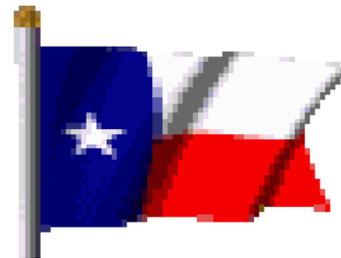
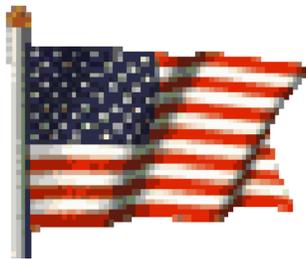
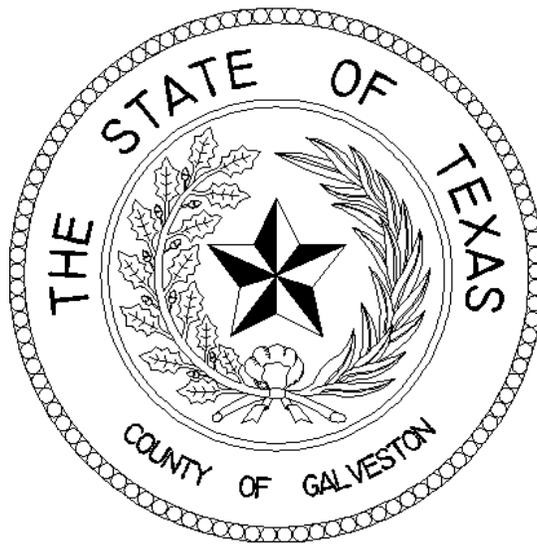


# **Galveston County, Texas**

## **COMPREHENSIVE**

### **ANNUAL FINANCIAL REPORT**



**FOR THE FISCAL YEAR ENDED**  
**SEPTEMBER 30, 2011**



GALVESTON COUNTY, TEXAS  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
For the fiscal year ended  
September 30, 2011

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



Galveston County, Texas  
 Comprehensive Annual Financial Report  
 For the Fiscal Year Ended September 30, 2011

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**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**

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

March 30, 2012

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:

Mark A. Henry, County Judge  
Patrick Doyle, Commissioner - Precinct 1  
Kevin D. O' Brien, 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, 2011.

#### 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, 2011, 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, 2011, 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. Appfel 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 Texas Seaport Museum, 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.

In Clear Lake City, in southern Harris County about mid-way between the Island and Houston, 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 catastrophic Hurricane Ike made landfall on eastern Galveston Island. Particularly hard-hit were the Island, Bolivar Peninsula and mainland communities bordering the bay. Despite this devastation, the region has recovered significantly in the intervening years, as indeed it has done a number of times throughout its long history after suffering the wrath of Mother Nature.

### **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 million in long-term debt for capital outlay, comprising \$75 million of road bonds, \$45 million of building bonds and \$15 million of flood-control bonds. Except for \$5.785 million of the flood-control bonds, this debt is “Build America Bonds,” obligations sold in compliance with a federal program which reimburses issuers for 35% of the interest they pay on such bonds.

The county collaborates 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 at least 3% by so doing. The county last issued refunding bonds in November 2011, to defease \$11.7 million of outstanding principal. A subsequent issuance to refund an estimated \$65.4 million in outstanding bonds is anticipated to close at the end of March, 2012.

At September 30, 2011, the county’s outstanding bonded debt, including cumulative accretion, totaled \$356,892,109. During that fiscal year then ended, the county paid \$15,620,000 in principal and \$14,815,671 in interest. The county maintains an “AA+” rating from Fitch Ratings and an “Aa1” 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, 2011, the county recognized 394 retirees, 141 of whom were eligible for full health-insurance coverage and 253 of whom received reduced Medicare-supplement insurance. In the fiscal year ended September 30, 2009, the county implemented Governmental Accounting Standards Board Statement 45, which set forth new rules for the accounting for post-employment benefits other than pensions, or “OPEB.” Under previous GAAP, the county recorded OPEB expense on a “pay-as-you-go” basis. It now recognizes an actuarially determined portion of that expense annually, as it is deemed to be incurred as a result of employee service. Additional information about the county’s post-employment benefits can be found in Notes IV.G. - H. to the Financial Statements on pages 76-81 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, 2011, the county earned \$2,138,022 in interest, \$175,153 of that from investments and \$1,962,869 from deposits. More information about the county’s deposits and investments can be found in Note III.A. to the Financial Statements on pages 61-63 of this report.

## **Major initiatives.**

### *Roads*

- **PASS-THROUGH TOLL ROAD** - In August 2007 the county issued \$48.3 million of bonds for the two-phase construction of a pass-through toll road on the Mainland. It is expected that most of the debt service will be funded by subsidies received from the Texas Department of Transportation (“TXDOT”) based upon vehicular usage of the thoroughfare. Phase I of II of the project was completed in June 2010 at a cost of approximately \$20 million; some \$6.8 million of subsidies has been received to date through December 31, 2011. Construction on phase II of II is under way and expected to be completed in 2013 at an estimated cost of \$25 million, with the corresponding TXDOT subsidies beginning late in that calendar year.
- **MISCELLANEOUS PROJECTS** - In September 2009 the county issued \$75 million of bonds for road work. Of thirty-nine major projects identified, approximately 85% are currently under construction or already complete, with most of the remainder in their design phases. The projects involve both unincorporated areas of Galveston County as well as nearly all of the county’s municipalities.

### *Flood Control*

In September 2009 the county issued \$15 million of bonds for flood-control work. Of the four major projects identified, three are complete: the clearing of Dickinson Bayou, the Dickinson Bayou regional detention basin, and the FM 646 storm-sewer outfalls in San Leon. These three projects combined were allocated \$5 million of the \$15 million bond issue. The largest of the four projects, the Mud Gully detention basin on Clear Creek, will be a joint project of Galveston and Harris Counties projected to cost the two entities \$10 and \$20 million, respectively; the inter-local agreement was approved by Commissioners Court in early December, 2011, and Harris County is beginning the design work.

### *Marine Navigation*

After ten years of design and funding efforts, the widening of the passage under the Galveston causeway railroad bridge is in progress. The clearance will be increased from the current 105 to 300 feet, greatly improving nautical safety. The county built the bridge in 1909 and leases it to the Burlington Northern and Santa Fe Railroad (“BNSF”). The project is projected to cost \$88 million, with the United States Coast Guard expected to pay all but some \$3.2 million of that total. The remainder of the cost is to be shared among BNSF, the City of Galveston, the Galveston Wharves, and the county; of these four entities, BNSF will contribute the largest portion. The project is expected to be completed in mid-2012.

### *Land*

In October 2011, the county closed on the sale of some of its unneeded land in Galveston located between the Galveston County Justice Center and Broadway. Approximately ten acres changed hands for a total net sale price of nearly \$3 million. As a condition of the sale, the buyer, nationwide home-improvement retailer Lowe’s, was obligated to begin construction of a store within four months of the closing, and to complete that construction by two years thereafter. In the autumn of 2011 Lowe’s acknowledged that its assessment of poor current local economic conditions would delay the project’s start; in early 2012 the Commissioners Court voted to extend the original work deadlines.

### *Technology*

A major upgrade of the county’s IFAS financial and administrative software to v. 7i was completed in the fiscal year ended September 30, 2011. Two significant projects are scheduled to begin in the subsequent fiscal year. One will continue the aforementioned upgrade, this time from v. 7i to One Solution v. 10.x; the other will transfer the IFAS database from an Informix to an SQL platform.

### *Facilities*

- MID-COUNTY ANNEX - Construction on the Mid-County Annex, the former Wal-Mart on Emmett F. Lowery Expressway in Texas City, is scheduled to be completed in February 2012. About 75% of the building will be occupied by the administrative offices of the Galveston County Health District and the Mainland health clinics, their move-ins expected to occur in March and April 2012. The Galveston Central Appraisal District leases the other 25% percent of the building, which it occupied in November 2011.
- FORMER NORTH JAIL - The county expects to remodel the entire former north jail at 715 19<sup>th</sup> Street in Galveston for records storage for the court system, the District Attorney's Office, and perhaps for other departments. The commencement of Hurricane Ike mitigation and the subsequent renovations must await the completion of an environmental assessment by FEMA. This project is closely tied to, and will run concurrently with, the Courthouse Annex project discussed in the following bullet point.
- COURTHOUSE ANNEX – The damage to this building caused by Hurricane Ike in September 2008 has not yet been repaired. The plans for so doing include: installing a new elevator; relocating electrical and air-conditioning service to the second floor to minimize harm from future floods; replacing the first floor's interior partitions and embedded electrical circuitry; and restoring structural finishes to pre-Ike condition. There are at present no specific plans for usage of the second floor; Juvenile Justice personnel will eventually reoccupy most of the building's first floor.
- LLEWELYN BUILDING - The eastern portion of the Llewelyn Building was reoccupied after Hurricane Ike, but permanent electrical service has not yet been installed, some broken glass remains to be repaired, the building's exterior and lot require cleaning, and minor additions to the structure, such as entrance attachments, are to be removed. The start of reconstruction of the western portion of the building awaits the selection of a Construction Manager; when completed in late 2012, that space will house the Galveston CareHere! Clinic.
- MID-COUNTY LAW-ENFORCEMENT BUILDING - The county is considering the construction of a law-enforcement building on FM 646 adjacent to the Emergency Management Building. The project has not advanced past preliminary discussions with the City of League City.
- COUNTY HISTORICAL MUSEUM - The City National Bank Building, which formerly housed the Galveston County Historical Museum, remains empty since being damaged by Hurricane Ike and would require substantial repairs prior to reoccupation. The Mary Moody Northen Endowment donated the use of the building to the county in 1984 and is considering, as allowed by the terms of that donation, repossessing the facility.
- ANIMAL RESOURCE CENTER – The proceeds of a 2008 bond issuance are funding this \$5.5 million project in Texas City. The project comprises the renovation of an existing building and the construction of a major addition; the former is under way and scheduled for completion in March 2012, while the latter was completed in the summer of 2011 and opened that September.
- FIRE/E.M.S. STATIONS – Monies for the following four projects – the first three on Bolivar Peninsula, the last on the Mainland – were provided by the first round of Community Development Block Grant stimulus funding released after Hurricane Ike.
  - CRYSTAL BEACH FIRE/E.M.S. STATION – Construction is under way and expected to be completed in calendar-year 2012.
  - PORT BOLIVAR FIRE/E.M.S. STATION – Its design phase already completed, this project will be bid as soon as a property-ownership matter has been resolved.

- HIGH ISLAND FIRE/E.M.S. STATION - The site originally selected for this building was later deemed to be part of a protected wetland area. Work on the project has been postponed pending a redefinition of its purpose and the selection of a viable location.
- SAN LEON VOLUNTEER FIRE DEPARTMENT STATION – Construction on this \$800,000 project is under way and scheduled for completion in calendar-year 2012.

## 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, 2010. This was the fourteenth 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 contributed to and assisted with 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, 2010

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.



*Linda C. Sandson*

President

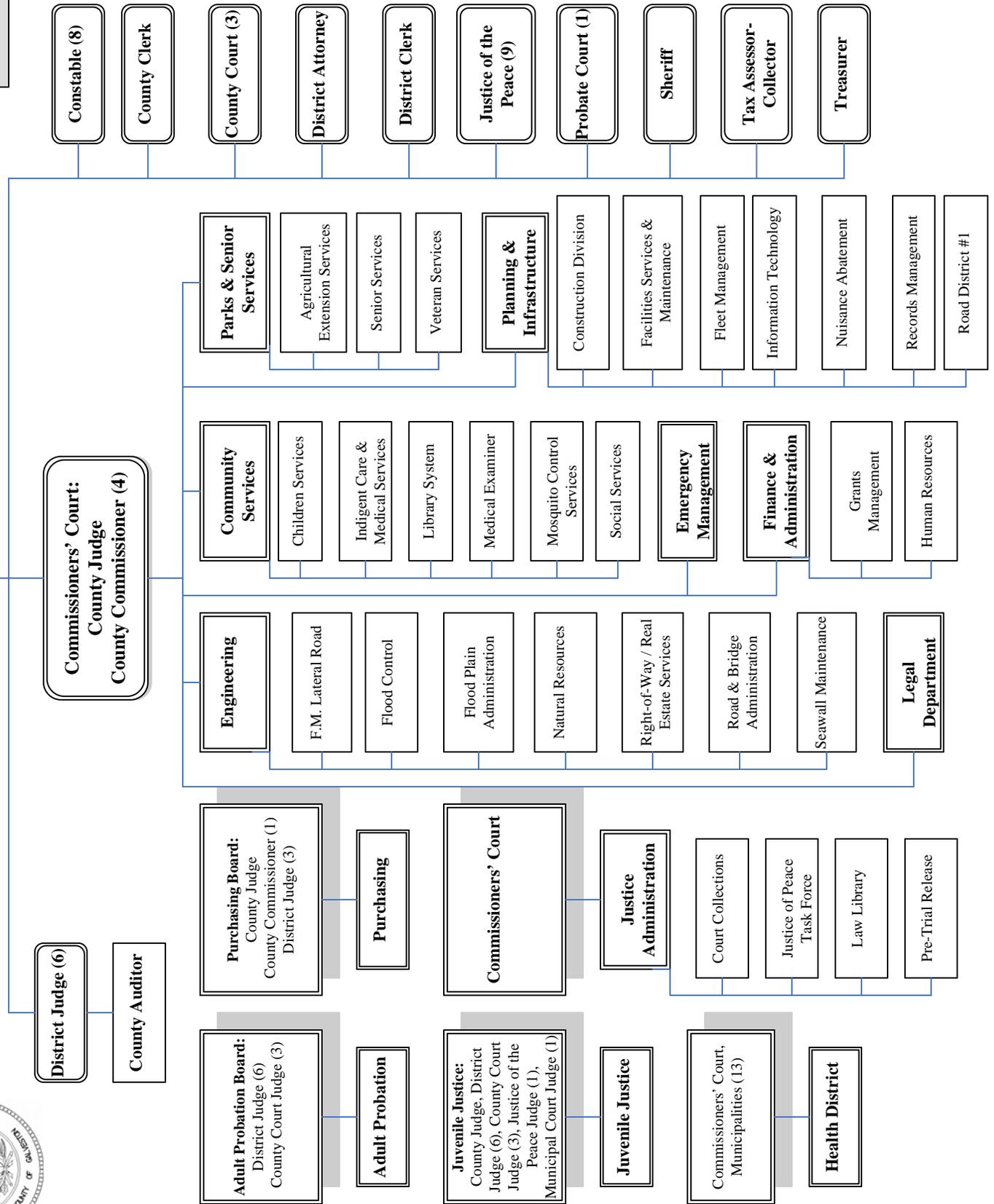
*Jeffrey R. Enser*

Executive Director



# Galveston County Citizens

## Galveston County Organizational Chart



**GALVESTON COUNTY, TEXAS**  
**LIST OF ELECTED AND APPOINTED OFFICIALS**  
**March 31, 2012**

<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>Mark Henry</i>	<i>County Judge</i>
<i>Patrick Doyle</i>	<i>County Commissioner, Precinct 1</i>
<i>Kevin O'Brien</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>Dwight Sullivan</i>	<i>County Clerk</i>
<i>Jack Roady</i>	<i>Criminal District Attorney</i>
<i>Jason Murray</i>	<i>District Clerk</i>
<i>John Grady</i>	<i>Judge, County Court-at-Law 1</i>
<i>Barbara Roberts</i>	<i>Judge, County Court-at-Law 2</i>
<i>Christopher Dupuy</i>	<i>Judge, County Court-at-Law 3</i>
<i>Kim Sullivan</i>	<i>Judge, Probate Court</i>
<i>Rufus G. Crowder</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>



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## Independent Auditors' Report

To the Honorable Mark Henry, County Judge  
and Members of the Commissioners Court  
Galveston County, Texas

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Galveston County, Texas (the "County"), as of and for the year ended September 30, 2011, 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, 2011, 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 Mark Henry, 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, 2012, 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 Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - HMGP - Ike Special Revenue Fund, Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - CDBG Housing Program - Special Revenue Fund, Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Disaster Recovery VI - Ike Special Revenue 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 combined, combining and individual nonmajor fund information and other supplementary information, as listed in the table of contents, 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, 2012

## 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, 2011. 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, 2011, the county's assets of \$518,187,497 exceeded its liabilities of \$441,265,800 by \$76,921,697 ("net assets"), a decrease of \$22,993,941 in net assets from September 30, 2010.
- Of these net assets of \$76,921,697, \$102,409,810 is invested in capital assets (net of related debt), \$13,883,240 is restricted for specific uses, and \$(39,371,353) is unrestricted.
- Of the liabilities of \$441,265,800, \$362,206,651 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 issued in prior years (the county issued no bonded debt in the year ended September 30, 2011).
- The county's expenses of \$336,262,711 exceeded its revenues of \$313,268,770 by \$22,993,941 in this same fiscal year.
- Of these revenues of \$313,268,770, program revenues, such as grant revenues and charges for services, contributed \$188,609,736, while general revenues, such as ad valorem taxes, contributed \$124,659,034.

### 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 one hundred 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 seven funds, all of which are considered to be “major” funds:

- the General Fund
- the HMGP (“Hazard Mitigation Grant Program”) – Ike Special Revenue Grant Fund
- the CDBG (“Community Development Block Grant”) Housing Program Special Revenue Grant Fund
- the Disaster Recovery VI - Ike Special Revenue Grant Fund
- the Limited Tax County Building Bonds Series 2009B Capital Projects Fund
- the Unlimited Tax Road Bonds Series 2009A Capital Projects Fund
- the Galveston Causeway Railroad Bridge 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 \$76,921,697 at the close of the fiscal year ended September 30, 2011.

By far the largest portion of the county’s net assets, \$102,409,810, 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 \$13,883,240 of the county’s net assets is subject to external restrictions. The remainder, (\$39,371,353), is unrestricted. Unrestricted net assets may be negative when entities incur long-term liabilities which are not offset by corresponding assets - for example, when a county issues long-term

bonds to finance non-county-road construction, or when it covers post-retirement benefits on a pay-as-you-go basis rather than advance-funding such costs in a trust account.

The county’s net assets decreased by \$22,993,941 (23.29%) during the fiscal year ended September 30, 2011. Underlying revenues increased by \$72,048,820 (29.87%), while underlying expenses increased by \$65,421,765 (24.16%). 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:

- \$45.9 million of funding by other entities of the Galveston Causeway Railroad Bridge project; and
- \$32.6 million of Community Development Block Grant (“CDBG”) Housing Program funding for reconstruction of owner-occupied homes damaged in Hurricane Ike.

The key factors in the expense growth include:

- \$45.4 million for the Galveston Causeway Railroad Bridge project; and
- \$32.6 million for home reconstruction and rehabilitation through the CDBG Housing Program.

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.

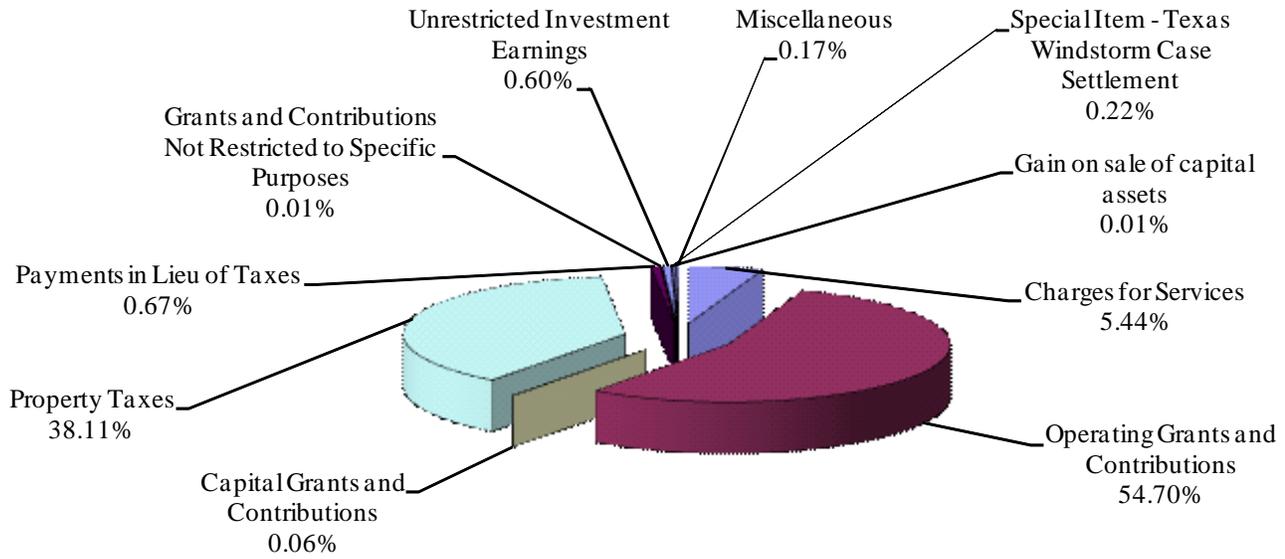
**COUNTY OF GALVESTON, TEXAS**  
**Net Assets**

	<u>2011</u>	<u>2010</u>
Current and Other Assets	\$ 246,004,569	\$ 292,702,129
Capital Assets	272,182,928	252,176,036
Total Assets	<u>518,187,497</u>	<u>544,878,165</u>
Long-Term Liabilities Outstanding	362,206,651	371,600,519
Other Liabilities	79,059,149	74,553,329
Total Liabilities	<u>441,265,800</u>	<u>446,153,848</u>
Net Assets:		
Invested in Capital Assets, Net of Related Debt	102,409,810	97,414,848
Restricted	13,883,240	9,901,782
Unrestricted	(39,371,353)	(8,592,313)
Total Net Assets	<u>\$ 76,921,697</u>	<u>\$ 98,724,317</u>

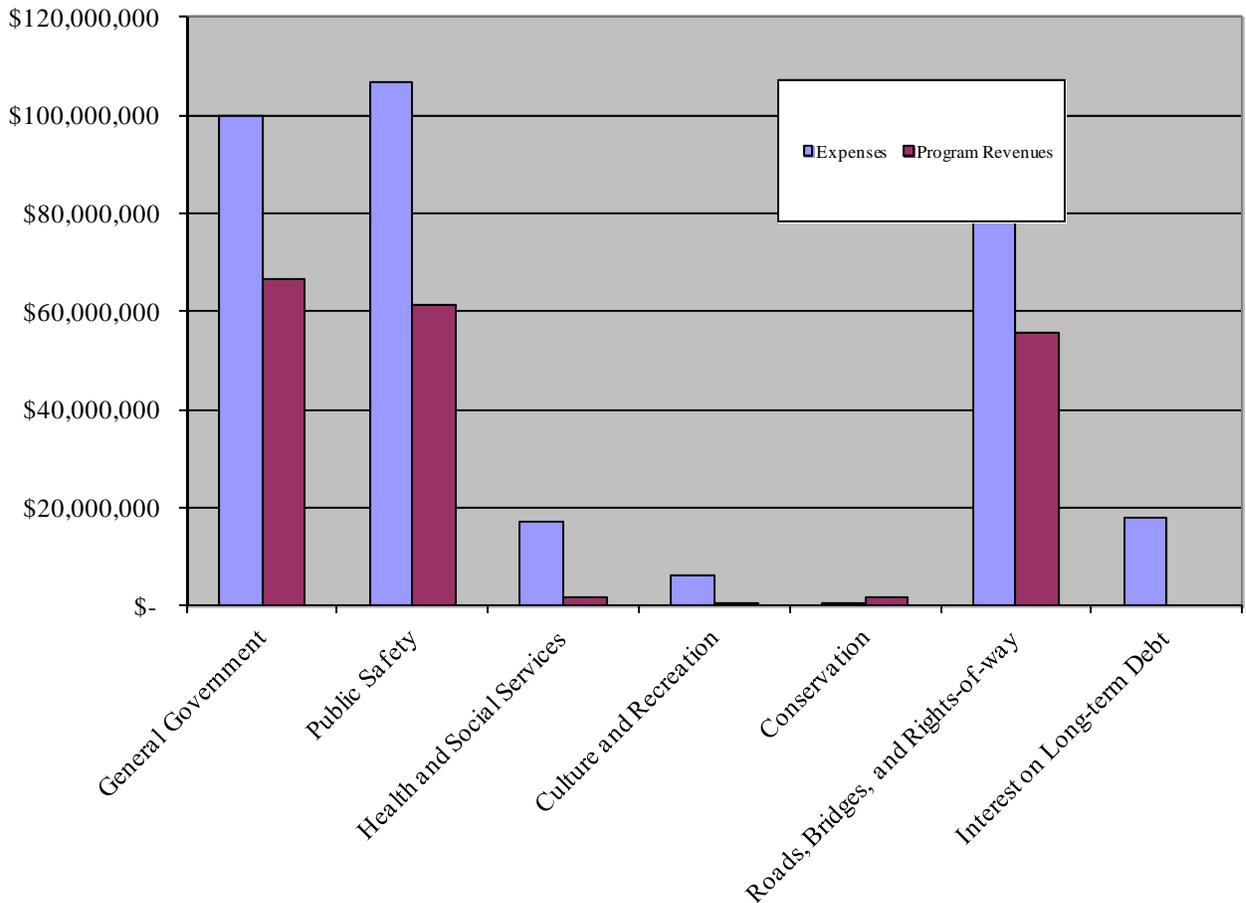
**COUNTY OF GALVESTON, TEXAS**  
**Changes in Net Assets**

	<u>2011</u>	<u>2010</u>
Revenues:		
Program Revenues:		
Charges for Services	\$ 17,033,797	\$ 19,505,769
Operating Grants and Contributions	171,372,833	100,735,391
Capital Grants and Contributions	203,106	72,877
General Revenues:		
Property Taxes	119,396,970	116,653,157
Payments in Lieu of Taxes	2,101,399	1,764,286
Grants and Contributions Not Restricted to Specific Purposes	18,100	-
Unrestricted Investment Earnings	1,878,100	2,426,253
Gain on Sale of Assets	35,605	-
Miscellaneous	533,110	62,217
Special Item - Texas Windstorm Case Settlement	695,750	-
Total Revenues	313,268,770	241,219,950
Expenses:		
General Government	100,080,954	63,394,338
Public Safety	106,659,615	122,789,615
Sanitation	-	97,099
Health and Social Services	17,037,518	18,756,848
Culture and Recreation	6,181,346	6,521,901
Conservation	492,485	546,310
Roads, Bridges, and Rights-of-way	87,813,896	40,389,886
Interest on Long-term Debt	17,996,897	18,344,949
Total Expenses	336,262,711	270,840,946
Increase (Decrease) in Net Assets	(22,993,941)	(29,620,996)
Net Assets - Beginning	98,724,317	128,345,313
Prior Period Adjustments	1,191,321	-
Net Assets - Ending	\$ 76,921,697	\$ 98,724,317

### 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, spendable, unrestricted fund balance might serve as a useful measure of the county's net resources available for spending at fiscal year-end.

At September 30, 2011, the county's Governmental Funds reported a combined ending fund balance of \$166,982,629, a decrease of \$49,085,390 from September 30, 2010. A small portion of that amount, 0.64% or \$1,062,192, is non-spendable because it is in the form of inventories and prepaid assets. Some 77.94% or \$130,150,020 of the fund balance is not available for spending at the government's discretion because it is restricted by external constraints (e.g., debt covenants, grantor requirements, and enabling legislation).

The remaining 21.42%, or \$35,770,417, of fund balance is available for new spending. Of that amount, 5.47%, or \$9,125,699, is classified as "assigned," i.e., tentatively earmarked for specific uses, as follows:

- Indigent defense, \$950,579 ;
- Self-insurance, \$1,500,000 ;
- Contingent liabilities, \$1,000,000 ;
- Disaster protection, \$2,500,000 ; and
- Other construction projects, \$3,175,120 .

The final 15.96%, or \$26,644,718, of fund balance is classified as "unassigned" and available for any use.

The General Fund is the county's chief operating fund. At September 30, 2011, the General Fund's unassigned fund balance totaled \$26,644,718; its total fund balance increased during the year then ended by \$2,481,273, to \$32,862,558. As a measure of the General Fund's liquidity, it might be useful to compare both its unassigned and total fund balances to its total expenditures. The General Fund's unassigned fund balance and total fund balance represent 27.5% and 33.9%, respectively, of its total expenditures for the fiscal year ended September 30, 2011.

The decrease in the General Fund's unassigned fund balance is primarily due to the reclassification of \$5 million to assigned fund balance for possible expenditures for self-insurance, disaster protection, and contingent liabilities.

Three of the county's capital-projects funds qualified as major funds at September 30, 2011. 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 \$15,765,035. This 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. These projects were funded by a dedicated bond issue.
- The Unlimited Tax Road Bonds Series 2009A Capital Projects Fund has a fund balance of \$35,698,040. This fund was created in the fiscal year ended September 30, 2009, to account for the financial resources used to construct, purchase, maintain and/or operate macadamized, graveled and paved roads and turnpikes, and to pay for professional services rendered in connection with the aforementioned projects. These projects were also funded by a dedicated bond issue.

- The Galveston Causeway Railroad Bridge Project Fund has a fund balance of \$260,022. This fund was created in the fiscal year ended September 30, 2005, pursuant to an order issued by the U.S. Coast Guard that required the alteration of the existing railroad bridge to eliminate obstructions that its configuration posed to free navigation. The federal government will bear 95.5% of the cost, and the remainder will be paid by the Burlington Northern & Santa Fe Railroad (3.075%); the City of Galveston (0.516%); the Port of Galveston (0.516%); and Galveston County (0.393%).

The aggregate fund balance of the non-major capital-projects funds decreased by \$7,600,837 as expenditures continued on several park, building, and road projects with no new capital-destined bonded debt issued.

The aggregate fund balance of debt-service funds increased by \$1,567,336 as no new debt was issued and scheduled principal payments were made timely.

The HMGP (“Hazard Mitigation Grant Program”) – Ike Special Revenue Grant Fund is a major fund with a fund balance at September 30, 2011, of \$0. This fund administers monies from the Federal Emergency Management Agency, via the Texas Department of Emergency Management, for buy-outs of, and elevation projects for, homes impacted by Hurricane Ike in September, 2008.

The CDBG (“Community Development Block Grant”) Housing Program Special Revenue Grant Fund is a major fund with a fund balance at September 30, 2011, of \$0. This fund provides financial assistance to “extremely low-,” “very low-,” and “low-income” households for the rehabilitation of homes, or for the construction of replacement homes, necessitated by Hurricanes Dolly and/or Ike in September, 2008.

The Disaster Recovery VI - Ike Special Revenue Grant Fund is a major fund with a fund balance at September 30, 2011, of \$282,473. This fund was created pursuant to a presidential disaster declaration awarded the county on September 10, 2008, three days before Hurricane Ike made landfall on Galveston Island. FEMA allocated funding for the approved recovery projects, which primarily involve remediation and reconstruction of county facilities.

The aggregate fund balance of the non-major special-revenue funds decreased by \$6,677,312 due to a combination of revenue decreases and expenditure increases. For example, tax revenues decreased in the Road and Bridge and the Flood Control Funds by \$1,519,182 and \$418,779, respectively, while expenditures for roads, bridges, and rights-of-way in the Road and Bridge Fund increased by \$1,711,362.

### **General Fund Budgetary Highlights**

The final amended General Fund expenditures budget of \$103,902,534 was \$2,260,788 greater than the original budget of \$101,641,746. The increase was primarily due to:

- the continued growth of the cost of indigent defense in the Justice Administration Department;
- a transfer from the County Capital Projects Fund to finance temporary positions in the Office of the District Clerk dedicated to the retroactive scanning of documents and the implementation of Odyssey software;
- the rise in Group Health Insurance expenditures due to the large increase in the number of retirees and their dependents; and
- a change in the county’s contribution percentage for the TCDRS retirement plan from 150% to 200%.

During the year, both actual revenues and actual expenditures were less than final budgeted amounts by \$695,231 and \$7,019,033, respectively.

The negative variance in revenues is mainly attributable to:

- greater reimbursements than anticipated to various TIRZs, the majority of which were disbursed to TIRZ 11 and TIRZ 14 in Galveston and TIRZ 2 in League City;
- less received than expected in payments for fines and forfeitures in the Offices of the County and District Clerks.

The positive variance in expenditures is attributable in part to:

- a county-wide policy to leave vacated positions unfilled for four payroll periods unless an exemption is requested of, and approved by, Commissioners' Court;
- an anticipated ad valorem tax refund that did not materialize;
- less juror costs than expected;
- a delay in a software implementation that deferred planned spending; and
- less professional-services costs in the Parks Department than anticipated.

### **Capital Asset and Debt Administration**

#### Capital Assets

The county's investment in capital assets at September 30, 2011, net of accumulated depreciation, totaled \$272,182,928, an increase of \$20,006,892 (7.9%). Capital assets are classified as land, infrastructure, buildings and improvements, machinery and equipment, improvements other than buildings, construction in progress, and intangibles. The increase in the investment in capital assets occurred largely in the construction-in-progress asset class. The majority of the expenses, \$15,746,370, can be attributed to remodeling of the Mid-County Annex, which now houses the Galveston Central Appraisal District, as well as the Health District. An additional \$4,972,329 was spent on continued construction of the Animal Resource Center.

During the year, other improvements to various county facilities continued. Completed was the Agriculture Extension Building at Carbide Park, classified as construction in progress at last fiscal year-end. This project was transferred from construction in progress to the buildings-and-improvements asset class. With the completion of Jack Brooks Park parking-lot improvements, the related expenses were reclassified to the improvements-other-than-buildings asset class. In addition, various county road improvements were also completed and reclassified as infrastructure. At September 30, 2011, construction in progress related to buildings, improvements other than buildings, and infrastructure totaled \$20,897,234, \$449,441, and \$7,290,283, respectively.

### **COUNTY OF GALVESTON, TEXAS**

#### **Capital Assets (Net of Depreciation)**

**At September 30, 2011 and 2010**

	<u>2011</u>	<u>2010</u>
Land	\$ 33,225,943	\$ 32,770,529
Infrastructure	66,135,947	64,714,095
Buildings and Improvements	129,739,939	135,131,736
Machinery and Equipment	11,933,737	12,166,926
Improvements Other than Buildings	2,510,404	752,095
Construction in Progress	28,636,958	6,640,655
Total	\$ 272,182,928	\$ 252,176,036

Additional information on the county’s capital assets is found in Note III.C. to the Financial Statements on pages 65-67 of this report.

Debt Administration

At September 30, 2011, the county’s outstanding bonded debt, including cumulative accretion, totaled \$356,892,109, comprising \$12,715,000 in certificates of obligation and \$344,177,109 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, 2011 and 2010**

	<u>2011</u>	<u>2010</u>
Certificates of Obligation	\$ 12,715,000	\$ 15,910,000
General Obligation Bonds	344,177,109	354,270,713
Total	\$ 356,892,109	\$ 370,180,713

The county’s outstanding bonded debt decreased by 3.59% (\$13,288,604) net during the fiscal year ended September 30, 2011. Current-year accretion of capital-appreciation bonds added \$2,331,396 to the balance, but scheduled principal payments reduced it by \$15,620,000. The county maintains an “AA+” rating from Fitch Ratings and an “Aa1” 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 \$1,231,928,000, 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 \$5,469,068,000, which also significantly exceeds the amount of the county’s outstanding unlimited tax road bonds, including the cumulative accretion on capital-appreciation series.

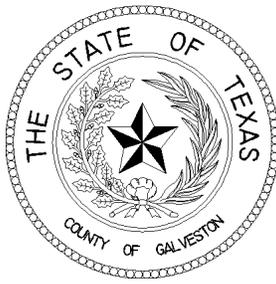
Additional information concerning the county’s long-term debt can be found in Note III.F. to the Financial Statements on pages 70-73 of this report.

**Next Year’s Budgets and Rates**

During the fiscal year ended September 30, 2011, the General Fund’s unassigned fund balance decreased to \$26,644,718. The county has appropriated \$17,359,912 of the General Fund unassigned fund balance in its expenditure budget for the fiscal year ending September 30, 2012. The county has also earmarked \$5,962,579 of the unassigned fund balance for self-insurance, disaster protection, indigent defense, 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.



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# Basic Financial Statements

**GALVESTON COUNTY, TEXAS**  
**STATEMENT OF NET ASSETS**  
**September 30, 2011**

	<b>Governmental Activities</b>	<b>Component Unit</b>
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 159,870,010	\$ 5,086,571
Investments	-	91,366
Receivables (Net of Allowances for Uncollectibles):		
Taxes	11,264,041	-
Accounts and Other	68,260,367	3,151,467
Inventories	790,553	66,203
Prepaid Expenses	478,570	144,081
Deferred Charges	3,696,370	-
Restricted Assets:		
Cash and Cash Equivalents	1,644,658	-
Capital Assets (Net of Accumulated Depreciation):		
Land	33,225,943	-
Infrastructure	66,135,947	-
Buildings and Improvements	129,739,939	173,054
Machinery and Equipment	11,933,737	1,119,605
Improvements Other Than Buildings	2,510,404	1,015,775
Construction in Progress	28,636,958	-
<b>Total assets</b>	<b>518,187,497</b>	<b>10,848,122</b>
<b>LIABILITIES</b>		
Accounts Payable	32,085,956	1,057,411
Salaries Payable	3,116,260	-
Accrued Interest Payable	2,863,752	-
Retainage Payable	6,737,635	-
Estimated Liability - Claims and Judgements	2,749,500	-
Due to Others	2,733,290	212,951
Payable from Restricted Assets:		
Escrow Deposits	673,000	-
Unearned Revenues	9,963,785	2,206,342
Long-term liabilities:		
Due within one year	18,135,971	82,317
Due in more than one year	362,206,651	671,705
<b>Total liabilities</b>	<b>441,265,800</b>	<b>4,230,726</b>
<b>NET ASSETS</b>		
Invested in capital assets, net of related debt	102,409,810	2,121,117
Restricted for:		
Grants	787,209	-
Debt Service	9,920,911	-
Clinic Operations	-	1,486,380
Other	260,022	-
Capital projects	2,915,098	-
Unrestricted	(39,371,353)	3,009,899
<b>Total net assets</b>	<b>\$ 76,921,697</b>	<b>\$ 6,617,396</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, 2011

Functions/Programs Primary Government	Net (Expense) Revenue and Changes in Net Assets					
	Program Revenues		Primary Government		Component Unit	
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities		Total
Governmental Activities						
General Government	\$ 100,080,954	\$ 14,120,589	\$ 52,395,047	\$ 203,106	\$ (33,362,212)	\$ -
Public Safety	106,659,615	1,884,349	59,637,015	-	(45,138,251)	-
Health and Social Services	17,037,518	-	1,934,083	-	(15,103,435)	-
Culture and Recreation	6,181,346	475,777	218,109	-	(5,487,460)	-
Conservation	492,485	-	1,980,399	-	1,487,914	-
Roads, Bridges, and Rights-of-way	87,813,896	553,082	55,208,180	-	(32,052,634)	-
Interest on Long-term Debt	17,996,897	-	-	-	(17,996,897)	-
<b>Total governmental activities</b>	<u>\$ 336,262,711</u>	<u>\$ 17,033,797</u>	<u>\$ 171,372,833</u>	<u>\$ 203,106</u>	<u>\$ (147,652,975)</u>	<u>\$ -</u>
<b>Component Unit</b>						
Galveston County Health District	\$ 22,739,078	\$ 8,316,465	\$ 5,841,646	\$ -	\$ 91,863,396	\$ (8,580,967)
General revenues:						
Taxes:						
Property taxes, levied for general purposes					91,863,396	-
Property taxes, levied for debt service					27,533,574	-
Payments in lieu of taxes					2,101,399	-
Grants and contributions not restricted to specific programs					18,100	7,178,488
Unrestricted investment earnings					1,878,100	93,034
Gain on sale of capital assets					35,605	-
Miscellaneous					533,110	-
Special Item - Texas Windstorm Case Settlement					695,750	-
Total general revenues and transfers					124,659,034	-
Change in net assets					(22,993,941)	7,271,522
<b>Net assets - beginning</b>					98,724,317	(1,309,445)
Prior Period Adjustment					1,191,321	7,926,841
<b>Net assets - ending</b>					<u>\$ 76,921,697</u>	<u>\$ 6,617,396</u>

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

**GALVESTON COUNTY, TEXAS**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**September 30, 2011**

	<u>General</u>	<u>HMGP Ike</u>	<u>CDBG Housing Program</u>	<u>Disaster Recovery VI Ike</u>
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 6,332,791	\$ 7,105,020	\$ -	\$ -
Investments	-	-	-	-
Receivables (Net of Allowances for Uncollectibles):				
Taxes	9,009,023	-	-	-
Accounts and Other	4,106,518	834,276	33,097,472	11,882,681
Due from Other Funds	27,831,737	-	-	-
Inventory at Cost	-	-	-	-
Prepaid Expenditures	267,261	-	-	-
Restricted Assets:				
Cash and Cash Equivalents	433,237	-	-	-
<b>Total assets</b>	<b><u>\$ 47,980,567</u></b>	<b><u>\$ 7,939,296</u></b>	<b><u>\$ 33,097,472</u></b>	<b><u>\$ 11,882,681</u></b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts Payable	\$ 2,334,716	\$ 1,383,994	\$ 13,422,890	\$ 3,599,492
Salaries Payable	2,515,853	-	16,108	4,802
Compensated Absences Payable	82,736	-	-	-
Retainage Payable	3,656	-	1,474,538	867,600
Due to Others	698,517	1,126,757	-	2,242
Payable from Restricted Assets:				
Escrow Deposits	-	-	-	-
Deposits - Held	433,237	-	-	-
Due to Other Funds	40,271	-	18,169,642	3,446,760
Deferred Revenues	9,009,023	5,428,545	14,294	3,679,312
<b>Total liabilities</b>	<b><u>15,118,009</u></b>	<b><u>7,939,296</u></b>	<b><u>33,097,472</u></b>	<b><u>11,600,208</u></b>
<b>Fund Balances:</b>				
Non-Spendable	267,261	-	-	-
Restricted	-	-	-	282,473
Assigned	5,950,579	-	-	-
Unassigned	26,644,718	-	-	-
<b>Total fund balances</b>	<b><u>32,862,558</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>282,473</u></b>
<b>Total liabilities and fund balances</b>	<b><u>\$ 47,980,567</u></b>	<b><u>\$ 7,939,296</u></b>	<b><u>\$ 33,097,472</u></b>	<b><u>\$ 11,882,681</u></b>

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

Limited Tax County Building Bonds Series 2009B	Unlimited Tax Road Bonds Series 2009A	Galveston Causeway Railroad Bridge Project	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
\$ 11,723,366 6,494,923	\$ 31,686,259 6,531,345	\$ - -	\$ 55,750,714 25,607,753	\$ 112,598,150 38,634,021
-	-	-	2,255,018	11,264,041
600	-	12,502,087	5,536,697	67,960,331
-	-	-	40,271	27,872,008
-	-	-	790,553	790,553
-	-	-	4,378	271,639
-	-	-	1,211,421	1,644,658
<b>\$ 18,218,889</b>	<b>\$ 38,217,604</b>	<b>\$ 12,502,087</b>	<b>\$ 91,196,805</b>	<b>\$ 261,035,401</b>
\$ 1,554,635 7,790	\$ 1,605,287 -	\$ 4,999,038 -	\$ 2,803,346 561,062	\$ 31,703,398 3,105,615
-	-	-	-	82,736
891,429	542,847	2,845,428	112,137	6,737,635
-	371,430	59	238,924	2,437,929
-	-	-	33,271	33,271
-	-	-	419,117	852,354
-	-	4,397,540	1,817,795	27,872,008
-	-	-	3,096,652	21,227,826
2,453,854	2,519,564	12,242,065	9,082,304	94,052,772
-	-	-	794,931	1,062,192
15,765,035	35,698,040	-	78,404,472	130,150,020
-	-	260,022	2,915,098	9,125,699
-	-	-	-	26,644,718
15,765,035	35,698,040	260,022	82,114,501	166,982,629
<b>\$ 18,218,889</b>	<b>\$ 38,217,604</b>	<b>\$ 12,502,087</b>	<b>\$ 91,196,805</b>	<b>\$ 261,035,401</b>



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**GALVESTON COUNTY, TEXAS  
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET ASSETS  
September 30, 2011**

Total fund balance, governmental funds \$ 166,982,629

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. 272,182,928

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. 3,696,370

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. 6,002,103

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	(338,288,422)
Accumulated accretion on capital appreciation bonds	(18,603,687)
Community disaster loan payable	(5,000,000)
Compensated absences	(4,197,120)
Net OPEB Payable	(20,287,194)
Interest on long-term debt	(2,863,752)
Premiums on issuance of debt	2,660,972
Deferred loss on refunding	3,372,829

