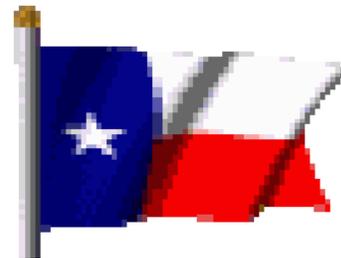
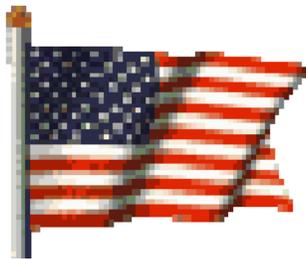
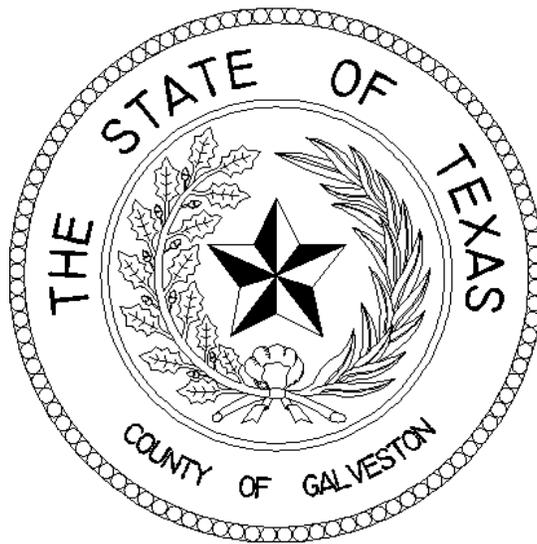


# **Galveston County, Texas**

## **COMPREHENSIVE**

### **ANNUAL FINANCIAL REPORT**



**FOR THE FISCAL YEAR ENDED**  
**SEPTEMBER 30, 2012**



GALVESTON COUNTY, TEXAS  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
For the fiscal year ended  
September 30, 2012

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



Galveston County, Texas  
 Comprehensive Annual Financial Report  
 For the Fiscal Year Ended September 30, 2012

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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 29, 2013

To the Honorable District Judges of Galveston County:

Kerry L. Neves, 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  
Michelle M. Slaughter, 405<sup>th</sup> Judicial District;

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

Mark A. Henry, County Judge  
Ryan Dennard, 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, 2012.

#### 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 Whitley Penn, LLP, 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, 2012, 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, 2012, 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 52 and 53.

**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 has reimbursed issuers for 35% of the interest they pay on such bonds. However, just prior to the issuance of this report the county learned that automatic federal budget reductions triggered on March 1, 2013, will decrease this 35% rebate by 8.7% for the county’s remaining interest payments on Build America Bonds for the fiscal year ending September 30, 2013, and the amount of the rebate for future debt-service payments is as yet undetermined.

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. The county issued the following four series of refunding debt in its fiscal year ended September 30, 2012:

- \$4,205,000 in Limited Tax Refunding Bonds Series 2011A, which refunded \$4,140,000 of outstanding principal of the Combination Tax and Revenue Certificates of Obligation Series 2003C;
- \$4,145,000 in Unlimited Tax Refunding Bonds Series 2011B, which refunded \$4,145,000 of outstanding principal of the Unlimited Tax Road Bonds Series 2003B;
- \$3,390,000 in Limited Tax Refunding Bonds Series 2011C, which refunded:
  - \$500,000 of outstanding principal of the Tax and Revenue Certificates of Obligation Series 1999;
  - \$1,670,000 of outstanding principal of the Tax and Revenue Certificates of Obligation Series 2002; and
  - \$1,200,000 of outstanding principal of the Tax and Revenue Certificates of Obligation Series 2002A; and
- \$40,910,000 in Pass-Through Toll Revenue and Limited Tax Refunding Bonds Series 2012, which refunded \$42,530,000 of outstanding principal of the Pass-Through Toll Revenue and Limited Tax Bonds Series 2007.

At September 30, 2012, the county’s outstanding bonded debt, including cumulative accretion, totaled \$340,055,336. During that fiscal year then ended, and apart for the refunding of principal detailed above, the county paid \$16,959,988 in principal and \$14,491,417 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, 2012, the county recognized 407 retirees, 140 of whom were eligible for

full health-insurance coverage and 267 of whom received reduced Medicare-supplement insurance. The county follows the provisions of Governmental Accounting Standards Board Statement 45 with regard to the accounting for post-employment benefits other than pensions, or “OPEB,” recognizing an actuarially determined portion of that expense annually as it is deemed to be incurred through 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 77-82 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, 2012, the county earned \$1,119,356 in interest, \$540,925 of that from investments and \$578,431 from deposits. More information about the county’s deposits and investments can be found in Note III.A. to the Financial Statements on pages 62-64 of this report.

### **Major initiatives.**

#### *Roads*

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 much 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 September 30, 2012; another \$1.5 million is expected in early calendar-year 2013. Construction on phase II of II is under way and expected to be completed in calendar-year 2013 at an estimated total cost of \$25 million, with the corresponding TXDOT subsidies beginning late in that calendar year.

#### *Flood Control*

In September 2009 the county issued \$15 million of bonds for flood-control work. Of the four major projects identified, three, to which was allocated a total of \$5 million of the \$15 million in funding, have been completed. The remaining and largest of the four projects, the Mud Gully detention basin on Clear Creek, is a joint project of Galveston and Harris Counties projected to cost the two entities \$10 million and \$20 million, respectively. The inter-local agreement was approved by Commissioners’ Court in early December 2011. Design work is well under way, environmental work has begun, and construction is expected to start midway through calendar-year 2014.

#### *Marine Navigation*

After ten years of funding, design, and construction efforts, the project to widen the passage under the Galveston causeway railroad bridge is nearly finished. The clearance has increased from the former 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 was 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 new bridge is now operational; the City of Galveston is to re-route its adjacent 30” and 39” water lines, and the entire project is expected to be complete in the first part of calendar-year 2013.

### *Land*

In October 2011, the county closed on the sale of some excess 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. The buyer, nationwide home-improvement retailer Lowe's, plans to build one of its large stores on the site, although general economic conditions caused by the recent recession have caused it to delay the start of construction.

### *Technology*

- **IFAS UPGRADE** - The county has started the process of upgrading its IFAS integrated fund accounting software from version 7i to version OneSolution. The project's estimated completion date is January 2014. The upgrade will entail the transfer of IFAS databases from an Informix to an SQL platform and will add some long-awaited functionality, such as the "Employee Online" module.
- **KASEYA SYSTEMS MANAGEMENT** – The implementation of Kaseya software will automate recurring systems tasks and allow the Information Technology Department to monitor and manage all county computer systems from a single screen. Kaseya will also replace INFRA, the current Information Technology ticketing system, and WebTMA, the current Facilities, Parks, and Road & Bridge ticketing and work-order system, thereby achieving a combined savings of some \$30,000 in annual maintenance costs.
- **MICROSOFT EXCHANGE MIGRATION** – In 2013 the county will transition its e-mail software, Microsoft Exchange, from version 2003 to version 2010, the redesigned webmail interface of the latter more closely resembling Microsoft Outlook.
- **PRINTER/COPIER REPLACEMENT** – The county has issued a Request for Proposals as a first step in replacing its existing fleet of printer/copiers, said fleet consisting of 104 multi-function devices throughout the various departments of the county in addition to those used by the print shop. Related recommended changes to current printing practices could save some \$200,000 in printing expense annually.
- **DATA DISASTER-RECOVERY** – In July 2012 the county began to expand its Storage Area Network ("SAN"), the centralized repository for all of its electronic data, located in the county courthouse. As a part of this process, the county purchased another SAN to be installed at the Emergency Management Facility in Dickinson, thereby permitting county data replication in two separate buildings located twenty-five miles apart. The expansion will provide an increase in bandwidth and will include the acquisition of VMware Site Recovery Manager software, the latter allowing proactive testing of data security in mock scenarios well before actual disasters occur.
- **"ONBASE" ENTERPRISE CONTENT MANAGEMENT** – The county has committed to providing efficient, secure, and compliant management of documents, records, and processes - collectively known as "Enterprise Content Management" ("ECM") - through the installation of OnBase software and related policies, procedures, and technology. The project is expected to result in significant reductions of staff hours and paper costs. Functionality will include: electronic filing and retrieval systems; cross-referencing, retention and redaction; electronic forms; and automated workflows. Deployments already completed include those for Bid and Proposal Management, Contract Management, and Procurement Receipts. Deployments in 2013 will occur in the Purchasing, County Auditor, Professional Services, County Treasurer, and Human Resources Departments, and will affect records of internal audits, purchase orders, personnel, payroll, deposit warrants, grants, banking, journal entries, and invoices.

- COUNTY WEBSITE - In August 2012, the Information Technology Department announced the intent to revamp the county website. A test site was created, and staff began gathering from the various county departments, and uploading to that test site, data which will ultimately shape the look and feel of the production site. The anticipated “go live” date for this project is January 1, 2013, pending the approval of Commissioners’ Court.
- COUNTY INTRANET – In early fiscal 2012, the Information Technology Department collaborated with Summit 7 Systems to create a county intranet based on “SharePoint” technology. This intranet will facilitate intra-county collaboration by enabling the sharing of electronic data across all county departments. The basic framework, structure, and design are complete, and an aggressive implementation schedule is planned. Phase I of II of the implementation is expected to last one week per department; Phase II of II will entail revisiting those departments which require advanced configurations and workflows.
- “SIRE” AGENDA MANAGEMENT AND VIDEO STREAMING – The county is progressing toward implementing SIRE technology to bring improved efficiencies to the creation and distribution of Commissioners’ Court agenda packets, and to the creation, storage, and retrieval of Commissioners’ Court minutes. Savings will be reaped in decreased printing costs, e-mail traffic, and labor hours. Additionally, Galveston County citizens will enjoy better functionality in the live web streaming of Commissioners’ Court meetings and web retrieval of archived prior meetings.

#### *Facilities*

- MID-COUNTY ANNEX - The Mid-County Annex in Texas City became operational during fiscal year 2012. County health facilities occupy approximately 75% of its square footage, and the remainder is leased to the Galveston Central Appraisal District. Some final portions of the project remain to be accomplished in fiscal year 2013, including two that are major: the landscaping of the property and a build-out for the Sheriff’s Patrol Division.
- FORMER NORTH JAIL - The county will remodel the entire former north jail at 715 19<sup>th</sup> Street in Galveston for use for records storage for the court system, the District Attorney’s Office, and perhaps other departments. The project will begin after the coordination of construction documentation, expected to occur in December 2012. The remodel could be completed as early as calendar year-end 2013. 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 staff and Galveston County Historical Commission and Museum personnel will occupy the building’s first floor.
- LLEWELYN BUILDING – Only the eastern portion of the Llewelyn Building has been reoccupied since Hurricane Ike struck in September 2008. Construction contracts for the western portion are now in place, and renovation has begun. Work will include exterior clean-up, minor demolition to the southern side of the wash canopy, remodeling of the first floor to accommodate the CareHere! Clinic, removal of old partitions in the bulk-storage areas, and the additions of a second exit for, and elevator access to, the second floor. Construction is expected to be completed early in calendar-year 2013.

- COUNTY HISTORICAL MUSEUM - The Mary Moody Northern Endowment had donated the use of the former City National Bank building to the county in 1984 for use as the Galveston County Historical Museum. The edifice suffered significant damage during Hurricane Ike in September 2008 and would have required substantial repairs prior to reoccupation. The county declined to make those repairs, and in fiscal year 2012, as permitted by the terms of the donation, the county allowed the use of the facility to revert to the Mary Moody Northern Endowment.
- ROAD AND BRIDGE FACILITIES –
  - IN CRYSTAL BEACH – Construction of this facility will provide space for offices, equipment storage, and equipment maintenance on the Bolivar Peninsula for the county’s Road and Bridge Department. A separate project will construct a fueling station on the same site. Both projects will be partially funded by FEMA.
  - IN DICKINSON – If approved by Commissioners’ Court, this project would renovate deteriorated facilities deemed at imminent risk of failure at the existing county Road and Bridge Department site in Dickinson. It would be partially funded by FEMA.
- CRYSTAL BEACH FIRE/E.M.S. STATION – Construction is under way and will be completed in February 2013. Funding is provided by the first round of Community Development Block Grant stimulus monies released after Hurricane Ike.
- HIGH ISLAND EMERGENCY SHELTER – This project originally was to be a fire/E.M.S. station constructed on a site that was later deemed to be part of a protected wetland area. The project was redefined as an emergency shelter to be built on property owned by the High Island Independent School District. Design documents are under way, and funding will be provided by the first round of Community Development Block Grant stimulus monies released after Hurricane Ike.

## 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, 2011. This was the fifteenth 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.

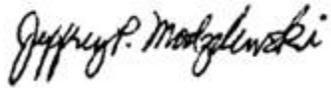
The County of Galveston, Texas, also received the GFOA’s Distinguished Budget Presentation Award for its annual budget document for the fiscal year ended September 30, 2011. To qualify for the Distinguished Budget Presentation Award, the government’s budget document had to be judged proficient as a policy document, a financial plan, an operations guide, and a communications device.

County Auditor Cliff Billingsley passed away unexpectedly on February 19, 2013, as this report was in preparation. He had served in that position for nearly ten years, and his departmental staff, as well as many officials and employees within our Galveston County “family” who had come to know him over the years, mourn his loss.

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 the duties of County Auditor.

Respectfully submitted,



Jeffrey P. Modzelewski, CPA  
Acting County Auditor



In Memoriam  
Cliff Billingsley, CPA  
1944 - 2013

# 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, 2011

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



*Christopher P. Moynell*

President

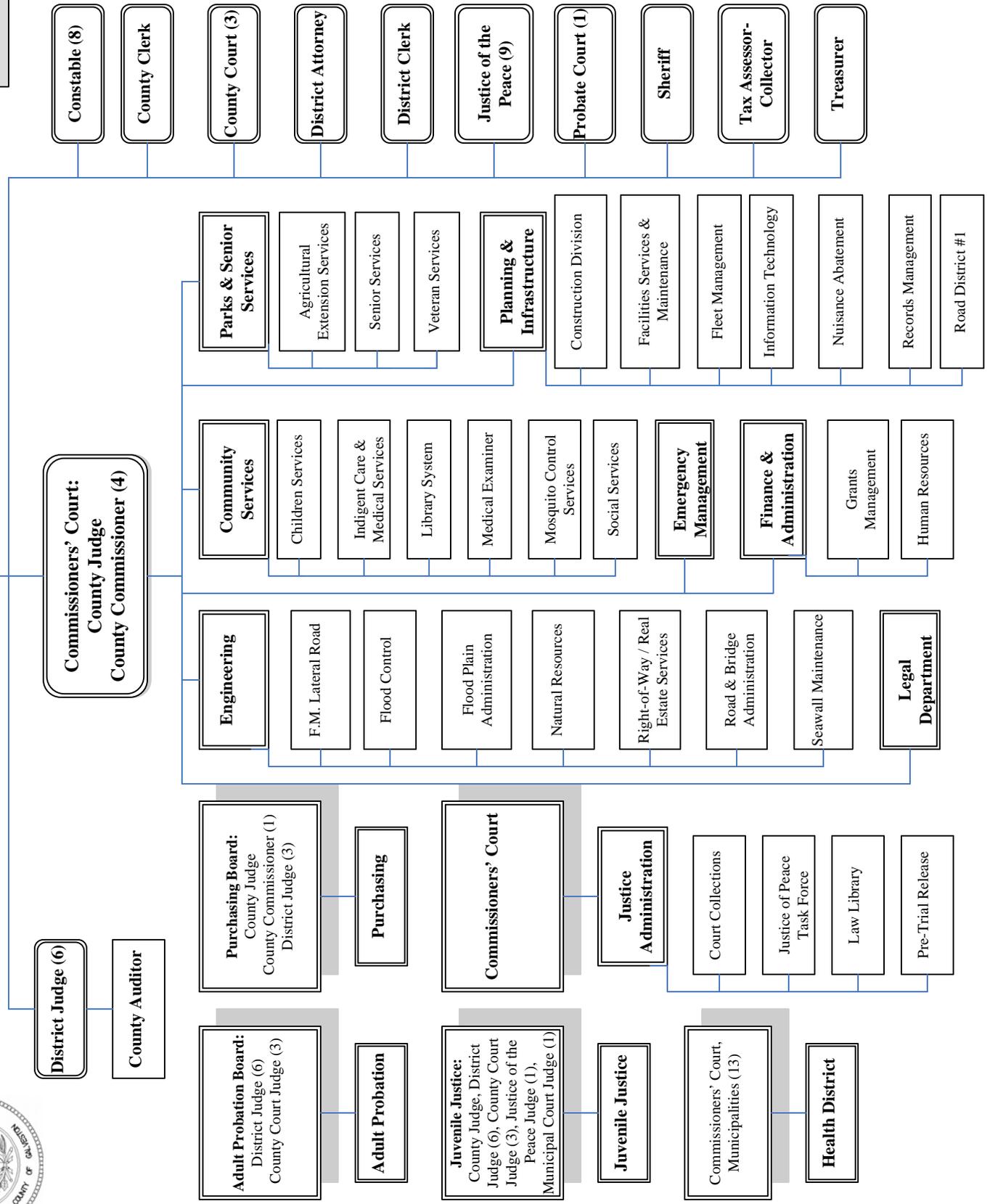
*Jeffrey R. Emer*

Executive Director



# Galveston County Citizens

## Galveston County Organizational Chart



**GALVESTON COUNTY, TEXAS**  
**LIST OF ELECTED AND APPOINTED OFFICIALS**  
**March 31, 2013**

<i>Kerry L. Neves</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>Michelle M. Slaughter</i>	<i>Judge, 405th District Court</i>
<i>Mark Henry</i>	<i>County Judge</i>
<i>Ryan Dennard</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>Jeff Modzelewski</i>	<i>Acting County Auditor</i>
<i>Dwight Sullivan</i>	<i>County Clerk</i>
<i>Jack Roady</i>	<i>Criminal District Attorney</i>
<i>John Kinard</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>Henry Trochesset</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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## Report of Independent Auditors

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 discretely presented component unit, each major fund, and the aggregate remaining fund information of Galveston County, Texas (the "County"), as of and for the year ended September 30, 2012, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Galveston County Health District, which represents 100% of the assets, net assets, and revenues of the discretely presented component unit. 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 discretely presented component unit, each major fund, and the aggregate remaining fund information of Galveston County, Texas, as of September 30, 2012, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 28, 2013, 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

To the Honorable Mark Henry, County Judge  
and Members of the Commissioners Court  
Galveston County, Texas  
Page 2 of 2

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.

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

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

Whitley Penn LLP

March 28, 2013

## 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, 2012. 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, 2012, the county's assets of \$470,916,600 exceeded its liabilities of \$407,482,267 by \$63,434,333 ("net assets"), a decrease of \$13,487,364 in net assets from September 30, 2011.
- Of these net assets, \$107,571,335 is invested in capital assets (net of related debt), \$14,212,476 is restricted for specific uses, and \$(58,349,478) is unrestricted.
- Of the liabilities of \$407,482,267, \$354,427,978 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. The county issued \$52,650,000 in principal of refunding bonds in fiscal year 2012, which retired \$54,185,000 of maturities of other outstanding debt series.
- The county's expenses of \$253,630,623 exceeded its revenues of \$240,801,516 by \$12,829,107 in this same fiscal year.
- Of these revenues of \$240,801,516, program revenues, such as grant revenues and charges for services, contributed \$112,921,406, while general revenues, such as ad valorem taxes, contributed \$127,880,110.

### 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 52-53.

### Fund Financial Statements

A “fund” is a group of related accounts used to control resources that have been segregated for specific activities or objectives. The county, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the county can be divided into one of three categories: Governmental Funds, Proprietary Funds, or Fiduciary Funds.

*Governmental Funds* are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, Governmental Funds financial statements focus on near-term inflows and outflows of resources, and on the balances of those resources available for spending at fiscal year-end. Such information can be useful in evaluating a government’s near-term financing requirements. Governmental Funds include the General Fund, Special Revenue Funds, Debt Service Funds, Capital Projects Funds, and Permanent Funds. The county presently accounts for no Permanent Funds.

Because the focus of Governmental Funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for the former with similar information presented for governmental activities in the latter. By doing so, readers can better understand the long-term impact of the government’s near-term financing decisions. Fund financial statements either reinforce the information provided in the government-wide financial statements (for instance, with regard to proprietary funds) or provide additional information (for instance, with regard to governmental funds and fiduciary funds). Both the Governmental Funds Balance Sheet and the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between Governmental Funds and governmental activities.

The county maintains ninety-eight individual Governmental Funds. Information is presented separately in the Governmental Funds Balance Sheet and in the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances for the following six 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 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, 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. For the fiscal year ended September 30, 2012, the county reports three Internal Service Funds, one each to account for activity related to: group health and unemployment insurance; general casualty and liability insurance; and workers’ compensation insurance. Effective October 1, 2011, the county began to record the activity formerly recorded in the Workers’ Compensation Fund in the Group Insurance Fund and closed the former fund into the latter fund during that fiscal year. 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 nine 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 \$63,434,333 at the close of the fiscal year ended September 30, 2012.

By far the largest portion of the county’s net assets, \$107,571,335, 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 \$14,212,476 of the county's net assets is subject to external restrictions. The remainder, (\$58,349,478), 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 \$13,487,364 (16.68%) during the fiscal year ended September 30, 2012. Underlying revenues decreased by \$72,467,254 (23.13%), while underlying expenses decreased by \$82,632,088 (24.57%). 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 decrease in revenues include:

- a \$38.1 million decrease in Federal Emergency Management Agency (FEMA) funding for the Ike-related Hazard Mitigation Grant Program (HMGP-Ike), as the program is 95% complete;
- a \$5.7 million decrease in Disaster Recovery VI-Ike funding, as the major programs have been completed; and
- a \$29.8 million decrease in funding by other entities for the Galveston Causeway Railroad Bridge project as the project nears completion.

The key factors in the decrease in expenses include:

- a \$38.1 million decrease in expenditures for buy-outs and elevation projects for homes impacted by Hurricane Ike, as the HMGP-Ike project nears completion;
- a \$6 million decrease in expenditures related to the Disaster Recovery VI-Ike program involving remediation and reconstruction of county facilities impacted by Hurricane Ike, as the major programs have been completed; and
- a \$29.5 million decrease in expenditures on the Galveston Causeway Railroad Bridge alteration project required by the U.S. Coast Guard, as this project is nearing completion.

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.

