) establish, construct, extend, maintain, or improve seawalls, breakwaters, levees, floodways, and/or drainways; (ii) pay for professional services rendered in connection with the aforementioned projects; (iii) pay the costs associated with the issuance of the bonds; and (iv) pay a portion of the interest on the bonds. This portion of the 2009C bonds is not tax-exempt but instead qualifies for a federal subsidy of 35% of the interest paid to bondholders; another portion (2009C-1) is tax-exempt bonds.

COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION SERIES 2008 (Fund 4392) – The Combination Tax and Revenue Certificates of Obligation Series 2008 were issued for the purpose of evidencing the indebtedness of the County to pay all or any part of the contractual obligations to be incurred for the construction of public works, the purchase of, among other things, materials, supplies, equipment, machinery, buildings, land and rights-of-way for authorized needs and purposes for the payment of contractual obligations for professional services, to wit: (i) levee improvements and improvements of various pump stations; (ii) improvements to the Texas City Dike and the Texas City Dike Road; (iii) improvements to various City of Texas City roads in the San Leon portion of the County; and (iv) for professional services rendered in connection with the above listed projects.

**GALVESTON COUNTY, TEXAS  
COMBINING BALANCE SHEET  
NONMAJOR DEBT SERVICE FUNDS  
September 30, 2009  
With Comparative Totals at September 30, 2008**

|   | <b>GENERAL<br/>OBLIGATION<br/>REFUNDING<br/>BONDS<br/>SERIES 2007</b> | <b>LIMITED TAX<br/>COUNTY<br/>BUILDING<br/>BONDS<br/>SERIES 2009B</b> | <b>CONSTRUCTION/<br/>IMPROVEMENT<br/>TAX AND REVENUE<br/>CERTIFICATES<br/>OF OBLIGATION<br/>SERIES 1999</b> | <b>COMBINATION<br/>TAX AND REVENUE<br/>CERTIFICATES<br/>OF OBLIGATION<br/>SERIES 2003C</b> |
|---|---|---|---|--|
| <b>ASSETS</b>                                       |   |   |   |  |
| Investments   | \$ 1,170,216  | \$ 2,219,471  | \$ 259,832  | \$ 630,177   |
| Receivables (Net of Allowances for Uncollectibles): |   |   |   |  |
| Taxes   | 128,144   | -   | 55,226  | 97,618   |
| Accounts and Other                                  | -   | -   | -   | -  |
| <b>Total assets</b>                                 | <b>\$ 1,298,360</b>   | <b>\$ 2,219,471</b>   | <b>\$ 315,058</b>   | <b>\$ 727,795</b>  |
| <b>LIABILITIES</b>                                  |   |   |   |  |
| Accounts Payable                                    | \$ 12,347   | \$ -  | \$ 11,496   | \$ 19,875  |
| Interest Payable                                    | -   | 174,579   | -   | -  |
| Deferred Revenues                                   | 128,144   | -   | 55,226  | 97,618   |
| <b>Total liabilities</b>                            | <b>140,491</b>  | <b>174,579</b>  | <b>66,722</b>   | <b>117,493</b>   |
| <b>FUND BALANCES</b>                                |   |   |   |  |
| Reserved for Debt Service                           | 1,157,869   | 2,044,892   | 248,336   | 610,302  |
| <b>Total fund balances</b>                          | <b>1,157,869</b>  | <b>2,044,892</b>  | <b>248,336</b>  | <b>610,302</b>   |
| <b>Total liabilities and fund balances</b>          | <b>\$ 1,298,360</b>   | <b>\$ 2,219,471</b>   | <b>\$ 315,058</b>   | <b>\$ 727,795</b>  |

(Continued)

| LIMITED TAX<br>JUSTICE CENTER<br>BONDS<br>SERIES 2001 | LIMITED TAX<br>CRIMINAL<br>JUSTICE<br>CENTER BONDS<br>SERIES 2003A | PARK ROADS/<br>PARKING LOT<br>IMPROVEMENTS<br>CERTIFICATES<br>OF OBLIGATION<br>SERIES 2002A | LIMITED TAX<br>FORWARD<br>REFUNDING<br>BONDS<br>SERIES 2003 | GENERAL<br>OBLIGATION<br>1999/2001<br>REFUNDING<br>BONDS<br>SERIES 2004 |
|---|--|---|---|---|
| \$ 499,776  | \$ 999,661   | \$ 254,250  | \$ 338,741  | \$ 656,515  |
| 128,053   | 219,830  | 35,134  | 313,249   | 107,532   |
| -   | -  | -   | -   | -   |
| <b>\$ 627,829</b>                                     | <b>\$ 1,219,491</b>  | <b>\$ 289,384</b>   | <b>\$ 651,990</b>   | <b>\$ 764,047</b>   |
| \$ 19,204   | \$ 41,405  | \$ 4,733  | \$ 19,339   | \$ 17,839   |
| -   | -  | -   | -   | -   |
| 128,054   | 219,830  | 35,135  | 313,251   | 107,532   |
| 147,258   | 261,235  | 39,868  | 332,590   | 125,371   |
| 480,571   | 958,256  | 249,516   | 319,400   | 638,676   |
| 480,571   | 958,256  | 249,516   | 319,400   | 638,676   |
| <b>\$ 627,829</b>                                     | <b>\$ 1,219,491</b>  | <b>\$ 289,384</b>   | <b>\$ 651,990</b>   | <b>\$ 764,047</b>   |

**GALVESTON COUNTY, TEXAS  
COMBINING BALANCE SHEET  
NONMAJOR DEBT SERVICE FUNDS  
September 30, 2009  
With Comparative Totals at September 30, 2008**

|   | <b>PASS-THROUGH<br/>TOLL REVENUE<br/>AND LIMITED<br/>TAX BONDS<br/>SERIES 2007</b> | <b>SAN LUIS<br/>PASS BRIDGE<br/>CERTIFICATES<br/>OF OBLIGATION<br/>SERIES 2002</b> | <b>UNLIMITED<br/>TAX<br/>ROAD BONDS<br/>SERIES 2001</b> | <b>UNLIMITED TAX<br/>ROAD BONDS<br/>SERIES 2003B</b> |
|---|--|--|---|--|
| <b>ASSETS</b>                                       |  |  |   |  |
| Investments   | \$ 3,041,930   | \$ 259,665   | \$ 374,582  | \$ 208,042   |
| Receivables (Net of Allowances for Uncollectibles): |  |  |   |  |
| Taxes   | -  | 44,798   | 83,700  | 395,595  |
| Accounts and Other                                  | -  | -  | -   | -  |
| <b>Total assets</b>                                 | <b>\$ 3,041,930</b>  | <b>\$ 304,463</b>  | <b>\$ 458,282</b>                                       | <b>\$ 603,637</b>                                    |
| <b>LIABILITIES</b>                                  |  |  |   |  |
| Accounts Payable                                    | \$ -   | \$ 7,574   | \$ 13,450   | \$ 7,926   |
| Interest Payable                                    | -  | -  | -   | -  |
| Deferred Revenues                                   | -  | 44,798   | 83,701  | 395,594  |
| <b>Total liabilities</b>                            | <b>-</b>   | <b>52,372</b>  | <b>97,151</b>   | <b>403,520</b>                                       |
| <b>FUND BALANCES</b>                                |  |  |   |  |
| Reserved for Debt Service                           | 3,041,930  | 252,091  | 361,131   | 200,117  |
| <b>Total fund balances</b>                          | <b>3,041,930</b>   | <b>252,091</b>   | <b>361,131</b>  | <b>200,117</b>                                       |
| <b>Total liabilities and fund balances</b>          | <b>\$ 3,041,930</b>  | <b>\$ 304,463</b>  | <b>\$ 458,282</b>                                       | <b>\$ 603,637</b>                                    |

(Continued)

| UNLIMITED<br>TAX ROAD<br>REFUNDING<br>BONDS<br>SERIES 2004A | UNLIMITED<br>TAX ROAD<br>BONDS<br>SERIES 2009A | LIMITED TAX<br>FLOOD<br>CONTROL<br>BONDS<br>SERIES 2009C-1 | LIMITED TAX<br>FLOOD<br>CONTROL<br>BUILD<br>AMERICA<br>BONDS<br>SERIES 2009C-2 | GALVESTON<br>COUNTY<br>CERTIFICATES OF<br>OBLIGATION<br>SERIES 2008 |
|---|--|--|--|---|
| \$ 207,899  | \$ 3,697,187                                   | \$ 275,308   | \$ 463,220   | \$ 531,450  |
| 58,623  | -  | -  | -  | 54,212  |
| -   | -  | -  | -  | -   |
| <b>\$ 266,522</b>   | <b>\$ 3,697,187</b>                            | <b>\$ 275,308</b>  | <b>\$ 463,220</b>  | <b>\$ 585,662</b>   |
| \$ 6,024  | \$ -   | \$ -   | \$ -   | \$ 5,223  |
| -   | 289,032  | 12,425   | 44,472   | -   |
| 58,623  | -  | -  | -  | 54,211  |
| 64,647  | 289,032  | 12,425   | 44,472   | 59,434  |
| 201,875   | 3,408,155                                      | 262,883  | 418,748  | 526,228   |
| 201,875   | 3,408,155                                      | 262,883  | 418,748  | 526,228   |
| <b>\$ 266,522</b>   | <b>\$ 3,697,187</b>                            | <b>\$ 275,308</b>  | <b>\$ 463,220</b>  | <b>\$ 585,662</b>   |

**GALVESTON COUNTY, TEXAS  
COMBINING BALANCE SHEET  
NONMAJOR DEBT SERVICE FUNDS  
September 30, 2009  
With Comparative Totals at September 30, 2008**

|   | <b>TOTALS</b>        |                      |
|---|----------------------|----------------------|
|   | <b>2009</b>          | <b>2008</b>          |
| <b>ASSETS</b>                                       |                      |                      |
| Investments   | \$ 16,087,922        | \$ 11,863,340        |
| Receivables (Net of Allowances for Uncollectibles): |                      |                      |
| Taxes   | 1,721,714            | 2,215,249            |
| Accounts and Other                                  | -                    | 5,839                |
|   |                      |                      |
| <b>Total assets</b>                                 | <b>\$ 17,809,636</b> | <b>\$ 14,084,428</b> |
| <b>LIABILITIES</b>                                  |                      |                      |
| Accounts Payable                                    | \$ 186,435           | \$ -                 |
| Interest Payable                                    | 520,508              |                      |
| Deferred Revenues                                   | 1,721,717            | 2,215,245            |
|   |                      |                      |
| <b>Total liabilities</b>                            | <b>2,428,660</b>     | <b>2,215,245</b>     |
| <b>FUND BALANCES</b>                                |                      |                      |
| Reserved for Debt Service                           | 15,380,976           | 11,869,183           |
|   |                      |                      |
| <b>Total fund balances</b>                          | <b>15,380,976</b>    | <b>11,869,183</b>    |
| <b>Total liabilities and fund balances</b>          | <b>\$ 17,809,636</b> | <b>\$ 14,084,428</b> |



This page left intentionally blank.

**GALVESTON COUNTY, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES**  
**NONMAJOR DEBT SERVICE FUNDS**  
**For the Year Ended September 30, 2009**  
**With Comparative Totals for the Year Ended September 30, 2008**

|  | GENERAL<br>OBLIGATION<br>REFUNDING<br>BONDS<br>SERIES 2007 | LIMITED TAX<br>COUNTY<br>BUILDING<br>BONDS<br>SERIES 2009B | CONSTRUCTION/<br>IMPROVEMENT<br>TAX AND REVENUE<br>CERTIFICATES<br>OF OBLIGATION<br>SERIES 1999 | COMBINATION<br>TAX AND REVENUE<br>CERTIFICATES<br>OF OBLIGATION<br>SERIES 2003C |
|--|--|--|---|---|
| <b>REVENUES</b>  |  |  |   |   |
| Taxes  | \$ 4,938,059   | \$ -   | \$ 16,068   | \$ 28,107   |
| Investment Earnings  | 45,678   | 35   | 8,790   | 22,624  |
| <b>Total revenues</b>  | <b>4,983,737</b>   | <b>35</b>  | <b>24,858</b>   | <b>50,731</b>   |
| <b>EXPENDITURES</b>  |  |  |   |   |
| Debt Service:  |  |  |   |   |
| Principal Retirement   | 425,000  | -  | 135,000   | 90,000  |
| Interest and Fiscal Charges  | 3,427,675  | -  | 46,187  | 292,610   |
| Bond Issuance Costs  | -  | -  | -   | -   |
| <b>Total expenditures</b>  | <b>3,852,675</b>   | <b>-</b>   | <b>181,187</b>  | <b>382,610</b>  |
| <b>Excess (deficiency) of revenues<br/>over (under) expenditures</b> | <b>1,131,062</b>   | <b>35</b>  | <b>(156,329)</b>  | <b>(331,879)</b>  |
| <b>OTHER FINANCING SOURCES (USES)</b>                                |  |  |   |   |
| Transfers In   | -  | -  | -   | -   |
| Transfers Out  | -  | -  | -   | -   |
| Face Value - Long Term Debt Issued                                   | -  | 2,044,857  | -   | -   |
| Premium - Long Term Debt Issued                                      | -  | -  | -   | -   |
| Discount - Long Term Debt Issued                                     | -  | -  | -   | -   |
| Refunded Bonds - Escrow Agent  | -  | -  | -   | -   |
| <b>Total other financing sources (uses)</b>                          | <b>-</b>   | <b>2,044,857</b>   | <b>-</b>  | <b>-</b>  |
| <b>Net change in fund balances</b>                                   | <b>1,131,062</b>   | <b>2,044,892</b>   | <b>(156,329)</b>  | <b>(331,879)</b>  |
| <b>Fund balances-beginning</b>                                       | <b>26,807</b>  | <b>-</b>   | <b>404,665</b>  | <b>942,181</b>  |
| <b>Fund balances-ending</b>  | <b>\$ 1,157,869</b>  | <b>\$ 2,044,892</b>  | <b>\$ 248,336</b>   | <b>\$ 610,302</b>   |

(Continued)

| LIMITED TAX<br>JUSTICE CENTER<br>BONDS<br>SERIES 2001 | LIMITED TAX<br>CRIMINAL<br>JUSTICE<br>CENTER BONDS<br>SERIES 2003A | PARK ROADS/<br>PARKING LOT<br>IMPROVEMENTS<br>CERTIFICATES<br>OF OBLIGATION<br>SERIES 2002A | LIMITED TAX<br>FORWARD<br>REFUNDING<br>BONDS<br>SERIES 2003 | GENERAL<br>OBLIGATION<br>1999/2001<br>REFUNDING<br>BONDS<br>SERIES 2004 |
|---|--|---|---|---|
| \$ 1,441,975  | \$ 1,504,158   | \$ 390,902  | \$ 833,882  | \$ 2,239,043  |
| 15,091  | 29,062   | 7,693   | 10,207  | 24,627  |
| 1,457,066   | 1,533,220  | 398,595   | 844,089   | 2,263,670   |
| 1,580,000   | 1,390,000  | 320,000   | 1,015,000   | 1,315,000   |
| 185,275   | 293,750  | 109,502   | 78,875  | 1,085,186   |
| -   | -  | -   | -   | -   |
| 1,765,275   | 1,683,750  | 429,502   | 1,093,875   | 2,400,186   |
| (308,209)   | (150,530)  | (30,907)  | (249,786)   | (136,516)   |
| -   | -  | -   | -   | -   |
| -   | -  | -   | -   | -   |
| -   | -  | -   | -   | -   |
| -   | -  | -   | -   | -   |
| -   | -  | -   | -   | -   |
| -   | -  | -   | -   | -   |
| (308,209)   | (150,530)  | (30,907)  | (249,786)   | (136,516)   |
| 788,780   | 1,108,786  | 280,423   | 569,186   | 775,192   |
| \$ 480,571  | \$ 958,256   | \$ 249,516  | \$ 319,400  | \$ 638,676  |

**GALVESTON COUNTY, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES**  
**NONMAJOR DEBT SERVICE FUNDS**  
**For the Year Ended September 30, 2009**  
**With Comparative Totals for the Year Ended September 30, 2008**

|  | <b>PASS-THROUGH<br/>TOLL REVENUE<br/>AND LIMITED<br/>TAX BONDS<br/>SERIES 2007</b> | <b>SAN LUIS<br/>PASS BRIDGE<br/>CERTIFICATES<br/>OF OBLIGATION<br/>SERIES 2002</b> | <b>UNLIMITED<br/>TAX<br/>ROAD BONDS<br/>SERIES 2001</b> | <b>UNLIMITED TAX<br/>ROAD BONDS<br/>SERIES 2003B</b> |
|--|--|--|---|--|
| <b>REVENUES</b>  |  |  |   |  |
| Taxes  | \$ -   | \$ 499,305   | \$ 1,095,629  | \$ 467,273   |
| Investment Earnings  | 115,855  | 8,399  | 11,207  | 9,574  |
| <b>Total revenues</b>  | <b>115,855</b>   | <b>507,704</b>   | <b>1,106,836</b>  | <b>476,847</b>                                       |
| <b>EXPENDITURES</b>  |  |  |   |  |
| Debt Service:  |  |  |   |  |
| Principal Retirement   | -  | 450,000  | 1,185,000   | 275,000  |
| Interest and Fiscal Charges  | 2,172,718  | 152,593  | 138,900   | 394,388  |
| Bond Issuance Costs  | -  | -  | -   | -  |
| <b>Total expenditures</b>  | <b>2,172,718</b>   | <b>602,593</b>   | <b>1,323,900</b>  | <b>669,388</b>                                       |
| <b>Excess (deficiency) of revenues<br/>over (under) expenditures</b> | <b>(2,056,863)</b>   | <b>(94,889)</b>  | <b>(217,064)</b>  | <b>(192,541)</b>                                     |
| <b>OTHER FINANCING SOURCES (USES)</b>                                |  |  |   |  |
| Transfers In   | -  | -  | -   | -  |
| Transfers Out  | -  | -  | -   | -  |
| Face Value - Long Term Debt Issued                                   | -  | -  | -   | -  |
| Premium - Long Term Debt Issued                                      | -  | -  | -   | -  |
| Discount - Long Term Debt Issued                                     | -  | -  | -   | -  |
| Refunded Bonds - Escrow Agent  | -  | -  | -   | -  |
| <b>Total other financing sources (uses)</b>                          | <b>-</b>   | <b>-</b>   | <b>-</b>  | <b>-</b>   |
| <b>Net change in fund balances</b>                                   | <b>(2,056,863)</b>   | <b>(94,889)</b>  | <b>(217,064)</b>  | <b>(192,541)</b>                                     |
| <b>Fund balances-beginning</b>                                       | <b>5,098,793</b>   | <b>346,980</b>   | <b>578,195</b>  | <b>392,658</b>                                       |
| <b>Fund balances-ending</b>  | <b>\$ 3,041,930</b>  | <b>\$ 252,091</b>  | <b>\$ 361,131</b>                                       | <b>\$ 200,117</b>                                    |

(Continued)

| UNLIMITED<br>TAX ROAD<br>REFUNDING<br>BONDS<br>SERIES 2004A | UNLIMITED<br>TAX ROAD<br>BONDS<br>SERIES 2009A | LIMITED TAX<br>FLOOD<br>CONTROL<br>BONDS<br>SERIES 2009C-1 | LIMITED TAX<br>FLOOD<br>CONTROL<br>BUILD<br>AMERICA<br>BONDS<br>SERIES 2009C-2 | GALVESTON<br>COUNTY<br>CERTIFICATES OF<br>OBLIGATION<br>SERIES 2008 |
|---|--|--|--|---|
| \$ 171,047  | \$ -   | \$ -   | \$ -   | \$ 2,089,061  |
| 11,563  | 60   | 5  | 7  | 9,618   |
| 182,610   | 60   | 5  | 7  | 2,098,679   |
| 105,000   | -  | -  | -  | 1,400,000   |
| 427,692   | -  | -  | -  | 177,031   |
| -   | -  | -  | -  | -   |
| 532,692   | -  | -  | -  | 1,577,031   |
| (350,082)   | 60   | 5  | 7  | 521,648   |
| -   | -  | -  | -  | -   |
| -   | -  | -  | -  | -   |
| -   | 3,408,095                                      | 262,878  | 418,741  | -   |
| -   | -  | -  | -  | -   |
| -   | -  | -  | -  | -   |
| -   | -  | -  | -  | -   |
| -   | 3,408,095                                      | 262,878  | 418,741  | -   |
| (350,082)   | 3,408,155                                      | 262,883  | 418,748  | 521,648   |
| 551,957   | -  | -  | -  | 4,580   |
| <b>\$ 201,875</b>   | <b>\$ 3,408,155</b>                            | <b>\$ 262,883</b>  | <b>\$ 418,748</b>  | <b>\$ 526,228</b>   |

**GALVESTON COUNTY, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES**  
**NONMAJOR DEBT SERVICE FUNDS**  
**For the Year Ended September 30, 2009**  
**With Comparative Totals for the Year Ended September 30, 2008**

|  | <b>TOTALS</b>        |                      |
|--|----------------------|----------------------|
|  | <b>2009</b>          | <b>2008</b>          |
| <b>REVENUES</b>  |                      |                      |
| Taxes  | \$ 15,714,509        | \$ 15,918,904        |
| Investment Earnings  | 330,095              | 476,956              |
| <b>Total revenues</b>  | <b>16,044,604</b>    | <b>16,395,860</b>    |
| <b>EXPENDITURES</b>  |                      |                      |
| Debt Service:  |                      |                      |
| Principal Retirement   | 9,685,000            | 9,030,000            |
| Interest and Fiscal Charges  | 8,982,382            | 8,120,855            |
| Bond Issuance Costs  | -                    | 993,939              |
| <b>Total expenditures</b>  | <b>18,667,382</b>    | <b>18,144,794</b>    |
| <b>Excess (deficiency) of revenues<br/>over (under) expenditures</b> | <b>(2,622,778)</b>   | <b>(1,748,934)</b>   |
| <b>OTHER FINANCING SOURCES (USES)</b>                                |                      |                      |
| Transfers In   | -                    | 3,968,369            |
| Transfers Out  | -                    | (3,888,369)          |
| Face Value - Long Term Debt Issued                                   | 6,134,571            | 88,425,000           |
| Premium - Long Term Debt Issued                                      | -                    | 228,250              |
| Discount - Long Term Debt Issued                                     | -                    | (4,379,918)          |
| Refunded Bonds - Escrow Agent  | -                    | (83,277,637)         |
| <b>Total other financing sources (uses)</b>                          | <b>6,134,571</b>     | <b>1,075,695</b>     |
| <b>Net change in fund balances</b>                                   | <b>3,511,793</b>     | <b>(673,239)</b>     |
| <b>Fund balances-beginning</b>                                       | <b>11,869,183</b>    | <b>12,542,422</b>    |
| <b>Fund balances-ending</b>  | <b>\$ 15,380,976</b> | <b>\$ 11,869,183</b> |



This page left intentionally blank.

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**GENERAL OBLIGATION REFUNDING BONDS SERIES 2007 DEBT SERVICE FUND**  
**For the Year Ended September 30, 2009**  
**With Comparative Actual Amounts for the Year Ended September 30, 2008**

|  | <b>2009</b>                           |                           | <b>Variance with<br/>Final Budget-<br/>Positive<br/>(Negative)</b> | <b>2008<br/>Actual<br/>Amounts</b> |
|--|---------------------------------------|---------------------------|--|------------------------------------|
|  | <b>Final<br/>Budgeted<br/>Amounts</b> | <b>Actual<br/>Amounts</b> |  |                                    |
| <b>REVENUES</b>  |                                       |                           |  |                                    |
| Taxes:   |                                       |                           |  |                                    |
| Ad Valorem Taxes - Current   | \$ 4,990,293                          | \$ 4,877,178              | \$ (113,115)   | \$ -                               |
| Ad Valorem Taxes - Delinquent  | 2,000                                 | 26,352                    | 24,352   | -                                  |
| Penalties and Interest   | 3,000                                 | 34,529                    | 31,529   | -                                  |
| Investment Earnings  | 10,000                                | 45,678                    | 35,678   | 19,051                             |
| <b>Total revenues</b>  | <b>5,005,293</b>                      | <b>4,983,737</b>          | <b>(21,556)</b>  | <b>19,051</b>                      |
| <b>EXPENDITURES</b>  |                                       |                           |  |                                    |
| Debt Service:  |                                       |                           |  |                                    |
| Principal Retirement   | 425,000                               | 425,000                   | -  | 1,475,000                          |
| Interest and Fiscal Charges  | 3,430,200                             | 3,427,675                 | 2,525  | 2,407,369                          |
| Bond Issuance Cost   | -                                     | -                         | -  | 993,939                            |
| <b>Total expenditures</b>  | <b>3,855,200</b>                      | <b>3,852,675</b>          | <b>2,525</b>   | <b>4,876,308</b>                   |
| <b>Excess (deficiency) of revenues<br/>over (under) expenditures</b> | <b>1,150,093</b>                      | <b>1,131,062</b>          | <b>(19,031)</b>  | <b>(4,857,257)</b>                 |
| <b>OTHER FINANCING SOURCES (USES)</b>                                |                                       |                           |  |                                    |
| Transfers In   | -                                     | -                         | -  | 3,888,369                          |
| Face Value - Long Term Debt Issued                                   | -                                     | -                         | -  | 88,425,000                         |
| Premium - Long Term Debt Issued                                      | -                                     | -                         | -  | 228,250                            |
| Discount - Long Term Debt Issued                                     | -                                     | -                         | -  | (4,379,918)                        |
| Payments to Refunded Bonds Escrow Agent                              | -                                     | -                         | -  | (83,277,637)                       |
| <b>Total other financing sources (uses)</b>                          | <b>-</b>                              | <b>-</b>                  | <b>-</b>   | <b>4,884,064</b>                   |
| <b>Net change in fund balances</b>                                   | <b>1,150,093</b>                      | <b>1,131,062</b>          | <b>(19,031)</b>  | <b>26,807</b>                      |
| <b>Fund balances-beginning</b>                                       | <b>26,807</b>                         | <b>26,807</b>             | <b>-</b>   | <b>-</b>                           |
| <b>Fund balances-ending</b>  | <b>\$ 1,176,900</b>                   | <b>\$ 1,157,869</b>       | <b>\$ (19,031)</b>   | <b>\$ 26,807</b>                   |

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**LIMITED TAX COUNTY BUILDING BONDS SERIES 2009B DEBT SERVICE FUND**  
**For the Year Ended September 30, 2009**  
**With Comparative Actual Amounts for the Year Ended September 30, 2008**

|  | <u>2009</u>                                       |                                 |  | <u>2008</u><br><u>Actual</u><br><u>Amounts</u> |
|--|---|---------------------------------|--|--|
|  | <u>Final</u><br><u>Budgeted</u><br><u>Amounts</u> | <u>Actual</u><br><u>Amounts</u> | <u>Variance with</u><br><u>Final Budget-</u><br><u>Positive</u><br><u>(Negative)</u> |  |
| <b>REVENUES</b>  |   |                                 |  |  |
| Investment Earnings  | -   | 35                              | 35   | -  |
| <b>Total revenues</b>  | -   | 35                              | 35   | -  |
| <b>EXPENDITURES</b>  | -   | -                               | -  | -  |
| <b>Excess (deficiency) of revenues</b><br><b>over (under) expenditures</b> | -   | 35                              | 35   | -  |
| <b>OTHER FINANCING SOURCES (USES)</b>                                      |   |                                 |  |  |
| Face Value - Long Term Debt Issued   | -   | 2,044,857                       | 2,044,857  | -  |
| <b>Net change in fund balances</b>   | -   | 2,044,892                       | 2,044,892  | -  |
| <b>Fund balances-beginning</b>   | -   | -                               | -  | -  |
| <b>Fund balances-ending</b>  | <u>\$ -</u>                                       | <u>\$ 2,044,892</u>             | <u>\$ 2,044,892</u>  | <u>\$ -</u>                                    |

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**CONSTRUCTION/IMPROVEMENT TAX AND REVENUE**  
**CERTIFICATES OF OBLIGATION SERIES 1999 DEBT SERVICE FUND**  
**For the Year Ended September 30, 2009**  
**With Comparative Actual Amounts for the Year Ended September 30, 2008**

|  | <u>2009</u>                                       |                                 |  | <u>2008</u><br><u>Actual</u><br><u>Amounts</u> |
|--|---|---------------------------------|--|--|
|  | <u>Final</u><br><u>Budgeted</u><br><u>Amounts</u> | <u>Actual</u><br><u>Amounts</u> | <u>Variance with</u><br><u>Final Budget-</u><br><u>Positive</u><br><u>(Negative)</u> |  |
| <b>REVENUES</b>  |   |                                 |  |  |
| Taxes:   |   |                                 |  |  |
| Ad Valorem Taxes - Current   | \$ 1,844  | \$ 1,803                        | \$ (41)  | \$ 1,295,148                                   |
| Ad Valorem Taxes - Delinquent  | 15,000  | 8,189                           | (6,811)  | 28,510   |
| Penalties and Interest   | 5,000   | 6,076                           | 1,076  | 14,821   |
| Investment Earnings  | 12,000  | 8,790                           | (3,210)  | 15,577   |
| <b>Total revenues</b>  | <u>33,844</u>                                     | <u>24,858</u>                   | <u>(8,986)</u>   | <u>1,354,056</u>                               |
| <b>EXPENDITURES</b>  |   |                                 |  |  |
| Debt Service:  |   |                                 |  |  |
| Principal Retirement   | 135,000   | 135,000                         | -  | 1,350,000                                      |
| Interest and Fiscal Charges  | 48,700  | 46,187                          | 2,513  | 83,790   |
| <b>Total expenditures</b>  | <u>183,700</u>                                    | <u>181,187</u>                  | <u>2,513</u>   | <u>1,433,790</u>                               |
| <b>Excess (deficiency) of revenues</b><br><b>over (under) expenditures</b> | (149,856)   | (156,329)                       | (6,473)  | (79,734)                                       |
| <b>Fund balances-beginning</b>   | <u>404,665</u>                                    | <u>404,665</u>                  | <u>-</u>   | <u>484,399</u>                                 |
| <b>Fund balances-ending</b>  | <u><u>\$ 254,809</u></u>                          | <u><u>\$ 248,336</u></u>        | <u><u>\$ (6,473)</u></u>   | <u><u>\$ 404,665</u></u>                       |