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. 11,264,041

Net assets of governmental activities in the Statement of Net Assets \$ 76,921,697

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, 2011**

	<b>General</b>	<b>HMGP Ike</b>	<b>CDBG Housing Program</b>	<b>Disaster Recovery VI Ike</b>
<b>REVENUES</b>				
Taxes	\$ 87,938,929	\$ -	\$ -	\$ -
Licenses and Permits	2,097	-	-	-
Intergovernmental	5,869,255	42,426,351	45,186,966	5,746,821
Charges for Services	6,964,241	79,550	-	-
Fines and Forfeitures	2,272,209	-	-	-
Investment Earnings	1,480,535	-	-	-
Miscellaneous	4,935,812	90,487	-	-
<b>Total revenues</b>	<b>109,463,078</b>	<b>42,596,388</b>	<b>45,186,966</b>	<b>5,746,821</b>
<b>EXPENDITURES</b>				
Current:				
General Government	48,737,029	-	45,186,966	-
Public Safety	33,765,410	42,151,719	-	6,194,289
Sanitation	-	-	-	-
Health and Social Services	10,878,185	-	-	-
Culture and Recreation	2,313,619	-	-	-
Conservation	449,579	-	-	-
Roads, Bridges, and Rights-of-Way	-	-	-	-
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Capital Outlay	739,679	444,669	-	852,230
<b>Total expenditures</b>	<b>96,883,501</b>	<b>42,596,388</b>	<b>45,186,966</b>	<b>7,046,519</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>12,579,577</b>	<b>-</b>	<b>-</b>	<b>(1,299,698)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	5,940,746	-	-	-
Transfers Out	(16,093,908)	-	-	(304,900)
Sale of Capital Assets	54,858	-	-	-
Special Item - Texas Windstorm Case Settlement	-	-	-	695,750
<b>Total other financing sources (uses)</b>	<b>(10,098,304)</b>	<b>-</b>	<b>-</b>	<b>390,850</b>
<b>Net change in fund balances</b>	<b>2,481,273</b>	<b>-</b>	<b>-</b>	<b>(908,848)</b>
<b>Fund balances-beginning</b>	<b>30,381,285</b>	<b>-</b>	<b>-</b>	<b>-</b>
Prior period adjustments	-	-	-	1,191,321
<b>Fund balances-ending</b>	<b>\$ 32,862,558</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 282,473</b>

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

Limited Tax County Building Bonds Series 2009B	Unlimited Tax Road Bonds Series 2009A	Galveston Causeway Railroad Bridge Project	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
\$ -	\$ -	\$ -	\$ 31,502,888	\$ 119,441,817
-	-	-	2,369,788	2,371,885
-	-	53,238,732	16,411,887	168,880,012
-	-	-	2,711,896	9,755,687
-	-	-	761,371	3,033,580
26,206	58,762	-	570,182	2,135,685
600	90,200	-	949,952	6,067,051
<u>26,806</u>	<u>148,962</u>	<u>53,238,732</u>	<u>55,277,964</u>	<u>311,685,717</u>
260,657	-	-	1,960,261	96,144,913
-	-	-	13,204,168	95,315,586
-	-	-	1,503	1,503
-	-	-	5,125,542	16,003,727
-	-	-	626,588	2,940,207
-	-	-	-	449,579
-	13,346,869	53,092,995	18,103,534	84,543,398
-	-	-	15,620,000	15,620,000
-	-	-	14,820,227	14,820,227
19,496,322	6,855,980	-	5,806,678	34,195,558
<u>19,756,979</u>	<u>20,202,849</u>	<u>53,092,995</u>	<u>75,268,501</u>	<u>360,034,698</u>
(19,730,173)	(20,053,887)	145,737	(19,990,537)	(48,348,981)
500,000	-	-	15,257,261	21,698,007
-	-	-	(8,047,799)	(24,446,607)
-	-	-	70,262	125,120
-	-	-	-	695,750
<u>500,000</u>	<u>-</u>	<u>-</u>	<u>7,279,724</u>	<u>(1,927,730)</u>
(19,230,173)	(20,053,887)	145,737	(12,710,813)	(50,276,711)
34,995,208	55,751,927	114,285	94,825,314	216,068,019
-	-	-	-	1,191,321
<u>\$ 15,765,035</u>	<u>\$ 35,698,040</u>	<u>\$ 260,022</u>	<u>\$ 82,114,501</u>	<u>\$ 166,982,629</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, 2011**

Net change in fund balances - total governmental funds: \$ (50,276,711)

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 capital outlay of \$34,195,558 plus donated assets of \$18,100 exceeded depreciation of \$14,158,782 in the current period. 20,054,876

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. (47,986)

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. (44,850)

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. 15,620,000

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	(236,262)
Compensated absences	177,499
Amortization of deferred charges	(609,012)
Other post employment benefits	(5,713,936)
Accretion of capital bond interest	(2,331,396)

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. 413,837

Change in net assets of governmental activities \$ (22,993,941)

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

**GALVESTON COUNTY, TEXAS  
STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS  
September 30, 2011**

	<b>Governmental Activities - Internal Service Funds</b>
<b>ASSETS</b>	
Current Assets:	
Investments	\$ 8,637,839
Receivables (Net of Allowances for Uncollectibles):	
Accounts and Other	300,036
Prepaid Items	206,931
<b>Total current assets</b>	<b>9,144,806</b>
 <b>LIABILITIES</b>	
Current Liabilities:	
Accounts Payable	382,558
Salaries Payable	10,645
Estimated Liability - Claims	2,749,500
<b>Total current liabilities</b>	<b>3,142,703</b>
 <b>NET ASSETS</b>	
Unrestricted	6,002,103
<b>Total net assets</b>	<b>\$ 6,002,103</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, 2011**

	<b>Governmental Activities - Internal Service Funds</b>
<b>OPERATING REVENUES</b>	
Intergovernmental	\$ 265,130
Charges for Services	11,397,266
Insurance Recovery - County	50,630
Reimbursements	1,887,996
Miscellaneous	9,105
	<b>Total operating revenues</b>
	13,610,127
<b>OPERATING EXPENSES</b>	
Personal Services	510,735
Contract Services	1,750,481
Insurance	3,065,585
Claims Paid	10,620,426
	<b>Total operating expenses</b>
	15,947,227
	<b>Operating income (loss)</b>
	(2,337,100)
<b>NONOPERATING REVENUES (EXPENSES)</b>	
Investment Earnings	2,337
	<b>Income (loss) before transfers</b>
	(2,334,763)
Transfers In	2,748,600
	<b>Change in net assets</b>
	413,837
<b>Total net assets-beginning</b>	5,588,266
<b>Total net assets-ending</b>	<b>\$ 6,002,103</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, 2011**

	<u>Governmental Activities - Internal Service Funds</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from Users	\$ 11,519,169
Payments to Suppliers	(4,656,030)
Payments to Employees	(508,822)
Payments for Claims	(10,620,426)
Other Operating Revenues	<u>1,954,757</u>
<b>Net cash provided (used) by operating activities</b>	<u>(2,311,352)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Transfers in	2,748,600
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Purchase of Investments	(8,637,839)
Matured Investments	8,198,254
Investment Earnings	<u>2,337</u>
<b>Net cash provided (used) by investing activities</b>	<u>(437,248)</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	-
<b>Cash and Cash Equivalents October 1, 2010</b>	<u>-</u>
<b>Cash and Cash Equivalents September 30, 2011</b>	<u><u>\$ -</u></u>
<b>Reconciliation of operating income to net cash provided (used) by operating activities:</b>	
<b>Operating income (loss)</b>	<u>\$ (2,337,100)</u>
<b>Adjustments to reconcile operating income to net cash provided (used) by operating activities:</b>	
(Increase) Decrease in Accounts Receivable	(184,565)
(Increase) Decrease in Prepaid Items	11,954
Increase (Decrease) in Accounts Payable	147,093
Increase (Decrease) in Salaries Payable	2,905
Increase (Decrease) in Estimated Liability - Claims Payable	<u>48,361</u>
<b>Total adjustments</b>	<u>25,748</u>
<b>Net cash provided (used) by operating activities</b>	<u><u>\$ (2,311,352)</u></u>

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, 2011**

	<b>AGENCY FUNDS</b>
<b>ASSETS</b>	
Investments	\$ 17,392,318
Receivables (Net of Allowances for Uncollectibles):	
Accounts and Other	16,962
Restricted Assets:	
Guardianship Assets	1,225,753
<b>Total assets</b>	<b>\$ 18,635,033</b>
<b>LIABILITIES</b>	
Accounts Payable	\$ 54,361
Due to Others	11,151,479
Due to Other Entities	5,136,168
Deposits Held	1,067,272
Deposits Held for Restricted Assets	1,225,753
<b>Total liabilities</b>	<b>\$ 18,635,033</b>

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

Galveston County, Texas  
Notes to the Financial Statements  
September 30, 2011

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## 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 seven 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 involving public safety, sanitation, health and social services, culture and recreation, conservation, and capital outlay, in addition to funding general governmental administration.
- The "HMGP ('Hazard Mitigation Grant Program') – Ike" Special Revenue Grant Fund administers monies from the Federal Emergency Management Agency ("FEMA"), via the Texas Department of Emergency Management, for buy-outs of homes impacted by Hurricane Ike in September, 2008.
- The "CDBG ('Community Development Block Grant') Housing Program" Special Revenue Grant Fund provides financial assistance to "extremely low-," "very low-," and "low-income" households for the elevation and rehabilitation of homes, or for the construction of replacement homes, necessitated by Hurricanes Dolly and/or Ike in 2008.

- The “Disaster Recovery VI – Ike” Special Revenue Grant Fund was created pursuant to a presidential disaster declaration awarded the county on September 10, 2008, three days before Hurricane Ike made landfall on Galveston Island. FEMA allocated funding for the approved recovery projects, which primarily involve 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. These projects were funded by a dedicated bond issue.
- 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 construct, purchase, maintain and/or operate macadamized, graveled and paved roads and turnpikes, and to pay for professional services rendered in connection with the aforementioned projects. These projects were also funded by a dedicated bond issue.
- The “Galveston Causeway Railroad Bridge” Capital Projects Fund was created in the fiscal year ended September 30, 2005, pursuant to an order issued by the U.S. Coast Guard that required the alteration of the existing railroad bridge to eliminate obstructions that its configuration posed to free navigation. The total cost of the project is projected to be \$33,350,000. The federal government will bear 95.5% of the cost, and the remainder will be paid by the Burlington Northern & Santa Fe Railroad (3.075%); the City of Galveston (0.516%); the Port of Galveston (0.516%); and Galveston County (0.393%).

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, nine *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 nine 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 taxes;
- Debt Service Agency – 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, 2011, investment earnings of \$720,872 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. The ad-valorem property-tax receivable is shown net of an allowance for estimated uncollectible accounts. That allowance is 6% of the delinquent receivables 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
11/30/y1 *	– payment due for one-half of tax liability from those availing themselves of split-pay option *
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
06/30/y2 *	– payment due for second half of tax liability from those availing themselves of split-pay option *
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.

\* This split-pay option was not available in fiscal year 2011 but was reinstated in fiscal year 2012.

### 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 (\$433,237), and of the Child Welfare (\$529), Flood Control (\$2,357), Emergency Management (\$33,271), and Beach and Parks (\$1,175,264) 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: 1) an initial cost that exceeds a specified threshold, and 2) an *estimated useful life* that is longer than one year. Capital assets may include land, construction in progress, buildings and improvements, improvements other than buildings, intangibles, and machinery and equipment. Capital assets may also include *infrastructure* – public-domain, long-lived, immovable assets such as roads, bridges, park trails, the Galveston seawall, dams, and levees. The county capitalization thresholds are \$5,000 for non-infrastructure capital assets and \$100,000 for infrastructure capital 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 ongoing 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	7
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 hired before October 1, 2011, are paid for earned but unused vacation leave, presently up to a maximum of 300 hours, according to policy adopted by the Commissioners' Court. Employees hired on or after October 1, 2011, receive no compensation at termination for their earned but unused vacation leave.

### *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. If, at termination, employees: 1) qualify to retire (per Texas County and District Retirement System criteria), and 2) were hired before October 1, 2011, they are paid for one-half of their accumulated sick-leave balances, presently to a maximum of 360 hours, according to policy adopted by the Commissioners' Court. Employees hired on or after October 1, 2011, receive no compensation at termination for their accumulated sick-leave balances.

At September 30, 2011, the total liability for compensated absences was \$4,279,856, of which \$82,736 was recorded in, and payable from current financial resources of, the General Fund.

## 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 may report fund balance in as many as five classifications.

- *Non-spendable* fund balance is either not in spendable form (e.g., inventories and the long-term portion of notes receivable) or is legally or contractually required to be maintained intact (e.g., the corpus or principal of a permanent fund).
- Constraints on the use of *restricted* fund balance are imposed externally (e.g., by creditors, grantors, constitutional provision, and enabling legislation).
- The use of *committed* fund balance is restricted via formal action of the government's highest level of decision-making authority - in the county's case, by resolution of its Commissioners Court. A like type of action would be required if the county later desired to modify or rescind the restriction.
- Fund-balance amounts classified as *assigned* are restricted by an intent to utilize them for specific purposes. In the county's case, this intent is expressed by the Commissioners Court, the Budget Officer, and/or the various department heads, and the assignments are typically accomplished during the establishment of, and the subsequent amendments to, the annual budget.
- Last, and least restrictive, *unassigned* fund balance is the residual classification for the General Fund for amounts not restricted, committed, or assigned within it nor assigned to other funds.

At September 30, 2011, the county reports the following classifications of amounts in the fund balances of its Governmental Funds:

	General	Disaster Recovery VI Ike	Limited Tax County Building Bonds Series 2009B	Unlimited Tax Road Bonds Series 2009A	Galveston Causeway Railroad Bridge Project	Other Governmental Funds	Total Governmental Funds
<b>Non-Spendable:</b>							
Inventory	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 790,553	\$ 790,553
Prepaid Expenditures	267,261	-	-	-	-	4,378	271,639
<b>Total Non-Spendable</b>	267,261	-	-	-	-	794,931	1,062,192
<b>Restricted for:</b>							
General Government	-	-	-	-	-	4,325,366	4,325,366
Public Safety	-	282,473	-	-	-	10,099,371	10,381,844
Health and Social Services	-	-	-	-	-	11,667,825	11,667,825
Culture and Recreation	-	-	-	-	-	1,089,582	1,089,582
Roads, Bridges, and Rights-of-Way	-	-	-	-	-	4,822,015	4,822,015
Debt Service	-	-	-	-	-	11,041,943	11,041,943
County Building Projects	-	-	15,765,035	35,698,040	-	35,358,370	86,821,445
<b>Total Restricted</b>	-	282,473	15,765,035	35,698,040	-	78,404,472	130,150,020
<b>Assigned:</b>							
Indigent Defense	950,579	-	-	-	-	-	950,579
Self-insurance	1,500,000	-	-	-	-	-	1,500,000
Contingent Liability	1,000,000	-	-	-	-	-	1,000,000
Disaster Protection	2,500,000	-	-	-	-	-	2,500,000
Other Construction Projects	-	-	-	-	260,022	2,915,098	3,175,120
<b>Total Assigned</b>	5,950,579	-	-	-	260,022	2,915,098	9,125,699
<b>Unassigned:</b>	26,644,718	-	-	-	-	-	26,644,718
<b>Total Fund Balances</b>	<u>\$32,862,558</u>	<u>\$ 282,473</u>	<u>\$ 15,765,035</u>	<u>\$ 35,698,040</u>	<u>\$ 260,022</u>	<u>\$ 82,114,501</u>	<u>\$ 166,982,629</u>

## 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, committed, and assigned resources**

Per county policy, when both restricted and unrestricted resources are available to fund an expenditure/expense, the restricted resources are applied first. Within unrestricted resources, when committed, assigned, and/or unassigned resources are available to fund an expenditure/expense, any committed resources are applied first, followed by the assigned resources, and followed lastly by the unassigned resources.

## **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, fifty-four Special Revenue Funds (including all thirty-three grant funds), and all of the Debt Service Funds.

Thirteen non-grant Special Revenue Funds either do not issue budgets, or issue budgets that are not adopted through, and are not under the oversight of, Commissioners' Court. They are as follows:

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
Tax Assessor-Collector Special Inventory Tax Escrow	Election Services
Law Enforcement Continued Education	Unclaimed Property
Constables' Seizures	

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" Commissioners Court-agenda 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 separate particular statutes and the county merely records and reports on their financial activity through its accounting system.

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 committed, assigned, or unassigned portions of fund balances, as appropriate, and do not constitute expenditures or liabilities because the dollar amounts will be re-appropriated and honored during the subsequent year.

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

For the year ended September 30, 2011, in the Sheriff's Commissary Special Revenue Fund, expenditures exceeded appropriations at the departmental level (the level of legal budgetary control) by \$435,212.

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

There are no fund-balance deficits at September 30, 2011.

### 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.

Through September 30, 2011, the county's main depository, as so designated by Commissioners' Court, was Moody National Bank of Galveston. Effective October 1, 2011, the court replaced Moody National Bank of Galveston in that capacity with Prosperity Bank. The county has appointed five sub-depositories: Bank of America, Chase Bank, Frost Bank, Moody National Bank of Galveston, and Texas First Bank (this last with its branches in Dickinson, Galveston, Hitchcock, Santa Fe, and Texas City). 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, 2011 and will expire September 30, 2015.

Pledged securities must meet the criteria of the county's depository contracts and applicable state law. As of September 30, 2011, 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, 2011, the carrying value of the county's deposits totaled \$114,242,808, and the related balances per banks totaled \$121,378,866. The carrying value of the deposits of the Galveston County Health District discretely presented component unit totaled \$5,086,571, and the related balances per banks totaled \$5,211,619. 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, 2011, 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, 2011, 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 \$64,664,178. Investments are presented at amortized cost in accordance with *GASB Statement 31: Accounting and Financial Reporting for Certain Investments and for External Investment Pools*.

<u>Schedule of Deposits and Investments at September 30, 2011</u>	
	<u>Fair Value</u>
Deposits:	
Demand Deposits	\$ 114,242,808
Investments:	
Certificates of Deposit	7,569,851
Local Government Investment Pools -	
MBIA	100,728
Texpool	2,686,712
TexTerm	54,306,696
Lone Star Investment Pool	191
Total Investments	<u>64,664,178</u>
Total Deposits and Investments	<u>\$ 178,906,986</u>

*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, 2011, county investments had the following ratings:

<u>Investment</u>	<u>Rating</u>
Local Government Investment Pools:	
Texas Class	AAAm
Texpool	AAAm
TexTerm	AAAm
Lone Star Investment Pool	AAAm

*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, 2011, county exposure to interest-rate risk as measured by portfolio weighted average to maturity is as summarized below:

Investment Type	Fair Value	Weighted Average to Maturity in Days ("WAM")
Certificates of Deposit	\$ 7,569,851	137.26
Local Government Investment Pools:		
Texas Class	100,728	36.00
Texpool	2,686,712	80.00
TexTerm	54,306,696	101.00
Lone Star Investment Pool	191	119.00
	<u>\$ 64,664,178</u>	
Portfolio Weighted Average to Maturity		<u>104.27</u>

*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 specific classes of holdings, for specific terms, and with specific issuers. However, the county does not limit the amounts it may place in the investments of any one issuer.

At September 30, 2011, the composition of the county's investment portfolio was as follows:

Investment Type	Fair Value	Percentage of Total Portfolio
Certificates of Deposit	\$ 7,569,851	11.71%
Local Government Investment Pools -		
Texas Class	100,728	0.16%
Texpool	2,686,712	4.15%
TexTerm	54,306,696	83.98%
Lone Star Investment Pool	191	0.00%
Total Investments	<u>\$ 64,664,178</u>	

MBIA and TexTerm are registered with the Securities and Exchange Commission, while the Texas State Comptroller of Public Accounts oversees Texpool. An eleven member board of trustees governs the Lone Star Investment Pool. The fair value of the county's position in Texpool is the same as the value of its pool shares.

At September 30, 2011, Galveston County's discretely presented component unit had 100% of its investment holdings in Texpool, totaling \$91,366.

**B. Receivables**

At September 30, 2011, 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, 2010):

	Taxes	Accounts and Other	Total Gross Receivables	Less Allowance for Uncollectibles	Total 2011	Total 2010
General Fund	\$ 9,650,963	\$ 4,106,518	\$ 13,757,481	\$ (641,940)	\$ 13,115,541	\$ 13,630,646
HMGP-Ike	-	834,276	834,276	-	834,276	1,748,187
CDBG Housing Program	-	33,097,472	33,097,472	-	33,097,472	5,900,946
Disaster Recovery VI-Ike	-	11,882,681	11,882,681	-	11,882,681	5,177,420
Limited Tax County Building Bonds Series 2009A	-	600	600	-	600	-
Galveston Causeway Railroad Bridge Project	-	12,502,087	12,502,087	-	12,502,087	-
Nonmajor Governmental Funds	2,419,689	5,536,697	7,956,386	(164,671)	7,791,715	7,411,699
Internal Service	-	300,036	300,036	-	300,036	115,474
Fiduciary	-	16,962	16,962	-	16,962	42,299
<b>Total Net Receivables</b>	<b>\$ 12,070,652</b>	<b>\$ 68,277,329</b>	<b>\$ 80,347,981</b>	<b>\$ (806,611)</b>	<b>\$ 79,541,370</b>	<b>\$ 34,026,671</b>

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, 2011, the various components of deferred revenue reported in the Governmental Funds were as follows (with summary comparative amounts at September 30, 2010):

	Delinquent Property Tax Receivable	Grants	Other	Total 2011	Total 2010
General Fund	\$ 9,009,023	\$ -	\$ -	\$ 9,009,023	\$ 9,208,165
HMGP-Ike	-	5,428,545	-	5,428,545	8,361,716
CDBG Housing Program	-	14,294	-	14,294	-
Disaster Recovery VI-Ike	-	3,679,312	-	3,679,312	-
Unlimited Tax Road Bonds Series 2009	-	-	-	-	100,000
Special Revenue Funds	512,298	704,059	137,575	1,353,932	1,857,630
Debt Service Funds	1,742,720	-	-	1,742,720	1,537,198
<b>Total Deferred Revenue</b>	<b>\$ 11,264,041</b>	<b>\$ 9,826,210</b>	<b>\$ 137,575</b>	<b>\$ 21,227,826</b>	<b>\$ 21,064,709</b>

### C. Capital Assets

#### Primary government

Capital-asset activity for the year ended September 30, 2011, which related solely to governmental activities, was as follows:

<u>Primary Government</u>	Beginning Balance, 10/1/2010	Additions	Deletions	Ending Balance, 9/30/2011
Governmental Activities -				
Capital Assets Not Being Depreciated:				
Land	\$ 32,770,529	\$ 455,414	\$ -	\$ 33,225,943
Construction in Progress	6,640,655	28,586,803	(6,590,500)	28,636,958
Total Capital Assets Not Being Depreciated	<u>39,411,184</u>	<u>29,042,217</u>	<u>(6,590,500)</u>	<u>61,862,901</u>
Capital Assets Being Depreciated:				
Buildings and Improvements	192,825,616	2,893,827	-	195,719,443
Improvements Other Than Buildings	1,321,254	1,810,295	-	3,131,549
Machinery and Equipment	33,140,191	2,826,705	(778,363)	35,188,533
Infrastructure	144,359,661	4,231,115	-	148,590,776
Total Capital Assets Being Depreciated	<u>371,646,722</u>	<u>11,761,942</u>	<u>(778,363)</u>	<u>382,630,301</u>
Less Accumulated Depreciation for:				
Buildings and Improvements	(57,693,880)	(8,285,624)	-	(65,979,504)
Improvements Other Than Buildings	(569,159)	(51,986)	-	(621,145)
Machinery and Equipment	(20,973,265)	(3,011,909)	730,378	(23,254,796)
Infrastructure	(79,645,566)	(2,809,263)	-	(82,454,829)
Total Accumulated Depreciation	<u>(158,881,870)</u>	<u>(14,158,782)</u>	<u>730,378</u>	<u>(172,310,274)</u>
Total Capital Assets Being Depreciated, Net	<u>212,764,852</u>	<u>(2,396,840)</u>	<u>(47,985)</u>	<u>210,320,027</u>
Governmental Activities Capital Assets, Net	<u>\$ 252,176,036</u>	<u>\$ 26,645,377</u>	<u>\$ (6,638,485)</u>	<u>\$ 272,182,928</u>

Depreciation expense for the primary government for the year ended September 30, 2011, which related solely to governmental activities, was charged to functions/programs as follows:

	<u>2011</u>	<u>2010</u>
General Government	\$ 5,534,360	\$ 5,410,696
Public Safety	6,044,929	6,065,751
Health and Social Services	160,537	173,265
Culture and Recreation	634,915	658,333
Conservation	11,174	14,437
Roads, Bridges, and Rights-of-way	1,772,867	1,838,777
Total Depreciation Expense	<u>\$ 14,158,782</u>	<u>\$ 14,161,259</u>

Capital projects of the primary government in progress at September 30, 2011, included building

construction and renovations, park improvements, parking-lot improvements, major road improvements. At that date, construction commitments with contractors comprised the following:

<u>Project</u>	Amount		Remaining
	Authorized	Spent to Date	Commitment
Mid-County Annex	\$ 21,853,205	\$ 15,746,370	\$ 6,106,835
Records-storage building	227,800	178,535	49,265
Animal Resource Center	5,393,090	4,972,329	420,761
Ft. Travis Park road / parking-lot improvements	726,341	49,016	677,325
Washington Park boat ramp	430,579	236,648	193,931
Generator installation	666,357	163,777	502,580
Deats Road improvements	265,093	184,030	81,063
Lawrence Road improvements	2,778,145	1,652,134	1,126,011
Algoa-Friendswood Road	2,596,998	2,571,627	25,371
Bayshore shoreline revetment	471,418	386,193	85,225
County-wide drainage improvements	2,000,000	1,605,054	394,946
Highway 6 wastewater system improvements	250,000	226,154	23,846
Bolivar road improvements	1,024,440	308,646	715,794
La Marque Pump Station improvements	456,758	356,445	100,313
Total	<u>\$ 39,140,224</u>	<u>\$ 28,636,958</u>	<u>\$ 10,503,266</u>

The projects listed above are funded as follows:

*Long-term borrowings -*

- Mid-County Annex
- Records-storage building
- Animal Resource Center
- Ft. Travis Park road / parking-lot improvements
- Deats Road improvements
- Lawrence Road improvements
- Algoa-Friendswood Road

*Grants -*

- Generator installation
- Bayshore shoreline revetment
- County-wide drainage improvements
- Highway 6 wastewater system improvements
- Bolivar road improvements

*County operating funds -*

- Washington Park boat ramp
- La Marque Pump Station improvements

*Component unit*

Capital-asset activity for the Galveston County Health District for the year ended September 30, 2011, follows.

<u>Galveston County Health District</u>	Beginning Balance, 10/1/2010	Additions	Deletions	Ending Balance, 9/30/2011
Capital Assets Being Depreciated:				
Buildings and Improvements	\$ 363,253	\$ 6,200	\$ -	\$ 369,453
Furniture and Equipment	2,065,393	414,204	(210,461)	2,269,136
Vehicles	1,885,964	202,380	-	2,088,344
Total Capital Assets Being Depreciated	<u>4,314,610</u>	<u>622,784</u>	<u>(210,461)</u>	<u>4,726,933</u>
Less Accumulated Depreciation for:				
Buildings and Improvements	(134,789)	(61,610)	-	(196,399)
Furniture and Equipment	(1,030,848)	(341,221)	222,538	(1,149,531)
Vehicles	(806,507)	(266,062)	-	(1,072,569)
Total Accumulated Depreciation	<u>(1,972,144)</u>	<u>(668,893)</u>	<u>222,538</u>	<u>(2,418,499)</u>
Total Capital Assets, Net	<u>\$ 2,342,466</u>	<u>\$ (46,109)</u>	<u>\$ 12,077</u>	<u>\$ 2,308,434</u>

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

Amounts due to/from funds of the county at September 30, 2011, are as follows (with summary comparative amounts at September 30, 2010):

<u>Payable Reported by:</u>	<u>General Fund</u>	Nonmajor Governmental Funds	Total <u>2011</u>	Total <u>2010</u>
General Fund	\$ -	\$ 40,271	\$ 40,271	\$ 110,227
HMGP-Ike	-	-	-	375,000
CDBG Housing Program	18,169,642	-	18,169,642	4,148,021
Disaster Recovery VI-Ike	3,446,760	-	3,446,760	52,909
Galveston Causeway				
Railroad Bridge Project	4,397,540	-	4,397,540	-
Nonmajor Governmental Funds	1,817,795	-	1,817,795	1,902,088
Agency Funds	-	-	-	30,736
Total	<u>\$ 27,831,737</u>	<u>\$ 40,271</u>	<u>\$ 27,872,008</u>	<u>\$ 6,618,981</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 payable to the General Fund from the Galveston Causeway Railroad Bridge Project capital project fund will reimburse the former for expenditures made on behalf of the latter through the accounts payable system. The remaining amounts payable to the General Fund are the result of year-end negative cash balances in various county funds.

Transfers among the Governmental and Internal Service Funds for the year ended September 30, 2011, are as follows (with summary comparative amounts for the year ended September 30, 2010):

	Transfers In					
	General	Limited Tax County Building	Nonmajor Governmental	Internal Service	Total	Total
	Fund	Bonds Series 2009A	Funds	Funds	2011	2010
Transfers Out						
General Fund	\$ -	\$ 500,000	\$ 14,043,908	\$ 1,550,000	\$ 16,093,908	\$ 19,656,510
HMGP Ike	-	-	-	-	-	125,000
Disaster Recovery - Ike	-	-	304,900	-	304,900	213,357
Nonmajor Governmental Funds	5,940,746	-	908,453	1,198,600	8,047,799	5,134,205
Total Transfers Out	\$ 5,940,746	\$ 500,000	\$ 15,257,261	\$ 2,748,600	\$ 24,446,607	\$ 25,129,072

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 photocopiers under a non-cancelable, five-year contract which began during the fiscal year ended September 30, 2007. The contract's original expiration date is June 29, 2012, but the parties agreed to a six-month extension to allow time for the issuance of a formal RFP for services. The current average lease cost is \$68,155 per month. The lease cost for the year ended September 30, 2011, was \$822,822. The future minimum payments for this lease are as follows:

Year Ending September 30,	Amount
2012	\$ 817,855
2013	204,464
Total	<u>\$ 1,022,319</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 – ten-year lease commenced on September 1, 2006, with an option to renew for an additional five years; minimum lease payments total \$26,561 per month;
- for the Women's, Infants', and Children's ("WIC") Program – one-year lease commenced on July 25, 2010, and terminated on August 31, 2011; includes an option to renew three times, with sixty days of advance notice; minimum lease payments total \$3,234 per month. The lease is currently treated as a month-to-month agreement, due to the Health District's planned relocation to the Mid-County Annex in the fiscal year ending September 30, 2012.

*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 on August 1, 2006; minimum lease payments total \$14,530 per month;
- for the Island Community Center – five-year lease commenced on April 1, 2007; minimum lease payments total \$1,882 per month.

*With Dixie Partners –*

- for space for the Immunization and the WIC Programs – ten-year lease commenced on April 23, 2009; minimum lease payments total \$5,000 per month, plus monthly escrow of \$1,023 for tax, insurance, and maintenance costs.

*With the Bacliff Volunteer Fire Department –*

- for space for medical services – one-year lease commenced on October 1, 2008, renewable annually and cancelable with 120 days of advance written notice; minimum lease payments total \$1,000 per month.

*With the Crystal Beach Volunteer Fire Department –*

- for space for medical services – one-year lease commenced on June 7, 2011, cancelable with 120 days of advance written notice; minimum lease payments total \$1,000 per month.

*With the Hitchcock Volunteer Fire Department –*

- to house one 24-hour 9-1-1 ambulance and crew and one 12-hour non-emergency ambulance and crew – one-year memorandum agreement commenced September 1, 2010, and can be terminated with thirty days of advance written notice; lease payments total \$650 per month.

In total, the Galveston County Health District incurred lease expenditures of \$789,223 and \$781,141 during the fiscal years ended September 30, 2011 and 2010, respectively. Future minimum lease payments for the next four years are as follows:

<u>Year Ending</u> <u>September 30,</u>	<u>Amount</u>
2012	\$ 1,399,246
2013	1,390,783
2014	1,390,783
2015	1,390,783
Total	<u>\$ 5,571,595</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 principal balance at September 30, 2011, was \$5,000,000, the full amount of the borrowing. Annual debt-service requirements to maturity, including principal and interest, are as follows:

<u>Year Ending</u> <u>September 30,</u>	<u>Payments Due on</u> <u>Note Payable</u>
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, the county's debt-service payments on bonded debt are funded solely or primarily by ad-valorem tax revenues. In these instances, 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.

One exception to this norm of funding debt-service solely or primarily by tax revenues is the Pass-Through Toll Revenue and Limited Tax Bonds Series 2007, issued to fund the expansion of a segment of the state highway system located in the county. State subsidies predicated on vehicular usage of the road are expected to reimburse the county for the large majority of its debt service on this bond issue.

A second exception to the norm of funding debt-service solely by tax revenues involve the \$135 million of bonds that the county issued in September 2009 for capital projects dedicated to facilities, roads, and flood control. All but \$5.8 million of this debt was issued under a new federal program titled "Build America Bonds," through which the county receives semiannual subsidies equal to 35% of the interest it pays on said bonds. In the fiscal year ended September 30, 2011, the county received \$2,277,020 in such

subsidies.

No new general-obligation debt was issued in the fiscal year ended September 30, 2011; the amount of such debt issued in prior years totals \$401,498,939. Bond indentures prescribe various restrictions related to these obligations, with which the county believes that it is in compliance.

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	1.865-6.205 %	\$ 225,218,434	\$ 89,383,785	\$ 135,834,649
Governmental Activities - Refunding	3.5-5.5 %	113,069,988	103,645,000	9,424,988
		<u>\$ 338,288,422</u>	<u>\$ 193,028,785</u>	<u>\$ 145,259,637</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 September 30,	Principal	Interest
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	11,455,798
2017	15,462,138	14,653,527
2018	15,732,088	14,336,625
2019	16,070,489	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	191,188
2031	2,725,000	64,719
Total	<u>\$ 338,288,422</u>	<u>\$ 196,585,342</u>

Component Unit

Notes Payable -

The Galveston County Health District's balances of notes payable to banks at September 30, 2011, comprised the following:

- Note payable, collateralized by an ambulance, payable in monthly installments of \$4,700, bearing interest at 5.0% per annum, maturing in May 2012, balance \$27,676.
- Note payable, collateralized by an ambulance, payable in monthly installments of \$4,620, bearing interest at 5.0% per annum, maturing in December 2011, balance \$4,641.
- Note payable bearing interest at 1.75% per annum, due September 30, 2014, un-forgiven balance \$155,000.

Annual debt-service requirements to maturity are as follows:

<u>Year Ending</u> <u>September 30,</u>	<u>Maturities on</u> <u>Notes Payable</u>
2011	\$ 32,317
2012	-
2013	-
2014	155,000
	<u>\$ 187,317</u>

*Changes in Long-term Liabilities*

Long-term liability activity for the year ended September 30, 2011, was as follows:

	Beginning Balance, <u>10/1/2010</u>	<u>Additions</u>	<u>Reductions</u>	Ending Balance, <u>9/30/2011</u>	Due Within <u>One Year</u>
<b>Primary Government</b>					
Note Payable:					
Community Disaster Loan	\$ 5,000,000	\$ -	\$ -	5,000,000	\$ -
Bonds Payable:					
General Obligation Bonds	353,908,422	-	15,620,000	338,288,422	16,539,988
Accumulated Accretion	16,272,291	2,331,396	-	18,603,687	740,012
Plus Deferred Amounts:					
Loss on Refundings	(3,823,207)	-	450,378	(3,372,829)	-
Issuance Premiums (Discounts)	(2,583,954)	-	77,018	(2,660,972)	-
Total Bonds Payable	363,773,552	2,331,396	16,147,396	350,858,308	17,280,000
Compensated Absences	4,374,619	624,164	801,663	4,197,120	855,971
Net OPEB Obligation	14,573,258	9,813,066	4,099,130	20,287,194	-
Governmental Activity					
Total Long-term Liabilities	<u>\$ 387,721,429</u>	<u>\$ 12,768,626</u>	<u>\$ 21,048,189</u>	<u>\$ 380,342,622</u>	<u>\$ 18,135,971</u>
<b>Component Unit</b>					
Notes Payable	\$ 320,781	\$ -	\$ 133,464	\$ 187,317	\$ 32,317
Compensated Absences	518,177	48,528	-	566,705	50,000
Total Long-term Liabilities	<u>\$ 838,958</u>	<u>\$ 48,528</u>	<u>\$ 133,464</u>	<u>\$ 754,022</u>	<u>\$ 82,317</u>

A compensated-absences payable of \$82,736 is reflected as a current liability in the Governmental Funds Balance Sheet. The payment was due and payable by September 30, 2011. 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. The net OPEB obligation is typically liquidated by the General Fund.

**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, 2011, 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.

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 <u>09/30/2011</u>	Year Ended <u>09/30/2010</u>
Unpaid Claims, Beginning of Fiscal Year	\$ 2,749,500	\$ 2,749,500
Incurred (Including IBNR) Claims	10,620,426	9,977,224
Claim Payments	<u>(10,620,426)</u>	<u>(9,977,224)</u>
Unpaid Claims, End of Fiscal Year	<u>\$ 2,749,500</u>	<u>\$ 2,749,500</u>

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

The county sometimes issues refunding bonds 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 along with the investment earnings thereon 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, 2011, \$79.56 million of bonds outstanding are considered defeased. In the aggregate, these refundings have resulted in a cumulative 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 the issuance of tax-exempt debt in order for the interest paid on those obligations to be tax-exempt income to 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, 2011, 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, 2011 and 2010, Galveston County Department of Social Services employees were administering approximately \$1,225,753 as follows:

Program	September 30, 2011		September 30, 2010	
	Number of Cases	Approximate Assets Administered	Number of Cases	Approximate Assets Administered
Payee	46	\$ 112,624	50	\$ 118,730
Guardianship	75	1,113,129	78	795,574
Total	121	\$ 1,225,753	128	\$ 914,304

**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 litigation and claims in the ordinary course of business. Pending litigation includes suits for damages arising from allegations:

- by a former inmate of the county jail of deliberate indifference to medical needs and violation of the Americans with Disabilities Act; and
- of a violation of civil rights by the family of a decedent.

Claims have been advanced:

- by a former employee who has filed with the Equal Employment Opportunity Commission alleging discrimination based upon race, subsequent to which a voluntary mediation failed; and
- by an employee who has filed with the Equal Employment Opportunity Commission alleging discrimination based upon gender.

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, 2011 and 2010, consisted of the following:

	<u>2011</u>	<u>2010</u>
American United Life Accounts	\$ 61,834,946	\$ 57,677,854
Lincoln National Account	1,186,935	1,532,979
N.A.C.O. Account	3,026,834	2,934,277
Total Assets	<u>\$ 66,048,715</u>	<u>\$ 62,145,110</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 9.14% and 9.84% for the fiscal years ended September 30, 2011 and 2010, respectively. The employee contribution rate was 7% for both of the calendar years ended December 31, 2011 and 2010.

#### *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, 2011, the cost of the county's TCDRS pension plan as well as the county's required and actual contributions equaled \$5,202,882. 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, 2010 and 2009, which were the basis for determining the contribution rates for calendar years 2011 and 2010, respectively. The most recent actuarial valuation is that of December 31, 2010.

The required contribution was determined as part of the December 31, 2010, actuarial valuation using the entry-age actuarial cost method. The actuarial assumptions at December 31, 2010, included: (a) an 8.0% investment rate of return; (b) projected salary increases of 5.4%; 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, 2010, was 20 years.

#### *Funded Status and Funding Progress*

As of December 31, 2010, the most recent actuarial valuation date, the actuarial value of plan assets as a percentage of the actuarial accrued liability (the "funded ratio") was 89.70%. The actuarial accrued liability for benefits was \$199.9 million and the actuarial value of assets was \$179.3 million, resulting in an unfunded actuarial accrued liability ("UAAL") of \$20.6 million. The annual covered payroll was \$56.0 million, and the ratio of the UAAL to the annual covered payroll was 36.73%.

The Schedule of Funding Progress and the Schedule of Employer Contributions are presented as RSI following the notes to the financial statements. The former 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. The latter presents multiyear trend information about the county’s annual pension costs and the percentages of those that the county has funded.

<u>Actuarial Valuation Date</u>	<u>12/31/2010</u>	<u>12/31/2009</u>	<u>12/31/2008</u>
Actuarial Cost Method	Entry Age	Entry Age	Entry Age
Amortization	Level Percentage	Level Percentage	Level Percentage
Method	of Payroll, Closed	of Payroll, Closed	of Payroll, Closed
Amortization Period in Years	20	18.1	14.3
Asset Valuation	SAF: 10-Yr. Smoothed	SAF: 10-Yr. Smoothed	SAF: 10-Yr. Smoothed
Method	Value; ESF: Fund Value	Value; ESF: Fund Value	Value; ESF: Fund Value
Actuarial Assumptions:			
Investment Return	8.0%	8.0%	8.0%
Projected Salary Increases	5.4%	5.4%	5.3%
Inflation	3.5%	3.5%	3.5%
Cost-of-Living			
Adjustments	-	-	-

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

The county administers its own single-employer, defined-benefit OPEB plan for its former employees who retired after fulfilling the requirements therefor as specified in the county’s pension plan (discussed in Note G, above). The plan offers life, major-medical, prescription-drug, dental and vision insurance. Texas Local Government Code §157.101 assigns to the county’s 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 third-party administrator for its health plan present much data about retiree benefits discretely from that presented for active employees.

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

Membership in the plan at September 30, 2011, comprised approximately 1,164 active members and 394 retirees. Of the 394 retirees, 141 were less than 65 years of age and 253 were age 65 or older. Retirees less than 65 years of age receive the same medical-insurance benefits as do active employees, but at age 65, when the retirees become Medicare-eligible, the coverage is reduced to a supplement.

At September 30, 2011, required monthly contributions were as follows:

	Retirees Less Than 65 Years Of Age				County			
	Medical Plans (1)		Dental	Vision	Medical Plans (1)		Dental	Vision
	Option A	Option B			Option A	Option B		
Retiree Only	\$80	\$150	\$25	\$6	\$493	\$493	\$0	\$0
Retiree and Spouse	220	275	50	17	493	493	0	0
Retiree and Child(ren)	175	255	50	14	493	493	0	0
Retiree and Family	300	395	76	22	493	493	0	0

	Retirees 65 Years Of Age Or Older				County			
	Medical Plans (2)		Dental	Vision	Medical Plans (2)		Dental	Vision
	Option C	Option D			Option C	Option D		
Retiree Only	\$0	\$25	\$25	\$6	\$179	\$179	\$0	\$0
Retiree and Spouse	110	135	50	17	179	179	0	0
Retiree and Child(ren)	96	121	50	14	179	179	0	0
Retiree and Family	195	220	76	22	179	179	0	0

(1) Option A: under-65 "base" plan; Option B = under-65 "buy-up" plan.

(2) Option C: 65-and-older plan without CareHere Clinic; Option D = 65-and-older plan with CareHere Clinic.

The components of the OPEB cost for the fiscal year ended September 30, 2011, are as follows:

Annual Required Contribution ("ARC")	\$ 9,764,857
Add: Interest on Net OPEB Obligation	655,797
Less: Adjustment to the ARC	(607,588)
Annual OPEB Cost (a)	9,813,066
Less: Estimated Net Employer Contributions (b)	(4,099,130)
Increase in Net OPEB Obligation	5,713,936
Net OPEB Obligation, Beginning of Year	14,573,258
Net OPEB Obligation, End of Year	\$ 20,287,194

The county's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the fiscal year ended September 30, 2011, and for the two preceding fiscal years, are as follows:

Fiscal Year Ended September 30,	Annual OPEB Cost (a)	Net Estimated Employer Contributions (b)	Percentage of Annual OPEB Cost Contributed (b/a)	Net OPEB Obligation, End of Year (c) [Pr. Yr. (c) + Cur. Yr. (a) - Cur. Yr. (b)]
2009	\$9,009,674	\$ 1,839,029	20.41%	\$ 7,170,645
2010	9,303,684	1,901,071	20.43%	14,573,258
2011	9,813,066	4,099,130	41.77%	20,287,194

Data on the funded status of the plan at September 30, 2011, is as follows:

Actuarial Valuation Date - September 30,	Actuarial Value of Assets (a)	Actuarial Accrued Liability ("AAL") (b)	Unfunded AAL ("UAAL") [(b)-(a)] (c)	Funded Ratio [(a)/(b)]	Annual Covered Payroll (d)	Ratio of UAAL to Annual Covered Payroll [(b)-(a)/(d)]
2009	\$ -	\$ 100,273,986	\$ 100,273,986	0%	\$ 42,331,484	236.8780%

*Actuarial methods and assumptions*

Actuarial valuations involve estimates based upon reported amounts and assumptions about the probability of events for many years ahead. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made for the future.