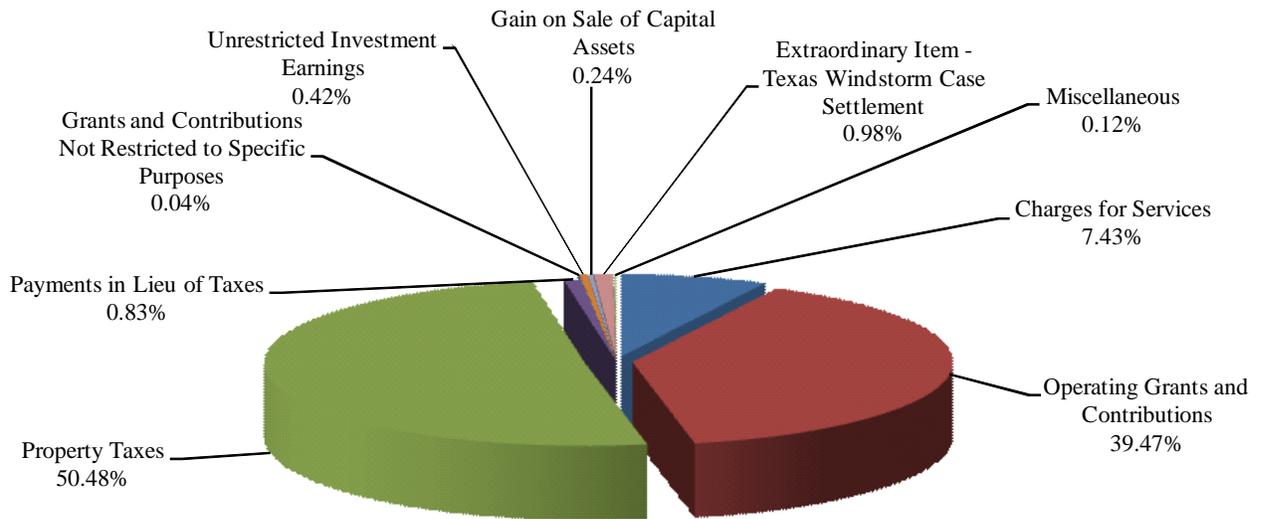
**COUNTY OF GALVESTON, TEXAS**  
Net Assets

	<u>2012</u>	<u>2011</u>
Current and Other Assets	\$ 191,492,341	\$ 246,004,569
Capital Assets	<u>279,424,259</u>	<u>272,182,928</u>
Total Assets	<u>470,916,600</u>	<u>518,187,497</u>
Long-Term Liabilities Outstanding	354,427,978	362,206,651
Other Liabilities	<u>53,054,289</u>	<u>79,059,149</u>
Total Liabilities	<u>407,482,267</u>	<u>441,265,800</u>
Net Assets:		
Invested in Capital Assets, Net of Related Debt	107,571,335	102,409,810
Restricted	14,212,476	13,883,240
Unrestricted	<u>(58,349,478)</u>	<u>(39,371,353)</u>
Total Net Assets	<u>\$ 63,434,333</u>	<u>\$ 76,921,697</u>

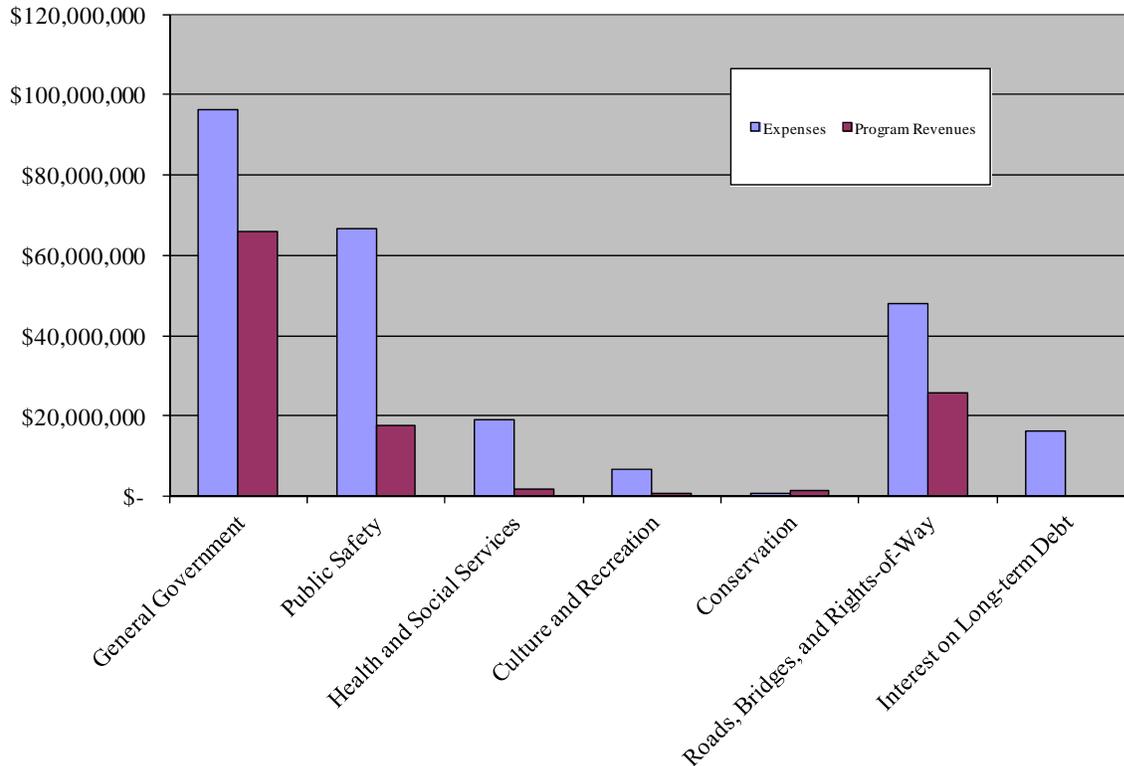
**COUNTY OF GALVESTON, TEXAS**  
**Changes in Net Assets**

	<u>2012</u>	<u>2011</u>
Revenues:		
Program Revenues:		
Charges for Services	\$ 17,884,928	\$ 17,033,797
Operating Grants and Contributions	95,036,478	171,372,833
Capital Grants and Contributions	-	203,106
General Revenues:		
Property Taxes	121,548,660	119,396,970
Payments in Lieu of Taxes	1,993,826	2,101,399
Grants and Contributions Not Restricted to Specific Purposes	85,725	18,100
Unrestricted Investment Earnings	1,021,668	1,878,100
Gain on Sale of Assets	576,005	35,605
Miscellaneous	284,976	533,110
Extraordinary Item - Texas Windstorm Case Settlement	2,369,250	695,750
Total Revenues	<u>240,801,516</u>	<u>313,268,770</u>
Expenses:		
General Government	96,349,934	100,080,954
Public Safety	66,696,483	106,659,615
Health and Social Services	19,154,046	17,037,518
Culture and Recreation	6,674,123	6,181,346
Conservation	534,570	492,485
Roads, Bridges, and Rights-of-Way	47,983,614	87,813,896
Interest on Long-term Debt	16,237,853	17,996,897
Total Expenses	<u>253,630,623</u>	<u>336,262,711</u>
Increase (Decrease) in Net Assets	(12,829,107)	(22,993,941)
Net Assets - Beginning	76,921,697	98,724,317
Prior Period Adjustments	(658,257)	1,191,321
Net Assets - Ending	<u>\$ 63,434,333</u>	<u>\$ 76,921,697</u>

### 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, 2012, the county's Governmental Funds reported a combined ending fund balance of \$139,543,982, a decrease of \$27,438,647 from September 30, 2011. A small portion of that amount, 0.42% or \$587,133, is non-spendable because it is in the form of inventories and prepaid assets. Some 63.34% or \$88,382,908 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 36.24%, or \$50,573,941, of fund balance is available for new spending. Of that amount, 9.13% or \$12,736,997, is classified as "assigned," i.e., tentatively earmarked for specific uses, as follows:

- Self-insurance, \$1,500,000;
- Contingent liabilities, \$1,000,000;
- Disaster protection, \$2,500,000; and
- Other construction projects, \$7,736,997.

The final 27.11% or \$37,836,944 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, 2012, the General Fund's unassigned fund balance totaled \$38,191,465; its total fund balance increased during the year then ended by \$10,328,907, to \$43,191,465. 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 39.4% and 44.6%, respectively, of its total expenditures for the fiscal year ended September 30, 2012.

The increase in the General Fund's unassigned fund balance is primarily due to a decrease of approximately \$6.35 million in net transfers out of the General Fund to fund capital projects in the parks department and county capital project funds.

The HMGP ("Hazard Mitigation Grant Program") – Ike Special Revenue Grant Fund is a major fund with a fund balance at September 30, 2012, of (\$354,521). The decrease from the fiscal year 2011 zero fund balance is due to expenditures that will be reimbursed through a local cash-match in fiscal year 2013, as mentioned in Note II.C, to the Financial Statements on page 62. 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, 2012, of \$0. There is no change to fund balance from prior year. 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, 2012, of \$2,446,616. The fund balance increase of \$2,164,143 from the prior year is mainly attributable to insurance recovery proceeds. 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.

Two of the county's capital-projects funds qualified as major funds at September 30, 2012. The following are the amounts of their fund balances at that fiscal year-end and descriptions of their purposes:

- The Unlimited Tax Road Bonds Series 2009A Capital Projects Fund has a fund balance of \$18,868,846, which is a decrease of \$16,829,194 from fiscal year 2011. This decrease resulted from the normal activity for which this fund was created, i.e., expenditures and capital outlay for various road projects. 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 funded by a dedicated bond issue.
- The Galveston Causeway Railroad Bridge Project Fund has a fund balance of \$161,786, a decrease of \$98,236. This slight decrease is a result of normal expenditures for this project. 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 special-revenue funds decreased by \$5,192,783, mainly due to three funds: Juvenile Justice Fund, Emergency Management Fund and Indigent Health Care Fund. Transfers in from the General Fund decreased in both the Juvenile Justice Fund (by \$1,956,800), and the Indigent Health Care Fund (by \$2,000,000). These transfers help offset expenditures in these funds. In the Emergency Management Fund, expenditures and transfers out exceeded revenue by \$574,014.

The aggregate fund balance of debt-service funds decreased by \$699,495 in part to new refunding bonds in the amount of \$52,650,000 being issued which retired \$54,185,000 in other outstanding debt. In addition, scheduled principal payments were made timely.

The aggregate fund balance of the non-major capital-projects funds decreased by \$16,099,211 as expenditures continued on several park, building, and road projects. Some of the major expenditures for fiscal year 2012 included \$9.4 million on the new Mid-County Annex building, \$1.3 million for the Spillway Park project and \$5.8 million on the FM 646 Pass-Through Toll Road Project.

### **General Fund Budgetary Highlights**

The final amended General Fund expenditures budget of \$106,651,640 was \$1,525,255 greater than the original budget of \$105,126,385. The increase was primarily due to:

- increased costs of professional contract services in the Information Technology Department;
- additional costs in Community Services to the Galveston County EMS for a proposed Bolivar Peninsula Emergency Medical Service contract; and
- an anticipated increase in salary expenses related to career-path program promotions in the Sheriff's Office for deputies completing educational training sanctioned by the Texas Commission on Law Enforcement Standards.

During the year, both actual revenues and actual expenditures were less than final budgeted amounts by \$402,083 and \$9,831,055, 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 in Galveston and to TIRZ 2 and TIRZ 3 in League City;

- less received than expected in payments of fines and forfeitures in the Offices of the County and District Clerks; and
- less investment earnings than anticipated.

The positive variance in expenditures is attributable in part to:

- a county-wide policy to leave vacated positions unfilled for at least four payroll periods unless an exemption is requested of, and approved by, Commissioner's Court;
- an anticipated ad valorem tax refund that did not materialize;
- less juror costs than expected;
- a decrease in payments for software maintenance agreements in an effort to reduce the county's overall expenditures;
- a delay in repairs to the 61<sup>st</sup> boat ramp, as well as various other park projects that deferred planned spending; and
- less than anticipated overall utility expenses

## **Capital Asset and Debt Administration**

### Capital Assets

The county's investment in capital assets at September 30, 2012, net of accumulated depreciation, totaled \$279,424,259, an increase of \$7,241,331 (2.7%). 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 buildings and improvements asset class, as construction-in-progress projects were completed. The majority of the expenditures, \$9,388,463, can be attributed to remodeling of the Mid-County Annex, which now houses the Galveston Central Appraisal District and the Health District. An additional \$3,104,010 was spent on construction of the Crystal Beach EMS Facility, while another \$2,128,267 was spent on Deats Road and Lawrence Road Improvements.

During the year, other improvements to various county facilities continued. Completed were the Mid-County Annex and Animal Resource Center, classified as construction in progress at last fiscal year-end. These projects were transferred to the buildings-and-improvements asset class. With the completion of the La Marque Pump Station improvements and the Ft. Travis Park road and parking lot improvements, the related expenditures were reclassified to the improvements-other-than-buildings asset class. In addition, improvements to Deats Road, Lawrence Road and Algoa-Friendswood Road were also completed and reclassified to infrastructure. At September 30, 2012, construction in progress related to buildings, improvements other than buildings, and infrastructure totaled \$3,282,544, \$4,298,548, and \$724,898, respectively.

**COUNTY OF GALVESTON, TEXAS**  
**Capital Assets (Net of Depreciation)**  
**At September 30, 2012 and 2011**

	<u>2012</u>		<u>2011</u>
Land	\$ 33,999,754	\$	33,225,943
Infrastructure	70,122,569		66,135,947
Buildings and Improvements	152,072,248		129,739,939
Machinery and Equipment	10,893,878		11,933,737
Improvements Other than Buildings	4,029,820		2,510,404
Construction in Progress	8,305,990		28,636,958
Total	\$ 279,424,259	\$	272,182,928

Additional information on the county’s capital assets is found in Note III.C. to the Financial Statements on pages 66-68 of this report.

Debt Administration

At September 30, 2012, the county’s outstanding bonded debt, including cumulative accretion, totaled \$340,055,336, comprising \$2,145,000 in certificates of obligation and \$337,910,336 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, 2012 and 2011**

	<u>2012</u>		<u>2011</u>
Certificates of Obligation	\$ 2,145,000	\$	12,715,000
General Obligation Bonds	337,910,336		344,177,109
Total	\$ 340,055,336	\$	356,892,109

The county’s outstanding bonded debt decreased by a net 4.72%, or \$16,836,773, during the fiscal year ended September 30, 2012. New refunding debt added \$52,650,000 of outstanding principal, but this was more than offset by a decrease of \$71,144,988 resulting from \$54,185,000 of refunded principal and \$16,959,988 of scheduled principal payments. Current-year accretion on capital-appreciation bonds added \$2,398,227 to the debt balance; this increase was partially offset by the payment of \$740,012 on accreted maturities. 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 \$1,262,252,000, 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 \$5,592,175,000, 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 71-74 of this report.

**Next Year's Budgets and Rates**

During the fiscal year ended September 30, 2012, the General Fund's unassigned fund balance increased to \$38,191,465. The county has appropriated \$19,569,884 of the General Fund unassigned fund balance in its expenditure budget for the fiscal year ending September 30, 2013. The county has also earmarked \$5,012,000 of the unassigned fund balance for self-insurance, disaster protection, beach and parks, and other contingencies.

**Requests for Information**

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

# Basic Financial Statements

**GALVESTON COUNTY, TEXAS**  
**STATEMENT OF NET ASSETS**  
**September 30, 2012**

	<b>Governmental Activities</b>	<b>Component Unit</b>
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 126,946,890	\$ 5,243,750
Investments	-	91,469
Receivables (Net of Allowances for Uncollectibles):		
Taxes	11,102,079	-
Accounts and Other	49,048,543	3,409,570
Inventories	587,133	42,268
Prepaid Expenses	255,659	194,889
Deferred Charges	3,516,272	-
Restricted Assets:		
Cash and Cash Equivalents	35,765	-
Capital Assets (Net of Accumulated Depreciation):		
Land	33,999,754	-
Infrastructure	70,122,569	-
Buildings and Improvements	152,072,248	91,777
Machinery and Equipment	10,893,878	1,852,404
Improvements Other Than Buildings	4,029,820	-
Construction in Progress	8,305,990	-
<b>Total assets</b>	<b>470,916,600</b>	<b>10,926,127</b>
<b>LIABILITIES</b>		
Accounts Payable	14,459,400	1,641,441
Salaries Payable	2,963,753	-
Accrued Interest Payable	2,667,736	-
Retainage Payable	5,328,275	-
Estimated Liability - Claims and Judgements	2,749,500	-
Due to Others	3,938,008	-
Payable from Restricted Assets:		
Escrow Deposits	627,318	-
Unearned Revenues	1,894,602	2,220,392
Long-term liabilities:		
Due within one year	18,425,697	50,000
Due in more than one year	354,427,978	681,322
<b>Total liabilities</b>	<b>407,482,267</b>	<b>4,593,155</b>
<b>NET ASSETS</b>		
Invested in capital assets, net of related debt	107,571,335	1,789,181
Restricted for:		
Grants	2,557,199	-
Debt Service	9,473,333	-
Clinic Operations	-	1,531,615
Other	161,786	-
Capital projects	2,020,158	-
Unrestricted	(58,349,478)	3,012,176
<b>Total net assets</b>	<b>\$ 63,434,333</b>	<b>\$ 6,332,972</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, 2012

Functions/Programs Primary Government	Net (Expense) Revenue and Changes in Net Assets			
	Primary Government		Component Unit	
	Expenses	Charges for Services	Program Revenues	Capital Grants and Contributions
		Operating Grants and Contributions		
Governmental Activities				
General Government	\$ 96,349,934	\$ 14,807,759	\$ 51,194,299	\$ -
Public Safety	66,696,483	2,002,243	15,542,013	-
Health and Social Services	19,154,046	-	1,634,717	-
Culture and Recreation	6,674,123	483,768	221,021	-
Conservation	534,570	-	1,466,564	-
Roads, Bridges, and Rights-of-way	47,983,614	591,158	24,977,864	-
Interest on Long-term Debt	16,237,853	-	-	-
<b>Total governmental activities</b>	<b>\$ 253,630,623</b>	<b>\$ 17,884,928</b>	<b>\$ 95,036,478</b>	<b>\$ -</b>
<b>Component Unit</b>				
Galveston County Health District	\$ 22,523,199	\$ 8,928,705	\$ 5,375,130	\$ -
General revenues:				
Taxes:				
Property taxes, levied for general purposes				94,930,716
Property taxes, levied for debt service				26,617,944
Payments in lieu of taxes				1,993,826
Grants and contributions not restricted to specific programs				85,725
Unrestricted investment earnings				1,021,668
Gain (Loss) on sale of capital assets				576,005
Miscellaneous				284,976
Extraordinary Item - Texas Windstorm Case Settlement				2,369,250
Total general revenues and transfers				127,880,110
Change in net assets				(12,829,107)
<b>Net assets - beginning</b>				76,921,697
Prior Period Adjustment				(658,257)
<b>Net assets - ending</b>				<b>\$ 63,434,333</b>
				<b>\$ 63,434,333</b>
				<b>\$ (8,219,364)</b>
				<b>\$ (8,219,364)</b>
				<b>\$ 94,930,716</b>
				<b>\$ 26,617,944</b>
				<b>\$ 1,993,826</b>
				<b>\$ 85,725</b>
				<b>\$ 1,021,668</b>
				<b>\$ 576,005</b>
				<b>\$ 284,976</b>
				<b>\$ 2,369,250</b>
				<b>\$ 127,880,110</b>
				<b>\$ (12,829,107)</b>
				<b>\$ 76,921,697</b>
				<b>\$ (658,257)</b>
				<b>\$ 63,434,333</b>
				<b>\$ 63,434,333</b>
				<b>\$ (8,219,364)</b>
				<b>\$ (8,219,364)</b>

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

**GALVESTON COUNTY, TEXAS**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**September 30, 2012**

	<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	\$ 16,757,128	\$ 3,306,288	\$ -	\$ -
Receivables (Net of Allowances for Uncollectibles):				
Taxes	8,804,335	-	-	-
Accounts and Other	6,132,136	139,295	21,431,630	6,189,984
Due from Other Funds	25,980,693	-	-	-
Inventory at Cost	-	-	-	-
Prepaid Expenditures	-	-	9,951	-
Restricted Assets:				
Cash and Cash Equivalents	312,921	-	-	-
<b>Total assets</b>	<b><u>\$ 57,987,213</u></b>	<b><u>\$ 3,445,583</u></b>	<b><u>\$ 21,441,581</u></b>	<b><u>\$ 6,189,984</u></b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts Payable	\$ 2,440,188	\$ 622,054	\$ 123,959	\$ 375,165
Salaries Payable	2,480,782	-	13,518	4,849
Compensated Absences Payable	77,284	-	-	-
Retainage Payable	3,656	-	71,429	229,839
Due to Others	676,582	1,622,363	-	10,191
Payable from Restricted Assets:				
Escrow Deposits	-	-	-	-
Deposits - Held	312,921	-	-	-
Due to Other Funds	-	-	21,232,675	3,123,324
Deferred Revenues	8,804,335	1,555,687	-	-
<b>Total liabilities</b>	<b><u>14,795,748</u></b>	<b><u>3,800,104</u></b>	<b><u>21,441,581</u></b>	<b><u>3,743,368</u></b>
<b>Fund Balances:</b>				
Non-Spendable	-	-	-	-
Restricted	-	-	-	2,446,616
Assigned	5,000,000	-	-	-
Unassigned	38,191,465	(354,521)	-	-
<b>Total fund balances</b>	<b><u>43,191,465</u></b>	<b><u>(354,521)</u></b>	<b><u>-</u></b>	<b><u>2,446,616</u></b>
<b>Total liabilities and fund balances</b>	<b><u>\$ 57,987,213</u></b>	<b><u>\$ 3,445,583</u></b>	<b><u>\$ 21,441,581</u></b>	<b><u>\$ 6,189,984</u></b>

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

<b>Unlimited Tax Road Bonds Series 2009A</b>	<b>Galveston Causeway Railroad Bridge Project</b>	<b>OTHER GOVERNMENTAL FUNDS</b>	<b>TOTAL GOVERNMENTAL FUNDS</b>
\$22,626,879	\$ -	\$ 74,435,884	\$ 117,126,179
-	-	2,297,744	11,102,079
-	8,591,874	6,491,313	48,976,232
-	-	842,729	26,823,422
-	-	587,133	587,133
-	-	-	9,951
-	-	1,522,849	1,835,770
<b>\$22,626,879</b>	<b>\$8,591,874</b>	<b>\$ 86,177,652</b>	<b>\$ 206,460,766</b>
\$ 2,162,463	\$4,516,053	\$ 4,009,180	\$ 14,249,062
-	-	454,869	2,954,018
-	-	-	77,284
584,290	3,898,411	540,650	5,328,275
1,011,280	-	183,627	3,504,043
-	-	166,162	166,162
-	-	504,916	817,837
-	15,624	2,451,799	26,823,422
-	-	2,636,659	12,996,681
<b>3,758,033</b>	<b>8,430,088</b>	<b>10,947,862</b>	<b>66,916,784</b>
-	-	587,133	587,133
18,868,846	-	67,067,446	88,382,908
-	161,786	7,575,211	12,736,997
-	-	-	37,836,944
<b>18,868,846</b>	<b>161,786</b>	<b>75,229,790</b>	<b>139,543,982</b>
<b>\$22,626,879</b>	<b>\$8,591,874</b>	<b>\$ 86,177,652</b>	<b>\$ 206,460,766</b>



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**GALVESTON COUNTY, TEXAS**  
**RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF NET ASSETS**  
**September 30, 2012**

Total fund balance, governmental funds \$ 139,543,982

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. 279,424,259

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. 3,516,272

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. 5,369,152

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	(319,793,434)
Accumulated accretion on capital appreciation bonds	(20,261,902)
Community disaster loan payable	(5,000,000)
Compensated absences	(4,174,077)
Net OPEB Payable	(27,998,165)
Interest on long-term debt	(2,667,736)
Premiums on issuance of debt	(3,858,682)
Deferred loss on refunding	8,232,585

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. 11,102,079

Net assets of governmental activities in the Statement of Net Assets \$ 63,434,333