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION SERIES 2003C DEBT SERVICE FUND**  
**For the Year Ended September 30, 2009**  
**With Comparative Actual Amounts for the Year Ended September 30, 2008**

|  | <b>2009</b>                           |                           |  | <b>2008<br/>Actual<br/>Amounts</b> |
|--|---------------------------------------|---------------------------|--|------------------------------------|
|  | <b>Final<br/>Budgeted<br/>Amounts</b> | <b>Actual<br/>Amounts</b> | <b>Variance with<br/>Final Budget-<br/>Positive<br/>(Negative)</b> |                                    |
| <b>REVENUES</b>  |                                       |                           |  |                                    |
| Taxes:   |                                       |                           |  |                                    |
| Ad Valorem Taxes - Current   | \$ 1,844                              | \$ 1,802                  | \$ (42)  | \$ 2,234,315                       |
| Ad Valorem Taxes - Delinquent  | 35,000                                | 15,202                    | (19,798)   | 47,978                             |
| Penalties and Interest   | 9,000                                 | 11,103                    | 2,103  | 25,303                             |
| Investment Earnings  | 20,000                                | 22,624                    | 2,624  | 32,452                             |
| <b>Total revenues</b>  | <u>65,844</u>                         | <u>50,731</u>             | <u>(15,113)</u>  | <u>2,340,048</u>                   |
| <b>EXPENDITURES</b>  |                                       |                           |  |                                    |
| Debt Service:  |                                       |                           |  |                                    |
| Principal Retirement   | 90,000                                | 90,000                    | -  | 30,000                             |
| Interest and Fiscal Charges  | 293,800                               | 292,610                   | 1,190  | 293,300                            |
| <b>Total expenditures</b>  | <u>383,800</u>                        | <u>382,610</u>            | <u>1,190</u>   | <u>323,300</u>                     |
| <b>Excess (deficiency) of revenues<br/>over (under) expenditures</b> | (317,956)                             | (331,879)                 | (13,923)   | 2,016,748                          |
| <b>OTHER FINANCING SOURCES (USES)</b>                                |                                       |                           |  |                                    |
| Transfers Out  | -                                     | -                         | -  | (1,719,800)                        |
| <b>Total other financing sources (uses)</b>                          | <u>-</u>                              | <u>-</u>                  | <u>(13,923)</u>  | <u>(1,719,800)</u>                 |
| <b>Net change in fund balances</b>                                   | (317,956)                             | (331,879)                 | (13,923)   | 296,948                            |
| <b>Fund balances-beginning</b>                                       | <u>942,181</u>                        | <u>942,181</u>            | <u>-</u>   | <u>645,233</u>                     |
| <b>Fund balances-ending</b>  | <u><u>\$ 624,225</u></u>              | <u><u>\$ 610,302</u></u>  | <u><u>\$ (13,923)</u></u>  | <u><u>\$ 942,181</u></u>           |

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**LIMITED TAX JUSTICE CENTER BONDS SERIES 2001 DEBT SERVICE FUND**  
**For the Year Ended September 30, 2009**  
**With Comparative Actual Amounts for the Year Ended September 30, 2008**

|  | <b>2009</b>                           |                           |  | <b>2008<br/>Actual<br/>Amounts</b> |
|--|---------------------------------------|---------------------------|--|------------------------------------|
|  | <b>Final<br/>Budgeted<br/>Amounts</b> | <b>Actual<br/>Amounts</b> | <b>Variance with<br/>Final Budget-<br/>Positive<br/>(Negative)</b> |                                    |
| <b>REVENUES</b>  |                                       |                           |  |                                    |
| Taxes:   |                                       |                           |  |                                    |
| Ad Valorem Taxes - Current   | \$ 1,435,163                          | \$ 1,402,631              | \$ (32,532)  | \$1,872,414                        |
| Ad Valorem Taxes - Delinquent  | 38,000                                | 20,293                    | (17,707)   | 38,240                             |
| Penalties and Interest   | 19,000                                | 19,051                    | 51   | 21,036                             |
| Investment Earnings  | 23,000                                | 15,091                    | (7,909)  | 24,924                             |
| <b>Total revenues</b>  | <u>1,515,163</u>                      | <u>1,457,066</u>          | <u>(58,097)</u>  | <u>1,956,614</u>                   |
| <b>EXPENDITURES</b>  |                                       |                           |  |                                    |
| Debt Service:  |                                       |                           |  |                                    |
| Principal Retirement   | 1,580,000                             | 1,580,000                 | -  | 1,475,000                          |
| Interest and Fiscal Charges  | 187,800                               | 185,275                   | 2,525  | 248,877                            |
| <b>Total expenditures</b>  | <u>1,767,800</u>                      | <u>1,765,275</u>          | <u>2,525</u>   | <u>1,723,877</u>                   |
| <b>Excess (deficiency) of revenues<br/>over (under) expenditures</b> | (252,637)                             | (308,209)                 | (55,572)   | 232,737                            |
| <b>Net change in fund balances</b>                                   | (252,637)                             | (308,209)                 | (55,572)   | 232,737                            |
| <b>Fund balances-beginning</b>                                       | <u>788,780</u>                        | <u>788,780</u>            | <u>-</u>   | <u>556,043</u>                     |
| <b>Fund balances-ending</b>  | <u><u>\$ 536,143</u></u>              | <u><u>\$ 480,571</u></u>  | <u><u>\$ (55,572)</u></u>  | <u><u>\$ 788,780</u></u>           |

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**LIMITED TAX CRIMINAL JUSTICE CENTER BONDS SERIES 2003A DEBT SERVICE FUND**  
**For the Year Ended September 30, 2009**  
**With Comparative Actual Amounts for the Year Ended September 30, 2008**

|  | <b>2009</b>                           |                           |  | <b>2008<br/>Actual<br/>Amounts</b> |
|--|---------------------------------------|---------------------------|--|------------------------------------|
|  | <b>Final<br/>Budgeted<br/>Amounts</b> | <b>Actual<br/>Amounts</b> | <b>Variance with<br/>Final Budget-<br/>Positive<br/>(Negative)</b> |                                    |
| <b>REVENUES</b>  |                                       |                           |  |                                    |
| Taxes:   |                                       |                           |  |                                    |
| Ad Valorem Taxes - Current   | \$ 1,476,133                          | \$ 1,442,671              | \$ (33,462)  | \$ 3,700,422                       |
| Ad Valorem Taxes - Delinquent  | 75,000                                | 31,490                    | (43,510)   | 90,558                             |
| Penalties and Interest   | 22,000                                | 29,997                    | 7,997  | 45,055                             |
| Investment Earnings  | 22,000                                | 29,062                    | 7,062  | 43,511                             |
| <b>Total revenues</b>  | <b>1,595,133</b>                      | <b>1,533,220</b>          | <b>(61,913)</b>  | <b>3,879,546</b>                   |
| <b>EXPENDITURES</b>  |                                       |                           |  |                                    |
| Debt Service:  |                                       |                           |  |                                    |
| Principal Retirement   | 1,390,000                             | 1,390,000                 | -  | 1,465,000                          |
| Interest and Fiscal Charges  | 295,000                               | 293,750                   | 1,250  | 336,275                            |
| <b>Total expenditures</b>  | <b>1,685,000</b>                      | <b>1,683,750</b>          | <b>1,250</b>   | <b>1,801,275</b>                   |
| <b>Excess (deficiency) of revenues<br/>over (under) expenditures</b> | <b>(89,867)</b>                       | <b>(150,530)</b>          | <b>(60,663)</b>  | <b>2,078,271</b>                   |
| <b>OTHER FINANCING SOURCES (USES)</b>                                |                                       |                           |  |                                    |
| Transfers Out  | -                                     | -                         | -  | (2,061,235)                        |
| <b>Net change in fund balances</b>                                   | <b>(89,867)</b>                       | <b>(150,530)</b>          | <b>(60,663)</b>  | <b>17,036</b>                      |
| <b>Fund balances-beginning</b>                                       | <b>1,108,786</b>                      | <b>1,108,786</b>          | <b>-</b>   | <b>1,091,750</b>                   |
| <b>Fund balances-ending</b>  | <b>\$ 1,018,919</b>                   | <b>\$ 958,256</b>         | <b>\$ (60,663)</b>   | <b>\$ 1,108,786</b>                |

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**PARK ROADS/PARKING LOT IMPROVEMENTS SERIES 2002A DEBT SERVICE FUND**  
**For the Year Ended September 30, 2009**  
**With Comparative Actual Amounts for the Year Ended September 30, 2008**

|  | <b>2009</b>                           |                           |  | <b>2008<br/>Actual<br/>Amounts</b> |
|--|---------------------------------------|---------------------------|--|------------------------------------|
|  | <b>Final<br/>Budgeted<br/>Amounts</b> | <b>Actual<br/>Amounts</b> | <b>Variance with<br/>Final Budget-<br/>Positive<br/>(Negative)</b> |                                    |
| <b>REVENUES</b>  |                                       |                           |  |                                    |
| Taxes:   |                                       |                           |  |                                    |
| Ad Valorem Taxes - Current   | \$ 388,801                            | \$ 379,988                | \$ (8,813)   | \$ 479,574                         |
| Ad Valorem Taxes - Delinquent  | 9,500                                 | 5,752                     | (3,748)  | 9,602                              |
| Penalties and Interest   | 4,500                                 | 5,162                     | 662  | 5,350                              |
| Investment Earnings  | 10,000                                | 7,693                     | (2,307)  | 9,985                              |
| <b>Total revenues</b>  | <b>412,801</b>                        | <b>398,595</b>            | <b>(14,206)</b>  | <b>504,511</b>                     |
| <b>EXPENDITURES</b>  |                                       |                           |  |                                    |
| Debt Service:  |                                       |                           |  |                                    |
| Principal Retirement   | 320,000                               | 320,000                   | -  | 310,000                            |
| Interest and Fiscal Charges  | 111,900                               | 109,502                   | 2,398  | 122,423                            |
| <b>Total expenditures</b>  | <b>431,900</b>                        | <b>429,502</b>            | <b>2,398</b>   | <b>432,423</b>                     |
| <b>Excess (deficiency) of revenues<br/>over (under) expenditures</b> | <b>(19,099)</b>                       | <b>(30,907)</b>           | <b>(11,808)</b>  | <b>72,088</b>                      |
| <b>OTHER FINANCING SOURCES (USES)</b>                                |                                       |                           |  |                                    |
| Transfers Out  | -                                     | -                         | -  | (44,777)                           |
| <b>Net change in fund balances</b>                                   | <b>(19,099)</b>                       | <b>(30,907)</b>           | <b>(11,808)</b>  | <b>27,311</b>                      |
| <b>Fund balances-beginning</b>                                       | <b>280,423</b>                        | <b>280,423</b>            | <b>-</b>   | <b>253,112</b>                     |
| <b>Fund balances-ending</b>  | <b>\$ 261,324</b>                     | <b>\$ 249,516</b>         | <b>\$ (11,808)</b>   | <b>\$ 280,423</b>                  |

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**LIMITED TAX FORWARD REFUNDING BONDS SERIES 2003 DEBT SERVICE FUND**  
**For the Year Ended September 30, 2009**  
**With Comparative Actual Amounts for the Year Ended September 30, 2008**

|  | <b>2009</b>                           |                           |  | <b>2008<br/>Actual<br/>Amounts</b> |
|--|---------------------------------------|---------------------------|--|------------------------------------|
|  | <b>Final<br/>Budgeted<br/>Amounts</b> | <b>Actual<br/>Amounts</b> | <b>Variance with<br/>Final Budget-<br/>Positive<br/>(Negative)</b> |                                    |
| <b>REVENUES</b>  |                                       |                           |  |                                    |
| Taxes:   |                                       |                           |  |                                    |
| Ad Valorem Taxes - Current   | \$ 820,620                            | \$ 802,018                | \$ (18,602)  | \$ 1,109,942                       |
| Ad Valorem Taxes - Delinquent  | 48,000                                | 13,400                    | (34,600)   | 44,607                             |
| Penalties and Interest   | 16,500                                | 18,464                    | 1,964  | 21,842                             |
| Investment Earnings  | 18,000                                | 10,207                    | (7,793)  | 18,567                             |
| <b>Total revenues</b>  | <u>903,120</u>                        | <u>844,089</u>            | <u>(59,031)</u>  | <u>1,194,958</u>                   |
| <b>EXPENDITURES</b>  |                                       |                           |  |                                    |
| Debt Service:  |                                       |                           |  |                                    |
| Principal Retirement   | 1,015,000                             | 1,015,000                 | -  | 975,000                            |
| Interest and Fiscal Charges  | 81,400                                | 78,875                    | 2,525  | 123,750                            |
| <b>Total expenditures</b>  | <u>1,096,400</u>                      | <u>1,093,875</u>          | <u>2,525</u>   | <u>1,098,750</u>                   |
| <b>Excess (deficiency) of revenues<br/>over (under) expenditures</b> | (193,280)                             | (249,786)                 | (56,506)   | 96,208                             |
| <b>Fund balances-beginning</b>                                       | <u>569,186</u>                        | <u>569,186</u>            | <u>-</u>   | <u>472,978</u>                     |
| <b>Fund balances-ending</b>  | <u><u>\$ 375,906</u></u>              | <u><u>\$ 319,400</u></u>  | <u><u>\$ (56,506)</u></u>  | <u><u>\$ 569,186</u></u>           |

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**GENERAL OBLIGATION 1999/2001 REFUNDING BONDS SERIES 2004 DEBT SERVICE FUND**  
**For the Year Ended September 30, 2009**  
**With Comparative Actual Amounts for the Year Ended September 30, 2008**

|  | <b>2009</b>                           |                           |  | <b>2008<br/>Actual<br/>Amounts</b> |
|--|---------------------------------------|---------------------------|--|------------------------------------|
|  | <b>Final<br/>Budgeted<br/>Amounts</b> | <b>Actual<br/>Amounts</b> | <b>Variance with<br/>Final Budget-<br/>Positive<br/>(Negative)</b> |                                    |
| <b>REVENUES</b>  |                                       |                           |  |                                    |
| Taxes:   |                                       |                           |  |                                    |
| Ad Valorem Taxes - Current   | \$ 2,248,204                          | \$ 2,197,243              | \$ (50,961)  | \$ 1,329,192                       |
| Ad Valorem Taxes - Delinquent  | 38,000                                | 19,996                    | (18,004)   | 28,118                             |
| Penalties and Interest   | 20,000                                | 21,804                    | 1,804  | 14,773                             |
| Investment Earnings  | 42,000                                | 24,627                    | (17,373)   | 29,865                             |
| <b>Total revenues</b>  | <u>2,348,204</u>                      | <u>2,263,670</u>          | <u>(84,534)</u>  | <u>1,401,948</u>                   |
| <b>EXPENDITURES</b>  |                                       |                           |  |                                    |
| Debt Service:  |                                       |                           |  |                                    |
| Principal Retirement   | 1,315,000                             | 1,315,000                 | -  | 40,000                             |
| Interest and Fiscal Charges  | 1,087,400                             | 1,085,186                 | 2,214  | 1,108,475                          |
| <b>Total expenditures</b>  | <u>2,402,400</u>                      | <u>2,400,186</u>          | <u>2,214</u>   | <u>1,148,475</u>                   |
| <b>Excess (deficiency) of revenues<br/>over (under) expenditures</b> | (54,196)                              | (136,516)                 | (82,320)   | 253,473                            |
| <b>Fund balances-beginning</b>                                       | <u>775,192</u>                        | <u>775,192</u>            | <u>-</u>   | <u>521,719</u>                     |
| <b>Fund balances-ending</b>  | <u><u>\$ 720,996</u></u>              | <u><u>\$ 638,676</u></u>  | <u><u>\$ (82,320)</u></u>  | <u><u>\$ 775,192</u></u>           |

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**PASS-THROUGH TOLL REVENUE AND LIMITED TAX BONDS SERIES 2007 DEBT SERVICE FUND**  
**For the Year Ended September 30, 2009**  
**With Comparative Actual Amounts for the Year Ended September 30, 2008**

|  | <b>2009</b>                           |                           | <b>Variance with<br/>Final Budget-<br/>Positive<br/>(Negative)</b> | <b>2008<br/>Actual<br/>Amounts</b> |
|--|---------------------------------------|---------------------------|--|------------------------------------|
|  | <b>Final<br/>Budgeted<br/>Amounts</b> | <b>Actual<br/>Amounts</b> |  |                                    |
| <b>REVENUES</b>  |                                       |                           |  |                                    |
| Investment Earnings  | \$ 185,000                            | \$ 115,855                | \$ (69,145)  | \$ 216,656                         |
| <b>EXPENDITURES</b>  |                                       |                           |  |                                    |
| Debt Service:  |                                       |                           |  |                                    |
| Interest and Fiscal Charges  | 2,174,500                             | 2,172,718                 | 1,782  | 2,130,487                          |
| <b>Excess (deficiency) of revenues<br/>over (under) expenditures</b> | (1,989,500)                           | (2,056,863)               | (67,363)   | (1,913,831)                        |
| <b>OTHER FINANCING SOURCES (USES)</b>                                | -                                     | -                         | -  | -                                  |
| <b>Net change in fund balances</b>                                   | (1,989,500)                           | (2,056,863)               | (67,363)   | (1,913,831)                        |
| <b>Fund balances-beginning</b>                                       | 5,098,793                             | 5,098,793                 | -  | 7,012,624                          |
| <b>Fund balances-ending</b>  | <b>\$ 3,109,293</b>                   | <b>\$ 3,041,930</b>       | <b>\$ (67,363)</b>   | <b>\$ 5,098,793</b>                |

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**SAN LUIS PASS BRIDGE CERTIFICATES OF OBLIGATION SERIES 2002 DEBT SERVICE FUND**  
**For the Year Ended September 30, 2009**  
**With Comparative Actual Amounts for the Year Ended September 30, 2008**

|  | <b>2009</b>                           |                           |  | <b>2008<br/>Actual<br/>Amounts</b> |
|--|---------------------------------------|---------------------------|--|------------------------------------|
|  | <b>Final<br/>Budgeted<br/>Amounts</b> | <b>Actual<br/>Amounts</b> | <b>Variance with<br/>Final Budget-<br/>Positive<br/>(Negative)</b> |                                    |
| <b>REVENUES</b>  |                                       |                           |  |                                    |
| Taxes:   |                                       |                           |  |                                    |
| Ad Valorem Taxes - Current   | \$ 496,961                            | \$ 485,695                | \$ (11,266)  | \$ 646,464                         |
| Ad Valorem Taxes - Delinquent  | 17,000                                | 6,797                     | (10,203)   | 15,874                             |
| Penalties and Interest   | 6,000                                 | 6,813                     | 813  | 7,954                              |
| Investment Earnings  | 12,000                                | 8,399                     | (3,601)  | 12,728                             |
| <b>Total revenues</b>  | <b>531,961</b>                        | <b>507,704</b>            | <b>(24,257)</b>  | <b>683,020</b>                     |
| <b>EXPENDITURES</b>  |                                       |                           |  |                                    |
| Debt Service:  |                                       |                           |  |                                    |
| Principal Retirement   | 450,000                               | 450,000                   | -  | 430,000                            |
| Interest and Fiscal Charges  | 155,100                               | 152,593                   | 2,507  | 170,643                            |
| <b>Total expenditures</b>  | <b>605,100</b>                        | <b>602,593</b>            | <b>2,507</b>   | <b>600,643</b>                     |
| <b>Excess (deficiency) of revenues<br/>over (under) expenditures</b> | <b>(73,139)</b>                       | <b>(94,889)</b>           | <b>(21,750)</b>  | <b>82,377</b>                      |
| <b>OTHER FINANCING SOURCES (USES)</b>                                |                                       |                           |  |                                    |
| Transfers Out  | -                                     | -                         | -  | (62,557)                           |
| <b>Net change in fund balances</b>                                   | <b>(73,139)</b>                       | <b>(94,889)</b>           | <b>(21,750)</b>  | <b>19,820</b>                      |
| <b>Fund balances-beginning</b>                                       | <b>346,980</b>                        | <b>346,980</b>            | <b>-</b>   | <b>327,160</b>                     |
| <b>Fund balances-ending</b>  | <b>\$ 273,841</b>                     | <b>\$ 252,091</b>         | <b>\$ (21,750)</b>   | <b>\$ 346,980</b>                  |

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**UNLIMITED TAX ROAD BONDS SERIES 2001 DEBT SERVICE FUND**  
**For the Year Ended September 30, 2009**  
**With Comparative Actual Amounts for the Year Ended September 30, 2008**

|  | <b>2009</b>                           |                           |  | <b>2008<br/>Actual<br/>Amounts</b> |
|--|---------------------------------------|---------------------------|--|------------------------------------|
|  | <b>Final<br/>Budgeted<br/>Amounts</b> | <b>Actual<br/>Amounts</b> | <b>Variance with<br/>Final Budget-<br/>Positive<br/>(Negative)</b> |                                    |
| <b>REVENUES</b>  |                                       |                           |  |                                    |
| Taxes:   |                                       |                           |  |                                    |
| Ad Valorem Taxes - Current   | \$ 1,092,043                          | \$ 1,067,290              | \$ (24,753)  | \$1,329,377                        |
| Ad Valorem Taxes - Delinquent  | 22,000                                | 14,694                    | (7,306)  | 26,845                             |
| Penalties and Interest   | 11,500                                | 13,645                    | 2,145  | 14,602                             |
| Investment Earnings  | 18,000                                | 11,207                    | (6,793)  | 19,485                             |
| <b>Total revenues</b>  | <u>1,143,543</u>                      | <u>1,106,836</u>          | <u>(36,707)</u>  | <u>1,390,309</u>                   |
| <b>EXPENDITURES</b>  |                                       |                           |  |                                    |
| Debt Service:  |                                       |                           |  |                                    |
| Principal Retirement   | 1,185,000                             | 1,185,000                 | -  | 1,110,000                          |
| Interest and Fiscal Charges  | 141,400                               | 138,900                   | 2,500  | 186,679                            |
| <b>Total expenditures</b>  | <u>1,326,400</u>                      | <u>1,323,900</u>          | <u>2,500</u>   | <u>1,296,679</u>                   |
| <b>Excess (deficiency) of revenues<br/>over (under) expenditures</b> | (182,857)                             | (217,064)                 | (34,207)   | 93,630                             |
| <b>Fund balances-beginning</b>                                       | <u>578,195</u>                        | <u>578,195</u>            | <u>-</u>   | <u>484,565</u>                     |
| <b>Fund balances-ending</b>  | <u><u>\$ 395,338</u></u>              | <u><u>\$ 361,131</u></u>  | <u><u>\$ (34,207)</u></u>  | <u><u>\$ 578,195</u></u>           |

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**UNLIMITED TAX ROAD BONDS SERIES 2003B DEBT SERVICE FUND**  
**For the Year Ended September 30, 2009**  
**With Comparative Actual Amounts for the Year Ended September 30, 2008**

|  | <b>2009</b>                                       |                                 |  | <b>2008</b><br><b>Actual</b><br><b>Amounts</b> |
|--|---|---------------------------------|--|--|
|  | <b>Final</b><br><b>Budgeted</b><br><b>Amounts</b> | <b>Actual</b><br><b>Amounts</b> | <b>Variance with</b><br><b>Final Budget-</b><br><b>Positive</b><br><b>(Negative)</b> |  |
| <b>REVENUES</b>  |   |                                 |  |  |
| Taxes:   |   |                                 |  |  |
| Ad Valorem Taxes - Current   | \$ 449,846  | \$ 439,648                      | \$ (10,198)  | \$ 649,054                                     |
| Ad Valorem Taxes - Delinquent  | 35,000  | 12,926                          | (22,074)   | 30,936   |
| Penalties and Interest   | 18,500  | 14,699                          | (3,801)  | 18,570   |
| Investment Earnings  | 16,500  | 9,574                           | (6,926)  | 15,320   |
| <b>Total revenues</b>  | <b>519,846</b>                                    | <b>476,847</b>                  | <b>(42,999)</b>  | <b>713,880</b>                                 |
| <b>EXPENDITURES</b>  |   |                                 |  |  |
| Debt Service:  |   |                                 |  |  |
| Principal Retirement   | 275,000   | 275,000                         | -  | 270,000  |
| Interest and Fiscal Charges  | 396,600   | 394,388                         | 2,212  | 403,263  |
| <b>Total expenditures</b>  | <b>671,600</b>                                    | <b>669,388</b>                  | <b>2,212</b>   | <b>673,263</b>                                 |
| <b>Excess (deficiency) of revenues</b><br><b>over (under) expenditures</b> | <b>(151,754)</b>                                  | <b>(192,541)</b>                | <b>(40,787)</b>  | <b>40,617</b>                                  |
| <b>Fund balances-beginning</b>   | <b>392,658</b>                                    | <b>392,658</b>                  | <b>-</b>   | <b>352,041</b>                                 |
| <b>Fund balances-ending</b>  | <b>\$ 240,904</b>                                 | <b>\$ 200,117</b>               | <b>\$ (40,787)</b>   | <b>\$ 392,658</b>                              |

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**UNLIMITED TAX ROAD REFUNDING BONDS SERIES 2004A DEBT SERVICE FUND**  
**For the Year Ended September 30, 2009**  
**With Comparative Actual Amounts for the Year Ended September 30, 2008**

|  | <b>2009</b>                           |                           | <b>Variance with<br/>Final Budget-<br/>Positive<br/>(Negative)</b> | <b>2008<br/>Actual<br/>Amounts</b> |
|--|---------------------------------------|---------------------------|--|------------------------------------|
|  | <b>Final<br/>Budgeted<br/>Amounts</b> | <b>Actual<br/>Amounts</b> |  |                                    |
| <b>REVENUES</b>  |                                       |                           |  |                                    |
| Taxes:   |                                       |                           |  |                                    |
| Ad Valorem Taxes - Current   | \$ 163,059                            | \$ 159,361                | \$ (3,698)   | \$ 697,900                         |
| Ad Valorem Taxes - Delinquent  | 15,000                                | 6,587                     | (8,413)  | 15,991                             |
| Penalties and Interest   | 6,800                                 | 5,099                     | (1,701)  | 8,537                              |
| Investment Earnings  | 17,000                                | 11,563                    | (5,437)  | 18,306                             |
| <b>Total revenues</b>  | <b>201,859</b>                        | <b>182,610</b>            | <b>(19,249)</b>  | <b>740,734</b>                     |
| <b>EXPENDITURES</b>  |                                       |                           |  |                                    |
| Debt Service:  |                                       |                           |  |                                    |
| Principal Retirement   | 105,000                               | 105,000                   | -  | 100,000                            |
| Interest and Fiscal Charges  | 428,900                               | 427,692                   | 1,208  | 429,575                            |
| <b>Total expenditures</b>  | <b>533,900</b>                        | <b>532,692</b>            | <b>1,208</b>   | <b>529,575</b>                     |
| <b>Excess (deficiency) of revenues<br/>over (under) expenditures</b> | <b>(332,041)</b>                      | <b>(350,082)</b>          | <b>(18,041)</b>  | <b>211,159</b>                     |
| <b>Fund balances-beginning</b>                                       | <b>551,957</b>                        | <b>551,957</b>            | <b>-</b>   | <b>340,798</b>                     |
| <b>Fund balances-ending</b>  | <b>\$ 219,916</b>                     | <b>\$ 201,875</b>         | <b>\$ (18,041)</b>   | <b>\$ 551,957</b>                  |

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**UNLIMITED TAX ROAD BONDS SERIES 2009A DEBT SERVICE FUND**  
**For the Year Ended September 30, 2009**  
**With Comparative Actual Amounts for the Year Ended September 30, 2008**

|  | 2009                         |                            |  | 2008<br>Actual<br>Amounts |
|--|------------------------------|----------------------------|--|---------------------------|
|  | Final<br>Budgeted<br>Amounts | Actual<br>Amounts          | Variance with<br>Final Budget-<br>Positive<br>(Negative) |                           |
| <b>REVENUES</b>  |                              |                            |  |                           |
| Investment Earnings  | \$ -                         | \$ 60.00                   | \$ 60.00   | \$ -                      |
| <b>Total revenues</b>  | <u>-</u>                     | <u>60</u>                  | <u>60</u>  | <u>-</u>                  |
| <b>EXPENDITURES</b>  | -                            | -                          | -  | -                         |
| <b>Excess (deficiency) of revenues<br/>over (under) expenditures</b> | -                            | 60                         | 60   | -                         |
| <b>OTHER FINANCING SOURCES (USES)</b>                                |                              |                            |  |                           |
| Face Value - Long Term Debt Issued                                   | -                            | 3,408,095                  | 3,408,095  | -                         |
| <b>Net change in fund balances</b>                                   | -                            | 3,408,155                  | 3,408,155  | -                         |
| <b>Fund balances-beginning</b>                                       | <u>-</u>                     | <u>-</u>                   | <u>-</u>   | <u>-</u>                  |
| <b>Fund balances-ending</b>  | <u><u>\$ -</u></u>           | <u><u>\$ 3,408,155</u></u> | <u><u>\$ 3,408,155</u></u>                               | <u><u>\$ -</u></u>        |

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**LIMITED TAX FLOOD CONTROL BONDS SERIES 2009C-1 DEBT SERVICE FUND**  
**For the Year Ended September 30, 2009**  
**With Comparative Actual Amounts for the Year Ended September 30, 2008**

|  | <b>2009</b>                           |                           |  | <b>2008<br/>Actual<br/>Amounts</b> |
|--|---------------------------------------|---------------------------|--|------------------------------------|
|  | <b>Final<br/>Budgeted<br/>Amounts</b> | <b>Actual<br/>Amounts</b> | <b>Variance with<br/>Final Budget-<br/>Positive<br/>(Negative)</b> |                                    |
| <b>REVENUES</b>  |                                       |                           |  |                                    |
| Investment Earnings  | \$ -                                  | \$ 5                      | \$ 5   | \$ -                               |
| <b>EXPENDITURES</b>  | -                                     | -                         | -  | -                                  |
| <b>Excess (deficiency) of revenues<br/>over (under) expenditures</b> | -                                     | 5                         | 5  | -                                  |
| <b>OTHER FINANCING SOURCES (USES)</b>                                |                                       |                           |  |                                    |
| Face Value - Long Term Debt Issued                                   | -                                     | 262,878                   | 262,878  | -                                  |
| <b>Total other financing sources (uses)</b>                          | -                                     | 262,878                   | 262,878  | -                                  |
| <b>Net change in fund balances</b>                                   | -                                     | 262,883                   | 262,883  | -                                  |
| <b>Fund balances-beginning</b>                                       | -                                     | -                         | -  | -                                  |
| <b>Fund balances-ending</b>  | <u>\$ -</u>                           | <u>\$ 262,883</u>         | <u>\$ 262,883</u>  | <u>\$ -</u>                        |

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**LIMITED TAX FLOOD CONTROL BUILD AMERICA BONDS SERIES 2009C-2 DEBT SERVICE FUND**  
**For the Year Ended September 30, 2009**  
**With Comparative Actual Amounts for the Year Ended September 30, 2008**

|  | 2009                         |                   | Variance with<br>Final Budget-<br>Positive<br>(Negative) | 2008<br>Actual<br>Amounts |
|--|------------------------------|-------------------|--|---------------------------|
|  | Final<br>Budgeted<br>Amounts | Actual<br>Amounts |  |                           |
| <b>REVENUES</b>  |                              |                   |  |                           |
| Investment Earnings  | \$ -                         | \$ 7              | \$ 7   | \$ -                      |
| <b>EXPENDITURES</b>  | -                            | -                 | -  | -                         |
| <b>Excess (deficiency) of revenues<br/>    over (under) expenditures</b> | -                            | 7                 | 7  | -                         |
| <b>OTHER FINANCING SOURCES (USES)</b>                                    |                              |                   |  |                           |
| Face Value - Long Term Debt Issued                                       | -                            | 418,741           | 418,741  | -                         |
| <b>Total other financing sources (uses)</b>                              | -                            | 418,741           | 418,741  | -                         |
| <b>Net change in fund balances</b>                                       | -                            | 418,748           | 418,748  | -                         |
| <b>Fund balances-beginning</b>   | -                            | -                 | -  | -                         |
| <b>Fund balances-ending</b>  | <u>\$ -</u>                  | <u>\$ 418,748</u> | <u>\$ 418,748</u>  | <u>\$ -</u>               |

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**GALVESTON COUNTY CERTIFICATES OF OBLIGATION SERIES 2008 DEBT SERVICE FUND**  
**For the Year Ended September 30, 2009**  
**With Comparative Actual Amounts for the Year Ended September 30, 2008**

|  | <b>2009</b>                           |                           | <b>Variance with<br/>Final Budget-<br/>Positive<br/>(Negative)</b> | <b>2008<br/>Actual<br/>Amounts</b> |
|--|---------------------------------------|---------------------------|--|------------------------------------|
|  | <b>Final<br/>Budgeted<br/>Amounts</b> | <b>Actual<br/>Amounts</b> |  |                                    |
| <b>REVENUES</b>  |                                       |                           |  |                                    |
| Taxes:   |                                       |                           |  |                                    |
| Ad Valorem Taxes - Current   | \$ 2,114,160                          | \$ 2,089,061              | \$ (25,099)  | \$ -                               |
| Investment Earnings  | 5,000                                 | 9,618                     | 4,618  | 529                                |
| <b>Total revenues</b>  | <b>2,119,160</b>                      | <b>2,098,679</b>          | <b>(20,481)</b>  | <b>529</b>                         |
| <b>EXPENDITURES</b>  |                                       |                           |  |                                    |
| Debt Service:  |                                       |                           |  |                                    |
| Principal Retirement   | 1,400,000                             | 1,400,000                 | -  | -                                  |
| Interest and Fiscal Charges  | 179,600                               | 177,031                   | 2,569  | 75,949                             |
| <b>Total expenditures</b>  | <b>1,579,600</b>                      | <b>1,577,031</b>          | <b>2,569</b>   | <b>75,949</b>                      |
| <b>Excess (deficiency) of revenues<br/>over (under) expenditures</b> | <b>539,560</b>                        | <b>521,648</b>            | <b>(17,912)</b>  | <b>(75,420)</b>                    |
| <b>OTHER FINANCING SOURCES (USES)</b>                                |                                       |                           |  |                                    |
| Transfers In   | -                                     | -                         | -  | 80,000                             |
| Face Value - Long Term Debt Issued                                   | 5,000                                 | -                         | (5,000)  | -                                  |
| <b>Total other financing sources (uses)</b>                          | <b>5,000</b>                          | <b>-</b>                  | <b>(5,000)</b>   | <b>80,000</b>                      |
| <b>Net change in fund balances</b>                                   | <b>544,560</b>                        | <b>521,648</b>            | <b>(22,912)</b>  | <b>4,580</b>                       |
| <b>Fund balances-beginning</b>                                       | <b>4,580</b>                          | <b>4,580</b>              | <b>-</b>   | <b>-</b>                           |
| <b>Fund balances-ending</b>  | <b>\$ 549,140</b>                     | <b>\$ 526,228</b>         | <b>\$ (22,912)</b>   | <b>\$ 4,580</b>                    |

NONMAJOR  
CAPITAL PROJECTS FUNDS

PURPOSE:

COUNTY CAPITAL PROJECTS FUND (FUND# 3100) - This fund was created in the fiscal year ended September 30, 2008 to account for various project-length County capital projects funded by resources other than bond proceeds.

COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION SERIES 2003C (FUND 3206) - Issued on September 4<sup>th</sup> 2003, in the amount of \$40,890,000 pursuant to the Constitution and general laws of the State of Texas, including Chapter 1471 and Chapter 1473, Texas Government Code, as amended, and Chapter 271, Texas Local Government Code, as amended, and three separate orders adopted by the Commissioners' Court. The proceeds will be used to purchase, among other things, materials, supplies, equipment, machinery, buildings, land and rights-of-way for authorized needs and purposes and the construction of public works and to pay the costs associated with the issuance of the Certificates.

LIMITED TAX CRIMINAL JUSTICE CENTER BONDS SERIES 2003A (FUND 3222) - Issued on September 4<sup>th</sup> 2003, in the amount of \$57,245,000 pursuant to the Constitution and general laws of the State of Texas, including Chapter 1471 and Chapter 1473, Texas Government Code, as amended, and Chapter 271, Texas Local Government Code, as amended, and three separate orders adopted by the Commissioners' Court. The proceeds will be used to build, improve and equip buildings, jails and court facilities in the County and to pay the costs associated with the issuance of the Criminal Justice Bonds.

ROAD BONDS SERIES 1987 (FUND 3306) - Issued for the purpose of constructing and improving county roads, under Article 717k, Article 6702.1 VTCS, re-codified in 1999 by the 76<sup>th</sup> Texas Legislature to Title 9, Chapter 1471 of the Texas Government Code.

|                |                              |
|----------------|------------------------------|
| Original issue | \$ 6,300,000 Refunding Bonds |
|                | <u>13,000,000</u> Road Bonds |
|                | <u>\$ 19,300,000</u>         |

NOTE: The following funds (with the appropriate amounts given) were consolidated into Fund 3306, Road Bond Fund, 1987:

|                               |                            |
|-------------------------------|----------------------------|
| Road Bond Fund, 1977          | \$ 694,526                 |
| Road Bond Fund, 1978          | 3,056,306                  |
| Road Bond Fund, 1982          | 550,043                    |
| Road & Bridge Bond Fund, 1970 | 314,000                    |
|                               | <hr style="width: 100%;"/> |
|                               | <u>\$4,614,875</u>         |

UNLIMITED TAX ROAD BONDS SERIES 2003B (FUND 3307) - Issued on September 4<sup>th</sup> 2003, in the amount of \$9,625,000 pursuant to the Constitution and general laws of the State of Texas, including Chapter 1471 and Chapter 1473, Texas Government Code, as amended, and Chapter 271, Texas Local Government Code, as amended, and three separate orders adopted by the Commissioners' Court. The proceeds will be used to build and improve roads within the County and to pay the

costs associated with the issuance of the Road Bonds.

UNLIMITED TAX ROAD BONDS SERIES 2001 (FUND 3308) – Issued in March 2001, in the amount of \$26,151,371.95 pursuant to the Constitution and general laws of the State of Texas, including Chapter 1471, Texas Government Code, as amended. This amount is the initial installment of the total authorization of \$36,300,000 (\$35,000,000 for road and \$1,300,000 for the Grand Parkway) approved by the voters in November 2000. The proceeds will be used to build and improve roads within the County.

GALVESTON CAUSEWAY RAILROAD BRIDGE PROJECT (FUND 3315) – This fund was created in the fiscal year ended September 30, 2005 to account for all transactions associated with the Galveston Causeway Railroad Bridge Project. The U.S. Coast Guard issued an “Order to Alter” directing Galveston County to alter the Old Galveston Causeway Railroad drawbridge to eliminate the obstruction to free navigation. The total cost of the project is \$33,350,000. Federal share of the project will be 91.96% and the remaining 8.04% will be paid as follows; Burlington Northern Santa Fe Railroad (80%), City of Galveston, Gulf Coast Water Authority, and Port of Galveston (10%), Center Point Energy (5%) and Galveston County (5%).

COUNTY ROAD AND BRIDGE PROJECTS (FUND 3316) – This fund was created in the fiscal year ended September 30, 2005 to account for various project-length County road and bridge projects. Currently, this fund is used to account for the road repair project on Texas City Seawall associated with the Grand Cay Harbor development.

LIMITED TAX FLOOD CONTROL BONDS SERIES 2009C (FUND 3370) – This fund was created in the fiscal year ended September 30, 2009, to account for projects to establish, construct, extend, maintain, or improve seawalls, breakwaters, levees, floodways, and/or drainways, and to pay for the professional services rendered in connection with the aforementioned projects.

GALVESTON COUNTY TEXAS CERTIFICATE OF OBLIGATION SERIES 2008 (FUND 3373)  
Issued in March 2008, in the amount of \$7,000,000 pursuant to the Constitution and the general laws of the State of Texas, including *Chapter 271, Subchapter C Texas Local Government Code*, as amended. The Texas Legislature enacted *Section 271.041-271.065 of the Texas Local Government Code* to authorize counties to issues bonds payable from a combination of ad valorem taxes and net revenues received from the County’s park concession and building rental system. Commissioners’ Court ordered the issuance of the bonds on February 13, 2008. The proceeds will be used to pay all or part of the contractual obligations to be incurred for the construction of public works: *i)* levee improvements and improvements to various pump stations; *ii)* improvements to the Texas City Dike and the Texas City Dike road; *iii)* improvements to various City of Texas City roads in the San Leon portion of the County; and *iv)* for the professional services rendered in connection with the above listed projects.

**GALVESTON COUNTY, TEXAS  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
NONMAJOR CAPITAL PROJECTS FUNDS  
September 30, 2009  
With Comparative Totals at September 30, 2008**

|   | COUNTY<br>CAPITAL<br>PROJECTS<br>FUND | COMBINATION<br>TAX AND REVENUE<br>CERTIFICATES<br>OF OBLIGATION<br>SERIES 2003C | LIMITED TAX<br>CRIMINAL<br>JUSTICE<br>CENTER BONDS<br>SERIES 2003A | ROAD<br>BONDS<br>SERIES 1987 |
|---|---------------------------------------|---|--|------------------------------|
| <b>ASSETS</b>                                       |                                       |   |  |                              |
| Cash and Cash Equivalents                           | \$ -                                  | \$ -  | \$ -   | \$ -                         |
| Investments   | 2,376,363                             | 1,495,811   | 61   | 881,369                      |
| Receivables (Net of Allowances for Uncollectibles): |                                       |   |  |                              |
| Accounts and Other                                  | 337,318                               | -   | -  | -                            |
| Due from Other Funds                                | -                                     | -   | -  | -                            |
| Prepaid Expenditures                                | -                                     | -   | -  | -                            |
| <b>Total assets</b>                                 | <b>\$ 2,713,681</b>                   | <b>\$ 1,495,811</b>   | <b>\$ 61</b>   | <b>\$ 881,369</b>            |
| <b>LIABILITIES</b>                                  |                                       |   |  |                              |
| Accounts Payable                                    | \$ 467,313                            | \$ -  | \$ -   | \$ -                         |
| Retainage Payable                                   | 10,577                                | 197,218   | -  | -                            |
| Due to Other Funds                                  | -                                     | -   | -  | -                            |
| <b>Total liabilities</b>                            | <b>477,890</b>                        | <b>197,218</b>  | <b>-</b>   | <b>-</b>                     |
| <b>FUND BALANCES</b>                                |                                       |   |  |                              |
| Reserved for Encumbrances                           | 99,139                                | 29,069  | -  | -                            |
| Reserved for Prepaid Expenditures                   | -                                     | -   | -  | -                            |
| Unreserved:   |                                       |   |  |                              |
| Designated for Capital Projects                     | 2,136,652                             | 1,269,524   | 61   | 881,369                      |
| <b>Total fund balances</b>                          | <b>2,235,791</b>                      | <b>1,298,593</b>  | <b>61</b>  | <b>881,369</b>               |
| <b>Total liabilities and fund balances</b>          | <b>\$ 2,713,681</b>                   | <b>\$ 1,495,811</b>   | <b>\$ 61</b>   | <b>\$ 881,369</b>            |

(Continued)

| <b>UNLIMITED<br/>TAX ROAD<br/>BONDS<br/>SERIES 2003B</b> | <b>UNLIMITED<br/>TAX ROAD<br/>BONDS<br/>SERIES 2001</b> | <b>GALVESTON<br/>CAUSEWAY<br/>RAILROAD<br/>BRIDGE<br/>PROJECT</b> | <b>COUNTY ROAD<br/>AND BRIDGE<br/>PROJECTS</b> |
|--|---|---|--|
| \$ 5,442,092   | \$ -  | \$ -  | \$ -   |
| 1,335,378  | 1,704,133   | -   | 109,923  |
| -  | -   | 61,120  | -  |
| -  | -   | 305   | -  |
| -  | -   | -   | -  |
| <b>\$ 6,777,470</b>                                      | <b>\$ 1,704,133</b>                                     | <b>\$ 61,425</b>  | <b>\$ 109,923</b>                              |
| \$ -   | \$ 31,909   | \$ 35,908   | \$ -   |
| -  | -   | -   | -  |
| -  | -   | 25,517  | -  |
| -  | 31,909  | 61,425  | -  |
| 3,150  | 14,393  | -   | 6,819  |
| -  | -   | -   | -  |
| 6,774,320  | 1,657,831   | -   | 103,104  |
| 6,777,470  | 1,672,224   | -   | 109,923  |
| <b>\$ 6,777,470</b>                                      | <b>\$ 1,704,133</b>                                     | <b>\$ 61,425</b>  | <b>\$ 109,923</b>                              |

**GALVESTON COUNTY, TEXAS  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
NONMAJOR CAPITAL PROJECTS FUNDS  
September 30, 2009  
With Comparative Totals at September 30, 2008**

|   | LIMITED TAX<br>FLOOD<br>CONTROL<br>BONDS |                     | GALVESTON<br>COUNTY<br>CERTIFICATES<br>OF OBLIGATION |                      | TOTALS               |                      |
|---|--|---------------------|--|----------------------|----------------------|----------------------|
|   | SERIES 2009C                             | SERIES 2008         | 2009   | 2008                 | 2009                 | 2008                 |
| <b>ASSETS</b>                                       |  |                     |  |                      |                      |                      |
| Cash and Cash Equivalents                           | \$ 14,189,818                            | \$ -                | \$ 19,631,910  | \$ -                 | \$ 19,631,910        | \$ -                 |
| Investments   | -  | 4,260,199           | 12,163,237   | 19,261,482           | 12,163,237           | 19,261,482           |
| Receivables (Net of Allowances for Uncollectibles): |  |                     |  |                      |                      |                      |
| Accounts and Other                                  | -  | -                   | 398,438  | 593,517              | 398,438              | 593,517              |
| Due from Other Funds                                | -  | -                   | 305  | -                    | 305                  | -                    |
| Prepaid Expenditures                                | -  | -                   | -  | 50,000               | -                    | 50,000               |
| <b>Total assets</b>                                 | <b>\$ 14,189,818</b>                     | <b>\$ 4,260,199</b> | <b>\$ 32,193,890</b>                                 | <b>\$ 19,904,999</b> | <b>\$ 32,193,890</b> | <b>\$ 19,904,999</b> |
| <b>LIABILITIES</b>                                  |  |                     |  |                      |                      |                      |
| Accounts Payable                                    | -  | 50,000              | 585,130  | 138,255              | 585,130              | 138,255              |
| Retainage Payable                                   | -  | 45,626              | 253,421  | 208,058              | 253,421              | 208,058              |
| Due to Other Funds                                  | -  | -                   | 25,517   | 15,232               | 25,517               | 15,232               |
| <b>Total liabilities</b>                            | <b>-</b>                                 | <b>95,626</b>       | <b>864,068</b>                                       | <b>361,545</b>       | <b>864,068</b>       | <b>361,545</b>       |
| <b>FUND BALANCES</b>                                |  |                     |  |                      |                      |                      |
| Reserved for Encumbrances                           | -  | 38,816              | 191,386  | 4,465,341            | 191,386              | 4,465,341            |
| Reserved for Prepaid Expenditures                   | -  | -                   | -  | 50,000               | -                    | 50,000               |
| Unreserved:   |  |                     |  |                      |                      |                      |
| Designated for Capital Projects                     | 14,189,818                               | 4,125,757           | 31,138,436   | 15,028,113           | 14,189,818           | 15,028,113           |
| <b>Total fund balances</b>                          | <b>14,189,818</b>                        | <b>4,164,573</b>    | <b>31,329,822</b>                                    | <b>19,543,454</b>    | <b>14,189,818</b>    | <b>19,543,454</b>    |
| <b>Total liabilities and fund balances</b>          | <b>\$ 14,189,818</b>                     | <b>\$ 4,260,199</b> | <b>\$ 32,193,890</b>                                 | <b>\$ 19,904,999</b> | <b>\$ 32,193,890</b> | <b>\$ 19,904,999</b> |



This page left intentionally blank.

**GALVESTON COUNTY, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES**  
**NONMAJOR CAPITAL PROJECTS FUNDS**  
**CAPITAL PROJECTS FUNDS**  
**For the Year Ended September 30, 2009**  
**With Comparative Totals for the Year Ended September 30, 2008**

|  | <b>COUNTY<br/>CAPITAL<br/>PROJECTS<br/>FUND</b> | <b>COMBINATION<br/>TAX AND REVENUE<br/>CERTIFICATES<br/>OF OBLIGATION<br/>SERIES 2003C</b> | <b>LIMITED TAX<br/>CRIMINAL<br/>JUSTICE<br/>CENTER BONDS<br/>SERIES 2003A</b> | <b>ROAD<br/>BONDS<br/>SERIES 1987</b> |
|--|---|--|---|---------------------------------------|
| <b>REVENUES</b>  |   |  |   |                                       |
| Intergovernmental  | \$ 337,318                                      | \$ -   | \$ -  | \$ -                                  |
| Investment Earnings  | -   | 77   | 61  | 28,064                                |
| <b>Total revenues</b>  | <b>337,318</b>                                  | <b>77</b>  | <b>61</b>   | <b>28,064</b>                         |
| <b>EXPENDITURES</b>  |   |  |   |                                       |
| General Government   | 1,277,939                                       | 5,336  | -   | -                                     |
| Roads, Bridges and Rights-of-Way                                     | -   | -  | -   | 93,175                                |
| Capital Outlay   | 376,408   | -  | -   | -                                     |
| Bond Issuance Costs  | -   | -  | -   | -                                     |
| <b>Total expenditures</b>  | <b>1,654,347</b>                                | <b>5,336</b>   | <b>-</b>  | <b>93,175</b>                         |
| <b>Excess (deficiency) of revenues<br/>over (under) expenditures</b> | <b>(1,317,029)</b>                              | <b>(5,259)</b>   | <b>61</b>   | <b>(65,111)</b>                       |
| <b>OTHER FINANCING SOURCES (USES)</b>                                |   |  |   |                                       |
| Transfers In   | 4,743,700                                       | -  | -   | -                                     |
| Transfers Out  | (3,043,700)                                     | -  | -   | -                                     |
| Sale of Capital Asset  | -   | -  | -   | -                                     |
| Face Value - Long Term Debt Issued                                   | -   | -  | -   | -                                     |
| Premium - Long Term Debt Issued                                      | -   | -  | -   | -                                     |
| <b>Total other financing sources (uses)</b>                          | <b>1,700,000</b>                                | <b>-</b>   | <b>-</b>  | <b>-</b>                              |
| <b>Net change in fund balances</b>                                   | <b>382,971</b>                                  | <b>(5,259)</b>   | <b>61</b>   | <b>(65,111)</b>                       |
| <b>Fund balances-beginning</b>                                       | <b>1,852,820</b>                                | <b>1,303,852</b>   | <b>-</b>  | <b>946,480</b>                        |
| <b>Fund balances-ending</b>  | <b>\$ 2,235,791</b>                             | <b>\$ 1,298,593</b>  | <b>\$ 61</b>  | <b>\$ 881,369</b>                     |

(Continued)

| <b>UNLIMITED<br/>TAX ROAD<br/>BONDS<br/>SERIES 2003B</b> | <b>UNLIMITED<br/>TAX ROAD<br/>BONDS<br/>SERIES 2001</b> | <b>GALVESTON<br/>CAUSEWAY<br/>RAILROAD<br/>BRIDGE<br/>PROJECT</b> | <b>COUNTY ROAD<br/>AND BRIDGE<br/>PROJECTS</b> |
|--|---|---|--|
| \$ 3,414,614   | \$ -  | \$ 692,015  | \$ -   |
| 128,631  | 42,091  | -   | 3,176  |
| <hr/>  | <hr/>   | <hr/>   | <hr/>  |
| 3,543,245  | 42,091  | 692,015   | 3,176  |
| <hr/>  | <hr/>   | <hr/>   | <hr/>  |
| -  | -   | -   | -  |
| 4,457,556  | 746,429   | 697,776   | -  |
| -  | -   | -   | -  |
| -  | -   | -   | -  |
| <hr/>  | <hr/>   | <hr/>   | <hr/>  |
| 4,457,556  | 746,429   | 697,776   | -  |
| <hr/>  | <hr/>   | <hr/>   | <hr/>  |
| (914,311)  | (704,338)   | (5,761)   | 3,176  |
| <hr/>  | <hr/>   | <hr/>   | <hr/>  |
| -  | -   | 1,805   | -  |
| -  | -   | -   | -  |
| -  | -   | -   | -  |
| -  | -   | -   | -  |
| <hr/>  | <hr/>   | <hr/>   | <hr/>  |
| -  | -   | 1,805   | -  |
| <hr/>  | <hr/>   | <hr/>   | <hr/>  |
| (914,311)  | (704,338)   | (3,956)   | 3,176  |
| <hr/>  | <hr/>   | <hr/>   | <hr/>  |
| 7,691,781  | 2,376,562   | 3,956   | 106,747  |
| <hr/>  | <hr/>   | <hr/>   | <hr/>  |
| <b>\$ 6,777,470</b>                                      | <b>\$ 1,672,224</b>                                     | <b>\$ -</b>   | <b>\$ 109,923</b>                              |

**GALVESTON COUNTY, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES**  
**NONMAJOR CAPITAL PROJECTS FUNDS**  
**CAPITAL PROJECTS FUNDS**  
**For the Year Ended September 30, 2009**  
**With Comparative Totals for the Year Ended September 30, 2008**

|  | LIMITED TAX<br>FLOOD<br>CONTROL<br>BONDS<br>SERIES 2009C |                   | GALVESTON<br>COUNTY<br>CERTIFICATES<br>OF OBLIGATION<br>SERIES 2008 |                  | TOTALS               |                      |
|--|--|-------------------|---|------------------|----------------------|----------------------|
|  |  |                   |   |                  | 2009                 | 2008                 |
| <b>REVENUES</b>  |  |                   |   |                  |                      |                      |
| Intergovernmental  | \$   | -                 | \$  | -                | \$ 4,443,947         | \$ 456,209           |
| Investment Earnings  |  | 227               |   | 129,288          | 331,615              | 411,503              |
| <b>Total revenues</b>  |  | 227               |   | 129,288          | 4,775,562            | 867,712              |
| <b>EXPENDITURES</b>  |  |                   |   |                  |                      |                      |
| General Government   |  | -                 |   | -                | 1,283,275            | 639,090              |
| Roads, Bridges and Rights-of-Way                                     |  |                   |   | 5,651            | 6,000,587            | 665,057              |
| Capital Outlay   |  | -                 |   | 1,220,320        | 1,596,728            | 539,378              |
| Bond Issuance Costs  |  | 204,571           |   | -                | 204,571              | 53,000               |
| <b>Total expenditures</b>  |  | 204,571           |   | 1,225,971        | 9,085,161            | 1,896,525            |
| <b>Excess (deficiency) of revenues<br/>over (under) expenditures</b> |  | (204,344)         |   | (1,096,683)      | (4,309,599)          | (1,028,813)          |
| <b>OTHER FINANCING SOURCES (USES)</b>                                |  |                   |   |                  |                      |                      |
| Transfers In   |  | -                 |   | -                | 4,745,505            | 1,004,487            |
| Transfers Out  |  | -                 |   | -                | (3,043,700)          | (1,808,100)          |
| Sale of Capital Asset  |  | -                 |   | -                | -                    | 849,215              |
| Face Value - Long Term Debt Issued                                   |  | 14,318,381        |   | -                | 14,318,381           | 7,000,000            |
| Premium - Long Term Debt Issued                                      |  | 75,781            |   | -                | 75,781               | -                    |
| <b>Total other financing sources (uses)</b>                          |  | 14,394,162        |   | -                | 16,095,967           | 7,045,602            |
| <b>Net change in fund balances</b>                                   |  | 14,189,818        |   | (1,096,683)      | 11,786,368           | 6,016,789            |
| <b>Fund balances-beginning</b>                                       |  | -                 |   | 5,261,256        | 19,543,454           | 13,526,665           |
| <b>Fund balances-ending</b>  | <b>\$</b>  | <b>14,189,818</b> | <b>\$</b>   | <b>4,164,573</b> | <b>\$ 31,329,822</b> | <b>\$ 19,543,454</b> |



This page left intentionally blank.

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES -**  
**BUDGET (PROJECT-LENGTH) AND ACTUAL**  
**COUNTY CAPITAL PROJECTS FUND**  
**From Inception and for the Year Ended September 30, 2009**  
**With Comparative Amounts for the Year Ended September 30, 2008**

|  | <b>TOTAL<br/>PROJECT<br/>AUTHORIZED</b> | <b>ACTUAL TO SEPTEMBER 30, 2009</b>    |                         |                     | <b>LAST<br/>YEAR'S<br/>ACTUAL</b> |
|--|---|--|-------------------------|---------------------|-----------------------------------|
|  |   | <b>REPORTED<br/>IN PRIOR<br/>YEARS</b> | <b>CURRENT<br/>YEAR</b> | <b>TOTAL</b>        |                                   |
| <b>REVENUES</b>  |   |  |                         |                     |                                   |
| Intergovernmental  | \$ 3,600,000                            | \$ -                                   | \$ 337,318              | \$ 337,318          | \$ -                              |
| Miscellaneous  | 132,506                                 | 132,506                                | -                       | 132,506             | 132,506                           |
| <b>Total revenues</b>  | <b>3,732,506</b>                        | <b>132,506</b>                         | <b>337,318</b>          | <b>469,824</b>      | <b>132,506</b>                    |
| <b>EXPENDITURES</b>  |   |  |                         |                     |                                   |
| General Government:  |   |  |                         |                     |                                   |
| Administration Costs   | 2,004,015                               | 21,001                                 | 1,277,939               | 1,298,940           | 21,001                            |
| Capital Outlay:  |   |  |                         |                     |                                   |
| IT Capital Projects  | 1,590,787                               | -                                      | 5,095                   | 5,095               | -                                 |
| Galveston Fire/EMS Station   | 3,600,000                               | -                                      | 371,313                 | 371,313             | -                                 |
| <b>Total expenditures</b>  | <b>7,194,802</b>                        | <b>21,001</b>                          | <b>1,654,347</b>        | <b>1,675,348</b>    | <b>21,001</b>                     |
| <b>Excess (deficiency) of revenues<br/>over (under) expenditures</b> | <b>(3,462,296)</b>                      | <b>111,505</b>                         | <b>(1,317,029)</b>      | <b>(1,205,524)</b>  | <b>111,505</b>                    |
| <b>OTHER FINANCING SOURCES (USES)</b>                                |   |  |                         |                     |                                   |
| Transfers In   | 5,743,700                               | 1,000,000                              | 4,743,700               | 5,743,700           | 1,000,000                         |
| Transfers Out  | (3,151,600)                             | (107,900)                              | (3,043,700)             | (3,151,600)         | (107,900)                         |
| Sale of Capital Assets   | 849,215                                 | 849,215                                | -                       | 849,215             | 849,215                           |
| <b>Total other financing sources (uses)</b>                          | <b>3,441,315</b>                        | <b>1,741,315</b>                       | <b>1,700,000</b>        | <b>3,441,315</b>    | <b>1,741,315</b>                  |
| <b>Net change in fund balances</b>                                   | <b>\$ (20,981)</b>                      | <b>\$ 1,852,820</b>                    | <b>\$ 382,971</b>       | <b>\$ 2,235,791</b> | <b>\$ 1,852,820</b>               |
| <b>Fund balances-beginning</b>                                       |   |  | <b>1,852,820</b>        |                     | <b>-</b>                          |
| <b>Fund balances-ending</b>  |   |  | <b>\$ 2,235,791</b>     |                     | <b>\$ 1,852,820</b>               |

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES -**  
**BUDGET (PROJECT-LENGTH) AND ACTUAL**  
**COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION SERIES 2003C CAPITAL PROJECTS FUND**  
**From Inception and for the Year Ended September 30, 2009**  
**With Comparative Amounts for the Year Ended September 30, 2008**

|  | TOTAL<br>PROJECT<br>AUTHORIZED | ACTUAL TO SEPTEMBER 30, 2009  |                     |                     | LAST<br>YEAR'S<br>ACTUAL |
|--|--------------------------------|-------------------------------|---------------------|---------------------|--------------------------|
|  |                                | REPORTED<br>IN PRIOR<br>YEARS | CURRENT<br>YEAR     | TOTAL               |                          |
| <b>REVENUES</b>  |                                |                               |                     |                     |                          |
| Investment Earnings  | \$ 3,326,310                   | \$ 3,326,232                  | \$ 77               | \$ 3,326,309        | \$ 573                   |
| <b>EXPENDITURES</b>  |                                |                               |                     |                     |                          |
| General Government:  |                                |                               |                     |                     |                          |
| Administration Costs   | 1,594,253                      | 528,814                       | 5,336               | 534,150             | 519,660                  |
| Capital Outlay:  |                                |                               |                     |                     |                          |
| Courthouse Renovations - Sev Prj                                     | 1,552,388                      | 1,552,388                     | -                   | 1,552,388           | -                        |
| Courthouse Renovations - Mgr/Agnt                                    | 1,027,304                      | 836,345                       | -                   | 836,345             | -                        |
| Courthouse Renovations - Bldg Constr                                 | 10,388,162                     | 10,447,762                    | -                   | 10,447,762          | 470,130                  |
| 646 Building   | 14,620                         | 14,620                        | -                   | 14,620              | -                        |
| Construction Manager-Agent   | 55,075                         | 55,075                        | -                   | 55,075              | -                        |
| Museum Renovations   | 6,343                          | -                             | -                   | -                   | -                        |
| Community Building Construction                                      | 33,492,460                     | 33,414,504                    | -                   | 33,414,504          | -                        |
| Bond Issuance Costs  | 597,757                        | 597,757                       | -                   | 597,757             | -                        |
| <b>Total expenditures</b>  | <b>48,728,362</b>              | <b>47,447,265</b>             | <b>5,336</b>        | <b>47,452,601</b>   | <b>989,790</b>           |
| <b>Excess (deficiency) of revenues<br/>over (under) expenditures</b> | <b>(45,402,052)</b>            | <b>(44,121,033)</b>           | <b>(5,259)</b>      | <b>(44,126,292)</b> | <b>(989,217)</b>         |
| <b>OTHER FINANCING SOURCES (USES)</b>                                |                                |                               |                     |                     |                          |
| Transfers In   | 4,675,110                      | 4,675,110                     | -                   | 4,675,110           | -                        |
| Face Value - Long Term Debt Issue                                    | 40,890,000                     | 40,890,000                    | -                   | 40,890,000          | -                        |
| Premium - Long Term Debt Issue                                       | 265,643                        | 265,643                       | -                   | 265,643             | -                        |
| Discount - Long Term Debt Issue                                      | (542,806)                      | (542,806)                     | -                   | (542,806)           | -                        |
| Performance Bonds Forfeited  | 136,938                        | 136,938                       | -                   | 136,938             | -                        |
| <b>Total other financing sources (uses)</b>                          | <b>45,424,885</b>              | <b>45,424,885</b>             | <b>-</b>            | <b>45,424,885</b>   | <b>-</b>                 |
| <b>Net change in fund balances</b>                                   | <b>\$ 22,833</b>               | <b>\$ 1,303,852</b>           | <b>(5,259)</b>      | <b>\$ 1,298,593</b> | <b>(989,217)</b>         |
| <b>Fund balances-beginning</b>                                       |                                |                               | 1,303,852           |                     | 2,293,069                |
| <b>Fund balances-ending</b>  |                                |                               | <b>\$ 1,298,593</b> |                     | <b>\$ 1,303,852</b>      |