The required schedule of funding progress immediately following the notes to the financial statements presents multi-year trend information showing how the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. Calculations are based on the types of benefits provided under the terms of the substantive plan in effect at 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, the actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in the actuarial value of plan assets and accrued liabilities.

The valuation required that the county and actuary make certain assumptions regarding items such 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, 2009, 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 3% 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 health-care costs ranged from an initial 9% to an ultimate 4.5% after nine years, and the amortization method and period are “level as a percentage of employee payroll” and thirty years - open, respectively.

### **I. Related-Party Transactions**

A county commissioner is the owner of the title company that processes the settlements of the HMGP-Ike Special Revenue Fund buy-outs. In the fiscal year ended September 30, 2011, that title company earned revenues of \$104,228 from those settlements. The commissioner abstains from voting on all agenda items that involve the buy-out program and that could entail a conflict of interest.

### **J. Subsequent Events**

#### *Claims and Judgments*

Pursuant to an agreement reached early in calendar-year 2009 with a major industrial real-property owner, the county committed to refunding overpaid ad valorem taxes of \$1,078,454.07 with an initial payment of \$20,787.35 and four subsequent annual payments of \$264,416.68 each. The initial payment was made in May, 2009, and three of the remaining four equal annual payments have since been disbursed timely, in January of 2010, 2011, and 2012. The final payment will be disbursed in January, 2013. All of the payments will be funded by tax revenues.

#### *Tax Increment Reinvestment Zone (“TIRZ”) Number 12*

On March 8, 2011, the Commissioners’ Court authorized the submission of a claim in the amount of \$5,912,592 for reimbursement of development costs the county incurred in the years 2002 through 2007 in the City of Galveston Tax Increment Reinvestment Zone (“TIRZ”) Number 12. This TIRZ, also referred to as the “North Broadway TIRZ,” includes the Galveston County Justice Center, the completion of which in the spring of 2007 was expected to spur significant economic development in the area. Due at least in part to Hurricane Ike, which devastated the Island one and one-half years later, these expectations of TIRZ Number 12 development remain largely unmet, and the timing of the collection of the claim remains uncertain.

#### *Sale of Excess Land Adjacent to Justice Center*

In October 2011, the county sold 10.92 acres of excess land adjacent to the Justice Center in Galveston to nationwide retailer Lowe’s for a price, net of associated expenses, of \$2,890,312. A condition of the sales agreement was that Lowe’s commence construction of a store within six months of closing and complete same within two years of closing. Lowe’s subsequently determined that, due to economic conditions, it was not feasible to begin construction as early as agreed, and the county consented to extend the original time constraints.

#### *Issuance of Refunding Bonds*

In November 2011, the county issued a total of \$11,740,000 of refunding bonds in three series to defease part or all of five outstanding issues. The total amount of principal defeased was \$11,655,000, as follows:

By the issuance of \$4,205,000 of Limited Tax Refunding Bonds Series 2011A:

- \$4,140,000 of Combination Tax and Revenue Certificates of Obligation Series 2003C

By the issuance of \$4,145,000 of Unlimited Tax Refunding Bonds Series 2011B:

- \$4,145,000 of Combination Tax and Revenue Certificates of Obligation Series 2003B

By the issuance of \$3,390,000 of Limited Tax Refunding Bonds Series 2011C:

- \$500,000 of Tax and Revenue Certificates of Obligation Series 1999
- \$1,670,000 of Combination Tax and Revenue Certificates of Obligation Series 2002
- \$1,200,000 of Combination Tax and Revenue Certificates of Obligation Series 2002A

The county expects to save approximately \$2.84 million in interest expense as a result of this refunding.

In the second half of March, 2012, the county expects to issue \$40,910,000 of Pass-Through Toll Revenue and Limited Tax Refunding Bonds Series 2012. The issuance will advance-refund \$42,530,000 of principal of the Pass-Through Toll Revenue and Limited Tax Bonds Series 2007. The county estimates that it will save approximately \$13 million in debt-service expense as a result of this refunding.

### **K. Prior-Period Adjustments**

#### *The Disaster Recovery VI – Ike Fund*

The Disaster Recovery VI – Ike Fund (Fund 2994) over-accrued certain expenditures in the fiscal year ended September 30, 2010; the offsetting correction was recorded in the fiscal year ended September 30, 2011.

#### **Government-Wide Net Assets**

Beginning Net Assets, as Previously Reported	\$ 98,724,317
Effect of Correction of Accruals	<u>1,191,321</u>
Beginning Net Assets, as Restated	<u><u>\$ 99,915,638</u></u>

#### **Governmental Funds Fund Balance**

Beginning Fund Balance, as Previously Reported	\$ 216,068,019
Effect of Correction of Accruals	<u>1,191,321</u>
Beginning Fund Balance, as Restated	<u><u>\$ 217,259,340</u></u>

## 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, 2011**

	Original Budget	Final Budget	Actual	Variance, Actual from Final Budget Positive (Negative)	Actual Prior Year
<b>REVENUES</b>					
Taxes	\$ 88,951,429	\$ 88,951,429	\$ 87,938,929	\$ (1,012,500)	\$ 95,374,561
Licenses and Permits	74,000	74,000	2,097	(71,903)	59,941
Intergovernmental	5,731,325	5,746,825	5,869,255	122,430	5,755,776
Charges for Services	6,975,125	6,985,125	6,964,241	(20,884)	7,240,391
Fines and Forfeitures	2,553,600	2,553,600	2,272,209	(281,391)	2,499,460
Investment	1,451,000	1,451,000	1,480,535	29,535	1,471,366
Miscellaneous	4,377,449	4,396,330	4,935,812	539,482	5,062,369
<b>Total revenues</b>	<b>110,113,928</b>	<b>110,158,309</b>	<b>109,463,078</b>	<b>(695,231)</b>	<b>117,463,864</b>
<b>EXPENDITURES</b>					
<b>General government</b>					
General Government	5,494,000	5,438,246	4,677,436	760,810	4,064,482
County Judge and Commissioners' Court	319,500	331,339	317,142	14,197	314,943
Commissioners' Court	735,900	752,400	743,381	9,019	732,488
County Clerk	2,898,700	2,932,500	2,668,555	263,945	2,809,972
War Veterans Office	99,700	100,900	97,888	3,012	99,947
Bail Bond Board	700	700	-	700	244
Justice Administration	2,973,400	3,309,300	3,269,484	39,816	3,229,872
10th District Court	178,400	180,800	179,911	889	180,716
56th District Court	165,800	168,000	167,229	771	167,976
122nd District Court	214,400	217,300	216,290	1,010	217,260
212th District Court	163,300	167,400	166,598	802	165,533
306th District Court	175,300	177,700	176,874	826	177,662
405th District Court	178,400	180,800	179,131	1,669	179,936
County Court #1	514,800	492,600	476,756	15,844	530,395
County Court #2	502,400	477,400	468,539	8,861	523,510
Probate Court	659,700	666,700	622,341	44,359	634,990
County Court #3	470,000	481,600	481,591	9	483,097
Justice Court Precinct #1	171,900	199,600	194,749	4,851	168,175
Justice Court Precinct #2	166,500	168,700	167,727	973	168,730
Justice Court Precinct #3	278,000	281,500	269,125	12,375	275,913
Justice Court Precinct #4	290,400	294,200	287,889	6,311	297,859
Justice Court Precinct #5	253,900	257,200	252,167	5,033	257,607
Justice Court Precinct #6	242,200	245,300	204,270	41,030	207,241
Justice Court Precinct #7	251,300	254,500	248,709	5,791	252,115
Justice Court Precinct #8-1	318,400	322,500	316,591	5,909	315,132
Justice Court Precinct #8-2	200,100	202,800	195,214	7,586	199,772
Jury and Trial Expense	74,500	74,900	63,743	11,157	50,443
District Clerk	3,623,400	3,960,055	3,164,394	795,661	2,923,879
District Attorney	5,516,200	5,596,580	5,267,100	329,480	5,294,201
Pre-Trial Release	381,800	386,700	379,513	7,187	377,557
County Auditor	2,455,700	2,504,100	2,189,454	314,646	2,378,666
Director of Finance/Administration/Budget Officer	706,900	719,000	639,844	79,156	726,712
County Tax Assessor-Collector	2,544,900	2,588,600	2,419,151	169,449	2,472,001
County Treasurer	494,700	500,800	422,451	78,349	467,498
Purchasing Agent	510,400	568,100	530,725	37,375	534,042
Legal Department	829,300	838,100	648,771	189,329	718,517
Human Resources	404,600	411,700	356,019	55,681	418,210
Information Technology	8,484,400	8,533,300	7,817,170	716,130	8,121,969
Facilities Services	6,528,700	6,539,381	6,371,759	167,622	6,722,125
Fleet Management	815,600	829,859	771,832	58,027	600,077
County Engineer	703,212	743,399	649,516	93,883	670,347
<b>Total general government</b>	<b>51,991,412</b>	<b>53,096,559</b>	<b>48,737,029</b>	<b>4,359,530</b>	<b>49,131,811</b>

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

**For the Year Ended September 30, 2011**

	Original Budget	Final Budget	Actual	Variance, Actual from Final Budget Positive (Negative)	Actual Prior Year
<b>Public safety</b>					
Sheriff's Office	\$ 30,632,688	\$ 31,460,588	\$ 30,613,765	\$ 846,823	\$ 30,591,059
Constable Precinct #1	260,800	263,700	262,698	1,002	261,905
Constable Precinct #2	257,000	260,000	258,953	1,047	257,526
Constable Precinct #3	355,600	359,600	358,555	1,045	355,676
Constable Precinct #4	278,800	281,900	271,361	10,539	270,939
Constable Precinct #5	270,900	273,900	269,229	4,671	273,147
Constable Precinct #6	209,700	212,100	211,830	270	213,093
Constable Precinct #7	369,300	373,600	354,356	19,244	434,798
Constable Precinct #8	454,300	459,300	448,867	10,433	448,477
Emergency Management	828,000	832,900	715,796	117,104	905,218
<b>Total public safety</b>	<b>33,917,088</b>	<b>34,777,588</b>	<b>33,765,410</b>	<b>1,012,178</b>	<b>34,011,838</b>
<b>Health and social services</b>					
Community Services	3,260,000	3,363,600	3,174,353	189,247	3,388,609
Social Services	965,200	965,000	848,149	116,851	908,243
Senior Citizens	790,700	807,300	640,111	167,189	703,820
Public Health	6,222,900	6,222,900	6,215,572	7,328	6,900,793
<b>Total health and social services</b>	<b>11,238,800</b>	<b>11,358,800</b>	<b>10,878,185</b>	<b>480,615</b>	<b>11,901,465</b>
<b>Culture and recreation</b>					
Galveston County Museum	183,600	185,200	102,295	82,905	146,813
Beach and Parks Department	2,620,530	2,668,030	2,211,323	456,707	2,436,645
<b>Total Culture and recreation</b>	<b>2,804,130</b>	<b>2,853,230</b>	<b>2,313,619</b>	<b>539,611</b>	<b>2,583,458</b>
<b>Conservation</b>					
County Extension Service	479,400	484,700	449,579	35,121	454,238
<b>Capital outlay</b>					
Buildings and Improvement	119,835	119,835	-	119,835	-
Improvements Other Than Buildings	217,161	217,161	17,713	199,448	257,759
Machinery and Equipment	202,000	202,000	171,446	30,554	118,107
Vehicles	511,000	631,741	550,520	81,221	586,040
Technology	160,920	160,920	-	160,920	157,481
<b>Total capital outlay</b>	<b>1,210,916</b>	<b>1,331,657</b>	<b>739,679</b>	<b>591,978</b>	<b>1,119,387</b>
<b>Total expenditures</b>	<b>101,641,746</b>	<b>103,902,534</b>	<b>96,883,501</b>	<b>7,019,033</b>	<b>99,202,197</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>8,472,182</b>	<b>6,255,775</b>	<b>12,579,577</b>	<b>6,323,802</b>	<b>18,261,667</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	930,800	5,935,700	5,940,746	5,046	1,862,100
Transfers Out	(11,887,800)	(16,093,908)	(16,093,908)	-	(19,656,510)
Sale of Capital Assets	120,000	120,000	54,858	(65,142)	52,323
Transfers and Reserves	(20,100,000)	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>(30,937,000)</b>	<b>(10,038,208)</b>	<b>(10,098,304)</b>	<b>(60,096)</b>	<b>(17,742,087)</b>
<b>Net change in fund balances</b>	<b>(22,464,818)</b>	<b>(3,782,433)</b>	<b>2,481,273</b>	<b>6,263,706</b>	<b>519,580</b>
<b>Fund balances-beginning</b>	<b>30,381,285</b>	<b>30,381,285</b>	<b>30,381,285</b>	<b>-</b>	<b>29,861,705</b>
<b>Fund balances-ending</b>	<b>\$ 7,916,467</b>	<b>\$ 26,598,852</b>	<b>\$ 32,862,558</b>	<b>\$ 6,263,706</b>	<b>\$ 30,381,285</b>

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**HMGP - IKE SPECIAL REVENUE FUND**  
**For the Year Ended September 30, 2011**  
**With Comparative Actual Amounts for the Year Ended September 30, 2010**

	2011			Variance with Final Budget - Positive (Negative)	2010 Actual
	Original Budget	Final Budgeted Amounts	Actual Amounts		
<b>REVENUES</b>					
Intergovernmental	\$ 73,471,757	\$ 73,471,757	\$ 42,426,351	\$ (31,045,406)	\$ 31,074,736
Charges for Services	33,649,873	33,649,873	79,550	(33,570,323)	163,880
Miscellaneous	90,487	90,487	90,487	-	-
<b>Total revenues</b>	<b>107,212,117</b>	<b>107,212,117</b>	<b>42,596,388</b>	<b>(64,615,729)</b>	<b>31,238,616</b>
<b>EXPENDITURES</b>					
Public Safety:					
Current:					
Personal Services	76,371	76,371	29,103	47,268	2,970
Other Services and Charges	44,669,730	44,669,730	42,122,616	2,547,114	29,330,946
Total Public Safety:	44,746,101	44,746,101	42,151,719	2,594,382	29,333,916
Capital Outlay	62,841,016	62,841,016	444,669	62,396,347	1,904,700
<b>Total expenditures</b>	<b>107,587,117</b>	<b>107,587,117</b>	<b>42,596,388</b>	<b>64,990,729</b>	<b>31,238,616</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(375,000)</b>	<b>(375,000)</b>	<b>-</b>	<b>375,000</b>	<b>-</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	375,000	375,000	-	(375,000)	125,000
Transfers Out	-	-	-	-	(125,000)
<b>Total other financing sources (uses)</b>	<b>375,000</b>	<b>375,000</b>	<b>-</b>	<b>(375,000)</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balances-beginning</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balances-ending</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**CDBG HOUSING PROGRAM SPECIAL REVENUE FUND**  
**For the Year Ended September 30, 2011**  
**With Comparative Actual Amounts for the Year Ended September 30, 2010**

	<u>2011</u>			Variance with Final Budget - Positive (Negative)	2010 Actual
	Original Budget	Final Budgeted Amounts	Actual Amounts		
<b>REVENUES</b>					
Intergovernmental	\$ 90,467,345	\$ 90,467,345	\$ 45,186,966	\$ (45,280,379)	\$ 9,036,155
<b>Total revenues</b>	<u>90,467,345</u>	<u>90,467,345</u>	<u>45,186,966</u>	<u>(45,280,379)</u>	<u>9,036,155</u>
<b>EXPENDITURES</b>					
General Government:					
Current:					
Personal Services	1,387,198	1,387,198	371,519	1,015,679	342,283
Supplies	32,591	32,591	11,000	21,591	26,409
Other Services and Charges	199,206	199,206	126,841	72,365	78,644
Intergovernmental	88,848,350	88,848,350	44,677,606	44,170,744	8,588,819
<b>Total expenditures</b>	<u>90,467,345</u>	<u>90,467,345</u>	<u>45,186,966</u>	<u>45,280,379</u>	<u>9,036,155</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	-	-	-	-	-
<b>Fund balances-beginning</b>	-	-	-	-	-
<b>Fund balances-ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**DISASTER RECOVERY VI - IKE SPECIAL REVENUE FUND**  
**For the Year Ended September 30, 2011**  
**With Comparative Actual Amounts for the Year Ended September 30, 2010**

	<u>2011</u>			<b>Variance with Final Budget - Positive (Negative)</b>	<b>2010 Actual</b>
	<b>Original Budget</b>	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>		
<b>REVENUES</b>					
Intergovernmental	\$ 36,262,126	\$ 36,262,126	\$ 5,746,821	\$ (30,515,305)	\$ 30,112,316
Miscellaneous	-	-	-	-	455,862
<b>Total revenues</b>	<u>36,262,126</u>	<u>36,262,126</u>	<u>5,746,821</u>	<u>(30,515,305)</u>	<u>30,568,178</u>
<b>EXPENDITURES</b>					
Public Safety:					
Current:					
Personal Services	106,213	106,213	106,207	6	1,228,011
Supplies	1,481,373	1,481,373	1,360	1,480,013	305,188
Other Services and Charges	32,179,332	32,179,332	6,086,722	26,092,610	30,475,554
Total Public Safety:	<u>33,766,918</u>	<u>33,766,918</u>	<u>6,194,289</u>	<u>27,572,629</u>	<u>32,008,753</u>
Capital Outlay	<u>2,973,240</u>	<u>2,973,240</u>	<u>852,230</u>	<u>2,121,010</u>	<u>22,292</u>
<b>Total expenditures</b>	<u>36,740,158</u>	<u>36,740,158</u>	<u>7,046,519</u>	<u>29,693,639</u>	<u>32,031,045</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	(478,032)	(478,032)	(1,299,698)	(821,666)	(1,462,867)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	1,071,747	1,071,747	-	(1,071,747)	304,900
Transfers Out	(304,900)	(304,900)	(304,900)	-	(213,357)
Special Item - Texas Windstorm Case Settlement	694,066	694,066	695,750	1,684	-
<b>Total other financing sources (uses)</b>	<u>1,460,913</u>	<u>1,460,913</u>	<u>390,850</u>	<u>(1,070,063)</u>	<u>91,543</u>
<b>Net change in fund balances</b>	982,881	982,881	(908,848)	(1,891,729)	(1,371,324)
<b>Fund balances-beginning</b>	-	-	-	-	1,371,324
Prior period adjustments	-	-	1,191,321	1,191,321	-
<b>Fund balances-ending</b>	<u>\$ 982,881</u>	<u>\$ 982,881</u>	<u>\$ 282,473</u>	<u>\$ (700,408)</u>	<u>\$ -</u>

Galveston County, Texas  
Notes to the Required Supplementary Information  
For the Year Ended September 30, 2011

Budgetary Basis of Accounting

An annual budget is adopted 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, 2011

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) – Entry Age (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b - a) / c)
12/31/2005	\$ 132,532,292	\$ 147,832,700	\$ 15,300,408	89.65%	\$ 40,448,223	37.83%
12/31/2006	147,850,183	157,225,561	9,375,378	94.04	42,360,523	22.13
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
12/31/2009	174,780,231	192,062,820	17,282,589	91.00	55,288,272	31.26
12/31/2010	179,325,831	199,912,259	20,586,428	89.70	56,047,951	36.73

Galveston County, Texas  
Schedule of Employer Contributions  
Retirement Plan for the Employees of Galveston County, Texas  
September 30, 2011

<u>Fiscal Year Ended</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
September 30, 2011	\$ 5,202,882	100%	\$0
September 30, 2010	5,520,947	100%	0
September 30, 2009	5,429,566	100%	0
September 30, 2008	5,046,015	100%	0
September 30, 2007	4,413,271	100%	0
September 30, 2006	3,938,136	100%	0

Galveston County, Texas  
Schedule of Funding Progress  
Other Post-Employment Benefits Plan for the Employees of Galveston County, Texas  
September 30, 2011

Actuarial Valuation Date - September 30,	Actuarial Value of Assets (a)	Actuarial Accrued Liability ("AAL") (b)	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	\$ -	\$ 93,047,637	\$ 93,047,637	0%	\$ 42,639,795	218.2178%
2009	-	100,273,986	100,273,986	0%	42,331,484	236.8780%

## Nonmajor Governmental Funds

## 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, HMGP (Hazard Mitigation Grant Program) – Ike, and the CDBG (Community Development Block Grant) Housing Program Special Revenue Grant Funds qualify as a major funds and are 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 Limited Tax County Building Bonds Series 2009B and the Unlimited Tax Road Bonds Series 2009A, and the Galveston County Railroad Bridge 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, 2011**

	<b>SPECIAL REVENUE</b>	<b>DEBT SERVICE</b>	<b>CAPITAL PROJECTS</b>	<b>TOTAL NONMAJOR GOVERNMENTAL FUNDS</b>
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 32,382,196	\$ -	\$ 23,368,518	\$ 55,750,714
Investments	-	9,894,270	15,713,483	25,607,753
Receivables (Net of Allowances for Uncollectibles):				
Taxes	512,298	1,742,720	-	2,255,018
Accounts and Other	4,111,658	1,225,836	199,203	5,536,697
Due from Other Funds	40,271	-	-	40,271
Inventory at Cost	790,553	-	-	790,553
Prepaid Expenditures	4,378	-	-	4,378
Restricted Assets:				
Cash and Cash Equivalents	1,211,421	-	-	1,211,421
<b>Total assets</b>	<b>\$ 39,052,775</b>	<b>\$ 12,862,826</b>	<b>\$ 39,281,204</b>	<b>\$ 91,196,805</b>
<b>LIABILITIES</b>				
Accounts Payable	\$ 1,833,948	\$ -	\$ 969,398	\$ 2,803,346
Salaries Payable	561,062	-	-	561,062
Retainage Payable	3,189	-	108,948	112,137
Due to Others	160,761	78,163	-	238,924
Payable from Restricted Assets:				
Escrow Deposits	33,271	-	-	33,271
Deposits - Held	419,117	-	-	419,117
Due to Other Funds	1,817,795	-	-	1,817,795
Deferred Revenues	1,353,932	1,742,720	-	3,096,652
<b>Total liabilities</b>	<b>6,183,075</b>	<b>1,820,883</b>	<b>1,078,346</b>	<b>9,082,304</b>
<b>FUND BALANCES</b>				
Non-Spendable	794,931	-	-	794,931
Restricted	32,074,769	11,041,943	35,287,760	78,404,472
Assigned	-	-	2,915,098	2,915,098
<b>Total fund balances</b>	<b>32,869,700</b>	<b>11,041,943</b>	<b>38,202,858</b>	<b>82,114,501</b>
<b>Total liabilities and fund balances</b>	<b>\$ 39,052,775</b>	<b>\$ 12,862,826</b>	<b>\$ 39,281,204</b>	<b>\$ 91,196,805</b>

**GALVESTON COUNTY, TEXAS**  
**COMBINED STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**For the Year Ended September 30, 2011**

	<b>SPECIAL REVENUE</b>	<b>DEBT SERVICE</b>	<b>CAPITAL PROJECTS</b>	<b>TOTAL NONMAJOR GOVERNMENTAL FUNDS</b>
<b>REVENUES</b>				
Taxes	\$ 4,174,836	\$ 27,328,052	\$ -	\$ 31,502,888
Licenses and Permits	2,369,788	-	-	2,369,788
Intergovernmental	11,882,555	4,529,332	-	16,411,887
Charges for Services	2,711,896	-	-	2,711,896
Fines and Forfeitures	761,371	-	-	761,371
Investment Earnings	228,092	150,094	191,996	570,182
Miscellaneous	949,952	-	-	949,952
<b>Total revenues</b>	<b>23,078,490</b>	<b>32,007,478</b>	<b>191,996</b>	<b>55,277,964</b>
<b>EXPENDITURES</b>				
Current:				
General Government	1,917,051	-	43,210	1,960,261
Public Safety	13,204,168	-	-	13,204,168
Sanitation	1,503	-	-	1,503
Health and Social Services	5,125,542	-	-	5,125,542
Culture and Recreation	626,588	-	-	626,588
Roads, Bridges and Rights-of-Way	6,376,313	-	11,727,221	18,103,534
Debt Service:				
Principal Retirement	-	15,620,000	-	15,620,000
Interest and Fiscal Charges	-	14,820,227	-	14,820,227
Capital Outlay	3,461,553	-	2,345,125	5,806,678
<b>Total expenditures</b>	<b>30,712,718</b>	<b>30,440,227</b>	<b>14,115,556</b>	<b>75,268,501</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(7,634,228)</b>	<b>1,567,251</b>	<b>(13,923,560)</b>	<b>(19,990,537)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	8,934,368	85	6,322,808	15,257,261
Transfers Out	(8,047,714)	-	(85)	(8,047,799)
Sale of Capital Assets	70,262	-	-	70,262
<b>Total other financing sources (uses)</b>	<b>956,916</b>	<b>85</b>	<b>6,322,723</b>	<b>7,279,724</b>
<b>Net change in fund balances</b>	<b>(6,677,312)</b>	<b>1,567,336</b>	<b>(7,600,837)</b>	<b>(12,710,813)</b>
<b>Fund balances-beginning</b>	<b>39,547,012</b>	<b>9,474,607</b>	<b>45,803,695</b>	<b>94,825,314</b>
<b>Fund balances-ending</b>	<b>\$ 32,869,700</b>	<b>\$ 11,041,943</b>	<b>\$ 38,202,858</b>	<b>\$ 82,114,501</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 (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 using the county funded equipments 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 256.005 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 256.006 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.

GALVESTON COUNTY MUSEUM (FUND 2621) – The Galveston County Museum Fund (2621) – The County, under the authority of Local Government Code-Section 318, has set up a fund to provide maintenance to the Galveston County Museum collection. Funding is provided through periodic donations, the Galveston Historical Foundation, and the Galveston County Community Service operational budget.

## GRANTS

### PURPOSE:

HELP AMERICA VOTE ACT (“H.A.V.A.”) (FUND 2811) – The Office of the Secretary of State has awarded this supplemental grant to Galveston County in May 11, 2010 pursuant to Title I, Section 101 dated and Title II, Section 251 of the Help America Vote Act (“HAVA”) Public Law 107-252 dated October 29, 2002, 42 U S C 15301. The supplemental funds have been apportioned to the counties based on the original Voting System Accessibility and General HAVA Compliance allotments formulated in the State Plan.

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.

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.

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.

EECBG - PROGRAM (FUND 2894) – The Program was authorized in Title V, Subtitle E of the Energy Independence and Security Act of 2007 (EISA), and signed into Public Law (PL 110-140) on December 19, 2007. The Energy Efficiency and Conservation Block Grants funding will support energy audits and energy efficiency retrofits in residential and commercial buildings, the development and implementation of advanced building codes and inspections, and the creation of financial incentive programs for energy efficiency improvements.

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 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.

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.

2009 RECOVERY ACT JUSTICE ASSISTANCE GRANT (FUND 2974) - This grant is funded by the U.S. Department of Justice and is shared with 8 Galveston County cities for individual and joint City and County Projects. It provides for a combination of technology and data drive equipment and software for Community Policing activities.

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.

COPS GRANTS PROGRAM (FUND 2976) - This is a three year grant funded by the U.S. Department of Justice and provides for the hiring of 9 Sheriff Deputies for the 3 year term of the grant. 6 of the Deputies are assigned to the Clear Creek Independent School District and 3 are assigned to regular County duties.

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.

ELECTION SERVICES CONTRACT FUND - HAVA (FUND 2991) - 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 using the HAVA Program Income funded equipments are deposited with the County Treasurer into the Election Services Contract Fund. The proceeds derived from the HAVA funded equipment charges to the different entities are being reported to the Secretary of State annually.

SEVERE REPETITIVE LOSS GRANT (FUND 2992) - The Severe Repetitive Loss (SRL) grant program was authorized by the Bunning-Bereuter-Blumenauer Flood Insurance Reform Act of 2004, which amended the National Flood Insurance Act of 1968 to provide funding to reduce or eliminate the long-term risk of flood damage to severe repetitive loss (SRL) structures insured under the National Flood Insurance Program (NFIP).



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**GALVESTON COUNTY, TEXAS**  
**COMBINING BALANCE SHEET**  
**ALL NONMAJOR SPECIAL REVENUE FUNDS**  
**September 30, 2011**  
**With Comparative Totals at September 30, 2010**

	<b>COUNTY RECORDS MANAGEMENT</b>	<b>COUNTY CLERK RECORDS MANAGEMENT AND PRESERVATION</b>	<b>ELECTION SERVICES CONTRACT</b>	<b>DISTRICT CLERK CHILD SUPPORT IV-D</b>
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 152,849	\$ 1,937,053	\$ 384,931	\$ 116,775
Receivables (Net of Allowances for Uncollectibles):				
Taxes	-	-	-	-
Accounts and Other	2,564	3,222	36,329	-
Due from Other Funds	-	-	-	-
Inventory at Cost	-	-	-	-
Prepaid Expenditures	-	-	-	-
Restricted Assets:				
Cash and Cash Equivalents	-	-	-	-
<b>Total assets</b>	<b>\$ 155,413</b>	<b>\$ 1,940,275</b>	<b>\$ 421,260</b>	<b>\$ 116,775</b>
<b>LIABILITIES</b>				
Accounts Payable	\$ -	\$ 5,730	\$ 189,867	\$ -
Salaries Payable	-	12,763	881	-
Retainage Payable	-	-	-	-
Due to Others	-	-	-	-
Payable from Restricted Assets:				
Escrow Deposits	-	-	-	-
Deposits - Held	-	-	-	-
Due to Other Funds	-	-	-	-
Deferred Revenues	-	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>18,493</b>	<b>190,748</b>	<b>-</b>
<b>FUND BALANCES</b>				
Non-Spendable	-	-	-	-
Restricted	155,413	1,921,782	230,512	116,775
<b>Total fund balances</b>	<b>155,413</b>	<b>1,921,782</b>	<b>230,512</b>	<b>116,775</b>
<b>Total liabilities and fund balances</b>	<b>\$ 155,413</b>	<b>\$ 1,940,275</b>	<b>\$ 421,260</b>	<b>\$ 116,775</b>

(Continued)

<b>DISTRICT CLERK RECORDS MANAGEMENT</b>	<b>TAX ASSESSOR- COLLECTOR SPECIAL INVENTORY TAX ESCROW</b>	<b>DONATIONS TO GALVESTON COUNTY</b>	<b>DISTRICT ATTORNEY CONTRABAND POST-10/89</b>	<b>DISTRICT ATTORNEY CHECK COLLECTION FEES</b>
\$ 118,164	\$ 45,960	\$ 1,029	\$ 62,306	\$ 53,481
-	-	-	-	-
312	945	-	1,656	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<b>\$ 118,476</b>	<b>\$ 46,905</b>	<b>\$ 1,029</b>	<b>\$ 63,962</b>	<b>\$ 53,481</b>
\$ -	\$ 2,481	\$ 159	\$ 532	\$ 48
-	-	-	-	1,477
-	-	-	-	-
-	-	-	-	-
-	-	-	20,096	-
-	-	-	-	-
-	-	-	-	-
-	2,481	159	20,628	1,525
-	-	-	-	-
118,476	44,424	870	43,334	51,956
118,476	44,424	870	43,334	51,956
<b>\$ 118,476</b>	<b>\$ 46,905</b>	<b>\$ 1,029</b>	<b>\$ 63,962</b>	<b>\$ 53,481</b>

**GALVESTON COUNTY, TEXAS**  
**COMBINING BALANCE SHEET**  
**ALL NONMAJOR SPECIAL REVENUE FUNDS**  
**September 30, 2011**  
**With Comparative Totals at September 30, 2010**

	<b>UNCLAIMED PROPERTY</b>	<b>COURTHOUSE SECURITY</b>	<b>LAW LIBRARY</b>	<b>MEDIATION SERVICES PROGRAM</b>
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 197,295	\$ 284,764	\$ 143,308	\$ 865,375
Receivables (Net of Allowances for Uncollectibles):				
Taxes	-	-	-	-
Accounts and Other	-	858	1,029	581
Due from Other Funds	-	-	-	-
Inventory at Cost	-	-	-	-
Prepaid Expenditures	-	-	-	-
Restricted Assets:				
Cash and Cash Equivalents	-	-	-	-
<b>Total assets</b>	<b>\$ 197,295</b>	<b>\$ 285,622</b>	<b>\$ 144,337</b>	<b>\$ 865,956</b>
<b>LIABILITIES</b>				
Accounts Payable	\$ -	\$ -	\$ 788	\$ 615
Salaries Payable	-	7,574	1,546	-
Retainage Payable	-	-	-	-
Due to Others	135,752	-	-	-
Payable from Restricted Assets:				
Escrow Deposits	-	-	-	-
Deposits - Held	-	-	-	-
Due to Other Funds	-	-	-	-
Deferred Revenues	-	-	-	-
<b>Total liabilities</b>	<b>135,752</b>	<b>7,574</b>	<b>2,334</b>	<b>615</b>
<b>FUND BALANCES</b>				
Non-Spendable	-	-	-	-
Restricted	61,543	278,048	142,003	865,341
<b>Total fund balances</b>	<b>61,543</b>	<b>278,048</b>	<b>142,003</b>	<b>865,341</b>
<b>Total liabilities and fund balances</b>	<b>\$ 197,295</b>	<b>\$ 285,622</b>	<b>\$ 144,337</b>	<b>\$ 865,956</b>

(Continued)

<b>JUSTICE COURT TECHNOLOGY</b>	<b>PROBATE COURT CONTRIBUTIONS</b>	<b>ADULT PROBATION</b>	<b>JUVENILE JUSTICE</b>	<b>SHERIFF'S COMMISSARY</b>
\$ 73,941	\$ 307,120	\$ 777,480	\$ 2,560,556	\$ 946,069
-	-	-	-	-
-	-	106,072	21,516	37,658
-	-	-	-	-
-	-	4,378	-	-
-	-	-	-	-
<b>\$ 73,941</b>	<b>\$ 307,120</b>	<b>\$ 887,930</b>	<b>\$ 2,582,072</b>	<b>\$ 983,727</b>
\$ -	\$ 342	\$ 12,352	\$ 36,458	\$ 20,155
-	-	82,889	129,278	3,065
-	-	-	-	-
-	-	10	950	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	134,880	-	-
-	342	230,131	166,686	23,220
-	-	4,378	-	-
73,941	306,778	653,421	2,415,386	960,507
73,941	306,778	657,799	2,415,386	960,507
<b>\$ 73,941</b>	<b>\$ 307,120</b>	<b>\$ 887,930</b>	<b>\$ 2,582,072</b>	<b>\$ 983,727</b>

**GALVESTON COUNTY, TEXAS**  
**COMBINING BALANCE SHEET**  
**ALL NONMAJOR SPECIAL REVENUE FUNDS**  
**September 30, 2011**  
**With Comparative Totals at September 30, 2010**

	<b>SHERIFF SEIZURES POST-10/89</b>	<b>TASK FORCE SEIZURES PRE-10/89</b>	<b>CRIMINAL INVESTIGATIVE DIVISION SEIZURES POST-10/89</b>	<b>LAW ENFORCEMENT CONTINUED EDUCATION</b>
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 501,139	\$ 31,866	\$ 5,919	\$ 147,059
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>\$ 501,139</b>	<b>\$ 31,866</b>	<b>\$ 5,919</b>	<b>\$ 147,059</b>
<b>LIABILITIES</b>				
Accounts Payable	\$ 3,520	\$ -	\$ -	\$ 265
Salaries Payable	-	-	-	-
Retainage Payable	-	-	-	-
Due to Others	-	-	-	-
Payable from Restricted Assets:				
Escrow Deposits	-	-	-	-
Deposits - Held	379,087	13,486	5,919	-
Due to Other Funds	-	-	-	-
Deferred Revenues	-	-	-	-
<b>Total liabilities</b>	<b>382,607</b>	<b>13,486</b>	<b>5,919</b>	<b>265</b>
<b>FUND BALANCES</b>				
Non-Spendable	-	-	-	-
Restricted	118,532	18,380	-	146,794
<b>Total fund balances</b>	<b>118,532</b>	<b>18,380</b>	<b>-</b>	<b>146,794</b>
<b>Total liabilities and fund balances</b>	<b>\$ 501,139</b>	<b>\$ 31,866</b>	<b>\$ 5,919</b>	<b>\$ 147,059</b>

(Continued)

<b>CONSTABLES' SEIZURES</b>	<b>EMERGENCY MANAGEMENT</b>	<b>ROAD AND BRIDGE</b>	<b>FARM-TO- MARKET LATERAL ROAD</b>	<b>ROAD DISTRICT #1</b>
\$ 3,500	\$ 2,823,848	\$ 2,879,097	\$ 1,504,442	\$ 385,448
-	-	152,420	14,100	542
-	-	401,953	1,994	960
-	-	-	-	-
-	-	368,780	-	-
-	-	-	-	-
-	33,271	-	-	-
<b>\$ 3,500</b>	<b>\$ 2,857,119</b>	<b>\$ 3,802,250</b>	<b>\$ 1,520,536</b>	<b>\$ 386,950</b>
\$ -	\$ -	\$ 229,654	\$ 1,850	\$ -
-	-	98,307	3,297	-
-	-	-	-	-
-	-	16,076	-	-
-	33,271	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	155,116	14,100	541
-	33,271	499,153	19,247	541
-	-	368,780	-	-
3,500	2,823,848	2,934,317	1,501,289	386,409
3,500	2,823,848	3,303,097	1,501,289	386,409
<b>\$ 3,500</b>	<b>\$ 2,857,119</b>	<b>\$ 3,802,250</b>	<b>\$ 1,520,536</b>	<b>\$ 386,950</b>

**GALVESTON COUNTY, TEXAS**  
**COMBINING BALANCE SHEET**  
**ALL NONMAJOR SPECIAL REVENUE FUNDS**  
**September 30, 2011**  
**With Comparative Totals at September 30, 2010**

	<b>FLOOD CONTROL</b>	<b>PUBLIC HEALTH</b>	<b>MOSQUITO CONTROL DISTRICT</b>	<b>INDIGENT HEALTH CARE FUND</b>
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 2,592,212	\$ -	\$ 298,038	\$ 10,932,555
Receivables (Net of Allowances for Uncollectibles):				
Taxes	234,602	-	110,634	-
Accounts and Other	4,889	15,496	727	-
Due from Other Funds	-	40,271	-	-
Inventory at Cost	-	-	421,773	-
Prepaid Expenditures	-	-	-	-
Restricted Assets:				
Cash and Cash Equivalents	2,357	-	-	-
<b>Total assets</b>	<b>\$ 2,834,060</b>	<b>\$ 55,767</b>	<b>\$ 831,172</b>	<b>\$ 10,932,555</b>
<b>LIABILITIES</b>				
Accounts Payable	\$ 40,039	\$ 394	\$ 6,037	\$ 90,723
Salaries Payable	43,096	27,097	24,711	-
Retainage Payable	-	-	-	-
Due to Others	3,050	-	4,923	-
Payable from Restricted Assets:				
Escrow Deposits	-	-	-	-
Deposits - Held	-	-	-	-
Due to Other Funds	-	28,276	-	-
Deferred Revenues	234,602	-	110,634	-
<b>Total liabilities</b>	<b>320,787</b>	<b>55,767</b>	<b>146,305</b>	<b>90,723</b>
<b>FUND BALANCES</b>				
Non-Spendable	-	-	421,773	-
Restricted	2,513,273	-	263,094	10,841,832
<b>Total fund balances</b>	<b>2,513,273</b>	<b>-</b>	<b>684,867</b>	<b>10,841,832</b>
<b>Total liabilities and fund balances</b>	<b>\$ 2,834,060</b>	<b>\$ 55,767</b>	<b>\$ 831,172</b>	<b>\$ 10,932,555</b>

	CHILD WELFARE	BEACH AND PARKS	GALVESTON COUNTY MUSEUM	GRANTS	TOTALS	
					2011	2010
\$	494,626	\$ -	\$ 17,909	\$ 736,082	\$ 32,382,196	\$ 41,087,386
	-	-	-	-	512,298	563,525
	23,356	97,402	-	3,352,139	4,111,658	1,869,066
	-	-	-	-	40,271	115,015
	-	-	-	-	790,553	630,057
	-	-	-	-	4,378	4,712
	529	1,175,264	-	-	1,211,421	905,404
<b>\$</b>	<b>518,511</b>	<b>\$ 1,272,666</b>	<b>\$ 17,909</b>	<b>\$ 4,088,221</b>	<b>\$ 39,052,775</b>	<b>\$ 45,175,165</b>
\$	29,212	\$ 32,552	\$ -	\$ 1,130,175	\$ 1,833,948	\$ 854,407
	97	7,611	-	117,373	561,062	542,648
	-	-	-	3,189	3,189	-
	-	-	-	-	160,761	437,659
	-	-	-	-	33,271	32,724
	529	-	-	-	419,117	997
	-	160,830	-	1,628,689	1,817,795	1,902,088
	-	-	-	704,059	1,353,932	1,857,630
	29,838	200,993	-	3,583,485	6,183,075	5,628,153
	-	-	-	-	794,931	634,769
	488,673	1,071,673	17,909	504,736	32,074,769	38,912,243
	488,673	1,071,673	17,909	504,736	32,869,700	39,547,012
<b>\$</b>	<b>518,511</b>	<b>\$ 1,272,666</b>	<b>\$ 17,909</b>	<b>\$ 4,088,221</b>	<b>\$ 39,052,775</b>	<b>\$ 45,175,165</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, 2011**  
**With Comparative Totals for the Year Ended September 30, 2010**

	<b>COUNTY RECORDS MANAGEMENT</b>	<b>COUNTY CLERK RECORDS MANAGEMENT AND PRESERVATION</b>	<b>ELECTION SERVICES CONTRACT</b>	<b>DISTRICT CLERK CHILD SUPPORT IV-D</b>
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental	-	-	-	6,284
Charges for Services	132,355	787,920	139,286	-
Fines and Forfeitures	-	-	-	-
Investment Earnings	-	-	-	-
Miscellaneous	2,608	-	109,311	-
<b>Total revenues</b>	<b>134,963</b>	<b>787,920</b>	<b>248,597</b>	<b>6,284</b>
<b>EXPENDITURES</b>				
Current :				
General Government	199,192	551,487	22,016	4,220
Public Safety	-	-	-	-
Sanitation	-	-	-	-
Health and Social Services	-	-	-	-
Culture and Recreation	-	-	-	-
Roads, Bridges, and Rights-of-Way	-	-	-	-
Capital Outlay	-	49,217	21,000	-
<b>Total expenditures</b>	<b>199,192</b>	<b>600,704</b>	<b>43,016</b>	<b>4,220</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(64,229)</b>	<b>187,216</b>	<b>205,581</b>	<b>2,064</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	100,000	-	-	-
Transfers Out	(3,000)	(477,600)	(392,001)	-
Sale of Capital Assets	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>97,000</b>	<b>(477,600)</b>	<b>(392,001)</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>32,771</b>	<b>(290,384)</b>	<b>(186,420)</b>	<b>2,064</b>
<b>Fund balances-beginning</b>	<b>122,642</b>	<b>2,212,166</b>	<b>416,932</b>	<b>114,711</b>
<b>Fund balances-ending</b>	<b>\$ 155,413</b>	<b>\$ 1,921,782</b>	<b>\$ 230,512</b>	<b>\$ 116,775</b>

(Continued)