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, 2012**

	<u>General</u>	<u>HMGP Ike</u>	<u>CDBG Housing Program</u>	<u>Disaster Recovery VI Ike</u>
<b>REVENUES</b>				
Taxes	\$ 89,927,488	\$ -	\$ -	\$ -
Licenses and Permits	6,078	-	-	-
Intergovernmental	6,822,629	4,374,429	41,749,309	-
Charges for Services	7,496,198	1,875	-	-
Fines and Forfeitures	2,120,477	-	-	-
Investment Earnings	515,322	-	-	-
Miscellaneous	4,007,003	-	21,750	-
<b>Total revenues</b>	<u>110,895,195</u>	<u>4,376,304</u>	<u>41,771,059</u>	<u>-</u>
<b>EXPENDITURES</b>				
Current:				
General Government	47,625,658	-	41,771,059	-
Public Safety	32,978,191	4,063,495	-	474,633
Health and Social Services	12,116,767	-	-	-
Culture and Recreation	2,304,243	-	-	-
Conservation	432,190	-	-	-
Roads, Bridges, and Rights-of-Way	-	-	-	-
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Bond Issuance Costs	-	-	-	-
Capital Outlay	1,363,536	667,330	-	304,931
<b>Total expenditures</b>	<u>96,820,585</u>	<u>4,730,825</u>	<u>41,771,059</u>	<u>779,564</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>14,074,610</u>	<u>(354,521)</u>	<u>-</u>	<u>(779,564)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	1,584,610	-	-	574,457
Transfers Out	(5,380,400)	-	-	-
Sale of Capital Assets	50,087	-	-	-
Face Value - Long Term Debt Issued	-	-	-	-
Premium - Long Term Debt Issued	-	-	-	-
Refunded Bonds - Escrow Agent	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>(3,745,703)</u>	<u>-</u>	<u>-</u>	<u>574,457</u>
Extraordinary Item - Texas Windstorm Case Settlement	-	-	-	2,369,250
<b>Net change in fund balances</b>	10,328,907	(354,521)	-	2,164,143
<b>Fund balances-beginning</b>	32,862,558	-	-	282,473
Prior period adjustments	-	-	-	-
<b>Fund balances-ending</b>	<u><u>\$ 43,191,465</u></u>	<u><u>\$ (354,521)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 2,446,616</u></u>

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

<b>Unlimited Tax Road Bonds Series 2009A</b>	<b>Galveston Causeway Railroad Bridge Project</b>	<b>OTHER GOVERNMENTAL FUNDS</b>	<b>TOTAL GOVERNMENTAL FUNDS</b>
\$ -	\$ -	\$ 31,783,133	\$ 121,710,621
-	-	2,568,870	2,574,948
1,535,680	23,459,012	15,496,177	93,437,236
-	-	3,005,630	10,503,703
-	-	790,308	2,910,785
194,608	-	408,418	1,118,348
-	-	854,519	4,883,272
<u>1,730,288</u>	<u>23,459,012</u>	<u>54,907,055</u>	<u>237,138,913</u>
-	-	1,985,218	91,381,935
-	-	11,214,218	48,730,537
-	-	5,706,656	17,823,423
-	-	77,177	2,381,420
-	-	-	432,190
16,733,386	23,557,248	11,344,417	51,635,051
-	-	16,959,988	16,959,988
-	-	14,495,575	14,495,575
-	-	669,275	669,275
2,401,852	-	18,069,698	22,807,347
<u>19,135,238</u>	<u>23,557,248</u>	<u>80,522,222</u>	<u>267,316,741</u>
<u>(17,404,950)</u>	<u>(98,236)</u>	<u>(25,615,167)</u>	<u>(30,177,828)</u>
-	-	4,496,400	6,655,467
-	-	(4,495,667)	(9,876,067)
575,756	-	2,928,752	3,554,595
-	-	52,650,000	52,650,000
-	-	6,495,420	6,495,420
-	-	(58,451,227)	(58,451,227)
<u>575,756</u>	<u>-</u>	<u>3,623,678</u>	<u>1,028,188</u>
-	-	-	2,369,250
(16,829,194)	(98,236)	(21,991,489)	(26,780,390)
35,698,040	260,022	97,879,536	166,982,629
-	-	(658,257)	(658,257)
<u><b>\$ 18,868,846</b></u>	<u><b>\$ 161,786</b></u>	<u><b>\$ 75,229,790</b></u>	<u><b>\$ 139,543,982</b></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, 2012**

Net change in fund balances - total governmental funds: \$ (26,780,390)

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 \$22,807,340 plus donated assets of \$85,725 exceeded depreciation of \$14,307,996 in the current period. 8,585,069

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. (1,343,739)

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. (161,961)

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. 16,265,795

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	196,016
Compensated absences	23,043
Amortization of deferred charges	(294,866)
Other post employment benefits	(7,710,971)
Accretion of capital bond interest	(1,658,215)

Bond issuance costs paid during the current year will be amortized over the life of the bonds. 684,063

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. (632,951)

Change in net assets of governmental activities \$ (12,829,107)

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

**GALVESTON COUNTY, TEXAS**  
**STATEMENT OF NET ASSETS**  
**PROPRIETARY FUNDS**  
**September 30, 2012**

	<b>Governmental Activities - Internal Service Funds</b>
<b>ASSETS</b>	
Current Assets:	
Cash and Cash Equivalents	\$ 8,020,706
Receivables (Net of Allowances for Uncollectibles):	
Accounts and Other	72,311
Prepaid Items	245,708
<b>Total current assets</b>	<b>8,338,725</b>
 <b>LIABILITIES</b>	
Current Liabilities:	
Accounts Payable	210,338
Salaries Payable	9,735
Estimated Liability - Claims	2,749,500
<b>Total current liabilities</b>	<b>2,969,573</b>
 <b>NET ASSETS</b>	
Unrestricted	5,369,152
<b>Total net assets</b>	<b>\$ 5,369,152</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, 2012**

	<b>Governmental Activities - Internal Service Funds</b>
<b>OPERATING REVENUES</b>	
Intergovernmental	\$ 253,788
Charges for Services	10,962,991
Insurance Recovery - County	50,641
Reimbursements	897,395
	<b>Total operating revenues</b>
	12,164,815
<b>OPERATING EXPENSES</b>	
Personal Services	389,242
Contract Services	1,675,233
Insurance	3,215,197
Claims Paid	10,739,702
	<b>Total operating expenses</b>
	16,019,374
	<b>Operating income (loss)</b>
	(3,854,559)
<b>NONOPERATING REVENUES (EXPENSES)</b>	
Investment Earnings	1,008
	<b>Income (loss) before transfers</b>
	(3,853,551)
<b>OPERATING TRANSFERS</b>	
Transfers In	3,885,619
Transfers Out	(665,019)
	<b>Total operating transfers</b>
	3,220,600
	<b>Change in net assets</b>
	(632,951)
	<b>Total net assets-beginning</b>
	6,002,103
	<b>Total net assets-ending</b>
	<b>\$ 5,369,152</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, 2012**

	<u><b>Governmental Activities - Internal Service Funds</b></u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from Users	\$ 11,243,578
Payments to Suppliers	(5,105,975)
Payments to Employees	(385,606)
Payments for Claims	(10,739,702)
Other Operating Revenues	<u>1,148,964</u>
<b>Net cash provided (used) by operating activities</b>	<u>(3,838,741)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Transfers in	3,885,619
Transfers out	<u>(665,019)</u>
<b>Net cash provided (used) by noncapital financing activities</b>	<u>3,220,600</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Matured Investments	8,637,839
Investment Earnings	<u>1,008</u>
<b>Net cash provided (used) by investing activities</b>	<u>8,638,847</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	8,020,706
<b>Cash and Cash Equivalents October 1, 2011</b>	<u>-</u>
<b>Cash and Cash Equivalents September 30, 2012</b>	<u><u><b>\$ 8,020,706</b></u></u>
<b>Reconciliation of operating income to net cash provided (used) by operating activities:</b>	
<b>Operating income (loss)</b>	<u>\$ (3,854,559)</u>
<b>Adjustments to reconcile operating income to net cash provided (used) by operating activities:</b>	
(Increase) Decrease in Accounts Receivable	227,727
(Increase) Decrease in Prepaid Items	(38,777)
Increase (Decrease) in Accounts Payable	(172,222)
Increase (Decrease) in Salaries Payable	<u>(910)</u>
<b>Total adjustments</b>	<u>15,818</u>
<b>Net cash provided (used) by operating activities</b>	<u><u><b>\$ (3,838,741)</b></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, 2012**

		<b>AGENCY FUNDS</b>
<b>ASSETS</b>		
Cash and Cash Equivalents	\$	10,749,771
Investments		8,124,841
Receivables (Net of Allowances for Uncollectibles):		
Accounts and Other		16,904
Restricted Assets:		
Guardianship Assets		1,042,491
<b>Total assets</b>	<b>\$</b>	<b>19,934,007</b>
<b>LIABILITIES</b>		
Accounts Payable	\$	99,610
Due to Others		11,553,553
Due to Other Entities		5,980,252
Deposits Held		1,258,101
Deposits Held for Restricted Assets		1,042,491
<b>Total liabilities</b>	<b>\$</b>	<b>19,934,007</b>

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

Galveston County, Texas  
Notes to the Financial Statements  
September 30, 2012

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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 six 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 “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 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-two 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, 2012, investment earnings of \$205,293 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 first 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.

### 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 (\$312,921), and of the Emergency Management (\$33,387), Flood Control (\$2,378), Child Welfare (\$529), and Beach and Parks (\$1,486,555) 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 sick 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 up 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, 2012, the total liability for compensated absences was \$4,251,361, of which \$77,284 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 constrained by the government’s intent to use them for specific purposes, but they are neither restricted nor committed. The authority to assign fund balances rests with the Commissioners’ Court, which does so in the adoption of the county’s annual budget, but these decisions often take into account the recommendations of the County Budget Officer.
- 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, 2012, the county reports the following classifications of amounts in the fund balances of its Governmental Funds:

	General	HMGP IKE	Disaster Recovery VI Ike	Unlimited Tax Road Bonds Series 2009A	Galveston Causeway Railroad Bridge Project	Other Governmental Funds	Total Governmental Funds
<b>Non-Spendable:</b>							
Inventory	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 587,133	\$ 587,133
Prepaid Expenditures	-	-	-	-	-	-	-
<b>Total Non-Spendable</b>	-	-	-	-	-	587,133	587,133
<b>Restricted for:</b>							
General Government	-	-	-	-	-	4,466,296	4,466,296
Public Safety	-	-	2,446,616	-	-	7,464,337	9,910,953
Health and Social Services	-	-	-	-	-	8,735,758	8,735,758
Culture and Recreation	-	-	-	-	-	1,425,249	1,425,249
Roads, Bridges, and Rights-of-Way	-	-	-	-	-	4,269,277	4,269,277
Debt Service	-	-	-	-	-	10,342,448	10,342,448
County Building Projects	-	-	-	18,868,846	-	30,364,081	49,232,927
<b>Total Restricted</b>	-	-	2,446,616	18,868,846	-	67,067,446	88,382,908
<b>Assigned:</b>							
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	-	-	-	-	161,786	7,575,211	7,736,997
<b>Total Assigned</b>	5,000,000	-	-	-	161,786	7,575,211	12,736,997
<b>Unassigned:</b>	38,191,465	(354,521)	-	-	-	-	37,836,944
<b>Total Fund Balances</b>	<b>\$43,191,465</b>	<b>\$ (354,521)</b>	<b>\$ 2,446,616</b>	<b>\$ 18,868,846</b>	<b>\$ 161,786</b>	<b>\$ 75,229,790</b>	<b>\$ 139,543,982</b>

**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, forty-eight Special Revenue Funds (including all twenty-seven 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
Constables' Seizures	Sheriff's Commissary
Criminal Investigative Division Seizures Post-10/89	Sheriff Seizures Post-10/89
District Attorney Check Collection Fees	Task Force Seizures Pre-10/89
District Attorney Contraband Post-10/89	Tax Assessor-Collector Special Inventory Tax Escrow
Election Services	Unclaimed Property
Law Enforcement Continued Education	

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, 2012, in the Sheriff's Commissary Special Revenue Fund, expenditures exceeded appropriations at the departmental level (the level of legal budgetary control) by \$286,532.

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

At September 30, 2012, the HMGP Ike Special Revenue Grant Fund had a fund-balance deficit of \$354,521. The funding of that deficit by a local cash-match is budgeted in the fiscal year ending September 30, 2013.

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

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

#### *Policies and practices*

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

The county's main depository, as so designated by Commissioners' Court, is Prosperity Bank of Galveston. 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, 2012, 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, 2012, the carrying value of the county's deposits totaled \$137,732,426, and the related balances per banks totaled \$141,584,290. The carrying value of the deposits of the Galveston County Health District discretely presented component unit totaled \$5,243,750, and the related balances per banks totaled \$5,345,425. 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, 2012, 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, 2012, consisted of certificates of deposit with original maturities of four months or greater at the date of acquisition. The fair value of the county’s investments totaled \$8,124,841. 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, 2012</u>	
	<u>Fair Value</u>
Deposits:	
Demand Deposits	\$ 137,732,426
Investments:	
Certificates of Deposit	<u>8,124,841</u>
 Total Deposits and Investments	 <u><u>\$ 145,857,267</u></u>

*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, 2012, 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	\$ 8,124,841	85.00
	<u>\$ 8,124,841</u>	
Portfolio Weighted Average to Maturity		<u>85.00</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, 2012, the composition of the county's investment portfolio was as follows:

Investment Type	Fair Value	Percentage of Total Portfolio
Certificates of Deposit	\$ 8,124,841	100.00%
Total Investments	<u>\$ 8,124,841</u>	

The Health District participates in TexPool, the Texas Local Government Investment Pool. The State Comptroller of Public Accounts exercises oversight responsibility of TexPool, which includes (1) the ability to significantly influence operations, (2) designation of management and (3) accountability for fiscal matters. Additionally, the State Comptroller has established an advisory board composed of both participants in TexPool and other persons who do not have a business relationship with TexPool. The Advisory Board members review the investment policy and management fee structure. Although TexPool is not registered with the SEC as an investment company, it operates in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. As permitted by GAAP, TexPool uses amortized cost (which excludes unrealized gains and losses) rather than market value to compute share price. Accordingly, the fair value of the District's position in TexPool is the same as the value of TexPool shares. The credit rating for TexPool as of September 30, 2012 is AAAM, and the weighted average maturity is 40 days.

At September 30, 2012, Galveston County's discretely presented component unit had 100% of its investment holdings in Texpool, totaling \$91,469.

## B. Receivables

At September 30, 2012, 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, 2011):

	Taxes	Accounts and Other	Total Gross Receivables	Less Allowance for Uncollectibles	Total 2012	Total 2011
General Fund	\$ 9,437,137	\$ 6,132,136	\$ 15,569,273	\$ (632,802)	\$ 14,936,471	\$ 13,115,541
HMGP-Ike	-	139,295	139,295	-	139,295	834,276
CDBG Housing Program	-	21,431,630	21,431,630	-	21,431,630	33,097,472
Disaster Recovery VI-Ike	-	6,189,984	6,189,984	-	6,189,984	11,882,681
Limited Tax County Building Bonds Series 2009A	-	-	-	-	-	600
Galveston Causeway Railroad Bridge Project	-	8,591,874	8,591,874	-	8,591,874	12,502,087
Nonmajor Governmental Funds	2,463,465	6,491,313	8,954,778	(165,721)	8,789,057	7,791,715
Internal Service Funds	-	72,311	72,311	-	72,311	300,036
Fiduciary Funds	-	16,904	16,904	-	16,904	16,962
Total Net Receivables	\$ 11,900,602	\$ 49,065,447	\$ 60,966,049	\$ (798,523)	\$ 60,167,526	\$ 79,541,370

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, 2012, the various components of deferred revenue reported in the Governmental Funds were as follows (with summary comparative amounts at September 30, 2011):

	Delinquent Property Tax Receivable	Grants	Other	Total 2012	Total 2011
General Fund	\$ 8,804,335	\$ -	\$ -	\$ 8,804,335	\$ 9,009,023
HMGP-Ike	-	1,555,687	-	1,555,687	5,428,545
CDBG Housing Program	-	-	-	-	14,294
Disaster Recovery VI-Ike	-	-	-	-	3,679,312
Special Revenue Funds	499,123	336,219	2,696	838,038	1,353,932
Debt Service Funds	1,798,621	-	-	1,798,621	1,742,720
Total Deferred Revenue	\$ 11,102,079	\$ 1,891,906	\$ 2,696	\$ 12,996,681	\$ 21,227,826

### C. Capital Assets

#### Primary Government

Capital-asset activity for the year ended September 30, 2012, which related solely to governmental activities, was as follows:

<u>Primary Government</u>	Beginning Balance, 10/1/2011	Additions	Deletions	Ending Balance, 9/30/2012
Governmental Activities -				
Capital Assets Not Being Depreciated:				
Land	\$ 33,225,943	\$ 2,007,467	\$ (1,233,656)	\$ 33,999,754
Construction in Progress	28,636,958	17,908,444	(38,239,412)	8,305,990
Total Capital Assets Not Being Depreciated	<u>61,862,901</u>	<u>19,915,911</u>	<u>(39,473,068)</u>	<u>42,305,744</u>
Capital Assets Being Depreciated:				
Buildings and Improvements	195,719,443	30,701,924		226,421,367
Improvements Other Than Buildings	3,131,549	1,618,998		4,750,547
Machinery and Equipment	35,188,533	1,916,989	(759,182)	36,346,340
Infrastructure	148,590,776	6,978,655		155,569,431
Total Capital Assets Being Depreciated	<u>382,630,301</u>	<u>41,216,566</u>	<u>(759,182)</u>	<u>423,087,685</u>
Less Accumulated Depreciation for:				
Buildings and Improvements	(65,979,504)	(8,369,615)		(74,349,119)
Improvements Other Than Buildings	(621,145)	(99,582)		(720,727)
Machinery and Equipment	(23,254,796)	(2,846,766)	649,100	(25,452,462)
Infrastructure	(82,454,829)	(2,992,033)		(85,446,862)
Total Accumulated Depreciation	<u>(172,310,274)</u>	<u>(14,307,996)</u>	<u>649,100</u>	<u>(185,969,170)</u>
Total Capital Assets Being Depreciated, Net	<u>210,320,027</u>	<u>26,908,570</u>	<u>(110,082)</u>	<u>237,118,515</u>
Governmental Activities Capital Assets, Net	<u>\$ 272,182,928</u>	<u>\$ 46,824,481</u>	<u>\$ (39,583,150)</u>	<u>\$ 279,424,259</u>

Depreciation expense for the primary government for the year ended September 30, 2012, which related solely to governmental activities, was charged to functions/programs as follows:

	<u>2012</u>	<u>2011</u>
General Government	\$ 5,756,145	\$ 5,534,360
Public Safety	5,852,828	6,044,929
Health and Social Services	142,697	160,537
Culture and Recreation	670,744	634,915
Conservation	9,093	11,174
Roads, Bridges, and Rights-of-Way	1,876,489	1,772,867
Total Depreciation Expense	<u>\$ 14,307,996</u>	<u>\$ 14,158,782</u>

Capital projects of the primary government in progress at September 30, 2012, included building construction and renovations, park improvements, infrastructure improvements, and software upgrades. At that date, construction commitments with contractors comprised the following:

Project	Amount Authorized	Spent to Date	Remaining Commitment
Records Storage Building	\$ 227,800	\$ 178,534	\$ 49,266
Crystal Beach EMS Facility	3,374,001	3,104,010	269,991
Ft. Travis Walkway Improvements	1,524,981	294,431	1,230,550
Washington Park/61 Street Boat Ramp	430,579	236,648	193,931
Generator Installation	2,440,650	1,101,276	1,339,374
Hwy 6 Waste Water System Improvements	250,000	250,000	-
County-Wide Drainage Improvements	2,000,000	2,000,000	-
Bayshore Shoreline Revetment	471,418	386,193	85,225
Tower Project	60,000	30,000	30,000
Bolivar Road Improvements	1,024,440	308,646	715,794
OnBase Software Development	574,113	248,191	325,922
SharePoint Software Development	197,584	168,061	29,523
Total	<u>\$ 12,575,566</u>	<u>\$ 8,305,990</u>	<u>\$ 4,269,576</u>

The projects listed above are funded as follows:

*Long-term borrowings -*

- Records Storage Building

*Grants -*

- Crystal Beach EMS Facility
- Ft. Travis Walkway Improvements
- Generator Installation
- Highway 6 Waste Water System Improvements
- County-Wide Drainage Improvements
- Bayshore Shoreline Revetment
- Tower Project
- Bolivar Road Improvements

*County operating funds -*

- Washington Park/61 Street Boat Ramp
- OnBase Software Development
- SharePoint Software Development

*Component Unit*

Capital-asset activity for the Galveston County Health District for the year ended September 30, 2012, follows.

<u>Galveston County Health District</u>	Beginning Balance, 10/1/2011	Additions	Deletions	Ending Balance, 9/30/2012
Capital Assets Being Depreciated:				
Buildings and Improvements	\$ 369,453	\$ -	\$ (132,719)	236,734
Furniture and Equipment	2,269,136	86,750	(135,934)	2,219,952
Vehicles	2,088,344	246,962	(193,929)	2,141,377
Total Capital Assets Being Depreciated	<u>4,726,933</u>	<u>333,712</u>	<u>(462,582)</u>	<u>4,598,063</u>
Less Accumulated Depreciation for:				
Buildings and Improvements	(196,399)	(46,180)	97,622	(144,957)
Furniture and Equipment	(1,149,531)	(318,145)	125,824	(1,341,852)
Vehicles	(1,072,569)	(268,369)	173,865	(1,167,073)
Total Accumulated Depreciation	<u>(2,418,499)</u>	<u>(632,694)</u>	<u>397,311</u>	<u>(2,653,882)</u>
Total Capital Assets, Net	<u>\$ 2,308,434</u>	<u>\$ (298,982)</u>	<u>\$ (65,271)</u>	<u>\$ 1,944,181</u>

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

Amounts due to/from funds of the county at September 30, 2012, are as follows (with summary comparative amounts at September 30, 2011):

<u>Payable Reported by:</u>	<u>General Fund</u>	Nonmajor Governmental Funds	Total 2012	Total 2011
General Fund	\$ -	\$ -	\$ -	\$ 40,271
CDBG Housing Program	21,232,675	-	21,232,675	18,169,642
Disaster Recovery VI-Ike	3,123,324	-	3,123,324	3,446,760
Galveston Causeway				
Railroad Bridge Project	15,624	-	15,624	4,397,540
Nonmajor Governmental Funds	1,609,070	842,729	2,451,799	1,817,795
Total	<u>\$ 25,980,693</u>	<u>\$ 842,729</u>	<u>\$ 26,823,422</u>	<u>\$ 27,872,008</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 amount in the Nonmajor Governmental Funds is a payable to the Pass-Through Toll Revenue and Limited Tax Bonds Series 2007 Fund from the Limited Tax Refunding Bonds Series 2012 Fund to provide cash from a new refunding-bond issue to the bond issue that is partially advance-refunded, during the time while debt-service payments must still be made for both issues. The need is caused in part by timing differences between the county's fiscal year-end and the annual receipt of related state debt-service subsidies. 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, 2012, are as follows (with summary comparative amounts for the year ended September 30, 2011):

	Transfers In					
	General Fund	Disaster Recovery - Ike	Nonmajor Governmental Funds	Internal Service Funds	Total 2012	Total 2011
Transfers Out						
General Fund	\$ -	\$ -	\$ 3,280,400	\$ 2,100,000	\$ 5,380,400	\$ 16,093,908
Disaster Recovery - Ike	-	-	-	-	-	304,900
Nonmajor Governmental Funds	1,566,610	574,457	1,216,000	1,138,600	4,495,667	8,047,799
Internal Service Funds	18,000	-	-	647,019	665,019	-
Total Transfers Out	\$ 1,584,610	\$ 574,457	\$ 4,496,400	\$ 3,885,619	\$ 10,541,086	\$ 24,446,607

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 leasing its photocopiers on a month-to-month basis while it negotiates a long-term lease agreement. The average monthly lease cost for the fiscal year ended September 30, 2012 was \$64,953; the total lease cost for the fiscal year was \$779,431.