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES -**  
**BUDGET (PROJECT-LENGTH) AND ACTUAL**  
**LIMITED TAX CRIMINAL JUSTICE CENTER BONDS SERIES 2003A**  
**From Inception and for the Year Ended September 30, 2009**  
**With Comparative Amounts for the Year Ended September 30, 2008**

|  | TOTAL<br>PROJECT<br>AUTHORIZED | ACTUAL TO SEPTEMBER 30, 2009  |                 |                     | LAST<br>YEAR'S<br>ACTUAL |
|--|--------------------------------|-------------------------------|-----------------|---------------------|--------------------------|
|  |                                | REPORTED<br>IN PRIOR<br>YEARS | CURRENT<br>YEAR | TOTAL               |                          |
| <b>REVENUES</b>  |                                |                               |                 |                     |                          |
| Investment   | \$ 2,863,234                   | \$ 2,699,577                  | \$ 61           | \$ 2,699,638        | \$ 1,087                 |
| Intergovernmental  | 668,187                        | 468,179                       | -               | 468,179             | -                        |
| <b>Total revenues</b>  | <b>3,531,421</b>               | <b>3,167,756</b>              | <b>61</b>       | <b>3,167,817</b>    | <b>1,087</b>             |
| <b>EXPENDITURES</b>  |                                |                               |                 |                     |                          |
| Capital Outlay:  |                                |                               |                 |                     |                          |
| Justice Center   | 61,511                         | 61,511                        | -               | 61,511              | 61,511                   |
| Courthouse Renovations   | 4,117,630                      | 4,117,630                     | -               | 4,117,630           | -                        |
| 646 Building Construction  | 56,201,386                     | 56,201,386                    | -               | 56,201,386          | -                        |
| Bond Issuance Costs  | 792,255                        | 792,255                       | -               | 792,255             | -                        |
| <b>Total expenditures</b>  | <b>61,172,782</b>              | <b>61,172,782</b>             | <b>-</b>        | <b>61,172,782</b>   | <b>61,511</b>            |
| <b>Excess (deficiency) of revenues<br/>over (under) expenditures</b> | <b>(57,641,361)</b>            | <b>(58,005,026)</b>           | <b>61</b>       | <b>(58,004,965)</b> | <b>(60,424)</b>          |
| <b>OTHER FINANCING SOURCES (USES)</b>                                |                                |                               |                 |                     |                          |
| Transfers Out  | (75,110)                       | (75,110)                      | -               | (75,110)            | -                        |
| Face Value - Long Term Debt Issue                                    | 57,245,000                     | 57,245,000                    | -               | 57,245,000          | -                        |
| Premium - Long Term Debt Issue                                       | 1,212,089                      | 1,212,089                     | -               | 1,212,089           | -                        |
| Discount - Long Term Debt Issued                                     | (376,953)                      | (376,953)                     | -               | (376,953)           | -                        |
| <b>Total other financing sources (uses)</b>                          | <b>58,005,026</b>              | <b>58,005,026</b>             | <b>-</b>        | <b>58,005,026</b>   | <b>-</b>                 |
| <b>Net change in fund balances</b>                                   | <b>\$ 363,665</b>              | <b>\$ -</b>                   | <b>61</b>       | <b>\$ 61</b>        | <b>(60,424)</b>          |
| <b>Fund balances-beginning</b>                                       |                                |                               |                 |                     | <b>60,424</b>            |
| <b>Fund balances-ending</b>  |                                |                               | <b>\$ 61</b>    |                     | <b>\$ -</b>              |

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES -**  
**BUDGET (PROJECT-LENGTH) AND ACTUAL**  
**ROAD BONDS SERIES 1987 CAPITAL PROJECTS FUND**  
**From Inception and for the Year Ended September 30, 2009**  
**With Comparative Amounts for the Year Ended September 30, 2008**

|  | TOTAL<br>PROJECT<br>AUTHORIZED | ACTUAL TO SEPTEMBER 30, 2009  |                   |                     | LAST<br>YEAR'S<br>ACTUAL |
|--|--------------------------------|-------------------------------|-------------------|---------------------|--------------------------|
|  |                                | REPORTED<br>IN PRIOR<br>YEARS | CURRENT<br>YEAR   | TOTAL               |                          |
| <b>REVENUES</b>  |                                |                               |                   |                     |                          |
| Intergovernmental  | \$ 1,360,155                   | \$ 1,360,155                  | \$ -              | \$ 1,360,155        | \$ -                     |
| Investment Earnings  | 4,031,619                      | 4,003,553                     | 28,064            | 4,031,617           | 37,313                   |
| Miscellaneous  | 5,511                          | 5,511                         | -                 | 5,511               | -                        |
| <b>Total revenues</b>  | <b>5,397,285</b>               | <b>5,369,219</b>              | <b>28,064</b>     | <b>5,397,283</b>    | <b>37,313</b>            |
| <b>EXPENDITURES</b>  |                                |                               |                   |                     |                          |
| Roads, Bridges and Rights-of-Way:                                    |                                |                               |                   |                     |                          |
| Administration Costs   | -                              | 327,801                       | -                 | 327,801             | 227,398                  |
| Highways and Roads   | 1,462,716                      | 1,196,411                     | -                 | 1,196,411           | -                        |
| S.H. 3   | 1,886,023                      | 1,643,782                     | -                 | 1,643,782           | -                        |
| S.H. 146   | 37,617                         | 37,617                        | -                 | 37,617              | -                        |
| F.M. 270   | 612,935                        | 612,935                       | -                 | 612,935             | -                        |
| F.M. 517   | 2,767,729                      | 2,418,206                     | 93,175            | 2,511,381           | -                        |
| F.M. 528   | 980,072                        | 980,072                       | -                 | 980,072             | -                        |
| F.M. 1764  | 6,161,837                      | 5,978,678                     | -                 | 5,978,678           | -                        |
| F.M. 2094  | 2,343,776                      | 2,343,776                     | -                 | 2,343,776           | -                        |
| Loop 197 N.  | 4,309,000                      | 4,309,000                     | -                 | 4,309,000           | -                        |
| <b>Total expenditures</b>  | <b>20,561,705</b>              | <b>19,848,278</b>             | <b>93,175</b>     | <b>19,941,453</b>   | <b>227,398</b>           |
| <b>Excess (deficiency) of revenues<br/>over (under) expenditures</b> | <b>(15,164,420)</b>            | <b>(14,479,059)</b>           | <b>(65,111)</b>   | <b>(14,544,170)</b> | <b>(190,085)</b>         |
| <b>OTHER FINANCING SOURCES (USES)</b>                                |                                |                               |                   |                     |                          |
| Transfers In   | 4,888,892                      | 4,888,892                     | -                 | 4,888,892           | -                        |
| Transfers Out  | (2,463,383)                    | (2,463,383)                   | -                 | (2,463,383)         | -                        |
| Long Term Debt Issued  | 13,000,000                     | 13,000,000                    | -                 | 13,000,000          | -                        |
| <b>Total other financing sources (uses)</b>                          | <b>15,425,509</b>              | <b>15,425,509</b>             | <b>-</b>          | <b>15,425,509</b>   | <b>-</b>                 |
| <b>Net change in fund balances</b>                                   | <b>\$ 261,089</b>              | <b>\$ 946,450</b>             | <b>(65,111)</b>   | <b>\$ 881,339</b>   | <b>(190,085)</b>         |
| <b>Fund balances-beginning</b>                                       |                                |                               | <b>946,480</b>    |                     | <b>1,136,565</b>         |
| <b>Fund balances-ending</b>  |                                |                               | <b>\$ 881,369</b> |                     | <b>\$ 946,480</b>        |

GALVESTON COUNTY, TEXAS  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES -  
BUDGET (PROJECT-LENGTH) AND ACTUAL  
UNLIMITED TAX ROAD BONDS SERIES 2003B CAPITAL PROJECTS FUND  
From Inception and for the Year Ended September 30, 2009  
With Comparative Amounts for the Year Ended September 30, 2008

|  | TOTAL<br>PROJECT<br>AUTHORIZED | ACTUAL TO SEPTEMBER 30, 2009  |                     |                     | LAST<br>YEAR'S<br>ACTUAL |
|--|--------------------------------|-------------------------------|---------------------|---------------------|--------------------------|
|  |                                | REPORTED<br>IN PRIOR<br>YEARS | CURRENT<br>YEAR     | TOTAL               |                          |
| <b>REVENUES</b>  |                                |                               |                     |                     |                          |
| Intergovernmental  | \$ 3,414,614                   | \$ -                          | \$ 3,414,614        | \$ 3,414,614        | \$ -                     |
| Investment Earnings  | 1,896,590                      | 1,767,960                     | 128,631             | 1,896,591           | 243,620                  |
| <b>Total revenues</b>  | <b>5,311,204</b>               | <b>1,767,960</b>              | <b>3,543,245</b>    | <b>5,311,205</b>    | <b>243,620</b>           |
| <b>EXPENDITURES</b>  |                                |                               |                     |                     |                          |
| Roads, Bridges and Rights-of-Way:                                    |                                |                               |                     |                     |                          |
| Administration Costs   | 652,311                        | 90,616                        | -                   | 90,616              | 90,616                   |
| Galv/Signals Various Locations                                       | 750,000                        | 51,850                        | 72,006              | 123,856             | -                        |
| Fort Travis Park   | 442,485                        | -                             | -                   | -                   | -                        |
| FM 646 Pass Thru Toll  | 4,348,100                      | -                             | 4,328,427           | 4,328,427           | -                        |
| FM 646 - IH 45 to FM 270   | 350,000                        | 277,688                       | 13,243              | 290,931             | -                        |
| FM 646 - SH 6 to FM 517  | 49,999                         | 49,999                        | -                   | 49,999              | -                        |
| FM 518 - FM 2094 to SH 146   | 975,000                        | -                             | 43,880              | 43,880              | -                        |
| FM 518 Bypass  | 520,000                        | -                             | -                   | -                   | -                        |
| SH 96  | 3,000,000                      | 3,000,000                     | -                   | 3,000,000           | -                        |
| Bond Issuance Costs  | 154,363                        | 154,363                       | -                   | 154,363             | -                        |
| <b>Total expenditures</b>  | <b>11,242,258</b>              | <b>3,624,516</b>              | <b>4,457,556</b>    | <b>8,082,072</b>    | <b>90,616</b>            |
| <b>Excess (deficiency) of revenues<br/>over (under) expenditures</b> | <b>(5,931,054)</b>             | <b>(1,856,556)</b>            | <b>(914,311)</b>    | <b>(2,770,867)</b>  | <b>153,004</b>           |
| <b>OTHER FINANCING SOURCES (USES)</b>                                |                                |                               |                     |                     |                          |
| Face Value - Long Term Debt Issued                                   | 9,625,000                      | 9,625,000                     | -                   | 9,625,000           | -                        |
| Discount - Long Term Debt Issued                                     | (76,663)                       | (76,663)                      | -                   | (76,663)            | -                        |
| <b>Total other financing sources (uses)</b>                          | <b>9,548,337</b>               | <b>9,548,337</b>              | <b>-</b>            | <b>9,548,337</b>    | <b>-</b>                 |
| <b>Net change in fund balances</b>                                   | <b>\$ 3,617,283</b>            | <b>\$ 7,691,781</b>           | <b>(914,311)</b>    | <b>\$ 6,777,470</b> | <b>153,004</b>           |
| <b>Fund balances-beginning</b>                                       |                                |                               | <b>7,691,781</b>    |                     | <b>7,538,777</b>         |
| <b>Fund balances-ending</b>  |                                |                               | <b>\$ 6,777,470</b> |                     | <b>\$ 7,691,781</b>      |

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES -**  
**BUDGET (PROJECT-LENGTH) AND ACTUAL**  
**UNLIMITED TAX ROAD BONDS SERIES 2001 CAPITAL PROJECTS FUND**  
**From Inception and for the Year Ended September 30, 2009**  
**With Comparative Amounts for the Year Ended September 30, 2008**

|  | <b>TOTAL<br/>PROJECT<br/>AUTHORIZED</b> | <b>ACTUAL TO SEPTEMBER 30, 2009</b>    |                         |                     | <b>LAST<br/>YEAR'S<br/>ACTUAL</b> |
|--|---|--|-------------------------|---------------------|-----------------------------------|
|  |   | <b>REPORTED<br/>IN PRIOR<br/>YEARS</b> | <b>CURRENT<br/>YEAR</b> | <b>TOTAL</b>        |                                   |
| <b>REVENUES</b>  |   |  |                         |                     |                                   |
| Investment Earnings  | \$ 3,370,994                            | \$ 3,328,902                           | \$ 42,091               | \$ 3,370,993        | \$ 41,684                         |
| Miscellaneous  | 825,323                                 | 825,323                                | -                       | 825,323             | -                                 |
| <b>Total revenues</b>  | <b>4,196,317</b>                        | <b>4,154,225</b>                       | <b>42,091</b>           | <b>4,196,316</b>    | <b>41,684</b>                     |
| <b>EXPENDITURES</b>  |   |  |                         |                     |                                   |
| Roads, Bridges and Rights-of-Way:                                    |   |  |                         |                     |                                   |
| Administration Cost  | 848,762                                 | 20,718                                 | -                       | 20,718              | 20,718                            |
| Deats  | 5,458,053                               | 5,458,053                              | -                       | 5,458,053           | -                                 |
| Fairwood   | 2,255,539                               | 2,255,539                              | -                       | 2,255,539           | -                                 |
| Sunset   | 5,607,649                               | 5,607,649                              | -                       | 5,607,649           | -                                 |
| Fort Travis  | 57,515                                  | 2,515                                  | -                       | 2,515               | -                                 |
| Pearson Road   | 304,453                                 | 304,453                                | -                       | 304,453             | -                                 |
| Baker Street   | 10,000                                  | 10,000                                 | -                       | 10,000              | -                                 |
| Vacek Road   | 95,438                                  | 95,438                                 | -                       | 95,438              | -                                 |
| Calder Road  | 1,856,569                               | 1,856,569                              | -                       | 1,856,569           | -                                 |
| 25th Avenue  | 4,375,382                               | 4,375,382                              | -                       | 4,375,382           | -                                 |
| FM 646 Pass Thru Toll  | 1,151,901                               | -                                      | 746,429                 | 746,429             | -                                 |
| Loop 197   | 1,000,000                               | 1,000,000                              | -                       | 1,000,000           | -                                 |
| Stewart, Jones   | 3,749,184                               | 3,749,184                              | -                       | 3,749,184           | -                                 |
| FM 646   | 748,329                                 | 748,329                                | -                       | 748,329             | -                                 |
| FM 517   | 250,000                                 | 60,948                                 | -                       | 60,948              | -                                 |
| SH 96  | 500,000                                 | 500,000                                | -                       | 500,000             | -                                 |
| SH 99  | 1,239,000                               | 1,239,000                              | -                       | 1,239,000           | -                                 |
| Seawall  | 795,160                                 | 795,160                                | -                       | 795,160             | -                                 |
| Bond Issuance Costs  | 202,421                                 | 202,421                                | -                       | 202,421             | -                                 |
| <b>Total expenditures</b>  | <b>30,505,355</b>                       | <b>28,281,358</b>                      | <b>746,429</b>          | <b>29,027,787</b>   | <b>20,718</b>                     |
| <b>Excess (deficiency) of revenues<br/>over (under) expenditures</b> | <b>(26,309,038)</b>                     | <b>(24,127,133)</b>                    | <b>(704,338)</b>        | <b>(24,831,471)</b> | <b>20,966</b>                     |
| <b>OTHER FINANCING SOURCES (USES)</b>                                |   |  |                         |                     |                                   |
| Long Term Debt Issued  | 26,503,695                              | 26,503,695                             | -                       | 26,503,695          | -                                 |
| <b>Net change in fund balances</b>                                   | <b>\$ 194,657</b>                       | <b>\$ 2,376,562</b>                    | <b>(704,338)</b>        | <b>\$ 1,672,224</b> | <b>20,966</b>                     |
| <b>Fund balances-beginning</b>                                       |   |  | <b>2,376,562</b>        |                     | <b>2,355,596</b>                  |
| <b>Fund balances-ending</b>  |   |  | <b>\$ 1,672,224</b>     |                     | <b>\$ 2,376,562</b>               |

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES -**  
**BUDGET (PROJECT-LENGTH) AND ACTUAL**  
**GALVESTON CAUSEWAY RAILROAD BRIDGE PROJECT CAPITAL PROJECTS FUND**  
**From Inception and for the Year Ended September 30, 2009**  
**With Comparative Amounts for the Year Ended September 30, 2008**

|  | TOTAL<br>PROJECT<br>AUTHORIZED | ACTUAL TO SEPTEMBER 30, 2009  |                 |                  | LAST<br>YEAR'S<br>ACTUAL |
|--|--------------------------------|-------------------------------|-----------------|------------------|--------------------------|
|  |                                | REPORTED<br>IN PRIOR<br>YEARS | CURRENT<br>YEAR | TOTAL            |                          |
| <b>REVENUES</b>  |                                |                               |                 |                  |                          |
| Intergovernmental  | \$ 2,280,397                   | \$ 1,588,382                  | \$ 692,015      | \$ 2,280,397     | \$ 323,703               |
| <b>EXPENDITURES</b>  |                                |                               |                 |                  |                          |
| Roads, Bridges and Rights-of-Way:                                    |                                |                               |                 |                  |                          |
| Galveston Causeway RR Bridge   | 2,296,566                      | 1,598,790                     | 697,776         | 2,296,566        | 326,325                  |
| <b>Total expenditures</b>  | <u>2,296,566</u>               | <u>1,598,790</u>              | <u>697,776</u>  | <u>2,296,566</u> | <u>326,325</u>           |
| <b>Excess (deficiency) of revenues<br/>over (under) expenditures</b> | (16,169)                       | (10,408)                      | (5,761)         | (16,169)         | (2,622)                  |
| <b>OTHER FINANCING SOURCES (USES)</b>                                |                                |                               |                 |                  |                          |
| Transfers In   | 15,864                         | 14,364                        | 1,805           | 16,169           | 4,487                    |
| <b>Net change in fund balances</b>                                   | <u>\$ (305)</u>                | <u>\$ 3,956</u>               | (3,956)         | <u>\$ -</u>      | 1,865                    |
| <b>Fund balances-beginning</b>                                       |                                |                               | 3,956           |                  | 2,091                    |
| <b>Fund balances-ending</b>  |                                |                               | <u>\$ -</u>     |                  | <u>\$ 3,956</u>          |

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES -**  
**BUDGET (PROJECT-LENGTH) AND ACTUAL**  
**COUNTY ROAD AND BRIDGE PROJECTS CAPITAL PROJECTS FUND**  
**From Inception and for the Year Ended September 30, 2009**  
**With Comparative Amounts for the Year Ended September 30, 2008**

|                                    | TOTAL<br>PROJECT<br>AUTHORIZED | ACTUAL TO SEPTEMBER 30, 2009  |                   |                   | LAST<br>YEAR'S<br>ACTUAL |
|------------------------------------|--------------------------------|-------------------------------|-------------------|-------------------|--------------------------|
|                                    |                                | REPORTED<br>IN PRIOR<br>YEARS | CURRENT<br>YEAR   | TOTAL             |                          |
| <b>REVENUES</b>                    |                                |                               |                   |                   |                          |
| Investment Earnings                | \$ 19,919                      | \$ 16,743                     | \$ 3,176          | \$ 19,919         | \$ 3,534                 |
| Charges for Services               | 150,000                        | 150,000                       | -                 | 150,000           | -                        |
| <b>Total revenues</b>              | <u>169,919</u>                 | <u>166,743</u>                | <u>3,176</u>      | <u>169,919</u>    | <u>3,534</u>             |
| <b>EXPENDITURES</b>                |                                |                               |                   |                   |                          |
| Roads, Bridges and Rights-of-Way:  |                                |                               |                   |                   |                          |
| Administration Costs               | 6,096                          | -                             | -                 | -                 | -                        |
| Grand Cay Project                  | 151,008                        | 59,996                        | -                 | 59,996            | -                        |
| FM 646 Pass Thru Toll              | 8,200                          | -                             | -                 | -                 | -                        |
| <b>Total expenditures</b>          | <u>165,304</u>                 | <u>59,996</u>                 | <u>-</u>          | <u>59,996</u>     | <u>-</u>                 |
| <b>Net change in fund balances</b> | <u>\$ 4,615</u>                | <u>\$ 106,747</u>             | <u>3,176</u>      | <u>\$ 109,923</u> | <u>3,534</u>             |
| <b>Fund balances-beginning</b>     |                                |                               | <u>106,747</u>    |                   | <u>103,213</u>           |
| <b>Fund balances-ending</b>        |                                |                               | <u>\$ 109,923</u> |                   | <u>\$ 106,747</u>        |

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES -**  
**BUDGET (PROJECT-LENGTH) AND ACTUAL**  
**LIMITED TAX FLOOD CONTROL BONDS SERIES 2009C**  
**From Inception and for the Year Ended September 30, 2009**  
**With Comparative Amounts for the Year Ended September 30, 2008**

|  | TOTAL<br>PROJECT<br>AUTHORIZED | ACTUAL TO SEPTEMBER 30, 2009  |                      |                      | LAST<br>YEAR'S<br>ACTUAL |
|--|--------------------------------|-------------------------------|----------------------|----------------------|--------------------------|
|  |                                | REPORTED<br>IN PRIOR<br>YEARS | CURRENT<br>YEAR      | TOTAL                |                          |
| <b>REVENUES</b>  |                                |                               |                      |                      |                          |
| Investment Earnings  | \$ 227                         | \$ -                          | \$ 227               | \$ 227               | \$ -                     |
| <b>EXPENDITURES</b>  |                                |                               |                      |                      |                          |
| Bond Issuance Costs  | 204,571                        | -                             | 204,571              | 204,571              | -                        |
| <b>Excess (deficiency) of revenues<br/>over (under) expenditures</b> | (204,344)                      | -                             | (204,344)            | (204,344)            | -                        |
| <b>OTHER FINANCING SOURCES (USES)</b>                                |                                |                               |                      |                      |                          |
| Face Value - Long Term Debt Issue                                    | 14,318,381                     | -                             | 14,318,381           | 14,318,381           | -                        |
| Premium - Long Term Debt Issue                                       | 75,781                         | -                             | 75,781               | 75,781               | -                        |
| <b>Total other financing sources (uses)</b>                          | 14,394,162                     | -                             | 14,394,162           | 14,394,162           | -                        |
| <b>Net change in fund balances</b>                                   | <u>\$ 14,189,818</u>           | <u>\$ -</u>                   | <u>\$ 14,189,818</u> | <u>\$ 14,189,818</u> | <u>\$ -</u>              |
| <b>Fund balances-beginning</b>                                       |                                |                               | -                    |                      | -                        |
| <b>Fund balances-ending</b>  |                                |                               | <u>\$ 14,189,818</u> |                      | <u>\$ -</u>              |

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES -**  
**BUDGET (PROJECT-LENGTH) AND ACTUAL**  
**GALVESTON COUNTY CERTIFICATES OF OBLIGATION SERIES 2008 CAPITAL PROJECTS FUND**  
**From Inception and for the Year Ended September 30, 2009**  
**With Comparative Amounts for the Year Ended September 30, 2008**

|  | TOTAL<br>PROJECT<br>AUTHORIZED | ACTUAL TO SEPTEMBER 30, 2009  |                       |                     | LAST<br>YEAR'S<br>ACTUAL |
|--|--------------------------------|-------------------------------|-----------------------|---------------------|--------------------------|
|  |                                | REPORTED<br>IN PRIOR<br>YEARS | CURRENT<br>YEAR       | TOTAL               |                          |
| <b>REVENUES</b>  |                                |                               |                       |                     |                          |
| Investment Earnings  | \$ 212,813                     | \$ 83,525                     | \$ 129,288            | \$ 212,813          | \$ 83,525                |
| <b>Total revenues</b>  | <u>212,813</u>                 | <u>83,525</u>                 | <u>129,288</u>        | <u>212,813</u>      | <u>83,525</u>            |
| <b>EXPENDITURES</b>  |                                |                               |                       |                     |                          |
| Roads, Bridges and Rights-of-Way:                                    |                                |                               |                       |                     |                          |
| Administration Costs   | -                              | 69,069                        | 5,651                 | 74,720              | 69,069                   |
| Texas City Hurricane Levee   | 1,600,000                      | -                             | -                     | -                   | -                        |
| Skyline Drive  | 880,000                        | -                             | 305,142               | 305,142             | -                        |
| Texas City Dike Improvements   | 805,000                        | -                             | 742,480               | 742,480             | -                        |
| La Marque Pump Station   | 1,270,000                      | -                             | 172,698               | 172,698             | -                        |
| Concrete I Wall Modifications  | 291,800                        | -                             | -                     | -                   | -                        |
| San Leon Road Improvements   | 400,000                        | -                             | -                     | -                   | -                        |
| Bond Issuance Costs  | 53,000                         | 53,000                        | -                     | 53,000              | 53,000                   |
| <b>Total expenditures</b>  | <u>5,299,800</u>               | <u>122,069</u>                | <u>1,225,971</u>      | <u>1,348,040</u>    | <u>122,069</u>           |
| <b>Excess (deficiency) of revenues<br/>over (under) expenditures</b> | (5,086,987)                    | (38,544)                      | (1,096,683)           | (1,135,227)         | (38,544)                 |
| <b>OTHER FINANCING SOURCES (USES)</b>                                |                                |                               |                       |                     |                          |
| Face Value - Long Term Debt Issue                                    | 7,000,000                      | 7,000,000                     | -                     | 7,000,000           | 7,000,000                |
| Transfers Out  | (1,700,200)                    | (1,700,200)                   | -                     | (1,700,200)         | (1,700,200)              |
| <b>Total other financing sources (uses)</b>                          | <u>5,299,800</u>               | <u>5,299,800</u>              | <u>-</u>              | <u>5,299,800</u>    | <u>5,299,800</u>         |
| <b>Net change in fund balances</b>                                   | <u>\$ 212,813</u>              | <u>\$ 5,261,256</u>           | <u>\$ (1,096,683)</u> | <u>\$ 4,164,573</u> | <u>\$ 5,261,256</u>      |
| <b>Fund balances-beginning</b>                                       |                                |                               | 5,261,256             |                     | -                        |
| <b>Fund balances-ending</b>  |                                |                               | <u>\$ 4,164,573</u>   |                     | <u>\$ 5,261,256</u>      |



This page left intentionally blank.

# Proprietary Funds

## PROPRIETARY FUNDS

Proprietary Funds consist of:

### Internal Service Funds

Internal Service Funds *may* be used (their use is never required) to report any activity that provides goods or services to other funds, departments, or agencies of the primary government or its component units, or to other governments, on a cost-reimbursement basis.

## INTERNAL SERVICE FUNDS

### PURPOSE:

GROUP INSURANCE (FUND 6123) - The Galveston County Group Insurance Fund was established to provide group insurance for County employees. Under this self-funded plan, the County assumes initial losses with excess liabilities covered by additional insurance policies. Prior to 1990, this fund was classified as a Trust and Agency Fund.

SELF-INSURANCE RESERVE (FUND 6130) - To provide insurance coverage for the County, the Self Insurance Reserve Fund was established. The County provides the funding and its coverage includes general liabilities, casualty losses, and unemployment. Prior to 1988, this fund was classified as a Trust and Agency Fund.

WORKERS' COMPENSATION (FUND 6124) - The Worker's Compensation Fund was established for the sole purpose of paying Worker's Compensation claims. Prior to 1995, this fund was part of the Self Insurance Reserve Fund.