<b>DISTRICT CLERK RECORDS MANAGEMENT</b>	<b>TAX ASSESSOR- COLLECTOR SPECIAL INVENTORY TAX ESCROW</b>	<b>DONATIONS TO GALVESTON COUNTY</b>	<b>DISTRICT ATTORNEY CONTRABAND POST-10/89</b>	<b>DISTRICT ATTORNEY CHECK COLLECTION FEES</b>
\$ -	\$ 2,767	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
69,928	-	-	-	4,957
-	-	-	24,587	-
-	8,884	-	259	-
-	-	5,000	-	235
69,928	11,651	5,000	24,846	5,192
-	5,724	-	36,113	10,261
-	-	-	-	-
-	-	-	-	-
-	-	5,000	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	5,724	5,000	36,113	10,261
69,928	5,927	-	(11,267)	(5,069)
-	-	-	-	-
(40,000)	-	-	-	-
-	-	-	-	-
(40,000)	-	-	-	-
29,928	5,927	-	(11,267)	(5,069)
88,548	38,497	870	54,601	57,025
<b>\$ 118,476</b>	<b>\$ 44,424</b>	<b>\$ 870</b>	<b>\$ 43,334</b>	<b>\$ 51,956</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, 2011**  
**With Comparative Totals for the Year Ended September 30, 2010**

	<b>UNCLAIMED PROPERTY</b>	<b>COURTHOUSE SECURITY</b>	<b>LAW LIBRARY</b>	<b>MEDIATION SERVICES PROGRAM</b>
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for Services	-	199,605	250,008	137,272
Fines and Forfeitures	-	-	-	-
Investment Earnings	3,213	-	-	10,747
Miscellaneous	-	-	158	3,420
<b>Total revenues</b>	<b>3,213</b>	<b>199,605</b>	<b>250,166</b>	<b>151,439</b>
<b>EXPENDITURES</b>				
Current :				
General Government	-	-	351,656	32,725
Public Safety	-	230,795	-	-
Sanitation	-	-	-	-
Health and Social Services	-	-	-	-
Culture and Recreation	-	-	-	-
Roads, Bridges, and Rights-of-Way	-	-	-	-
Capital Outlay	-	-	-	-
<b>Total expenditures</b>	<b>-</b>	<b>230,795</b>	<b>351,656</b>	<b>32,725</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>3,213</b>	<b>(31,190)</b>	<b>(101,490)</b>	<b>118,714</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	-	-
Transfers Out	-	(10,200)	(12,800)	-
Sale of Capital Assets	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>(10,200)</b>	<b>(12,800)</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>3,213</b>	<b>(41,390)</b>	<b>(114,290)</b>	<b>118,714</b>
<b>Fund balances-beginning</b>	<b>58,330</b>	<b>319,438</b>	<b>256,293</b>	<b>746,627</b>
<b>Fund balances-ending</b>	<b>\$ 61,543</b>	<b>\$ 278,048</b>	<b>\$ 142,003</b>	<b>\$ 865,341</b>

(Continued)

<b>JUSTICE COURT TECHNOLOGY</b>	<b>PROBATE COURT CONTRIBUTIONS</b>	<b>ADULT PROBATION</b>	<b>JUVENILE JUSTICE</b>	<b>SHERIFF'S COMMISSARY</b>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	40,476	2,640,641	297,613	-
-	-	-	815	-
67,421	-	-	-	-
-	-	13,116	36,374	15,016
-	84	7,413	1,882	449,179
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67,421	40,560	2,661,170	336,684	464,195
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105,000	10,202	-	-	-
-	-	2,132,232	4,744,054	512,412
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	68,626	-
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
105,000	10,202	2,132,232	4,812,680	512,412
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
(37,579)	30,358	528,938	(4,475,996)	(48,217)
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-	-	-	5,006,800	-
-	(33,289)	(20,424)	(167,400)	(4,900)
-	-	-	-	-
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
-	(33,289)	(20,424)	4,839,400	(4,900)
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
(37,579)	(2,931)	508,514	363,404	(53,117)
111,520	309,709	149,285	2,051,982	1,013,624
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>\$ 73,941</b>	<b>\$ 306,778</b>	<b>\$ 657,799</b>	<b>\$ 2,415,386</b>	<b>\$ 960,507</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, 2011**  
**With Comparative Totals for the Year Ended September 30, 2010**

	<b>SHERIFF SEIZURES POST-10/89</b>	<b>TASK FORCE SEIZURES PRE-10/89</b>	<b>CRIMINAL INVESTIGATIVE DIVISION SEIZURES POST-10/89</b>	<b>LAW ENFORCEMENT CONTINUED EDUCATION</b>
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental	-	-	-	35,403
Charges for Services	-	-	-	-
Fines and Forfeitures	68,581	-	-	-
Investment Earnings	1,522	-	-	-
Miscellaneous	-	-	-	-
<b>Total revenues</b>	<b>70,103</b>	<b>-</b>	<b>-</b>	<b>35,403</b>
<b>EXPENDITURES</b>				
Current :				
General Government	-	-	-	-
Public Safety	32,817	-	-	27,153
Sanitation	-	-	-	-
Health and Social Services	-	-	-	-
Culture and Recreation	-	-	-	-
Roads, Bridges, and Rights-of-Way	-	-	-	-
Capital Outlay	-	-	-	-
<b>Total expenditures</b>	<b>32,817</b>	<b>-</b>	<b>-</b>	<b>27,153</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>37,286</b>	<b>-</b>	<b>-</b>	<b>8,250</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>
<b>Net change in fund balances</b>	<b>37,286</b>	<b>(5,400)</b>	<b>-</b>	<b>8,250</b>
<b>Fund balances-beginning</b>	<b>81,246</b>	<b>23,780</b>	<b>-</b>	<b>138,544</b>
<b>Fund balances-ending</b>	<b>\$ 118,532</b>	<b>\$ 18,380</b>	<b>\$ -</b>	<b>\$ 146,794</b>

(Continued)

CONSTABLES' SEIZURES	EMERGENCY MANAGEMENT	ROAD AND BRIDGE	FARM-TO- MARKET LATERAL ROAD	ROAD DISTRICT #1
\$ -	\$ -	\$ 1,409,128	\$ 822	\$ 14
-	-	2,369,788	-	-
-	1,635	622,658	28,331	-
-	-	-	-	516,185
-	-	600,782	-	-
-	-	58,183	21,546	6,212
-	1,937	1,393	49,397	-
-	3,572	5,061,932	100,096	522,411
-	-	-	-	-
-	20,158	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	5,704,175	110,911	561,227
-	-	481,526	10,745	27,617
-	20,158	6,185,701	121,656	588,844
-	(16,586)	(1,123,769)	(21,560)	(66,433)
-	600,843	-	-	-
-	(5,000,158)	(1,102,200)	(239,000)	(113,800)
-	-	27,970	35,605	-
-	(4,399,315)	(1,074,230)	(203,395)	(113,800)
-	(4,415,901)	(2,197,999)	(224,955)	(180,233)
3,500	7,239,749	5,501,096	1,726,244	566,642
<b>\$ 3,500</b>	<b>\$ 2,823,848</b>	<b>\$ 3,303,097</b>	<b>\$ 1,501,289</b>	<b>\$ 386,409</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, 2011**  
**With Comparative Totals for the Year Ended September 30, 2010**

	<b>FLOOD CONTROL</b>	<b>PUBLIC HEALTH</b>	<b>MOSQUITO CONTROL DISTRICT</b>	<b>INDIGENT HEALTH CARE FUND</b>
<b>REVENUES</b>				
Taxes	\$ 1,719,026	\$ -	\$ 1,043,079	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental	-	-	-	114,196
Charges for Services	155,248	-	-	-
Fines and Forfeitures	-	-	-	-
Investment Earnings	37,907	-	8,007	-
Miscellaneous	98,005	-	43	-
<b>Total revenues</b>	<b>2,010,186</b>	<b>-</b>	<b>1,051,129</b>	<b>114,196</b>
<b>EXPENDITURES</b>				
Current :				
General Government	98,101	-	-	-
Public Safety	1,506,975	-	-	-
Sanitation	-	-	-	-
Health and Social Services	-	-	934,260	2,521,370
Culture and Recreation	-	-	-	-
Roads, Bridges, and Rights-of-Way	-	-	-	-
Capital Outlay	317,800	-	-	-
<b>Total expenditures</b>	<b>1,922,876</b>	<b>-</b>	<b>934,260</b>	<b>2,521,370</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>87,310</b>	<b>-</b>	<b>116,869</b>	<b>(2,407,174)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	-	2,000,000
Transfers Out	(158,700)	-	(57,000)	-
Sale of Capital Assets	6,687	-	-	-
<b>Total other financing sources (uses)</b>	<b>(152,013)</b>	<b>-</b>	<b>(57,000)</b>	<b>2,000,000</b>
<b>Net change in fund balances</b>	<b>(64,703)</b>	<b>-</b>	<b>59,869</b>	<b>(407,174)</b>
<b>Fund balances-beginning</b>	<b>2,577,976</b>	<b>-</b>	<b>624,998</b>	<b>11,249,006</b>
<b>Fund balances-ending</b>	<b>\$ 2,513,273</b>	<b>\$ -</b>	<b>\$ 684,867</b>	<b>\$ 10,841,832</b>

	CHILD WELFARE	BEACH AND PARKS	GALVESTON COUNTY MUSEUM	GRANTS	TOTALS	
					2011	2010
\$	-	\$ -	\$ -	\$ -	4,174,836	\$ 6,127,780
	-	-	-	-	2,369,788	2,366,367
	24,694	97,402	-	7,973,222	11,882,555	11,359,553
	-	308,567	-	9,750	2,711,896	2,826,697
	-	-	-	-	761,371	827,543
	-	5,911	-	1,195	228,092	272,052
	4,087	80	220	215,500	949,952	1,383,020
	28,781	411,960	220	8,199,667	23,078,490	25,163,012
	-	-	-	490,354	1,917,051	1,913,240
	-	-	-	3,997,572	13,204,168	13,400,358
	-	-	-	1,503	1,503	97,798
	330,163	-	-	1,334,749	5,125,542	5,439,899
	-	610,256	2,264	14,068	626,588	591,031
	-	-	-	-	6,376,313	4,748,326
	-	84,295	-	2,400,727	3,461,553	2,061,324
	330,163	694,551	2,264	8,238,973	30,712,718	28,251,976
	(301,382)	(282,591)	(2,044)	(39,306)	(7,634,228)	(3,088,964)
	354,300	460,000	-	412,425	8,934,368	18,862,623
	-	(12,700)	-	(197,142)	(8,047,714)	(5,090,113)
	-	-	-	-	70,262	94,164
	354,300	447,300	-	215,283	956,916	13,866,674
	52,918	164,709	(2,044)	175,977	(6,677,312)	10,777,710
	435,755	906,964	19,953	328,759	39,547,012	28,769,302
<b>\$</b>	<b>488,673</b>	<b>\$ 1,071,673</b>	<b>\$ 17,909</b>	<b>\$ 504,736</b>	<b>\$ 32,869,700</b>	<b>\$ 39,547,012</b>

**GALVESTON COUNTY, TEXAS  
COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS - GRANT FUNDS  
September 30, 2011  
With Comparative Totals at September 30, 2010**

	<b>HELP AMERICA VOTE ACT (HAVA)</b>	<b>LOW INCOME REPAIR ASSISTANCE PROGRAM ("L.I.R.A.P.")</b>	<b>LOCAL INITIATIVE PROJECT ("L.I.R.A.P.")</b>	<b>ADULT PROBATION COMMUNITY CORRECTIONS</b>
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ -	\$ 16,410	\$ -	\$ 85,471
Receivables: (Net of Allowance for Uncollectibles)				
Accounts and Other	203,107	-	-	50
<b>Total assets</b>	<b>\$ 203,107</b>	<b>\$ 16,410</b>	<b>\$ -</b>	<b>\$ 85,521</b>
<b>LIABILITIES</b>				
Accounts Payable	\$ 203,107	\$ -	\$ -	\$ 23,602
Salaries Payable	-	-	-	13,267
Retainage Payable	-	-	-	-
Due to Other Funds	-	-	-	-
Deferred Revenues	-	-	-	48,194
<b>Total liabilities</b>	<b>203,107</b>	<b>-</b>	<b>-</b>	<b>85,063</b>
<b>FUND BALANCES</b>				
Restricted	-	16,410	-	458
<b>Total fund balances</b>	<b>-</b>	<b>16,410</b>	<b>-</b>	<b>458</b>
<b>Total liabilities and fund balances</b>	<b>\$ 203,107</b>	<b>\$ 16,410</b>	<b>\$ -</b>	<b>\$ 85,521</b>

(Continued)

JUVENILE ACCOUNTABILITY INCENTIVE BLOCK	JUVENILE JUSTICE STATE AID	JUVENILE JUSTICE INTENSIVE SUPERVISION PROGRAM	INTENSIVE COMMUNITY- BASED PROGRAM	JUVENILE JUSTICE ALTERNATIVE EDUCATION
\$ 228	\$ 180,632	\$ 328	\$ -	\$ 38,715
-	650	-	-	2,049
<b>\$ 228</b>	<b>\$ 181,282</b>	<b>\$ 328</b>	<b>\$ -</b>	<b>\$ 40,764</b>
\$ -	\$ 34,341	\$ -	\$ -	\$ 20,452
228	40,510	-	-	-
-	-	-	-	-
-	-	-	-	-
-	94,309	-	-	18,262
228	169,160	-	-	38,714
-	12,122	328	-	2,050
-	12,122	328	-	2,050
<b>\$ 228</b>	<b>\$ 181,282</b>	<b>\$ 328</b>	<b>\$ -</b>	<b>\$ 40,764</b>

**GALVESTON COUNTY, TEXAS  
 COMBINING BALANCE SHEET  
 NONMAJOR SPECIAL REVENUE FUNDS - GRANT FUNDS  
 September 30, 2011  
 With Comparative Totals at September 30, 2010**

	<b>ORGANIZED CRIME CONTROL UNIT</b>	<b>AUTO CRIMES TASK FORCE</b>	<b>STATE CRIMINAL ALIEN ASSISTANCE PROGRAM</b>	<b>TEXAS VICTIM INFOR- MATION AND NOTIFICATION EVERY DAY ("V.I.N.E.")</b>
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 1,824	\$ -	\$ -	\$ -
Receivables: (Net of Allowance for Uncollectibles)				
Accounts and Other	-	203,779	68,719	26,333
<b>Total assets</b>	<b>\$ 1,824</b>	<b>\$ 203,779</b>	<b>\$ 68,719</b>	<b>\$ 26,333</b>
<b>LIABILITIES</b>				
Accounts Payable	\$ -	\$ 6,335	\$ 15,118	\$ 26,333
Salaries Payable	-	18,475	-	-
Retainage Payable	-	-	-	-
Due to Other Funds	-	44,228	53,601	-
Deferred Revenues	-	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>69,038</b>	<b>68,719</b>	<b>26,333</b>
<b>FUND BALANCES</b>				
Restricted	1,824	134,741	-	-
<b>Total fund balances</b>	<b>1,824</b>	<b>134,741</b>	<b>-</b>	<b>-</b>
<b>Total liabilities and fund balances</b>	<b>\$ 1,824</b>	<b>\$ 203,779</b>	<b>\$ 68,719</b>	<b>\$ 26,333</b>

(Continued)

ATTORNEY GENERAL'S VICTIMS ASSISTANCE	VIOLENCE AGAINST WOMEN ACT	CHILDREN'S JUSTICE ACT PROJECT	OFFICE OF EMERGENCY MANAGEMENT	STATE HOMELAND SECURITY
\$ 5,478	\$ -	\$ 1,685	\$ 4,000	\$ -
-	5,360	-	86,579	144,932
<b>\$ 5,478</b>	<b>\$ 5,360</b>	<b>\$ 1,685</b>	<b>\$ 90,579</b>	<b>\$ 144,932</b>
\$ -	\$ -	\$ -	\$ -	\$ -
-	4,395	-	-	4,410
-	-	-	-	-
-	965	-	90,579	140,522
-	-	-	-	-
-	5,360	-	90,579	144,932
5,478	-	1,685	-	-
5,478	-	1,685	-	-
<b>\$ 5,478</b>	<b>\$ 5,360</b>	<b>\$ 1,685</b>	<b>\$ 90,579</b>	<b>\$ 144,932</b>

**GALVESTON COUNTY, TEXAS  
COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS - GRANT FUNDS  
September 30, 2011  
With Comparative Totals at September 30, 2010**

	<b>EECBG PROGRAM</b>	<b>COMMUNITY DEVELOPMENT</b>	<b>CDBG INFRASTRUCTURE PROGRAM</b>	<b>SENIOR CITIZENS</b>
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -
Receivables: (Net of Allowance for Uncollectibles)				
Accounts and Other	10,098	-	2,081,806	98,336
<b>Total assets</b>	<b>\$ 10,098</b>	<b>\$ -</b>	<b>\$ 2,081,806</b>	<b>\$ 98,336</b>
<b>LIABILITIES</b>				
Accounts Payable	\$ -	\$ -	\$ 544,663	\$ 28,335
Salaries Payable	-	-	-	11,550
Retainage Payable	-	-	3,189	-
Due to Other Funds	10,098	-	1,163,344	636
Deferred Revenues	-	-	300,000	-
<b>Total liabilities</b>	<b>10,098</b>	<b>-</b>	<b>2,011,196</b>	<b>40,521</b>
<b>FUND BALANCES</b>				
Restricted	-	-	70,610	57,815
<b>Total fund balances</b>	<b>-</b>	<b>-</b>	<b>70,610</b>	<b>57,815</b>
<b>Total liabilities and fund balances</b>	<b>\$ 10,098</b>	<b>\$ -</b>	<b>\$ 2,081,806</b>	<b>\$ 98,336</b>

(Continued)

TEXANS FEEDING TEXANS PROGRAM	COUNTY BEACH AND PARKS PROJECTS	2009 RECOVERY ACT ASSISTANCE GRANT	UNITED STATES DEPARTMENT OF JUSTICE PROGRAMS	COPS GRANTS PROGRAM
\$ 76,859	\$ 589	\$ 59,227	\$ 55,925	\$ -
-	-	35,820	73,664	147,311
<b>\$ 76,859</b>	<b>\$ 589</b>	<b>\$ 95,047</b>	<b>\$ 129,589</b>	<b>\$ 147,311</b>
\$ 19,434	\$ -	\$ -	\$ 26,738	\$ -
1,943	-	-	-	22,595
-	-	-	-	-
-	-	-	-	124,716
55,481	589	95,047	92,177	-
76,858	589	95,047	118,915	147,311
1	-	-	10,674	-
1	-	-	10,674	-
<b>\$ 76,859</b>	<b>\$ 589</b>	<b>\$ 95,047</b>	<b>\$ 129,589</b>	<b>\$ 147,311</b>

**GALVESTON COUNTY, TEXAS  
COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS - GRANT FUNDS  
September 30, 2011  
With Comparative Totals at September 30, 2010**

	MOODY FOUNDATION GRANTS	ELECTION SERVICES CONTRACT FUND-HAVA	SEVERE REPETITIVE LOSS GRANT	TOTALS	
				2011	2010
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 7	\$ 190,533	\$ 18,171	\$ 736,082	\$ 1,121,820
Receivables: (Net of Allowance for Uncollectibles)					
Accounts and Other	-	-	163,546	3,352,139	1,162,821
<b>Total assets</b>	<b>\$ 7</b>	<b>\$ 190,533</b>	<b>\$ 181,717</b>	<b>\$ 4,088,221</b>	<b>\$ 2,399,656</b>
<b>LIABILITIES</b>					
Accounts Payable	\$ -	\$ -	\$ 181,717	\$ 1,130,175	\$ 273,098
Salaries Payable	-	-	-	117,373	113,832
Retainage Payable	-	-	-	3,189	-
Due to Other Funds	-	-	-	1,628,689	898,803
Deferred Revenues	-	-	-	704,059	785,164
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>181,717</b>	<b>3,583,485</b>	<b>2,070,897</b>
<b>FUND BALANCES</b>					
Restricted	7	190,533	-	504,736	328,759
<b>Total fund balances</b>	<b>7</b>	<b>190,533</b>	<b>-</b>	<b>504,736</b>	<b>328,759</b>
<b>Total liabilities and fund balances</b>	<b>\$ 7</b>	<b>\$ 190,533</b>	<b>\$ 181,717</b>	<b>\$ 4,088,221</b>	<b>\$ 2,399,656</b>



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**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, 2011**  
**With Comparative Totals for the Year Ended September 30, 2010**

	<b>HELP AMERICA VOTE ACT (HAVA)</b>	<b>LOW INCOME REPAIR ASSISTANCE PROGRAM ("L.I.R.A.P.")</b>	<b>LOCAL INITIATIVE PROJECT ("L.I.R.A.P.")</b>	<b>ADULT PROBATION COMMUNITY CORRECTIONS</b>
<b>REVENUES</b>				
Intergovernmental	\$ 203,106	\$ 561,725	\$ -	\$ 413,377
Charges for Services	-	-	-	-
Investment Earnings	-	580	18	-
Miscellaneous	-	-	-	-
<b>Total revenues</b>	<b>203,106</b>	<b>562,305</b>	<b>18</b>	<b>413,377</b>
<b>EXPENDITURES</b>				
Current :				
General Government	11,781	-	-	-
Public Safety	-	-	-	433,343
Sanitation	-	-	-	-
Health and Social Services	-	561,725	924	-
Culture and Recreation	-	-	-	-
Capital Outlay	191,325	-	-	-
<b>Total expenditures</b>	<b>203,106</b>	<b>561,725</b>	<b>924</b>	<b>433,343</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>-</b>	<b>580</b>	<b>(906)</b>	<b>(19,966)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	-	20,424
Transfers Out	-	-	(1,357)	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>(1,357)</b>	<b>20,424</b>
<b>Net change in fund balances</b>	<b>-</b>	<b>580</b>	<b>(2,263)</b>	<b>458</b>
<b>Fund balances-beginning</b>	<b>-</b>	<b>15,830</b>	<b>2,263</b>	<b>-</b>
<b>Fund balances-ending</b>	<b>\$ -</b>	<b>\$ 16,410</b>	<b>\$ -</b>	<b>\$ 458</b>

(Continued)

JUVENILE ACCOUNTABILITY INCENTIVE BLOCK	JUVENILE JUSTICE STATE AID	JUVENILE JUSTICE INTENSIVE SUPERVISION PROGRAM	INTENSIVE COMMUNITY- BASED PROGRAM	JUVENILE JUSTICE ALTERNATIVE EDUCATION
\$ 72,369	\$ 727,566	\$ 476,471	\$ 87,036	\$ 373,376
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
72,369	727,566	476,471	87,036	373,376
73,494	-	-	-	-
-	729,526	484,853	87,036	372,599
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
73,494	729,526	484,853	87,036	372,599
(1,125)	(1,960)	(8,382)	-	777
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
(1,125)	(1,960)	(8,382)	-	777
1,125	14,082	8,710	-	1,273
<b>\$ -</b>	<b>\$ 12,122</b>	<b>\$ 328</b>	<b>\$ -</b>	<b>\$ 2,050</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, 2011**  
**With Comparative Totals for the Year Ended September 30, 2010**

	<b>ORGANIZED CRIME CONTROL UNIT</b>	<b>AUTO CRIMES TASK FORCE</b>	<b>STATE CRIMINAL ALIEN ASSISTANCE PROGRAM</b>	<b>TEXAS VICTIM INFOR- MATION AND NOTIFICATION EVERY DAY ("V.I.N.E.")</b>
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ 647,524	\$ 68,719	\$ 50,472
Charges for Services	-	-	-	-
Investment Earnings	-	-	-	-
Miscellaneous	-	-	-	-
<b>Total revenues</b>	<b>-</b>	<b>647,524</b>	<b>68,719</b>	<b>50,472</b>
<b>EXPENDITURES</b>				
Current :				
General Government	-	-	-	50,472
Public Safety	-	594,815	68,719	-
Sanitation	-	-	-	-
Health and Social Services	-	-	-	-
Culture and Recreation	-	-	-	-
Capital Outlay	-	31,833	-	-
<b>Total expenditures</b>	<b>-</b>	<b>626,648</b>	<b>68,719</b>	<b>50,472</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>-</b>	<b>20,876</b>	<b>-</b>	<b>-</b>
<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>
<b>Net change in fund balances</b>	<b>-</b>	<b>20,876</b>	<b>-</b>	<b>-</b>
<b>Fund balances-beginning</b>	<b>1,824</b>	<b>113,865</b>	<b>-</b>	<b>-</b>
<b>Fund balances-ending</b>	<b>\$ 1,824</b>	<b>\$ 134,741</b>	<b>\$ -</b>	<b>\$ -</b>

(Continued)

ATTORNEY GENERAL'S VICTIMS ASSISTANCE	VIOLENCE AGAINST WOMEN ACT	CHILDREN'S JUSTICE ACT PROJECT	OFFICE OF EMERGENCY MANAGEMENT	STATE HOMELAND SECURITY
\$ 48,962	\$ 101,420	\$ -	\$ 225	\$ 152,795
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
48,962	101,420	-	225	152,795
48,971	101,420	-	-	-
-	-	-	225	158,729
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
48,971	101,420	-	225	158,729
(9)	-	-	-	(5,934)
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
(9)	-	-	-	(5,934)
5,487	-	1,685	-	5,934
<u>\$ 5,478</u>	<u>\$ -</u>	<u>\$ 1,685</u>	<u>\$ -</u>	<u>\$ -</u>

**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, 2011**  
**With Comparative Totals for the Year Ended September 30, 2010**

	EECBG PROGRAM	COMMUNITY DEVELOPMENT	CDBG INFRASTRUCTURE PROGRAM	SENIOR CITIZENS
<b>REVENUES</b>				
Intergovernmental	\$ 5,498	\$ -	\$ 2,130,025	\$ 646,412
Charges for Services	-	-	-	-
Investment Earnings	-	-	-	-
Miscellaneous	-	197,288	15,000	-
<b>Total revenues</b>	<b>5,498</b>	<b>197,288</b>	<b>2,145,025</b>	<b>646,412</b>
<b>EXPENDITURES</b>				
Current :				
General Government	5,498	-	-	-
Public Safety	-	-	150,040	-
Sanitation	-	1,503	-	-
Health and Social Services	-	-	-	663,987
Culture and Recreation	-	-	-	-
Capital Outlay	-	-	1,994,985	-
<b>Total expenditures</b>	<b>5,498</b>	<b>1,503</b>	<b>2,145,025</b>	<b>663,987</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>-</b>	<b>195,785</b>	<b>-</b>	<b>(17,575)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	-	-
Transfers Out	-	(195,785)	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>(195,785)</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(17,575)</b>
<b>Fund balances-beginning</b>	<b>-</b>	<b>-</b>	<b>70,610</b>	<b>75,390</b>
<b>Fund balances-ending</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 70,610</b>	<b>\$ 57,815</b>

(Continued)

TEXANS FEEDING TEXANS PROGRAM	COUNTY BEACH AND PARKS PROJECTS	2009 RECOVERY ACT ASSISTANCE GRANT	UNITED STATES DEPARTMENT OF JUSTICE PROGRAMS	COPS GRANTS PROGRAM
\$ 108,114	\$ 14,068	\$ 204,698	\$ 154,505	\$ 543,042
-	-	-	-	-
-	-	149	448	-
-	-	-	-	3,212
108,114	14,068	204,847	154,953	546,254
-	-	-	-	-
-	-	97,358	92,358	546,254
-	-	-	-	-
108,113	-	-	-	-
-	14,068	-	-	-
-	-	107,489	62,595	-
108,113	14,068	204,847	154,953	546,254
1	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
1	-	-	-	-
-	-	-	10,674	-
<b>\$ 1</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 10,674</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, 2011**  
**With Comparative Totals for the Year Ended September 30, 2010**

	MOODY FOUNDATION GRANTS	ELECTION SERVICES CONTRACT FUND-HAVA	SEVERE REPETITIVE LOSS GRANT	TOTALS	
				2011	2010
<b>REVENUES</b>					
Intergovernmental	\$ -	\$ -	\$ 181,717	\$ 7,973,222	\$ 7,095,366
Charges for Services	-	9,750	-	9,750	-
Investment Earnings	-	-	-	1,195	3,281
Miscellaneous	-	-	-	215,500	569,590
<b>Total revenues</b>	-	9,750	181,717	8,199,667	7,668,237
<b>EXPENDITURES</b>					
Current :					
General Government	-	198,718	-	490,354	262,235
Public Safety	-	-	181,717	3,997,572	4,603,760
Sanitation	-	-	-	1,503	97,798
Health and Social Services	-	-	-	1,334,749	1,593,414
Culture and Recreation	-	-	-	14,068	-
Capital Outlay	-	12,500	-	2,400,727	172,142
<b>Total expenditures</b>	-	211,218	181,717	8,238,973	6,729,349
<b>Excess (deficiency) of revenues over (under) expenditures</b>	-	(201,468)	-	(39,306)	938,888
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	-	392,001	-	412,425	87,610
Transfers Out	-	-	-	(197,142)	(1,158,113)
<b>Total other financing sources (uses)</b>	-	392,001	-	215,283	(1,070,503)
<b>Net change in fund balances</b>	-	190,533	-	175,977	(131,615)
<b>Fund balances-beginning</b>	7	-	-	328,759	460,374
<b>Fund balances-ending</b>	<b>\$ 7</b>	<b>\$ 190,533</b>	<b>\$ -</b>	<b>\$ 504,736</b>	<b>\$ 328,759</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, 2011**  
**With Comparative Actual Amounts for the Year Ended September 30, 2010**

	<b>2011</b>		<b>Variance with Final Budget - Positive (Negative)</b>	<b>2010 Actual</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>		
<b>REVENUES</b>				
Charges for Services	\$ 190,500	\$ 132,355	\$ (58,145)	\$ 129,330
Miscellaneous	-	2,608	2,608	1,140
<b>Total revenues</b>	<b>190,500</b>	<b>134,963</b>	<b>(55,537)</b>	<b>130,470</b>
<b>EXPENDITURES</b>				
General Government:				
Current:				
Personal Services	56,300	15,237	41,063	48,240
Supplies	2,000	655	1,345	1,010
Other Services and Charges	198,300	183,300	15,000	185,117
<b>Total expenditures</b>	<b>256,600</b>	<b>199,192</b>	<b>57,408</b>	<b>234,367</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(66,100)</b>	<b>(64,229)</b>	<b>1,871</b>	<b>(103,897)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	100,000	100,000	-	80,000
Transfers Out	(3,000)	(3,000)	-	(4,600)
<b>Total other financing sources (uses)</b>	<b>97,000</b>	<b>97,000</b>	<b>-</b>	<b>75,400</b>
<b>Net change in fund balances</b>	<b>30,900</b>	<b>32,771</b>	<b>1,871</b>	<b>(28,497)</b>
<b>Fund balances-beginning</b>	<b>122,642</b>	<b>122,642</b>	<b>-</b>	<b>151,139</b>
<b>Fund balances-ending</b>	<b>\$ 153,542</b>	<b>\$ 155,413</b>	<b>\$ 1,871</b>	<b>\$ 122,642</b>

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**COUNTY CLERK RECORDS MANAGEMENT AND PRESERVATION SPECIAL REVENUE FUND**  
**For the Year Ended September 30, 2011**  
**With Comparative Actual Amounts for the Year Ended September 30, 2010**

	<u>2011</u>		<b>Variance with Final Budget - Positive (Negative)</b>	<b>2010 Actual</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>		
<b>REVENUES</b>				
Charges for Services	\$ 711,900	\$ 787,920	\$ 76,020	\$ 772,848
<b>EXPENDITURES</b>				
General Government:				
Current:				
Personal Services	565,800	400,594	165,206	446,530
Supplies	70,000	38,095	31,905	22,762
Other Services and Charges	<u>175,100</u>	<u>112,798</u>	<u>62,302</u>	<u>78,376</u>
Total General Government:	810,900	551,487	259,413	547,668
Capital Outlay	<u>596,211</u>	<u>49,217</u>	<u>546,994</u>	<u>2,059</u>
<b>Total expenditures</b>	<u>1,407,111</u>	<u>600,704</u>	<u>806,407</u>	<u>549,727</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	(695,211)	187,216	882,427	223,121
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	<u>(477,600)</u>	<u>(477,600)</u>	<u>-</u>	<u>(457,600)</u>
<b>Net change in fund balances</b>	(1,172,811)	(290,384)	882,427	(234,479)
<b>Fund balances-beginning</b>	<u>2,212,166</u>	<u>2,212,166</u>	<u>-</u>	<u>2,446,645</u>
<b>Fund balances-ending</b>	<u><b>\$ 1,039,355</b></u>	<u><b>\$ 1,921,782</b></u>	<u><b>\$ 882,427</b></u>	<u><b>\$ 2,212,166</b></u>

**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, 2011**  
**With Comparative Actual Amounts for the Year Ended September 30, 2010**

	<b>2011</b>		<b>Variance with Final Budget - Positive (Negative)</b>	<b>2010 Actual</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>		
<b>REVENUES</b>				
Charges for Services	\$ 139,286	\$ 139,286	\$ -	\$ 175,894
Miscellaneous	-	109,311	109,311	-
<b>Total revenues</b>	<b>139,286</b>	<b>248,597</b>	<b>109,311</b>	<b>175,894</b>
<b>EXPENDITURES</b>				
General Government:				
Current:				
Personal Services	7,400	9,269	(1,869)	-
Supplies	207,866	12,747	195,119	14,800
Other Services and Charges	9,100	-	9,100	61,345
Total General Government:	224,366	22,016	202,350	76,145
Capital Outlay	36,000	21,000	15,000	-
<b>Total expenditures</b>	<b>260,366</b>	<b>43,016</b>	<b>217,350</b>	<b>76,145</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(121,080)</b>	<b>205,581</b>	<b>326,661</b>	<b>99,749</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(392,001)	(392,001)	-	(105,400)
<b>Net change in fund balances</b>	<b>(513,081)</b>	<b>(186,420)</b>	<b>326,661</b>	<b>(5,651)</b>
<b>Fund balances-beginning</b>	<b>416,932</b>	<b>416,932</b>	<b>-</b>	<b>422,583</b>
<b>Fund balances-ending</b>	<b>\$ (96,149)</b>	<b>\$ 230,512</b>	<b>\$ 326,661</b>	<b>\$ 416,932</b>

**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, 2011**  
**With Comparative Actual Amounts for the Year Ended September 30, 2010**

	<u>2011</u>		<b>Variance with Final Budget - Positive (Negative)</b>	<b>2010 Actual</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>		
<b>REVENUES</b>				
Intergovernmental	\$ 9,000	\$ 6,284	\$ (2,716)	\$ 8,822
<b>EXPENDITURES</b>				
General Government:				
Current:				
Personal Services	50,900	4,220	46,680	-
<b>Excess (deficiency) of revenues over (under) expenditures</b>	(41,900)	2,064	43,964	8,822
<b>Fund balances-beginning</b>	114,711	114,711	-	105,889
<b>Fund balances-ending</b>	<u>\$ 72,811</u>	<u>\$ 116,775</u>	<u>\$ 43,964</u>	<u>\$ 114,711</u>

**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, 2011**  
**With Comparative Actual Amounts for the Year Ended September 30, 2010**

	2011		Variance with Final Budget - Positive (Negative)	2010 Actual
	Final Budgeted Amounts	Actual Amounts		
<b>REVENUES</b>				
Charges for Services	\$ 63,000	\$ 69,928	\$ 6,928	\$ 82,915
Miscellaneous	-	-	-	12,000
<b>Total revenues</b>	<u>63,000</u>	<u>69,928</u>	<u>6,928</u>	<u>94,915</u>
<b>EXPENDITURES</b>				
General Government:				
Current:				
Other Services and Charges	12,000	-	12,000	-
<b>Excess (deficiency) of revenues over (under) expenditures</b>	51,000	69,928	18,928	94,915
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(40,000)	(40,000)	-	(40,000)
<b>Net change in fund balances</b>	11,000	29,928	18,928	54,915
<b>Fund balances-beginning</b>	88,548	88,548	-	33,633
<b>Fund balances-ending</b>	<u>\$ 99,548</u>	<u>\$ 118,476</u>	<u>\$ 18,928</u>	<u>\$ 88,548</u>

**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, 2011**  
**With Comparative Actual Amounts for the Year Ended September 30, 2010**

	2011		Variance with Final Budget - Positive (Negative)	2010 Actual
	Final Budgeted Amounts	Actual Amounts		
<b>REVENUES</b>				
Taxes	\$ -	\$ 2,767	\$ 2,767	\$ 10,520
Investment Earnings	-	8,884	8,884	7,645
<b>Total revenues</b>	<b>-</b>	<b>11,651</b>	<b>11,651</b>	<b>18,165</b>
<b>EXPENDITURES</b>				
General Government:				
Current:				
Personal Services	15,500	1,516	13,984	78,003
Other Services and Charges	14,300	4,208	10,092	890
<b>Total expenditures</b>	<b>29,800</b>	<b>5,724</b>	<b>24,076</b>	<b>78,893</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(29,800)</b>	<b>5,927</b>	<b>35,727</b>	<b>(60,728)</b>
<b>Fund balances-beginning</b>	<b>38,497</b>	<b>38,497</b>	<b>-</b>	<b>99,225</b>
<b>Fund balances-ending</b>	<b>\$ 8,697</b>	<b>\$ 44,424</b>	<b>\$ 35,727</b>	<b>\$ 38,497</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, 2011**  
**With Comparative Actual Amounts for the Year Ended September 30, 2010**

	2011		Variance with Final Budget - Positive (Negative)	2010 Actual
	Final Budgeted Amounts	Actual Amounts		
<b>REVENUES</b>				
Miscellaneous	\$ 5,000	\$ 5,000	\$ -	\$ -
<b>EXPENDITURES</b>				
Health and Social Services:				
Current:				
Other Services and Charges	\$ 5,000	\$ 5,000	\$ -	\$ -
<b>Excess (deficiency) of revenues over (under) expenditures</b>	-	-	-	-
<b>Fund balances-beginning</b>	870	870	-	870
<b>Fund balances-ending</b>	<u>\$ 870</u>	<u>\$ 870</u>	<u>\$ -</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, 2011**  
**With Comparative Actual Amounts for the Year Ended September 30, 2010**

	2011			2010 Actual
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)	
<b>REVENUES</b>				
Fines and Forfeitures	\$ -	\$ 24,587	\$ 24,587	\$ 32,238
Investment Earnings	-	259	259	750
<b>Total revenues</b>	<b>-</b>	<b>24,846</b>	<b>24,846</b>	<b>32,988</b>
<b>EXPENDITURES</b>				
General Government:				
Current:				
Supplies	8,800	6,126	2,674	3,225
Other Services and Charges	49,800	29,987	19,813	26,823
<b>Total expenditures</b>	<b>58,600</b>	<b>36,113</b>	<b>22,487</b>	<b>30,048</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(58,600)</b>	<b>(11,267)</b>	<b>47,333</b>	<b>2,940</b>
<b>Fund balances-beginning</b>	<b>54,601</b>	<b>54,601</b>	<b>-</b>	<b>51,661</b>
<b>Fund balances-ending</b>	<b>\$ (3,999)</b>	<b>\$ 43,334</b>	<b>\$ 47,333</b>	<b>\$ 54,601</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, 2011**  
**With Comparative Actual Amounts for the Year Ended September 30, 2010**

	2011		Variance with Final Budget - Positive (Negative)	2010 Actual
	Final Budgeted Amounts	Actual Amounts		
<b>REVENUES</b>				
Charges for Services	\$ -	\$ 4,957	\$ 4,957	\$ 6,077
Miscellaneous	-	235	235	-
<b>Total revenues</b>	<b>-</b>	<b>5,192</b>	<b>5,192</b>	<b>6,077</b>
<b>EXPENDITURES</b>				
General Government:				
Current:				
Personal Services	4,900	2,834	2,066	-
Supplies	9,000	48	8,952	-
Other Services and Charges	49,000	7,379	41,621	10,082
<b>Total expenditures</b>	<b>62,900</b>	<b>10,261</b>	<b>52,639</b>	<b>10,082</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(62,900)</b>	<b>(5,069)</b>	<b>57,831</b>	<b>(4,005)</b>
<b>Fund balances-beginning</b>	<b>57,025</b>	<b>57,025</b>	<b>-</b>	<b>61,030</b>
<b>Fund balances-ending</b>	<b>\$ (5,875)</b>	<b>\$ 51,956</b>	<b>\$ 57,831</b>	<b>\$ 57,025</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, 2011**  
**With Comparative Actual Amounts for the Year Ended September 30, 2010**

	2011			2010 Actual
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)	
<b>REVENUES</b>				
Investment Earnings	\$ -	\$ 3,213	\$ 3,213	\$ 3,113
<b>EXPENDITURES</b>	-	-	-	-
<b>Excess (deficiency) of revenues     over (under) expenditures</b>	-	3,213	3,213	3,113
<b>Fund balances-beginning</b>	58,330	58,330	-	55,217
<b>Fund balances-ending</b>	<u>\$ 58,330</u>	<u>\$ 61,543</u>	<u>\$ 3,213</u>	<u>\$ 58,330</u>

**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, 2011**  
**With Comparative Actual Amounts for the Year Ended September 30, 2010**

	<b>2011</b>		<b>Variance with Final Budget - Positive (Negative)</b>	<b>2010 Actual</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>		
<b>REVENUES</b>				
Charges for Services	\$ 200,650	\$ 199,605	\$ (1,045)	\$ 206,524
<b>EXPENDITURES</b>				
Public Safety:				
Current:				
Personal Services	250,300	203,664	46,636	215,598
Supplies	5,000	1,402	3,598	3,138
Other Services and Charges	30,400	25,729	4,671	8,400
<b>Total expenditures</b>	<b>285,700</b>	<b>230,795</b>	<b>54,905</b>	<b>227,136</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(85,050)</b>	<b>(31,190)</b>	<b>53,860</b>	<b>(20,612)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(10,200)	(10,200)	-	(10,200)
<b>Net change in fund balances</b>	<b>(95,250)</b>	<b>(41,390)</b>	<b>53,860</b>	<b>(30,812)</b>
<b>Fund balances-beginning</b>	<b>319,438</b>	<b>319,438</b>	<b>-</b>	<b>350,250</b>
<b>Fund balances-ending</b>	<b>\$ 224,188</b>	<b>\$ 278,048</b>	<b>\$ 53,860</b>	<b>\$ 319,438</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, 2011**  
**With Comparative Actual Amounts for the Year Ended September 30, 2010**

	<u>2011</u>		<b>Variance with Final Budget - Positive (Negative)</b>	<b>2010 Actual</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>		
<b>REVENUES</b>				
Charges for Services	\$ 278,000	\$ 250,008	\$ (27,992)	\$ 322,315
Miscellaneous	-	158	158	-
<b>Total revenues</b>	<u>278,000</u>	<u>250,166</u>	<u>(27,834)</u>	<u>322,315</u>
<b>EXPENDITURES</b>				
General Government:				
Current:				
Personal Services	53,400	41,915	11,485	48,530
Supplies	310,300	297,571	12,729	293,733
Other Services and Charges	12,500	12,170	330	2,776
<b>Total expenditures</b>	<u>376,200</u>	<u>351,656</u>	<u>24,544</u>	<u>345,039</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	(98,200)	(101,490)	(3,290)	(22,724)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(12,800)	(12,800)	-	(600)
<b>Total other financing sources (uses)</b>	<u>(12,800)</u>	<u>(12,800)</u>	<u>-</u>	<u>(600)</u>
<b>Net change in fund balances</b>	(111,000)	(114,290)	(3,290)	(23,324)
<b>Fund balances-beginning</b>	<u>256,293</u>	<u>256,293</u>	<u>-</u>	<u>279,617</u>
<b>Fund balances-ending</b>	<u><b>\$ 145,293</b></u>	<u><b>\$ 142,003</b></u>	<u><b>\$ (3,290)</b></u>	<u><b>\$ 256,293</b></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, 2011**  
**With Comparative Actual Amounts for the Year Ended September 30, 2010**

	<u>2011</u>		<b>Variance with Final Budget - Positive (Negative)</b>	<b>2010 Actual</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>		
<b>REVENUES</b>				
Charges for Services	\$ 147,180	\$ 137,272	\$ (9,908)	\$ 167,580
Investment Earnings	11,000	10,747	(253)	10,789
Miscellaneous	-	3,420	3,420	-
	<u>158,180</u>	<u>151,439</u>	<u>(6,741)</u>	<u>178,369</u>
<b>EXPENDITURES</b>				
General Government:				
Current:				
Other Services and Charges	75,000	32,725	42,275	41,423
	<u>83,180</u>	<u>118,714</u>	<u>35,534</u>	<u>136,946</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>83,180</b>	<b>118,714</b>	<b>35,534</b>	<b>136,946</b>
<b>Fund balances-beginning</b>	<b>746,627</b>	<b>746,627</b>	<b>-</b>	<b>609,681</b>
<b>Fund balances-ending</b>	<b><u>\$ 829,807</u></b>	<b><u>\$ 865,341</u></b>	<b><u>\$ 35,534</u></b>	<b><u>\$ 746,627</u></b>