#### 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 Coastal Health & Wellness (formerly 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. Due to the planned relocation of the medical and dental clinics to the Mid-County Annex, the District notified Mainland Children's Partnership on February 15, 2012 of their intent to terminate the lease effective July 1, 2012. Due to a delay in the relocation, lease payments were remitted through August 31, 2012. The remaining lease payments due through the end of the lease term (August 31, 2016) were settled subsequent to year-end.
- for the Women's Infants and Children's program – one-year lease commenced on July 25, 2010, which was amended on a month-to-month basis last year. Minimum lease payments were \$3,234 per month and were paid through July 31, 2012. Due to the planned relocation of the WIC clinic to the Mid-County Annex, the District notified Mainland Children's Partnership on February 15, 2012 of the intent to terminate the lease by March 31, 2012, contingent on the actual relocation date.

#### *With the Galveston Housing Authority -*

- for the Island Community Center – month-to-month lease commenced on December 1, 2008 to house STD/HIV program, vital statistics, and EMS administration; minimum lease payments are \$11,475 per month and were paid through June 30, 2012. Due to the planned relocation of these programs to the Mid-County Annex, the District notified Galveston Housing Authority on May 17, 2012 of the intent to terminate the lease as of July 1, 2012;

- for the Island Community Center – five-year lease to operate the Galveston Coastal Health & Wellness (formerly 4C’s) medical and dental clinic commenced on August 1, 2011, and will terminate on July 31, 2016; minimum lease payments are \$14,530 per month.;
- for the Island Community Center – five-year lease to operate the Women’s, Infant’s and Children’s program commenced on April 1, 2012 and will expire March 31, 2017; minimum lease payments are \$1,788 per month.

*With Dixie Partners –*

- ten-year lease commenced on April 23, 2009, and will expire on April 23, 2019. Minimum lease payments are \$5,000 per month in years one through five and \$5,500 per month in years six through ten. Additional monthly escrow payments of \$1,023 per month are also required as part of the lease agreement to cover taxes, insurance and maintenance costs.

*With the Bacliff Volunteer Fire Department –*

- 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 –*

- one-year lease commenced on June 7, 2011, cancelable with 120 days of advance written notice; minimum lease payments total \$1,000 per month and were paid through December 31, 2011. Effective January 1, 2012, the District terminated the lease since EMS service was no longer being provided in this service area.

*With the Hitchcock Volunteer Fire Department –*

- one-year memorandum agreement commenced September 1, 2010, and can be terminated with thirty days of advance written notice; lease payments are \$650 per month.

*With Galveston County –*

- for the Animal Resource Center and Mid-County Annex (which are county-owned facilities). Health District programs that were previously operating out of La Marque, Texas City and Galveston facilities relocated to the Mid-County Annex mid-year. The monthly lease payments to the county include \$16,641 per month for the Animal Resource Center and \$74,572 per month for the Mid-County Annex. These lease payments include utilities, maintenance, janitorial, and insurance costs associated with these buildings.

In total, the Galveston County Health District incurred lease expenditures of \$581,222 and \$789,223 during the fiscal years ended September 30, 2012 and 2011, respectively. Future minimum lease payments for the next three years are as follows:

<u>Year Ending</u> <u>September 30,</u>	<u>Amount</u>
2013	\$ 1,382,448
2014	1,382,448
2015	1,388,448
Total	<u>\$ 4,153,344</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, 2012, 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>
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 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 issuance of debt in which state subsidies, predicated on vehicular usage of the road, are expected to reimburse the county for a large portion of its debt service. Such is the case with the Pass-Through Toll Revenue and Limited Tax Bonds Series 2007, which were issued to fund the expansion of a segment of the state highway system located in the county. In March, 2012, the county issued \$40,910,000 of Pass-Through Toll Revenue and Limited Tax Refunding Bonds Series 2012. The issuance advance-refunded \$42,530,000 of principal of the Pass-Through Toll Revenue and Limited Tax Bonds Series 2007.

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. However, just prior to the issuance of this report the county learned that automatic federal budget reductions triggered on March 1, 2013, will decrease this 35% rebate by 8.7% for the county's remaining interest payments on Build America Bonds for the fiscal year ending September 30,

2013, and the amount of the rebate for future debt-service payments is as yet undetermined. In the fiscal year ended September 30, 2012, the county received \$2,253,464 in such subsidies.

In addition to the March 2012 new issuance mentioned above, 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

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 %	\$ 159,323,434	\$ 74,791,537	\$ 84,531,897
Governmental Activities - Refunding	3.5-5.5 %	160,470,000	107,090,000	53,380,000
		<u>\$ 319,793,434</u>	<u>\$ 181,881,537</u>	<u>\$ 137,911,897</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:

<u>Year Ending</u> <u>September 30,</u>	<u>Principal</u>	<u>Interest</u>
2013	\$ 17,870,000	\$ 13,241,351
2014	19,300,000	12,571,762
2015	20,075,000	11,810,816
2016	20,960,000	10,950,966
2017	17,767,138	14,093,933
2018	18,247,088	13,724,481
2019	18,685,489	13,297,092
2020	19,154,273	12,783,229
2021	19,725,965	12,147,444
2022	20,311,822	11,452,207
2023	16,626,620	10,813,896
2024	16,700,406	10,230,633
2025	16,790,544	9,615,317
2026	17,439,091	8,953,938
2027	23,945,000	2,390,072
2028	25,085,000	1,258,277
2029	11,110,000	339,115
Total	<u>\$ 319,793,434</u>	<u>\$ 169,674,529</u>

Component Unit

**Notes Payable -**

The Galveston County Health District's balances of notes payable to banks at September 30, 2012, comprised the following:

- 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>
2013	\$ -
2014	155,000
	<u>\$ 155,000</u>

*Changes in Long-term Liabilities*

Long-term liability activity for the year ended September 30, 2012, was as follows:

<u>Primary Government</u>	Beginning Balance, 10/1/2011	<u>Additions</u>	<u>Reductions</u>	Ending Balance, 9/30/2012	Due Within <u>One Year</u>
<u>Note Payable:</u>					
Community Disaster Loan	\$ 5,000,000	\$ -	\$ -	\$ 5,000,000	\$ -
<u>Bonds Payable:</u>					
General Obligation Bonds	338,288,422	52,650,000	71,144,988	319,793,434	17,870,000
Accumulated Accretion	18,603,687	2,398,227	740,012	20,261,902	-
<u>Plus Deferred Amounts:</u>					
Loss on Refundings	(3,372,829)	(5,395,984)	536,228	(8,232,585)	-
Issuance Premiums (Discounts)	(2,660,972)	6,495,420	(24,234)	3,858,682	-
Total Bonds Payable	350,858,308	56,147,663	72,396,994	335,681,433	17,870,000
Compensated Absences	4,197,120	531,292	554,335	4,174,077	555,697
Net OPEB Obligation	20,287,194	10,124,913	2,413,942	27,998,165	-
Governmental Activity					
Total Long-term Liabilities	<u>\$ 380,342,622</u>	<u>\$ 66,803,868</u>	<u>\$ 75,365,271</u>	<u>\$ 372,853,675</u>	<u>\$ 18,425,697</u>
 <u>Component Unit</u>					
Notes Payable	\$ 187,317	\$ -	\$ 32,317	\$ 155,000	\$ -
Compensated Absences	566,705	9,617	-	576,322	50,000
Total Long-term Liabilities	<u>\$ 754,022</u>	<u>\$ 9,617</u>	<u>\$ 32,317</u>	<u>\$ 731,322</u>	<u>\$ 50,000</u>

A compensated-absences payable of \$77,284 is reflected as a current liability in the Governmental Funds Balance Sheet. The payment was due and payable by September 30, 2012. 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, 2012, 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 \$275,000 per employee and covered dependent, to a maximum of \$13,334,258 in aggregate claims. A stop-loss policy with Ing-Reliastar Life Insurance pays claims in excess of the individual \$275,000 limit to a maximum of \$1,250,000 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>09/30/2012</u>	Year Ended <u>09/30/2011</u>
Unpaid Claims, Beginning of Fiscal Year	\$ 2,749,500	\$ 2,749,500
Incurred (Including IBNR) Claims	10,739,702	10,620,426
Claim Payments	<u>(10,739,702)</u>	<u>(10,620,426)</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, 2012, \$128.23 million of bonds outstanding are considered defeased. In the aggregate, these refundings have resulted in a cumulative economic gain of \$7,796,472.

**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, 2012, 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, 2012 and 2011, Galveston County Department of Social Services employees were administering approximately \$1,042,491 and \$1,225,752, respectively, as follows:

<u>Program</u>	<u>September 30, 2012</u>		<u>September 30, 2011</u>	
	<u>Number of Cases</u>	<u>Approximate Assets Administered</u>	<u>Number of Cases</u>	<u>Approximate Assets Administered</u>
Payee	53	\$ 149,685	46	\$ 112,624
Guardianship	64	892,806	75	1,113,128
Total	<u>117</u>	<u>\$ 1,042,491</u>	<u>121</u>	<u>\$ 1,225,752</u>

**E. Contingent Liabilities**

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

Primary Government

The county becomes party to litigation and claims in the ordinary course of business. 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.

## Component Unit

On January 18, 2013, the Health District finalized a settlement agreement for a lawsuit in which it was a defendant concerning the breach of a written lease agreement. In September, 2006, the Health District entered into a ten-year lease agreement with the plaintiff. The Health District leased 22,134 square feet at a rate of \$1.20 per square foot, or \$26,561 per month. On February 15, 2012, the Health District terminated its lease, effective June 30, 2012. The Health District extended its occupancy on a monthly basis through August 31, 2012, and vacated the leased space September 3, 2012. The plaintiff was seeking unpaid rent in the amount of \$1,274,918, plus attorney fees, court costs and pre-judgment and post-judgment interest. As of September 30, 2012, the Health District had recorded a \$530,000 liability, the dollar amount of the settlement, in the financial statements.

### **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, 2012 and 2011, consisted of the following:

	<u>2012</u>	<u>2011</u>
American United Life Accounts	\$ 65,758,042	\$ 61,834,946
Lincoln National Account	1,216,246	1,186,935
N.A.C.O. Account	3,446,549	3,026,834
	<u>\$ 70,420,837</u>	<u>\$ 66,048,715</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. The plan is 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 the employer and biweekly payroll deductions from the employee, and by interest earned thereon. The employer contribution rate was 9.78%, 9.14% and 9.84% for the fiscal years ended September 30, 2012, 2011, and 2010, respectively. The employee contribution rate was 7% for the calendar years ended December 31, 2012, 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 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 years ended September 30, 2012, 2011, and 2010, the annual costs of the county's TCDRS pension plan were \$5,202,462, \$5,202,882, and \$5,520,947, respectively. The county contributed 100% of those costs, resulting in net pension obligations of zero, in each of those three years. 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, 2011, 2010, and 2009, which were the basis for determining the contribution rates for calendar years 2012, 2011, and 2010, respectively. The most recent actuarial valuation is that of December 31, 2011.

The required contribution was determined as part of the December 31, 2011, actuarial valuation using the entry-age actuarial cost method. The actuarial assumptions at December 31, 2011, 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, 2011, was 20 years.

### *Funded Status and Funding Progress*

As of December 31, 2011, the most recent actuarial valuation date, the actuarial value of plan assets as a percentage of the actuarial accrued liability (the "funded ratio") was 88.18%. The actuarial accrued liability for benefits was \$207.99 million and the actuarial value of assets was \$183.41 million, resulting in an unfunded actuarial accrued liability ("UAAL") of \$24.58 million. The annual covered payroll was \$55.48 million, and the ratio of the UAAL to the annual covered payroll was 44.30%.

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>12/31/2011</u>	<u>12/31/2010</u>	<u>12/31/2009</u>
Actuarial Cost Method	Entry Age	Entry Age	Entry Age
Amortization Method	Level Percentage of Payroll, Closed	Level Percentage of Payroll, Closed	Level Percentage of Payroll, Closed
Amortization Period	20	20	18.1
Asset Valuation Method	SAF: 10-Yr. Smoothed Value; ESF: Fund Value	SAF: 10-Yr. Smoothed Value; ESF: Fund Value	SAF: 10-Yr. Smoothed Value; ESF: Fund Value
Actuarial Assumptions:			
Investment Return	8.0%	8.0%	8.0%
Projected Salary Increases	5.4%	5.4%	5.4%
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 therefore 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, 2012, comprised approximately 1,106 active members and 407 retirees. Of the 407 retirees, 140 were less than 65 years of age and 267 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, 2012, 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, 2012, are as follows:

Annual Required Contribution ("ARC")	\$ 10,057,803
Add: Interest on Net OPEB Obligation	912,924
Less: Adjustment to the ARC	(845,814)
Annual OPEB Cost (a)	10,124,913
Less: Estimated Net Employer Contributions (b)	(2,413,942)
Increase in Net OPEB Obligation	7,710,971
Net OPEB Obligation, Beginning of Year	20,287,194
Net OPEB Obligation, End of Year	\$ 27,998,165

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, 2012, 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)]
2012	\$10,124,913	\$ 2,413,942	23.84%	\$ 27,998,165
2011	9,813,066	4,099,130	41.77	20,287,194
2010	9,303,684	1,901,071	20.43	14,573,258

Data on the funded status of the plan at September 30, 2012, is as follows:

Actuarial Valuation Date - October 1,	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 October 1, 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, 2012, that title company earned revenues of \$84,580 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. 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 was disbursed in January, 2013. All of the payments were funded by tax revenues.

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.

### **K. Subsequent Events**

A major county ad valorem taxpayer recently prevailed in a lawsuit contesting the 2011 appraised values of three of its properties, including that of its refinery in Texas City. A jury in the 56<sup>th</sup> District Court lowered those values in sum from an original \$522.8 million to \$333.4 million, a decrease of \$189.4 million. Chief Appraiser Ken Wright said that the appraisal district is considering appealing the decision. The amount of the county’s refund liability resulting from this judgment is estimated at \$1.16 million.

**L. Prior-Period Adjustments**

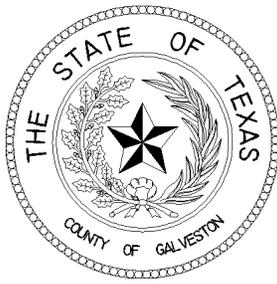
The Adult Probation Fund (Fund 2220) and Adult Probation Community Corrections Fund (Fund 2824) were reported as special revenue funds in the “other governmental funds” of the County’s prior years’ financial statements. Beginning in fiscal year 2012, County management determined that each of these funds were considered to be an agency of the State, and should not be reported on the County’s financial statements. Therefore, the following prior period adjustment was recorded in the fiscal year ended September 30, 2012.

**Government-Wide Net Assets**

Beginning Net Assets, as Previously Reported	\$ 76,921,697
Effect of Correction in Reporting of Adult Probation Funds	<u>(658,257)</u>
Beginning Net Assets, as Restated	<u><u>\$ 76,263,440</u></u>

**Other Governmental Funds Fund Balance**

Beginning Fund Balance, as Previously Reported	\$ 97,879,536
Effect of Correction in Reporting of Adult Probation Funds	<u>(658,257)</u>
Beginning Fund Balance, as Restated	<u><u>\$ 97,221,279</u></u>



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## 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, 2012

	Original Budget	Final Budget	Actual	Variance, Actual from Final Budget Positive (Negative)	Actual Prior Year
<b>REVENUES</b>					
Taxes	\$ 90,733,848	\$ 90,733,848	\$ 89,927,488	\$ (806,360)	\$ 87,938,929
Licenses and Permits	500	500	6,078	5,578	2,097
Intergovernmental	6,403,620	6,403,620	6,822,629	419,009	5,869,255
Charges for Services	6,998,125	6,998,125	7,496,198	498,073	6,964,241
Fines and Forfeitures	2,457,100	2,457,100	2,120,477	(336,623)	2,272,209
Investment	745,435	745,435	515,322	(230,113)	1,480,535
Miscellaneous	4,408,200	3,958,650	4,007,003	48,353	4,935,812
<b>Total revenues</b>	<b>111,746,828</b>	<b>111,297,278</b>	<b>110,895,195</b>	<b>(402,083)</b>	<b>109,463,078</b>
<b>EXPENDITURES</b>					
<b>General government</b>					
General Government	5,096,200	5,103,570	4,573,520	530,050	4,677,436
County Judge and Commissioners' Court	372,000	372,000	365,349	6,651	317,142
Commissioners' Court	758,800	758,800	689,224	69,576	743,381
County Clerk	2,964,400	2,964,400	2,832,537	131,863	2,668,555
War Veterans Office	148,700	148,700	134,597	14,103	97,888
Bail Bond Board	500	500	-	500	-
Justice Administration	3,079,700	3,104,013	3,006,547	97,466	3,269,484
10th District Court	181,500	181,500	179,420	2,080	179,911
56th District Court	168,600	168,600	166,753	1,847	167,229
122nd District Court	217,900	217,900	215,656	2,244	216,290
212th District Court	168,600	168,637	168,637	-	166,598
306th District Court	178,300	178,300	176,387	1,913	176,874
405th District Court	181,500	181,500	178,643	2,857	179,131
County Court #1	486,999	498,454	497,368	1,086	476,756
County Court #2	468,099	479,122	473,388	5,734	468,539
Probate Court	637,400	637,525	608,568	28,957	622,341
County Court #3	470,200	470,200	457,590	12,610	481,591
Justice Court Precinct #1	203,500	203,500	199,799	3,701	194,749
Justice Court Precinct #2	169,300	169,300	167,080	2,220	167,727
Justice Court Precinct #3	282,300	282,300	271,893	10,407	269,125
Justice Court Precinct #4	291,000	291,000	287,921	3,079	287,889
Justice Court Precinct #5	258,200	258,200	240,740	17,460	252,167
Justice Court Precinct #6	246,100	246,100	203,899	42,201	204,270
Justice Court Precinct #7	258,000	258,000	228,605	29,395	248,709
Justice Court Precinct #8-1	323,600	324,361	314,591	9,770	316,591
Justice Court Precinct #8-2	199,800	201,050	197,954	3,096	195,214
Jury and Trial Expense	64,100	64,351	56,697	7,654	63,743
District Clerk	3,563,400	3,563,400	3,035,625	527,775	3,164,394
District Attorney	5,617,100	5,617,100	5,286,770	330,330	5,267,100
Pre-Trial Release	349,100	349,501	326,479	23,022	379,513
County Auditor	2,371,900	2,371,900	1,994,319	377,581	2,189,454
Director of Finance/Admin/Budget	648,200	648,200	582,715	65,485	639,844
County Tax Assessor-Collector	2,552,500	2,572,782	2,477,283	95,499	2,419,151
County Treasurer	515,900	515,900	451,812	64,088	422,451
Purchasing Agent	560,000	560,324	509,656	50,668	530,725
Legal Department	746,700	746,700	648,646	98,054	648,771
Human Resources	407,400	407,400	367,750	39,650	356,019
Information Technology	8,031,600	8,768,107	7,140,625	1,627,482	7,817,170
Facilities Services	6,826,700	7,218,984	6,734,051	484,933	6,371,759
Fleet Management	812,800	815,640	713,409	102,231	771,832
County Engineer	603,569	634,044	463,155	170,889	649,516
<b>Total general government</b>	<b>51,482,167</b>	<b>52,721,865</b>	<b>47,625,658</b>	<b>5,096,207</b>	<b>48,737,029</b>

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

For the Year Ended September 30, 2012

	Original Budget	Final Budget	Actual	Variance, Actual from Final Budget Positive (Negative)	Actual Prior Year
<b>Public safety</b>					
Sheriff's Office	\$ 31,589,540	\$ 31,820,720	\$ 29,903,267	\$ 1,917,453	\$ 30,613,765
Constable Precinct #1	269,000	269,000	250,922	18,078	262,698
Constable Precinct #2	264,300	264,338	259,926	4,412	258,953
Constable Precinct #3	365,700	365,700	358,329	7,371	358,555
Constable Precinct #4	287,500	287,500	271,158	16,342	271,361
Constable Precinct #5	277,400	277,400	271,267	6,133	269,229
Constable Precinct #6	216,400	216,400	212,750	3,650	211,830
Constable Precinct #7	349,300	349,657	330,730	18,927	354,356
Constable Precinct #8	471,100	471,139	448,586	22,553	448,867
Emergency Management	730,500	730,500	671,256	59,244	715,796
<b>Total public safety</b>	<b>34,820,740</b>	<b>35,052,354</b>	<b>32,978,191</b>	<b>2,074,163</b>	<b>33,765,410</b>
<b>Health and social services</b>					
Health Administration and Sanitation	7,271,500	7,271,500	7,258,412	13,088	6,215,572
Community Services	3,373,600	3,592,900	3,540,643	52,257	3,174,353
Indigent Care and Medication	877,900	878,900	763,040	115,860	848,149
Senior Citizens	703,500	710,361	554,672	155,689	640,111
<b>Total health and social services</b>	<b>12,226,500</b>	<b>12,453,661</b>	<b>12,116,767</b>	<b>336,894</b>	<b>10,878,185</b>
<b>Culture and recreation</b>					
Galveston County Museum	164,900	164,900	91,462	73,438	102,295
Beach and Parks Department	2,625,501	2,689,653	1,814,576	875,077	2,211,323
Beach Maintenance-Road & Bridge	590,750	590,750	398,205	192,545	1
<b>Total Culture and recreation</b>	<b>3,381,151</b>	<b>3,445,303</b>	<b>2,304,243</b>	<b>1,141,060</b>	<b>2,313,619</b>
<b>Conservation</b>					
County Extension Service	483,200	483,200	432,190	51,010	449,579
<b>Capital outlay</b>					
Buildings and Improvement	54,000	54,000	54,000	-	-
Improvements Other Than Buildings	150,327	112,777	18,000	94,777	17,713
Machinery and Equipment	239,900	223,800	139,079	84,721	171,446
Vehicles	368,400	387,587	381,407	6,180	550,520
Technology	1,920,000	1,717,093	771,050	946,043	-
<b>Total capital outlay</b>	<b>2,732,627</b>	<b>2,495,257</b>	<b>1,363,536</b>	<b>1,131,721</b>	<b>739,679</b>
<b>Total expenditures</b>	<b>105,126,385</b>	<b>106,651,640</b>	<b>96,820,585</b>	<b>9,831,055</b>	<b>96,883,501</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>6,620,443</b>	<b>4,645,638</b>	<b>14,074,610</b>	<b>9,428,972</b>	<b>12,579,577</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	838,800	1,323,500	1,584,610	261,110	5,940,746
Transfers Out	(25,480,400)	(5,380,400)	(5,380,400)	-	(16,093,908)
Sale of Capital Assets	120,000	120,000	50,087	(69,913)	54,858
<b>Total other financing sources (uses)</b>	<b>(24,521,600)</b>	<b>(3,936,900)</b>	<b>(3,745,703)</b>	<b>191,197</b>	<b>(10,098,304)</b>
<b>Net change in fund balances</b>	<b>(17,901,157)</b>	<b>708,738</b>	<b>10,328,907</b>	<b>9,620,169</b>	<b>2,481,273</b>
<b>Fund balances-beginning</b>	<b>32,862,558</b>	<b>32,862,558</b>	<b>32,862,558</b>	<b>-</b>	<b>30,381,285</b>
<b>Fund balances-ending</b>	<b>\$ 14,961,401</b>	<b>\$ 33,571,296</b>	<b>\$ 43,191,465</b>	<b>\$ 9,620,169</b>	<b>\$ 32,862,558</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, 2012**  
**With Comparative Actual Amounts for the Year Ended September 30, 2011**