**GALVESTON COUNTY, TEXAS**  
**COMBINING STATEMENT OF NET ASSETS**  
**INTERNAL SERVICE FUNDS**  
**September 30, 2009**

|  | <u>GROUP<br/>INSURANCE</u> | <u>SELF-<br/>INSURANCE<br/>RESERVE</u> | <u>WORKERS'<br/>COMPENSATION</u> | <u>TOTAL</u>               |
|--|----------------------------|--|----------------------------------|----------------------------|
| <b>ASSETS</b>  |                            |  |                                  |                            |
| Investments  | \$ 3,180,509               | \$ 2,138,365                           | \$ 2,409,391                     | \$ 7,728,265               |
| Receivables (Net of Allowances<br>for Uncollectibles): |                            |  |                                  |                            |
| Accounts and Other                                     | 237,230                    | 1,061                                  | 5,885                            | 244,176                    |
| Due from Other Funds                                   | 1,345,287                  | -                                      | 48,361                           | 1,393,648                  |
| Prepaid Items  | -                          | 204,191                                | -                                | 204,191                    |
| <b>Total Assets</b>                                    | <u>4,763,026</u>           | <u>2,343,617</u>                       | <u>2,463,637</u>                 | <u>9,570,280</u>           |
| <b>LIABILITIES</b>                                     |                            |  |                                  |                            |
| Accounts Payable                                       | \$ 139,049                 | \$ 83,067                              | \$ -                             | \$ 222,116                 |
| Salaries Payable                                       | -                          | 4,046                                  | 5,678                            | 9,724                      |
| Estimated Liability - Claims                           | 1,628,500                  | -                                      | 1,121,000                        | 2,749,500                  |
| <b>Total liabilities</b>                               | <u>1,767,549</u>           | <u>87,113</u>                          | <u>1,126,678</u>                 | <u>2,981,340</u>           |
| <b>NET ASSETS</b>                                      |                            |  |                                  |                            |
| Unrestricted   | <u>2,995,477</u>           | <u>2,256,504</u>                       | <u>1,336,959</u>                 | <u>6,588,940</u>           |
| <b>Total net assets</b>                                | <u><u>\$ 2,995,477</u></u> | <u><u>\$ 2,256,504</u></u>             | <u><u>\$ 1,336,959</u></u>       | <u><u>\$ 6,588,940</u></u> |

**GALVESTON COUNTY, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND**  
**CHANGES IN FUND NET ASSETS**  
**INTERNAL SERVICE FUNDS**  
**For the Year Ended September 30, 2009**

|                                       | <u>GROUP<br/>INSURANCE</u> | <u>SELF-<br/>INSURANCE<br/>RESERVE</u> | <u>WORKERS'<br/>COMPENSATION</u> | <u>TOTAL</u>               |
|---------------------------------------|----------------------------|--|----------------------------------|----------------------------|
| <b>OPERATING REVENUES</b>             |                            |  |                                  |                            |
| Charges for Services                  | \$ 10,521,576              | \$ -                                   | \$ -                             | \$ 10,521,576              |
| Insurance Recovery - County           | -                          | 10,035                                 | -                                | 10,035                     |
| Reimbursements                        | 1,634,039                  | -                                      | 17,217                           | 1,651,256                  |
| Miscellaneous                         | -                          | 19,442                                 | 3,410                            | 22,852                     |
| <b>Total operating revenues</b>       | <u>12,155,615</u>          | <u>29,477</u>                          | <u>20,627</u>                    | <u>12,205,719</u>          |
| <b>OPERATING EXPENSES</b>             |                            |  |                                  |                            |
| Personal Services                     | \$ -                       | \$ 205,161                             | \$ -                             | \$ 205,161                 |
| Contract Services                     | 2,014,647                  | -                                      | 33,112                           | 2,047,759                  |
| Insurance                             | 737,683                    | 2,249,562                              | 126,071                          | 3,113,316                  |
| Claims Paid                           | 9,550,925                  | -                                      | 574,702                          | 10,125,627                 |
| Supplies                              | -                          | 4,145                                  | -                                | 4,145                      |
| <b>Total operating expenses</b>       | <u>12,303,255</u>          | <u>2,458,868</u>                       | <u>733,885</u>                   | <u>15,496,008</u>          |
| <b>Operating income (loss)</b>        | (147,640)                  | (2,429,391)                            | (713,258)                        | (3,290,289)                |
| <b>NON-OPERATING REVENUES</b>         |                            |  |                                  |                            |
| Investment Earnings                   | 8,858                      | -                                      | 704                              | 9,562                      |
| <b>Income (loss) before transfers</b> | (138,782)                  | (2,429,391)                            | (712,554)                        | (3,280,727)                |
| Transfers In                          | 1,065,000                  | 1,921,000                              | 527,600                          | 3,513,600                  |
| <b>Change in net assets</b>           | 926,218                    | (508,391)                              | (184,954)                        | 232,873                    |
| <b>Total net assets-beginning</b>     | <u>2,069,259</u>           | <u>2,764,895</u>                       | <u>1,521,913</u>                 | <u>6,356,067</u>           |
| <b>Total net assets-ending</b>        | <u><u>\$ 2,995,477</u></u> | <u><u>\$ 2,256,504</u></u>             | <u><u>\$ 1,336,959</u></u>       | <u><u>\$ 6,588,940</u></u> |

**GALVESTON COUNTY, TEXAS**  
**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
**For the Year Ended September 30, 2009**

|  | <b>GROUP<br/>INSURANCE</b> | <b>SELF-<br/>INSURANCE<br/>RESERVE</b> | <b>WORKERS'<br/>COMPENSATION</b> | <b>TOTAL</b>          |
|--|----------------------------|--|----------------------------------|-----------------------|
| <b>Cash flows from operating activities:</b>   |                            |  |                                  |                       |
| Receipts from Users  | \$ 10,550,078              | \$ 28,420                              | \$ 22,419                        | \$ 10,600,917         |
| Payments to Suppliers  | (2,829,718)                | (2,067,556)                            | (729,757)                        | (5,627,031)           |
| Payments to Employees  | -                          | (205,639)                              | -                                | (205,639)             |
| Payments for Claims  | (9,550,925)                | (129,191)                              | -                                | (9,680,116)           |
| Other Operating Revenues   | 1,496,422                  | -                                      | -                                | 1,496,422             |
| <b>Net cash provided (used) by operating activities</b>  | <b>(334,143)</b>           | <b>(2,373,966)</b>                     | <b>(707,338)</b>                 | <b>(3,415,447)</b>    |
| <b>Cash flows from noncapital financing activities:</b>  |                            |  |                                  |                       |
| Transfers in   | 1,065,000                  | 1,921,000                              | 527,600                          | 3,513,600             |
| <b>Cash flows from investing activities:</b>   |                            |  |                                  |                       |
| Purchase of Investments  | (3,180,509)                | (2,138,365)                            | (2,409,391)                      | (7,728,265)           |
| Matured Investments  | 2,440,794                  | 2,591,331                              | 2,588,425                        | 7,620,550             |
| Investment Earnings  | 8,858                      | -                                      | 704                              | 9,562                 |
| <b>Net cash provided (used) by investing activities</b>  | <b>(730,857)</b>           | <b>452,966</b>                         | <b>179,738</b>                   | <b>(98,153)</b>       |
| <b>Net increase (decrease) in cash and cash equivalents</b>  | <b>-</b>                   | <b>-</b>                               | <b>-</b>                         | <b>-</b>              |
| <b>Cash and Cash Equivalents October 1, 2008</b>   | <b>-</b>                   | <b>-</b>                               | <b>-</b>                         | <b>-</b>              |
| <b>Cash and Cash Equivalents September 30, 2009</b>  | <b>\$ -</b>                | <b>\$ -</b>                            | <b>\$ -</b>                      | <b>\$ -</b>           |
| <b>Income (loss) before transfers provided (used) by operating activities:</b>                               |                            |  |                                  |                       |
| <b>Operating income (loss)</b>   | <b>\$ (147,640)</b>        | <b>\$ (2,429,391)</b>                  | <b>\$ (713,258)</b>              | <b>\$ (3,290,289)</b> |
| <b>Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:</b> |                            |  |                                  |                       |
| (Increase) Decrease in Accounts Receivable   | (109,116)                  | (1,057)                                | -                                | (110,173)             |
| (Increase) Decrease in Prepaid Items   | -                          | (23,337)                               | -                                | (23,337)              |
| Increase (Decrease) in Accounts Payable  | (68,352)                   | 80,299                                 | (856)                            | 11,091                |
| Increase (Decrease) in Salaries Payable  | -                          | (480)                                  | 5,678                            | 5,198                 |
| Increase (Decrease) in Due to Other Funds  | (9,035)                    | -                                      | (695)                            | (9,730)               |
| Increase (Decrease) in Estimated Liability - Claims Payable  | -                          | -                                      | 1,793                            | 1,793                 |
| <b>Total adjustments</b>   | <b>(186,503)</b>           | <b>55,425</b>                          | <b>5,920</b>                     | <b>(125,158)</b>      |
| <b>Net cash provided (used) by operating activities</b>  | <b>\$ (334,143)</b>        | <b>\$ (2,373,966)</b>                  | <b>\$ (707,338)</b>              | <b>\$ (3,415,447)</b> |



This page left intentionally blank.



This page left intentionally blank.

## Fiduciary Funds

## FIDUCIARY FUNDS

Fiduciary Funds consist of:

### Agency Funds

Agency Funds are similar to Trust Funds but do not involve a formal trust arrangement. Agency Funds are used to account for situations where the government's role is purely custodial, such as the receipt, temporary investment, and remittance of fiduciary resources to individuals, private organizations, and other governments.

## AGENCY FUNDS

### PURPOSE:

PAYROLL (FUND 7601) – A clearing fund for County payrolls.

ESCROW (FUND 7605) - A separate fund established to account for funds that may be held in trust by the County, and funds in which the Commissioners' Court may have a general oversight responsibility.

CHILDREN'S PROTECTIVE SERVICES - ESCROW (FUND 7671) - Social Security and child support funds due to children that are under Children's Protective Services' supervision are accounted for in this fund.

INMATE DEPOSITS (FUND 7652) - County jail inmates' funds are accounted for in this fund until such time as inmates request payments on their behalf or inmates are released.

APPELLATE JUDICIAL SYSTEM FEES (FUND 7621) - V.T.C.A. Government Code 22.2021 allows court costs fees to be used to defray the cost of the First and/or Fourteenth District Courts of Appeals.

DISTRICT CLERK TRUST (FUND 7641) - Registry funds that are the custody of the District Clerk until a court order determines the disposition of such funds are accounted for in this fund.

COUNTY CLERK TRUST (FUND 7631) - Registry funds that are the custody of the County Clerk until a court order determines the disposition of such funds are accounted for in this fund.

TAX ASSESSOR-COLLECTOR UNDISTRIBUTED COLLECTIONS (FUND 7611) - Collections made by the County Tax Assessor-Collector which are held until distribution are accounted for in this fund.

OFFICERS' UNDISTRIBUTED FEES (FUND 7630) - This fund accounts for fees, fines and court costs which are collected by County Officers' and held until distribution.

DEBT SERVICE AGENCY (FUND 7606) - A separate fund established to account for money received from the Escrow Agents of refunded bonds, and paid to the respective bondholders by the County Treasurer as the paying agent.

**GALVESTON COUNTY, TEXAS  
COMBINING BALANCE SHEET  
AGENCY FUNDS  
September 30, 2009  
With Comparative Amounts as of September 30, 2008**

|  | <u>PAYROLL</u>           | <u>ESCROW</u>              | <u>CHILDREN'S<br/>PROTECTIVE<br/>SERVICES -<br/>ESCROW</u> | <u>INMATE<br/>DEPOSITS</u> |
|--|--------------------------|----------------------------|--|----------------------------|
| <b>ASSETS</b>  |                          |                            |  |                            |
| Investments  | \$ 719,259               | \$ 1,150,006               | \$ 10,223  | \$ 41,198                  |
| Receivables (Net of Allowances<br>for Uncollectibles): |                          |                            |  |                            |
| Accounts and Other                                     | -                        | 4,717                      | -  | -                          |
| Restricted Assets:                                     |                          |                            |  |                            |
| Guardianship Assets                                    | -                        | 1,577,088                  | -  | -                          |
| <b>Total Assets</b>                                    | <b><u>\$ 719,259</u></b> | <b><u>\$ 2,731,811</u></b> | <b><u>\$ 10,223</u></b>                                    | <b><u>\$ 41,198</u></b>    |
| <b>LIABILITIES</b>                                     |                          |                            |  |                            |
| Accounts Payable                                       | \$ 26                    | \$ 12,097                  | \$ -   | \$ -                       |
| Due to Others  | -                        | 5,757                      | -  | 41,198                     |
| Due to Other Entities                                  | 719,233                  | -                          | -  | -                          |
| Due to Other Funds                                     | -                        | -                          | -  | -                          |
| Deposits Held  | -                        | 1,136,869                  | 10,223   | -                          |
| Deposits Held for Restricted Assets                    | -                        | 1,577,088                  | -  | -                          |
| <b>Total Liabilities</b>                               | <b><u>\$ 719,259</u></b> | <b><u>\$ 2,731,811</u></b> | <b><u>\$ 10,223</u></b>                                    | <b><u>\$ 41,198</u></b>    |

(Continued)

| <u>APPELLATE<br/>JUDICIAL<br/>SYSTEM<br/>FEES</u> | <u>DISTRICT<br/>CLERK<br/>TRUST</u> | <u>COUNTY<br/>CLERK<br/>TRUST</u> | <u>TAX ASSESSOR-<br/>COLLECTOR<br/>UNDISTRIBUTED<br/>COLLECTIONS</u> | <u>OFFICERS'<br/>UNDISTRIBUTED<br/>FEES</u> |
|---|-------------------------------------|-----------------------------------|--|---|
| \$ 159  | \$ 7,782,231                        | \$ 4,896,946                      | \$ 3,768,789   | \$ -  |
| -   | -                                   | -                                 | -  | -   |
| -   | -                                   | -                                 | -  | -   |
| <u>\$ 159</u>                                     | <u>\$ 7,782,231</u>                 | <u>\$ 4,896,946</u>               | <u>\$ 3,768,789</u>  | <u>\$ -</u>                                 |
| \$ -  | \$ -                                | \$ -                              | \$ -   | \$ -  |
| -   | 7,782,231                           | 4,896,946                         | -  | -   |
| 159   | -                                   | -                                 | 3,768,789  | -   |
| -   | -                                   | -                                 | -  | -   |
| -   | -                                   | -                                 | -  | -   |
| -   | -                                   | -                                 | -  | -   |
| <u>\$ 159</u>                                     | <u>\$ 7,782,231</u>                 | <u>\$ 4,896,946</u>               | <u>\$ 3,768,789</u>  | <u>\$ -</u>                                 |

**GALVESTON COUNTY, TEXAS  
COMBINING BALANCE SHEET  
AGENCY FUNDS  
September 30, 2009  
With Comparative Amounts as of September 30, 2008**

|  | <b>DEBT<br/>SERVICE<br/>AGENCY</b> | <b>TOTALS</b>        |                      |
|--|------------------------------------|----------------------|----------------------|
|  |                                    | <b>2009</b>          | <b>2008</b>          |
| <b>ASSETS</b>  |                                    |                      |                      |
| Investments  | \$ 36,047                          | \$ 18,404,858        | \$ 19,951,008        |
| Receivables (Net of Allowances<br>for Uncollectibles): |                                    |                      |                      |
| Accounts and Other                                     | -                                  | 4,717                | 23,579               |
| Restricted Assets:                                     |                                    |                      |                      |
| Guardianship Assets                                    | -                                  | 1,577,088            | 1,386,205            |
| <b>Total Assets</b>                                    | <b>\$ 36,047</b>                   | <b>\$ 19,986,663</b> | <b>\$ 21,360,792</b> |
| <b>LIABILITIES</b>                                     |                                    |                      |                      |
| Accounts Payable                                       | \$ -                               | \$ 12,123            | \$ 59,131            |
| Due to Others  | 5,311                              | 12,731,443           | 13,759,722           |
| Due to Other Entities                                  | -                                  | 4,488,181            | 5,032,040            |
| Due to Other Funds                                     | 30,736                             | 30,736               | 30,736               |
| Deposits Held  | -                                  | 1,147,092            | 1,092,958            |
| Deposits Held for Restricted Assets                    | -                                  | 1,577,088            | 1,386,205            |
| <b>Total Liabilities</b>                               | <b>\$ 36,047</b>                   | <b>\$ 19,986,663</b> | <b>\$ 21,360,792</b> |

**GALVESTON COUNTY, TEXAS**  
**COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**For the Year Ended September 30, 2009**

|  | <u>BALANCE</u><br><u>10/1/08</u> | <u>ADDITIONS</u>     | <u>DEDUCTIONS</u>    | <u>BALANCE</u><br><u>9/30/09</u> |
|--|----------------------------------|----------------------|----------------------|----------------------------------|
| <b>PAYROLL</b>   |                                  |                      |                      |                                  |
| <b>ASSETS</b>  |                                  |                      |                      |                                  |
| Investments  | \$ 700,216                       | \$ 136,685,898       | \$ 136,666,855       | \$ 719,259                       |
| <b>LIABILITIES</b>                                     |                                  |                      |                      |                                  |
| Accounts Payable                                       | \$ 40,241                        | \$ 4,210,478         | \$ 4,250,693         | \$ 26                            |
| Due to Other Entities                                  | 659,975                          | 26,128,299           | 26,069,041           | 719,233                          |
| <b>Total liabilities</b>                               | <b>\$ 700,216</b>                | <b>\$ 30,338,777</b> | <b>\$ 30,319,734</b> | <b>\$ 719,259</b>                |
| <b>ESCROW</b>  |                                  |                      |                      |                                  |
| <b>ASSETS</b>  |                                  |                      |                      |                                  |
| Investments  | \$ 1,082,635                     | \$ 4,386,062         | \$ 4,318,691         | \$ 1,150,006                     |
| Receivables (Net of Allowances<br>for Uncollectibles): |                                  |                      |                      |                                  |
| Accounts and Other                                     | 23,149                           | 215,322              | 233,754              | 4,717                            |
| Guardianship Assets                                    | 1,386,205                        | 190,883              | -                    | 1,577,088                        |
| <b>Total assets</b>                                    | <b>\$ 2,491,989</b>              | <b>\$ 4,792,267</b>  | <b>\$ 4,552,445</b>  | <b>\$ 2,731,811</b>              |
| <b>LIABILITIES</b>                                     |                                  |                      |                      |                                  |
| Accounts Payable                                       | \$ 18,890                        | \$ 1,411,011         | \$ 1,417,804         | \$ 12,097                        |
| Due to Others  | 5,315                            | 7,111                | 6,669                | 5,757                            |
| Deposits Held  | 1,081,579                        | 4,425,244            | 4,369,954            | 1,136,869                        |
| Deposits Held for Restricted Assets                    | 1,386,205                        | 190,883              | -                    | 1,577,088                        |
| <b>Total liabilities</b>                               | <b>\$ 2,491,989</b>              | <b>\$ 6,034,249</b>  | <b>\$ 5,794,427</b>  | <b>\$ 2,731,811</b>              |
| <b>CHILDREN'S PROTECTIVE<br/>SERVICES - ESCROW</b>     |                                  |                      |                      |                                  |
| <b>ASSETS</b>  |                                  |                      |                      |                                  |
| Investments  | \$ 11,379                        | \$ 162,123           | \$ 163,279           | \$ 10,223                        |
| <b>LIABILITIES</b>                                     |                                  |                      |                      |                                  |
| Deposits Held  | \$ 11,379                        | \$ 162,123           | \$ 163,279           | \$ 10,223                        |
| <b>INMATE DEPOSITS</b>                                 |                                  |                      |                      |                                  |
| <b>ASSETS</b>  |                                  |                      |                      |                                  |
| Investments  | \$ 117,680                       | \$ 42,064            | \$ 118,546           | \$ 41,198                        |
| <b>LIABILITIES</b>                                     |                                  |                      |                      |                                  |
| Due to Others  | \$ 117,680                       | \$ -                 | \$ 76,482            | \$ 41,198                        |

(Continued)

**GALVESTON COUNTY, TEXAS**  
**COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**For the Year Ended September 30, 2009**

|   | <u>BALANCE</u><br><u>10/1/08</u> | <u>ADDITIONS</u>  | <u>DEDUCTIONS</u> | <u>BALANCE</u><br><u>9/30/09</u> |
|---|----------------------------------|-------------------|-------------------|----------------------------------|
| <b>APPELLATE JUDICIAL SYSTEM FEES</b>                   |                                  |                   |                   |                                  |
| <b>ASSETS</b>   |                                  |                   |                   |                                  |
| Investments   | \$ 33,205                        | \$ 37,601         | \$ 70,647         | \$ 159                           |
| Receivables:  |                                  |                   |                   |                                  |
| Accounts and Other                                      | 430                              | -                 | 430               | -                                |
| <b>Total assets</b>                                     | <b>\$ 33,635</b>                 | <b>\$ 37,601</b>  | <b>\$ 71,077</b>  | <b>\$ 159</b>                    |
| <b>LIABILITIES</b>                                      |                                  |                   |                   |                                  |
| Due to Other Entities                                   | <b>\$ 33,635</b>                 | <b>\$ 36,709</b>  | <b>\$ 70,185</b>  | <b>\$ 159</b>                    |
| <b>DISTRICT CLERK TRUST</b>                             |                                  |                   |                   |                                  |
| <b>ASSETS</b>   |                                  |                   |                   |                                  |
| Investments   | <b>\$ 8,557,739</b>              | <b>\$ 32,673</b>  | <b>\$ 808,181</b> | <b>\$ 7,782,231</b>              |
| <b>LIABILITIES</b>                                      |                                  |                   |                   |                                  |
| Due to Others   | <b>\$ 8,557,739</b>              | <b>\$ 32,673</b>  | <b>\$ 808,181</b> | <b>\$ 7,782,231</b>              |
| <b>COUNTY CLERK TRUST</b>                               |                                  |                   |                   |                                  |
| <b>ASSETS</b>   |                                  |                   |                   |                                  |
| Investments   | <b>\$ 5,073,677</b>              | <b>\$ 142,570</b> | <b>\$ 319,301</b> | <b>\$ 4,896,946</b>              |
| <b>LIABILITIES</b>                                      |                                  |                   |                   |                                  |
| Due to Others   | <b>\$ 5,073,677</b>              | <b>\$ 142,570</b> | <b>\$ 319,301</b> | <b>\$ 4,896,946</b>              |
| <b>TAX ASSESSOR-COLLECTOR UNDISTRIBUTED COLLECTIONS</b> |                                  |                   |                   |                                  |
| <b>ASSETS</b>   |                                  |                   |                   |                                  |
| Investments   | <b>\$ 4,306,902</b>              | <b>\$ -</b>       | <b>\$ 538,113</b> | <b>\$ 3,768,789</b>              |
| <b>LIABILITIES</b>                                      |                                  |                   |                   |                                  |
| Due to Other Entities                                   | <b>\$ 4,306,902</b>              | <b>\$ -</b>       | <b>\$ 538,113</b> | <b>\$ 3,768,789</b>              |
| <b>OFFICERS' UNDISTRIBUTED FEES</b>                     |                                  |                   |                   |                                  |
| <b>ASSETS</b>   |                                  |                   |                   |                                  |
| Investments   | <b>\$ 31,528</b>                 | <b>\$ -</b>       | <b>\$ 31,528</b>  | <b>\$ -</b>                      |
| <b>LIABILITIES</b>                                      |                                  |                   |                   |                                  |
| Due to Other Entities                                   | <b>\$ 31,528</b>                 | <b>\$ -</b>       | <b>\$ 31,528</b>  | <b>\$ -</b>                      |

(Continued)

**GALVESTON COUNTY, TEXAS**  
**COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**For the Year Ended September 30, 2009**

|  | <b>BALANCE</b><br><b>10/1/08</b> |                       |                       | <b>BALANCE</b><br><b>9/30/09</b> |
|--|----------------------------------|-----------------------|-----------------------|----------------------------------|
| <b>DEBT SERVICE AGENCY</b>                             |                                  |                       |                       |                                  |
| <b>ASSETS</b>  |                                  |                       |                       |                                  |
| Investments  | \$ 36,047                        | \$ -                  | \$ -                  | \$ 36,047                        |
| <b>LIABILITIES</b>                                     |                                  |                       |                       |                                  |
| Due to Others  | \$ 5,311                         | \$ -                  |                       | \$ 5,311                         |
| Due to Other Funds                                     | 30,736                           | -                     |                       | 30,736                           |
| <b>Total liabilities</b>                               | <b>\$ 36,047</b>                 | <b>\$ -</b>           | <b>\$ -</b>           | <b>\$ 36,047</b>                 |
| <b>TOTALS - ALL AGENCY FUNDS</b>                       |                                  |                       |                       |                                  |
| <b>ASSETS</b>  |                                  |                       |                       |                                  |
| Investments  | \$ 19,951,008                    | \$ 141,488,991        | \$ 143,035,141        | \$ 18,404,858                    |
| Receivables (Net of Allowances<br>for Uncollectibles): |                                  |                       |                       |                                  |
| Accounts and Other                                     | 23,579                           | 215,322               | 234,184               | 4,717                            |
| Guardianship Assets                                    | 1,386,205                        | 190,883               | -                     | 1,577,088                        |
| <b>Total assets</b>                                    | <b>\$ 21,360,792</b>             | <b>\$ 141,895,196</b> | <b>\$ 143,269,325</b> | <b>\$ 19,986,663</b>             |
| <b>LIABILITIES</b>                                     |                                  |                       |                       |                                  |
| Accounts Payable                                       | \$ 59,131                        | \$ 5,621,489          | \$ 5,668,497          | \$ 12,123                        |
| Due to Others  | 13,759,722                       | 182,354               | 1,210,633             | 12,731,443                       |
| Due to Other Entities                                  | 5,032,040                        | 26,165,008            | 26,708,867            | 4,488,181                        |
| Due to Funds   | 30,736                           | -                     | -                     | 30,736                           |
| Deposits Held  | 1,092,958                        | 4,587,367             | 4,533,233             | 1,147,092                        |
| Deposits Held for Restricted Assets                    | 1,386,205                        | 190,883               | -                     | 1,577,088                        |
| <b>Total liabilities</b>                               | <b>\$ 21,360,792</b>             | <b>\$ 36,747,101</b>  | <b>\$ 38,121,230</b>  | <b>\$ 19,986,663</b>             |



This page left intentionally blank.

Capital Assets Used in The  
Operation of  
Governmental Funds

**GALVESTON COUNTY, TEXAS**  
**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS**  
**COMPARATIVE SCHEDULES BY SOURCE**  
**SEPTEMBER 30, 2009 AND 2008**

|  | <b>2009</b>           | <b>2008</b>           |
|--|-----------------------|-----------------------|
| <b>GOVERNMENTAL FUNDS CAPITAL ASSETS</b>       |                       |                       |
| Land   | \$ 27,822,267         | \$ 27,801,846         |
| Buildings and Improvements                     | 188,271,012           | 186,448,648           |
| Improvements Other Than Buildings              | 1,321,254             | 1,174,926             |
| Machinery and Equipment                        | 32,502,544            | 32,389,021            |
| Infrastructure                                 | 141,492,104           | 141,467,018           |
| Construction in Progress                       | 3,548,894             | 1,275,327             |
|  | <b>\$ 394,958,075</b> | <b>\$ 390,556,786</b> |
| <b>Total governmental funds capital assets</b> | <b>\$ 394,958,075</b> | <b>\$ 390,556,786</b> |

**INVESTMENT IN GOVERNMENTAL FUNDS CAPITAL ASSETS BY SOURCE**

|  |                       |                       |
|--|-----------------------|-----------------------|
| General Fund                                   | \$ 19,588,167         | \$ 20,158,880         |
| Special Revenue Funds and Grants               | 27,674,508            | 25,293,611            |
| Capital Projects Funds                         | 339,120,193           | 336,539,955           |
| Gifts  | 8,575,207             | 8,564,340             |
|  | <b>\$ 394,958,075</b> | <b>\$ 390,556,786</b> |
| <b>Total governmental funds capital assets</b> | <b>\$ 394,958,075</b> | <b>\$ 390,556,786</b> |

This schedule presents only the capital asset balances related to governmental funds. Generally, the capital assets of Internal Service Funds would be included in the Governmental Activities in the Statement of Net Assets. However, Galveston County's Internal Service Funds do not own any capital assets at this time.



This page left intentionally blank.

GALVESTON COUNTY, TEXAS  
**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS**  
 SCHEDULE BY FUNCTION AND ACTIVITY  
 SEPTEMBER 30, 2009

| FUNCTION AND ACTIVITY                          | LAND             | BUILDINGS         | IMPROVEMENTS   |                      |          | MACHINERY & EQUIPMENT | INFRASTRUCTURE   | CONSTRUCTION IN PROGRESS |
|--|------------------|-------------------|----------------|----------------------|----------|-----------------------|------------------|--------------------------|
|  |                  |                   | BUILDINGS      | OTHER THAN BUILDINGS |          |                       |                  |                          |
| <b>General government:</b>                     |                  |                   |                |                      |          |                       |                  |                          |
| General Government                             | \$ 7,977,483     | \$ 96,616,824     | \$ 419,885     | \$ 3,958,617         | \$ -     | -                     | -                |                          |
| County Clerk                                   | -                | -                 | -              | 1,998,919            | -        | -                     | -                |                          |
| County Records Management                      | -                | -                 | -              | 149,962              | -        | -                     | -                |                          |
| Justice Courts                                 | 48,220           | 171,621           | -              | -                    | -        | -                     | -                |                          |
| District Clerk                                 | -                | -                 | -              | 98,369               | -        | -                     | -                |                          |
| District Attorney                              | -                | -                 | -              | 90,505               | -        | -                     | -                |                          |
| County Auditor                                 | -                | -                 | -              | -                    | -        | -                     | -                |                          |
| Director of Finance and Administration         | -                | -                 | -              | -                    | -        | -                     | -                |                          |
| Tax Assessor-Collector                         | -                | -                 | -              | 33,304               | -        | -                     | -                |                          |
| Legal Department                               | -                | -                 | -              | -                    | -        | -                     | -                |                          |
| Information Technology                         | -                | -                 | -              | 3,895,453            | -        | -                     | -                |                          |
| Facilities Services                            | 47,217           | 2,908,079         | 11,119         | 1,054,499            | -        | -                     | 534,484          |                          |
| Maintenance and Repairs                        | -                | -                 | -              | -                    | -        | -                     | -                |                          |
| County Engineer                                | -                | -                 | -              | -                    | -        | -                     | 2,653,167        |                          |
| <b>Total general government</b>                | <b>8,072,920</b> | <b>99,696,524</b> | <b>431,004</b> | <b>11,279,628</b>    | <b>-</b> | <b>-</b>              | <b>3,187,651</b> |                          |
| <b>Public safety:</b>                          |                  |                   |                |                      |          |                       |                  |                          |
| Sheriff  | 2,452,292        | 67,096,668        | -              | 8,970,457            | -        | -                     | -                |                          |
| Medical Examiner                               | -                | 433,715           | -              | -                    | -        | -                     | -                |                          |
| Juvenile Justice                               | 18,047           | 6,045,346         | -              | 238,700              | -        | -                     | -                |                          |
| Emergency Management                           | -                | -                 | -              | 246,494              | -        | -                     | -                |                          |
| Flood Control                                  | 1,065,717        | 2,968,742         | -              | 1,687,051            | -        | 77,952,416            | 172,698          |                          |
| <b>Total public safety</b>                     | <b>3,536,056</b> | <b>76,544,471</b> | <b>-</b>       | <b>11,142,702</b>    | <b>-</b> | <b>77,952,416</b>     | <b>172,698</b>   |                          |
| <b>Roads, bridges, and right-of-way:</b>       |                  |                   |                |                      |          |                       |                  |                          |
| Road Department                                | 272,447          | 340,952           | -              | 6,322,620            | -        | 48,124,727            | -                |                          |
| Road District #1                               | -                | 283,669           | -              | 24,820               | -        | 9,705,186             | -                |                          |
| Rights of Way Department                       | 1,850,339        | -                 | -              | -                    | -        | -                     | -                |                          |
| <b>Total roads, bridges, and rights-of-way</b> | <b>2,122,786</b> | <b>624,621</b>    | <b>-</b>       | <b>6,347,440</b>     | <b>-</b> | <b>57,829,913</b>     | <b>-</b>         |                          |

GALVESTON COUNTY, TEXAS  
**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS**  
 SCHEDULE BY FUNCTION AND ACTIVITY  
 SEPTEMBER 30, 2009

| FUNCTION AND ACTIVITY                          | IMPROVEMENTS         |                       |                         |                          |                       | CONSTRUCTION<br>IN PROGRESS |
|--|----------------------|-----------------------|-------------------------|--------------------------|-----------------------|-----------------------------|
|  | LAND                 | BUILDINGS             | OTHER THAN<br>BUILDINGS | MACHINERY &<br>EQUIPMENT | INFRASTRUCTURE        |                             |
| <b>Health and social services:</b>             |                      |                       |                         |                          |                       |                             |
| Health Administration and Sanitation           | 378,794              | 1,320,808             | -                       | -                        | -                     | -                           |
| Mosquito Control District                      | -                    | -                     | -                       | 1,173,478                | -                     | -                           |
| Senior Citizens                                | 55,595               | 1,105,894             | -                       | 390,463                  | -                     | -                           |
| <b>Total health and social services</b>        | <b>434,389</b>       | <b>2,426,702</b>      | <b>-</b>                | <b>1,563,941</b>         | <b>-</b>              | <b>-</b>                    |
| <b>Culture and recreation:</b>                 |                      |                       |                         |                          |                       |                             |
| Museum   | 20,677               | 62,352                | -                       | -                        | -                     | -                           |
| Beach and Parks Department                     | 13,635,439           | 8,916,342             | 870,747                 | 1,550,175                | 5,709,775             | 188,545                     |
| Beach Maintenance-Road and Bridge              | -                    | -                     | -                       | 470,893                  | -                     | -                           |
| <b>Total culture and recreation</b>            | <b>13,656,116</b>    | <b>8,978,694</b>      | <b>870,747</b>          | <b>2,021,068</b>         | <b>5,709,775</b>      | <b>188,545</b>              |
| <b>Conservation</b>                            | <b>-</b>             | <b>-</b>              | <b>19,503</b>           | <b>147,765</b>           | <b>-</b>              | <b>-</b>                    |
| <b>Total governmental funds capital assets</b> | <b>\$ 27,822,267</b> | <b>\$ 188,271,012</b> | <b>\$ 1,321,254</b>     | <b>\$ 32,502,544</b>     | <b>\$ 141,492,104</b> | <b>\$ 3,548,894</b>         |

This schedule presents only the capital asset balances related to governmental funds. Generally, the capital assets of Internal Service Funds would be included in the Governmental Activities in the Statement of Net Assets. However, Galveston County's Internal Service Funds do not own any capital assets at this time.