**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, 2011**  
**With Comparative Actual Amounts for the Year Ended September 30, 2010**

	<u>2011</u>		<b>Variance with Final Budget - Positive (Negative)</b>	<b>2010 Actual</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>		
<b>REVENUES</b>				
Fines and Forfeitures	\$ 62,850	\$ 67,421	\$ 4,571	\$ 65,769
<b>EXPENDITURES</b>				
General Government:				
Current:				
Other Services and Charges	105,000	105,000	-	60,000
<b>Excess (deficiency) of revenues over (under) expenditures</b>	(42,150)	(37,579)	4,571	5,769
<b>Fund balances-beginning</b>	111,520	111,520	-	105,751
<b>Fund balances-ending</b>	<u>\$ 69,370</u>	<u>\$ 73,941</u>	<u>\$ 4,571</u>	<u>\$ 111,520</u>

**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, 2011**  
**With Comparative Actual Amounts for the Year Ended September 30, 2010**

	2011		Variance with Final Budget - Positive (Negative)	2010 Actual
	Final Budgeted Amounts	Actual Amounts		
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ 40,476	\$ 40,476	\$ 40,000
Miscellaneous	-	84	84	-
<b>Total revenues</b>	<b>-</b>	<b>40,560</b>	<b>40,560</b>	<b>40,000</b>
<b>EXPENDITURES</b>				
General Government:				
Current:				
Supplies	2,000	38	1,962	1,055
Other Services and Charges	8,202	10,164	(1,962)	11,329
<b>Total expenditures</b>	<b>10,202</b>	<b>10,202</b>	<b>-</b>	<b>12,384</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(10,202)</b>	<b>30,358</b>	<b>40,560</b>	<b>27,616</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(35,000)	(33,289)	1,711	(35,000)
<b>Net change in fund balances</b>	<b>(45,202)</b>	<b>(2,931)</b>	<b>42,271</b>	<b>(7,384)</b>
<b>Fund balances-beginning</b>	<b>309,709</b>	<b>309,709</b>	<b>-</b>	<b>317,093</b>
<b>Fund balances-ending</b>	<b>\$ 264,507</b>	<b>\$ 306,778</b>	<b>\$ 42,271</b>	<b>\$ 309,709</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, 2011**  
**With Comparative Actual Amounts for the Year Ended September 30, 2010**

	<u>2011</u>		<b>Variance with Final Budget - Positive (Negative)</b>	<u>2010 Actual</u>
	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>		
<b>REVENUES</b>				
Intergovernmental	\$ 4,314,945	\$ 2,640,641	\$ (1,674,304)	\$ 2,251,675
Investment Earnings	21,400	13,116	(8,284)	13,143
Miscellaneous	10,200	7,413	(2,787)	6,751
<b>Total revenues</b>	<u>4,346,545</u>	<u>2,661,170</u>	<u>(1,685,375)</u>	<u>2,271,569</u>
<b>EXPENDITURES</b>				
Public Safety:				
Current:				
Personal Services	4,083,661	1,968,997	2,114,664	1,902,127
Supplies	30,000	11,531	18,469	9,285
Other Services and Charges	978,879	151,704	827,175	203,245
<b>Total expenditures</b>	<u>5,092,540</u>	<u>2,132,232</u>	<u>2,960,308</u>	<u>2,114,657</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	(745,995)	528,938	1,274,933	156,912
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(89,436)	(20,424)	69,012	(17,000)
<b>Net change in fund balances</b>	(835,431)	508,514	1,343,945	139,912
<b>Fund balances-beginning</b>	149,285	149,285	-	9,373
<b>Fund balances-ending</b>	<u>\$ (686,146)</u>	<u>\$ 657,799</u>	<u>\$ 1,343,945</u>	<u>\$ 149,285</u>

**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, 2011**  
**With Comparative Actual Amounts for the Year Ended September 30, 2010**

	<u>2011</u>		<b>Variance with Final Budget - Positive (Negative)</b>	<u>2010 Actual</u>
	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>		
<b>REVENUES</b>				
Intergovernmental	\$ 268,000	\$ 297,613	\$ 29,613	\$ 381,860
Charges for Services	550	815	265	334
Investment Earnings	30,000	36,374	6,374	28,713
Miscellaneous	-	1,882	1,882	327,480
<b>Total revenues</b>	<u>298,550</u>	<u>336,684</u>	<u>38,134</u>	<u>738,387</u>
<b>EXPENDITURES</b>				
Public Safety:				
Current:				
Personal Services	3,232,300	3,098,653	133,647	3,362,650
Supplies	209,900	81,793	128,107	78,194
Other Services and Charges	1,824,300	1,563,608	260,692	1,510,316
Total Public Safety:	<u>5,266,500</u>	<u>4,744,054</u>	<u>522,446</u>	<u>4,951,160</u>
Capital Outlay	<u>88,800</u>	<u>68,626</u>	<u>20,174</u>	<u>-</u>
<b>Total expenditures</b>	<u>5,355,300</u>	<u>4,812,680</u>	<u>542,620</u>	<u>4,951,160</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(5,056,750)</u>	<u>(4,475,996)</u>	<u>580,754</u>	<u>(4,212,773)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	5,006,800	5,006,800	-	5,277,000
Transfers Out	<u>(167,400)</u>	<u>(167,400)</u>	<u>-</u>	<u>(167,400)</u>
<b>Total other financing sources (uses)</b>	<u>4,839,400</u>	<u>4,839,400</u>	<u>-</u>	<u>5,109,600</u>
<b>Net change in fund balances</b>	(217,350)	363,404	580,754	896,827
<b>Fund balances-beginning</b>	<u>2,051,982</u>	<u>2,051,982</u>	<u>-</u>	<u>1,155,155</u>
<b>Fund balances-ending</b>	<u><b>\$ 1,834,632</b></u>	<u><b>\$ 2,415,386</b></u>	<u><b>\$ 580,754</b></u>	<u><b>\$ 2,051,982</b></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, 2011**  
**With Comparative Actual Amounts for the Year Ended September 30, 2010**

	2011		Variance with Final Budget - Positive (Negative)	2010 Actual
	Final Budgeted Amounts	Actual Amounts		
<b>REVENUES</b>				
Investment Earnings	\$ -	\$ 15,016	\$ 15,016	\$ 15,457
Miscellaneous	-	449,179	449,179	223,908
<b>Total revenues</b>	<b>-</b>	<b>464,195</b>	<b>464,195</b>	<b>239,365</b>
<b>EXPENDITURES</b>				
Public Safety:				
Current:				
Personal Services	77,200	2,797	74,403	268
Other Services and Charges	-	509,615	(509,615)	222,516
<b>Total expenditures</b>	<b>77,200</b>	<b>512,412</b>	<b>(435,212)</b>	<b>222,784</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(77,200)</b>	<b>(48,217)</b>	<b>28,983</b>	<b>16,581</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(4,900)	(4,900)	-	(12,400)
<b>Net change in fund balances</b>	<b>(82,100)</b>	<b>(53,117)</b>	<b>28,983</b>	<b>4,181</b>
<b>Fund balances-beginning</b>	<b>1,013,624</b>	<b>1,013,624</b>	<b>-</b>	<b>1,009,443</b>
<b>Fund balances-ending</b>	<b>\$ 931,524</b>	<b>\$ 960,507</b>	<b>\$ 28,983</b>	<b>\$ 1,013,624</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, 2011**  
**With Comparative Actual Amounts for the Year Ended September 30, 2010**

	2011		Variance with Final Budget - Positive (Negative)	2010 Actual
	Final Budgeted Amounts	Actual Amounts		
<b>REVENUES</b>				
Fines and Forfeitures	\$ -	\$ 68,581	\$ 68,581	\$ 117,325
Investment Earnings	-	1,522	1,522	1,023
Miscellaneous	-	-	-	456
<b>Total revenues</b>	<b>-</b>	<b>70,103</b>	<b>70,103</b>	<b>118,804</b>
<b>EXPENDITURES</b>				
Public Safety:				
Current:				
Supplies	32,630	24,260	8,370	34,143
Other Services and Charges	16,500	8,557	7,943	31,190
Total Public Safety:	49,130	32,817	16,313	65,333
Capital Outlay	10,017	-	10,017	23,205
<b>Total expenditures</b>	<b>59,147</b>	<b>32,817</b>	<b>26,330</b>	<b>88,538</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(59,147)</b>	<b>37,286</b>	<b>96,433</b>	<b>30,266</b>
<b>Fund balances-beginning</b>	<b>81,246</b>	<b>81,246</b>	<b>-</b>	<b>50,980</b>
<b>Fund balances-ending</b>	<b>\$ 22,099</b>	<b>\$ 118,532</b>	<b>\$ 96,433</b>	<b>\$ 81,246</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, 2011**  
**With Comparative Actual Amounts for the Year Ended September 30, 2010**

	2011		Variance with Final Budget - Positive (Negative)	2010 Actual
	Final Budgeted Amounts	Actual Amounts		
<b>REVENUES</b>	\$ -	\$ -	\$ -	\$ -
<b>EXPENDITURES</b>				
Public Safety:				
Current:				
Intergovernmental	-	-	-	6,232
<b>Excess (deficiency) of revenues     over (under) expenditures</b>	-	-	-	(6,232)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(5,400)	(5,400)	-	(5,400)
<b>Net change in fund balances</b>	(5,400)	(5,400)	-	(11,632)
<b>Fund balances-beginning</b>	23,780	23,780	-	35,412
<b>Fund balances-ending</b>	<b>\$ 18,380</b>	<b>\$ 18,380</b>	<b>\$ -</b>	<b>\$ 23,780</b>

**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, 2011**  
**With Comparative Actual Amounts for the Year Ended September 30, 2010**

	<u>2011</u>			<u>2010</u> <u>Actual</u>
	<u>Final Budgeted</u> <u>Amounts</u>	<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget -</u> <u>Positive</u> <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, 2011**  
**With Comparative Actual Amounts for the Year Ended September 30, 2010**

	<u>2011</u>		<b>Variance with Final Budget - Positive (Negative)</b>	<b>2010 Actual</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>		
<b>REVENUES</b>				
Intergovernmental	\$ 35,403	\$ 35,403	\$ -	\$ 33,105
<b>EXPENDITURES</b>				
Public Safety:				
Current:				
Supplies	-	25	(25)	-
Intergovernmental	173,947	27,128	146,819	47,676
<b>Total expenditures</b>	<u>173,947</u>	<u>27,153</u>	<u>146,794</u>	<u>47,676</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	(138,544)	8,250	146,794	(14,571)
<b>Fund balances-beginning</b>	<u>138,544</u>	<u>138,544</u>	<u>-</u>	<u>153,115</u>
<b>Fund balances-ending</b>	<u>\$ -</u>	<u>\$ 146,794</u>	<u>\$ 146,794</u>	<u>\$ 138,544</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, 2011**  
**With Comparative Actual Amounts for the Year Ended September 30, 2010**

	2011			2010 Actual
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)	
<b>Fund balances-beginning</b>	\$ 3,500	\$ 3,500	\$ -	\$ 3,500
<b>Fund balances-ending</b>	<u>\$ 3,500</u>	<u>\$ 3,500</u>	<u>\$ -</u>	<u>\$ 3,500</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, 2011**  
**With Comparative Actual Amounts for the Year Ended September 30, 2010**

	2011		Variance with Final Budget - Positive (Negative)	2010 Actual
	Final Budgeted Amounts	Actual Amounts		
<b>REVENUES</b>				
Intergovernmental	\$ 1,635	\$ 1,635	\$ -	\$ 5,135
Miscellaneous	1,937	1,937	-	-
<b>Total revenues</b>	<u>3,572</u>	<u>3,572</u>	<u>-</u>	<u>5,135</u>
<b>EXPENDITURES</b>				
Public Safety:				
Current:				
Other Services and Charges	100,000	20,158	79,842	9,503
<b>Excess (deficiency) of revenues over (under) expenditures</b>	(96,428)	(16,586)	79,842	(4,368)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	600,685	600,843	158	1,258,113
Transfers Out	(5,000,000)	(5,000,158)	(158)	(304,900)
<b>Total other financing sources (uses)</b>	<u>(4,399,315)</u>	<u>(4,399,315)</u>	<u>-</u>	<u>953,213</u>
<b>Net change in fund balances</b>	(4,495,743)	(4,415,901)	79,842	948,845
<b>Fund balances-beginning</b>	<u>7,239,749</u>	<u>7,239,749</u>	<u>-</u>	<u>6,290,904</u>
<b>Fund balances-ending</b>	<u><u>\$ 2,744,006</u></u>	<u><u>\$ 2,823,848</u></u>	<u><u>\$ 79,842</u></u>	<u><u>\$ 7,239,749</u></u>

**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, 2011**  
**With Comparative Actual Amounts for the Year Ended September 30, 2010**

	<b>2011</b>		<b>Variance with Final Budget - Positive (Negative)</b>	<b>2010 Actual</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>		
<b>REVENUES</b>				
Taxes	\$ 1,423,611	\$ 1,409,128	\$ (14,483)	\$ 2,928,310
Licenses and Permits	2,220,000	2,369,788	149,788	2,366,367
Intergovernmental	455,000	622,658	167,658	912,818
Fines and Forfeitures	615,000	600,782	(14,218)	612,211
Investment Earnings	100,000	58,183	(41,817)	86,817
Miscellaneous	-	1,393	1,393	4,439
<b>Total revenues</b>	<b>4,813,611</b>	<b>5,061,932</b>	<b>248,321</b>	<b>6,910,962</b>
<b>EXPENDITURES</b>				
Roads, Bridges, & R.O.W:				
Current:				
Personal Services	2,824,500	2,438,476	386,024	1,958,055
Supplies	3,218,000	2,707,177	510,823	1,419,987
Other Services and Charges	432,800	375,522	57,278	433,357
Miscellaneous	193,000	183,000	10,000	181,414
Total Roads, Bridges, & R.O.W:	6,668,300	5,704,175	964,125	3,992,813
Capital Outlay	368,600	481,526	(112,926)	1,043,660
<b>Total expenditures</b>	<b>7,036,900</b>	<b>6,185,701</b>	<b>851,199</b>	<b>5,036,473</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(2,223,289)</b>	<b>(1,123,769)</b>	<b>1,099,520</b>	<b>1,874,489</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(1,102,200)	(1,102,200)	-	(2,002,200)
Sale of Capital Assets	10,000	27,970	17,970	16,634
<b>Total other financing sources (uses)</b>	<b>(1,092,200)</b>	<b>(1,074,230)</b>	<b>17,970</b>	<b>(1,985,566)</b>
<b>Net change in fund balances</b>	<b>(3,315,489)</b>	<b>(2,197,999)</b>	<b>1,117,490</b>	<b>(111,077)</b>
<b>Fund balances-beginning</b>	<b>5,501,096</b>	<b>5,501,096</b>	<b>-</b>	<b>5,612,173</b>
<b>Fund balances-ending</b>	<b>\$ 2,185,607</b>	<b>\$ 3,303,097</b>	<b>\$ 1,117,490</b>	<b>\$ 5,501,096</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, 2011**  
**With Comparative Actual Amounts for the Year Ended September 30, 2010**

	2011		Variance with Final Budget - Positive (Negative)	2010 Actual
	Final Budgeted Amounts	Actual Amounts		
<b>REVENUES</b>				
Taxes	\$ 500	\$ 822	\$ 322	\$ 697
Intergovernmental	28,000	28,331	331	28,170
Investment Earnings	30,000	21,546	(8,454)	30,496
Miscellaneous	35,780	49,397	13,617	35,780
<b>Total revenues</b>	<b>94,280</b>	<b>100,096</b>	<b>5,816</b>	<b>95,143</b>
<b>EXPENDITURES</b>				
Roads, Bridges, and Rights-of-Way:				
Current:				
Personal Services	85,000	74,701	10,299	75,029
Supplies	3,000	323	2,677	540
Other Services and Charges	49,100	35,887	13,213	130,030
Total Roads, Bridges, and Rights-of-Way:	137,100	110,911	26,189	205,599
Capital Outlay	98,100	10,745	87,355	29,891
<b>Total expenditures</b>	<b>235,200</b>	<b>121,656</b>	<b>113,544</b>	<b>235,490</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(140,920)</b>	<b>(21,560)</b>	<b>119,360</b>	<b>(140,347)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(239,000)	(239,000)	-	(192,100)
Sale of Capital Assets	1,200	35,605	34,405	45,268
<b>Total other financing sources (uses)</b>	<b>(237,800)</b>	<b>(203,395)</b>	<b>34,405</b>	<b>(146,832)</b>
<b>Net change in fund balances</b>	<b>(378,720)</b>	<b>(224,955)</b>	<b>153,765</b>	<b>(287,179)</b>
<b>Fund balances-beginning</b>	<b>1,726,244</b>	<b>1,726,244</b>	<b>-</b>	<b>2,013,423</b>
<b>Fund balances-ending</b>	<b>\$ 1,347,524</b>	<b>\$ 1,501,289</b>	<b>\$ 153,765</b>	<b>\$ 1,726,244</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, 2011**  
**With Comparative Actual Amounts for the Year Ended September 30, 2010**

	<u>2011</u>		<b>Variance with Final Budget - Positive (Negative)</b>	<b>2010 Actual</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>		
<b>REVENUES</b>				
Taxes	\$ -	\$ 14	\$ 14	\$ 9
Charges for Services	510,000	516,185	6,185	550,856
Investment Earnings	15,000	6,212	(8,788)	13,475
<b>Total revenues</b>	<u>525,000</u>	<u>522,411</u>	<u>(2,589)</u>	<u>564,340</u>
<b>EXPENDITURES</b>				
Roads, Bridges, and Rights-of-Way:				
Current:				
Personal Services	-	-	-	1,024
Supplies	10,000	4,697	5,303	4,430
Other Services and Charges	653,300	556,530	96,770	544,460
Total Roads, Bridges, and Rights-of-Way:	<u>663,300</u>	<u>561,227</u>	<u>102,073</u>	<u>549,914</u>
Capital Outlay	<u>35,200</u>	<u>27,617</u>	<u>7,583</u>	<u>-</u>
<b>Total expenditures</b>	<u>698,500</u>	<u>588,844</u>	<u>109,656</u>	<u>549,914</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	(173,500)	(66,433)	107,067	14,426
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	<u>(113,800)</u>	<u>(113,800)</u>	<u>-</u>	<u>(463,800)</u>
<b>Net change in fund balances</b>	(287,300)	(180,233)	107,067	(449,374)
<b>Fund balances-beginning</b>	<u>566,642</u>	<u>566,642</u>	<u>-</u>	<u>1,016,016</u>
<b>Fund balances-ending</b>	<u><b>\$ 279,342</b></u>	<u><b>\$ 386,409</b></u>	<u><b>\$ 107,067</b></u>	<u><b>\$ 566,642</b></u>

**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, 2011**  
**With Comparative Actual Amounts for the Year Ended September 30, 2010**

	2011		Variance with Final Budget - Positive (Negative)	2010 Actual
	Final Budgeted Amounts	Actual Amounts		
<b>REVENUES</b>				
Taxes	\$ 1,714,579	\$ 1,719,026	\$ 4,447	\$ 2,137,805
Charges for Services	151,000	155,248	4,248	160,921
Investment Earnings	45,000	37,907	(7,093)	42,628
Miscellaneous	35,200	98,005	62,805	157,476
<b>Total revenues</b>	<u>1,945,779</u>	<u>2,010,186</u>	<u>64,407</u>	<u>2,498,830</u>
<b>EXPENDITURES</b>				
General Government:				
Current:				
Other Services and Charges	42,400	98,101	(55,701)	214,956
Public Safety:				
Current:				
Personal Services	1,087,500	1,029,164	58,336	604,076
Supplies	223,700	181,185	42,515	227,174
Other Services and Charges	400,500	296,626	103,874	320,867
Total Public Safety	1,711,700	1,506,975	204,725	1,152,117
Capital Outlay	1,401,245	317,800	1,083,445	671,726
<b>Total expenditures</b>	<u>3,155,345</u>	<u>1,922,876</u>	<u>1,232,469</u>	<u>2,038,799</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(1,209,566)</u>	<u>87,310</u>	<u>1,296,876</u>	<u>460,031</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(158,700)	(158,700)	-	(83,700)
Sale of Capital Assets	-	6,687	6,687	-
<b>Total other financing sources (uses)</b>	<u>(158,700)</u>	<u>(152,013)</u>	<u>6,687</u>	<u>(83,700)</u>
<b>Net change in fund balances</b>	(1,368,266)	(64,703)	1,303,563	376,331
<b>Fund balances-beginning</b>	<u>2,577,976</u>	<u>2,577,976</u>	<u>-</u>	<u>2,201,645</u>
<b>Fund balances-ending</b>	<u><u>\$ 1,209,710</u></u>	<u><u>\$ 2,513,273</u></u>	<u><u>\$ 1,303,563</u></u>	<u><u>\$ 2,577,976</u></u>

**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, 2011**  
**With Comparative Actual Amounts for the Year Ended September 30, 2010**

	<u>2011</u>			<u>2010</u> <u>Actual</u>
	<u>Final Budgeted</u> <u>Amounts</u>	<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget -</u> <u>Positive</u> <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 AND ACTUAL**  
**MOSQUITO CONTROL DISTRICT SPECIAL REVENUE FUND**  
**For the Year Ended September 30, 2011**  
**With Comparative Actual Amounts for the Year Ended September 30, 2010**

	<u>2011</u>		<b>Variance with Final Budget - Positive (Negative)</b>	<b>2010 Actual</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>		
<b>REVENUES</b>				
Taxes	\$ 1,043,807	\$ 1,043,079	\$ (728)	\$ 1,050,439
Investment Earnings	15,000	8,007	(6,993)	11,212
Miscellaneous	-	43	43	-
<b>Total revenues</b>	<u>1,058,807</u>	<u>1,051,129</u>	<u>(7,678)</u>	<u>1,061,651</u>
<b>EXPENDITURES</b>				
Health and Social Services:				
Current:				
Personal Services	685,600	563,823	121,777	629,176
Supplies	501,300	286,644	214,656	545,688
Other Services and Charges	92,900	83,793	9,107	80,529
Total Health and Social Services:	<u>1,279,800</u>	<u>934,260</u>	<u>345,540</u>	<u>1,255,393</u>
Capital Outlay	30,300	-	30,300	37,915
<b>Total expenditures</b>	<u>1,310,100</u>	<u>934,260</u>	<u>375,840</u>	<u>1,293,308</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(251,293)</u>	<u>116,869</u>	<u>368,162</u>	<u>(231,657)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(57,000)	(57,000)	-	(17,000)
Sale of Capital Assets	500	-	(500)	5,875
<b>Total other financing sources (uses)</b>	<u>(56,500)</u>	<u>(57,000)</u>	<u>(500)</u>	<u>(11,125)</u>
<b>Net change in fund balances</b>	<u>(307,793)</u>	<u>59,869</u>	<u>367,662</u>	<u>(242,782)</u>
<b>Fund balances-beginning</b>	<u>624,998</u>	<u>624,998</u>	<u>-</u>	<u>867,780</u>
<b>Fund balances-ending</b>	<u><u>\$ 317,205</u></u>	<u><u>\$ 684,867</u></u>	<u><u>\$ 367,662</u></u>	<u><u>\$ 624,998</u></u>

**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, 2011**  
**With Comparative Actual Amounts for the Year Ended September 30, 2010**

	<u>2011</u>		<b>Variance with Final Budget - Positive (Negative)</b>	<b>2010 Actual</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>		
<b>REVENUES</b>				
Intergovernmental	\$ 460,000	\$ 114,196	\$ (345,804)	\$ 384,125
<b>EXPENDITURES</b>				
Health and Social Services:				
Current:				
Other Services and Charges	13,464,301	2,521,370	10,942,931	2,310,876
<b>Total expenditures</b>	<u>13,464,301</u>	<u>2,521,370</u>	<u>10,942,931</u>	<u>2,310,876</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(13,004,301)</u>	<u>(2,407,174)</u>	<u>10,597,127</u>	<u>(1,926,751)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	2,000,000	2,000,000	-	11,649,900
<b>Net change in fund balances</b>	(11,004,301)	(407,174)	10,597,127	9,723,149
<b>Fund balances-beginning</b>	11,249,006	11,249,006	-	1,525,857
<b>Fund balances-ending</b>	<u>\$ 244,705</u>	<u>\$ 10,841,832</u>	<u>\$ 10,597,127</u>	<u>\$ 11,249,006</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, 2011**  
**With Comparative Actual Amounts for the Year Ended September 30, 2010**

	2011		Variance with Final Budget - Positive (Negative)	2010 Actual
	Final Budgeted Amounts	Actual Amounts		
<b>REVENUES</b>				
Intergovernmental	\$ 34,000	\$ 24,694	\$ (9,306)	\$ 39,350
Miscellaneous	500	4,087	3,587	3,267
<b>Total revenues</b>	<u>34,500</u>	<u>28,781</u>	<u>(5,719)</u>	<u>42,617</u>
<b>EXPENDITURES</b>				
Health and Social Services:				
Current:				
Personal Services	100,500	61,712	38,788	24,409
Supplies	117,500	73,075	44,425	52,368
Other Services and Charges	263,500	195,376	68,124	203,439
<b>Total expenditures</b>	<u>481,500</u>	<u>330,163</u>	<u>151,337</u>	<u>280,216</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	(447,000)	(301,382)	145,618	(237,599)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	354,300	354,300	-	250,000
<b>Net change in fund balances</b>	(92,700)	52,918	145,618	12,401
<b>Fund balances-beginning</b>	<u>435,755</u>	<u>435,755</u>	<u>-</u>	<u>423,354</u>
<b>Fund balances-ending</b>	<u><u>\$ 343,055</u></u>	<u><u>\$ 488,673</u></u>	<u><u>\$ 145,618</u></u>	<u><u>\$ 435,755</u></u>

**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, 2011**  
**With Comparative Actual Amounts for the Year Ended September 30, 2010**

	2011		Variance with Final Budget - Positive (Negative)	2010 Actual
	Final Budgeted Amounts	Actual Amounts		
<b>REVENUES</b>				
Intergovernmental	\$ 67,500	\$ 97,402	\$ 29,902	\$ 179,127
Charges for Services	300,800	308,567	7,767	251,103
Investment Earnings	3,000	5,911	2,911	4,260
Miscellaneous	-	80	80	20,030
<b>Total revenues</b>	<b>371,300</b>	<b>411,960</b>	<b>40,660</b>	<b>454,520</b>
<b>EXPENDITURES</b>				
Culture and Recreation:				
Current:				
Personal Services	178,600	161,997	16,603	79,499
Supplies	45,400	29,399	16,001	22,585
Other Services and Charges	539,850	418,860	120,990	488,947
Total Culture and Recreation:	763,850	610,256	153,594	591,031
Capital Outlay	84,700	84,295	405	80,726
<b>Total expenditures</b>	<b>848,550</b>	<b>694,551</b>	<b>153,999</b>	<b>671,757</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(477,250)</b>	<b>(282,591)</b>	<b>194,659</b>	<b>(217,237)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	460,000	460,000	-	260,000
Transfers Out	(12,700)	(12,700)	-	(12,700)
Sale of Capital Assets	20,000	-	(20,000)	26,387
<b>Total other financing sources (uses)</b>	<b>467,300</b>	<b>447,300</b>	<b>(20,000)</b>	<b>273,687</b>
<b>Net change in fund balances</b>	<b>(9,950)</b>	<b>164,709</b>	<b>174,659</b>	<b>56,450</b>
<b>Fund balances-beginning</b>	<b>906,964</b>	<b>906,964</b>	<b>-</b>	<b>850,514</b>
<b>Fund balances-ending</b>	<b>\$ 897,014</b>	<b>\$ 1,071,673</b>	<b>\$ 174,659</b>	<b>\$ 906,964</b>

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**GALVESTON COUNTY MUSEUM SPECIAL REVENUE FUND**  
**For the Year Ended September 30, 2011**  
**With Comparative Actual Amounts for the Year Ended September 30, 2010**

	<u>2011</u>		<b>Variance with Final Budget - Positive (Negative)</b>	<b>2010 Actual</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>		
<b>REVENUES</b>				
Miscellaneous	\$ 250	\$ 220	\$ (30)	\$ 19,953
<b>EXPENDITURES</b>				
Culture and Recreation:				
Current:				
Supplies	3,000	2,264	736	-
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(2,750)</u>	<u>(2,044)</u>	<u>706</u>	<u>19,953</u>
<b>Fund balances-beginning</b>	<u>19,953</u>	<u>19,953</u>	<u>-</u>	<u>-</u>
<b>Fund balances-ending</b>	<u><u>\$ 17,203</u></u>	<u><u>\$ 17,909</u></u>	<u><u>\$ 706</u></u>	<u><u>\$ 19,953</u></u>

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 (“BUILD AMERICA BONDS”)(FUND 4021) – The Series 2009B Bonds are being used 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 Series 2009B Bonds and (iv) pay a portion of the interest on the Series 2009B 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.

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 ("BUILD AMERICA BONDS") (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, and (iii) pay the costs associated with the issuance of the Series 2009A Bonds and (iv) pay a portion of the interest on the Series 2009A Bonds.

LIMITED TAX FLOOD CONTROL SERIES 2009C-1 (FUND 4390) - The Series 2009C Bonds are being used to (i) establish, construct, extend, maintain, or improve a seawall breakwater, levee, floodway, and/or drainway, (ii) pay for professional services rendered in connection with the aforementioned projects, (iii) pay the costs associated with the issuance of the Series 2009C Bonds and (iv) pay a portion of the interest on the Series 2009C Bonds.

LIMITED TAX FLOOD CONTROL SERIES 2009C-2 ("BUILD AMERICA BONDS") (FUND 4393) - The Series 2009C Bonds are being used to (i) establish, construct, extend, maintain, or improve a seawall breakwater, levee, floodway, and/or drainway, (ii) pay for professional services rendered in connection with the aforementioned projects, (iii) pay the costs associated with the issuance of the Series 2009C Bonds and (iv) pay a portion of the interest on the Series 2009C Bonds.

GALVESTON COUNTY CERTIFICATES OF OBLIGATION SERIES 2008 (Fund 4392) - The Galveston County 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.



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**GALVESTON COUNTY, TEXAS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR DEBT SERVICE FUNDS**  
**September 30, 2011**  
**With Comparative Totals at September 30, 2010**

	GENERAL OBLIGATION REFUNDING BONDS SERIES 2007	LIMITED TAX COUNTY BUILDING BONDS SERIES 2009B ("BUILD AMERICA BONDS")	CONSTRUCTION/ IMPROVEMENT TAX AND REVENUE CERTIFICATES OF OBLIGATION SERIES 1999	COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION SERIES 2003C
<b>ASSETS</b>				
Investments	\$ 1,168,328	\$ 1,234,627	\$ 190,277	\$ 344,485
Receivables (Net of Allowances for Uncollectibles):				
Taxes	164,980	69,174	43,943	93,852
Accounts and Other	2,357	1,811	147	18,139
<b>Total assets</b>	<b>\$ 1,335,665</b>	<b>\$ 1,305,612</b>	<b>\$ 234,367</b>	<b>\$ 456,476</b>
<b>LIABILITIES</b>				
Due to Others	\$ 6,140	\$ -	\$ 4,151	\$ 8,102
Deferred Revenues	164,979	69,174	43,943	93,851
<b>Total liabilities</b>	<b>171,119</b>	<b>69,174</b>	<b>48,094</b>	<b>101,953</b>
<b>FUND BALANCES</b>				
Restricted	1,164,546	1,236,438	186,273	354,523
<b>Total fund balances</b>	<b>1,164,546</b>	<b>1,236,438</b>	<b>186,273</b>	<b>354,523</b>
<b>Total liabilities and fund balances</b>	<b>\$ 1,335,665</b>	<b>\$ 1,305,612</b>	<b>\$ 234,367</b>	<b>\$ 456,476</b>

(Continued)

<b>LIMITED TAX JUSTICE CENTER BONDS SERIES 2001</b>	<b>LIMITED TAX CRIMINAL JUSTICE CENTER BONDS SERIES 2003A</b>	<b>PARK ROADS/ PARKING LOT IMPROVEMENTS CERTIFICATES OF OBLIGATION SERIES 2002A</b>	<b>GENERAL OBLIGATION 1999/2001 REFUNDING BONDS SERIES 2004</b>
\$ 171,516	\$ 592,156	\$ 222,198	\$ 1,229,075
-	326,078	36,425	310,899
-	64,297	282	1,987
<b>\$ 171,516</b>	<b>\$ 982,531</b>	<b>\$ 258,905</b>	<b>\$ 1,541,961</b>
\$ -	\$ 25,002	\$ 2,082	\$ 16,388
-	326,081	36,423	310,899
-	351,083	38,505	327,287
171,516	631,448	220,400	1,214,674
171,516	631,448	220,400	1,214,674
<b>\$ 171,516</b>	<b>\$ 982,531</b>	<b>\$ 258,905</b>	<b>\$ 1,541,961</b>

**GALVESTON COUNTY, TEXAS  
COMBINING BALANCE SHEET  
NONMAJOR DEBT SERVICE FUNDS  
September 30, 2011  
With Comparative Totals at September 30, 2010**

	<b>PASS-THROUGH TOLL REVENUE AND LIMITED TAX BONDS SERIES 2007</b>	<b>SAN LUIS PASS BRIDGE CERTIFICATES OF OBLIGATION SERIES 2002</b>	<b>UNLIMITED TAX ROAD BONDS SERIES 2001</b>	<b>UNLIMITED TAX ROAD BONDS SERIES 2003B</b>
<b>ASSETS</b>				
Investments	\$ 294,864	\$ 259,706	\$ 181,827	\$ 284,266
Receivables (Net of Allowances for Uncollectibles):				
Taxes	30,062	46,782	-	255,077
Accounts and Other	1,130,077	334	-	546
<b>Total assets</b>	<b>\$ 1,455,003</b>	<b>\$ 306,822</b>	<b>\$ 181,827</b>	<b>\$ 539,889</b>
<b>LIABILITIES</b>				
Due to Others	\$ -	\$ 3,017	\$ -	\$ 2,999
Deferred Revenues	30,062	46,784	-	255,077
<b>Total liabilities</b>	30,062	49,801	-	258,076
<b>FUND BALANCES</b>				
Restricted	1,424,941	257,021	181,827	281,813
<b>Total fund balances</b>	1,424,941	257,021	181,827	281,813
<b>Total liabilities and fund balances</b>	<b>\$ 1,455,003</b>	<b>\$ 306,822</b>	<b>\$ 181,827</b>	<b>\$ 539,889</b>

(Continued)

UNLIMITED TAX ROAD REFUNDING BONDS SERIES 2004A	UNLIMITED TAX ROAD BONDS SERIES 2009A ("BUILD AMERICA BONDS")	LIMITED TAX FLOOD CONTROL SERIES 2009C-1	LIMITED TAX FLOOD CONTROL SERIES 2009C-2 ("BUILD AMERICA BONDS")	GALVESTON COUNTY CERTIFICATES OF OBLIGATION SERIES 2008
\$ 552,115	\$ 2,049,784	\$ 319,387	\$ 297,471	\$ 502,188
63,880	206,268	18,704	11,369	65,227
465	3,726	481	295	892
<b>\$ 616,460</b>	<b>\$ 2,259,778</b>	<b>\$ 338,572</b>	<b>\$ 309,135</b>	<b>\$ 568,307</b>
\$ 2,377	\$ 5,307	\$ -	\$ -	\$ 2,598
63,880	206,267	18,704	11,370	65,226
66,257	211,574	18,704	11,370	67,824
550,203	2,048,204	319,868	297,765	500,483
550,203	2,048,204	319,868	297,765	500,483
<b>\$ 616,460</b>	<b>\$ 2,259,778</b>	<b>\$ 338,572</b>	<b>\$ 309,135</b>	<b>\$ 568,307</b>

**GALVESTON COUNTY, TEXAS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR DEBT SERVICE FUNDS**  
**September 30, 2011**  
**With Comparative Totals at September 30, 2010**

	<b>TOTALS</b>	
	<b>2011</b>	<b>2010</b>
<b>ASSETS</b>		
Investments	\$ 9,894,270	\$ 9,582,023
Receivables (Net of Allowances for Uncollectibles):		
Taxes	1,742,720	1,537,202
Accounts and Other	1,225,836	9,825
<b>Total assets</b>	<b>\$ 12,862,826</b>	<b>\$ 11,129,050</b>
<b>LIABILITIES</b>		
Due to Others	\$ 78,163	\$ 117,245
Deferred Revenues	1,742,720	1,537,198
<b>Total liabilities</b>	1,820,883	1,654,443
<b>FUND BALANCES</b>		
Restricted	11,041,943	9,474,607
<b>Total fund balances</b>	11,041,943	9,474,607
<b>Total liabilities and fund balances</b>	<b>\$ 12,862,826</b>	<b>\$ 11,129,050</b>



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**GALVESTON COUNTY, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES**  
**NONMAJOR DEBT SERVICE FUNDS**  
**For the Year Ended September 30, 2011**  
**With Comparative Totals for the Year Ended September 30, 2010**

	GENERAL OBLIGATION REFUNDING BONDS SERIES 2007	LIMITED TAX COUNTY BUILDING BONDS SERIES 2009B ("BUILD AMERICA BONDS")	CONSTRUCTION/ IMPROVEMENT TAX AND REVENUE CERTIFICATES OF OBLIGATION SERIES 1999	COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION SERIES 2003C
<b>REVENUES</b>				
Taxes	\$ 3,815,175	\$ 3,448,288	\$ 130,253	\$ 923,510
Intergovernmental	-	782,123	-	69,992
Investment Earnings	30,047	8,589	3,116	7,150
<b>Total revenues</b>	<b>3,845,222</b>	<b>4,239,000</b>	<b>133,369</b>	<b>1,000,652</b>
<b>EXPENDITURES</b>				
Debt Service:				
Principal Retirement	465,000	1,595,000	150,000	805,000
Interest and Fiscal Charges	3,392,075	2,234,888	31,900	272,181
<b>Total expenditures</b>	<b>3,857,075</b>	<b>3,829,888</b>	<b>181,900</b>	<b>1,077,181</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(11,853)</b>	<b>409,112</b>	<b>(48,531)</b>	<b>(76,529)</b>
<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>
<b>Net change in fund balances</b>	<b>(11,853)</b>	<b>409,112</b>	<b>(48,531)</b>	<b>(76,529)</b>
<b>Fund balances-beginning</b>	<b>1,176,399</b>	<b>827,326</b>	<b>234,804</b>	<b>431,052</b>
<b>Fund balances-ending</b>	<b>\$ 1,164,546</b>	<b>\$ 1,236,438</b>	<b>\$ 186,273</b>	<b>\$ 354,523</b>

(Continued)

<b>LIMITED TAX JUSTICE CENTER BONDS SERIES 2001</b>	<b>LIMITED TAX CRIMINAL JUSTICE CENTER BONDS SERIES 2003A</b>	<b>PARK ROADS/ PARKING LOT IMPROVEMENTS CERTIFICATES OF OBLIGATION SERIES 2002A</b>	<b>GENERAL OBLIGATION 1999/2001 REFUNDING BONDS SERIES 2004</b>
\$ 1,250,377	\$ 1,822,815	\$ 410,714	\$ 2,719,794
90,672	157,493	-	-
7,197	10,693	3,906	20,929
1,348,246	1,991,001	414,620	2,740,723
1,810,000	1,720,000	350,000	1,420,000
39,820	185,563	80,721	975,548
1,849,820	1,905,563	430,721	2,395,548
(501,574)	85,438	(16,101)	345,175
-	85	-	-
-	-	-	-
-	85	-	-
(501,574)	85,523	(16,101)	345,175
673,090	545,925	236,501	869,499
<b>\$ 171,516</b>	<b>\$ 631,448</b>	<b>\$ 220,400</b>	<b>\$ 1,214,674</b>

**GALVESTON COUNTY, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES**  
**NONMAJOR DEBT SERVICE FUNDS**  
**For the Year Ended September 30, 2011**  
**With Comparative Totals for the Year Ended September 30, 2010**

	<b>PASS-THROUGH TOLL REVENUE AND LIMITED TAX BONDS SERIES 2007</b>	<b>SAN LUIS PASS BRIDGE CERTIFICATES OF OBLIGATION SERIES 2002</b>	<b>UNLIMITED TAX ROAD BONDS SERIES 2001</b>	<b>UNLIMITED TAX ROAD BONDS SERIES 2003B</b>
<b>REVENUES</b>				
Taxes	\$ 1,480,823	\$ 453,681	\$ 1,010,414	\$ 523,701
Intergovernmental	1,934,155	-	-	-
Investment Earnings	3,340	5,324	6,359	6,355
<b>Total revenues</b>	<b>3,418,318</b>	<b>459,005</b>	<b>1,016,773</b>	<b>530,056</b>
<b>EXPENDITURES</b>				
Debt Service:				
Principal Retirement	385,000	490,000	1,355,000	295,000
Interest and Fiscal Charges	2,147,631	112,414	29,810	374,044
<b>Total expenditures</b>	<b>2,532,631</b>	<b>602,414</b>	<b>1,384,810</b>	<b>669,044</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>885,687</b>	<b>(143,409)</b>	<b>(368,037)</b>	<b>(138,988)</b>
<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>
<b>Net change in fund balances</b>	<b>885,687</b>	<b>(143,409)</b>	<b>(368,037)</b>	<b>(138,988)</b>
<b>Fund balances-beginning</b>	<b>539,254</b>	<b>400,430</b>	<b>549,864</b>	<b>420,801</b>
<b>Fund balances-ending</b>	<b>\$ 1,424,941</b>	<b>\$ 257,021</b>	<b>\$ 181,827</b>	<b>\$ 281,813</b>

(Continued)

<b>UNLIMITED TAX ROAD REFUNDING BONDS SERIES 2004A</b>	<b>UNLIMITED TAX ROAD BONDS SERIES 2009A ("BUILD AMERICA BONDS")</b>	<b>LIMITED TAX FLOOD CONTROL SERIES 2009C-1</b>	<b>LIMITED TAX FLOOD CONTROL SERIES 2009C-2 ("BUILD AMERICA BONDS")</b>	<b>GALVESTON COUNTY CERTIFICATES OF OBLIGATION SERIES 2008</b>
\$ 706,866	\$ 5,732,512	\$ 921,316	\$ 560,040	\$ 1,417,773
-	1,294,770	-	200,127	-
8,389	14,333	2,838	1,829	9,700
715,255	7,041,615	924,154	761,996	1,427,473
110,000	2,690,000	580,000	-	1,400,000
419,448	3,699,592	154,200	572,041	98,351
529,448	6,389,592	734,200	572,041	1,498,351
185,807	652,023	189,954	189,955	(70,878)
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
185,807	652,023	189,954	189,955	(70,878)
364,396	1,396,181	129,914	107,810	571,361
<b>\$ 550,203</b>	<b>\$ 2,048,204</b>	<b>\$ 319,868</b>	<b>\$ 297,765</b>	<b>\$ 500,483</b>

**GALVESTON COUNTY, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES**  
**NONMAJOR DEBT SERVICE FUNDS**  
**For the Year Ended September 30, 2011**  
**With Comparative Totals for the Year Ended September 30, 2010**

	<b>TOTALS</b>	
	<b>2011</b>	<b>2010</b>
<b>REVENUES</b>		
Taxes	\$ 27,328,052	\$ 16,618,979
Intergovernmental	4,529,332	1,918,017
Investment Earnings	150,094	169,027
<b>Total revenues</b>	<b>32,007,478</b>	<b>18,706,023</b>
<b>EXPENDITURES</b>		
Debt Service:		
Principal Retirement	15,620,000	10,410,000
Interest and Fiscal Charges	14,820,227	14,202,392
<b>Total expenditures</b>	<b>30,440,227</b>	<b>24,612,392</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>1,567,251</b>	<b>(5,906,369)</b>
<b>OTHER FINANCING SOURCES (USES)</b>		
Transfers In	85	44,092
Transfers Out	-	(44,092)
<b>Total other financing sources (uses)</b>	<b>85</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>1,567,336</b>	<b>(5,906,369)</b>
<b>Fund balances-beginning</b>	<b>9,474,607</b>	<b>15,380,976</b>
<b>Fund balances-ending</b>	<b>\$ 11,041,943</b>	<b>\$ 9,474,607</b>



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**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, 2011**  
**With Comparative Actual Amounts for the Year Ended September 30, 2010**