	<u>2012</u>			<b>Variance with Final Budget - Positive (Negative)</b>	<b>2011 Actual</b>
	<b>Original Budget</b>	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>		
<b>REVENUES</b>					
Intergovernmental	\$ 5,231,614	\$ 5,231,614	\$ 4,374,429	\$ (857,185)	\$ 42,426,351
Charges for Services	1,875	1,875	1,875	-	79,550
Miscellaneous	-	-	-	-	90,487
<b>Total revenues</b>	<u>5,233,489</u>	<u>5,233,489</u>	<u>4,376,304</u>	<u>(857,185)</u>	<u>42,596,388</u>
<b>EXPENDITURES</b>					
Public Safety:					
Current:					
Personal Services	-	-	-	-	29,103
Other Services and Charges	4,930,522	4,930,522	4,063,495	867,027	42,122,616
Total Public Safety:	<u>4,930,522</u>	<u>4,930,522</u>	<u>4,063,495</u>	<u>867,027</u>	<u>42,151,719</u>
Capital Outlay	<u>4,294,572</u>	<u>4,294,572</u>	<u>667,330</u>	<u>3,627,242</u>	<u>444,669</u>
<b>Total expenditures</b>	<u>9,225,094</u>	<u>9,225,094</u>	<u>4,730,825</u>	<u>4,494,269</u>	<u>42,596,388</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	(3,991,605)	(3,991,605)	(354,521)	3,637,084	-
<b>Fund balances-beginning</b>	-	-	-	-	-
<b>Fund balances-ending</b>	<u>\$ (3,991,605)</u>	<u>\$ (3,991,605)</u>	<u>\$ (354,521)</u>	<u>\$ 3,637,084</u>	<u>\$ -</u>

**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, 2012**  
**With Comparative Actual Amounts for the Year Ended September 30, 2011**

	2012			Variance with Final Budget - Positive (Negative)	2011 Actual
	Original Budget	Final Budgeted Amounts	Actual Amounts		
<b>REVENUES</b>					
Intergovernmental	\$ 45,280,379	\$ 45,280,379	\$ 41,749,309	\$ (3,531,070)	\$ 45,186,966
Miscellaneous	-	-	21,750	21,750	-
<b>Total revenues</b>	<u>45,280,379</u>	<u>45,280,379</u>	<u>41,771,059</u>	<u>(3,509,320)</u>	<u>45,186,966</u>
<b>EXPENDITURES</b>					
General Government:					
Current:					
Personal Services	1,003,675	1,003,675	391,364	612,311	371,519
Supplies	21,590	21,590	5,867	15,723	11,000
Other Services and Charges	84,366	84,366	51,793	32,573	126,841
Intergovernmental	44,170,748	44,170,748	41,322,035	2,848,713	44,677,606
<b>Total expenditures</b>	<u>45,280,379</u>	<u>45,280,379</u>	<u>41,771,059</u>	<u>3,509,320</u>	<u>45,186,966</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, 2012**  
**With Comparative Actual Amounts for the Year Ended September 30, 2011**

	<u>2012</u>			<b>Variance with Final Budget - Positive (Negative)</b>	<b>2011 Actual</b>
	<b>Original Budget</b>	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>		
<b>REVENUES</b>					
Intergovernmental	\$ 16,182,367	\$ 16,182,367	\$ -	\$ (16,182,367)	\$ 5,746,821
<b>EXPENDITURES</b>					
Public Safety:					
Current:					
Personal Services	76,324	76,324	79,628	(3,304)	106,207
Supplies	1,483,863	1,483,863	21,018	1,462,845	1,360
Other Services and Charges	14,896,555	14,896,555	373,987	14,522,568	6,086,722
Total Public Safety:	16,456,742	16,456,742	474,633	15,982,109	6,194,289
Capital Outlay	373,604	373,604	304,931	68,673	852,230
<b>Total expenditures</b>	<b>16,830,346</b>	<b>16,830,346</b>	<b>779,564</b>	<b>16,050,782</b>	<b>7,046,519</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(647,979)</b>	<b>(647,979)</b>	<b>(779,564)</b>	<b>(131,585)</b>	<b>(1,299,698)</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	633,475	633,475	574,457	(59,018)	-
Transfers Out	-	-	-	-	(304,900)
<b>Total other financing sources (uses)</b>	<b>633,475</b>	<b>633,475</b>	<b>574,457</b>	<b>(59,018)</b>	<b>(304,900)</b>
Extraordinary Item - Texas Windstorm Case Settlement	3,054,327	3,054,327	2,369,250	(685,077)	695,750
<b>Net change in fund balances</b>	<b>3,039,823</b>	<b>3,039,823</b>	<b>2,164,143</b>	<b>(875,680)</b>	<b>(908,848)</b>
<b>Fund balances-beginning</b>	<b>282,473</b>	<b>282,473</b>	<b>282,473</b>	<b>-</b>	<b>-</b>
Prior period adjustments	-	-	-	-	1,191,321
<b>Fund balances-ending</b>	<b>\$ 3,322,296</b>	<b>\$ 3,322,296</b>	<b>\$ 2,446,616</b>	<b>\$ (875,680)</b>	<b>\$ 282,473</b>

Galveston County, Texas  
Notes to the Required Supplementary Information  
For the Year Ended September 30, 2012

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, 2012

Actuarial Valuation	Actuarial Value of Assets (AVA)	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio (AVA/AAL)	Annual Covered Payroll	UAAL as a % of Covered Payroll
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
12/31/2011	183,410,983	207,990,033	24,579,050	88.18	55,480,455	44.30

Galveston County, Texas  
Schedule of Employer Contributions  
Retirement Plan for the Employees of Galveston County, Texas  
September 30, 2012

<u>Fiscal Year Ended</u>	<u>Annual Pension Cost ("APC")</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
September 30, 2012	\$ 5,202,462	100%	-
September 30, 2011	5,202,882	100%	-
September 30, 2010	5,520,947	100%	-
September 30, 2009	5,429,566	100%	-
September 30, 2008	5,046,015	100%	-
September 30, 2007	4,413,271	100%	-

Galveston County, Texas  
Schedule of Funding Progress  
Other Post-Employment Benefits Plan for the Employees of Galveston County, Texas  
September 30, 2012

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%

*Note: The source of the Annual Required Contribution ("ARC") for the fiscal years ended September 30, 2009 and 2010, was the actuarial valuation of October 1, 2007; the source of the ARC for the fiscal years ended September 30, 2011 and 2012, was the actuarial valuation of October 1, 2009; and the source of the ARC for the fiscal years ending September 30, 2013 and 2014, will be the actuarial valuation of October 1, 2011, which is currently in progress.*

## 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 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, 2012**

	<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	\$ 26,176,627	\$ 9,296,348	\$ 38,962,909	\$ 74,435,884
Receivables (Net of Allowances for Uncollectibles):				
Taxes	499,123	1,798,621	-	2,297,744
Accounts and Other	5,070,545	1,203,132	217,636	6,491,313
Due from Other Funds	-	842,729	-	842,729
Inventory at Cost	587,133	-	-	587,133
Restricted Assets:				
Cash and Cash Equivalents	1,522,849	-	-	1,522,849
<b>Total assets</b>	<b>\$ 33,856,277</b>	<b>\$ 13,140,830</b>	<b>\$ 39,180,545</b>	<b>\$ 86,177,652</b>
<b>LIABILITIES</b>				
Accounts Payable	\$ 3,107,440	\$ -	\$ 901,740	\$ 4,009,180
Salaries Payable	448,453	-	6,416	454,869
Retainage Payable	139,987	-	400,663	540,650
Due to Others	23,551	157,032	3,044	183,627
Payable from Restricted Assets:				
Escrow Deposits	166,162	-	-	166,162
Deposits - Held	504,916	-	-	504,916
Due to Other Funds	1,609,070	842,729	-	2,451,799
Deferred Revenues	838,038	1,798,621	-	2,636,659
<b>Total liabilities</b>	<b>6,837,617</b>	<b>2,798,382</b>	<b>1,311,863</b>	<b>10,947,862</b>
<b>FUND BALANCES</b>				
Non-Spendable	587,133	-	-	587,133
Restricted	26,431,527	10,342,448	30,293,471	67,067,446
Assigned	-	-	7,575,211	7,575,211
<b>Total fund balances</b>	<b>27,018,660</b>	<b>10,342,448</b>	<b>37,868,682</b>	<b>75,229,790</b>
<b>Total liabilities and fund balances</b>	<b>\$ 33,856,277</b>	<b>\$ 13,140,830</b>	<b>\$ 39,180,545</b>	<b>\$ 86,177,652</b>

**GALVESTON COUNTY, TEXAS  
 COMBINED STATEMENT OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 For the Year Ended September 30, 2012**

	<u>SPECIAL REVENUE</u>	<u>DEBT SERVICE</u>	<u>CAPITAL PROJECTS</u>	<u>TOTAL NONMAJOR GOVERNMENTAL FUNDS</u>
<b>REVENUES</b>				
Taxes	\$ 5,221,090	\$ 26,562,043	\$ -	\$ 31,783,133
Licenses and Permits	2,568,870	-	-	2,568,870
Intergovernmental	11,393,897	4,102,280	-	15,496,177
Charges for Services	2,839,822	-	165,808	3,005,630
Fines and Forfeitures	790,308	-	-	790,308
Investment Earnings	72,248	66,827	269,343	408,418
Miscellaneous	850,079	-	4,440	854,519
<b>Total revenues</b>	<u>23,736,314</u>	<u>30,731,150</u>	<u>439,591</u>	<u>54,907,055</u>
<b>EXPENDITURES</b>				
Current:				
General Government	1,302,798	-	682,420	1,985,218
Public Safety	11,214,218	-	-	11,214,218
Health and Social Services	5,706,656	-	-	5,706,656
Culture and Recreation	77,177	-	-	77,177
Roads, Bridges and Rights-of-Way	5,342,109	-	6,002,308	11,344,417
Debt Service:				
Principal Retirement	-	16,959,988	-	16,959,988
Interest and Fiscal Charges	-	14,495,575	-	14,495,575
Bond Issuance Costs	-	669,275	-	669,275
Capital Outlay	5,542,819	-	12,526,879	18,069,698
<b>Total expenditures</b>	<u>29,185,777</u>	<u>32,124,838</u>	<u>19,211,607</u>	<u>80,522,222</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(5,449,463)</u>	<u>(1,393,688)</u>	<u>(18,772,016)</u>	<u>(25,615,167)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	4,246,400	-	250,000	4,496,400
Transfers Out	(4,032,310)	-	(463,357)	(4,495,667)
Sale of Capital Assets	42,590	-	2,886,162	2,928,752
Face Value - Long Term Debt Issued	-	52,650,000	-	52,650,000
Premium - Long Term Debt Issued	-	6,495,420	-	6,495,420
Refunded Bonds - Escrow Agent	-	(58,451,227)	-	(58,451,227)
<b>Total other financing sources (uses)</b>	<u>256,680</u>	<u>694,193</u>	<u>2,672,805</u>	<u>3,623,678</u>
<b>Net change in fund balances</b>	(5,192,783)	(699,495)	(16,099,211)	(21,991,489)
<b>Fund balances-beginning</b>	32,869,700	11,041,943	53,967,893	97,879,536
Prior period adjustments	(658,257)	-	-	(658,257)
<b>Fund balances-ending</b>	<u>\$ 27,018,660</u>	<u>\$ 10,342,448</u>	<u>\$ 37,868,682</u>	<u>\$ 75,229,790</u>

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.

COUNTY CLERK RECORDS ARCHIVE FUND (FUND 2104) – The County Clerk Records Archive Fund was established under Chapter 118, section 025(b) 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 Archive Fund. These fees are to be used for the specific purpose of preservation and restoration services in connection with maintaining a county clerk's records archive.

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.

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:

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.

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.

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.

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.

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).

**GALVESTON COUNTY, TEXAS  
COMBINING BALANCE SHEET  
ALL NONMAJOR SPECIAL REVENUE FUNDS  
September 30, 2012  
With Comparative Totals at September 30, 2011**

	<b>COUNTY RECORDS MANAGEMENT</b>	<b>COUNTY CLERK RECORDS MANAGEMENT AND PRESERVATION</b>	<b>ELECTION SERVICES CONTRACT</b>	<b>COUNTY CLERK RECORDS ARCHIVE FEE</b>
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 131,132	\$ 552,655	\$ 296,498	\$ 1,336,648
Receivables (Net of Allowances for Uncollectibles):				
Taxes	-	-	-	-
Accounts and Other	1,832	359	143,557	160
Due from Other Funds	-	-	-	-
Inventory at Cost	-	-	-	-
Prepaid Expenditures	-	-	-	-
Restricted Assets:				
Cash and Cash Equivalents	-	-	-	-
<b>Total assets</b>	<b>\$ 132,964</b>	<b>\$ 553,014</b>	<b>\$ 440,055</b>	<b>\$ 1,336,808</b>
<b>LIABILITIES</b>				
Accounts Payable	-	72	-	-
Salaries Payable	-	10,209	-	-
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>10,281</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES</b>				
Non-Spendable	-	-	-	-
Restricted	132,964	542,733	440,055	1,336,808
<b>Total fund balances</b>	<b>132,964</b>	<b>542,733</b>	<b>440,055</b>	<b>1,336,808</b>
<b>Total liabilities and fund balances</b>	<b>\$ 132,964</b>	<b>\$ 553,014</b>	<b>\$ 440,055</b>	<b>\$ 1,336,808</b>

(Continued)

DISTRICT CLERK CHILD SUPPORT IV-D	DISTRICT CLERK RECORDS MANAGEMENT	TAX ASSESSOR- COLLECTOR SPECIAL INVENTORY TAX ESCROW	DONATIONS TO GALVESTON COUNTY	DISTRICT ATTORNEY CONTRABAND POST-10/89
\$ 122,508	\$ 147,667	\$ 50,330	\$ 1,765	\$ 170,897
-	-	-	-	-
-	284	556	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ 122,508</u>	<u>\$ 147,951</u>	<u>\$ 50,886</u>	<u>\$ 1,765</u>	<u>\$ 170,897</u>
\$ -	\$ -	\$ -	\$ 886	\$ 2,079
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	94,593
-	-	-	-	-
-	-	-	-	-
-	-	-	886	96,672
-	-	-	-	-
122,508	147,951	50,886	879	74,225
122,508	147,951	50,886	879	74,225
<u>\$ 122,508</u>	<u>\$ 147,951</u>	<u>\$ 50,886</u>	<u>\$ 1,765</u>	<u>\$ 170,897</u>

**GALVESTON COUNTY, TEXAS  
COMBINING BALANCE SHEET  
ALL NONMAJOR SPECIAL REVENUE FUNDS  
September 30, 2012  
With Comparative Totals at September 30, 2011**

	<b>DISTRICT ATTORNEY CHECK COLLECTION FEES</b>	<b>UNCLAIMED PROPERTY</b>	<b>COURTHOUSE SECURITY</b>	<b>LAW LIBRARY</b>
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 39,736	\$ 202,349	\$ 253,211	\$ 26,057
Receivables (Net of Allowances for Uncollectibles):				
Taxes	-	-	-	-
Accounts and Other	-	-	476	946
Due from Other Funds	-	-	-	-
Inventory at Cost	-	-	-	-
Prepaid Expenditures	-	-	-	-
Restricted Assets:				
Cash and Cash Equivalents	-	-	-	-
<b>Total assets</b>	<b>\$ 39,736</b>	<b>\$ 202,349</b>	<b>\$ 253,687</b>	<b>\$ 27,003</b>
<b>LIABILITIES</b>				
Accounts Payable	\$ -	\$ -	\$ 127	\$ 379
Salaries Payable	-	-	12,202	1,560
Retainage Payable	-	-	-	-
Due to Others	-	8,932	-	-
Payable from Restricted Assets:				
Escrow Deposits	-	130,397	-	-
Deposits - Held	-	-	-	-
Due to Other Funds	-	-	-	-
Deferred Revenues	-	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>139,329</b>	<b>12,329</b>	<b>1,939</b>
<b>FUND BALANCES</b>				
Non-Spendable	-	-	-	-
Restricted	39,736	63,020	241,358	25,064
<b>Total fund balances</b>	<b>39,736</b>	<b>63,020</b>	<b>241,358</b>	<b>25,064</b>
<b>Total liabilities and fund balances</b>	<b>\$ 39,736</b>	<b>\$ 202,349</b>	<b>\$ 253,687</b>	<b>\$ 27,003</b>

(Continued)

<b>MEDIATION SERVICES PROGRAM</b>	<b>JUSTICE COURT TECHNOLOGY</b>	<b>PROBATE COURT CONTRIBUTIONS</b>	<b>ADULT PROBATION</b>	<b>JUVENILE JUSTICE</b>
\$ 968,056	\$ 75,667	\$ 273,215	\$ -	\$ 1,494,766
-	-	-	-	-
535	-	-	-	360
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<b>\$ 968,591</b>	<b>\$ 75,667</b>	<b>\$ 273,215</b>	<b>\$ -</b>	<b>\$ 1,495,126</b>
\$ 4,950	\$ -	\$ -	\$ -	\$ 100,408
-	-	-	-	128,810
-	-	-	-	-
-	-	-	-	950
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
4,950	-	-	-	230,168
-	-	-	-	-
963,641	75,667	273,215	-	1,264,958
963,641	75,667	273,215	-	1,264,958
<b>\$ 968,591</b>	<b>\$ 75,667</b>	<b>\$ 273,215</b>	<b>\$ -</b>	<b>\$ 1,495,126</b>

**GALVESTON COUNTY, TEXAS  
COMBINING BALANCE SHEET  
ALL NONMAJOR SPECIAL REVENUE FUNDS  
September 30, 2012  
With Comparative Totals at September 30, 2011**

	<b>SHERIFF'S COMMISSARY</b>	<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>ASSETS</b>				
Cash and Cash Equivalents	\$ 865,787	\$ 464,096	\$ 26,587	\$ 5,919
Receivables (Net of Allowances for Uncollectibles):				
Taxes	-	-	-	-
Accounts and Other	74,904	-	-	-
Due from Other Funds	-	-	-	-
Inventory at Cost	-	-	-	-
Prepaid Expenditures	-	-	-	-
Restricted Assets:				
Cash and Cash Equivalents	-	-	-	-
<b>Total assets</b>	<b>\$ 940,691</b>	<b>\$ 464,096</b>	<b>\$ 26,587</b>	<b>\$ 5,919</b>
<b>LIABILITIES</b>				
Accounts Payable	\$ 17,052	\$ 3,398	\$ -	\$ -
Salaries Payable	3,088	-	-	-
Retainage Payable	-	-	-	-
Due to Others	-	-	-	-
Payable from Restricted Assets:				
Escrow Deposits	-	-	-	-
Deposits - Held	-	390,268	13,607	5,919
Due to Other Funds	-	-	-	-
Deferred Revenues	-	-	-	-
<b>Total liabilities</b>	<b>20,140</b>	<b>393,666</b>	<b>13,607</b>	<b>5,919</b>
<b>FUND BALANCES</b>				
Non-Spendable	-	-	-	-
Restricted	920,551	70,430	12,980	-
<b>Total fund balances</b>	<b>920,551</b>	<b>70,430</b>	<b>12,980</b>	<b>-</b>
<b>Total liabilities and fund balances</b>	<b>\$ 940,691</b>	<b>\$ 464,096</b>	<b>\$ 26,587</b>	<b>\$ 5,919</b>

(Continued)

<b>LAW ENFORCEMENT CONTINUED EDUCATION</b>	<b>CONSTABLES' SEIZURES</b>	<b>EMERGENCY MANAGEMENT</b>	<b>ROAD AND BRIDGE</b>	<b>FARM-TO- MARKET LATERAL ROAD</b>
\$ 131,641	\$ 3,500	\$ 2,262,597	\$ 2,567,476	\$ 1,206,645
-	-	-	159,450	10,941
-	-	-	504,508	3,585
-	-	-	-	-
-	-	-	259,687	-
-	-	-	-	-
-	-	33,387	-	-
<b>\$ 131,641</b>	<b>\$ 3,500</b>	<b>\$ 2,295,984</b>	<b>\$ 3,491,121</b>	<b>\$ 1,221,171</b>
\$ -	\$ -	\$ 12,763	\$ 217,894	\$ -
-	-	-	100,561	3,224
-	-	-	-	-
-	-	-	6,884	-
-	-	33,387	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	162,146	10,941
-	-	46,150	487,485	14,165
-	-	-	259,687	-
131,641	3,500	2,249,834	2,743,949	1,207,006
131,641	3,500	2,249,834	3,003,636	1,207,006
<b>\$ 131,641</b>	<b>\$ 3,500</b>	<b>\$ 2,295,984</b>	<b>\$ 3,491,121</b>	<b>\$ 1,221,171</b>

**GALVESTON COUNTY, TEXAS  
COMBINING BALANCE SHEET  
ALL NONMAJOR SPECIAL REVENUE FUNDS  
September 30, 2012  
With Comparative Totals at September 30, 2011**

	<b>ROAD DISTRICT #1</b>	<b>FLOOD CONTROL</b>	<b>MOSQUITO CONTROL DISTRICT</b>	<b>INDIGENT HEALTH CARE FUND</b>
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 315,196	\$ 2,514,331	\$ 464,151	\$ 8,075,476
Receivables (Net of Allowances for Uncollectibles):				
Taxes	459	214,024	114,249	-
Accounts and Other	3,126	9,451	795	1,905
Due from Other Funds	-	-	-	-
Inventory at Cost	-	-	327,446	-
Prepaid Expenditures	-	-	-	-
Restricted Assets:				
Cash and Cash Equivalents	-	2,378	-	-
<b>Total assets</b>	<b>\$ 318,781</b>	<b>\$ 2,740,184</b>	<b>\$ 906,641</b>	<b>\$ 8,077,381</b>
<b>LIABILITIES</b>				
Accounts Payable	-	169,257	51,831	277,506
Salaries Payable	-	41,858	26,298	-
Retainage Payable	-	-	-	-
Due to Others	-	-	2,462	-
Payable from Restricted Assets:				
Escrow Deposits	-	2,378	-	-
Deposits - Held	-	-	-	-
Due to Other Funds	-	-	-	-
Deferred Revenues	459	214,024	114,249	-
<b>Total liabilities</b>	<b>459</b>	<b>427,517</b>	<b>194,840</b>	<b>277,506</b>
<b>FUND BALANCES</b>				
Non-Spendable	-	-	327,446	-
Restricted	318,322	2,312,667	384,355	7,799,875
<b>Total fund balances</b>	<b>318,322</b>	<b>2,312,667</b>	<b>711,801</b>	<b>7,799,875</b>
<b>Total liabilities and fund balances</b>	<b>\$ 318,781</b>	<b>\$ 2,740,184</b>	<b>\$ 906,641</b>	<b>\$ 8,077,381</b>