**GALVESTON COUNTY, TEXAS**  
**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS**  
**SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009**

| FUNCTIONS AND ACTIVITY                         | GOVERNMENTAL FUNDS CAPITAL ASSETS |                     |                       |                  | TRANSFERS             | GOVERNMENTAL FUNDS CAPITAL ASSETS |
|--|-----------------------------------|---------------------|-----------------------|------------------|-----------------------|-----------------------------------|
|  | OCTOBER 1, 2008                   | ADDITIONS           | DEDUCTIONS            |                  | SEPTEMBER 30, 2009    |                                   |
| <b>General government:</b>                     |                                   |                     |                       |                  |                       |                                   |
| General Government                             | \$ 110,095,488                    | \$ 67,643           | \$ (1,190,322)        |                  | \$ 108,972,809        |                                   |
| County Clerk                                   | 2,125,889                         |                     | (126,970)             |                  | 1,998,919             |                                   |
| County Records Management                      | 149,962                           |                     |                       |                  | 149,962               |                                   |
| Justice Courts                                 | 219,841                           |                     |                       |                  | 219,841               |                                   |
| District Clerk                                 | 75,137                            | 23,232              |                       |                  | 98,369                |                                   |
| District Attorney                              | 115,505                           |                     | (25,000)              |                  | 90,505                |                                   |
| County Auditor                                 | 19,697                            |                     | (19,697)              |                  | -                     |                                   |
| Tax Assessor-Collector                         | 55,621                            | 20,673              | (42,990)              |                  | 33,304                |                                   |
| Legal Department                               | 23,558                            |                     |                       | (23,558)         | -                     |                                   |
| Information Technology                         | 4,394,703                         | 185,297             | (712,869)             | 28,322           | 3,895,453             |                                   |
| Facilities Services                            | 987,506                           | 3,631,751           | (193,789)             | 129,930          | 4,555,398             |                                   |
| Maintenance and Repairs                        | -                                 |                     |                       |                  | -                     |                                   |
| County Engineer                                | 1,114,480                         | 1,538,687           |                       |                  | 2,653,167             |                                   |
| <b>Total general governmental</b>              | <b>119,377,387</b>                | <b>5,467,283</b>    | <b>(2,311,637)</b>    | <b>134,694</b>   | <b>122,667,727</b>    |                                   |
| <b>Public safety:</b>                          |                                   |                     |                       |                  |                       |                                   |
| Sheriff's Department                           | 78,506,118                        | 390,112             | (229,696)             | (147,117)        | 78,519,417            |                                   |
| Medical Examiner                               | 433,715                           |                     |                       |                  | 433,715               |                                   |
| Juvenile Justice                               | 6,277,557                         | 24,536              |                       |                  | 6,302,093             |                                   |
| Emergency Management                           | 254,891                           |                     | (8,397)               |                  | 246,494               |                                   |
| Flood Control                                  | 83,224,083                        | 622,541             |                       |                  | 83,846,624            |                                   |
| <b>Total public safety</b>                     | <b>168,696,364</b>                | <b>1,037,189</b>    | <b>(238,093)</b>      | <b>(147,117)</b> | <b>169,348,343</b>    |                                   |
| <b>Roads, bridges, and right-of-way:</b>       |                                   |                     |                       |                  |                       |                                   |
| Road Department                                | 55,382,756                        | 300,923             | (622,933)             |                  | 55,060,746            |                                   |
| Road District #1                               | 10,010,406                        |                     | (12,927)              | 16,196           | 10,013,675            |                                   |
| Rights-of-Way Department                       | 1,829,918                         | 20,421              |                       |                  | 1,850,339             |                                   |
| <b>Total roads, bridges, and rights-of-way</b> | <b>67,223,080</b>                 | <b>321,344</b>      | <b>(635,860)</b>      | <b>16,196</b>    | <b>66,924,760</b>     |                                   |
| <b>Health and social services:</b>             |                                   |                     |                       |                  |                       |                                   |
| Health Administration and Sanitation           | 1,699,602                         |                     |                       |                  | 1,699,602             |                                   |
| Mosquito Control District                      | 744,193                           | 632,170             | (217,290)             | 14,405           | 1,173,478             |                                   |
| Senior Citizens                                | 1,591,755                         | 79,402              | (119,205)             |                  | 1,551,952             |                                   |
| <b>Total health and social services</b>        | <b>4,035,550</b>                  | <b>711,572</b>      | <b>(336,495)</b>      | <b>14,405</b>    | <b>4,425,032</b>      |                                   |
| <b>Culture and recreation:</b>                 |                                   |                     |                       |                  |                       |                                   |
| Museum   | 83,029                            |                     |                       |                  | 83,029                |                                   |
| Beach and Parks Department                     | 30,535,853                        | 429,977             | (76,629)              | (18,178)         | 30,871,023            |                                   |
| Beach Maintenance- Road and Bridge             | 476,693                           |                     | (5,800)               |                  | 470,893               |                                   |
| <b>Total culture and recreation</b>            | <b>31,095,575</b>                 | <b>429,977</b>      | <b>(82,429)</b>       | <b>(18,178)</b>  | <b>31,424,945</b>     |                                   |
| <b>Conservation</b>                            | <b>128,830</b>                    | <b>38,438</b>       |                       | <b>-</b>         | <b>167,268</b>        |                                   |
| <b>Total governmental funds capital assets</b> | <b>\$ 390,556,786</b>             | <b>\$ 8,005,803</b> | <b>\$ (3,604,514)</b> | <b>\$ -</b>      | <b>\$ 394,958,075</b> |                                   |

This schedule presents only the capital asset balances related to governmental funds. Generally, the capital assets of Internal Service Funds would be included in the Governmental Activities in the Statement of Net Assets. However, Galveston County's Internal Service Funds do not own any capital assets at this time.

**S  
T  
A  
T  
I  
S  
T  
I  
C  
A  
L  
  
S  
E  
C  
T  
I  
O  
N**



This page left intentionally blank.

## Statistical Section

This part of the County of Galveston'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 county's overall financial health.

### Financial Trends

These schedules contain trend information to help the reader understand how the county's financial performance and well-being have changed over time.

### Revenue Capacity

These schedules contain information to help the reader assess the county's most significant revenue source, the property tax.

### Debt Capacity

These schedules contain information to help the reader assess the affordability of the county's current level of outstanding debt and the county's ability to issue additional debt in the future.

### Demographic and Economic Information

These schedules present demographic and economic indicators to help the reader understand the environment within which the county's financial activities take place.

### Operating Information

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 in which it engages.

Sources: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year.



This page left intentionally blank.

## Financial Trends

**GALVESTON COUNTY, TEXAS**  
**NET ASSETS BY COMPONENT**  
**LAST SEVEN FISCAL YEARS**  
 (accrual basis of accounting)  
 (amounts expressed in thousands)

|   | 2003*      | Fiscal Year |            |            |            |            |            |  |
|---|------------|-------------|------------|------------|------------|------------|------------|--|
|   |            | 2004        | 2005       | 2006       | 2007       | 2008       | 2009       |  |
| Net assets - governmental activities            |            |             |            |            |            |            |            |  |
| Invested in capital assets, net of related debt | \$ 114,231 | \$ 93,040   | \$ 97,944  | \$ 103,625 | \$ 117,622 | \$ 107,958 | \$ 62,797  |  |
| Restricted for:                                 |            |             |            |            |            |            |            |  |
| Grants  | 902        | 548         | 210        | 565        | 482        | 8,293      | 1,832      |  |
| Debt service                                    | 1,926      | 4,111       | 4,534      | 5,448      | 12,820     | 12,575     | 15,645     |  |
| Other projects                                  | 55         | -           | -          | -          | -          | -          | -          |  |
| Capital projects                                | -          | -           | -          | -          | -          | -          | 2,346      |  |
| Unrestricted                                    | 10,150     | 19,494      | 25,692     | 31,154     | 24,188     | 28,264     | 45,726     |  |
| Total net assets - governmental activities      | \$ 127,263 | \$ 117,193  | \$ 128,381 | \$ 140,793 | \$ 155,112 | \$ 157,090 | \$ 128,345 |  |

\* Since this was the year of implementation of Governmental Accounting Standards Board Statement No. 34, no government-wide financial information for years prior to fiscal year 2003 is available.

**GALVESTON COUNTY, TEXAS  
CHANGES IN NET ASSETS  
LAST SEVEN FISCAL YEARS  
(accrual basis of accounting)  
(amounts expressed in thousands)**

|   | Fiscal Year       |                   |                  |                  |                  |                 |                    |
|---|-------------------|-------------------|------------------|------------------|------------------|-----------------|--------------------|
|   | 2003*             | 2004              | 2005             | 2006             | 2007             | 2008            | 2009               |
| <b>Expenses</b>   |                   |                   |                  |                  |                  |                 |                    |
| Governmental activities:                                |                   |                   |                  |                  |                  |                 |                    |
| General Government                                      | \$ 41,671         | \$ 42,501         | \$ 38,234        | \$ 44,828        | \$ 51,530        | \$ 57,076       | \$ 59,080          |
| Public Safety   | 35,293            | 36,420            | 39,715           | 40,233           | 46,077           | 57,562          | 134,746            |
| Sanitation  | -                 | 18                | 18               | 575              | 187              | 21              | 7                  |
| Health and Social Services                              | 14,148            | 12,196            | 15,799           | 15,987           | 16,825           | 18,213          | 17,455             |
| Culture and Recreation                                  | 3,037             | 6,827             | 4,347            | 4,101            | 6,347            | 6,428           | 6,265              |
| Conservation  | 328               | 315               | 403              | 392              | 426              | 475             | 535                |
| Roads, Bridges, and Rights-of-way                       | 17,077            | 19,991            | 9,552            | 10,985           | 14,587           | 12,207          | 24,290             |
| Interest on Long-term Debt                              | 5,841             | 10,173            | 10,269           | 10,199           | 10,057           | 10,617          | 11,662             |
| <b>Total governmental activities expenses</b>           | <b>117,395</b>    | <b>128,441</b>    | <b>118,337</b>   | <b>127,300</b>   | <b>146,036</b>   | <b>162,599</b>  | <b>254,040</b>     |
| <b>Program revenues</b>                                 |                   |                   |                  |                  |                  |                 |                    |
| Governmental activities:                                |                   |                   |                  |                  |                  |                 |                    |
| Charges for services:                                   |                   |                   |                  |                  |                  |                 |                    |
| General Government                                      | 12,609            | 13,809            | 13,469           | 15,156           | 17,094           | 15,998          | 16,452             |
| Public Safety   | 1,752             | 1,712             | 1,627            | 1,750            | 1,776            | 4,201           | 1,576              |
| Roads, Bridges, and Rights-of-way                       | 750               | 759               | 331              | 679              | 866              | 769             | 421                |
| Other   | 405               | 216               | 125              | 137              | 385              | 466             | 326                |
| Operating grants and contributions                      | 11,904            | 11,430            | 14,216           | 13,614           | 24,553           | 20,835          | 89,943             |
| Capital grants and contributions                        | 1,232             | 3,177             | 3,574            | 4,251            | 2,895            | 36              | 734                |
| <b>Total governmental activities program revenues</b>   | <b>28,652</b>     | <b>31,103</b>     | <b>33,342</b>    | <b>35,587</b>    | <b>47,569</b>    | <b>42,305</b>   | <b>109,453</b>     |
| Net (expense) revenue-governmental activities           | (88,743)          | (97,338)          | (84,995)         | (91,713)         | (98,467)         | (120,294)       | (144,587)          |
| <b>General revenues and other changes in net assets</b> |                   |                   |                  |                  |                  |                 |                    |
| Governmental activities:                                |                   |                   |                  |                  |                  |                 |                    |
| Taxes:  |                   |                   |                  |                  |                  |                 |                    |
| Property taxes, levied for general purpose              | 64,635            | 70,302            | 75,543           | 81,610           | 89,018           | 93,562          | 95,032             |
| Property taxes, levied for debt service                 | 10,014            | 12,549            | 14,303           | 15,820           | 15,895           | 16,273          | 15,221             |
| Payments in lieu of taxes                               | 1,064             | 758               | 875              | 1,467            | 1,433            | 1,897           | 1,337              |
| Unrestricted investment earnings                        | 3,657             | 5,865             | 4,413            | 4,480            | 5,534            | 4,605           | 4,152              |
| Gain on sale of capital assets                          | 1,618             | -                 | 610              | 1,000            | 870              | 660             | -                  |
| Miscellaneous   | 94                | 221               | 406              | 460              | 37               | 108             | 101                |
| Extraordinary Item-Insurance Recovery Proceeds (1)      | -                 | -                 | -                | -                | -                | 5,511           | -                  |
| Extraordinary Item-Infrastructure Loss (2)              | -                 | -                 | -                | -                | -                | (344)           | -                  |
| <b>Total governmental activities</b>                    | <b>81,082</b>     | <b>89,695</b>     | <b>96,150</b>    | <b>104,837</b>   | <b>112,787</b>   | <b>122,273</b>  | <b>115,842</b>     |
| <b>Change in net assets-governmental activities</b>     | <b>\$ (7,661)</b> | <b>\$ (7,643)</b> | <b>\$ 11,155</b> | <b>\$ 13,124</b> | <b>\$ 14,320</b> | <b>\$ 1,979</b> | <b>\$ (28,745)</b> |

\* Since this was the year of implementation of Governmental Accounting Standards Board Statement No. 34 no government-wide financial information for years prior to fiscal year 2003 is available.

(1.) Insurance proceeds received for damage caused by Hurricane Ike.

(2) Book value of Bolivar Peninsula roads destroyed by Hurricane Ike.

**GALVESTON COUNTY, TEXAS**  
**GOVERNMENTAL ACTIVITIES TAX REVENUE BY SOURCE**  
**LAST SEVEN FISCAL YEARS**  
 (accrual basis of accounting)  
 (amounts expressed in thousands)

| <b>Fiscal<br/>Year</b> | <b>Property Tax<br/>(General Purposes)</b> | <b>Property Tax<br/>(Debt Service)</b> | <b>Total</b> |
|------------------------|--|--|--------------|
| 2003*                  | \$ 64,635                                  | \$ 10,014                              | \$ 74,649    |
| 2004                   | 70,302                                     | 12,549                                 | 82,851       |
| 2005                   | 75,543                                     | 14,303                                 | 89,846       |
| 2006                   | 81,693                                     | 15,820                                 | 97,513       |
| 2007                   | 89,018                                     | 15,895                                 | 104,913      |
| 2008                   | 93,562                                     | 16,273                                 | 109,835      |
| 2009                   | 95,032                                     | 15,221                                 | 110,253      |

*\* Since this was the year of implementation of Governmental Accounting Standards Board Statement No. 34, no government-wide financial information for years prior to fiscal year 2003 is available.*

**GALVESTON COUNTY, TEXAS**  
**FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
(modified accrual basis of accounting)  
(amounts expressed in thousands)

|  | 2000      | 2001      | 2002      | 2003       | 2004       | 2005      | 2006      | 2007      | 2008      | 2009       |
|--|-----------|-----------|-----------|------------|------------|-----------|-----------|-----------|-----------|------------|
| General Fund                           |           |           |           |            |            |           |           |           |           |            |
| Reserved                               | \$ 1,496  | \$ 1,416  | \$ 1,421  | \$ 995     | \$ 551     | \$ 953    | \$ 616    | \$ 274    | \$ 482    | \$ 629     |
| Unreserved (1)                         | 9,466     | 5,575     | 5,856     | 5,310      | 12,557     | 18,195    | 25,006    | 28,865    | 27,106    | 29,232     |
| Total general fund (4)                 | \$ 10,962 | \$ 6,991  | \$ 7,277  | \$ 6,305   | \$ 13,108  | \$ 19,148 | \$ 25,622 | \$ 29,139 | \$ 27,588 | \$ 29,862  |
| All other governmental funds           |           |           |           |            |            |           |           |           |           |            |
| Reserved (2) (3) (5)                   | \$ 7,661  | \$ 10,461 | \$ 19,024 | \$ 30,607  | \$ 67,798  | \$ 24,561 | \$ 10,073 | \$ 15,617 | \$ 35,912 | \$ 25,697  |
| Unreserved, reported in:               |           |           |           |            |            |           |           |           |           |            |
| Special Revenue Funds                  | 12,819    | 14,261    | 14,309    | 16,722     | 16,990     | 16,782    | 18,467    | 21,491    | 28,672    | 29,075     |
| Debt Service Funds                     | -         | -         | -         | -          | -          | -         | -         | -         | -         | -          |
| Capital Projects Funds (3), (4), (7)   | 14,258    | 67,692    | 63,171    | 129,233    | 38,803     | 31,114    | 19,477    | 49,741    | 33,938    | 161,394    |
| Total all other governmental funds (6) | \$ 34,738 | \$ 92,413 | \$ 96,504 | \$ 176,562 | \$ 123,591 | \$ 72,457 | \$ 48,018 | \$ 86,849 | \$ 98,522 | \$ 216,167 |

(1) The Galveston County Commissioners' Court's goal is to build, at a minimum, an unreserved fund balance equal to three months of budgeted operating funds. For fiscal year 2010, that is equivalent to \$30,200,000. In order to help accomplish this goal, the court implemented a mandatory two pay period salary-lapse policy, which generates approximately \$2,500,000 annually. The court has also restricted budget growth whereby the amounts expended in each fiscal year will be less than actual revenues. During budget development for FY 2010, the court further requested budget cuts of 10% from departments to meet anticipated revenue decreases.

(2) The increase in reserved funds during fiscal years 2001 through 2004 is attributable to encumbrances for capital projects.

(3) There was a substantial increase in the capital projects unreserved fund balance from fiscal years 2001 through 2003. The county issued bonds, the proceeds of which were used to build, improve, and equip buildings, jails, and court facilities in the county.

(4) There was a substantial increase in the capital projects unreserved fund balance in fiscal year 2007. The county issued \$48 million in Pass-through Toll Revenue and Limited Tax Bonds, the proceeds of which were used for designing, developing, financing, constructing, expanding or improving a non-toll project for FM 646, a part of the State Highway System.

(5) The increase in reserved funds during fiscal year 2008 is attributable to encumbrances for capital projects.

(6) Columns may not foot due to rounding.

(7) In fiscal year 2009 the county issued \$135 million in Unlimited Tax Roads Bonds, Limited Tax County Building Bonds and Limited Tax Flood Control Bonds. The proceeds of which were used to construct, purchase, maintain and/or operate macadamized, graveled and paved roads and turnpikes. To reconstruct, improve, and/or equip buildings. Maintain or improve a seawall, breakwater, levee, floodway and/or drainway.

**GALVESTON COUNTY, TEXAS**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
(modified accrual basis of accounting)  
(amounts expressed in thousands)

|   | 2000          | 2001          | 2002          | 2003           | 2004           | 2005           | 2006           | 2007           | 2008           | 2009           |
|---|---------------|---------------|---------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Revenues</b>   |               |               |               |                |                |                |                |                |                |                |
| Taxes   | \$ 58,035     | \$ 60,712     | \$ 68,843     | \$ 74,072      | \$ 82,806      | \$ 88,759      | \$ 97,414      | \$ 103,810     | \$ 108,051     | \$ 113,260     |
| Licenses and Permits                                      | 2,061         | 2,028         | 2,088         | 2,058          | 2,100          | 2,140          | 2,325          | 2,320          | 2,267          | 2,504          |
| Intergovernmental (1) (2)                                 | 11,489        | 11,913        | 9,749         | 11,559         | 14,661         | 15,120         | 16,317         | 20,106         | 22,987         | 90,604         |
| Charges for Services                                      | 7,873         | 8,210         | 8,858         | 8,262          | 8,300          | 8,334          | 9,818          | 10,289         | 9,879          | 9,027          |
| Fines and Forfeitures                                     | 3,376         | 3,136         | 3,024         | 2,679          | 2,818          | 2,786          | 2,763          | 3,578          | 3,588          | 3,365          |
| Investment Earnings                                       | 2,981         | 3,922         | 4,290         | 3,657          | 5,991          | 4,676          | 5,132          | 6,213          | 5,211          | 4,624          |
| Miscellaneous (3)   | 4,683         | 3,008         | 2,948         | 5,046          | 5,004          | 4,566          | 5,899          | 5,867          | 5,559          | 5,289          |
| <b>Total Revenues</b>                                     | <b>90,497</b> | <b>92,930</b> | <b>99,800</b> | <b>107,334</b> | <b>121,681</b> | <b>126,383</b> | <b>139,669</b> | <b>152,183</b> | <b>157,542</b> | <b>228,675</b> |
| <b>Expenditures</b>                                       |               |               |               |                |                |                |                |                |                |                |
| Current:  |               |               |               |                |                |                |                |                |                |                |
| General Government  | 28,200        | 31,585        | 32,579        | 36,936         | 34,864         | 39,269         | 42,655         | 49,899         | 55,122         | 52,430         |
| Public Safety   | 28,173        | 28,430        | 28,363        | 30,751         | 32,961         | 33,784         | 35,231         | 39,926         | 48,516         | 123,765        |
| Sanitation  | 115           | -             | -             | -              | 18             | 18             | 575            | 87             | 21             | 7              |
| Health and Social Services (4)                            | 4,669         | 5,420         | 5,065         | 5,624          | 14,996         | 14,978         | 15,137         | 15,222         | 16,987         | 16,093         |
| Culture and Recreation                                    | 2,706         | 242           | 247           | 2,351          | 3,045          | 2,378          | 2,336          | 2,600          | 2,813          | 2,988          |
| Conservation  | 198           | 3,005         | 2,264         | 310            | 301            | 349            | 366            | 401            | 449            | 437            |
| Roads, Bridges, and Rights-of-Way                         | 5,431         | 4,379         | 4,938         | 4,308          | 4,510          | 5,023          | 4,410          | 12,086         | 9,257          | 21,308         |
| Debt Service (5):   |               |               |               |                |                |                |                |                |                |                |
| Principal   | 3,667         | 3,937         | 5,030         | 6,125          | 4,115          | 5,999          | 7,372          | 7,831          | 9,351          | 9,685          |
| Interest and Fiscal Charges                               | 3,068         | 3,000         | 4,620         | 4,038          | 8,164          | 8,254          | 8,178          | 7,879          | 8,134          | 8,982          |
| Bond Issuance Costs                                       | 129           | 475           | 118           | 1,544          | 601            | -              | -              | 672            | 1,047          | 2,014          |
| Refund - Prior Year Tax Revenue                           | -             | -             | -             | -              | -              | 159            | 159            | 159            | -              | -              |
| Capital Outlay (5)  | 4,763         | 10,974        | 14,370        | 36,342         | 64,751         | 61,192         | 40,567         | 19,143         | 6,336          | 7,925          |
| <b>Total Expenditures</b>                                 | <b>81,117</b> | <b>91,447</b> | <b>97,594</b> | <b>128,330</b> | <b>168,325</b> | <b>171,404</b> | <b>156,986</b> | <b>155,905</b> | <b>158,033</b> | <b>245,634</b> |
| Excess (deficiency) of revenues over (under) expenditures | 9,380         | 1,483         | 2,206         | (20,996)       | (46,644)       | (45,021)       | (17,317)       | (3,722)        | (491)          | (16,960)       |

GALVESTON COUNTY, TEXAS  
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(modified accrual basis of accounting)  
(amounts expressed in thousands)

|   | 2000     | 2001      | 2002     | 2003      | 2004        | 2005        | 2006        | 2007      | 2008      | 2009       |
|---|----------|-----------|----------|-----------|-------------|-------------|-------------|-----------|-----------|------------|
| <b>Other Financing Sources (Uses)</b>                   |          |           |          |           |             |             |             |           |           |            |
| Transfers In  | 5,232    | 4,870     | 4,927    | 6,651     | 6,525       | 4,669       | 8,083       | 10,529    | 17,555    | 31,934     |
| Transfers Out   | (13,136) | (15,274)  | (14,943) | (17,041)  | (8,920)     | (6,418)     | (10,711)    | (16,123)  | (21,571)  | (35,447)   |
| Sale of Capital Assets                                  | 543      | 353       | 62       | 2,230     | 184         | 1,082       | 1,979       | 4,033     | 1,121     | 86         |
| Capital Lease   | -        | -         | -        | -         | 2,053       | -           | -           | -         | -         | -          |
| Insurance Recovery Proceeds                             | -        | -         | -        | -         | -           | -           | -           | -         | 5,511     | 231        |
| Long Term Debt Issued                                   | 12,140   | 61,795    | 12,125   | -         | -           | -           | -           | -         | -         | -          |
| Face Value - Long Term Debt Issued (6), (7)             | -        | -         | -        | 107,760   | -           | -           | -           | 48,270    | 95,425    | 140,000    |
| Face Value - Refunding Bonds Issued                     | -        | -         | -        | -         | 42,595      | -           | -           | -         | -         | -          |
| Premium - Long Term Debt Issued                         | -        | -         | -        | 1,478     | -           | -           | -           | 120       | 228       | 76         |
| Premium - Refunding Bonds Issued                        | -        | -         | -        | -         | 3,596       | -           | -           | -         | -         | -          |
| Discount - Long Term Debt Issued                        | -        | -         | -        | (996)     | -           | -           | -           | (759)     | (4,380)   | -          |
| Refunded Bonds - Escrow Agent Payments                  | -        | -         | -        | -         | (45,556)    | -           | -           | -         | (83,278)  | -          |
| Other   | (105)    | (37)      | -        | -         | -           | -           | -           | -         | -         | -          |
| Total Other Financing Sources (Uses)                    | 4,674    | 51,707    | 2,170    | 100,082   | 476         | (668)       | (649)       | 46,070    | 10,613    | 136,879    |
| Net Change In Fund Balances                             | \$ 4,707 | \$ 53,190 | \$ 4,377 | \$ 79,086 | \$ (46,168) | \$ (45,689) | \$ (17,966) | \$ 42,348 | \$ 10,122 | \$ 119,919 |
| Debt service as a percentage of noncapital expenditures | 8.8%     | 8.6%      | 11.6%    | 11.0%     | 11.9%       | 12.9%       | 13.4%       | 11.5%     | 11.5%     | 7.9%       |

- (1) The decrease in intergovernmental revenues in 2002 was due to a reduction in emergency management grant funding.
- (2) The increase in intergovernmental revenues between fiscal years 2002-2004 was due to receipt of FEMA reimbursements for tropical storm damage.
- (3) The increase in miscellaneous revenues beginning in 2003 was due to a reclassification of revenue from the Intergovernmental category.  
The County also saw an increase in interlocal agreement reimbursements in fiscal year 2003.
- (4) The increase in the Health and Social Services expenditures beginning in fiscal year 2004 was due to a reclassification of our component unit operating transfer.
- (5) The increase in the Capital Outlay and the Debt Service Expenditures was funded by proceeds of bonds issued from 2001 through 2003 for various capital projects.
- (6) In fiscal year 2007 the county issued \$48 million in Pass-through Toll Revenue and Limited Tax Bonds, the proceeds of which were used for designing, developing, financing, constructing, expanding or improving a non-toll project for FM 646, a part of the State Highway System.
- (7) In fiscal year 2009 the county issued \$135 million in Unlimited Tax Roads Bonds, Limited Tax County Building Bonds and Limited Tax Flood Control Bonds. The proceeds of which were used to construct, purchase, maintain and/or operate macadamized, graveled and paved roads and turnpikes. To reconstruct, improve, and/or equip buildings. Maintain or improve a seaway, levee, breakwater, levee, floodway and/or drainway.



This page left intentionally blank.

## Revenue Capacity



This page left intentionally blank.

**GALVESTON COUNTY, TEXAS**  
**ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY**  
**LAST EIGHT FISCAL YEARS (1)**  
**(amounts expressed in thousands)**

| <b>Fiscal<br/>Year (2)</b> | <b>Real Property (2)</b>        |   |                           | <b>Personal<br/>Property(2)</b> | <b>Utilities<br/>Pipelines,<br/>and Boats(2)</b> | <b>Total</b>  | <b>Tax<br/>Rate (3)</b> |
|----------------------------|---------------------------------|---|---------------------------|---------------------------------|--|---------------|-------------------------|
|                            | <b>Residential<br/>Property</b> | <b>Commercial<br/>and Industrial<br/>Property</b> | <b>Other<br/>Property</b> |                                 |  |               |                         |
| 2001-02                    | \$ 9,205,486                    | \$ 3,736,701                                      | \$ 308,034                | \$ 1,078,268                    | \$ 501,539                                       | \$ 14,830,028 | \$ 0.5654               |
| 2002-03                    | 9,977,177                       | 3,272,051   | 248,098                   | 1,203,608                       | 480,471  | 15,181,405    | 0.6063                  |
| 2003-04                    | 11,117,759                      | 2,581,926   | 263,487                   | 1,095,026                       | 493,894  | 15,552,092    | 0.6400                  |
| 2004-05                    | 12,165,244                      | 3,696,766   | 264,640                   | 1,583,664                       | 490,251  | 18,200,565    | 0.6388                  |
| 2005-06                    | 14,937,565                      | 5,178,597   | 430,272                   | 1,889,053                       | 483,955  | 22,919,442    | 0.6288                  |
| 2006-07                    | 15,264,251                      | 5,267,615   | 446,370                   | 1,970,825                       | 495,067  | 23,444,128    | 0.5988                  |
| 2007-08                    | 16,255,587                      | 5,922,331   | 488,178                   | 2,503,858                       | 493,892  | 25,663,846    | 0.5800                  |
| 2008-09                    | 16,268,734                      | 5,671,747   | 487,060                   | 2,483,647                       | 493,932  | 25,405,120    | 0.5700                  |

(1) Ratio of total assessed value to total estimated value is 100%.

Data prior to fiscal year 2002 is unavailable.

(2) Source: Galveston Central Appraisal District.

(3) Tax rates are reported in dollars per \$100 value.