	<b>2011</b>		<b>Variance with Final Budget- Positive (Negative)</b>	<b>2010 Actual Amounts</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>		
<b>REVENUES</b>				
Taxes:				
Ad Valorem Taxes - Current	\$ 3,594,115	\$ 3,700,607	\$ 106,492	\$ 3,732,075
Ad Valorem Taxes - Delinquent	70,000	74,753	4,753	72,730
Penalties and Interest	37,000	39,815	2,815	37,448
Investment Earnings	30,000	30,047	47	31,552
<b>Total revenues</b>	<b>3,731,115</b>	<b>3,845,222</b>	<b>114,107</b>	<b>3,873,805</b>
<b>EXPENDITURES</b>				
Debt Service:				
Principal Retirement	465,000	465,000	-	445,000
Interest and Fiscal Charges	3,394,600	3,392,075	2,525	3,410,275
<b>Total expenditures</b>	<b>3,859,600</b>	<b>3,857,075</b>	<b>2,525</b>	<b>3,855,275</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(128,485)</b>	<b>(11,853)</b>	<b>116,632</b>	<b>18,530</b>
<b>Fund balances-beginning</b>	<b>1,176,399</b>	<b>1,176,399</b>	<b>-</b>	<b>1,157,869</b>
<b>Fund balances-ending</b>	<b>\$ 1,047,914</b>	<b>\$ 1,164,546</b>	<b>\$ 116,632</b>	<b>\$ 1,176,399</b>

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**LIMITED TAX COUNTY BUILDING BONDS SERIES 2009B ("BUILD AMERICA BONDS") DEBT SERVICE FUND**  
**For the Year Ended September 30, 2011**  
**With Comparative Actual Amounts for the Year Ended September 30, 2010**

	<b>2011</b>		<b>Variance with Final Budget- Positive (Negative)</b>	<b>2010 Actual Amounts</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>		
<b>REVENUES</b>				
Taxes:				
Ad Valorem Taxes - Current	\$ 3,356,838	\$ 3,448,288	\$ 91,450	\$ -
Intergovernmental	782,123	782,123	-	659,037
Investment Earnings	29,000	8,589	(20,411)	6,359
<b>Total revenues</b>	<b>4,167,961</b>	<b>4,239,000</b>	<b>71,039</b>	<b>665,396</b>
<b>EXPENDITURES</b>				
Debt Service:				
Principal Retirement	1,595,000	1,595,000	-	-
Interest and Fiscal Charges	2,237,200	2,234,888	2,312	1,882,962
<b>Total expenditures</b>	<b>3,832,200</b>	<b>3,829,888</b>	<b>2,312</b>	<b>1,882,962</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>335,761</b>	<b>409,112</b>	<b>73,351</b>	<b>(1,217,566)</b>
<b>Fund balances-beginning</b>	<b>827,326</b>	<b>827,326</b>	<b>-</b>	<b>2,044,892</b>
<b>Fund balances-ending</b>	<b>\$ 1,163,087</b>	<b>\$ 1,236,438</b>	<b>\$ 73,351</b>	<b>\$ 827,326</b>

**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, 2011**  
**With Comparative Actual Amounts for the Year Ended September 30, 2010**

	<b>2011</b>		<b>Variance with Final Budget- Positive (Negative)</b>	<b>2010 Actual Amounts</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>		
<b>REVENUES</b>				
Taxes:				
Ad Valorem Taxes - Current	\$ 113,719	\$ 118,630	\$ 4,911	\$ 147,896
Ad Valorem Taxes - Delinquent	10,500	7,794	(2,706)	9,422
Penalties and Interest	4,300	3,829	(471)	4,330
Investment Earnings	3,500	3,116	(384)	3,925
<b>Total revenues</b>	<b>132,019</b>	<b>133,369</b>	<b>1,350</b>	<b>165,573</b>
<b>EXPENDITURES</b>				
Debt Service:				
Principal Retirement	150,000	150,000	-	140,000
Interest and Fiscal Charges	34,000	31,900	2,100	39,105
<b>Total expenditures</b>	<b>184,000</b>	<b>181,900</b>	<b>2,100</b>	<b>179,105</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(51,981)</b>	<b>(48,531)</b>	<b>3,450</b>	<b>(13,532)</b>
<b>Fund balances-beginning</b>	<b>234,804</b>	<b>234,804</b>	<b>-</b>	<b>248,336</b>
<b>Fund balances-ending</b>	<b>\$ 182,823</b>	<b>\$ 186,273</b>	<b>\$ 3,450</b>	<b>\$ 234,804</b>

**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, 2011**  
**With Comparative Actual Amounts for the Year Ended September 30, 2010**

	<u>2011</u>		<b>Variance with Final Budget- Positive (Negative)</b>	<b>2010 Actual Amounts</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>		
<b>REVENUES</b>				
Taxes:				
Ad Valorem Taxes - Current	\$ 868,321	\$ 895,021	\$ 26,700	\$ 166,641
Ad Valorem Taxes - Delinquent	19,000	17,129	(1,871)	16,725
Penalties and Interest	11,000	11,360	360	7,533
Intergovernmental	69,993	69,992	(1)	-
Investment Earnings	20,000	7,150	(12,850)	9,224
<b>Total revenues</b>	<u>988,314</u>	<u>1,000,652</u>	<u>12,338</u>	<u>200,123</u>
<b>EXPENDITURES</b>				
Debt Service:				
Principal Retirement	805,000	805,000	-	90,000
Interest and Fiscal Charges	274,000	272,181	1,819	289,373
<b>Total expenditures</b>	<u>1,079,000</u>	<u>1,077,181</u>	<u>1,819</u>	<u>379,373</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	(90,686)	(76,529)	14,157	(179,250)
<b>Fund balances-beginning</b>	<u>431,052</u>	<u>431,052</u>	<u>-</u>	<u>610,302</u>
<b>Fund balances-ending</b>	<u><u>\$ 20,366</u></u>	<u><u>\$ 354,523</u></u>	<u><u>\$ 334,157</u></u>	<u><u>\$ 431,052</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, 2011**  
**With Comparative Actual Amounts for the Year Ended September 30, 2010**

	<b>2011</b>		<b>Variance with Final Budget- Positive (Negative)</b>	<b>2010 Actual Amounts</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>		
<b>REVENUES</b>				
Taxes:				
Ad Valorem Taxes - Current	\$ 1,157,931	\$ 1,193,108	\$ 35,177	\$ 1,926,022
Ad Valorem Taxes - Delinquent	36,000	38,800	2,800	37,207
Penalties and Interest	19,000	18,469	(531)	21,374
Intergovernmental	120,896	90,672	(30,224)	-
Investment Earnings	8,000	7,197	(803)	8,784
<b>Total revenues</b>	<b>1,341,827</b>	<b>1,348,246</b>	<b>6,419</b>	<b>1,993,387</b>
<b>EXPENDITURES</b>				
Debt Service:				
Principal Retirement	1,810,000	1,810,000	-	1,685,000
Interest and Fiscal Charges	42,400	39,820	2,580	115,868
<b>Total expenditures</b>	<b>1,852,400</b>	<b>1,849,820</b>	<b>2,580</b>	<b>1,800,868</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(510,573)</b>	<b>(501,574)</b>	<b>8,999</b>	<b>192,519</b>
<b>Fund balances-beginning</b>	<b>673,090</b>	<b>673,090</b>	<b>-</b>	<b>480,571</b>
<b>Fund balances-ending</b>	<b>\$ 162,517</b>	<b>\$ 171,516</b>	<b>\$ 8,999</b>	<b>\$ 673,090</b>

**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, 2011**  
**With Comparative Actual Amounts for the Year Ended September 30, 2010**

	<b>2011</b>		<b>Variance with Final Budget- Positive (Negative)</b>	<b>2010 Actual Amounts</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>		
<b>REVENUES</b>				
Taxes:				
Ad Valorem Taxes - Current	\$ 1,700,695	\$ 1,751,762	\$ 51,067	\$ 1,134,995
Ad Valorem Taxes - Delinquent	55,000	45,570	(9,430)	50,173
Penalties and Interest	26,000	25,483	(517)	23,041
Intergovernmental	127,258	157,493	30,235	-
Investment Earnings	13,500	10,693	(2,807)	11,391
<b>Total revenues</b>	<b>1,922,453</b>	<b>1,991,001</b>	<b>68,548</b>	<b>1,219,600</b>
<b>EXPENDITURES</b>				
Debt Service:				
Principal Retirement	1,720,000	1,720,000	-	1,385,000
Interest and Fiscal Charges	187,800	185,563	2,237	246,931
<b>Total expenditures</b>	<b>1,907,800</b>	<b>1,905,563</b>	<b>2,237</b>	<b>1,631,931</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>14,653</b>	<b>85,438</b>	<b>70,785</b>	<b>(412,331)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	132,325	85	(132,240)	-
<b>Net change in fund balances</b>	<b>146,978</b>	<b>85,523</b>	<b>(61,455)</b>	<b>(412,331)</b>
<b>Fund balances-beginning</b>	<b>545,925</b>	<b>545,925</b>	<b>-</b>	<b>958,256</b>
<b>Fund balances-ending</b>	<b>\$ 692,903</b>	<b>\$ 631,448</b>	<b>\$ (61,455)</b>	<b>\$ 545,925</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, 2011**  
**With Comparative Actual Amounts for the Year Ended September 30, 2010**

	<b>2011</b>		<b>Variance with Final Budget- Positive (Negative)</b>	<b>2010 Actual Amounts</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>		
<b>REVENUES</b>				
Taxes:				
Ad Valorem Taxes - Current	\$ 383,185	\$ 395,681	\$ 12,496	\$ 399,074
Ad Valorem Taxes - Delinquent	9,500	9,770	270	9,511
Penalties and Interest	4,500	5,263	763	5,050
Investment Earnings	4,500	3,906	(594)	3,930
<b>Total revenues</b>	<b>401,685</b>	<b>414,620</b>	<b>12,935</b>	<b>417,565</b>
<b>EXPENDITURES</b>				
Debt Service:				
Principal Retirement	350,000	350,000	-	335,000
Interest and Fiscal Charges	83,100	80,721	2,379	95,580
<b>Total expenditures</b>	<b>433,100</b>	<b>430,721</b>	<b>2,379</b>	<b>430,580</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(31,415)</b>	<b>(16,101)</b>	<b>15,314</b>	<b>(13,015)</b>
<b>Fund balances-beginning</b>	<b>236,501</b>	<b>236,501</b>	<b>-</b>	<b>249,516</b>
<b>Fund balances-ending</b>	<b>\$ 20,086</b>	<b>\$ 220,400</b>	<b>\$ 200,314</b>	<b>\$ 236,501</b>

**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, 2011**  
**With Comparative Actual Amounts for the Year Ended September 30, 2010**

	<b>2011</b>		<b>Variance with Final Budget- Positive (Negative)</b>	<b>2010 Actual Amounts</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>		
<b>REVENUES</b>				
Taxes:				
Ad Valorem Taxes - Current	\$ 2,531,591	\$ 2,606,987	\$ 75,396	\$ 2,490,157
Ad Valorem Taxes - Delinquent	46,000	73,874	27,874	54,071
Penalties and Interest	29,000	38,933	9,933	30,526
Investment Earnings	14,000	20,929	6,929	15,038
<b>Total revenues</b>	<b>2,620,591</b>	<b>2,740,723</b>	<b>120,132</b>	<b>2,589,792</b>
<b>EXPENDITURES</b>				
Debt Service:				
Principal Retirement	1,420,000	1,420,000	-	1,370,000
Interest and Fiscal Charges	977,800	975,548	2,252	1,033,061
<b>Total expenditures</b>	<b>2,397,800</b>	<b>2,395,548</b>	<b>2,252</b>	<b>2,403,061</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>222,791</b>	<b>345,175</b>	<b>122,384</b>	<b>186,731</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	-	44,092
<b>Net change in fund balances</b>	<b>222,791</b>	<b>345,175</b>	<b>122,384</b>	<b>230,823</b>
<b>Fund balances-beginning</b>	<b>869,499</b>	<b>869,499</b>	<b>-</b>	<b>638,676</b>
<b>Fund balances-ending</b>	<b>\$ 1,092,290</b>	<b>\$ 1,214,674</b>	<b>\$ 122,384</b>	<b>\$ 869,499</b>

**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, 2011**  
**With Comparative Actual Amounts for the Year Ended September 30, 2010**

	<b>2011</b>		<b>Variance with Final Budget- Positive (Negative)</b>	<b>2010 Actual Amounts</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>		
<b>REVENUES</b>				
Taxes:				
Ad Valorem Taxes - Current	\$ 1,454,718	\$ 1,480,823	\$ 26,105	\$ -
Intergovernmental	1,394,198	1,934,155	539,957	-
Investment Earnings	35,000	3,340	(31,660)	26,830
<b>Total revenues</b>	<b>2,883,916</b>	<b>3,418,318</b>	<b>534,402</b>	<b>26,830</b>
<b>EXPENDITURES</b>				
Debt Service:				
Principal Retirement	385,000	385,000	-	365,000
Interest and Fiscal Charges	2,149,400	2,147,631	1,769	2,164,506
<b>Total expenditures</b>	<b>2,534,400</b>	<b>2,532,631</b>	<b>1,769</b>	<b>2,529,506</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>349,516</b>	<b>885,687</b>	<b>536,171</b>	<b>(2,502,676)</b>
<b>Fund balances-beginning</b>	<b>539,254</b>	<b>539,254</b>	<b>-</b>	<b>3,041,930</b>
<b>Fund balances-ending</b>	<b>\$ 888,770</b>	<b>\$ 1,424,941</b>	<b>\$ 536,171</b>	<b>\$ 539,254</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, 2011**  
**With Comparative Actual Amounts for the Year Ended September 30, 2010**

	<b>2011</b>		<b>Variance with Final Budget- Positive (Negative)</b>	<b>2010 Actual Amounts</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>		
<b>REVENUES</b>				
Taxes:				
Ad Valorem Taxes - Current	\$ 418,906	\$ 432,444	\$ 13,538	\$ 724,484
Ad Valorem Taxes - Delinquent	13,000	14,416	1,416	13,517
Penalties and Interest	8,500	6,821	(1,679)	7,963
Investment Earnings	5,000	5,324	324	5,613
<b>Total revenues</b>	<b>445,406</b>	<b>459,005</b>	<b>13,599</b>	<b>751,577</b>
<b>EXPENDITURES</b>				
Debt Service:				
Principal Retirement	490,000	490,000	-	470,000
Interest and Fiscal Charges	114,800	112,414	2,386	133,238
<b>Total expenditures</b>	<b>604,800</b>	<b>602,414</b>	<b>2,386</b>	<b>603,238</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(159,394)</b>	<b>(143,409)</b>	<b>15,985</b>	<b>148,339</b>
<b>Fund balances-beginning</b>	<b>400,430</b>	<b>400,430</b>	<b>-</b>	<b>252,091</b>
<b>Fund balances-ending</b>	<b>\$ 21,036</b>	<b>\$ 257,021</b>	<b>\$ (204,015)</b>	<b>\$ 400,430</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, 2011**  
**With Comparative Actual Amounts for the Year Ended September 30, 2010**

	<b>2011</b>		<b>Variance with Final Budget- Positive (Negative)</b>	<b>2010 Actual Amounts</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>		
<b>REVENUES</b>				
Taxes:				
Ad Valorem Taxes - Current	\$ 938,290	\$ 967,031	\$ 28,741	\$ 1,490,205
Ad Valorem Taxes - Delinquent	26,000	29,297	3,297	27,458
Penalties and Interest	16,000	14,086	(1,914)	15,917
Investment Earnings	6,000	6,359	359	6,971
<b>Total revenues</b>	<b>986,290</b>	<b>1,016,773</b>	<b>30,483</b>	<b>1,540,551</b>
<b>EXPENDITURES</b>				
Debt Service:				
Principal Retirement	1,355,000	1,355,000	-	1,265,000
Interest and Fiscal Charges	32,400	29,810	2,590	86,818
<b>Total expenditures</b>	<b>1,387,400</b>	<b>1,384,810</b>	<b>2,590</b>	<b>1,351,818</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(401,110)</b>	<b>(368,037)</b>	<b>33,073</b>	<b>188,733</b>
<b>Fund balances-beginning</b>	<b>549,864</b>	<b>549,864</b>	<b>-</b>	<b>361,131</b>
<b>Fund balances-ending</b>	<b>\$ 148,754</b>	<b>\$ 181,827</b>	<b>\$ 33,073</b>	<b>\$ 549,864</b>

**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, 2011**  
**With Comparative Actual Amounts for the Year Ended September 30, 2010**

	<b>2011</b>		<b>Variance with Final Budget- Positive (Negative)</b>	<b>2010 Actual Amounts</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>		
<b>REVENUES</b>				
Taxes:				
Ad Valorem Taxes - Current	\$ 474,688	\$ 489,862	\$ 15,174	\$ 851,948
Ad Valorem Taxes - Delinquent	17,000	20,235	3,235	17,922
Penalties and Interest	13,000	13,604	604	14,133
Investment Earnings	7,000	6,355	(645)	6,600
<b>Total revenues</b>	<b>511,688</b>	<b>530,056</b>	<b>18,368</b>	<b>890,603</b>
<b>EXPENDITURES</b>				
Debt Service:				
Principal Retirement	295,000	295,000	-	285,000
Interest and Fiscal Charges	376,300	374,044	2,256	384,919
<b>Total expenditures</b>	<b>671,300</b>	<b>669,044</b>	<b>2,256</b>	<b>669,919</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(159,612)</b>	<b>(138,988)</b>	<b>20,624</b>	<b>220,684</b>
<b>Fund balances-beginning</b>	<b>420,801</b>	<b>420,801</b>	<b>-</b>	<b>200,117</b>
<b>Fund balances-ending</b>	<b>\$ 261,189</b>	<b>\$ 281,813</b>	<b>\$ 20,624</b>	<b>\$ 420,801</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, 2011**  
**With Comparative Actual Amounts for the Year Ended September 30, 2010**

	<b>2011</b>		<b>Variance with Final Budget- Positive (Negative)</b>	<b>2010 Actual Amounts</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>		
<b>REVENUES</b>				
Taxes:				
Ad Valorem Taxes - Current	\$ 663,586	\$ 684,293	\$ 20,707	\$ 668,250
Ad Valorem Taxes - Delinquent	8,500	14,241	5,741	9,927
Penalties and Interest	5,000	8,332	3,332	7,151
Investment Earnings	6,000	8,389	2,389	6,407
<b>Total revenues</b>	<b>683,086</b>	<b>715,255</b>	<b>32,169</b>	<b>691,735</b>
<b>EXPENDITURES</b>				
Debt Service:				
Principal Retirement	110,000	110,000	-	105,000
Interest and Fiscal Charges	421,700	419,448	2,252	424,214
<b>Total expenditures</b>	<b>531,700</b>	<b>529,448</b>	<b>2,252</b>	<b>529,214</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>151,386</b>	<b>185,807</b>	<b>34,421</b>	<b>162,521</b>
<b>Fund balances-beginning</b>	<b>364,396</b>	<b>364,396</b>	<b>-</b>	<b>201,875</b>
<b>Fund balances-ending</b>	<b>\$ 515,782</b>	<b>\$ 550,203</b>	<b>\$ 34,421</b>	<b>\$ 364,396</b>

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**UNLIMITED TAX ROAD BONDS SERIES 2009A ("BUILD AMERICA BONDS") DEBT SERVICE FUND**  
**For the Year Ended September 30, 2011**  
**With Comparative Actual Amounts for the Year Ended September 30, 2010**

	<b>2011</b>		<b>Variance with Final Budget- Positive (Negative)</b>	<b>2010 Actual Amounts</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>		
<b>REVENUES</b>				
Taxes:				
Ad Valorem Taxes - Current	\$ 5,548,169	\$ 5,732,512	\$ 184,343	\$ -
Intergovernmental	1,294,770	1,294,770	-	1,091,096
Investment Earnings	25,000	14,333	(10,667)	14,349
<b>Total revenues</b>	<b>6,867,939</b>	<b>7,041,615</b>	<b>173,676</b>	<b>1,105,445</b>
<b>EXPENDITURES</b>				
Debt Service:				
Principal Retirement	2,690,000	2,690,000	-	-
Interest and Fiscal Charges	3,701,900	3,699,592	2,308	3,117,419
<b>Total expenditures</b>	<b>6,391,900</b>	<b>6,389,592</b>	<b>2,308</b>	<b>3,117,419</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>476,039</b>	<b>652,023</b>	<b>175,984</b>	<b>(2,011,974)</b>
<b>Fund balances-beginning</b>	<b>1,396,181</b>	<b>1,396,181</b>	<b>-</b>	<b>3,408,155</b>
<b>Fund balances-ending</b>	<b>\$ 1,872,220</b>	<b>\$ 2,048,204</b>	<b>\$ 175,984</b>	<b>\$ 1,396,181</b>

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**LIMITED TAX FLOOD CONTROL SERIES 2009C-1 DEBT SERVICE FUND**  
**For the Year Ended September 30, 2011**  
**With Comparative Actual Amounts for the Year Ended September 30, 2010**

	<b>2011</b>		<b>Variance with Final Budget- Positive (Negative)</b>	<b>2010 Actual Amounts</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>		
<b>REVENUES</b>				
Taxes:				
Ad Valorem Taxes - Current	\$ 893,417	\$ 921,316	\$ 27,899	\$ -
Investment Earnings	2,500	2,838	338	1,043
<b>Total revenues</b>	<b>895,917</b>	<b>924,154</b>	<b>28,237</b>	<b>1,043</b>
<b>EXPENDITURES</b>				
Debt Service:				
Principal Retirement	580,000	580,000	-	-
Interest and Fiscal Charges	156,500	154,200	2,300	134,012
<b>Total expenditures</b>	<b>736,500</b>	<b>734,200</b>	<b>2,300</b>	<b>134,012</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>159,417</b>	<b>189,954</b>	<b>30,537</b>	<b>(132,969)</b>
<b>Fund balances-beginning</b>	<b>129,914</b>	<b>129,914</b>	<b>-</b>	<b>262,883</b>
<b>Fund balances-ending</b>	<b>\$ 289,331</b>	<b>\$ 319,868</b>	<b>\$ 30,537</b>	<b>\$ 129,914</b>

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**LIMITED TAX FLOOD CONTROL SERIES 2009C-2 ("BUILD AMERICA BONDS") DEBT SERVICE FUND**  
**For the Year Ended September 30, 2011**  
**With Comparative Actual Amounts for the Year Ended September 30, 2010**

	<b>2011</b>		<b>Variance with Final Budget- Positive (Negative)</b>	<b>2010 Actual Amounts</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>		
<b>REVENUES</b>				
Taxes:				
Ad Valorem Taxes - Current	\$ 541,051	\$ 560,040	\$ 18,989	\$ -
Intergovernmental	200,127	200,127	-	167,884
Investment Earnings	1,000	1,829	829	848
<b>Total revenues</b>	<u>742,178</u>	<u>761,996</u>	<u>19,818</u>	<u>168,732</u>
<b>EXPENDITURES</b>				
Debt Service:				
Interest and Fiscal Charges	<u>574,300</u>	<u>572,041</u>	<u>2,259</u>	<u>479,670</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	167,878	189,955	22,077	(310,938)
<b>Fund balances-beginning</b>	<u>107,810</u>	<u>107,810</u>	<u>-</u>	<u>418,748</u>
<b>Fund balances-ending</b>	<u><u>\$ 275,688</u></u>	<u><u>\$ 297,765</u></u>	<u><u>\$ 22,077</u></u>	<u><u>\$ 107,810</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, 2011**  
**With Comparative Actual Amounts for the Year Ended September 30, 2010**

	<b>2011</b>		<b>Variance with Final Budget- Positive (Negative)</b>	<b>2010 Actual Amounts</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>		
<b>REVENUES</b>				
Taxes:				
Ad Valorem Taxes - Current	\$ 1,377,923	\$ 1,417,773	\$ 39,850	\$ 1,574,642
Investment Earnings	7,000	9,700	2,700	8,182
<b>Total revenues</b>	<u>1,384,923</u>	<u>1,427,473</u>	<u>42,550</u>	<u>1,582,824</u>
<b>EXPENDITURES</b>				
Debt Service:				
Principal Retirement	1,400,000	1,400,000	-	1,400,000
Interest and Fiscal Charges	100,900	98,351	2,549	137,691
<b>Total expenditures</b>	<u>1,500,900</u>	<u>1,498,351</u>	<u>2,549</u>	<u>1,537,691</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	(115,977)	(70,878)	45,099	45,133
<b>Fund balances-beginning</b>	<u>571,361</u>	<u>571,361</u>	<u>-</u>	<u>526,228</u>
<b>Fund balances-ending</b>	<u><u>\$ 455,384</u></u>	<u><u>\$ 500,483</u></u>	<u><u>\$ 45,099</u></u>	<u><u>\$ 571,361</u></u>

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.

CAPITAL REPLENISHMENT FUND (FUND# 3101) – This fund was created in the fiscal year ended September 30, 2011. The Capital Replenishment Fund is funded by various County funds for the purpose of accumulating reserves to pay for major repairs of County owned facilities.

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.

PARKS DEPARTMENT CAPITAL PROJECTS FUND (FUND 3271) – was created to account for the net proceeds from the sale of the Bayshore R-V Park and Spillway Fishing Pier in the fiscal year ended September 30, 2007, and for the eventual reinvestment of those proceeds into other county park land and facilities. The park and fishing pier were originally developed using federal land and water conservation funds, so the county, in expending the sale proceeds, must abide by federal and state regulations (e.g., Chapter 26 of the Texas Parks and Wildlife Code) relating to the conversion of park lands to private purposes.

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/>
	\$4,614,875
	<hr/> <hr/>

UNLIMITED TAX ROAD BONDS SERIES 2003B (FUND 3307) - Issued on September 4th 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.

PASS-THROUGH TOLL REVENUE AND LIMITED TAX BONDS SERIES 2007 (FUND 3310) - 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.

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) - Issued In September 2009, in the amount of \$15,000,000 pursuant to the Constitution and the general laws of the State of Texas, including particularly Article XI, Section 7 of the Texas Constitution and Chapter 571, Texas Government Code, as amended, and order adopted by the Commissioner's Court of the County authorizing the issuance of the bonds. The proceeds will be used to (i) establish, construct, extend, maintain, or improve a seawall, breakwater, levee, floodway, and/or drainway, (ii) pay for the professional services rendered in connection with the aforementioned projects, (iii) pay the costs associated with the issuance of the Series 2009C Bonds and (iv) pay a portion of the interest on the Series 2009C Bonds.

*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, 2011**  
**With Comparative Totals at September 30, 2010**

	COUNTY CAPITAL PROJECTS FUND	CAPITAL REPLENISHMENT FUND	COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION SERIES 2003C	LIMITED TAX CRIMINAL JUSTICE CENTER BONDS SERIES 2003A
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 2,707,786	\$ 300,000	\$ 1,260,962	\$ -
Investments	-	-	-	-
Receivables (Net of Allowances for Uncollectibles):				
Accounts and Other	199,203	-	-	-
<b>Total assets</b>	<b>\$ 2,906,989</b>	<b>\$ 300,000</b>	<b>\$ 1,260,962</b>	<b>\$ -</b>
<b>LIABILITIES</b>				
Accounts Payable	\$ 382,480	\$ 22,624	\$ -	\$ -
Retainage Payable	-	-	-	-
<b>Total liabilities</b>	<b>382,480</b>	<b>22,624</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES</b>				
Restricted	-	-	1,260,962	-
Assigned	2,524,509	277,376	-	-
<b>Total fund balances</b>	<b>2,524,509</b>	<b>277,376</b>	<b>1,260,962</b>	<b>-</b>
<b>Total liabilities and fund balances</b>	<b>\$ 2,906,989</b>	<b>\$ 300,000</b>	<b>\$ 1,260,962</b>	<b>\$ -</b>

(Continued)

<b>PARKS DEPARTMENT CAPITAL PROJECTS FUND</b>	<b>ROAD BONDS SERIES 1987</b>	<b>UNLIMITED TAX ROAD BONDS SERIES 2003B</b>	<b>UNLIMITED TAX ROAD BONDS SERIES 2001</b>	<b>PASS-THROUGH TOLL REVENUE AND LIMITED TAX BONDS SERIES 2007</b>	<b>COUNTY ROAD AND BRIDGE PROJECTS</b>
\$ 4,237,808	\$ 49,532	\$ -	\$ 1,349,025	\$ 12,624,932	\$ 113,213
-	-	5,340,606	-	-	-
-	-	-	-	-	-
<b>\$ 4,237,808</b>	<b>\$ 49,532</b>	<b>\$ 5,340,606</b>	<b>\$ 1,349,025</b>	<b>\$ 12,624,932</b>	<b>\$ 113,213</b>
\$ -	\$ -	\$ 42,076	\$ -	\$ 411,368	\$ -
-	-	1,800	-	-	-
-	-	43,876	-	411,368	-
4,237,808	49,532	5,296,730	1,349,025	12,213,564	-
-	-	-	-	-	113,213
4,237,808	49,532	5,296,730	1,349,025	12,213,564	113,213
<b>\$ 4,237,808</b>	<b>\$ 49,532</b>	<b>\$ 5,340,606</b>	<b>\$ 1,349,025</b>	<b>\$ 12,624,932</b>	<b>\$ 113,213</b>

**GALVESTON COUNTY, TEXAS  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
NONMAJOR CAPITAL PROJECTS FUNDS  
September 30, 2011  
With Comparative Totals at September 30, 2010**

	LIMITED TAX FLOOD CONTROL SERIES 2009C		GALVESTON COUNTY CERTIFICATES OF OBLIGATION SERIES 2008		TOTALS	
					2011	2010
<b>ASSETS</b>						
Cash and Cash Equivalents	\$	-	\$	725,260	\$	23,368,518
Investments		10,372,877		-	\$	15,713,483
Receivables (Net of Allowances for Uncollectibles):						42,021,890
Accounts and Other		-		-		199,203
						200,744
<b>Total assets</b>	<b>\$</b>	<b>10,372,877</b>	<b>\$</b>	<b>725,260</b>	<b>\$</b>	<b>39,281,204</b>
					<b>\$</b>	<b>50,188,428</b>
<b>LIABILITIES</b>						
Accounts Payable	\$	21,590	\$	89,260	\$	969,398
Retainage Payable		94,377		12,771		108,948
<b>Total liabilities</b>		115,967		102,031		1,078,346
						4,384,733
<b>FUND BALANCES</b>						
Restricted		10,256,910		623,229		35,287,760
Assigned		-		-		2,915,098
<b>Total fund balances</b>		10,256,910		623,229		38,202,858
						45,803,695
<b>Total liabilities and fund balances</b>	<b>\$</b>	<b>10,372,877</b>	<b>\$</b>	<b>725,260</b>	<b>\$</b>	<b>39,281,204</b>
					<b>\$</b>	<b>50,188,428</b>



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**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, 2011**  
**With Comparative Totals for the Year Ended September 30, 2010**

	COUNTY CAPITAL PROJECTS FUND	CAPITAL REPLENISHMENT FUND	COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION SERIES 2003C	LIMITED TAX CRIMINAL JUSTICE CENTER BONDS SERIES 2003A
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Investment Earnings	-	-	45	-
Miscellaneous	-	-	-	-
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>45</b>	<b>-</b>
<b>EXPENDITURES</b>				
General Government	32,090	-	11,120	-
Roads, Bridges and Rights-of-Way	-	-	-	-
Capital Outlay	825,912	22,624	38,899	-
<b>Total expenditures</b>	<b>858,002</b>	<b>22,624</b>	<b>50,019</b>	<b>-</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(858,002)</b>	<b>(22,624)</b>	<b>(49,974)</b>	<b>-</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	1,785,000	300,000	-	-
Transfers Out	-	-	-	(85)
<b>Total other financing sources (uses)</b>	<b>1,785,000</b>	<b>300,000</b>	<b>-</b>	<b>(85)</b>
<b>Net change in fund balances</b>	<b>926,998</b>	<b>277,376</b>	<b>(49,974)</b>	<b>(85)</b>
<b>Fund balances-beginning</b>	<b>1,597,511</b>	<b>-</b>	<b>1,310,936</b>	<b>85</b>
<b>Fund balances-ending</b>	<b>\$ 2,524,509</b>	<b>\$ 277,376</b>	<b>\$ 1,260,962</b>	<b>\$ -</b>

(Continued)

<b>PARKS DEPARTMENT CAPITAL PROJECTS FUND</b>	<b>ROAD BONDS SERIES 1987</b>	<b>UNLIMITED TAX ROAD BONDS SERIES 2003B</b>	<b>UNLIMITED TAX ROAD BONDS SERIES 2001</b>	<b>PASS-THROUGH TOLL REVENUE AND LIMITED TAX BONDS SERIES 2007</b>	<b>COUNTY ROAD AND BRIDGE PROJECTS</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	1,652	59,569	16,087	98,171	1,508
-	-	-	-	-	-
-	1,652	59,569	16,087	98,171	1,508
-	-	-	-	-	-
-	-	158,257	5,276	7,739,638	-
-	491,272	610,034	-	-	-
-	491,272	768,291	5,276	7,739,638	-
-	(489,620)	(708,722)	10,811	(7,641,467)	1,508
4,237,808	-	-	-	-	-
-	-	-	-	-	-
4,237,808	-	-	-	-	-
4,237,808	(489,620)	(708,722)	10,811	(7,641,467)	1,508
-	539,152	6,005,452	1,338,214	19,855,031	111,705
<b>\$ 4,237,808</b>	<b>\$ 49,532</b>	<b>\$ 5,296,730</b>	<b>\$ 1,349,025</b>	<b>\$ 12,213,564</b>	<b>\$ 113,213</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, 2011**  
**With Comparative Totals for the Year Ended September 30, 2010**

	LIMITED TAX FLOOD CONTROL SERIES 2009C	GALVESTON COUNTY CERTIFICATES OF OBLIGATION SERIES 2008	TOTALS	
			2011	2010
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ -	\$ -	\$ 3,041,764
Investment Earnings	13,092	1,872	191,996	393,275
Miscellaneous	-	-	-	91,612
<b>Total revenues</b>	<b>13,092</b>	<b>1,872</b>	<b>191,996</b>	<b>3,526,651</b>
<b>EXPENDITURES</b>				
General Government	-	-	43,210	13,332
Roads, Bridges and Rights-of-Way	3,810,951	13,099	11,727,221	14,787,306
Capital Outlay	-	356,384	2,345,125	4,082,126
<b>Total expenditures</b>	<b>3,810,951</b>	<b>369,483</b>	<b>14,115,556</b>	<b>18,882,764</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(3,797,859)</b>	<b>(367,611)</b>	<b>(13,923,560)</b>	<b>(15,356,113)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	6,322,808	213,357
Transfers Out	-	-	(85)	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>6,322,723</b>	<b>213,357</b>
<b>Net change in fund balances</b>	<b>(3,797,859)</b>	<b>(367,611)</b>	<b>(7,600,837)</b>	<b>(15,142,756)</b>
<b>Fund balances-beginning</b>	<b>14,054,769</b>	<b>990,840</b>	<b>45,803,695</b>	<b>60,946,451</b>
<b>Fund balances-ending</b>	<b>\$ 10,256,910</b>	<b>\$ 623,229</b>	<b>\$ 38,202,858</b>	<b>\$ 45,803,695</b>

**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, 2011**  
**With Comparative Amounts for the Year Ended September 30, 2010**

	<b>TOTAL PROJECT AUTHORIZED</b>	<b>ACTUAL TO SEPTEMBER 30, 2011</b>			<b>LAST YEAR'S ACTUAL</b>
		<b>REPORTED IN PRIOR YEARS</b>	<b>CURRENT YEAR</b>	<b>TOTAL</b>	
<b>REVENUES</b>					
Intergovernmental	\$ 3,379,083	\$ 3,379,082	\$ -	\$ 3,379,082	\$ 3,041,764
Miscellaneous	198,218	198,218	-	198,218	65,712
<b>Total revenues</b>	<b>3,577,301</b>	<b>3,577,300</b>	<b>-</b>	<b>3,577,300</b>	<b>3,107,476</b>
<b>EXPENDITURES</b>					
General Government:					
Administration Costs	1,879,340	1,298,940	32,090	1,331,030	-
Capital Outlay:					
IT Capital Projects	3,196,351	743,129	822,664	1,565,793	738,034
Galveston Fire/EMS Station	3,608,511	3,379,035	3,248	3,382,283	3,007,722
<b>Total expenditures</b>	<b>8,684,202</b>	<b>5,421,104</b>	<b>858,002</b>	<b>6,279,106</b>	<b>3,745,756</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(5,106,901)</b>	<b>(1,843,804)</b>	<b>(858,002)</b>	<b>(2,701,806)</b>	<b>(638,280)</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	7,528,700	5,743,700	1,785,000	7,528,700	-
Transfers Out	(3,151,600)	(3,151,600)	-	(3,151,600)	-
Sale of Capital Assets	849,215	849,215	-	849,215	-
<b>Total other financing sources (uses)</b>	<b>5,226,315</b>	<b>3,441,315</b>	<b>1,785,000</b>	<b>5,226,315</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>\$ 119,414</b>	<b>\$ 1,597,511</b>	<b>926,998</b>	<b>\$ 2,524,509</b>	<b>(638,280)</b>
<b>Fund balances-beginning</b>			<b>1,597,511</b>		<b>2,235,791</b>
<b>Fund balances-ending</b>			<b>\$ 2,524,509</b>		<b>\$ 1,597,511</b>

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES -**  
**BUDGET (PROJECT-LENGTH) AND ACTUAL**  
**CAPITAL REPLENISHMENT FUND**  
**From Inception and for the Year Ended September 30, 2011**  
**With Comparative Amounts for the Year Ended September 30, 2010**

	<b>TOTAL PROJECT AUTHORIZED</b>	<b>ACTUAL TO SEPTEMBER 30, 2011</b>		<b>TOTAL</b>	<b>LAST YEAR'S ACTUAL</b>
		<b>REPORTED IN PRIOR YEARS</b>	<b>CURRENT YEAR</b>		
<b>REVENUES</b>	\$ -	\$ -	\$ -	\$ -	\$ -
<b>EXPENDITURES</b>					
General Government:					
Administration Costs	275,000	-	-	-	-
Capital Outlay:					
Road & Bridge Re-Roof	25,000	-	22,624	22,624	-
<b>Total expenditures</b>	<u>300,000</u>	<u>-</u>	<u>22,624</u>	<u>22,624</u>	<u>-</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	(300,000)	-	(22,624)	(22,624)	-
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	300,000	-	300,000	300,000	-
<b>Total other financing sources (uses)</b>	<u>300,000</u>	<u>-</u>	<u>300,000</u>	<u>300,000</u>	<u>-</u>
<b>Net change in fund balances</b>	<u>\$ -</u>	<u>\$ -</u>	277,376	<u>\$ 277,376</u>	-
<b>Fund balances-beginning</b>			-		-
<b>Fund balances-ending</b>			<u>\$ 277,376</u>		<u>\$ -</u>

**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, 2011**  
**With Comparative Amounts for the Year Ended September 30, 2010**

	TOTAL PROJECT AUTHORIZED	ACTUAL TO SEPTEMBER 30, 2011			LAST YEAR'S ACTUAL
		REPORTED IN PRIOR YEARS	CURRENT YEAR	TOTAL	
<b>REVENUES</b>					
Investment Earnings	\$ 3,326,401	\$ 3,326,355	\$ 45	\$ 3,326,400	\$ 46
Miscellaneous	25,630	25,629	-	25,629	25,629
<b>Total revenues</b>	<b>3,352,031</b>	<b>3,351,984</b>	<b>45</b>	<b>3,352,029</b>	<b>25,675</b>
<b>EXPENDITURES</b>					
General Government:					
Administration Costs	1,677,846	547,482	11,120	558,602	13,332
Capital Outlay:					
Information Tech Project	85,000	-	-	-	-
Courthouse Renovations - Sev Prj	1,552,388	1,552,388	-	1,552,388	-
Courthouse Renovations - Mgr/Agnt	1,026,371	1,026,371	-	1,026,371	-
Courthouse Renovations - Bldg Constr	10,257,736	10,257,736	-	10,257,736	-
646 Building	14,620	14,620	-	14,620	-
Construction Manager-Agent	55,075	55,075	-	55,075	-
Community Building Construction	33,499,051	33,414,504	38,899	33,453,403	-
Park Projects	11,000	-	-	-	-
Bond Issuance Costs	597,757	597,757	-	597,757	-
<b>Total expenditures</b>	<b>48,776,844</b>	<b>47,465,933</b>	<b>50,019</b>	<b>47,515,952</b>	<b>13,332</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(45,424,813)</b>	<b>(44,113,949)</b>	<b>(49,974)</b>	<b>(44,163,923)</b>	<b>12,343</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>\$ 72</b>	<b>\$ 1,310,936</b>	<b>(49,974)</b>	<b>\$ 1,260,962</b>	<b>12,343</b>
<b>Fund balances-beginning</b>			<b>1,310,936</b>		<b>1,298,593</b>
<b>Fund balances-ending</b>			<b>\$ 1,260,962</b>		<b>\$ 1,310,936</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, 2011**  
**With Comparative Amounts for the Year Ended September 30, 2010**

	<b>TOTAL PROJECT AUTHORIZED</b>	<b>ACTUAL TO SEPTEMBER 30, 2011</b>			<b>LAST YEAR'S ACTUAL</b>
		<b>REPORTED IN PRIOR YEARS</b>	<b>CURRENT YEAR</b>	<b>TOTAL</b>	
<b>REVENUES</b>					
Investment	\$ 2,699,662	\$ 2,699,662	\$ -	\$ 2,699,662	\$ 24
Intergovernmental	468,179	468,179	-	468,179	-
<b>Total revenues</b>	<b>3,167,841</b>	<b>3,167,841</b>	<b>-</b>	<b>3,167,841</b>	<b>24</b>
<b>EXPENDITURES</b>					
Capital Outlay:					
Justice Center	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>-</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(58,004,941)</b>	<b>(58,004,941)</b>	<b>-</b>	<b>(58,004,941)</b>	<b>24</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers Out	(75,201)	(75,110)	(85)	(75,195)	-
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>58,004,935</b>	<b>58,005,026</b>	<b>(85)</b>	<b>58,004,941</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>\$ (6)</b>	<b>\$ 85</b>	<b>(85)</b>	<b>\$ -</b>	<b>24</b>
<b>Fund balances-beginning</b>			<b>85</b>		<b>61</b>
<b>Fund balances-ending</b>			<b>\$ -</b>		<b>\$ 85</b>

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES -**  
**BUDGET (PROJECT-LENGTH) AND ACTUAL**  
**PARKS DEPARTMENT CAPITAL PROJECTS FUND**  
**From Inception and for the Year Ended September 30, 2011**  
**With Comparative Amounts for the Year Ended September 30, 2010**

	<b>TOTAL PROJECT AUTHORIZED</b>	<b>ACTUAL TO SEPTEMBER 30, 2011</b>			<b>LAST YEAR'S ACTUAL</b>
		<b>REPORTED IN PRIOR YEARS</b>	<b>CURRENT YEAR</b>	<b>TOTAL</b>	
<b>REVENUES</b>	\$ -	\$ -	\$ -	\$ -	\$ -
<b>EXPENDITURES</b>					
Capital Outlay:					
Spillway Park Project	4,237,808	-	-	-	-
<b>Excess (deficiency) of revenues     over (under) expenditures</b>	(4,237,808)	-	-	-	-
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	4,237,808	-	4,237,808	4,237,808	-
<b>Net change in fund balances</b>	<b>\$ -</b>	<b>\$ -</b>	4,237,808	<b>\$ 4,237,808</b>	-
<b>Fund balances-beginning</b>			-		-
<b>Fund balances-ending</b>			<b>\$ 4,237,808</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, 2011**  
**With Comparative Amounts for the Year Ended September 30, 2010**