(Continued)

CHILD WELFARE	BEACH AND PARKS	GALVESTON COUNTY MUSEUM	GRANTS	TOTALS	
				2012	2011
\$ 467,040	\$ -	\$ 17,909	\$ 645,119	\$ 26,176,627	\$ 32,382,196
-	-	-	-	499,123	512,298
53,213	106,610	-	4,163,383	5,070,545	4,111,658
-	-	-	-	-	40,271
-	-	-	-	587,133	790,553
-	-	-	-	-	4,378
529	1,486,555	-	-	1,522,849	1,211,421
<b>\$ 520,782</b>	<b>\$ 1,593,165</b>	<b>\$ 17,909</b>	<b>\$ 4,808,502</b>	<b>\$ 33,856,277</b>	<b>\$ 39,052,775</b>
\$ 52,080	\$ 648	\$ -	\$ 2,196,110	\$ 3,107,440	\$ 1,833,948
1,717	2,424	-	116,502	448,453	561,062
-	-	-	139,987	139,987	3,189
-	10	-	4,313	23,551	160,761
-	-	-	-	166,162	33,271
529	-	-	-	504,916	419,117
-	182,743	-	1,426,327	1,609,070	1,817,795
-	-	-	336,219	838,038	1,353,932
54,326	185,825	-	4,219,458	6,837,617	6,183,075
-	-	-	-	587,133	794,931
466,456	1,407,340	17,909	589,044	26,431,527	32,074,769
466,456	1,407,340	17,909	589,044	27,018,660	32,869,700
<b>\$ 520,782</b>	<b>\$ 1,593,165</b>	<b>\$ 17,909</b>	<b>\$ 4,808,502</b>	<b>\$ 33,856,277</b>	<b>\$ 39,052,775</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, 2012**  
**With Comparative Totals for the Year Ended September 30, 2011**

	<b>COUNTY RECORDS MANAGEMENT</b>	<b>COUNTY CLERK RECORDS MANAGEMENT AND PRESERVATION</b>	<b>ELECTION SERVICES CONTRACT</b>	<b>COUNTY CLERK RECORDS ARCHIVE FEE</b>
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for Services	122,539	416,733	218,724	397,633
Fines and Forfeitures	-	-	-	-
Investment Earnings	-	-	-	-
Miscellaneous	912	-	-	-
<b>Total revenues</b>	<b>123,451</b>	<b>416,733</b>	<b>218,724</b>	<b>397,633</b>
<b>EXPENDITURES</b>				
Current :				
General Government	110,000	352,182	9,181	26,825
Public Safety	-	-	-	-
Sanitation	-	-	-	-
Health and Social Services	-	-	-	-
Culture and Recreation	-	-	-	-
Roads, Bridges, and Rights-of-Way	-	-	-	-
Capital Outlay	-	-	-	-
<b>Total expenditures</b>	<b>110,000</b>	<b>352,182</b>	<b>9,181</b>	<b>26,825</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>13,451</b>	<b>64,551</b>	<b>209,543</b>	<b>370,808</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	30,400	-	-	966,000
Transfers Out	(66,300)	(1,443,600)	-	-
Sale of Capital Assets	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>(35,900)</b>	<b>(1,443,600)</b>	<b>-</b>	<b>966,000</b>
<b>Net change in fund balances</b>	<b>(22,449)</b>	<b>(1,379,049)</b>	<b>209,543</b>	<b>1,336,808</b>
<b>Fund balances-beginning</b>	<b>155,413</b>	<b>1,921,782</b>	<b>230,512</b>	<b>-</b>
Prior period adjustments	-	-	-	-
<b>Fund balances-ending</b>	<b>\$ 132,964</b>	<b>\$ 542,733</b>	<b>\$ 440,055</b>	<b>\$ 1,336,808</b>

(Continued)

<b>DISTRICT CLERK CHILD SUPPORT IV-D</b>	<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>
\$ -	\$ -	\$ 3,486	\$ -	\$ -
-	-	-	-	-
5,733	-	-	-	-
-	69,475	-	-	-
-	-	-	-	83,837
-	-	3,473	-	1,608
-	-	-	10,000	-
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
5,733	69,475	6,959	10,000	85,445
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
-	-	497	-	54,554
-	-	-	-	-
-	-	-	9,991	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
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-	-	497	9,991	54,554
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5,733	69,475	6,462	9	30,891
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
-	-	-	-	-
-	(40,000)	-	-	-
-	-	-	-	-
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-	(40,000)	-	-	-
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
5,733	29,475	6,462	9	30,891
116,775	118,476	44,424	870	43,334
-	-	-	-	-
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<b>\$ 122,508</b>	<b>\$ 147,951</b>	<b>\$ 50,886</b>	<b>\$ 879</b>	<b>\$ 74,225</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, 2012**  
**With Comparative Totals for the Year Ended September 30, 2011**

	<b>DISTRICT ATTORNEY CHECK COLLECTION FEES</b>	<b>UNCLAIMED PROPERTY</b>	<b>COURTHOUSE SECURITY</b>	<b>LAW LIBRARY</b>
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for Services	4,123	-	195,351	259,884
Fines and Forfeitures	-	-	-	-
Investment Earnings	-	1,477	-	-
Miscellaneous	-	-	-	-
<b>Total revenues</b>	<b>4,123</b>	<b>1,477</b>	<b>195,351</b>	<b>259,884</b>
<b>EXPENDITURES</b>				
Current :				
General Government	16,343	-	-	364,023
Public Safety	-	-	213,441	-
Sanitation	-	-	-	-
Health and Social Services	-	-	-	-
Culture and Recreation	-	-	-	-
Roads, Bridges, and Rights-of-Way	-	-	-	-
Capital Outlay	-	-	-	-
<b>Total expenditures</b>	<b>16,343</b>	<b>-</b>	<b>213,441</b>	<b>364,023</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(12,220)</b>	<b>1,477</b>	<b>(18,090)</b>	<b>(104,139)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	-	-
Transfers Out	-	-	(18,600)	(12,800)
Sale of Capital Assets	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>(18,600)</b>	<b>(12,800)</b>
<b>Net change in fund balances</b>	<b>(12,220)</b>	<b>1,477</b>	<b>(36,690)</b>	<b>(116,939)</b>
<b>Fund balances-beginning</b>	<b>51,956</b>	<b>61,543</b>	<b>278,048</b>	<b>142,003</b>
Prior period adjustments	-	-	-	-
<b>Fund balances-ending</b>	<b>\$ 39,736</b>	<b>\$ 63,020</b>	<b>\$ 241,358</b>	<b>\$ 25,064</b>

(Continued)

<b>MEDIATION SERVICES PROGRAM</b>	<b>JUSTICE COURT TECHNOLOGY</b>	<b>PROBATE COURT CONTRIBUTIONS</b>	<b>ADULT PROBATION</b>	<b>JUVENILE JUSTICE</b>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	39,985	-	158,543
140,929	-	-	-	362
-	61,726	-	-	-
4,623	-	-	-	11,351
-	-	-	-	960
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
145,552	61,726	39,985	-	171,216
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
47,252	-	3,448	-	-
-	-	-	-	4,376,343
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
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47,252	-	3,448	-	4,376,343
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
98,300	61,726	36,537	-	(4,205,127)
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
-	-	-	-	3,050,000
-	(60,000)	(70,100)	-	-
-	-	-	-	4,699
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
-	(60,000)	(70,100)	-	3,054,699
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
98,300	1,726	(33,563)	-	(1,150,428)
865,341	73,941	306,778	657,799	2,415,386
-	-	-	(657,799)	-
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>\$ 963,641</b>	<b>\$ 75,667</b>	<b>\$ 273,215</b>	<b>\$ -</b>	<b>\$ 1,264,958</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, 2012**  
**With Comparative Totals for the Year Ended September 30, 2011**

	<b>SHERIFF'S COMMISSARY</b>	<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>REVENUES</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	57,118	-	-
Investment Earnings	4,965	694	-	-
Miscellaneous	319,011	3,247	-	-
<b>Total revenues</b>	<b>323,976</b>	<b>61,059</b>	<b>-</b>	<b>-</b>
<b>EXPENDITURES</b>				
Current :				
General Government	-	-	-	-
Public Safety	363,932	109,161	-	-
Sanitation	-	-	-	-
Health and Social Services	-	-	-	-
Culture and Recreation	-	-	-	-
Roads, Bridges, and Rights-of-Way	-	-	-	-
Capital Outlay	-	-	-	-
<b>Total expenditures</b>	<b>363,932</b>	<b>109,161</b>	<b>-</b>	<b>-</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(39,956)</b>	<b>(48,102)</b>	<b>-</b>	<b>-</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>-</b>	<b>(5,400)</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>(39,956)</b>	<b>(48,102)</b>	<b>(5,400)</b>	<b>-</b>
<b>Fund balances-beginning</b>	<b>960,507</b>	<b>118,532</b>	<b>18,380</b>	<b>-</b>
Prior period adjustments	-	-	-	-
<b>Fund balances-ending</b>	<b>\$ 920,551</b>	<b>\$ 70,430</b>	<b>\$ 12,980</b>	<b>\$ -</b>

(Continued)

<b>LAW ENFORCEMENT CONTINUED EDUCATION</b>	<b>CONSTABLES' SEIZURES</b>	<b>EMERGENCY MANAGEMENT</b>	<b>ROAD AND BRIDGE</b>	<b>FARM-TO- MARKET LATERAL ROAD</b>
\$ -	\$ -	\$ -	\$ 2,115,231	\$ 586
-	-	-	2,568,870	-
361	-	592	797,297	28,308
-	-	-	11	-
-	-	-	587,627	-
-	-	-	14,357	6,972
-	-	-	5,213	38,528
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
361	-	592	6,088,606	74,394
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
-	-	-	-	-
15,514	-	213,506	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	4,700,669	149,077
-	-	-	436,689	20,000
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
15,514	-	213,506	5,137,358	169,077
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
(15,153)	-	(212,914)	951,248	(94,683)
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
-	-	-	-	-
-	-	(361,100)	(1,285,200)	(203,000)
-	-	-	34,491	3,400
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
-	-	(361,100)	(1,250,709)	(199,600)
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
(15,153)	-	(574,014)	(299,461)	(294,283)
146,794	3,500	2,823,848	3,303,097	1,501,289
-	-	-	-	-
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>\$ 131,641</b>	<b>\$ 3,500</b>	<b>\$ 2,249,834</b>	<b>\$ 3,003,636</b>	<b>\$ 1,207,006</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, 2012**  
**With Comparative Totals for the Year Ended September 30, 2011**

	<b>ROAD DISTRICT #1</b>	<b>FLOOD CONTROL</b>	<b>MOSQUITO CONTROL DISTRICT</b>	<b>INDIGENT HEALTH CARE FUND</b>
<b>REVENUES</b>				
Taxes	\$ 46	\$ 1,739,864	\$ 1,361,877	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental	-	-	-	125,669
Charges for Services	553,650	124,702	-	-
Fines and Forfeitures	-	-	-	-
Investment Earnings	2,780	15,039	3,489	-
Miscellaneous	-	164,510	40	266
<b>Total revenues</b>	<b>556,476</b>	<b>2,044,115</b>	<b>1,365,406</b>	<b>125,935</b>
<b>EXPENDITURES</b>				
Current :				
General Government	-	161,989	-	-
Public Safety	-	1,427,040	-	-
Sanitation	-	-	-	-
Health and Social Services	-	-	1,223,472	3,167,892
Culture and Recreation	-	-	-	-
Roads, Bridges, and Rights-of-Way	492,363	-	-	-
Capital Outlay	-	444,392	11,700	-
<b>Total expenditures</b>	<b>492,363</b>	<b>2,033,421</b>	<b>1,235,172</b>	<b>3,167,892</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>64,113</b>	<b>10,694</b>	<b>130,234</b>	<b>(3,041,957)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	-	-
Transfers Out	(132,200)	(211,300)	(103,300)	-
Sale of Capital Assets	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>(132,200)</b>	<b>(211,300)</b>	<b>(103,300)</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>(68,087)</b>	<b>(200,606)</b>	<b>26,934</b>	<b>(3,041,957)</b>
<b>Fund balances-beginning</b>	<b>386,409</b>	<b>2,513,273</b>	<b>684,867</b>	<b>10,841,832</b>
Prior period adjustments	-	-	-	-
<b>Fund balances-ending</b>	<b>\$ 318,322</b>	<b>\$ 2,312,667</b>	<b>\$ 711,801</b>	<b>\$ 7,799,875</b>

(Continued)

	CHILD WELFARE	BEACH AND PARKS	GALVESTON COUNTY MUSEUM	GRANTS	TOTALS	
					2012	2011
\$	-	\$ -	\$ -	\$ -	5,221,090	\$ 4,174,836
	-	-	-	-	2,568,870	2,369,788
	30,400	106,410	-	10,100,599	11,393,897	11,882,555
	-	318,906	-	16,800	2,839,822	2,711,896
	-	-	-	-	790,308	761,371
	-	1,228	-	192	72,248	228,092
	7,392	-	-	300,000	850,079	949,952
	37,792	426,544	-	10,417,591	23,736,314	23,078,490
	-	-	-	156,504	1,302,798	1,917,051
	-	-	-	4,495,281	11,214,218	13,204,168
	-	-	-	-	-	1,503
	260,009	-	-	1,045,292	5,706,656	5,125,542
	-	77,177	-	-	77,177	626,588
	-	-	-	-	5,342,109	6,376,313
	-	-	-	4,630,038	5,542,819	3,461,553
	260,009	77,177	-	10,327,115	29,185,777	30,712,718
	(222,217)	349,367	-	90,476	(5,449,463)	(7,634,228)
	200,000	-	-	-	4,246,400	8,934,368
	-	(13,700)	-	(5,710)	(4,032,310)	(8,047,714)
	-	-	-	-	42,590	70,262
	200,000	(13,700)	-	(5,710)	256,680	956,916
	(22,217)	335,667	-	84,766	(5,192,783)	(6,677,312)
	488,673	1,071,673	17,909	504,736	32,869,700	39,547,012
	-	-	-	(458)	(658,257)	-
<b>\$</b>	<b>466,456</b>	<b>\$ 1,407,340</b>	<b>\$ 17,909</b>	<b>\$ 589,044</b>	<b>\$ 27,018,660</b>	<b>\$ 32,869,700</b>

**GALVESTON COUNTY, TEXAS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR SPECIAL REVENUE FUNDS - GRANT FUNDS**  
**September 30, 2012**  
**With Comparative Totals at September 30, 2011**

	<b>LOW INCOME REPAIR ASSISTANCE PROGRAM ("L.I.R.A.P.")</b>	<b>ADULT PROBATION COMMUNITY CORRECTIONS</b>	<b>JUVENILE ACCOUNTABILITY INCENTIVE BLOCK</b>	<b>JUVENILE JUSTICE STATE AID</b>
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 16,512	\$ -	\$ 614	\$ 232,448
Receivables: (Net of Allowance for Uncollectibles)				
Accounts and Other	-	-	5,323	210
<b>Total assets</b>	<b>\$ 16,512</b>	<b>\$ -</b>	<b>\$ 5,937</b>	<b>\$ 232,658</b>
<b>LIABILITIES</b>				
Accounts Payable	\$ -	\$ -	\$ -	\$ 311
Salaries Payable	-	-	3,704	34,611
Retainage Payable	-	-	-	-
Due to Others	-	-	-	4,247
Due to Other Funds	-	-	2,233	-
Deferred Revenues	-	-	-	94,309
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>5,937</b>	<b>133,478</b>
<b>FUND BALANCES</b>				
Restricted	16,512	-	-	99,180
<b>Total fund balances</b>	<b>16,512</b>	<b>-</b>	<b>-</b>	<b>99,180</b>
<b>Total liabilities and fund balances</b>	<b>\$ 16,512</b>	<b>\$ -</b>	<b>\$ 5,937</b>	<b>\$ 232,658</b>

(Continued)

<b>JUVENILE JUSTICE INTENSIVE SUPERVISION PROGRAM</b>	<b>JUVENILE JUSTICE ALTERNATIVE EDUCATION</b>	<b>ORGANIZED CRIME CONTROL UNIT</b>	<b>AUTO CRIMES TASK FORCE</b>	<b>ATTORNEY GENERAL'S VICTIMS ASSISTANCE</b>
\$ -	\$ 38,715	\$ 1,824	\$ -	\$ 4,586
-	-	-	218,773	3,259
<b>\$ -</b>	<b>\$ 38,715</b>	<b>\$ 1,824</b>	<b>\$ 218,773</b>	<b>\$ 7,845</b>
\$ -	\$ -	\$ -	\$ 39,556	\$ -
-	-	-	25,796	2,357
-	-	-	-	-
-	1	-	65	-
-	-	-	33,468	-
-	19,357	-	-	-
-	19,358	-	98,885	2,357
-	19,357	1,824	119,888	5,488
-	19,357	1,824	119,888	5,488
<b>\$ -</b>	<b>\$ 38,715</b>	<b>\$ 1,824</b>	<b>\$ 218,773</b>	<b>\$ 7,845</b>

**GALVESTON COUNTY, TEXAS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR SPECIAL REVENUE FUNDS - GRANT FUNDS**  
**September 30, 2012**  
**With Comparative Totals at September 30, 2011**

	<b>VIOLENCE AGAINST WOMEN ACT</b>	<b>CHILDREN'S JUSTICE ACT PROJECT</b>	<b>OFFICE OF EMERGENCY MANAGEMENT</b>	<b>STATE HOMELAND SECURITY</b>
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 2,602	\$ -	\$ -	\$ -
Receivables: (Net of Allowance for Uncollectibles)				
Accounts and Other	4,834	-	-	74,728
<b>Total assets</b>	<b>\$ 7,436</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 74,728</b>
<b>LIABILITIES</b>				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Salaries Payable	4,293	-	-	6,461
Retainage Payable	-	-	-	-
Due to Others	-	-	-	-
Due to Other Funds	3,143	-	-	68,267
Deferred Revenues	-	-	-	-
<b>Total liabilities</b>	<b>7,436</b>	<b>-</b>	<b>-</b>	<b>74,728</b>
<b>FUND BALANCES</b>				
Restricted	-	-	-	-
<b>Total fund balances</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total liabilities and fund balances</b>	<b>\$ 7,436</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 74,728</b>

(Continued)

EECBG PROGRAM	CDBG INFRASTRUCTURE PROGRAM	SENIOR CITIZENS	TEXANS FEEDING TEXANS PROGRAM	COUNTY BEACH AND PARKS PROJECTS
\$ -	\$ -	\$ 1,954	\$ 39,384	\$ -
120,002	2,488,426	98,964	-	-
<b>\$ 120,002</b>	<b>\$ 2,488,426</b>	<b>\$ 100,918</b>	<b>\$ 39,384</b>	<b>\$ -</b>
\$ -	\$ 1,729,507	\$ 22,723	\$ 7,631	\$ -
-	5,397	9,635	1,697	-
5,056	134,931	-	-	-
-	-	-	-	-
114,946	547,981	-	-	-
-	-	-	30,056	-
120,002	2,417,816	32,358	39,384	-
-	70,610	68,560	-	-
-	70,610	68,560	-	-
<b>\$ 120,002</b>	<b>\$ 2,488,426</b>	<b>\$ 100,918</b>	<b>\$ 39,384</b>	<b>\$ -</b>

**GALVESTON COUNTY, TEXAS  
COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS - GRANT FUNDS  
September 30, 2012  
With Comparative Totals at September 30, 2011**

	<b>2009</b>	<b>UNITED STATES</b>			
	<b>RECOVERY ACT</b>	<b>DEPARTMENT</b>	<b>COPS</b>	<b>MOODY</b>	
	<b>ASSISTANCE</b>	<b>OF JUSTICE</b>	<b>GRANTS</b>	<b>FOUNDATION</b>	
	<b>GRANT</b>	<b>PROGRAMS</b>	<b>PROGRAM</b>	<b>GRANTS</b>	
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 59,252	\$ 18,755	\$ -	\$ -	7
Receivables: (Net of Allowance for Uncollectibles)					
Accounts and Other	33,823	100,411	149,249	-	-
<b>Total assets</b>	<b>\$ 93,075</b>	<b>\$ 119,166</b>	<b>\$ 149,249</b>	<b>\$ -</b>	<b>7</b>
<b>LIABILITIES</b>					
Accounts Payable	\$ -	\$ 9,070	\$ -	\$ -	-
Salaries Payable	-	-	22,551	-	-
Retainage Payable	-	-	-	-	-
Due to Others	-	-	-	-	-
Due to Other Funds	-	-	126,698	-	-
Deferred Revenues	93,075	99,422	-	-	-
<b>Total liabilities</b>	<b>93,075</b>	<b>108,492</b>	<b>149,249</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES</b>					
Restricted	-	10,674	-	-	7
<b>Total fund balances</b>	<b>-</b>	<b>10,674</b>	<b>-</b>	<b>-</b>	<b>7</b>
<b>Total liabilities and fund balances</b>	<b>\$ 93,075</b>	<b>\$ 119,166</b>	<b>\$ 149,249</b>	<b>\$ -</b>	<b>7</b>

(Continued)

ELECTION SERVICES CONTRACT FUND-HAVA	SEVERE REPETITIVE LOSS GRANT	TOTALS	
		2012	2011
\$ 161,564	\$ 66,902	\$ 645,119	\$ 736,082
16,800	848,581	4,163,383	3,352,139
<b>\$ 178,364</b>	<b>\$ 915,483</b>	<b>\$ 4,808,502</b>	<b>\$ 4,088,221</b>
\$ 1,420	\$ 385,892	\$ 2,196,110	\$ 1,130,175
-	-	116,502	117,373
-	-	139,987	3,189
-	-	4,313	-
-	529,591	1,426,327	1,628,689
-	-	336,219	704,059
1,420	915,483	4,219,458	3,583,485
176,944	-	589,044	504,736
176,944	-	589,044	504,736
<b>\$ 178,364</b>	<b>\$ 915,483</b>	<b>\$ 4,808,502</b>	<b>\$ 4,088,221</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, 2012**  
**With Comparative Totals for the Year Ended September 30, 2011**

	<b>LOW INCOME REPAIR ASSISTANCE PROGRAM ("L.I.R.A.P.")</b>	<b>ADULT PROBATION COMMUNITY CORRECTIONS</b>	<b>JUVENILE ACCOUNTABILITY INCENTIVE BLOCK</b>	<b>JUVENILE JUSTICE STATE AID</b>
<b>REVENUES</b>				
Intergovernmental	\$ 295,919	\$ -	\$ 5,936	\$ 1,497,353
Charges for Services	-	-	-	-
Investment Earnings	101	-	-	-
Miscellaneous	-	-	-	-
<b>Total revenues</b>	<b>296,020</b>	<b>-</b>	<b>5,936</b>	<b>1,497,353</b>
<b>EXPENDITURES</b>				
Current :				
General Government	-	-	5,936	-
Public Safety	-	-	-	1,410,295
Sanitation	-	-	-	-
Health and Social Services	295,918	-	-	-
Culture and Recreation	-	-	-	-
Capital Outlay	-	-	-	-
<b>Total expenditures</b>	<b>295,918</b>	<b>-</b>	<b>5,936</b>	<b>1,410,295</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>102</b>	<b>-</b>	<b>-</b>	<b>87,058</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>102</b>	<b>-</b>	<b>-</b>	<b>87,058</b>
<b>Fund balances-beginning</b>	<b>16,410</b>	<b>458</b>	<b>-</b>	<b>12,122</b>
Prior Period Adjustments	-	(458)	-	-
<b>Fund balances-ending</b>	<b>\$ 16,512</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 99,180</b>