**GALVESTON COUNTY, TEXAS  
PROPERTY TAX RATES  
DIRECT AND ALL OVERLAPPING GOVERNMENTS (1)  
LAST TEN FISCAL YEARS**

| Taxing Jurisdiction                        | Fiscal Year |            |            |            |            |            |            |            |            |            |
|--|-------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
|  | 2000        | 2001       | 2002       | 2003       | 2004       | 2005       | 2006       | 2007       | 2008       | 2009       |
| <b>Galveston County Direct Rates</b>       |             |            |            |            |            |            |            |            |            |            |
| Constitutional Levy                        | \$0.475600  | \$0.469563 | \$0.472800 | \$0.511900 | \$0.529710 | \$0.527650 | \$0.518126 | \$0.498920 | \$0.485670 | \$0.482075 |
| Constitutional Debt Service                | 0.057000    | 0.063037   | 0.080200   | 0.057569   | 0.077050   | 0.089900   | 0.093224   | 0.070954   | 0.068465   | 0.068202   |
| Special Road Levy                          | 0.000000    | 0.000000   | 0.000000   | 0.024431   | 0.020840   | 0.010400   | 0.006000   | 0.017476   | 0.014465   | 0.008323   |
| Farm to Market Lateral Road/Flood          | 0.012400    | 0.012400   | 0.012400   | 0.012400   | 0.012400   | 0.010800   | 0.011400   | 0.011400   | 0.011400   | 0.011400   |
| Total Direct Rate                          | \$0.545000  | \$0.545000 | \$0.565400 | \$0.606300 | \$0.640000 | \$0.638750 | \$0.628750 | \$0.598750 | \$0.580000 | \$0.570000 |
| <b>Cities</b>                              |             |            |            |            |            |            |            |            |            |            |
| Galveston                                  | 0.549850    | 0.548600   | 0.559100   | 0.554900   | 0.541700   | 0.541700   | 0.541700   | 0.494000   | 0.494000   | 0.494000   |
| Friendswood                                | 0.638500    | 0.638500   | 0.638500   | 0.638500   | 0.638500   | 0.638500   | 0.604000   | 0.582100   | 0.576400   | 0.579700   |
| Hitchcock                                  | 0.567000    | 0.567000   | 0.567000   | 0.568400   | 0.581380   | 0.538900   | 0.534557   | 0.555050   | 0.511080   | 0.473230   |
| Jamaica Beach                              | 0.597420    | 0.522499   | 0.479930   | 0.460900   | 0.420820   | 0.345400   | 0.311200   | 0.285000   | 0.260300   | 0.251100   |
| La Marque                                  | 0.523000    | 0.546100   | 0.536100   | 0.536100   | 0.510340   | 0.540300   | 0.553300   | 0.514360   | 0.514360   | 0.514360   |
| League City                                | 0.670000    | 0.667500   | 0.662500   | 0.650000   | 0.640000   | 0.630000   | 0.527500   | 0.608800   | 0.608800   | 0.630000   |
| Texas City                                 | 0.298750    | 0.328750   | 0.333500   | 0.357500   | 0.456240   | 0.456240   | 0.456240   | 0.456240   | 0.435610   | 0.425000   |
| Tiki Island                                | 0.163352    | 0.164288   | 0.159600   | 0.169100   | 0.165890   | 0.175900   | 0.160252   | 0.155590   | 0.164860   | 0.166307   |
| Bayou Vista                                | 0.402377    | 0.378077   | 0.370100   | 0.375000   | 0.340000   | 0.354000   | 0.356200   | 0.338720   | 0.354200   | 0.352400   |
| Clear Lake Shores                          | 0.339507    | 0.339507   | 0.329600   | 0.262633   | 0.241810   | 0.238600   | 0.238600   | 0.210000   | 0.204750   | 0.000000   |
| Crystal Beach                              | 0.000000    | 0.000000   | 0.000000   | 0.000000   | 0.000000   | 0.000000   | 0.000000   | 0.000000   | 0.000000   | 0.000000   |
| Dickinson                                  | 0.351112    | 0.350574   | 0.390000   | 0.373000   | 0.391500   | 0.414500   | 0.434500   | 0.408800   | 0.408600   | 0.408600   |
| Kemah                                      | 0.163790    | 0.095000   | 0.092600   | 0.071200   | 0.150000   | 0.170200   | 0.208545   | 0.255395   | 0.270000   | 0.265247   |
| Santa Fe                                   | 0.354100    | 0.352100   | 0.262000   | 0.271900   | 0.271900   | 0.274700   | 0.282400   | 0.299200   | 0.299200   | 0.311400   |
| <b>School and Junior College Districts</b> |             |            |            |            |            |            |            |            |            |            |
| Galveston                                  | 1.520000    | 1.520000   | 1.520000   | 1.570000   | 1.560000   | 1.710000   | 1.685000   | 1.525000   | 1.175000   | 1.165000   |
| Friendswood                                | 1.535000    | 1.585000   | 1.617000   | 1.637000   | 1.637000   | 1.637000   | 1.637000   | 1.507000   | 1.177000   | 1.367000   |
| Hitchcock                                  | 1.705900    | 1.705900   | 1.710000   | 1.710000   | 1.710000   | 1.710000   | 1.695000   | 1.565050   | 1.121505   | 1.410050   |
| La Marque                                  | 1.615959    | 1.625005   | 1.625000   | 1.650000   | 1.730000   | 1.743000   | 1.740000   | 1.570000   | 1.240000   | 1.240000   |
| Texas City                                 | 1.608000    | 1.611800   | 1.611900   | 1.604700   | 1.623400   | 1.613000   | 1.587100   | 1.448354   | 1.112750   | 1.184931   |
| Clear Creek                                | 1.598560    | 1.700840   | 1.725000   | 1.740000   | 1.730000   | 1.745000   | 1.775000   | 1.630000   | 1.320000   | 1.360000   |
| Dickinson                                  | 1.751000    | 1.754000   | 1.747000   | 1.764000   | 1.743000   | 1.738000   | 1.751000   | 1.724000   | 1.430000   | 1.500000   |
| High Island                                | 1.500000    | 1.500000   | 1.500000   | 1.500000   | 1.770000   | 1.709100   | 1.700000   | 1.630000   | 1.300000   | 1.305690   |
| Santa Fe                                   | 1.367000    | 1.422000   | 1.510000   | 1.570000   | 1.570000   | 1.570000   | 1.570000   | 1.445000   | 1.160000   | 1.160000   |
| College of the Mainland                    | 0.215762    | 0.218000   | 0.218000   | 0.231870   | 0.263060   | 0.245250   | 0.243020   | 0.233450   | 0.227380   | 0.221640   |
| Galveston College                          | 0.197800    | 0.197800   | 0.195200   | 0.195200   | 0.195200   | 0.195200   | 0.191800   | 0.170000   | 0.170000   | 0.170000   |
| <b>Special Districts</b>                   |             |            |            |            |            |            |            |            |            |            |
| Bacliff MUD                                | 0.185000    | 0.080000   | 0.070000   | 0.165000   | 0.238260   | 0.243700   | 0.350000   | 0.315800   | 0.303640   | 0.295422   |
| Bayview MUD                                | 0.232900    | 0.237800   | 0.240000   | 0.236800   | 0.220000   | 0.220000   | 0.220000   | 0.216900   | 0.218500   | 0.236800   |
| South Shore MUD #2                         | 0.600000    | 0.570000   | 0.000000   | 0.570000   | 0.520000   | 0.450000   | 0.340000   | 0.290000   | 0.290000   | 0.240000   |
| South Shore MUD #3                         | 0.335000    | 0.325000   | 0.300000   | 0.300000   | 0.240000   | 0.220000   | 0.200000   | 0.180000   | 0.170000   | 0.160000   |
| South Shore MUD #6                         | 0.510000    | 0.460000   | 0.400000   | 0.380000   | 1.000000   | 1.000000   | 0.310000   | 0.300000   | 0.300000   | 0.290000   |
| South Shore Harbour MUD#7                  | 0.000000    | 0.000000   | 0.000000   | 0.000000   | 0.000000   | 0.000000   | 0.950000   | 0.820000   | 0.800000   | 0.750000   |
| Tara Glen MUD                              | 0.800000    | 0.800000   | 0.750000   | 0.725000   | 0.700000   | 0.700000   | 0.670000   | 0.670000   | 0.670000   | 0.670000   |
| Flamingo Isles MUD                         | 0.000000    | 0.000000   | 0.000000   | 0.000000   | 0.000000   | 0.000000   | 0.500000   | 0.500000   | 0.500000   | 0.500000   |

GALVESTON COUNTY, TEXAS  
PROPERTY TAX RATES  
DIRECT AND ALL OVERLAPPING GOVERNMENTS (1)  
LAST TEN FISCAL YEARS

| Taxing Jurisdiction                             | Fiscal Year |            |            |            |            |            |            |            |            |            |
|---|-------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
|   | 2000        | 2001       | 2002       | 2003       | 2004       | 2005       | 2006       | 2007       | 2008       | 2009       |
| <b>Special Districts (Continued)</b>            |             |            |            |            |            |            |            |            |            |            |
| Bay Colony West MUD                             | \$0.000000  | \$0.000000 | \$0.000000 | \$0.000000 | \$0.000000 | \$0.000000 | \$1.000000 | \$1.000000 | \$1.000000 | \$1.000000 |
| Clear Creek Drainage District                   | 0.150000    | 0.155000   | 0.155000   | 0.155000   | 0.150000   | 0.150000   | 0.000000   | 0.000000   | 0.000000   | 0.000000   |
| Fresh Water Supply District #6                  | 0.255028    | 0.257210   | 0.219500   | 0.282700   | 0.245080   | 0.249600   | 0.220153   | 0.201300   | 0.222900   | 0.223105   |
| Galveston County Consolidated Drainage District | 0.000000    | 0.000000   | 0.000000   | 0.000000   | 0.000000   | 0.000000   | 0.148300   | 0.000000   | 0.142500   | 0.142500   |
| Galveston County EMS District                   | 0.092571    | 0.094199   | 0.095060   | 0.095390   | 0.085800   | 0.085800   | 0.082670   | 0.081700   | 0.079810   | 0.085000   |
| Galveston County MUD #1                         | 0.475325    | 0.445282   | 0.460000   | 0.460000   | 0.460000   | 0.460000   | 0.460000   | 0.000000   | 0.000000   | 0.000000   |
| Galveston County MUD #2                         | 0.615000    | 0.560000   | 0.460000   | 0.430000   | 0.390000   | 0.365000   | 0.300000   | 0.260000   | 0.250000   | 0.240000   |
| Galveston County MUD #3                         | 0.480000    | 0.450000   | 0.430000   | 0.390000   | 0.320000   | 0.250000   | 0.210000   | 0.160000   | 0.140000   | 0.130000   |
| Galveston County MUD #6                         | 0.860000    | 0.860000   | 0.750000   | 0.700000   | 0.700000   | 0.700000   | 0.640000   | 0.480000   | 0.460000   | 0.440000   |
| Galveston County MUD #12                        | 0.305565    | 0.245468   | 0.188400   | 0.252862   | 0.258620   | 0.220100   | 0.207717   | 0.270000   | 0.258420   | 0.259575   |
| Galveston County MUD #13                        | 0.965000    | 0.965000   | 0.965000   | 0.915000   | 0.860000   | 0.760000   | 0.710000   | 0.630000   | 0.610000   | 0.585000   |
| Galveston County MUD #14                        | 0.186150    | 1.000000   | 1.000000   | 1.000000   | 0.970000   | 0.920000   | 0.900000   | 0.880000   | 0.880000   | 0.870000   |
| Galveston County MUD #15                        | 0.870890    | 0.870890   | 0.870000   | 0.870000   | 0.860000   | 0.830000   | 0.825000   | 0.825000   | 0.825000   | 0.795000   |
| Galveston County MUD #29                        | 0.205000    | 0.188758   | 0.175000   | 0.175000   | 0.175000   | 0.175000   | 0.170000   | 0.000000   | 0.000000   | 0.170000   |
| Galveston County MUD #30                        | 0.000000    | 0.000000   | 0.000000   | 0.000000   | 0.000000   | 0.000000   | 0.000000   | 0.350000   | 0.350000   | 0.350000   |
| Galveston County MUD #31                        | 0.000000    | 0.000000   | 0.000000   | 0.000000   | 0.000000   | 0.000000   | 1.090000   | 1.090000   | 1.090000   | 1.090000   |
| Galveston County MUD #32                        | 0.000000    | 0.000000   | 0.000000   | 0.000000   | 0.000000   | 0.000000   | 0.000000   | 0.750000   | 0.750000   | 0.750000   |
| Galveston County MUD #39                        | 0.000000    | 0.000000   | 0.000000   | 0.900000   | 0.900000   | 0.900000   | 0.900000   | 0.900000   | 0.900000   | 0.900000   |
| Galveston County MUD #43                        | 0.000000    | 0.000000   | 0.000000   | 0.000000   | 0.000000   | 0.000000   | 1.000000   | 1.000000   | 1.000000   | 1.000000   |
| Galveston County MUD #44                        | 0.000000    | 0.000000   | 0.000000   | 0.000000   | 0.000000   | 0.000000   | 0.000000   | 1.000000   | 0.800000   | 0.800000   |
| Galveston County MUD #45                        | 0.000000    | 0.000000   | 0.000000   | 0.000000   | 0.000000   | 0.000000   | 1.000000   | 1.000000   | 1.000000   | 1.000000   |
| Galveston County MUD #46                        | 0.000000    | 0.000000   | 0.000000   | 0.000000   | 0.000000   | 0.000000   | 1.000000   | 1.000000   | 1.000000   | 1.000000   |
| Galveston County MUD #52                        | 0.000000    | 0.000000   | 0.000000   | 0.000000   | 0.000000   | 0.000000   | 0.000000   | 1.500000   | 1.500000   | 1.500000   |
| Galveston County MUD #68                        | 0.000000    | 0.000000   | 0.000000   | 0.000000   | 0.000000   | 0.000000   | 0.000000   | 0.000000   | 0.850000   | 0.000000   |
| Galveston County Navigation District #1         | 0.040032    | 0.041136   | 0.040600   | 0.042000   | 0.042000   | 0.040900   | 0.038000   | 0.033690   | 0.330300   | 0.000000   |
| West Ranch Management District #1               | 0.000000    | 0.000000   | 0.000000   | 0.000000   | 0.000000   | 0.000000   | 0.000000   | 0.650000   | 0.650000   | 0.650000   |
| Water Control Improvement Dist. #1              | 0.370000    | 0.350000   | 0.330000   | 0.310000   | 0.262620   | 0.262500   | 0.241490   | 0.230260   | 0.220260   | 0.000000   |
| Water Control Improvement Dist. #8              | 0.182500    | 0.250000   | 0.250000   | 0.250000   | 0.250000   | 0.250000   | 0.246300   | 0.247400   | 0.250000   | 0.000000   |
| Water Control Improvement Dist. #12             | 0.567600    | 0.526900   | 0.526900   | 0.520000   | 0.470000   | 0.420000   | 0.420000   | 0.370000   | 0.370000   | 0.000000   |
| Water Control Improvement Dist. #19             | 0.367270    | 0.156102   | 0.153100   | 0.152700   | 0.150170   | 0.170800   | 0.165030   | 0.159520   | 0.183110   | 0.000000   |
| San Leon MUD                                    | 0.287000    | 0.287000   | 0.446000   | 0.488000   | 0.450500   | 0.449100   | 0.434700   | 0.434500   | 0.450000   | 0.450000   |
| Drainage District #1                            | 0.088022    | 0.088061   | 0.097200   | 0.095800   | 0.090100   | 0.090100   | 0.103887   | 0.108940   | 0.114210   | 0.119684   |
| Drainage District #2                            | 0.054294    | 0.056273   | 0.056600   | 0.058800   | 0.058800   | 0.058800   | 0.055200   | 0.057400   | 0.057360   | 0.063021   |
| Drainage District #3                            | 0.234694    | 0.234694   | 0.216100   | 0.000000   | 0.000000   | 0.000000   | 0.000000   | 0.000000   | 0.000000   | 0.000000   |

(1) Tax rates are reported in dollars per \$100 of value.  
Source: Galveston Central Appraisal District

**GALVESTON COUNTY, TEXAS  
PRINCIPAL TAXPAYERS (1)  
September 30, 2009  
(amounts expressed in thousands)**

| <u>Taxpayer</u>                | <u>2009</u>                           |             |  | <u>2000</u>                           |             |  |
|--------------------------------|---------------------------------------|-------------|--|---------------------------------------|-------------|--|
|                                | <u>Taxable<br/>Assessed<br/>Value</u> | <u>Rank</u> | <u>% of Total<br/>Taxable<br/>Assessed Value</u> | <u>Taxable<br/>Assessed<br/>Value</u> | <u>Rank</u> | <u>% of Total<br/>Taxable<br/>Assessed Value</u> |
| BP Products (NA) Inc.          | \$ 1,789,680                          | 1           | 7.04%  | \$ -                                  | -           | -  |
| Valero Refining-Texas LP       | 738,891                               | 2           | 2.91%  | 115,659                               | 6           | 0.87%  |
| Union Carbide Corporation      | 346,686                               | 3           | 1.36%  | 498,825                               | 2           | 3.77%  |
| Praxair Inc.                   | 197,697                               | 4           | 0.78%  | -                                     | -           | -  |
| Marathon Petroleum Company LLC | 165,911                               | 5           | 0.65%  | 77,558                                | 8           | 0.59%  |
| BP Amoco Chemical Company      | 155,127                               | 6           | 0.61%  | 202,599                               | 5           | 1.53%  |
| South Houston Green Power, LP  | 125,200                               | 7           | 0.49%  | -                                     | -           | -  |
| Centerpoint Energy Inc.        | 93,843                                | 8           | 0.37%  | -                                     | -           | -  |
| Sterling Chemicals             | 88,038                                | 9           | 0.35%  | 289,212                               | 3           | 2.19%  |
| Texas-New Mexico Power Company | 84,991                                | 10          | 0.33%  | 76,638                                | 9           | 0.58%  |
| Reliant Energy                 | -                                     | -           | -  | 235,087                               | 4           | 1.78%  |
| Amoco Texas Refinery Company   | -                                     | -           | -  | 923,585                               | 1           | 6.99%  |
| Texas Cogenron, Inc.           | -                                     | -           | -  | 84,642                                | 7           | 0.64%  |
| TransTexas Gas Corporation     | -                                     | -           | -  | 63,157                                | 10          | 0.48%  |
|                                | <u>3,786,064</u>                      |             | <u>14.90%</u>                                    | <u>2,566,962</u>                      |             | <u>19.42%</u>                                    |
| Other Taxpayers                | 488,169                               |             | 1.92%  | 349,377                               |             | 2.64%  |
| Totals                         | <u>\$ 4,274,233</u>                   |             | <u>16.82%</u>                                    | <u>\$ 2,916,339</u>                   |             | <u>22.06%</u>                                    |

(1) Source: Galveston Central Appraisal District Top Taxpayer Calculations performed as of January 05, 2010.  
Total assessed value = \$25,405,120

**GALVESTON COUNTY, TEXAS  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST EIGHT FISCAL YEARS \*  
(amounts expressed in thousands)**

| <b>Fiscal Year<br/>ended<br/>September 30</b> | <b>Total<br/>Adjusted<br/>Tax Levy</b> | <b>Collected Within the Fiscal Year<br/>of the Levy</b> |                               | <b>Collected in<br/>Subsequent<br/>Years</b> | <b>Total Collected to Date</b> |                               |
|---|--|---|-------------------------------|--|--------------------------------|-------------------------------|
|   |  | <b>Amounts (1)</b>                                      | <b>Percentage<br/>of Levy</b> |  | <b>Amount (2)</b>              | <b>Percentage<br/>of Levy</b> |
| 2001-02                                       | \$ 67,540                              | \$ 65,524   | 97.02%                        | \$ 1,773                                     | \$ 67,297                      | 99.64%                        |
| 2002-03                                       | 71,188                                 | 69,298  | 97.35%                        | 1,594  | 70,892                         | 99.58%                        |
| 2003-04                                       | 81,491                                 | 79,367  | 97.39%                        | 1,766  | 81,133                         | 99.56%                        |
| 2004-05                                       | 88,143                                 | 85,893  | 97.45%                        | 1,794  | 87,687                         | 99.48%                        |
| 2005-06                                       | 96,879                                 | 94,764  | 97.82%                        | 1,617  | 96,381                         | 99.49%                        |
| 2006-07                                       | 104,943                                | 103,081   | 98.23%                        | 1,173  | 104,254                        | 99.34%                        |
| 2007-08                                       | 109,648                                | 107,656   | 98.18%                        | 809  | 108,465                        | 98.92%                        |
| 2008-09                                       | 117,356                                | 114,712   | 97.75%                        | -  | 114,712                        | 97.75%                        |

\* Data prior to fiscal year 2002 is unavailable.

(1) Collected from October 1 through September 30.

(2) Collection amounts include overpayments which may be, or have been, refunded to taxpayers.

Source: Galveston County Tax Assessor-Collector.



This page left intentionally blank.

## Debt Capacity

**GALVESTON COUNTY, TEXAS**  
**RATIO OF OUTSTANDING DEBT BY TYPE**  
**LAST TEN FISCAL YEARS**  
(amounts expressed in thousands, except per capita amount)

| <b>Fiscal Year</b> | <b>General Obligation Bonds</b> | <b>Capital Leases</b> | <b>Total</b> | <b>Percentage of Personal Income</b> | <b>Per Capita</b> |
|--------------------|---------------------------------|-----------------------|--------------|--------------------------------------|-------------------|
| 2000               | \$ 34,503                       | \$ -                  | \$ 34,503    | 4.67%                                | \$ 138            |
| 2001               | 91,932                          | -                     | 91,932       | 11.97%                               | 361               |
| 2002               | 102,388                         | -                     | 102,388      | 12.88%                               | 393               |
| 2003               | 207,423                         | -                     | 207,423      | 25.28%                               | 777               |
| 2004               | 203,663                         | 1,753                 | 205,416      | 23.56%                               | 755               |
| 2005               | 197,928                         | 1,753                 | 199,681      | 29.97%                               | 731               |
| 2006               | 191,128                         | 1,193                 | 192,321      | 31.45%                               | 678               |
| 2007               | 232,163                         | 609                   | 232,772      | 31.85%                               | 820               |
| 2008               | 239,003                         | -                     | 239,003      | 31.51%                               | 829               |
| 2009               | 364,318                         | -                     | 364,318      | 44.64%                               | 1,264             |

*Source: Galveston County's Annual Financial Report*



This page left intentionally blank.

**GALVESTON COUNTY, TEXAS**  
**COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT (1)**  
**GENERAL OBLIGATION BONDS**  
**September 30, 2009**  
**(amounts expressed in thousands)**

| <u>Governmental Unit</u>               | <u>Net General<br/>Obligation<br/>Bonded Debt<br/>Outstanding</u> | <u>Percentage<br/>Applicable<br/>to<br/>Government</u> | <u>Amount<br/>Applicable<br/>to<br/>Government</u> |
|--|---|--|--|
| <b><u>Galveston County</u></b>         | \$ 319,844  | 100%   | \$ 319,844   |
| <b><u>Cities</u></b>                   |   |  |  |
| Dickinson                              | 9,063   | 100%   | 9,063  |
| Friendswood                            | 13,961  | 78.64%   | 10,979   |
| Galveston                              | 39,336  | 100%   | 39,336   |
| Hitchcock                              | 2,162   | 100%   | 2,162  |
| Hitchcock (Reinvestment Zone#1)        | 7,090   | 100%   | 7,090  |
| Kemah                                  | 130   | 100%   | 130  |
| La Marque                              | 6,710   | 100%   | 6,710  |
| League City                            | 62,234  | 98.79%   | 61,481   |
| Texas City                             | 36,065  | 100%   | 36,065   |
| Total Cities                           | <u>176,751</u>  |  | <u>173,016</u>                                     |
| <b><u>School Districts</u></b>         |   |  |  |
| Dickinson                              | 187,340   | 100%   | 187,340  |
| Friendswood                            | 114,697   | 100%   | 114,697  |
| Galveston County FWSD #6               | 5,945   | 100%   | 5,945  |
| Galveston                              | 75,645  | 100%   | 75,645   |
| High Island                            | 1,785   | 100%   | 1,785  |
| Hitchcock                              | 27,298  | 100%   | 27,298   |
| La Marque                              | 28,453  | 100%   | 28,453   |
| Santa Fe                               | 38,064  | 100%   | 38,064   |
| Texas City                             | 65,290  | 100%   | 65,290   |
| Total School Districts                 | <u>544,517</u>  |  | <u>544,517</u>                                     |
| <b><u>Co-Line School Districts</u></b> |   |  |  |
| Clear Creek                            | 659,807   | 30.79%   | 203,155  |

**GALVESTON COUNTY, TEXAS**  
**COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT (1)**  
**GENERAL OBLIGATION BONDS**  
**September 30, 2009**  
**(amounts expressed in thousands)**

| <u>Governmental Unit</u>                | <u>Net General<br/>Obligation<br/>Bonded Debt<br/>Outstanding</u> | <u>Percentage<br/>Applicable<br/>to<br/>Government</u> | <u>Amount<br/>Applicable<br/>to<br/>Government</u> |
|---|---|--|--|
| <b>Other</b>                            |   |  |  |
| Bacliff Mud                             | \$ 7,725  | 100%   | \$ 7,725   |
| Bay Colony West MUD                     | 5,376   | 100%   | 5,376  |
| Bayview Mud                             | 350   | 100%   | 350  |
| Flamingo Isle MUD                       | 4,138   | 100%   | 4,138  |
| Galveston County MUD #2                 | 4,370   | 100%   | 4,370  |
| Galveston CC District                   | 3,830   | 100%   | 3,830  |
| Galveston County MUD #3                 | 5,585   | 100%   | 5,585  |
| Galveston County MUD #6                 | 18,687  | 100%   | 18,687   |
| Galveston County MUD #12                | 1,115   | 100%   | 1,115  |
| Galveston County MUD #13                | 7,470   | 100%   | 7,470  |
| Galveston County MUD #14                | 11,328  | 100%   | 11,328   |
| Galveston County MUD #15                | 13,719  | 100%   | 13,719   |
| Galveston County MUD #29                | 4,560   | 100%   | 4,560  |
| Galveston County MUD #30                | 1,981   | 100%   | 1,981  |
| Galveston County MUD #39                | 19,586  | 100%   | 19,586   |
| Galveston County MUD #43                | 14,003  | 100%   | 14,003   |
| San Leon MUD                            | 2,992   | 100%   | 2,992  |
| Galveston WCID #1                       | 7,571   | 100%   | 7,571  |
| Galveston WCID #8                       | 150   | 100%   | 150  |
| Galveston WCID #12                      | 15,710  | 100%   | 15,710   |
| South Shore Harbor MUD #2               | 4,530   | 100%   | 4,530  |
| South Shore Harbor MUD #3               | 1,575   | 100%   | 1,575  |
| South Shore Harbor MUD #6               | 5,710   | 100%   | 5,710  |
| South Shore Harbor MUD #7               | 18,699  | 100%   | 18,699   |
| Tara Glen MUD                           | 3,329   | 100%   | 3,329  |
| <b>Total Other</b>                      | <b>184,089</b>  |  | <b>184,089</b>                                     |
| <b>Total Gross and Overlapping Debt</b> | <b>\$ 1,885,008</b>   |  | <b>\$ 1,424,620</b>                                |

|   |               |
|---|---------------|
| Ratio of Direct and Overlapping Debt to 2009 Net Taxable Assessed Valuation         | 6.89%         |
| Per Capita Direct and Overlapping Debt (2008 estimated population = 288,239) (2)(3) | 4,942         |
| Net Taxable Assessed Valuation  | \$ 20,670,405 |

(1) Expenditures of the various taxing bodies within the territory of the County are paid out of ad valorem taxes levied by these taxing bodies on the properties within the County. These political taxing bodies are independent of the County and may borrow to finance their expenditures. The following statement of direct and estimated overlapping ad valorem tax bonds was developed from information contained in "Texas Municipal Reports" published by the Municipal Advisory Council of Texas last revised June 14, 2006; TMR#0084. Except for the amounts relating to the County, the County has not independently verified the accuracy or completeness of such information and no person should rely upon such information as being accurate and complete. Furthermore, certain entities listed above may have issued additional bonds since the date stated in the table and may have programs requiring the issuance of substantial amounts of additional bonds, the amount of which cannot be determined. The preceding table reflects the County's estimated share of overlapping gross debt of these various taxing bodies.

(2) 2008 estimated county population and Per Capita Direct and Overlapping Debt amounts are not rounded to thousands.

(3) 2009 estimated county population was not available at this time.

**GALVESTON COUNTY, TEXAS**  
**LEGAL DEBT MARGIN INFORMATION**  
**LAST TEN FISCAL YEARS**  
(amounts expressed in thousands)

**Bonds Issued Under Texas General Laws**

|   |               |
|---|---------------|
| Assessed value of all taxable property (excluding exemptions) | \$ 25,405,120 |
| Debt limit rate (5% of assessed value)                        | x 5%          |
| Dollar amount of debt limit                                   | 1,270,256     |
| Amount of debt applicable to constitutional debt limit:       |               |
| Total general bonded debt, including cumulative accretion     | \$ 378,388    |
| Less Debt Service fund balance                                | (15,381)      |
| Total debt applicable to limitation                           | 363,007       |
| Legal debt margin   | \$ 907,249    |

|  | Fiscal Year |            |            |            |            |            |             |             |              |              |
|--|-------------|------------|------------|------------|------------|------------|-------------|-------------|--------------|--------------|
|  | 2000        | 2001       | 2002       | 2003       | 2004       | 2005       | 2006        | 2007        | 2008         | 2009         |
| Debt limit   | \$ 660,932  | \$ 723,570 | \$ 748,131 | \$ 801,694 | \$ 855,177 | \$ 941,570 | \$1,091,754 | \$1,172,206 | \$ 1,283,192 | \$ 1,270,256 |
| Total net debt applicable to limit                                   | 40,727      | 97,096     | 105,721    | 209,324    | 205,632    | 200,745    | 194,891     | 229,641     | 239,122      | 363,007      |
| Legal debt margin  | \$ 620,205  | \$ 626,474 | \$ 642,410 | \$ 592,370 | \$ 649,545 | \$ 740,825 | \$ 896,863  | \$ 942,565  | \$ 1,044,070 | \$ 907,249   |
| Total net debt applicable to the limit as a percentage of debt limit | 6.16%       | 13.42%     | 14.13%     | 26.11%     | 24.05%     | 21.32%     | 17.85%      | 19.59%      | 18.63%       | 28.58%       |

**Constitutional Tax Limitations:**

Bonds issued under the Texas General laws, in addition to the debt limit of 5 percent of assessed value of all taxable property, authorized the County to levy a tax for general fund, jury fund, road and bridge fund and permanent improvement fund purposes limited in the aggregate to \$0.80 per \$100 of assessed valuation (the "\$0.80 Tax Limitation"). The Constitution also authorizes the County to levy a separate tax, without legal limit as to rate, to pay debt service on County road bonds. In addition, the County is authorized to levy a special tax for the maintenance of public roads not to exceed \$0.15 per \$100 of assessed valuation provided a majority of the qualified property-tax-paying voters of the County voting at an election to be held for that purpose shall vote such tax. The receipts of such special tax are restricted and are not available to pay debt service on the Road Refunding Bonds. This special road and bridge fund tax provides additional funds for road purposes that would otherwise be paid from taxes subject to the \$0.80 tax limitation.

The Texas Constitution authorizes the County to levy a separate tax, not to exceed \$0.30 per \$100 of the assessed valuation, for the construction and maintenance of farm-to-market roads and flood control. The County is further authorized to levy a tax, not to exceed \$0.50 per \$100 assessed valuation, to pay debt service on seawall bonds.