	<b>TOTAL PROJECT AUTHORIZED</b>	<b>ACTUAL TO SEPTEMBER 30, 2011</b>			<b>LAST YEAR'S ACTUAL</b>
		<b>REPORTED IN PRIOR YEARS</b>	<b>CURRENT YEAR</b>	<b>TOTAL</b>	
<b>REVENUES</b>					
Intergovernmental	\$ 1,360,155	\$ 1,360,155	\$ -	\$ 1,360,155	\$ -
Investment Earnings	4,044,702	4,043,050	1,652	4,044,702	11,433
Miscellaneous	5,511	5,511	-	5,511	-
<b>Total revenues</b>	<b>5,410,368</b>	<b>5,408,716</b>	<b>1,652</b>	<b>5,410,368</b>	<b>11,433</b>
<b>EXPENDITURES</b>					
Roads, Bridges and Rights-of-Way:					
Administration Costs	327,801	327,801	-	327,801	-
S.H. 3	1,643,782	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	2,631,931	2,631,931	-	2,631,931	120,550
F.M. 528	980,072	980,072	-	980,072	-
F.M. 1764	5,978,648	5,978,648	-	5,978,648	-
F.M. 2094	2,343,776	2,343,776	-	2,343,776	-
Loop 197 N.	4,309,000	4,309,000	-	4,309,000	-
Capital Outlay:					
Highways and Roads	1,986,048	1,429,511	491,272	1,920,783	233,100
<b>Total expenditures</b>	<b>20,851,610</b>	<b>20,295,073</b>	<b>491,272</b>	<b>20,786,345</b>	<b>353,650</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(15,441,242)</b>	<b>(14,886,357)</b>	<b>(489,620)</b>	<b>(15,375,977)</b>	<b>(342,217)</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>\$ (15,733)</b>	<b>\$ 539,152</b>	<b>(489,620)</b>	<b>\$ 49,532</b>	<b>(342,217)</b>
<b>Fund balances-beginning</b>			<b>539,152</b>		<b>881,369</b>
<b>Fund balances-ending</b>			<b>\$ 49,532</b>		<b>\$ 539,152</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, 2011**  
**With Comparative Amounts for the Year Ended September 30, 2010**

	<b>TOTAL PROJECT AUTHORIZED</b>	<b>ACTUAL TO SEPTEMBER 30, 2011</b>			<b>LAST YEAR'S ACTUAL</b>
		<b>REPORTED IN PRIOR YEARS</b>	<b>CURRENT YEAR</b>	<b>TOTAL</b>	
<b>REVENUES</b>					
Intergovernmental	\$ 3,414,614	\$ 3,414,614	\$ -	\$ 3,414,614	\$ -
Investment Earnings	1,994,136	1,934,567	59,569	1,994,136	37,976
<b>Total revenues</b>	<b>5,408,750</b>	<b>5,349,181</b>	<b>59,569</b>	<b>5,408,750</b>	<b>37,976</b>
<b>EXPENDITURES</b>					
Roads, Bridges and Rights-of-Way:					
Administration Costs	3,111,761	90,616	-	90,616	-
Galv/Signals Various Locations	750,000	281,328	-	281,328	157,472
FM 646 Pass Thru Toll	5,581,160	4,921,549	158,257	5,079,806	593,122
FM 646 - IH 45 to FM 270	338,307	290,931	-	290,931	-
FM 646 - SH 6 to FM 517	49,999	49,999	-	49,999	-
FM 518 - FM 2094 to SH 146	43,880	43,880	-	43,880	-
Highways and Roads	221,895	-	-	-	-
FM 518 Bypass	520,000	-	-	-	-
SH 96	3,000,000	3,000,000	-	3,000,000	-
Capital Outlay:					
FM 646 Pass Thru Toll	59,400	59,400	-	59,400	59,400
Fort Travis Park	442,485	-	36,001	36,001	-
Highways and Roads	574,033	-	574,033	574,033	-
Bond Issuance Costs	154,363	154,363	-	154,363	-
<b>Total expenditures</b>	<b>14,847,283</b>	<b>8,892,066</b>	<b>768,291</b>	<b>9,660,357</b>	<b>809,994</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(9,438,533)</b>	<b>(3,542,885)</b>	<b>(708,722)</b>	<b>(4,251,607)</b>	<b>(772,018)</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>\$ 109,804</b>	<b>\$ 6,005,452</b>	<b>(708,722)</b>	<b>\$ 5,296,730</b>	<b>(772,018)</b>
<b>Fund balances-beginning</b>			<b>6,005,452</b>		<b>6,777,470</b>
<b>Fund balances-ending</b>			<b>\$ 5,296,730</b>		<b>\$ 6,005,452</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, 2011**  
**With Comparative Amounts for the Year Ended September 30, 2010**

	<b>TOTAL PROJECT AUTHORIZED</b>	<b>ACTUAL TO SEPTEMBER 30, 2011</b>			<b>LAST YEAR'S ACTUAL</b>
		<b>REPORTED IN PRIOR YEARS</b>	<b>CURRENT YEAR</b>	<b>TOTAL</b>	
<b>REVENUES</b>					
Investment Earnings	\$ 3,406,480	\$ 3,390,393	\$ 16,087	\$ 3,406,480	\$ 19,400
Miscellaneous	825,323	825,323	-	825,323	-
<b>Total revenues</b>	<b>4,231,803</b>	<b>4,215,716</b>	<b>16,087</b>	<b>4,231,803</b>	<b>19,400</b>
<b>EXPENDITURES</b>					
Roads, Bridges and Rights-of-Way:					
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	22,573	5,276	27,849	-
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	-
Loop 197	1,000,000	1,000,000	-	1,000,000	-
Stewart, Jones	3,749,184	3,749,184	-	3,749,184	-
FM 646 Pass Thru Toll	2,200,920	1,100,499	-	1,100,499	353,410
FM 646	748,329	748,329	-	748,329	-
FM 517	250,000	60,948	-	60,948	-
SH 99	1,239,000	1,239,000	-	1,239,000	-
SH 96	500,000	500,000	-	500,000	-
Seawall	795,160	795,160	-	795,160	-
Bond Issuance Costs	202,421	202,421	-	202,421	-
<b>Total expenditures</b>	<b>30,705,612</b>	<b>29,381,197</b>	<b>5,276</b>	<b>29,386,473</b>	<b>353,410</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(26,473,809)</b>	<b>(25,165,481)</b>	<b>10,811</b>	<b>(25,154,670)</b>	<b>(334,010)</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>\$ 29,886</b>	<b>\$ 1,338,214</b>	<b>10,811</b>	<b>\$ 1,349,025</b>	<b>(334,010)</b>
<b>Fund balances-beginning</b>			<b>1,338,214</b>		<b>1,672,224</b>
<b>Fund balances-ending</b>			<b>\$ 1,349,025</b>		<b>\$ 1,338,214</b>

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES -**  
**BUDGET (PROJECT-LENGTH) AND ACTUAL**  
**PASS-THROUGH TOLL REVENUE AND LIMITED TAX BONDS SERIES 2007 CAPITAL PROJECTS FUND**  
**From Inception and for the Year Ended September 30, 2011**  
**With Comparative Amounts for the Year Ended September 30, 2010**

	<b>TOTAL PROJECT AUTHORIZED</b>	<b>ACTUAL TO SEPTEMBER 30, 2011</b>			<b>LAST YEAR'S ACTUAL</b>
		<b>REPORTED IN PRIOR YEARS</b>	<b>CURRENT YEAR</b>	<b>TOTAL</b>	
<b>REVENUES</b>					
Intergovernmental	\$ 1,085,386	\$ 1,085,386	\$ -	\$ 1,085,386	\$ -
Investment Earnings	2,975,489	2,877,318	98,171	2,975,489	260,830
<b>Total revenues</b>	<b>4,060,875</b>	<b>3,962,704</b>	<b>98,171</b>	<b>4,060,875</b>	<b>260,830</b>
<b>EXPENDITURES</b>					
Roads, Bridges and Rights-of-Way:					
FM 646 Pass Thru Toll Rd Project	43,817,248	24,082,573	7,739,638	31,822,211	9,997,328
Capital Outlay:					
FM 646 Pass Thru Toll Rd Project	25,100	25,100	-	25,100	25,100
Bond Issuance Costs	672,492	672,492	-	672,492	-
<b>Total expenditures</b>	<b>44,514,840</b>	<b>24,780,165</b>	<b>7,739,638</b>	<b>32,519,803</b>	<b>10,022,428</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(40,453,965)</b>	<b>(20,817,461)</b>	<b>(7,641,467)</b>	<b>(28,458,928)</b>	<b>(9,761,598)</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Face Value - Long Term Debt Issued	41,311,228	41,311,228	-	41,311,228	-
Premium - Long Term Debt Issued	119,981	119,981	-	119,981	-
Discount - Long Term Debt Issued	(758,717)	(758,717)	-	(758,717)	-
<b>Total other financing sources (uses)</b>	<b>40,672,492</b>	<b>40,672,492</b>	<b>-</b>	<b>40,672,492</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>\$ 218,527</b>	<b>\$ 19,855,031</b>	<b>(7,641,467)</b>	<b>\$ 12,213,564</b>	<b>(9,761,598)</b>
<b>Fund balances-beginning</b>			19,855,031		29,616,629
<b>Fund balances-ending</b>			<b>\$ 12,213,564</b>		<b>\$ 19,855,031</b>

**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, 2011**  
**With Comparative Amounts for the Year Ended September 30, 2010**

	<b>TOTAL PROJECT AUTHORIZED</b>	<b>ACTUAL TO SEPTEMBER 30, 2011</b>			<b>LAST YEAR'S ACTUAL</b>
		<b>REPORTED IN PRIOR YEARS</b>	<b>CURRENT YEAR</b>	<b>TOTAL</b>	
<b>REVENUES</b>					
Investment Earnings	\$ 23,209	\$ 21,701	\$ 1,508	\$ 23,209	\$ 1,782
Miscellaneous	150,000	150,000	-	150,000	-
<b>Total revenues</b>	<b>173,209</b>	<b>171,701</b>	<b>1,508</b>	<b>173,209</b>	<b>1,782</b>
<b>EXPENDITURES</b>					
Roads, Bridges and Rights-of-Way:					
Administration Costs	9,272	-	-	-	-
Capital Outlay:					
Grand Cay Project	151,008	59,996	-	59,996	-
FM 646 Pass Thru Toll	8,200	-	-	-	-
<b>Total expenditures</b>	<b>168,480</b>	<b>59,996</b>	<b>-</b>	<b>59,996</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>\$ 4,729</b>	<b>\$ 111,705</b>	<b>1,508</b>	<b>\$ 113,213</b>	<b>1,782</b>
<b>Fund balances-beginning</b>			<b>111,705</b>		<b>109,923</b>
<b>Fund balances-ending</b>			<b>\$ 113,213</b>		<b>\$ 111,705</b>

**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, 2011**  
**With Comparative Amounts for the Year Ended September 30, 2010**

	<b>TOTAL PROJECT AUTHORIZED</b>	<b>ACTUAL TO SEPTEMBER 30, 2011</b>			<b>LAST YEAR'S ACTUAL</b>
		<b>REPORTED IN PRIOR YEARS</b>	<b>CURRENT YEAR</b>	<b>TOTAL</b>	
<b>REVENUES</b>					
Investment Earnings	\$ 43,422	\$ 30,331	\$ 13,092	\$ 43,423	\$ 30,104
Miscellaneous	271	271	-	271	271
<b>Total revenues</b>	<b>43,693</b>	<b>30,602</b>	<b>13,092</b>	<b>43,694</b>	<b>30,375</b>
<b>EXPENDITURES</b>					
Roads, Bridges and Rights-of-Way:					
Administration Costs	227	-	-	-	-
Clear Creek	9,724,000	-	-	-	-
Dickinson Bayou	2,300,000	-	1,841,972	1,841,972	-
FM 646	2,200,000	165,424	1,968,979	2,134,403	165,424
Bond Issuance Costs	204,571	204,571	-	204,571	-
<b>Total expenditures</b>	<b>14,428,798</b>	<b>369,995</b>	<b>3,810,951</b>	<b>4,180,946</b>	<b>165,424</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(14,385,105)</b>	<b>(339,393)</b>	<b>(3,797,859)</b>	<b>(4,137,252)</b>	<b>(135,049)</b>
<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>	<b>14,394,162</b>	<b>14,394,162</b>	<b>-</b>	<b>14,394,162</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>\$ 9,057</b>	<b>\$ 14,054,769</b>	<b>(3,797,859)</b>	<b>\$ 10,256,910</b>	<b>(135,049)</b>
<b>Fund balances-beginning</b>			<b>14,054,769</b>		<b>14,189,818</b>
<b>Fund balances-ending</b>			<b>\$ 10,256,910</b>		<b>\$ 14,054,769</b>

**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, 2011**  
**With Comparative Amounts for the Year Ended September 30, 2010**

	<b>TOTAL PROJECT AUTHORIZED</b>	<b>ACTUAL TO SEPTEMBER 30, 2011</b>			<b>LAST YEAR'S ACTUAL</b>
		<b>REPORTED IN PRIOR YEARS</b>	<b>CURRENT YEAR</b>	<b>TOTAL</b>	
<b>REVENUES</b>					
Investment Earnings	\$ 246,365	\$ 244,493	\$ 1,872	\$ 246,365	\$ 31,680
<b>EXPENDITURES</b>					
Roads, Bridges and Rights-of-Way:					
Administration Costs	236,291	74,720	13,099	87,819	-
Texas City Hurricane Levee	3,124,218	3,000,000	-	3,000,000	3,000,000
Texas City Dike Improvements	742,480	742,480	-	742,480	-
La Marque Pump Station	192,744	172,698	-	172,698	-
San Leon Road Improvements	400,000	400,000	-	400,000	400,000
Capital Outlay:					
Skyline Drive	323,912	323,912	-	323,912	18,770
Texas City Hurricane Levee	356,445	-	356,384	356,384	-
Bond Issuance Costs	53,000	53,000	-	53,000	-
<b>Total expenditures</b>	<b>5,429,090</b>	<b>4,766,810</b>	<b>369,483</b>	<b>5,136,293</b>	<b>3,418,770</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(5,182,725)</b>	<b>(4,522,317)</b>	<b>(367,611)</b>	<b>(4,889,928)</b>	<b>(3,387,090)</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Face Value - Long Term Debt Issue	7,000,000	7,000,000	-	7,000,000	-
Transfers In	213,357	213,357	-	213,357	213,357
Transfers Out	(1,700,200)	(1,700,200)	-	(1,700,200)	-
<b>Total other financing sources (uses)</b>	<b>5,513,157</b>	<b>5,513,157</b>	<b>-</b>	<b>5,513,157</b>	<b>213,357</b>
<b>Net change in fund balances</b>	<b>\$ 330,432</b>	<b>\$ 990,840</b>	<b>(367,611)</b>	<b>\$ 623,229</b>	<b>(3,173,733)</b>
<b>Fund balances-beginning</b>			<b>990,840</b>		<b>4,164,573</b>
<b>Fund balances-ending</b>			<b>\$ 623,229</b>		<b>\$ 990,840</b>

# 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, 2011**

	<b>GROUP INSURANCE</b>	<b>SELF- INSURANCE RESERVE</b>	<b>WORKERS' COMPENSATION</b>	<b>TOTAL</b>
<b>ASSETS</b>				
Investments	\$ 5,770,146	\$ 1,035,100	\$ 1,832,593	\$ 8,637,839
Receivables (Net of Allowances for Uncollectibles):				
Accounts and Other	292,785	1,194	6,057	300,036
Prepaid Items	-	206,931	-	206,931
<b>Total Assets</b>	<b>6,062,931</b>	<b>1,243,225</b>	<b>1,838,650</b>	<b>9,144,806</b>
<b>LIABILITIES</b>				
Accounts Payable	\$ 125,109	\$ 191,363	\$ 66,086	\$ 382,558
Salaries Payable	-	6,100	4,545	10,645
Estimated Liability - Claims	1,628,500	-	1,121,000	2,749,500
<b>Total liabilities</b>	<b>1,753,609</b>	<b>197,463</b>	<b>1,191,631</b>	<b>3,142,703</b>
<b>NET ASSETS</b>				
Unrestricted	4,309,322	1,045,762	647,019	6,002,103
<b>Total net assets</b>	<b>\$ 4,309,322</b>	<b>\$ 1,045,762</b>	<b>\$ 647,019</b>	<b>\$ 6,002,103</b>

**GALVESTON COUNTY, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND**  
**CHANGES IN FUND NET ASSETS**  
**INTERNAL SERVICE FUNDS**  
**For the Year Ended September 30, 2011**

	<b>GROUP INSURANCE</b>	<b>SELF- INSURANCE RESERVE</b>	<b>WORKERS' COMPENSATION</b>	<b>TOTAL</b>
<b>OPERATING REVENUES</b>				
Intergovernmental	\$ 265,130	\$ -	\$ -	\$ 265,130
Charges for Services	11,390,882	-	6,384	11,397,266
Insurance Recovery - County	-	50,630	-	50,630
Reimbursements	1,876,996	-	11,000	1,887,996
Miscellaneous	6,508	2,597	-	9,105
<b>Total operating revenues</b>	<b>13,539,516</b>	<b>53,227</b>	<b>17,384</b>	<b>13,610,127</b>
<b>OPERATING EXPENSES</b>				
Personal Services	\$ -	\$ 510,735	\$ -	\$ 510,735
Contract Services	1,700,987	-	49,494	1,750,481
Insurance	691,367	2,374,218	-	3,065,585
Claims Paid	9,857,098	-	763,328	10,620,426
<b>Total operating expenses</b>	<b>12,249,452</b>	<b>2,884,953</b>	<b>812,822</b>	<b>15,947,227</b>
<b>Operating income (loss)</b>	<b>1,290,064</b>	<b>(2,831,726)</b>	<b>(795,438)</b>	<b>(2,337,100)</b>
<b>NON-OPERATING REVENUES</b>				
Investment Earnings	1,859	-	478	2,337
<b>Income (loss) before transfers</b>	<b>1,291,923</b>	<b>(2,831,726)</b>	<b>(794,960)</b>	<b>(2,334,763)</b>
Transfers In	-	2,221,000	527,600	2,748,600
<b>Change in net assets</b>	<b>1,291,923</b>	<b>(610,726)</b>	<b>(267,360)</b>	<b>413,837</b>
<b>Total net assets-beginning</b>	<b>3,017,399</b>	<b>1,656,488</b>	<b>914,379</b>	<b>5,588,266</b>
<b>Total net assets-ending</b>	<b>\$ 4,309,322</b>	<b>\$ 1,045,762</b>	<b>\$ 647,019</b>	<b>\$ 6,002,103</b>

**GALVESTON COUNTY, TEXAS**  
**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
**For the Year Ended September 30, 2011**

	<b>GROUP INSURANCE</b>	<b>SELF- INSURANCE RESERVE</b>	<b>WORKERS' COMPENSATION</b>	<b>TOTAL</b>
<b>Cash flows from operating activities:</b>				
Receipts from Users	\$ 11,401,219	\$ 52,377	\$ 65,573	\$ 11,519,169
Payments to Suppliers	(2,327,660)	(2,309,190)	(19,180)	(4,656,030)
Payments to Employees	-	(508,822)	-	(508,822)
Payments for Claims	(9,857,098)	-	(763,328)	(10,620,426)
Other Operating Revenues	1,954,757	-	-	1,954,757
<b>Net cash provided (used) by operating activities</b>	<b>1,171,218</b>	<b>(2,765,635)</b>	<b>(716,935)</b>	<b>(2,311,352)</b>
<b>Cash flows from noncapital financing activities:</b>				
Transfers in	-	2,221,000	527,600	2,748,600
<b>Cash flows from investing activities:</b>				
Purchase of Investments	(5,770,146)	(1,035,100)	(1,832,593)	(8,637,839)
Matured Investments	4,597,069	1,579,735	2,021,450	8,198,254
Investment Earnings	1,859	-	478	2,337
<b>Net cash provided (used) by investing activities</b>	<b>(1,171,218)</b>	<b>544,635</b>	<b>189,335</b>	<b>(437,248)</b>
<b>Net increase (decrease) in cash and cash equivalent</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash and Cash Equivalents October 1, 2010</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash and Cash Equivalents September 30, 2011</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>\$ 1,290,064</b>	<b>\$ (2,831,726)</b>	<b>\$ (795,438)</b>	<b>\$ (2,337,100)</b>
<b>Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:</b>				
(Increase) Decrease in Accounts Receivable	(183,543)	(850)	(172)	(184,565)
(Increase) Decrease in Prepaid Items	-	11,954	-	11,954
Increase (Decrease) in Accounts Payable	64,697	53,074	29,322	147,093
Increase (Decrease) in Salaries Payable	-	1,913	992	2,905
Increase (Decrease) in Due to Others	-	-	48,361	48,361
<b>Total adjustments</b>	<b>(118,846)</b>	<b>66,091</b>	<b>78,503</b>	<b>25,748</b>
<b>Net cash provided (used) by operating activities</b>	<b>\$ 1,171,218</b>	<b>\$ (2,765,635)</b>	<b>\$ (716,935)</b>	<b>\$ (2,311,352)</b>

## 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.

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, 2011  
With Comparative Amounts as of September 30, 2010**

	<u>PAYROLL</u>	<u>ESCROW</u>	<u>CHILDREN'S PROTECTIVE SERVICES - ESCROW</u>	<u>INMATE DEPOSITS</u>
<b>ASSETS</b>				
Investments	\$ 725,081	\$ 1,067,445	\$ 10,223	\$ 30,480
Receivables (Net of Allowances for Uncollectibles):				
Accounts and Other	-	16,867	-	-
Restricted Assets:				
Guardianship Assets	-	1,225,753	-	-
<b>Total Assets</b>	<b><u>\$ 725,081</u></b>	<b><u>\$ 2,310,065</u></b>	<b><u>\$ 10,223</u></b>	<b><u>\$ 30,480</u></b>
<b>LIABILITIES</b>				
Accounts Payable	\$ 34,094	\$ 20,267	\$ -	\$ -
Due to Others	-	7,091	-	30,480
Due to Other Entities	690,987	-	-	-
Deposits Held	-	1,056,954	10,223	-
Deposits Held for Restricted Assets	-	1,225,753	-	-
<b>Total Liabilities</b>	<b><u>\$ 725,081</u></b>	<b><u>\$ 2,310,065</u></b>	<b><u>\$ 10,223</u></b>	<b><u>\$ 30,480</u></b>

(Continued)

<u>APPELLATE JUDICIAL SYSTEM FEES</u>	<u>DISTRICT CLERK TRUST</u>	<u>COUNTY CLERK TRUST</u>	<u>TAX ASSESSOR- COLLECTOR UNDISTRIBUTED COLLECTIONS</u>
\$ -	\$ 6,615,837	\$ 4,492,760	\$ 4,445,181
95	-	-	-
-	-	-	-
<u>\$ 95</u>	<u>\$ 6,615,837</u>	<u>\$ 4,492,760</u>	<u>\$ 4,445,181</u>
\$ -	\$ -	\$ -	\$ -
-	6,615,837	4,492,760	-
-	-	-	4,445,181
95	-	-	-
-	-	-	-
<u>\$ 95</u>	<u>\$ 6,615,837</u>	<u>\$ 4,492,760</u>	<u>\$ 4,445,181</u>

**GALVESTON COUNTY, TEXAS  
COMBINING BALANCE SHEET  
AGENCY FUNDS  
September 30, 2011  
With Comparative Amounts as of September 30, 2010**

	<b>DEBT SERVICE AGENCY</b>	<b>TOTALS</b>	
		<b>2011</b>	<b>2010</b>
<b>ASSETS</b>			
Investments	\$ 5,311	\$ 17,392,318	\$ 17,435,812
Receivables (Net of Allowances for Uncollectibles):			
Accounts and Other	-	16,962	42,299
Restricted Assets:			
Guardianship Assets	-	1,225,753	914,304
<b>Total Assets</b>	<b>\$ 5,311</b>	<b>\$ 18,635,033</b>	<b>\$ 18,392,415</b>
<b>LIABILITIES</b>			
Accounts Payable	\$ -	\$ 54,361	\$ 116,041
Due to Others	5,311	11,151,479	11,650,633
Due to Other Entities	-	5,136,168	4,453,281
Deposits Held	-	1,067,272	1,258,156
Deposits Held for Restricted Assets	-	1,225,753	914,304
<b>Total Liabilities</b>	<b>\$ 5,311</b>	<b>\$ 18,635,033</b>	<b>\$ 18,392,415</b>

**GALVESTON COUNTY, TEXAS**  
**COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**For the Year Ended September 30, 2011**

	<u>BALANCE</u> <u>10/1/2010</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>9/30/2011</u>
<b>PAYROLL</b>				
<b>ASSETS</b>				
Investments	\$ 721,650	\$ 151,055,884	\$ 151,052,453	\$ 725,081
Accounts and Other	120	-	120	-
<b>Total assets</b>	<u>\$ 721,770</u>	<u>\$ 151,055,884</u>	<u>\$ 151,052,573</u>	<u>\$ 725,081</u>
<b>LIABILITIES</b>				
Accounts Payable	\$ 26	\$ 3,728,488	\$ 3,694,420	\$ 34,094
Due to Other Entities	721,744	26,284,136	26,314,893	690,987
<b>Total liabilities</b>	<u>\$ 721,770</u>	<u>\$ 30,012,624</u>	<u>\$ 30,009,313</u>	<u>\$ 725,081</u>
<b>ESCROW</b>				
<b>ASSETS</b>				
Investments	\$ 1,286,131	\$ 4,116,057	\$ 4,334,743	\$ 1,067,445
Receivables (Net of Allowances for Uncollectibles):				
Accounts and Other	41,839	212,005	236,977	16,867
Guardianship Assets	914,304	358,569	47,120	1,225,753
<b>Total assets</b>	<u>\$ 2,242,274</u>	<u>\$ 4,686,631</u>	<u>\$ 4,618,840</u>	<u>\$ 2,310,065</u>
<b>LIABILITIES</b>				
Accounts Payable	\$ 116,015	\$ 1,309,451	\$ 1,405,199	\$ 20,267
Due to Others	14,732	162,572	170,213	7,091
Deposits Held	1,197,223	4,036,931	4,177,200	1,056,954
Deposits Held for Restricted Assets	914,304	358,569	47,120	1,225,753
<b>Total liabilities</b>	<u>\$ 2,242,274</u>	<u>\$ 5,867,523</u>	<u>\$ 5,799,732</u>	<u>\$ 2,310,065</u>
<b>CHILDREN'S PROTECTIVE SERVICES - ESCROW</b>				
<b>ASSETS</b>				
Investments	<u>\$ 10,223</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,223</u>
<b>LIABILITIES</b>				
Deposits Held	<u>\$ 10,223</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,223</u>
<b>INMATE DEPOSITS</b>				
<b>ASSETS</b>				
Investments	<u>\$ 36,687</u>	<u>\$ -</u>	<u>\$ 6,207</u>	<u>\$ 30,480</u>
<b>LIABILITIES</b>				
Due to Others	<u>\$ 36,687</u>	<u>\$ -</u>	<u>\$ 6,207</u>	<u>\$ 30,480</u>

**GALVESTON COUNTY, TEXAS**  
**COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**For the Year Ended September 30, 2011**

	<u>BALANCE</u> <u>10/1/2010</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>9/30/2011</u>
<b>APPELLATE JUDICIAL SYSTEM FEES</b>				
<b>ASSETS</b>				
Investments	\$ 50,084	\$ 38,879	\$ 88,963	\$ -
Receivables:				
Accounts and Other	340	375	620	95
<b>Total assets</b>	<b><u>\$ 50,424</u></b>	<b><u>\$ 39,254</u></b>	<b><u>\$ 89,583</u></b>	<b><u>\$ 95</u></b>
<b>LIABILITIES</b>				
Deposits Held	<u>\$ 50,424</u>	<u>\$ 38,684</u>	<u>\$ 89,013</u>	<u>\$ 95</u>
<b>DISTRICT CLERK TRUST</b>				
<b>ASSETS</b>				
Investments	<u>\$ 6,649,484</u>	<u>\$ 2,748,744</u>	<u>\$ 2,782,391</u>	<u>\$ 6,615,837</u>
<b>LIABILITIES</b>				
Due to Others	<u>\$ 6,649,484</u>	<u>\$ -</u>	<u>\$ 33,647</u>	<u>\$ 6,615,837</u>
<b>COUNTY CLERK TRUST</b>				
<b>ASSETS</b>				
Investments	<u>\$ 4,913,969</u>	<u>\$ 913,203</u>	<u>\$ 1,334,412</u>	<u>\$ 4,492,760</u>
<b>LIABILITIES</b>				
Due to Others	<u>\$ 4,913,969</u>	<u>\$ -</u>	<u>\$ 421,209</u>	<u>\$ 4,492,760</u>
<b>TAX ASSESSOR-COLLECTOR UNDISTRIBUTED COLLECTIONS</b>				
<b>ASSETS</b>				
Investments	<u>\$ 3,731,537</u>	<u>\$ 723,065</u>	<u>\$ 9,421</u>	<u>\$ 4,445,181</u>
<b>LIABILITIES</b>				
Due to Other Entities	<u>\$ 3,731,537</u>	<u>\$ 713,644</u>	<u>\$ -</u>	<u>\$ 4,445,181</u>

**GALVESTON COUNTY, TEXAS**  
**COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**For the Year Ended September 30, 2011**

	<u>BALANCE</u> <u>10/1/2010</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>9/30/2011</u>
<b>DEBT SERVICE AGENCY</b>				
<b>ASSETS</b>				
Investments	\$ 36,047	\$ -	\$ 30,736	\$ 5,311
<b>LIABILITIES</b>				
Due to Others	\$ 36,047	\$ -	\$ 30,736	\$ 5,311
<b>TOTALS - ALL AGENCY FUNDS</b>				
<b>ASSETS</b>				
Investments	\$ 17,435,812	\$ 159,595,832	\$ 159,639,326	\$ 17,392,318
Receivables (Net of Allowances for Uncollectibles):				
Accounts and Other	42,299	212,380	237,717	16,962
Guardianship Assets	914,304	358,569	47,120	1,225,753
<b>Total assets</b>	<b>\$ 18,392,415</b>	<b>\$ 160,166,781</b>	<b>\$ 159,924,163</b>	<b>\$ 18,635,033</b>
<b>LIABILITIES</b>				
Accounts Payable	\$ 116,041	\$ 5,037,939	\$ 5,099,619	\$ 54,361
Due to Others	11,650,919	162,572	662,012	11,151,479
Due to Other Entities	4,453,281	26,997,780	26,314,893	5,136,168
Deposits Held	1,257,870	4,075,615	4,266,213	1,067,272
Deposits Held for Restricted Assets	914,304	358,569	47,120	1,225,753
<b>Total liabilities</b>	<b>\$ 18,392,415</b>	<b>\$ 36,632,475</b>	<b>\$ 36,389,857</b>	<b>\$ 18,635,033</b>

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, 2011 AND 2010**

	<b>2011</b>	<b>2010</b>
<b>GOVERNMENTAL FUNDS CAPITAL ASSETS</b>		
Land	\$ 33,225,943	\$ 32,770,529
Buildings and Improvements	195,719,443	192,825,616
Improvements Other Than Buildings	3,131,549	1,321,254
Machinery and Equipment	35,188,533	33,140,191
Infrastructure	148,590,776	144,359,661
Construction in Progress	28,636,958	6,640,655
	<b>\$ 444,493,202</b>	<b>\$ 411,057,906</b>
<b>Total governmental funds capital assets</b>	<b>\$ 444,493,202</b>	<b>\$ 411,057,906</b>

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

General Fund	\$ 19,493,260	\$ 19,146,898
Special Revenue Funds and Grants	33,934,819	29,767,188
Capital Projects Funds	381,816,765	352,895,462
Gifts	9,248,358	9,248,358
	<b>\$ 444,493,202</b>	<b>\$ 411,057,906</b>
<b>Total governmental funds capital assets</b>	<b>\$ 444,493,202</b>	<b>\$ 411,057,906</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 BY FUNCTION AND ACTIVITY**  
**SEPTEMBER 30, 2011**

FUNCTION AND ACTIVITY	LAND	BUILDINGS	IMPROVEMENTS			CONSTRUCTION IN PROGRESS
			BUILDINGS	BUILDINGS & OTHER THAN	MACHINERY & EQUIPMENT	
<b>General government:</b>						
General Government	\$ 9,882,182	\$ 96,616,826	\$ 419,885	\$ 3,958,620	\$ -	\$ -
County Clerk	-	-	-	2,267,461	-	-
County Records Management	-	-	-	149,962	-	-
Justice Courts	48,220	171,621	-	-	-	-
District Clerk	-	-	-	98,369	-	-
District Attorney	-	-	-	90,505	-	-
Tax Assessor-Collector	-	-	-	53,004	-	-
Information Technology	-	-	-	4,531,497	-	-
Facilities Services	47,217	9,326,041	11,119	1,232,416	-	20,897,234
County Engineer	-	-	-	-	28,140	-
<b>Total general government</b>	<b>9,977,619</b>	<b>106,114,488</b>	<b>431,004</b>	<b>12,381,834</b>	<b>28,140</b>	<b>20,897,234</b>
<b>Public safety:</b>						
Sheriff	2,452,292	67,096,668	-	9,535,108	-	-
Const Pct#8	-	-	-	24,956	-	-
Medical Examiner	-	433,715	-	-	-	-
Juvenile Justice	18,047	6,045,345	-	307,326	-	-
Emergency Management	444,669	-	12,960	258,447	-	163,777
Flood Control	1,065,717	3,903,472	-	2,368,528	81,256,457	2,882,493
<b>Total public safety</b>	<b>3,980,725</b>	<b>77,479,200</b>	<b>12,960</b>	<b>12,494,365</b>	<b>81,256,457</b>	<b>3,046,270</b>
<b>Roads, bridges, and right-of-way:</b>						
Road Department	2,590,047	363,577	-	6,362,564	51,879,463	4,456,806
Road District #1	-	283,669	-	52,437	9,705,186	-
Rights of Way Department	1,890,975	-	-	-	-	-
<b>Total roads, bridges, and rights-of-way</b>	<b>4,481,022</b>	<b>647,246</b>	<b>-</b>	<b>6,415,001</b>	<b>61,584,649</b>	<b>4,456,806</b>

**GALVESTON COUNTY, TEXAS**  
**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS**  
**SCHEDULE BY FUNCTION AND ACTIVITY**  
**SEPTEMBER 30, 2011**

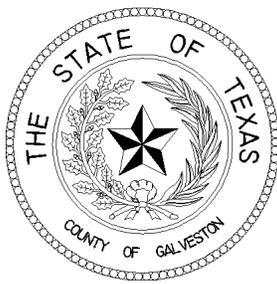
FUNCTION AND ACTIVITY	LAND	BUILDINGS	IMPROVEMENTS			CONSTRUCTION IN PROGRESS
			BUILDINGS	EQUIPMENT	INFRASTRUCTURE	
<b>Health and social services:</b>						
Health Administration and Sanitation	378,794	1,320,808	-	-	-	-
Mosquito Control District	-	-	-	1,175,657	-	-
Senior Citizens	55,595	1,105,894	-	371,301	-	-
<b>Total health and social services</b>	<b>434,389</b>	<b>2,426,702</b>	<b>-</b>	<b>1,546,958</b>	<b>-</b>	<b>-</b>
<b>Culture and recreation:</b>						
Museum	20,677	62,352	-	-	-	-
Beach and Parks Department	14,331,511	8,989,455	2,668,082	1,632,887	5,721,530	236,648
Beach Maintenance-Road and Bridge	-	-	-	556,897	-	-
<b>Total culture and recreation</b>	<b>14,352,188</b>	<b>9,051,807</b>	<b>2,668,082</b>	<b>2,189,784</b>	<b>5,721,530</b>	<b>236,648</b>
<b>Conservation</b>	<b>-</b>	<b>-</b>	<b>19,503</b>	<b>160,591</b>	<b>-</b>	<b>-</b>
<b>Total governmental funds capital assets</b>	<b>\$ 33,225,943</b>	<b>\$ 195,719,443</b>	<b>\$ 3,131,549</b>	<b>\$ 35,188,533</b>	<b>\$ 148,590,776</b>	<b>\$ 28,636,958</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

**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, 2011**

FUNCTIONS AND ACTIVITY	GOVERNMENTAL FUNDS CAPITAL ASSETS				GOVERNMENTAL FUNDS CAPITAL ASSETS
	OCTOBER 1, 2010	ADDITIONS	DEDUCTIONS	TRANSFERS	SEPTEMBER 30, 2011
<b>General government:</b>					
General Government	\$ 110,877,513	\$ -	\$ -	\$ -	\$ 110,877,513
County Clerk	1,993,419	312,941	-	-	2,306,360
County Records Management	149,962	-	-	-	149,962
Justice Courts	219,841	-	-	-	219,841
District Clerk	98,369	-	-	-	98,369
District Attorney	90,505	-	-	-	90,505
Tax Assessor-Collector	53,004	-	-	-	53,004
Information Technology	3,581,944	949,554	-	-	4,531,498
Facilities Services	11,876,683	22,508,393	(2,909,949)	5,810,934	37,286,061
County Engineer	28,140	-	-	-	28,140
<b>Total general governmental</b>	<b>128,969,380</b>	<b>23,770,888</b>	<b>(2,909,949)</b>	<b>5,810,934</b>	<b>155,641,253</b>
<b>Public safety:</b>					
Sheriff's Department	78,857,559	587,686	(361,178)	-	79,084,067
Medical Examiner	433,715	-	-	-	433,715
Juvenile Justice	6,327,049	68,626	-	(5,810,934)	584,741
Emergency Management	246,494	633,359	-	-	879,853
Flood Control	87,153,648	4,372,643	(49,625)	-	91,476,666
<b>Total public safety</b>	<b>173,018,465</b>	<b>5,662,314</b>	<b>(410,803)</b>	<b>(5,810,934)</b>	<b>172,459,042</b>
<b>Roads, bridges, and right-of-way:</b>					
Road Department	60,231,025	9,352,196	(3,930,763)	-	65,652,458
Road District #1	10,013,675	27,616	-	-	10,041,291
Rights-of-Way Department	1,880,230	10,745	-	-	1,890,975
<b>Total roads, bridges, and rights-of-way</b>	<b>72,124,930</b>	<b>9,390,557</b>	<b>(3,930,763)</b>	<b>-</b>	<b>77,584,724</b>
<b>Health and social services:</b>					
Health Administration and Sanitation	1,699,602	-	-	-	1,699,602
Mosquito Control District	1,175,657	-	-	-	1,175,657
Senior Citizens	1,532,790	-	-	-	1,532,790
<b>Total health and social services</b>	<b>4,408,049</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,408,049</b>
<b>Culture and recreation:</b>					
Museum	83,029	-	-	-	83,029
Beach and Parks Department	31,795,937	1,901,525	(117,348)	-	33,580,114
Beach Maintenance- Road and Bridge	478,022	78,875	-	-	556,897
<b>Total culture and recreation</b>	<b>32,356,988</b>	<b>1,980,400</b>	<b>(117,348)</b>	<b>-</b>	<b>34,220,040</b>
<b>Conservation</b>	<b>180,094</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>180,094</b>
<b>Total governmental funds capital assets</b>	<b>\$ 411,057,906</b>	<b>\$ 40,804,159</b>	<b>\$ (7,368,863)</b>	<b>\$ -</b>	<b>\$ 444,493,202</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.



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## 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.



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## Financial Trends

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

	Fiscal Year								
	2003*	2004	2005	2006	2007	2008	2009	2010	2011
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	\$ 97,415	\$ 102,410
Restricted for:									
Grants	902	548	210	565	482	8,293	1,832	329	787
Debt service	1,926	4,111	4,534	5,448	12,820	12,575	15,645	7,864	9,921
Other projects	55	-	-	-	-	-	-	-	260
Capital projects	-	-	-	-	-	-	2,346	1,709	2,915
Unrestricted	10,150	19,494	25,692	31,154	24,188	28,264	45,726	(8,592)	(39,371)
Total net assets - governmental activities	\$ 127,263	\$ 117,193	\$ 128,381	\$ 140,793	\$ 155,112	\$ 157,090	\$ 128,346	\$ 98,725	\$ 76,922

\* 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 NINE FISCAL YEARS**  
**(accrual basis of accounting)**  
**(amounts expressed in thousands)**

	Fiscal Year								
	2003*	2004	2005	2006	2007	2008	2009	2010	2011
<b>Expenses</b>									
Governmental activities:									
General Government	\$ 41,671	\$ 42,501	\$ 38,234	\$ 44,828	\$ 51,530	\$ 57,076	\$ 59,080	\$ 63,394	\$ 100,081
Public Safety	35,293	36,420	39,715	40,233	46,077	57,562	134,746	122,790	106,660
Sanitation	-	18	18	575	187	21	7	97	-
Health and Social Services	14,148	12,196	15,799	15,987	16,825	18,213	17,455	18,757	17,038
Culture and Recreation	3,037	6,827	4,347	4,101	6,347	6,428	6,265	6,522	6,181
Conservation	328	315	403	392	426	475	535	546	492
Roads, Bridges, and Rights-of-way	17,077	19,991	9,552	10,985	14,587	12,207	24,290	40,390	87,814
Interest on Long-term Debt	5,841	10,173	10,269	10,199	10,057	10,617	11,662	18,345	17,997
<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>270,841</b>	<b>336,263</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	16,864	14,121
Public Safety	1,752	1,712	1,627	1,750	1,776	4,201	1,576	1,636	1,884
Roads, Bridges, and Rights-of-way	750	759	331	679	866	769	421	587	553
Other	405	216	125	137	385	466	326	419	476
Operating grants and contributions	11,904	11,430	14,216	13,614	24,553	20,835	89,943	100,735	171,373
Capital grants and contributions	1,232	3,177	3,574	4,251	2,895	36	734	73	203
<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>109,452</b>	<b>120,314</b>	<b>188,610</b>
Net (expense) revenue-governmental activities	(88,743)	(97,338)	(84,995)	(91,713)	(98,467)	(120,294)	(144,588)	(150,527)	(147,653)
<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	100,219	91,863
Property taxes, levied for debt service	10,014	12,549	14,303	15,820	15,895	16,273	15,221	16,435	27,534
Payments in lieu of taxes	1,064	758	875	1,467	1,433	1,897	1,337	1,764	2,101
Unrestricted Grants and Contributions	-	-	-	-	-	-	-	-	18
Unrestricted investment earnings	3,657	5,865	4,413	4,480	5,534	4,605	4,152	2,426	1,878
Gain on sale of capital assets	1,618	-	610	1,000	870	660	-	-	36
Miscellaneous	94	221	406	460	37	108	101	62	533
Special Item - Texas Windstorm Case Settlement (1)	-	-	-	-	-	-	-	-	696
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>115,843</b>	<b>120,906</b>	<b>124,659</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>	<b>\$ (29,621)</b>	<b>\$ (22,994)</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 NINE FISCAL YEARS**  
**(accrual basis of accounting)**  
**(amounts expressed in thousands)**

<b>Fiscal Year</b>	<b>Property Tax (General Purposes)</b>	<b>Property Tax (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
2010	100,219	16,434	116,653
2011	91,863	27,534	119,397

*\* 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)

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011**
General Fund										
Non-spendable										
Prepaid Expenditures										
Restricted										\$ 267
Assigned										-
Indigent Defense										951
Self-insurance										1,500
Contingent Liability										1,000
Disaster Protection										2,500
Unrestricted										26,645
Total general fund										\$ 32,863
General Fund	\$ 1,421	\$ 995	\$ 551	\$ 953	\$ 616	\$ 274	\$ 482	\$ 629	\$ 289	\$ -
Reserved										
Unreserved (1)	5,856	5,310	12,557	18,195	25,006	28,865	27,106	29,232	30,092	-
Total general fund (4)	7,277	6,305	13,108	19,148	25,622	29,139	27,588	29,861	30,381	-
All Other Governmental Funds										
Non-spendable										\$ 791
Inventory										4
Prepaid Expenditures										
Restricted										
General Government										4,325
Public Safety										10,382
Health and Social Services										11,668
Culture and Recreation										1,089
Roads, Bridges, and ROW										4,822
Debt Service										11,042
County Building Projects										86,822
Assigned										3,175
Other Construction Projects										\$ 134,120
Total all Other Governmental Funds										
All other governmental funds	\$ 19,024	\$ 30,607	\$ 67,798	\$ 24,561	\$ 10,073	\$ 15,617	\$ 35,912	\$ 25,697	\$ 48,020	\$ -
Reserved (2) (3) (5)										
Unreserved, reported in:										
Special Revenue Funds	14,309	16,722	16,990	16,782	18,467	21,491	28,672	29,075	37,979	-
Debt Service Funds										
Capital Projects Funds (3), (4), (7)	63,171	129,233	38,803	31,114	19,477	49,741	33,938	161,394	99,688	-
Total all other governmental funds (6)	96,504	176,562	123,591	72,457	48,018	86,849	98,522	216,166	185,687	-

(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 2012, that is equivalent to \$34,916,407. In order to help accomplish this goal, the court has kept in place a mandatory four pay period salary-lapse policy, which can generate up to \$5 million annually in lapsed funds. The court has also restricted budget growth whereby the amounts expended in each fiscal year will be less than actual revenues. .