(Continued)

<b>JUVENILE JUSTICE INTENSIVE SUPERVISION PROGRAM</b>	<b>JUVENILE JUSTICE ALTERNATIVE EDUCATION</b>	<b>ORGANIZED CRIME CONTROL UNIT</b>	<b>AUTO CRIMES TASK FORCE</b>	<b>ATTORNEY GENERAL'S VICTIMS ASSISTANCE</b>
\$ -	\$ 321,412	\$ -	\$ 657,481	\$ 4,084
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	321,412	-	657,481	4,084
-	-	-	-	4,074
328	304,105	-	644,224	-
-	-	-	-	-
-	-	-	-	-
-	-	-	28,110	-
328	304,105	-	672,334	4,074
(328)	17,307	-	(14,853)	10
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
(328)	17,307	-	(14,853)	10
328	2,050	1,824	134,741	5,478
-	-	-	-	-
<b>\$ -</b>	<b>\$ 19,357</b>	<b>\$ 1,824</b>	<b>\$ 119,888</b>	<b>\$ 5,488</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, 2012**  
**With Comparative Totals for the Year Ended September 30, 2011**

	<b>VIOLENCE AGAINST WOMEN ACT</b>	<b>CHILDREN'S JUSTICE ACT PROJECT</b>	<b>OFFICE OF EMERGENCY MANAGEMENT</b>	<b>STATE HOMELAND SECURITY</b>
<b>REVENUES</b>				
Intergovernmental	\$ 102,728	\$ -	\$ 3,436	\$ 140,265
Charges for Services	-	-	-	-
Investment Earnings	-	-	-	-
Miscellaneous	-	-	-	-
<b>Total revenues</b>	<b>102,728</b>	<b>-</b>	<b>3,436</b>	<b>140,265</b>
<b>EXPENDITURES</b>				
Current :				
General Government	102,728	-	-	-
Public Safety	-	-	-	110,265
Sanitation	-	-	-	-
Health and Social Services	-	-	-	-
Culture and Recreation	-	-	-	-
Capital Outlay	-	-	-	30,000
<b>Total expenditures</b>	<b>102,728</b>	<b>-</b>	<b>-</b>	<b>140,265</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>-</b>	<b>-</b>	<b>3,436</b>	<b>-</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	-	-
Transfers Out	-	(1,685)	(3,436)	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>(1,685)</b>	<b>(3,436)</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>-</b>	<b>(1,685)</b>	<b>-</b>	<b>-</b>
<b>Fund balances-beginning</b>	<b>-</b>	<b>1,685</b>	<b>-</b>	<b>-</b>
Prior Period Adjustments	-	-	-	-
<b>Fund balances-ending</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

(Continued)

EECBG PROGRAM	CDBG INFRASTRUCTURE PROGRAM	SENIOR CITIZENS	TEXANS FEEDING TEXANS PROGRAM	COUNTY BEACH AND PARKS PROJECTS
\$ 114,504	\$ 4,876,942	\$ 623,070	\$ 137,048	\$ 589
-	-	-	-	-
-	-	-	-	-
-	300,000	-	-	-
114,504	5,176,942	623,070	137,048	589
13,377	-	-	-	-
-	716,641	-	-	-
-	-	-	-	-
-	-	612,325	137,049	-
-	-	-	-	-
101,127	4,460,301	-	-	-
114,504	5,176,942	612,325	137,049	-
-	-	10,745	(1)	589
-	-	-	-	-
-	-	-	-	(589)
-	-	-	-	(589)
-	-	10,745	(1)	-
-	70,610	57,815	1	-
-	-	-	-	-
<b>\$ -</b>	<b>\$ 70,610</b>	<b>\$ 68,560</b>	<b>\$ -</b>	<b>\$ -</b>

**GALVESTON COUNTY, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR SPECIAL REVENUE FUNDS - GRANT FUNDS**  
**For the Year Ended September 30, 2012**  
**With Comparative Totals for the Year Ended September 30, 2011**

	<b>2009</b>	<b>UNITED STATES</b>		
	<b>RECOVERY ACT</b>	<b>DEPARTMENT</b>	<b>COPS</b>	<b>MOODY</b>
	<b>ASSISTANCE</b>	<b>OF JUSTICE</b>	<b>GRANTS</b>	<b>FOUNDATION</b>
	<b>GRANT</b>	<b>PROGRAMS</b>	<b>PROGRAM</b>	<b>GRANTS</b>
<b>REVENUES</b>				
Intergovernmental	\$ 1,998	\$ 19,529	\$ 546,368	\$ -
Charges for Services	-	-	-	-
Investment Earnings	-	91	-	-
Miscellaneous	-	-	-	-
<b>Total revenues</b>	<b>1,998</b>	<b>19,620</b>	<b>546,368</b>	<b>-</b>
<b>EXPENDITURES</b>				
Current :				
General Government	-	-	-	-
Public Safety	1,998	9,120	546,368	-
Sanitation	-	-	-	-
Health and Social Services	-	-	-	-
Culture and Recreation	-	-	-	-
Capital Outlay	-	10,500	-	-
<b>Total expenditures</b>	<b>1,998</b>	<b>19,620</b>	<b>546,368</b>	<b>-</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>-</b>	<b>-</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>-</b>	<b>-</b>	<b>-</b>
<b>Fund balances-beginning</b>	<b>-</b>	<b>10,674</b>	<b>-</b>	<b>7</b>
Prior Period Adjustments	-	-	-	-
<b>Fund balances-ending</b>	<b>\$ -</b>	<b>\$ 10,674</b>	<b>\$ -</b>	<b>\$ 7</b>

(Continued)

ELECTION SERVICES CONTRACT FUND-HAVA	SEVERE REPETITIVE LOSS GRANT	TOTALS	
		2012	2011
\$ -	\$ 751,937	\$ 10,100,599	\$ 7,973,222
16,800	-	16,800	9,750
-	-	192	1,195
-	-	300,000	215,500
16,800	751,937	10,417,591	8,199,667
30,389	-	156,504	490,354
-	751,937	4,495,281	3,997,572
-	-	-	1,503
-	-	1,045,292	1,334,749
-	-	-	14,068
-	-	4,630,038	2,400,727
30,389	751,937	10,327,115	8,238,973
(13,589)	-	90,476	(39,306)
-	-	-	412,425
-	-	(5,710)	(197,142)
-	-	(5,710)	215,283
(13,589)	-	84,766	175,977
190,533	-	504,736	328,759
-	-	(458)	-
<b>\$ 176,944</b>	<b>\$ -</b>	<b>\$ 589,044</b>	<b>\$ 504,736</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, 2012**  
**With Comparative Actual Amounts for the Year Ended September 30, 2011**

	<b>2012</b>		<b>Variance with Final Budget - Positive (Negative)</b>	<b>2011 Actual</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>		
<b>REVENUES</b>				
Charges for Services	\$ 133,900	\$ 122,539	\$ (11,361)	\$ 132,355
Miscellaneous	1,000	912	(88)	2,608
<b>Total revenues</b>	<b>134,900</b>	<b>123,451</b>	<b>(11,449)</b>	<b>134,963</b>
<b>EXPENDITURES</b>				
General Government:				
Current:				
Personal Services	-	-	-	15,237
Supplies	2,000	-	2,000	655
Other Services and Charges	135,000	110,000	25,000	183,300
<b>Total expenditures</b>	<b>137,000</b>	<b>110,000</b>	<b>27,000</b>	<b>199,192</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(2,100)</b>	<b>13,451</b>	<b>15,551</b>	<b>(64,229)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	30,400	30,400	-	100,000
Transfers Out	(66,300)	(66,300)	-	(3,000)
<b>Total other financing sources (uses)</b>	<b>(35,900)</b>	<b>(35,900)</b>	<b>-</b>	<b>97,000</b>
<b>Net change in fund balances</b>	<b>(38,000)</b>	<b>(22,449)</b>	<b>15,551</b>	<b>32,771</b>
<b>Fund balances-beginning</b>	<b>155,413</b>	<b>155,413</b>	<b>-</b>	<b>122,642</b>
<b>Fund balances-ending</b>	<b>\$ 117,413</b>	<b>\$ 132,964</b>	<b>\$ 15,551</b>	<b>\$ 155,413</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, 2012**  
**With Comparative Actual Amounts for the Year Ended September 30, 2011**

	2012		Variance with Final Budget - Positive (Negative)	2011 Actual
	Final Budgeted Amounts	Actual Amounts		
<b>REVENUES</b>				
Charges for Services	\$ 396,400	\$ 416,733	\$ 20,333	\$ 787,920
<b>EXPENDITURES</b>				
General Government:				
Current:				
Personal Services	451,700	260,050	191,650	400,594
Supplies	27,400	12,903	14,497	38,095
Other Services and Charges	131,700	79,229	52,471	112,798
Total General Government:	610,800	352,182	258,618	551,487
Capital Outlay	287,310	-	287,310	49,217
<b>Total expenditures</b>	898,110	352,182	545,928	600,704
<b>Excess (deficiency) of revenues over (under) expenditures</b>	(501,710)	64,551	566,261	187,216
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(1,443,600)	(1,443,600)	-	(477,600)
<b>Net change in fund balances</b>	(1,945,310)	(1,379,049)	566,261	(290,384)
<b>Fund balances-beginning</b>	1,921,782	1,921,782	-	2,212,166
<b>Fund balances-ending</b>	<u>\$ (23,528)</u>	<u>\$ 542,733</u>	<u>\$ 566,261</u>	<u>\$ 1,921,782</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, 2012**  
**With Comparative Actual Amounts for the Year Ended September 30, 2011**

	2012		Variance with Final Budget - Positive (Negative)	2011 Actual
	Final Budgeted Amounts	Actual Amounts		
<b>REVENUES</b>				
Charges for Services	\$ -	\$ 218,724	\$ 218,724	\$ 139,286
Miscellaneous	-	-	-	109,311
<b>Total revenues</b>	<b>-</b>	<b>218,724</b>	<b>218,724</b>	<b>248,597</b>
<b>EXPENDITURES</b>				
General Government:				
Current:				
Personal Services	57,000	7,381	49,619	9,269
Supplies	-	1,800	(1,800)	12,747
Other Services and Charges	3,000	-	3,000	-
Total General Government:	60,000	9,181	50,819	22,016
Capital Outlay	-	-	-	21,000
<b>Total expenditures</b>	<b>60,000</b>	<b>9,181</b>	<b>50,819</b>	<b>43,016</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(60,000)</b>	<b>209,543</b>	<b>269,543</b>	<b>205,581</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	-	-	-	(392,001)
<b>Net change in fund balances</b>	<b>(60,000)</b>	<b>209,543</b>	<b>269,543</b>	<b>(186,420)</b>
<b>Fund balances-beginning</b>	<b>230,512</b>	<b>230,512</b>	<b>-</b>	<b>416,932</b>
<b>Fund balances-ending</b>	<b>\$ 170,512</b>	<b>\$ 440,055</b>	<b>\$ 269,543</b>	<b>\$ 230,512</b>

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET (NON-GAAP) AND ACTUAL**  
**COUNTY CLERK RECORDS ARCHIVE SPECIAL REVENUE FUND**  
**For the Year Ended September 30, 2012**  
**With Comparative Actual Amounts for the Year Ended September 30, 2011**

	2012		Variance with Final Budget - Positive (Negative)	2011 Actual
	Final Budgeted Amounts	Actual Amounts		
<b>REVENUES</b>				
Charges for Services	\$ 400,000	\$ 397,633	\$ (2,367)	\$ -
<b>EXPENDITURES</b>				
General Government:				
Current:				
Other Services and Charges	26,825	26,825	-	-
Total General Government:	26,825	26,825	-	-
Capital Outlay	373,175	-	373,175	-
<b>Total expenditures</b>	400,000	26,825	373,175	-
<b>Excess (deficiency) of revenues over (under) expenditures</b>	-	370,808	370,808	-
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	966,000	966,000	-	-
<b>Net change in fund balances</b>	966,000	1,336,808	370,808	-
<b>Fund balances-beginning</b>	-	-	-	-
<b>Fund balances-ending</b>	<b>\$ 966,000</b>	<b>\$ 1,336,808</b>	<b>\$ 370,808</b>	<b>\$ -</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, 2012**  
**With Comparative Actual Amounts for the Year Ended September 30, 2011**

	2012		Variance with Final Budget - Positive (Negative)	2011 Actual
	Final Budgeted Amounts	Actual Amounts		
<b>REVENUES</b>				
Intergovernmental	\$ 5,500	\$ 5,733	\$ 233	\$ 6,284
<b>EXPENDITURES</b>				
General Government:				
Current:				
Personal Services	50,700	-	50,700	4,220
<b>Excess (deficiency) of revenues over (under) expenditures</b>	(45,200)	5,733	50,933	2,064
<b>Fund balances-beginning</b>	116,775	116,775	-	114,711
<b>Fund balances-ending</b>	<u>\$ 71,575</u>	<u>\$ 122,508</u>	<u>\$ 50,933</u>	<u>\$ 116,775</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, 2012**  
**With Comparative Actual Amounts for the Year Ended September 30, 2011**

	2012		Variance with Final Budget - Positive (Negative)	2011 Actual
	Final Budgeted Amounts	Actual Amounts		
<b>REVENUES</b>				
Charges for Services	\$ 71,000	\$ 69,475	\$ (1,525)	\$ 69,928
<b>EXPENDITURES</b>	-	-	-	-
<b>Excess (deficiency) of revenues over (under) expenditures</b>	71,000	69,475	(1,525)	69,928
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(40,000)	(40,000)	-	(40,000)
<b>Net change in fund balances</b>	31,000	29,475	(1,525)	29,928
<b>Fund balances-beginning</b>	118,476	118,476	-	88,548
<b>Fund balances-ending</b>	<b>\$ 149,476</b>	<b>\$ 147,951</b>	<b>\$ (1,525)</b>	<b>\$ 118,476</b>

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET (NON-GAAP) AND ACTUAL**  
**TAX ASSESSOR-COLLECTOR SPECIAL INVENTORY TAX ESCROW SPECIAL REVENUE FUND**  
**For the Year Ended September 30, 2012**  
**With Comparative Actual Amounts for the Year Ended September 30, 2011**

	2012		Variance with Final Budget - Positive (Negative)	2011 Actual
	Final Budgeted Amounts	Actual Amounts		
<b>REVENUES</b>				
Taxes	\$ -	\$ 3,486	\$ 3,486	\$ 2,767
Investment Earnings	-	3,473	3,473	8,884
<b>Total revenues</b>	<b>-</b>	<b>6,959</b>	<b>6,959</b>	<b>11,651</b>
<b>EXPENDITURES</b>				
General Government:				
Current:				
Personal Services	17,200	-	17,200	1,516
Other Services and Charges	8,300	497	7,803	4,208
<b>Total expenditures</b>	<b>25,500</b>	<b>497</b>	<b>25,003</b>	<b>5,724</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(25,500)</b>	<b>6,462</b>	<b>31,962</b>	<b>5,927</b>
<b>Fund balances-beginning</b>	<b>44,424</b>	<b>44,424</b>	<b>-</b>	<b>38,497</b>
<b>Fund balances-ending</b>	<b>\$ 18,924</b>	<b>\$ 50,886</b>	<b>\$ 31,962</b>	<b>\$ 44,424</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, 2012**  
**With Comparative Actual Amounts for the Year Ended September 30, 2011**

	2012		Variance with Final Budget - Positive (Negative)	2011 Actual
	Final Budgeted Amounts	Actual Amounts		
<b>REVENUES</b>				
Miscellaneous	\$ 10,000	\$ 10,000	\$ -	\$ 5,000
<b>EXPENDITURES</b>				
Health and Social Services:				
Current:				
Other Services and Charges	\$ 10,000	\$ 9,991	\$ 9	\$ 5,000
<b>Excess (deficiency) of revenues     over (under) expenditures</b>	-	9	9	-
<b>Fund balances-beginning</b>	870	870	-	870
<b>Fund balances-ending</b>	<u><u>\$ 870</u></u>	<u><u>\$ 879</u></u>	<u><u>\$ 9</u></u>	<u><u>\$ 870</u></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, 2012**  
**With Comparative Actual Amounts for the Year Ended September 30, 2011**

	2012		Variance with Final Budget - Positive (Negative)	2011 Actual
	Final Budgeted Amounts	Actual Amounts		
<b>REVENUES</b>				
Fines and Forfeitures	\$ -	\$ 83,837	\$ 83,837	\$ 24,587
Investment Earnings	-	1,608	1,608	259
<b>Total revenues</b>	<b>-</b>	<b>85,445</b>	<b>85,445</b>	<b>24,846</b>
<b>EXPENDITURES</b>				
General Government:				
Current:				
Supplies	12,500	10,678	1,822	6,126
Other Services and Charges	45,900	43,876	2,024	29,987
<b>Total expenditures</b>	<b>58,400</b>	<b>54,554</b>	<b>3,846</b>	<b>36,113</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(58,400)</b>	<b>30,891</b>	<b>89,291</b>	<b>(11,267)</b>
<b>Fund balances-beginning</b>	<b>43,334</b>	<b>43,334</b>	<b>-</b>	<b>54,601</b>
<b>Fund balances-ending</b>	<b>\$ (15,066)</b>	<b>\$ 74,225</b>	<b>\$ 89,291</b>	<b>\$ 43,334</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, 2012**  
**With Comparative Actual Amounts for the Year Ended September 30, 2011**

	2012		Variance with Final Budget - Positive (Negative)	2011 Actual
	Final Budgeted Amounts	Actual Amounts		
<b>REVENUES</b>				
Charges for Services	\$ -	\$ 4,123	\$ 4,123	\$ 4,957
Miscellaneous	-	-	-	235
<b>Total revenues</b>	<b>-</b>	<b>4,123</b>	<b>4,123</b>	<b>5,192</b>
<b>EXPENDITURES</b>				
General Government:				
Current:				
Personal Services	2,600	9,448	(6,848)	2,834
Supplies	7,000	34	6,966	48
Other Services and Charges	47,000	6,861	40,139	7,379
<b>Total expenditures</b>	<b>56,600</b>	<b>16,343</b>	<b>40,257</b>	<b>10,261</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(56,600)</b>	<b>(12,220)</b>	<b>44,380</b>	<b>(5,069)</b>
<b>Fund balances-beginning</b>	<b>51,956</b>	<b>51,956</b>	<b>-</b>	<b>57,025</b>
<b>Fund balances-ending</b>	<b>\$ (4,644)</b>	<b>\$ 39,736</b>	<b>\$ 44,380</b>	<b>\$ 51,956</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, 2012**  
**With Comparative Actual Amounts for the Year Ended September 30, 2011**

	2012		Variance with Final Budget - Positive (Negative)	2011 Actual
	Final Budgeted Amounts	Actual Amounts		
<b>REVENUES</b>				
Investment Earnings	\$ -	\$ 1,477	\$ 1,477	\$ 3,213
<b>EXPENDITURES</b>	-	-	-	-
<b>Excess (deficiency) of revenues over (under) expenditures</b>	-	1,477	1,477	3,213
<b>Fund balances-beginning</b>	61,543	61,543	-	58,330
<b>Fund balances-ending</b>	<u>\$ 61,543</u>	<u>\$ 63,020</u>	<u>\$ 1,477</u>	<u>\$ 61,543</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, 2012**  
**With Comparative Actual Amounts for the Year Ended September 30, 2011**

	<u>2012</u>		<b>Variance with Final Budget - Positive (Negative)</b>	<b>2011 Actual</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>		
<b>REVENUES</b>				
Charges for Services	\$ 198,150	\$ 195,351	\$ (2,799)	\$ 199,605
<b>EXPENDITURES</b>				
Public Safety:				
Current:				
Personal Services	228,900	193,400	35,500	203,664
Supplies	3,750	2,041	1,709	1,402
Other Services and Charges	27,000	18,000	9,000	25,729
<b>Total expenditures</b>	<u>259,650</u>	<u>213,441</u>	<u>46,209</u>	<u>230,795</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	(61,500)	(18,090)	43,410	(31,190)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(18,600)	(18,600)	-	(10,200)
<b>Net change in fund balances</b>	(80,100)	(36,690)	43,410	(41,390)
<b>Fund balances-beginning</b>	<u>278,048</u>	<u>278,048</u>	<u>-</u>	<u>319,438</u>
<b>Fund balances-ending</b>	<u><b>\$ 197,948</b></u>	<u><b>\$ 241,358</b></u>	<u><b>\$ 43,410</b></u>	<u><b>\$ 278,048</b></u>

**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, 2012**  
**With Comparative Actual Amounts for the Year Ended September 30, 2011**

	2012		Variance with Final Budget - Positive (Negative)	2011 Actual
	Final Budgeted Amounts	Actual Amounts		
<b>REVENUES</b>				
Charges for Services	\$ 250,000	\$ 259,884	\$ 9,884	\$ 250,008
Miscellaneous	-	-	-	158
<b>Total revenues</b>	<u>250,000</u>	<u>259,884</u>	<u>9,884</u>	<u>250,166</u>
<b>EXPENDITURES</b>				
General Government:				
Current:				
Personal Services	39,700	32,454	7,246	41,915
Supplies	330,957	330,957	-	297,571
Other Services and Charges	12,500	612	11,888	12,170
<b>Total expenditures</b>	<u>383,157</u>	<u>364,023</u>	<u>19,134</u>	<u>351,656</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	(133,157)	(104,139)	29,018	(101,490)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(12,800)	(12,800)	-	(12,800)
<b>Net change in fund balances</b>	(145,957)	(116,939)	29,018	(114,290)
<b>Fund balances-beginning</b>	<u>142,003</u>	<u>142,003</u>	<u>-</u>	<u>256,293</u>
<b>Fund balances-ending</b>	<u><u>\$ (3,954)</u></u>	<u><u>\$ 25,064</u></u>	<u><u>\$ 29,018</u></u>	<u><u>\$ 142,003</u></u>

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**MEDIATION SERVICES PROGRAM SPECIAL REVENUE FUND**  
**For the Year Ended September 30, 2012**  
**With Comparative Actual Amounts for the Year Ended September 30, 2011**

	2012		Variance with Final Budget - Positive (Negative)	2011 Actual
	Final Budgeted Amounts	Actual Amounts		
<b>REVENUES</b>				
Charges for Services	\$ 133,380	\$ 140,929	\$ 7,549	\$ 137,272
Investment Earnings	9,500	4,623	(4,877)	10,747
Miscellaneous	-	-	-	3,420
<b>Total revenues</b>	<u>142,880</u>	<u>145,552</u>	<u>2,672</u>	<u>151,439</u>
<b>EXPENDITURES</b>				
General Government:				
Current:				
Other Services and Charges	75,000	47,252	27,748	32,725
<b>Excess (deficiency) of revenues over (under) expenditures</b>	67,880	98,300	30,420	118,714
<b>Fund balances-beginning</b>	<u>865,341</u>	<u>865,341</u>	<u>-</u>	<u>746,627</u>
<b>Fund balances-ending</b>	<u><u>\$ 933,221</u></u>	<u><u>\$ 963,641</u></u>	<u><u>\$ 30,420</u></u>	<u><u>\$ 865,341</u></u>

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**JUSTICE COURT TECHNOLOGY SPECIAL REVENUE FUND**  
**For the Year Ended September 30, 2012**  
**With Comparative Actual Amounts for the Year Ended September 30, 2011**