**GALVESTON COUNTY, TEXAS**  
**LEGAL DEBT MARGIN INFORMATION**  
**LAST TEN FISCAL YEARS**  
(amounts expressed in thousands)

**Bonds Issued Under Article 3, Section 52**

Assessed value of real property (excluding exemptions)

Debt limit rate

Amount of Debt Limit

Total Road Bonds Outstanding, including cumulative accretion

Legal debt margin

\$ 22,427,541  
X 25%  
5,606,885  
(111,928)  
\$ 5,494,957

|                              | Fiscal Year  |              |              |              |              |              |              |              |              |              |
|------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
|                              | 2000         | 2001         | 2002         | 2003         | 2004         | 2005         | 2006         | 2007         | 2008         | 2009         |
| Debt limit                   | \$ 2,927,975 | \$ 3,206,392 | \$ 3,334,036 | \$ 3,583,132 | \$ 3,812,922 | \$ 4,180,324 | \$ 4,872,923 | \$ 5,244,559 | \$ 5,666,524 | \$ 5,606,885 |
| Less: Road bonds outstanding | (13,698)     | (38,039)     | (33,737)     | (38,625)     | (37,811)     | (38,225)     | (38,675)     | (38,122)     | (37,541)     | (111,928)    |
| Legal debt margin            | \$ 2,914,277 | \$ 3,168,353 | \$ 3,300,299 | \$ 3,544,507 | \$ 3,775,111 | \$ 4,142,099 | \$ 4,834,248 | \$ 5,206,437 | \$ 5,628,983 | \$ 5,494,957 |

*The County is authorized under Article III, Section 52, of the State Constitution to issue bonds payable from ad valorem taxes for the construction of roads. There is no constitutional or statutory limit on bonds issued pursuant to such a constitutional provision. However, the amount of bonds which may be issued is limited to 25% of the assessed valuation of real property in the County.*

**GALVESTON COUNTY, TEXAS**  
**RATIO OF NET GENERAL OBLIGATION BONDED DEBT**  
**TO ASSESSED VALUE AND NET GENERAL OBLIGATION BONDED DEBT PER CAPITA**  
**LAST TEN FISCAL YEARS**

| <b>Fiscal Year</b> | <b>Population (1)</b> | <b>Assessed Value *</b> | <b>Gross Bonded Debt *</b> | <b>Less Debt Service Funds*</b> | <b>Net Bonded Debt *</b> | <b>Ratio of Net Bonded Debt to Assessed Value</b> | <b>Net Bonded Debt Per Capita</b> |
|--------------------|-----------------------|-------------------------|----------------------------|---------------------------------|--------------------------|---|-----------------------------------|
| 1999-00            | 250,158               | \$ 13,218,641           | \$ 41,978                  | \$ 1,251                        | \$ 40,727                | 0.31%   | \$ 163                            |
| 2000-01            | 254,923               | 14,471,404              | 98,817                     | 1,721                           | 97,096                   | 0.67  | 381                               |
| 2001-02            | 260,825               | 14,830,028              | 107,449                    | 1,728                           | 105,721                  | 0.71  | 405                               |
| 2002-03            | 266,858               | 15,181,405              | 210,661                    | 1,337                           | 209,324                  | 1.38  | 784                               |
| 2003-04            | 272,024               | 15,555,092              | 208,405                    | 2,773                           | 205,632                  | 1.32  | 756                               |
| 2004-05            | 273,162               | 18,200,565              | 204,331                    | 3,586                           | 200,745                  | 1.10  | 735                               |
| 2005-06            | 283,551               | 22,919,442              | 199,289                    | 4,398                           | 194,891                  | 0.85  | 687                               |
| 2006-07            | 283,987               | 23,444,128              | 242,183                    | 12,542                          | 229,641                  | 0.98  | 810                               |
| 2007-08            | 288,239               | 25,663,846              | 250,991                    | 11,869                          | 239,122                  | 0.93  | 830                               |
| 2008-09            | (2) 288,239           | 25,405,120              | 378,388                    | 15,381                          | 363,007                  | 1.43  | 1,259                             |

\* Amounts expressed in thousands.

(1) Source: U.S. Census Bureau and Texas Association of Counties.

(2) As of this date of publication, the county population for 2009 has not yet been released by the U.S. Bureau of Census.

## Demographic and Economic Information

**GALVESTON COUNTY, TEXAS  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS**

| <b>Fiscal Year</b> | <b>Population (1)</b> | <b>Personal Income (1)(3)</b> | <b>Per Capita Personal Income (1)(3)</b> | <b>Median Age (1)</b> | <b>School Enrollment (2)</b> | <b>Unemployment Rate (1)</b> |
|--------------------|-----------------------|-------------------------------|--|-----------------------|------------------------------|------------------------------|
| 2000               | 250,158               | \$ 7,384,627                  | \$ 29,450                                | 35.9                  | 69,639                       | 4.90%                        |
| 2001               | 254,923               | 7,677,185                     | 30,113                                   | 35.9                  | 66,985                       | 5.30%                        |
| 2002               | 260,825               | 7,947,793                     | 30,474                                   | 35.9                  | 74,000                       | 6.60%                        |
| 2003               | 266,858               | 8,205,612                     | 30,762                                   | 35.9                  | 70,000                       | 7.20%                        |
| 2004               | 272,024               | 8,719,729                     | 32,055                                   | 35.6                  | 70,329                       | 6.90%                        |
| 2005               | 273,162               | 6,663,514                     | 24,394                                   | 35.6                  | 73,142                       | 5.70%                        |
| 2006               | 283,551               | 6,115,628                     | 21,568                                   | 36.0                  | 73,919                       | 4.90%                        |
| 2007               | 283,987               | 7,307,960                     | 25,773                                   | 36.0                  | 78,508                       | 4.30%                        |
| 2008               | 288,239               | 7,698,864                     | 26,710                                   | 36.3                  | 79,000                       | 5.54%                        |
| 2009 (4)           | 288,239               | 8,160,623                     | 28,312                                   | 36.2                  | 78,450                       | 8.50%                        |

(1) U.S. Bureau of Census; American Community Survey 2008

(2) Texas Education Agency Amount expressed in thousands.

(3) Amount expressed in thousands.

(4) As of this date of publication, the county population for 2009 has not yet been released by the U.S. Bureau of Census.

**GALVESTON COUNTY, TEXAS  
PRINCIPAL EMPLOYERS \*  
CURRENT YEAR AND NINE YEARS AGO**

| <b>Employer</b>                             | <b>2009</b>                    |             |  | <b>2000</b>                    |             |  |
|---|--------------------------------|-------------|--|--------------------------------|-------------|--|
|   | <b>Number of<br/>Employees</b> | <b>Rank</b> | <b>% of<br/>Principal-Employer<br/>Employees</b> | <b>Number of<br/>Employees</b> | <b>Rank</b> | <b>% of<br/>Principal-Employer<br/>Employees</b> |
| University of Texas Medical Branch          | 10,750                         | 1           | 44.5%  | 13,654                         | 1           | 49.9%  |
| Clear Creek Independent School District     | 3,352                          | 2           | 13.9%  | 3,477                          | 2           | 12.7%  |
| BP-Amoco Oil Company Texas City             | 2,000                          | 3           | 8.3%   | 2,100                          | 3           | 7.7%   |
| American National Insurance Company (ANICO) | 1,611                          | 4           | 6.7%   | 1,700                          | 4           | 6.2%   |
| Galveston County                            | 1,298                          | 5           | 5.4%   | 1,200                          | 6           | 4.4%   |
| Galveston Independent School District       | 1,200                          | 6           | 5.0%   | 1,405                          | 5           | 5.1%   |
| Dickinson Independent School District       | 1,161                          | 7           | 4.8%   | 770                            | 10          | 2.8%   |
| Landry's Seafood, Inc.                      | 1,045                          | 8           | 4.3%   | -                              | -           | -  |
| Texas City Independent School District      | 879                            | 9           | 3.6%   | -                              | -           | -  |
| Moody Gardens                               | 840                            | 10          | 3.5%   | 1,077                          | 8           | 3.9%   |
| Union Carbide Corporation                   | -                              | -           | -  | 1,100                          | 7           | 4.0%   |
| Gulf Greyhound Partners LTD.                | -                              | -           | -  | 890                            | 9           | 3.3%   |
| <b>Total</b>                                | <b>24,136</b>                  |             | <b>100.0%</b>                                    | <b>27,373</b>                  |             | <b>100.0%</b>                                    |

\* Source: Texas City - La Marque Chamber of Commerce and Galveston Chamber of Commerce.



This page left intentionally blank.

## Operating Information

**GALVESTON COUNTY, TEXAS  
COUNTY EMPLOYEES BY FUNCTION \*  
LAST TEN FISCAL YEARS**

| Function                            | Fiscal Year  |              |              |              |              |              |              |              |              |              |
|-------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
|                                     | 2000         | 2001         | 2002         | 2003         | 2004         | 2005         | 2006         | 2007         | 2008         | 2009         |
| General Government                  | 464          | 463          | 450          | 450          | 455          | 454          | 505          | 551          | 555          | 481          |
| Public Safety                       | 564          | 532          | 539          | 560          | 575          | 555          | 547          | 535          | 556          | 638          |
| Road and Bridges, and Rights-of-Way | 55           | 53           | 49           | 47           | 43           | 50           | 47           | 51           | 54           | 56           |
| Health and Social Services          | 176          | 133          | 121          | 64           | 79           | 74           | 67           | 74           | 76           | 60           |
| Culture and Recreation              | 55           | 44           | 50           | 50           | 49           | 44           | 41           | 47           | 45           | 53           |
| Conservation                        | 10           | 10           | 8            | 9            | 11           | 10           | 10           | 11           | 10           | 10           |
| <b>Total</b>                        | <b>1,324</b> | <b>1,235</b> | <b>1,217</b> | <b>1,180</b> | <b>1,212</b> | <b>1,187</b> | <b>1,217</b> | <b>1,269</b> | <b>1,296</b> | <b>1,298</b> |

\* Source: Galveston County Budget Office/Human Resources.

**GALVESTON COUNTY, TEXAS  
CAPITAL ASSET STATISTICS BY FUNCTION  
LAST SEVEN FISCAL YEARS\***

| <u>Function</u>                            | <u>Fiscal Year</u> |             |             |             |             |             |             |
|--|--------------------|-------------|-------------|-------------|-------------|-------------|-------------|
|  | <u>2003</u>        | <u>2004</u> | <u>2005</u> | <u>2006</u> | <u>2007</u> | <u>2008</u> | <u>2009</u> |
| <b>General Government</b>                  |                    |             |             |             |             |             |             |
| Number of buildings                        | 18                 | 18          | 19          | 20          | 20          | 18          | 17          |
| Number of courtrooms                       | 19                 | 19          | 19          | 21          | 21          | 21          | 21          |
| <b>Public Safety</b>                       |                    |             |             |             |             |             |             |
| Jail capacity/number of beds (2)           | 881                | 881         | 881         | 1,187       | 1,187       | 1,187       | 1,187       |
| Stations / substations (3)                 | 3                  | 3           | 3           | 3           | 3           | 3           | 3           |
| Sheriff's Department vehicles              | 113                | 117         | 115         | 136         | 120         | 128         | 128         |
| Boats / seacrafts                          | 10                 | 10          | 10          | 10          | 10          | 10          | 10          |
| Training facility                          | 1                  | 1           | 1           | 1           | 1           | 1           | 1           |
| Animal facility                            | 1                  | 1           | 1           | 1           | 1           | 1           | 1           |
| Sheriff's Department buildings             | 3                  | 3           | 3           | 5           | 5           | 3           | 3           |
| Medical Examiner building                  | 1                  | 1           | 1           | 1           | 1           | 1           | 1           |
| Juvenile Justice buildings                 | 4                  | 4           | 4           | 4           | 4           | 4           | 4           |
| Emergency Management building              | 1                  | 1           | 1           | 1           | 1           | 1           | 1           |
| Flood Control buildings                    | 3                  | 3           | 3           | 3           | 3           | 3           | 3           |
| <b>Roads, Bridges, &amp; Rights-of-Way</b> |                    |             |             |             |             |             |             |
| Miles of county roads (4)                  | 324                | 325         | 326         | 323         | 357         | 329         | 329         |
| Bridges                                    | 22                 | 22          | 22          | 22          | 22          | 22          | 22          |
| Motor Vehicles                             | 54                 | 54          | 46          | 56          | 46          | 42          | 42          |
| Heavy and General Equipment                | 66                 | 62          | 69          | 78          | 79          | 77          | 77          |
| <b>Health and Social Services</b>          |                    |             |             |             |             |             |             |
| Clinics                                    | 2                  | 2           | 2           | 2           | 3           | 4           | 4           |
| Animal Shelter                             | 1                  | 1           | 1           | 1           | 1           | 1           | 1           |
| Mosquito Control vehicles                  | 17                 | 17          | 19          | 21          | 19          | 19          | 19          |
| Airplanes                                  | 2                  | 2           | 2           | 2           | 2           | 2           | 2           |
| Airboat                                    | 1                  | 1           | 1           | 1           | 1           | 1           | 1           |
| Spray units                                | 13                 | 13          | 13          | 13          | 13          | 13          | 13          |
| Senior Citizens centers                    | 4                  | 4           | 4           | 4           | 4           | 6           | 6           |
| Senior Citizens vehicles                   | 5                  | 5           | 6           | 7           | 7           | 9           | 9           |
| <b>Culture and Recreation</b>              |                    |             |             |             |             |             |             |
| Museum                                     | 1                  | 1           | 1           | 1           | 1           | 1           | 1           |
| Parks                                      | 26                 | 26          | 25          | 25          | 26          | 26          | 26          |
| Park acreage (5)                           | 1,201              | 1,201       | 1,204       | 1,204       | 1,255       | 1,266       | 1,266       |
| Park buildings                             | 30                 | 30          | 30          | 30          | 31          | 31          | 31          |
| Community centers                          | 4                  | 4           | 4           | 4           | 4           | 6           | 6           |
| Athletic fields & courts (5)               | 41                 | 41          | 41          | 41          | 41          | 41          | 41          |
| Boat launches                              | 11                 | 11          | 11          | 11          | 11          | 11          | 11          |
| Campground sites (5)                       | 9                  | 9           | 9           | 9           | 9           | 9           | 9           |
| Trails (feet) (1)(5)                       | 751                | 751         | 751         | 751         | 751         | 31,680      | 31,680      |
| Equestrian trails (feet) (1)(5)            | -                  | -           | -           | -           | -           | 12,576      | 12,576      |
| Vehicles                                   | 32                 | 28          | 32          | 39          | 34          | 30          | 30          |
| Parks Heavy & General Equipment            | 31                 | 35          | 36          | 47          | 40          | 47          | 47          |
| Beach maintenance equipment                | 6                  | 6           | 6           | 6           | 6           | 7           | 7           |
| <b>Conservation</b>                        |                    |             |             |             |             |             |             |
| Extension service vehicles                 | 5                  | 5           | 5           | 5           | 6           | 6           | 6           |

\* Data prior to fiscal year 2003 is unavailable.

(1) Prior to FY 2008, trails data was only for hiking. Starting FY 2008, trails data was updated to include hiking, biking, & walking (Parks Department information).

(2) Information from Texas Commission on Jail Standards website

(3) Information from Galveston County Sheriff's Office

(4) Information from Galveston County Engineer's Office

(5) Information from Galveston County Parks & Senior Services Dept

**GALVESTON COUNTY, TEXAS  
OPERATING INDICATORS BY FUNCTION  
LAST FOUR FISCAL YEARS \***

| <u>Function /Program</u>                  | <u>2006</u> | <u>2007</u> | <u>2008</u> | <u>2009</u> |
|---|-------------|-------------|-------------|-------------|
| <b>General Government</b>                 |             |             |             |             |
| <i>Tax Assessor- Collector</i>            |             |             |             |             |
| Employees                                 | 53          | 53          | 53          | 52          |
| Ad-Valorem Accounts                       | 172,782     | 181,952     | 189,520     | 187,473     |
| Motor Vehicle Registration/Licenses       | 240,369     | 251,750     | 259,329     | 257,566     |
| Number of entities for which we collect   | 34          | 32          | 35          | 35          |
| Number of Registered Voters               | 185,911     | 179,172     | 191,052     | 163,852     |
| Beer and Wine Permits                     | 921         | 2,063       | 2,254       | 899         |
| Special Inventory Tax Accounts            | 175         | 106         | 141         | 144         |
| Coin Operated Machines                    | 1,076       | 396         | 771         | 7,622       |
| <i>County Clerk</i>                       |             |             |             |             |
| Employees                                 | 55          | 59          | 60          | 60          |
| Recording Real Property and Governmental  | 89,496      | 83,986      | 78,917      | 68,733      |
| Marriage License                          | 2,320       | 2,411       | 2,260       | 1,940       |
| Assumed Names (Business Names)            | 3,218       | 2,984       | 2,758       | 3,385       |
| Number of Criminal Cases Filed            | 11,933      | 13,857      | 14,137      | 15,271      |
| New Cases filed by DA                     | -           | 12,323      | 11,653      | 12,872      |
| Appeals from Lower Courts                 | -           | 1,013       | 1,134       | 1,128       |
| Others-Motions Revoke Probation, Etc.     | -           | 521         | 361         | 387         |
| Bond Forfeitures                          | 1,074       | 1,437       | 989         | 884         |
| Number of Civil Suits Filed               | 2,028       | 2,229       | 1,730       | 1,798       |
| Number of Probate Cases Filed             | 877         | 1,415       | 810         | 748         |
| Probate Mental Health Cases filed         | 274         | 466         | 355         | 243         |
| Elections Held (County, School, Federal)  | 15          | 13          | 29          | 20          |
| <i>District Clerk</i>                     |             |             |             |             |
| Number of Employees                       | 48          | 47          | 48          | 49          |
| Civil Cases                               | 6,659       | 7,327       | 5,776       | 5,695       |
| Criminal cases                            | 4,544       | 4,544       | 4,566       | 3,908       |
| Tax Cases Processed                       | 1,092       | 1,235       | 839         | 727         |
| CPS Cases Processed                       | 154         | 157         | 102         | 101         |
| Juvenile Cases                            | 1,004       | 1,099       | 919         | 362         |
| Jurors Summoned                           | 34,563      | 55,300      | 52,900      | 63,600      |
| <i>Human Resources</i>                    |             |             |             |             |
| Applications Accepted                     | 1,609       | 1,555       | 1,348       | 1,168       |
| Positions Filled                          | 356         | 335         | 484         | 258         |
| <i>Justice of the Peace (8 precincts)</i> |             |             |             |             |
| <i>Precinct#1</i>                         |             |             |             |             |
| Number of Employees                       | 4           | 4           | 3           | 4           |
| Civil Cases Filed                         | 864         | 852         | 1,395       | 731         |
| Civil Cases Disposed                      | 804         | 693         | 1,056       | 752         |
| Civil Cases Appealed                      | 4           | 7           | 9           | 9           |
| Criminal Cases Filed                      | 2,667       | 2,499       | 2,358       | 1,235       |
| Criminal Cases Disposed                   | 1,596       | 1,778       | 1,597       | 1,031       |
| Criminal Cases Appealed                   | 10          | 15          | 13          | 18          |
| <i>Precinct#2</i>                         |             |             |             |             |
| Number of Employees                       | 3           | 3           | 3           | 3           |
| Civil Cases Filed                         | 543         | 466         | 469         | 308         |
| Civil Cases Disposed                      | 540         | 401         | 366         | 284         |
| Civil Cases Appealed                      | 13          | 14          | 16          | 6           |
| Criminal Cases Filed                      | 540         | 422         | 273         | 222         |
| Criminal Cases Disposed                   | 373         | 393         | 230         | 205         |
| Criminal Cases Appealed                   | 3           | 2           | 1           | -           |

**GALVESTON COUNTY, TEXAS  
OPERATING INDICATORS BY FUNCTION  
LAST FOUR FISCAL YEARS \***

(continued)

| <b>Function /Program</b>                       | <b>2006</b> | <b>2007</b> | <b>2008</b> | <b>2009</b> |
|--|-------------|-------------|-------------|-------------|
| <b>General Government</b>                      |             |             |             |             |
| <i>Justice of the Peace (8 precincts)</i>      |             |             |             |             |
| <i>Precinct#3</i>                              |             |             |             |             |
| Number of Employees                            | 5           | 5           | 5           | 5           |
| Civil Cases Filed                              | 488         | 689 (b)     | 612         | 630         |
| Civil Cases Disposed                           | 280         | 178         | 384         | 614         |
| Civil Cases Appealed                           | -           | -           | 6           | 6           |
| Criminal Cases Filed                           | 8,096       | 8,056       | 6,442       | 5,815       |
| Criminal Cases Disposed                        | 4,578       | 9,413       | 6,143       | 8,903       |
| Criminal Cases Appealed                        | 43          | 95          | 68          | 35          |
| <i>Precinct#4</i>                              |             |             |             |             |
| Number of Employees                            | 6           | 6           | 5           | 5           |
| Civil Cases Filed                              | 335         | 338         | 493         | 579         |
| Civil Cases Disposed                           | 303         | 274         | 489         | 514         |
| Civil Cases Appealed                           | 3           | 4           | 3           | 4           |
| Criminal Cases Filed                           | 4,470       | 4,948       | 5,280       | 4,388       |
| Criminal Cases Disposed                        | 5,592       | 5,988       | 4,615       | 4,150       |
| Criminal Cases Appealed                        | 31          | 22          | 25          | 20          |
| <i>Precinct#5</i>                              |             |             |             |             |
| Number of Employees                            | 5           | 4           | 5           | 5           |
| Civil Cases Filed                              | 602         | 676         | 915         | 911         |
| Civil Cases Disposed                           | 498         | 707         | 889         | 818         |
| Civil Cases Appealed                           | -           | 3           | -           | -           |
| Criminal Cases Filed                           | 4,518       | 5,077       | 4,537       | 3,903       |
| Criminal Cases Disposed                        | -           | 3,660       | 3,683       | 4,915       |
| Criminal Cases Appealed                        | 3           | 2           | 9           | 15          |
| <i>Precinct#7</i>                              |             |             |             |             |
| Number of Employees                            | 5           | 5           | 5           | 5           |
| Civil Cases Filed                              | 862         | 841         | 1,007       | 951         |
| Civil Cases Disposed                           | 5,144       | 715         | 897         | 828         |
| Civil Cases Appealed                           | 2           | -           | -           | -           |
| Criminal Cases Filed                           | 5,144       | 4,379       | 4,187       | 4,693       |
| Criminal Cases Disposed                        | 4,424       | 5,541       | 3,589       | 4,100       |
| Criminal Cases Appealed                        | 15          | 11          | 38          | 34          |
| <i>Precinct#8-1 &amp; 8-2 (Previously JP6)</i> |             |             |             |             |
| Number of Employees                            | 9           | 9           | 9           | 9           |
| Civil Cases Filed                              | 893         | 944         | 1,239       | 1,112       |
| Civil Cases Disposed                           | 652         | 25          | 831         | 905         |
| Civil Cases Appealed                           | 2           | 2           | 3           | 4           |
| Criminal Cases Filed                           | 8,598       | 6,448       | 5,535       | 4,896       |
| Criminal Cases Disposed                        | 5,457       | 1,001       | 6,574       | 4,924       |
| Criminal Cases Appealed                        | 28          | 1           | 44          | 53          |
| <i>Precinct#9 **</i>                           |             |             |             |             |
| Number of Employees                            | 5           | 5           | 5           | 5           |
| Civil Cases Filed                              | 38          | 65          | 47          | 24          |
| Civil Cases Disposed                           | 20          | 37          | 47          | 17          |
| Civil Cases Appealed                           | 1           | 4           | 2           | 1           |
| Criminal Cases Filed                           | 7,779       | 5,724       | 6,653       | 2,465       |
| Criminal Cases Disposed                        | 7,244       | 6,302       | 8,916       | 3,739       |
| Criminal Cases Appealed                        | 123         | 60          | 56          | 11          |
| <b>Public Safety</b>                           |             |             |             |             |
| <i>Sheriff</i>                                 |             |             |             |             |
| Number of Employees                            | 365         | 395         | 395         | 413         |
| Daily average in County Jail                   | 969         | 1,041       | 1,066       | 931         |
| Number of persons booked                       | 18,269      | 21,898      | 19,476      | 19,360      |
| Number of Civil Processes                      | 6,780       | 5,970       | 7,137       | 6,529       |

**GALVESTON COUNTY, TEXAS  
OPERATING INDICATORS BY FUNCTION  
LAST FOUR FISCAL YEARS \***

(continued)

| <u>Function /Program</u>                         | <u>2006</u>  | <u>2007</u>  | <u>2008</u> | <u>2009</u> |
|--|--------------|--------------|-------------|-------------|
| <b>Public Safety</b>                             |              |              |             |             |
| <i>Constables (8 precincts)</i>                  |              |              |             |             |
| *** Precinct#1                                   |              |              |             |             |
| Number of Employees                              | 4            | 4            | 4           | 4           |
| Civil Cases Processed                            | 4,988        | 1,781        | 1,743       | 1,472       |
| *** Precinct#2                                   |              |              |             |             |
| Number of Employees                              | 4            | 4            | 4           | 4           |
| Civil Cases Processed                            | 1,013        | 954          | 792         | 1,022       |
| *** Precinct#3                                   |              |              |             |             |
| Number of Employees                              | 5            | 6            | 6           | 6           |
| Civil Cases Processed                            | 427          | 1,517        | 2,500       | 3,500       |
| *** Precinct#4                                   |              |              |             |             |
| Number of Employees                              | 5            | 4            | 4           | 4           |
| Civil Cases Processed                            | 1,440        | 1,304        | 846         | 911         |
| *** Precinct#5                                   |              |              |             |             |
| Number of Employees                              | 4            | 4            | 4           | 4           |
| Civil Cases Processed                            | 1,400        | 2,200        | 2,046       | 2,240       |
| *** Precinct#7                                   |              |              |             |             |
| Number of Employees                              | 9            | 7            | 12          | 12          |
| Civil Cases Processed                            | 2,016        | 2,083        | 2,800       | 1,902       |
| *** Precinct#8                                   |              |              |             |             |
| Number of Employees                              | 11           | 10           | 10          | 9           |
| Civil Cases Processed                            | 1,442        | 2,148        | 2,301       | 2,036       |
| *** Precinct#9                                   |              |              |             |             |
| Number of Employees                              | 3            | 3            | 3           | 6           |
| Civil Cases Processed                            | 91           | 94           | 92          | 40          |
| <b>Road, Bridges &amp; Right-of-Way</b>          |              |              |             |             |
| <i>County Maintained Roads - Road and Bridge</i> |              |              |             |             |
| <i>(Lane Road Miles)</i>                         |              |              |             |             |
| Precinct 1                                       | 213.76 miles | 211.57 miles | 199.2 miles | 199.2 miles |
| Precinct 2                                       | 126.95 miles | 118.35 miles | 104.4 miles | 104.4 miles |
| Precinct 3                                       | 21.93 miles  | 21.02 miles  | 20.5 miles  | 20.5 miles  |
| Precinct 4                                       | 6.22 miles   | 6.06 miles   | 5.10 miles  | 5.10 miles  |
| <b>Health and Social Services</b>                |              |              |             |             |
| Community Services                               |              |              |             |             |
| Community Clinics                                | 2            | 2            | 2           | 2           |
| Employees' CareHere! Clinics                     | -            | 2            | 2           | 2           |
| <b>Culture and Recreation</b>                    |              |              |             |             |
| County Parks Department                          |              |              |             |             |
| Park Permits Approved                            | 412(a)       | 623(a)       | 986         | 965         |
| Festival & Special Events Hosted                 | 22(a)        | 25(a)        | 11          | 11          |
| Vehicle Permits Sold (a)                         | -            | 22,059       | 30,880      | 14,985 (c)  |
| Golf Permits Sold (a)                            | -            | 1,606        | 2,192       | 1,496 (c)   |

Sources: Various county departments; Texas State Courts Website: [www.courts.state.tx.us/courts/jp.asp](http://www.courts.state.tx.us/courts/jp.asp)

\* Data prior to fiscal year 2006 is unavailable.

\*\* In January 3, 2009, an order of renumbering Justice Precinct 9 as Justice Precinct 6 takes effect under Article 5, Section 18(a) of the Texas Constitution.

\*\*\*The figures provided by the Constables Precinct 1 - 9 were the total count for various cases/warrants processed

(a) Parks Department have created the Bolivar Beach Parking Sticker Program in 2007 which issues permits to park on Bolivar Peninsula beaches.

(b) Updated figure for Precinct#3 Civil Cases Filed in 2007 .

(c) 2009 numbers are post Hurricane Ike.



This page left intentionally blank.

**GALVESTON COUNTY, TEXAS**  
**COUNTY AUDITOR'S OFFICE PERSONNEL**

March, 2010

*Cliff Billingsley, BS, MPA, CPA*  
*County Auditor*

*Rolando (Ron) Chapa, BBA, CPA*  
*First Assistant County Auditor - Director of Auditing*

*Freeman D. Mendell, BA, MA, CISA*  
*First Assistant County Auditor - Director of I.T. Systems*

*Jeffrey P. Modzelewski, BA, MA, MBA, CPA*  
*First Assistant County Auditor - Director of Accounting*

|  |   |
|--|---|
| <i>Michael Allison, BBA.....</i>             | <i>Internal Audit Supervisor</i>                |
| <i>L. Susan Black, BBA, CPA.....</i>         | <i>Chief Accountant</i>                         |
| <i>Jason (Jun) Calzada, BA, BS, CPA.....</i> | <i>Accounting Supervisor</i>                    |
| <i>Ana de Leon.....</i>                      | <i>Senior Accounts Payable Technician</i>       |
| <i>E. (Suzie) Dover.....</i>                 | <i>Administrative Coordinator</i>               |
| <i>Jennifer Trigo, AA, BS.....</i>           | <i>Accounting Technician</i>                    |
| <i>Sylvia Friedsam.....</i>                  | <i>Payroll Audit Manager</i>                    |
| <i>Rebecca Galloway.....</i>                 | <i>Administrative Clerk</i>                     |
| <i>Michael Guffey, AA, BA, MPA, CFE.....</i> | <i>Internal Auditor II</i>                      |
| <i>Sharron Irvine.....</i>                   | <i>Accounts Payable Technician</i>              |
| <i>Kristin Lee.....</i>                      | <i>I.T. Systems Technician</i>                  |
| <i>Travis Leopulos, AA.....</i>              | <i>Internal Auditor Technician</i>              |
| <i>Diane Manning, MS, CISA.....</i>          | <i>Financial System &amp; Report Specialist</i> |
| <i>Lori McWhirter, BS.....</i>               | <i>Internal Auditor I</i>                       |
| <i>Mindi Ortiz.....</i>                      | <i>Accountant I</i>                             |
| <i>Jocelyn (Jojo) Paz, AS.....</i>           | <i>Accountant III</i>                           |
| <i>Norma Pimentel, AS.....</i>               | <i>Accountant II</i>                            |
| <i>Tony L. Pompa, BBA.....</i>               | <i>Accountant I</i>                             |
| <i>Maria Juanita Ramirez.....</i>            | <i>Accounts Payable Specialist</i>              |
| <i>Kristin Rother, BBA.....</i>              | <i>Internal Auditor I</i>                       |
| <i>John Sanchez, Jr., AS, BS.....</i>        | <i>Accounting Supervisor</i>                    |
| <i>Troy Springer, BS.....</i>                | <i>Accountant IV</i>                            |
| <i>Katherine Seidl-Smith, BS.....</i>        | <i>Accountant III</i>                           |
| <i>Rosemary Trevino.....</i>                 | <i>Accountant II</i>                            |
| <i>Dianora L.Vargas.....</i>                 | <i>Accounts Payable Supervisor</i>              |
| <i>Yun Yap, BS.....</i>                      | <i>Internal Auditor I</i>                       |

# GALVESTON COUNTY, TEXAS COUNTY AUDITOR'S OFFICE PERSONNEL - ORGANIZATIONAL CHART MARCH, 2010