(2) The increase in reserved funds during fiscal years 2002 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 2002 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.

\*\* Beginning 2011, fund balances are reported using GASB 54 classifications

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

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Revenues</b>										
Taxes	\$ 68,843	\$ 74,072	\$ 82,806	\$ 88,759	\$ 97,414	\$ 103,810	\$ 108,051	\$ 113,260	\$ 118,121	\$ 119,442
Licenses and Permits	2,088	2,058	2,100	2,140	2,325	2,320	2,267	2,504	2,426	2,372
Intergovernmental (1) (2)	9,749	11,559	14,661	15,120	16,317	20,106	22,987	90,604	99,644	168,880
Charges for Services	8,858	8,262	8,300	8,334	9,818	10,289	9,879	9,027	10,231	9,756
Fines and Forfeitures	3,024	2,679	2,818	2,786	2,763	3,578	3,588	3,365	3,327	3,034
Investment Earnings (3)	4,290	3,657	5,991	4,676	5,132	6,213	5,211	4,624	2,526	2,136
Miscellaneous (4)	2,948	5,046	5,004	4,566	5,899	5,867	5,559	5,289	6,995	6,067
<b>Total Revenues</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>243,270</b>	<b>311,686</b>
<b>Expenditures</b>										
Current:										
General Government	32,579	36,936	34,864	39,269	42,655	49,899	55,122	52,430	60,315	96,145
Public Safety	28,363	30,751	32,961	33,784	35,231	39,926	48,516	123,765	108,755	95,316
Sanitation	-	-	18	18	575	87	21	7	98	2
Health and Social Services (5)	5,065	5,624	14,996	14,978	15,137	15,222	16,987	16,093	17,341	16,004
Culture and Recreation	247	2,351	3,045	2,378	2,336	2,600	2,813	2,988	3,174	2,940
Conservation	2,264	310	301	349	366	401	449	437	454	450
Roads, Bridges, and Rights-of-Way (6)	4,938	4,308	4,510	5,023	4,410	12,086	9,257	21,308	37,972	84,543
Debt Service (7):										
Principal	5,030	6,125	4,115	5,999	7,372	7,831	9,351	9,685	10,410	15,620
Interest and Fiscal Charges	4,620	4,038	8,164	8,254	8,178	7,879	8,134	8,982	14,202	14,820
Bond Issuance Costs	118	1,544	601	-	-	672	1,047	2,014	-	-
Refund - Prior Year Tax Revenue	-	-	-	159	159	159	-	-	-	-
Capital Outlay (8)	14,370	36,342	64,751	61,192	40,567	19,143	6,336	7,925	17,438	34,196
<b>Total Expenditures</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>	<b>270,159</b>	<b>360,035</b>
Excess (deficiency) of revenues over (under) expenditures	2,206	(20,996)	(46,644)	(45,021)	(17,317)	(3,722)	(491)	(16,960)	(26,889)	(48,349)

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

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Other Financing Sources (Uses)</b>										
Transfers In	4,927	6,651	6,525	4,669	8,083	10,529	17,555	31,934	21,912	21,698
Transfers Out	(14,943)	(17,041)	(8,920)	(6,418)	(10,711)	(16,123)	(21,571)	(35,447)	(25,129)	(24,447)
Sale of Capital Assets	62	2,230	184	1,082	1,979	4,033	1,122	86	146	125
Capital Lease	-	-	2,053	-	-	-	-	-	-	-
Insurance Recovery Proceeds (9)	-	-	-	-	-	-	-	231	-	696
Long Term Debt Issued	12,125	-	-	-	-	-	-	-	-	-
Face Value - Long Term Debt Issued (7), (8)	-	107,760	-	-	-	48,270	95,425	140,000	-	-
Face Value - Refunding Bonds Issued	-	-	42,595	-	-	-	-	-	-	-
Premium - Long Term Debt Issued	-	1,478	-	-	-	120	229	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	-	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	2,170	100,082	476	(668)	(649)	46,070	10,613	136,879	(3,071)	(1,928)
Net Change In Fund Balances	\$ 4,377	\$ 79,086	\$ (46,168)	\$ (45,689)	\$ (17,966)	\$ 42,348	\$ 10,122	\$ 119,919	\$ (29,960)	\$ (50,277)
Debt service as a percentage of noncapital expenditures	11.6%	11.0%	11.9%	12.9%	13.4%	11.5%	11.5%	7.9%	9.7%	9.3%

- (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 and fiscal years 2008-2010 was due to receipt of FEMA reimbursements for tropical storm damages and hurricane damages respectively.
- (3) The steady decrease in investment earnings from fiscal years 2008-2010 was due to the current economic recession of the nation.
- (4) 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 inter-local agreement reimbursements in fiscal year 2003.
- (5) 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.
- (6) The increase in the Debt Service Expenditures was funded by proceeds of bonds issued from 2001 through 2010 for various capital projects.
- (7) 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.
- (8) 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, and to maintain or improve a seawall, breakwater, levee, floodway and/or drainway.
- (9) Insurance proceeds received for damages caused by Hurricane Ike.

## Revenue Capacity

**GALVESTON COUNTY, TEXAS**  
**ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY**  
**LAST TEN FISCAL YEARS (1)**  
**(amounts expressed in thousands)**

<b>Fiscal Year (2)</b>	<b>Real Property (2)</b>			<b>Personal Property(2)</b>	<b>Utilities Pipelines, and Boats(2)</b>	<b>Total</b>	<b>Tax Rate (3)</b>
	<b>Residential Property</b>	<b>Commercial and Industrial Property</b>	<b>Other 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
2009-10	15,372,187	5,706,544	337,362	1,957,107	485,787	23,858,987	0.6300
2010-11	16,376,920	5,173,385	325,967	2,277,406	484,879	24,638,557	0.6288

(1) Ratio of total assessed value to total estimated value is 100%.

(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 (I)  
LAST TEN FISCAL YEARS**

Taxing Jurisdiction	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Galveston County Direct Rates</b>										
Maintenance & Operations	\$0.472800	\$0.511900	\$0.529710	\$0.527650	\$0.518126	\$0.498920	\$0.485670	\$0.482075	\$0.532964	\$0.479336
Debt Service	0.080200	0.057569	0.077050	0.089900	0.093224	0.070954	0.068465	0.068202	0.069576	0.099218
Special Road Levy	0.000000	0.024431	0.020840	0.010400	0.006000	0.017476	0.014465	0.008323	0.016060	0.041196
Farm to Market Lateral Road/Flood	0.012400	0.012400	0.012400	0.010800	0.011400	0.011400	0.011400	0.011400	0.011400	0.009000
Total Direct Rate	\$0.565400	\$0.606300	\$0.640000	\$0.638750	\$0.628750	\$0.598750	\$0.580000	\$0.570000	\$0.630000	\$0.628750
<b>Cities</b>										
Galveston	0.559100	0.554900	0.541700	0.541700	0.541700	0.494000	0.494000	0.494000	0.554000	0.554000
Friendswood	0.638500	0.638500	0.638500	0.638500	0.604000	0.582100	0.576400	0.579700	0.579700	0.585100
Hitchcock	0.567000	0.568400	0.581380	0.538900	0.534557	0.555050	0.511080	0.473230	0.473230	0.472295
Jamaica Beach	0.479930	0.460900	0.420820	0.345400	0.311200	0.285000	0.260300	0.251100	0.322800	0.289500
La Marque	0.536100	0.536100	0.510340	0.540300	0.553300	0.514360	0.514360	0.514360	0.514360	0.514360
League City	0.662500	0.650000	0.640000	0.630000	0.527500	0.608800	0.608800	0.630000	0.630000	0.616000
Texas City	0.333500	0.357500	0.456240	0.456240	0.456240	0.456240	0.435610	0.425000	0.425000	0.425000
Tiki Island	0.159600	0.169100	0.165890	0.175900	0.160252	0.155590	0.164860	0.166307	0.204667	0.213783
Bayou Vista	0.370100	0.375000	0.340000	0.354000	0.356200	0.338720	0.354200	0.352400	0.417222	0.379495
Clear Lake Shores	0.329600	0.262633	0.241810	0.238600	0.238600	0.210000	0.204750	0.000000	0.000000	0.000000
Dickinson	0.390000	0.373000	0.391500	0.414500	0.434500	0.408800	0.408600	0.408600	0.408600	0.408600
Kemah	0.092600	0.071200	0.150000	0.170200	0.208545	0.255395	0.270000	0.265247	0.280293	0.250000
Santa Fe	0.262000	0.271900	0.271900	0.274700	0.282400	0.299200	0.299200	0.311400	0.311400	0.311400
<b>School and Junior College Districts</b>										
Galveston	1.520000	1.570000	1.560000	1.710000	1.685000	1.525000	1.175000	1.165000	1.165000	1.165000
Friendswood	1.617000	1.637000	1.637000	1.637000	1.637000	1.507000	1.177000	1.367000	1.367000	1.367000
Hitchcock	1.710000	1.710000	1.710000	1.710000	1.695000	1.565050	1.121505	1.410050	1.440050	1.500000
La Marque	1.625000	1.650000	1.730000	1.743000	1.740000	1.570000	1.240000	1.240000	1.240000	1.240000
Texas City	1.611900	1.604700	1.623400	1.613000	1.587100	1.448354	1.112750	1.184931	1.216000	1.288600
Clear Creek	1.725000	1.740000	1.730000	1.745000	1.775000	1.630000	1.320000	1.360000	1.360000	1.360000
Dickinson	1.747000	1.764000	1.743000	1.738000	1.751000	1.724000	1.430000	1.500000	1.504000	1.540000
High Island	1.500000	1.500000	1.770000	1.709100	1.700000	1.630000	1.300000	1.305690	1.600000	1.490000
Santa Fe	1.510000	1.570000	1.570000	1.570000	1.570000	1.445000	1.160000	1.160000	1.330200	1.419200
College of the Mainland	0.218000	0.231870	0.263060	0.245250	0.243020	0.233450	0.227380	0.221640	0.221640	0.233890
Galveston College	0.195200	0.195200	0.195200	0.195200	0.191800	0.170000	0.170000	0.170000	0.190000	0.189475
<b>Special Districts</b>										
Bacliff MUD	0.070000	0.1165000	0.238260	0.243700	0.350000	0.315800	0.303640	0.295422	0.318548	0.291058
Bayview MUD	0.240000	0.236800	0.220000	0.220000	0.220000	0.216900	0.218500	0.236800	0.238100	0.238100
South Shore MUD #2	0.000000	0.570000	0.520000	0.450000	0.340000	0.290000	0.290000	0.240000	0.220000	0.170000
South Shore MUD #3	0.300000	0.300000	0.240000	0.220000	0.200000	0.180000	0.170000	0.160000	0.160000	0.000000
South Shore MUD #6	0.400000	0.380000	1.000000	1.000000	0.310000	0.300000	0.300000	0.290000	0.290000	0.290000
South Shore Harbour MUD#7	0.000000	0.000000	0.000000	0.000000	0.950000	0.820000	0.800000	0.750000	0.700000	0.650000
Tara Glen MUD	0.750000	0.725000	0.700000	0.700000	0.700000	0.670000	0.670000	0.670000	0.670000	0.670000
Flamingo Isles MUD	0.000000	0.000000	0.000000	0.000000	0.500000	0.500000	0.500000	0.500000	0.500000	0.587500

GALVESTON COUNTY, TEXAS  
PROPERTY TAX RATES  
DIRECT AND ALL OVERLAPPING GOVERNMENTS (1)  
LAST TEN FISCAL YEARS

Taxing Jurisdiction	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Special Districts (Continued)</b>										
Bay Colony West MUD	\$0.000000	\$0.000000	\$0.000000	\$0.000000	\$1.000000	\$1.000000	\$1.000000	\$1.000000	\$1.000000	\$1.000000
Clear Creek Drainage District	0.155000	0.155000	0.150000	0.150000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
GC Fresh Water Supply District #6	0.219500	0.282700	0.245080	0.249600	0.220153	0.201300	0.222900	0.223105	0.225403	0.236324
Galveston County Consolidated Drainage District	0.000000	0.000000	0.000000	0.000000	0.148300	0.000000	0.142500	0.142500	0.142500	0.142500
Galveston County EMS District	0.095060	0.095390	0.085800	0.085800	0.082670	0.081700	0.079810	0.085000	0.863000	0.863000
Galveston County Management District #1	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.800000	0.800000	0.800000
Galveston County MUD #1 (2)	0.460000	0.460000	0.460000	0.460000	0.460000	0.000000	0.000000	0.000000	0.000000	0.000000
Galveston County MUD #2	0.460000	0.430000	0.390000	0.365000	0.300000	0.260000	0.250000	0.240000	0.240000	0.240000
Galveston County MUD #3	0.430000	0.390000	0.320000	0.250000	0.210000	0.160000	0.140000	0.130000	0.120000	0.120000
Galveston County MUD #6	0.750000	0.700000	0.700000	0.700000	0.640000	0.480000	0.460000	0.440000	0.400000	0.400000
Galveston County MUD #12	0.188400	0.252862	0.258620	0.220100	0.207717	0.270000	0.258420	0.259575	0.259575	0.243826
Galveston County MUD #13	0.965000	0.915000	0.860000	0.760000	0.710000	0.630000	0.610000	0.585000	0.560000	0.550000
Galveston County MUD #14	1.000000	1.000000	0.970000	0.920000	0.900000	0.880000	0.880000	0.870000	0.870000	0.860000
Galveston County MUD #15	0.870000	0.870000	0.860000	0.830000	0.825000	0.825000	0.825000	0.795000	0.790000	0.790000
Galveston County MUD #29	0.175000	0.175000	0.175000	0.175000	0.170000	0.000000	0.000000	0.170000	0.188500	0.188500
Galveston County MUD #30	0.000000	0.000000	0.000000	0.000000	0.000000	0.350000	0.350000	0.350000	0.350000	0.350000
Galveston County MUD #31	0.000000	0.000000	0.000000	0.000000	1.090000	1.090000	1.090000	1.090000	1.090000	1.090000
Galveston County MUD #32	0.000000	0.000000	0.000000	0.000000	0.000000	0.750000	0.750000	0.750000	0.750000	0.750000
Galveston County MUD #39	0.000000	0.900000	0.900000	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	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000
Galveston County MUD #44	0.000000	0.000000	0.000000	0.000000	0.000000	1.000000	0.800000	0.800000	0.800000	0.800000
Galveston County MUD #45	0.000000	0.000000	0.000000	0.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000
Galveston County MUD #46	0.000000	0.000000	0.000000	0.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000
Galveston County MUD #52	0.000000	0.000000	0.000000	0.000000	0.000000	1.500000	1.500000	0.000000	0.000000	0.000000
Galveston County MUD #66	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	1.000000
Galveston County MUD #68	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.850000	0.850000	0.850000	0.900000
Galveston County Navigation District #1	0.040600	0.042000	0.042000	0.040900	0.038000	0.033690	0.330300	0.000000	0.047970	0.048809
West Ranch Management District #1	0.000000	0.000000	0.000000	0.000000	0.000000	0.650000	0.650000	0.650000	0.650000	0.650000
Water Control Improvement Dist. #1	0.330000	0.310000	0.262620	0.262500	0.241490	0.230260	0.220260	0.000000	0.218190	0.213687
Water Control Improvement Dist. #8	0.250000	0.250000	0.250000	0.250000	0.246300	0.247400	0.250000	0.000000	0.250700	0.300000
Water Control Improvement Dist. #12	0.526900	0.520000	0.470000	0.420000	0.420000	0.370000	0.370000	0.000000	0.300000	0.300000
Water Control Improvement Dist. #19	0.153100	0.152700	0.150170	0.170800	0.165030	0.159520	0.183110	0.000000	0.461816	0.456468
San Leon MUD	0.446000	0.488000	0.450500	0.449100	0.434700	0.434500	0.450000	0.450000	0.450000	0.450000
Drainage District #1	0.097200	0.095800	0.090100	0.090100	0.103887	0.108940	0.114210	0.119684	0.124933	0.115000
Drainage District #2	0.056600	0.058800	0.058800	0.058800	0.055200	0.057740	0.057360	0.063021	0.063021	0.063021
Drainage District #3	0.216100	0.000000	0.000000	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.  
(2) Galveston County MUD No. 1 was dissolved in 2006 and was annexed by the City of Galveston.  
Source: Galveston Central Appraisal District

**GALVESTON COUNTY, TEXAS  
PRINCIPAL TAXPAYERS (1)  
CURRENT YEAR AND NINE YEARS AGO  
(Amounts expressed in thousands)**

<u>Taxpayer</u>	<u>2011</u>			<u>2002</u>		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>% of Total Taxable Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>% of Total Taxable Assessed Value</u>
BP Products (NA) Inc.	\$ 1,384,643	1	5.62%	\$ 1,162,749	1	7.77%
Valero Refining-Texas LP	547,376	2	2.22%	225,914	4	1.51%
Union Carbide Corporation	222,150	3	0.90%	388,402	2	2.60%
Praxair Inc.	173,279	4	0.70%	-	-	-
South Houston Green Power, LP	141,357	5	0.57%	-	-	-
Marathon Petroleum Company LLC	129,179	6	0.52%	-	-	-
BP Amoco Chemical Company	113,992	7	0.46%	305,436	3	2.04%
Centerpoint Energy Inc.	91,958	8	0.37%	-	-	-
Texas-New Mexico Power Company	91,737	9	0.37%	70,975	9	0.47%
Valero Marketing & Supply Co.	60,903	10	0.25%	-	-	-
Sterling Chemicals	-	-	-	202,198	5	1.35%
Reliant Energy HL & P	-	-	-	161,590	6	1.08%
Marathon Ashland Petroleum LLC	-	-	-	78,582	8	0.53%
Texas City Cogeneration, LP	-	-	-	81,130	7	0.54%
Southwestern Bell Telephone Company	-	-	-	59,578	10	0.40%
Totals	\$ <u>2,956,574</u>		<u>12.00%</u>	\$ <u>2,736,554</u>		<u>18.29%</u>

(1) Source: Galveston Central Appraisal District Top Taxpayer Calculations performed as of December 19, 2011.

Total assessed value = \$24,638,557

(2) Galveston Central Appraisal District Top Taxpayer Report shows only the top ten (10) taxpayers for fiscal year 2011.

**GALVESTON COUNTY, TEXAS  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS  
(amounts expressed in thousands)**

<b>Fiscal Year ended September 30</b>	<b>Total Adjusted Tax Levy</b>	<b>Collected Within the Fiscal Year of the Levy</b>		<b>Collected in Subsequent Years</b>	<b>Total Collected to Date</b>	
		<b>Amounts (1)</b>	<b>Percentage of Levy</b>		<b>Amount (2)</b>	<b>Percentage of Levy</b>
2001-02	\$ 67,535	\$ 65,524	97.02%	\$ 1,795	\$ 67,319	99.68%
2002-03	71,182	69,298	97.35%	1,625	70,923	99.64%
2003-04	81,483	79,367	97.40%	1,821	81,188	99.64%
2004-05	88,141	85,893	97.45%	1,882	87,775	99.58%
2005-06	96,913	94,764	97.78%	1,785	96,549	99.62%
2006-07	104,985	103,081	98.19%	1,476	104,557	99.59%
2007-08	109,676	107,656	98.16%	1,478	109,134	99.51%
2008-09	117,282	114,712	97.81%	1,803	116,515	99.35%
2009-10	120,809	118,563	98.14%	1,122	119,685	99.07%
2010-11	121,872	119,744	98.25%	-	119,744	98.25%

(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.

## 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>Notes Payable (1)</b>	<b>Capital Leases</b>	<b>Total</b>	<b>Percentage of Personal Income</b>	<b>Per Capita</b>
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	31.04%	829
2009	364,318	5,000	-	369,318	45.22%	1,280
2010	353,908	5,000	-	358,908	44.37%	1,232
2011	338,288	5,000	-	343,288	40.49%	1,153

Source: Galveston County's Annual Financial Report

(1) On September 28, 2009, the county issued a note payable to the U.S. Department of Homeland Security under its Community Disaster Loan Program. The \$5,000,000 is still payable as of September 30, 2011.

**GALVESTON COUNTY, TEXAS**  
**COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT (1)**  
**GENERAL OBLIGATION BONDS**  
**September 30, 2011**  
**(amounts expressed in thousands)**

<u>Governmental Unit</u>	<u>Net General Obligation Bonded Debt Outstanding</u>	<u>Percentage Applicable to Government</u>	<u>Amount Applicable to Government</u>
<b><u>Galveston County</u></b>	\$ 297,854	100%	\$ 297,854
Total Direct Debt	<u>297,854</u>		<u>297,854</u>
<b><u>Cities</u></b>			
Dickinson	12,060	100%	12,060
Friendswood	22,885	78.64%	17,997
Galveston	62,622	100%	62,622
Hitchcock	1,144	100%	1,144
La Marque	6,500	100%	6,500
League City	109,330	98.44%	107,624
Texas City	35,710	100%	35,710
Total Cities	<u>250,251</u>		<u>243,657</u>
<b><u>School Districts</u></b>			
Dickinson	201,816	100%	201,816
Friendswood	113,589	100%	113,589
Galveston	72,600	100%	72,600
High Island	1,575	100%	1,575
Hitchcock	37,917	100%	37,917
La Marque	25,258	100%	25,258
Santa Fe	77,995	100%	77,995
Texas City	125,955	100%	125,955
Total School Districts	<u>656,705</u>		<u>656,705</u>
<b><u>Co-Line School Districts</u></b>			
Clear Creek	<u>654,505</u>	30.79%	<u>201,522</u>

**GALVESTON COUNTY, TEXAS**  
**COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT (1)**  
**GENERAL OBLIGATION BONDS**  
**September 30, 2011**  
**(amounts expressed in thousands)**

<u>Governmental Unit</u>	<u>Net General Obligation Bonded Debt Outstanding</u>	<u>Percentage Applicable to Government</u>	<u>Amount Applicable to Government</u>
<b>Other</b>			
Bacliff MUD	\$ 7,295	100%	\$ 7,295
Bay Colony West MUD	9,640	100%	9,640
Bayview MUD	305	100%	305
Flamingo Isle MUD	4,400	100%	4,400
Galveston CC District	2,625	100%	2,625
Galveston County FWSD #6	5,350	100%	5,350
Galveston County MUD #2	3,575	100%	3,575
Galveston County MUD #3	4,045	100%	4,045
Galveston County MUD #6	18,280	100%	18,280
Galveston County MUD #12	845	100%	845
Galveston County MUD #13	5,910	100%	5,910
Galveston County MUD #14	14,445	100%	14,445
Galveston County MUD #15	12,995	100%	12,995
Galveston County MUD #29	4,010	100%	4,010
Galveston County MUD #30	3,860	100%	3,860
Galveston County MUD #32	2,360	100%	2,360
Galveston County MUD #39	19,350	100%	19,350
Galveston County MUD #43	22,290	100%	22,290
Galveston County MUD #44	3,870	100%	3,870
Galveston County MUD #46	9,145	100%	9,145
Galveston County MUD #68	2,675	100%	2,675
San Leon MUD	3,325	100%	3,325
Galveston WCID #1	6,150	100%	6,150
Galveston WCID #8	5,305	100%	5,305
Galveston WCID #12	15,280	100%	15,280
South Shore Harbor MUD #2	3,560	100%	3,560
South Shore Harbor MUD #6	4,800	100%	4,800
South Shore Harbor MUD #7	20,990	100%	20,990
Tara Glen MUD	2,965	100%	2,965
Total Others	<u>219,645</u>		<u>219,645</u>
Total Overlapping Debt	<u>\$ 1,781,106</u>		<u>\$ 1,321,529</u>
Total Direct and Overlapping Debt	<u>\$ 2,078,960</u>		<u>\$ 1,619,383</u>

Ratio of Direct and Overlapping Debt to 2010 Net Taxable Assessed Valuation	8.30%
Per Capita Direct and Overlapping Debt (2010 estimated population = (2011 = 297,607) (2)	5,441
Net Taxable Assessed Valuation	\$ 19,505,147

(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) 2011 estimated county population and Per Capita Direct and Overlapping Debt amounts are not rounded to thousands.

**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)	\$ 24,638,557
Debt limit rate (5% of assessed value)	x 5%
Dollar amount of debt limit	1,231,928
Amount of debt applicable to constitutional debt limit:	
Total general bonded debt, including cumulative accretion	\$ 356,892
Less Debt Service fund balance	(11,042)
Total debt applicable to limitation	345,850
Legal debt margin	\$ 886,078

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Debt limit	\$ 748,131	\$ 801,694	\$ 855,177	\$ 941,570	\$1,091,754	\$1,172,206	\$1,283,192	\$1,270,256	\$ 1,192,949	\$ 1,231,928
Total net debt applicable to limit	105,721	209,324	205,632	200,745	194,891	229,641	239,122	363,007	360,706	345,850
Legal debt margin	\$ 642,410	\$ 592,370	\$ 649,545	\$ 740,825	\$ 896,863	\$ 942,565	\$1,044,070	\$ 907,249	\$ 832,243	\$ 886,078
Total net debt applicable to the limit as a percentage of debt limit	14.13%	26.11%	24.05%	21.32%	17.85%	19.59%	18.63%	28.58%	30.24%	28.07%

**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

X \$ 21,876,272  
 25%  
 5,469,068  
 (107,904)  
 \$ 5,361,164

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Debt limit	\$ 3,334,036	\$ 3,583,132	\$ 3,812,922	\$ 4,180,324	\$ 4,872,923	\$ 5,244,559	\$ 5,666,524	\$ 5,606,885	\$ 5,354,023	\$ 5,469,068
Less: Road bonds outstanding	(33,737)	(38,625)	(37,811)	(38,225)	(38,675)	(38,122)	(37,541)	(111,928)	(111,283)	(107,904)
Legal debt margin	\$ 3,300,299	\$ 3,544,507	\$ 3,775,111	\$ 4,142,099	\$ 4,834,248	\$ 5,206,437	\$ 5,628,983	\$ 5,494,957	\$ 5,242,740	\$ 5,361,164

*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>
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	288,489	25,405,120	378,388	15,381	363,007	1.43	1,259
2009-10	291,309	23,858,987	370,181	9,475	360,706	1.51	1,238
2010-11	297,607	24,638,557	356,892	11,042	345,850	1.40	1,162

\* Amounts expressed in thousands.

(1) Source: U.S. Census Bureau and Texas Association of Counties.

## 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)(2)</b>	<b>Per Capita Personal Income (1)(2)</b>	<b>Median Age (1)</b>	<b>School Enrollment (1)</b>	<b>Unemployment Rate (1)</b>
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	288,489	8,167,701	28,312	36.2	78,450	8.50%
2010	291,309	8,089,068	27,768	36.7	77,323	8.20%
2011	292,607 *	8,477,995	28,974	37.2	81,109	9.60%

(1) U.S. Bureau of Census; American Community Survey 2009 and Census 2010

(2) Amount expressed in thousands.

\* Actual population count for 2011 is not available at the time of printing.

Amounts presented are just estimate derived from U.S. Census Bureau Data as of December 2011.

**GALVESTON COUNTY, TEXAS  
PRINCIPAL EMPLOYERS \*  
CURRENT YEAR AND NINE YEARS AGO**

<b>Employer</b>	<b>2011</b>			<b>2002</b>		
	<b>Number of Employees</b>	<b>Rank</b>	<b>% of Principal-Employer Employees</b>	<b>Number of Employees</b>	<b>Rank</b>	<b>% of Principal-Employer Employees</b>
University of Texas Medical Branch	11,568	1	44.0%	14,600	1	52.5%
Clear Creek Independent School District	4,963	2	18.9%	3,352	2	12.1%
BP-Amoco Oil Company Texas City	2,300	3	8.7%	2,000	3	7.2%
Walmart**	1,450	4	5.5%	-	-	-
Galveston County	1,318	5	5.0%	1,360	6	4.9%
Ineos Nova LLC.	1,150	6	4.4%	-	-	-
Galveston Independent School District	1,044	7	4.0%	1,450	5	5.2%
Texas City Independent School District	879	8	3.3%	879	8	3.2%
American National Insurance Company (ANICO)	850	9	3.2%	1,601	4	5.8%
Moody Gardens	783	10	3.0%	1,024	7	3.7%
City of Galveston	-	-	-	793	9	2.8%
Landry's Seafood Inc.	-	-	-	732	10	2.6%
<b>Total</b>	<b>26,305</b>		<b>100.0%</b>	<b>27,791</b>		<b>100.0%</b>

\* Source: Texas City - La Marque Chamber of Commerce and Galveston Chamber of Commerce.-Galveston Economic Development Partnership, 2010, Clear Lake Shores Chamber of Commerce

\*University of Texas Data Reference Card for Fiscal year 2010.

\*\*Various Walmart Human Resources Dept.-approximate count of employees for all stores including SAM's Clubs in county.

## Operating Information

**GALVESTON COUNTY, TEXAS  
COUNTY EMPLOYEES BY FUNCTION \*  
LAST TEN FISCAL YEARS**

<b>Function</b>	<b>Fiscal Year</b>									
	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
General Government	450	450	455	454	505	551	555	481	491	483
Public Safety	539	560	575	555	547	535	556	638	665	666
Road and Bridges, and Rights-of-Way	49	47	43	50	47	51	54	56	55	49
Health and Social Services	121	64	79	74	67	74	76	60	60	59
Culture and Recreation	50	50	49	44	41	47	45	53	53	50
Conservation	8	9	11	10	10	11	10	10	10	11
<b>Total</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>	<b>1,334</b>	<b>1,318</b>

\* Source: Galveston County Budget Office/Human Resources.

**GALVESTON COUNTY, TEXAS  
CAPITAL ASSET STATISTICS BY FUNCTION  
LAST NINE FISCAL YEARS\***

<b>Function</b>	<b>Fiscal Year</b>								
	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
<b>General Government</b>									
Number of buildings	18	18	19	20	20	18	17	18	18
Number of courtrooms	19	19	19	21	21	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	1,187	1,187
Stations / substations (3)	3	3	3	3	3	3	3	3	3
Sheriff's Department vehicles	113	117	115	136	120	128	128	130	132
Boats / seacrafts	10	10	10	10	10	10	10	10	10
Training facility	1	1	1	1	1	1	1	1	1
Animal facility	1	1	1	1	1	1	1	1	1
Sheriff's Department buildings	3	3	3	5	5	3	3	3	3
Medical Examiner building	1	1	1	1	1	1	1	1	1
Juvenile Justice buildings	4	4	4	4	4	4	4	4	4
Emergency Management building	1	1	1	1	1	1	1	1	1
Flood Control buildings	3	3	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	338	337
Bridges	22	22	22	22	22	22	22	22	22
Motor Vehicles	54	54	46	56	46	42	42	43	40
Heavy and General Equipment	66	62	69	78	79	77	77	77	74
<b>Health and Social Services</b>									
Clinics	2	2	2	2	3	4	4	4	4
Animal Shelter	1	1	1	1	1	1	1	1	1
Mosquito Control vehicles	17	17	19	21	19	19	19	19	19
Airplanes	2	2	2	2	2	2	2	2	2
Airboat	1	1	1	1	1	1	1	1	1
Spray units	13	13	13	13	13	13	13	13	13
Senior Citizens centers	4	4	4	4	4	6	6	6	6
Senior Citizens vehicles	5	5	6	7	7	9	9	9	9
<b>Culture and Recreation</b>									
Museum	1	1	1	1	1	1	1	1	1
Parks	26	26	25	25	26	26	26	26	26
Park acreage (5)	1,201	1,201	1,204	1,204	1,255	1,266	1,266	1,350	1,321
Park buildings	30	30	30	30	31	31	31	31	32
Community centers	4	4	4	4	4	6	6	6	6
Athletic fields & courts (5)	41	41	41	41	41	41	41	41	41
Boat launches	11	11	11	11	11	11	11	11	11
Campground sites (5)	9	9	9	9	9	9	9	9	9
Trails (feet) (1)(5)	751	751	751	751	751	31,680	31,680	31,680	31,680
Equestrian trails (feet) (1)(5)	-	-	-	-	-	12,576	12,576	12,576	12,576
Vehicles	32	28	32	39	34	30	27	25	30
Parks Heavy & General Equipment	31	35	36	47	40	47	47	47	52
Beach maintenance equipment	6	6	6	6	6	7	7	8	9
<b>Conservation</b>									
Extension service vehicles	5	5	5	5	6	6	6	7	7

\* 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 SIX FISCAL YEARS \***

<u>Function /Program</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
<b>General Government</b>						
<i>Tax Assessor- Collector</i>						
Employees	53	53	53	52	52	50
Ad-Valorem Accounts	172,782	181,952	189,520	187,473	189,114	189,495
Motor Vehicle Registration/Licenses	240,369	251,750	259,329	257,566	258,471	262,687
Number of entities for which we collect	34	32	35	35	36	36
Number of Registered Voters	185,911	179,172	191,052	163,852	182,813	177,347
Beer and Wine Permits	921	2,063	2,254	899	705	748
Special Inventory Tax Accounts	175	106	141	144	129	129
Coin Operated Machines	1,076	396	771	7,622	1,591	3,980
<i>County Clerk</i>						
Employees	55	59	60	60	60	51
Recording Real Property and Governmental	89,496	83,986	78,917	68,733	64,677	66,039
Marriage License	2,320	2,411	2,260	1,940	2,077	2,048
Assumed Names (Business Names)	3,218	2,984	2,758	3,385	3,065	2,839
Number of Criminal Cases Filed	11,933	13,857	14,137	15,271	15,493	11,042
New Cases filed by DA	-	12,323	11,653	12,872	13,726	8,826
Appeals from Lower Courts	-	1,013	1,134	1,128	1,287	991
Others-Motions Revoke Probation, Etc.	-	521	361	387	472	540
Bond Forfeitures	1,074	1,437	989	884	684	685
Number of Civil Suits Filed	2,028	2,229	1,730	1,798	2,211	2,310
Number of Probate Cases Filed	877	1,415	810	748	839	866
Probate Mental Health Cases filed	274	466	355	243	398	353
Elections Held (County, School, Federal)	15	13	29	20	23	16
<i>District Clerk</i>						
Number of Employees	48	47	48	49	46	63
Civil Cases	6,659	7,327	5,776	5,695	4,375	5,726
Criminal cases	4,544	4,544	4,566	3,908	4,016	7,898
Tax Cases Processed	1,092	1,235	839	727	1,072	3,095
CPS Cases Processed	154	157	102	101	117	206
Juvenile Cases	1,004	1,099	919	362	380	857
Jurors Summoned	34,563	55,300	52,900	63,600	59,050	49,600
<i>Human Resources</i>						
Applications Accepted	1,609	1,555	1,348	1,168	1,745	1,905
Positions Filled	356	335	484	258	219	270
<i>Justice of the Peace (8 precincts)</i>						
<i>Precinct #1</i>						
Number of Employees	4	4	3	4	4	4
Civil Cases Filed	864	852	1,395	731	652	530
Civil Cases Disposed	804	693	1,056	752	703	485
Civil Cases Appealed	4	7	9	9	8	15
Criminal Cases Filed	2,667	2,499	2,358	1,235	1,680	1,630
Criminal Cases Disposed	1,596	1,778	1,597	1,031	2,880	1,685
Criminal Cases Appealed	10	15	13	18	8	15
<i>Precinct #2</i>						
Number of Employees	3	3	3	3	3	3
Civil Cases Filed	543	466	469	308	269	242
Civil Cases Disposed	540	401	366	284	299	320
Civil Cases Appealed	13	14	16	6	8	10
Criminal Cases Filed	540	422	273	222	178	169
Criminal Cases Disposed	373	393	230	205	375	128
Criminal Cases Appealed	3	2	1	-	1	2

(continued)

**GALVESTON COUNTY, TEXAS  
OPERATING INDICATORS BY FUNCTION  
LAST SIX FISCAL YEARS \***

<b>Function /Program</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2,010</b>	<b>2011</b>
<b>General Government</b>						
<i>Justice of the Peace (8 precincts)</i>						
<i>Precinct #3</i>						
Number of Employees	5	5	5	5	5	6
Civil Cases Filed	488	689 (b)	612	630	487	361
Civil Cases Disposed	280	178	384	614	501	368
Civil Cases Appealed	-	-	6	6	2	3
Criminal Cases Filed	8,096	8,056	6,442	5,815	4,046	3,138
Criminal Cases Disposed	4,578	9,413	6,143	8,903	4,439	3,402
Criminal Cases Appealed	43	95	68	35	53	57
<i>Precinct #4</i>						
Number of Employees	6	6	5	5	5	6
Civil Cases Filed	335	338	493	579	481	376
Civil Cases Disposed	303	274	489	514	474	406
Civil Cases Appealed	3	4	3	4	6	7
Criminal Cases Filed	4,470	4,948	5,280	4,388	4,021	4,478
Criminal Cases Disposed	5,592	5,988	4,615	4,150	4,097	4,147
Criminal Cases Appealed	31	22	25	20	62	46
<i>Precinct #5</i>						
Number of Employees	5	4	5	5	5	4
Civil Cases Filed	602	676	915	911	692	683
Civil Cases Disposed	498	707	889	818	798	658
Civil Cases Appealed	-	3	-	-	1	-
Criminal Cases Filed	4,518	5,077	4,537	3,903	3,722	2,736
Criminal Cases Disposed	-	3,660	3,683	4,915	3,179	2,464
Criminal Cases Appealed	3	2	9	15	8	19
<i>Precinct #6 **</i>						
Number of Employees	5	5	5	5	5	4
Civil Cases Filed	38	65	47	24	27	20
Civil Cases Disposed	20	37	47	17	28	21
Civil Cases Appealed	1	4	2	1	3	-
Criminal Cases Filed	7,779	5,724	6,653	2,465	2,978	2,791
Criminal Cases Disposed	7,244	6,302	8,916	3,739	3,802	3,949
Criminal Cases Appealed	123	60	56	11	34	25
<i>Precinct #7</i>						
Number of Employees	5	5	5	5	5	5
Civil Cases Filed	862	841	1,007	951	977	954
Civil Cases Disposed	5,144	715	897	828	940	1,137
Civil Cases Appealed	2	-	-	-	-	2
Criminal Cases Filed	5,144	4,379	4,187	4,693	4,177	4,658
Criminal Cases Disposed	4,424	5,541	3,589	4,100	4,951	3,731
Criminal Cases Appealed	15	11	38	34	13	18
<i>Precinct #8-1 &amp; 8-2 (Previously JP6)</i>						
Number of Employees	9	9	9	9	9	10
Civil Cases Filed	893	944	1,239	1,112	940	818
Civil Cases Disposed	652	25	831	905	937	780
Civil Cases Appealed	2	2	3	4	13	14
Criminal Cases Filed	8,598	6,448	5,535	4,896	5,515	4,116
Criminal Cases Disposed	5,457	1,001	6,574	4,924	5,951	4,393
Criminal Cases Appealed	28	1	44	53	46	56
<b>Public Safety</b>						
<i>Sheriff</i>						
Number of Employees	365	395	395	413	429	459
Daily average in County Jail	969	1,041	1,066	931	980	939
Number of persons booked	18,269	21,898	19,476	19,360	19,098	18,226
Number of Civil Processes	6,780	5,970	7,137	6,529	6,926	7,085

(continued)

**GALVESTON COUNTY, TEXAS  
OPERATING INDICATORS BY FUNCTION  
LAST SIX FISCAL YEARS \***

<u>Function /Program</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
<b>Public Safety</b>						
<i>Constables (8 precincts)</i>						
*** <i>Precinct #1</i>						
Number of Employees	4	4	4	4	4	4
Civil Cases Processed	4,988	1,781	1,743	1,472	1,611	1,407
*** <i>Precinct #2</i>						
Number of Employees	4	4	4	4	4	4
Civil Cases Processed	1,013	954	792	1,022	1,056	1,165
*** <i>Precinct #3</i>						
Number of Employees	5	6	6	6	6	7
Civil Cases Processed	427	1,517	2,500	3,500	3,626	4,500
*** <i>Precinct #4</i>						
Number of Employees	5	4	4	4	4	5
Civil Cases Processed	1,440	1,304	846	911	782	687
*** <i>Precinct #5</i>						
Number of Employees	4	4	4	4	4	4
Civil Cases Processed	1,400	2,200	2,046	2,240	2,110	2,704
*** <i>Precinct #6</i>						
Number of Employees	3	3	3	6	3	3
Civil Cases Processed	91	94	92	40	67	45
*** <i>Precinct #7</i>						
Number of Employees	9	7	12	12	12	7
Civil Cases Processed	2,016	2,083	2,800	1,902	2,154	2,439
*** <i>Precinct #8</i>						
Number of Employees	11	10	10	9	8	8
Civil Cases Processed	1,442	2,148	2,301	2,036	1,977	1,803
<b>Road, Bridges &amp; Right-of-Way</b>						
<i>County Maintained Roads - Road and Bridge</i>						
(Lane Road Miles)						
Precinct #1	213.76 miles	211.57 miles	199.2 miles	199.2 miles	208.0 miles	203.3 miles
Precinct #2	126.95 miles	118.35 miles	104.4 miles	104.4 miles	105.0 miles	104.8 miles
Precinct #3	21.93 miles	21.02 miles	20.5 miles	20.5 miles	20.0 miles	21.3 miles
Precinct #4	6.22 miles	6.06 miles	5.10 miles	5.10 miles	5.0 miles	7.3 miles
<b>Health and Social Services</b>						
Community Services						
Community Clinics	2	2	2	2	2	2
Employees' CareHere! Clinics	-	2	2	2	2	2
<b>Culture and Recreation</b>						
County Parks Department						
Park Permits Approved	412(a)	623(a)	986	965	904	850
Festival & Special Events Hosted	22(a)	25(a)	11	11	12	12
Vehicle Permits Sold (a)	-	22,059	30,880	14,985 (c)	24,859	30,895
Golf Permits Sold (a)	-	1,606	2,192	1,496 (c)	1,409	1,981

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 Article5, Section 18(a) of Texas Constitution.

\*\*\*The figures provided by the Constables Precinct 1 - 9 were the total count for various cases/warrants

(a) Parks Department have created the Bolivar Beach Parking Sticker Program in 2007 which issues permits to Bolivar Peninsula beaches.

(b) Updated figure for Precinct#3 Civil Cases Filed in 2007 .

(c) 2009 numbers are post Hurricane Ike.

**GALVESTON COUNTY, TEXAS  
COUNTY AUDITOR'S OFFICE PERSONNEL**

March, 2012

*Cliff Billingsley, BS, MPA, CPA  
County Auditor*

*Rolando (Ron) Chapa, BBA, CPA  
First Assistant County Auditor - Director of Auditing*

*Latoya Jordan, BBA  
First Assistant County Auditor - Director of I.T. Systems*

*Jeffrey P. Modzelewski, BA, MA, MBA, CPA  
First Assistant County Auditor - Director of Accounting*

<i>Kristin Bulanek, BBA</i>	<i>Internal Auditor III</i>
<i>Ana de Leon</i>	<i>Senior Accounts Payable Technician</i>
<i>E. (Suzie) Dover</i>	<i>Administrative Coordinator</i>
<i>Sylvia Friedsam</i>	<i>Payroll Audit Manager</i>
<i>Rebecca Galloway</i>	<i>Accounts Payable Technician</i>
<i>Travis Leopulos, AA</i>	<i>Internal Auditor I</i>
<i>Diane Manning, MS, CISA</i>	<i>Financial System &amp; Report Specialist</i>
<i>Racheal Martin</i>	<i>Internal Auditor Technician</i>
<i>Dalia Macbeth</i>	<i>Accounts Payable Clerk</i>
<i>Lori McWhirter, BS</i>	<i>Internal Auditor II</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>John Sanchez, Jr., AS, BS</i>	<i>Chief Accountant</i>
<i>Katherine Seidl-Smith, BS</i>	<i>Accountant III</i>
<i>Troy Springer, BS</i>	<i>Accountant IV</i>
<i>Lauren Swift, BS</i>	<i>Accounting Supervisor</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 III</i>
<i>Vacant</i>	<i>Internal Audit Supervisor</i>
<i>Vacant</i>	<i>Accounting Supervisor</i>
<i>Vacant</i>	<i>Accounts Payable Technician</i>
<i>Vacant</i>	<i>I.T. Systems Technician</i>
<i>Vacant</i>	<i>Accounting Technician</i>
<i>Vacant</i>	<i>Internal Auditor I</i>
<i>Vacant</i>	<i>Internal Auditor II</i>

# GALVESTON COUNTY, TEXAS COUNTY AUDITOR'S OFFICE PERSONNEL - ORGANIZATIONAL CHART MARCH, 2012