	2012		Variance with Final Budget - Positive (Negative)	2011 Actual
	Final Budgeted Amounts	Actual Amounts		
<b>REVENUES</b>				
Fines and Forfeitures	\$ 64,850	\$ 61,726	\$ (3,124)	\$ 67,421
<b>Total revenues</b>	<u>64,850</u>	<u>61,726</u>	<u>(3,124)</u>	<u>67,421</u>
<b>EXPENDITURES</b>				
General Government:				
Current:				
Other Services and Charges	-	-	-	105,000
<b>Excess (deficiency) of revenues over (under) expenditures</b>	64,850	61,726	(3,124)	(37,579)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(60,000)	(60,000)	-	-
<b>Net change in fund balances</b>	4,850	1,726	(3,124)	(37,579)
<b>Fund balances-beginning</b>	73,941	73,941	-	111,520
<b>Fund balances-ending</b>	<u>\$ 78,791</u>	<u>\$ 75,667</u>	<u>\$ (3,124)</u>	<u>\$ 73,941</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, 2012**  
**With Comparative Actual Amounts for the Year Ended September 30, 2011**

	2012		Variance with Final Budget - Positive (Negative)	2011 Actual
	Final Budgeted Amounts	Actual Amounts		
<b>REVENUES</b>				
Intergovernmental	\$ 40,000	\$ 39,985	\$ (15)	\$ 40,476
Miscellaneous	-	-	-	84
<b>Total revenues</b>	<u>40,000</u>	<u>39,985</u>	<u>(15)</u>	<u>40,560</u>
<b>EXPENDITURES</b>				
General Government:				
Current:				
Supplies	2,000	-	2,000	38
Other Services and Charges	8,000	3,448	4,552	10,164
<b>Total expenditures</b>	<u>10,000</u>	<u>3,448</u>	<u>6,552</u>	<u>10,202</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	30,000	36,537	6,537	30,358
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(70,100)	(70,100)	-	(33,289)
<b>Net change in fund balances</b>	(40,100)	(33,563)	6,537	(2,931)
<b>Fund balances-beginning</b>	<u>306,778</u>	<u>306,778</u>	<u>-</u>	<u>309,709</u>
<b>Fund balances-ending</b>	<u><u>\$ 266,678</u></u>	<u><u>\$ 273,215</u></u>	<u><u>\$ 6,537</u></u>	<u><u>\$ 306,778</u></u>

**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, 2012**  
**With Comparative Actual Amounts for the Year Ended September 30, 2011**

	2012		Variance with Final Budget - Positive (Negative)	2011 Actual
	Final Budgeted Amounts	Actual Amounts		
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ -	\$ -	\$ 2,640,641
Investment Earnings	-	-	-	13,116
Miscellaneous	-	-	-	7,413
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,661,170</b>
<b>EXPENDITURES</b>				
Public Safety:				
Current:				
Personal Services	-	-	-	1,968,997
Supplies	-	-	-	11,531
Other Services and Charges	-	-	-	151,704
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,132,232</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>528,938</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	-	-	-	(20,424)
<b>Net change in fund balances</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>508,514</b>
<b>Fund balances-beginning</b>	<b>657,799</b>	<b>657,799</b>	<b>-</b>	<b>149,285</b>
Prior period adjustments	-	(657,799)	(657,799)	-
<b>Fund balances-ending</b>	<b>\$ 657,799</b>	<b>\$ -</b>	<b>\$ (657,799)</b>	<b>\$ 657,799</b>

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**JUVENILE JUSTICE SPECIAL REVENUE FUND**  
**For the Year Ended September 30, 2012**  
**With Comparative Actual Amounts for the Year Ended September 30, 2011**

	<u>2012</u>		<b>Variance with Final Budget - Positive (Negative)</b>	<u>2011 Actual</u>
	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>		
<b>REVENUES</b>				
Intergovernmental	\$ 115,000	\$ 158,543	\$ 43,543	\$ 297,613
Charges for Services	400	362	(38)	815
Investment Earnings	28,500	11,351	(17,149)	36,374
Miscellaneous	-	960	960	1,882
<b>Total revenues</b>	<u>143,900</u>	<u>171,216</u>	<u>27,316</u>	<u>336,684</u>
<b>EXPENDITURES</b>				
Public Safety:				
Current:				
Personal Services	3,237,600	3,070,695	166,905	3,098,653
Supplies	89,189	69,898	19,291	81,793
Other Services and Charges	<u>1,560,100</u>	<u>1,235,750</u>	<u>324,350</u>	<u>1,563,608</u>
Total Public Safety:	<u>4,886,889</u>	<u>4,376,343</u>	<u>510,546</u>	<u>4,744,054</u>
Capital Outlay	-	-	-	68,626
<b>Total expenditures</b>	<u>4,886,889</u>	<u>4,376,343</u>	<u>510,546</u>	<u>4,812,680</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(4,742,989)</u>	<u>(4,205,127)</u>	<u>537,862</u>	<u>(4,475,996)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	3,050,000	3,050,000	-	5,006,800
Transfers Out	-	-	-	(167,400)
Sale of Capital Assets	-	4,699	4,699	-
<b>Total other financing sources (uses)</b>	<u>3,050,000</u>	<u>3,054,699</u>	<u>4,699</u>	<u>4,839,400</u>
<b>Net change in fund balances</b>	(1,692,989)	(1,150,428)	542,561	363,404
<b>Fund balances-beginning</b>	<u>2,415,386</u>	<u>2,415,386</u>	-	<u>2,051,982</u>
<b>Fund balances-ending</b>	<u><u>\$ 722,397</u></u>	<u><u>\$ 1,264,958</u></u>	<u><u>\$ 542,561</u></u>	<u><u>\$ 2,415,386</u></u>

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET (NON-GAAP) AND ACTUAL**  
**SHERIFF'S COMMISSARY SPECIAL REVENUE FUND**  
**For the Year Ended September 30, 2012**  
**With Comparative Actual Amounts for the Year Ended September 30, 2011**

	2012		Variance with Final Budget - Positive (Negative)	2011 Actual
	Final Budgeted Amounts	Actual Amounts		
<b>REVENUES</b>				
Investment Earnings	\$ -	\$ 4,965	\$ 4,965	\$ 15,016
Miscellaneous	-	319,011	319,011	449,179
<b>Total revenues</b>	<b>-</b>	<b>323,976</b>	<b>323,976</b>	<b>464,195</b>
<b>EXPENDITURES</b>				
Public Safety:				
Current:				
Personal Services	77,400	24	77,376	2,797
Other Services and Charges	-	363,908	(363,908)	509,615
<b>Total expenditures</b>	<b>77,400</b>	<b>363,932</b>	<b>(286,532)</b>	<b>512,412</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(77,400)</b>	<b>(39,956)</b>	<b>37,444</b>	<b>(48,217)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	-	-	-	(4,900)
<b>Net change in fund balances</b>	<b>(77,400)</b>	<b>(39,956)</b>	<b>37,444</b>	<b>(53,117)</b>
<b>Fund balances-beginning</b>	<b>960,507</b>	<b>960,507</b>	<b>-</b>	<b>1,013,624</b>
<b>Fund balances-ending</b>	<b>\$ 883,107</b>	<b>\$ 920,551</b>	<b>\$ 37,444</b>	<b>\$ 960,507</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, 2012**  
**With Comparative Actual Amounts for the Year Ended September 30, 2011**

	2012		Variance with Final Budget - Positive (Negative)	2011 Actual
	Final Budgeted Amounts	Actual Amounts		
<b>REVENUES</b>				
Fines and Forfeitures	\$ -	\$ 57,118	\$ 57,118	\$ 68,581
Investment Earnings	-	694	694	1,522
Miscellaneous	-	3,247	3,247	-
<b>Total revenues</b>	<b>-</b>	<b>61,059</b>	<b>61,059</b>	<b>70,103</b>
<b>EXPENDITURES</b>				
Public Safety:				
Current:				
Supplies	76,768	58,768	18,000	24,260
Other Services and Charges	68,513	50,393	18,120	8,557
Total Public Safety:	145,281	109,161	36,120	32,817
<b>Total expenditures</b>	<b>145,281</b>	<b>109,161</b>	<b>36,120</b>	<b>32,817</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(145,281)</b>	<b>(48,102)</b>	<b>97,179</b>	<b>37,286</b>
<b>Fund balances-beginning</b>	<b>118,532</b>	<b>118,532</b>	<b>-</b>	<b>81,246</b>
<b>Fund balances-ending</b>	<b>\$ (26,749)</b>	<b>\$ 70,430</b>	<b>\$ 97,179</b>	<b>\$ 118,532</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, 2012**  
**With Comparative Actual Amounts for the Year Ended September 30, 2011**

	2012		Variance with Final Budget - Positive (Negative)	2011 Actual
	Final Budgeted Amounts	Actual Amounts		
<b>REVENUES</b>	\$ -	\$ -	\$ -	\$ -
<b>EXPENDITURES</b>	-	-	-	-
<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)	-	(5,400)
<b>Fund balances-beginning</b>	18,380	18,380	-	23,780
<b>Fund balances-ending</b>	<u>\$ 12,980</u>	<u>\$ 12,980</u>	<u>\$ -</u>	<u>\$ 18,380</u>

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET (NON-GAAP) AND ACTUAL**  
**CRIMINAL INVESTIGATIVE DIVISION SEIZURES POST-10/89 SPECIAL REVENUE FUND**  
**For the Year Ended September 30, 2012**  
**With Comparative Actual Amounts for the Year Ended September 30, 2011**

	2012			2011 Actual
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)	
Fund balances-beginning	\$ -	\$ -	\$ -	\$ -
Fund balances-ending	<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, 2012**  
**With Comparative Actual Amounts for the Year Ended September 30, 2011**

	2012		Variance with Final Budget - Positive (Negative)	2011 Actual
	Final Budgeted Amounts	Actual Amounts		
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ 361	\$ 361	\$ 35,403
<b>EXPENDITURES</b>				
Public Safety:				
Current:				
Supplies	-	-	-	25
Intergovernmental	146,794	15,514	131,280	27,128
<b>Total expenditures</b>	146,794	15,514	131,280	27,153
<b>Excess (deficiency) of revenues over (under) expenditures</b>	(146,794)	(15,153)	131,641	8,250
<b>Fund balances-beginning</b>	146,794	146,794	-	138,544
<b>Fund balances-ending</b>	<u>\$ -</u>	<u>\$ 131,641</u>	<u>\$ 131,641</u>	<u>\$ 146,794</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, 2012**  
**With Comparative Actual Amounts for the Year Ended September 30, 2011**

	2012		Variance with Final Budget - Positive (Negative)	2011 Actual
	Final Budgeted Amounts	Actual Amounts		
<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, 2012**  
**With Comparative Actual Amounts for the Year Ended September 30, 2011**

	2012		Variance with Final Budget - Positive (Negative)	2011 Actual
	Final Budgeted Amounts	Actual Amounts		
<b>REVENUES</b>				
Intergovernmental	\$ 500	\$ 592	\$ 92	\$ 1,635
Miscellaneous	-	-	-	1,937
<b>Total revenues</b>	<b>500</b>	<b>592</b>	<b>92</b>	<b>3,572</b>
<b>EXPENDITURES</b>				
Public Safety:				
Current:				
Other Services and Charges	713,017	213,506	499,511	20,158
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(712,517)</b>	<b>(212,914)</b>	<b>499,603</b>	<b>(16,586)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	-	600,843
Transfers Out	(361,100)	(361,100)	-	(5,000,158)
<b>Total other financing sources (uses)</b>	<b>(361,100)</b>	<b>(361,100)</b>	<b>-</b>	<b>(4,399,315)</b>
<b>Net change in fund balances</b>	<b>(1,073,617)</b>	<b>(574,014)</b>	<b>499,603</b>	<b>(4,415,901)</b>
<b>Fund balances-beginning</b>	<b>2,823,848</b>	<b>2,823,848</b>	<b>-</b>	<b>7,239,749</b>
<b>Fund balances-ending</b>	<b>\$ 1,750,231</b>	<b>\$ 2,249,834</b>	<b>\$ 499,603</b>	<b>\$ 2,823,848</b>

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**ROAD AND BRIDGE SPECIAL REVENUE FUND**  
**For the Year Ended September 30, 2012**  
**With Comparative Actual Amounts for the Year Ended September 30, 2011**

	<b>2012</b>		<b>Variance with Final Budget - Positive (Negative)</b>	<b>2011 Actual</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>		
<b>REVENUES</b>				
Taxes	\$ 2,128,861	\$ 2,115,231	\$ (13,630)	\$ 1,409,128
Licenses and Permits	2,220,000	2,568,870	348,870	2,369,788
Intergovernmental	610,000	797,297	187,297	622,658
Charges for Services	-	11	11	-
Fines and Forfeitures	624,000	587,627	(36,373)	600,782
Investment Earnings	11,083	14,357	3,274	58,183
Miscellaneous	-	5,213	5,213	1,393
<b>Total revenues</b>	<b>5,593,944</b>	<b>6,088,606</b>	<b>494,662</b>	<b>5,061,932</b>
<b>EXPENDITURES</b>				
Roads, Bridges, & R.O.W:				
Current:				
Personal Services	2,769,500	2,407,000	362,500	2,438,476
Supplies	2,170,711	1,900,390	270,321	2,707,177
Other Services and Charges	432,800	375,407	57,393	375,522
Miscellaneous	27,872	17,872	10,000	183,000
Total Roads, Bridges, & R.O.W:	5,400,883	4,700,669	700,214	5,704,175
Capital Outlay	436,689	436,689	-	481,526
<b>Total expenditures</b>	<b>5,837,572</b>	<b>5,137,358</b>	<b>700,214</b>	<b>6,185,701</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(243,628)</b>	<b>951,248</b>	<b>1,194,876</b>	<b>(1,123,769)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(1,285,200)	(1,285,200)	-	(1,102,200)
Sale of Capital Assets	1,000	34,491	33,491	27,970
<b>Total other financing sources (uses)</b>	<b>(1,284,200)</b>	<b>(1,250,709)</b>	<b>33,491</b>	<b>(1,074,230)</b>
<b>Net change in fund balances</b>	<b>(1,527,828)</b>	<b>(299,461)</b>	<b>1,228,367</b>	<b>(2,197,999)</b>
<b>Fund balances-beginning</b>	<b>3,303,097</b>	<b>3,303,097</b>	<b>-</b>	<b>5,501,096</b>
<b>Fund balances-ending</b>	<b>\$ 1,775,269</b>	<b>\$ 3,003,636</b>	<b>\$ 1,228,367</b>	<b>\$ 3,303,097</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, 2012**  
**With Comparative Actual Amounts for the Year Ended September 30, 2011**

	2012		Variance with Final Budget - Positive (Negative)	2011 Actual
	Final Budgeted Amounts	Actual Amounts		
<b>REVENUES</b>				
Taxes	\$ 550	\$ 586	\$ 36	\$ 822
Intergovernmental	28,000	28,308	308	28,331
Investment Earnings	21,500	6,972	(14,528)	21,546
Miscellaneous	37,125	38,528	1,403	49,397
<b>Total revenues</b>	<b>87,175</b>	<b>74,394</b>	<b>(12,781)</b>	<b>100,096</b>
<b>EXPENDITURES</b>				
Roads, Bridges, and Rights-of-Way:				
Current:				
Personal Services	79,100	74,528	4,572	74,701
Supplies	9,000	2,220	6,780	323
Other Services and Charges	101,312	72,329	28,983	35,887
Total Roads, Bridges, and Rights-of-Way:	189,412	149,077	40,335	110,911
Capital Outlay	61,802	20,000	41,802	10,745
<b>Total expenditures</b>	<b>251,214</b>	<b>169,077</b>	<b>82,137</b>	<b>121,656</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(164,039)</b>	<b>(94,683)</b>	<b>69,356</b>	<b>(21,560)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(203,000)	(203,000)	-	(239,000)
Sale of Capital Assets	1,200	3,400	2,200	35,605
<b>Total other financing sources (uses)</b>	<b>(201,800)</b>	<b>(199,600)</b>	<b>2,200</b>	<b>(203,395)</b>
<b>Net change in fund balances</b>	<b>(365,839)</b>	<b>(294,283)</b>	<b>71,556</b>	<b>(224,955)</b>
<b>Fund balances-beginning</b>	<b>1,501,289</b>	<b>1,501,289</b>	<b>-</b>	<b>1,726,244</b>
<b>Fund balances-ending</b>	<b>\$ 1,135,450</b>	<b>\$ 1,207,006</b>	<b>\$ 71,556</b>	<b>\$ 1,501,289</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, 2012**  
**With Comparative Actual Amounts for the Year Ended September 30, 2011**

	2012		Variance with Final Budget - Positive (Negative)	2011 Actual
	Final Budgeted Amounts	Actual Amounts		
<b>REVENUES</b>				
Taxes	\$ -	\$ 46	\$ 46	\$ 14
Charges for Services	500,000	553,650	53,650	516,185
Investment Earnings	6,000	2,780	(3,220)	6,212
<b>Total revenues</b>	<b>506,000</b>	<b>556,476</b>	<b>50,476</b>	<b>522,411</b>
<b>EXPENDITURES</b>				
Roads, Bridges, and Rights-of-Way:				
Current:				
Supplies	11,000	6,086	4,914	4,697
Other Services and Charges	616,500	486,277	130,223	556,530
Total Roads, Bridges, and Rights-of-Way:	627,500	492,363	135,137	561,227
Capital Outlay	-	-	-	27,617
<b>Total expenditures</b>	<b>627,500</b>	<b>492,363</b>	<b>135,137</b>	<b>588,844</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(121,500)</b>	<b>64,113</b>	<b>185,613</b>	<b>(66,433)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(132,200)	(132,200)	-	(113,800)
<b>Net change in fund balances</b>	<b>(253,700)</b>	<b>(68,087)</b>	<b>185,613</b>	<b>(180,233)</b>
<b>Fund balances-beginning</b>	<b>386,409</b>	<b>386,409</b>	<b>-</b>	<b>566,642</b>
<b>Fund balances-ending</b>	<b>\$ 132,709</b>	<b>\$ 318,322</b>	<b>\$ 185,613</b>	<b>\$ 386,409</b>

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**FLOOD CONTROL SPECIAL REVENUE FUND**  
**For the Year Ended September 30, 2012**  
**With Comparative Actual Amounts for the Year Ended September 30, 2011**

	2012		Variance with Final Budget - Positive (Negative)	2011 Actual
	Final Budgeted Amounts	Actual Amounts		
<b>REVENUES</b>				
Taxes	\$ 1,711,346	\$ 1,739,864	\$ 28,518	\$ 1,719,026
Charges for Services	149,015	124,702	(24,313)	155,248
Investment Earnings	81,000	15,039	(65,961)	37,907
Miscellaneous	60,100	164,510	104,410	98,005
<b>Total revenues</b>	<b>2,001,461</b>	<b>2,044,115</b>	<b>42,654</b>	<b>2,010,186</b>
<b>EXPENDITURES</b>				
General Government:				
Current:				
Other Services and Charges	176,223	161,989	14,234	98,101
Public Safety:				
Current:				
Personal Services	1,077,200	982,993	94,207	1,029,164
Supplies	232,300	226,410	5,890	181,185
Other Services and Charges	318,850	217,637	101,213	296,626
Total Public Safety	1,628,350	1,427,040	201,310	1,506,975
Capital Outlay	1,258,777	444,392	814,385	317,800
<b>Total expenditures</b>	<b>3,063,350</b>	<b>2,033,421</b>	<b>1,029,929</b>	<b>1,922,876</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(1,061,889)</b>	<b>10,694</b>	<b>1,072,583</b>	<b>87,310</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(211,300)	(211,300)	-	(158,700)
Sale of Capital Assets	-	-	-	6,687
<b>Total other financing sources (uses)</b>	<b>(211,300)</b>	<b>(211,300)</b>	<b>-</b>	<b>(152,013)</b>
<b>Net change in fund balances</b>	<b>(1,273,189)</b>	<b>(200,606)</b>	<b>1,072,583</b>	<b>(64,703)</b>
<b>Fund balances-beginning</b>	<b>2,513,273</b>	<b>2,513,273</b>	<b>-</b>	<b>2,577,976</b>
<b>Fund balances-ending</b>	<b>\$ 1,240,084</b>	<b>\$ 2,312,667</b>	<b>\$ 1,072,583</b>	<b>\$ 2,513,273</b>

**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, 2012**  
**With Comparative Actual Amounts for the Year Ended September 30, 2011**

	2012		Variance with Final Budget - Positive (Negative)	2011 Actual
	Final Budgeted Amounts	Actual Amounts		
<b>REVENUES</b>				
Taxes	\$ 1,355,081	\$ 1,361,877	\$ 6,796	\$ 1,043,079
Investment Earnings	6,500	3,489	(3,011)	8,007
Miscellaneous	100	40	(60)	43
<b>Total revenues</b>	<u>1,361,681</u>	<u>1,365,406</u>	<u>3,725</u>	<u>1,051,129</u>
<b>EXPENDITURES</b>				
Health and Social Services:				
Current:				
Personal Services	665,600	603,238	62,362	563,823
Supplies	575,855	575,855	-	286,644
Other Services and Charges	54,381	44,379	10,002	83,793
Total Health and Social Services:	<u>1,295,836</u>	<u>1,223,472</u>	<u>72,364</u>	<u>934,260</u>
Capital Outlay	12,600	11,700	900	-
<b>Total expenditures</b>	<u>1,308,436</u>	<u>1,235,172</u>	<u>73,264</u>	<u>934,260</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	53,245	130,234	76,989	116,869
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(103,300)	(103,300)	-	(57,000)
<b>Net change in fund balances</b>	(50,055)	26,934	76,989	59,869
<b>Fund balances-beginning</b>	<u>684,867</u>	<u>684,867</u>	<u>-</u>	<u>624,998</u>
<b>Fund balances-ending</b>	<u><b>\$ 634,812</b></u>	<u><b>\$ 711,801</b></u>	<u><b>\$ 76,989</b></u>	<u><b>\$ 684,867</b></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, 2012**  
**With Comparative Actual Amounts for the Year Ended September 30, 2011**

	<u>2012</u>		<b>Variance with Final Budget - Positive (Negative)</b>	<b>2011 Actual</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>		
<b>REVENUES</b>				
Intergovernmental	\$ 443,804	\$ 125,669	\$ (318,135)	\$ 114,196
Miscellaneous	-	266	266	-
<b>Total revenues</b>	<u>443,804</u>	<u>125,935</u>	<u>(317,869)</u>	<u>114,196</u>
<b>EXPENDITURES</b>				
Health and Social Services:				
Current:				
Other Services and Charges	3,406,478	3,167,892	238,586	2,521,370
<b>Excess (deficiency) of revenues over (under) expenditures</b>	(2,962,674)	(3,041,957)	(79,283)	(2,407,174)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	-	2,000,000
<b>Net change in fund balances</b>	(2,962,674)	(3,041,957)	(79,283)	(407,174)
<b>Fund balances-beginning</b>	<u>10,841,832</u>	<u>10,841,832</u>	<u>-</u>	<u>11,249,006</u>
<b>Fund balances-ending</b>	<u><u>\$ 7,879,158</u></u>	<u><u>\$ 7,799,875</u></u>	<u><u>\$ (79,283)</u></u>	<u><u>\$ 10,841,832</u></u>

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**CHILD WELFARE SPECIAL REVENUE FUND**  
**For the Year Ended September 30, 2012**  
**With Comparative Actual Amounts for the Year Ended September 30, 2011**

	2012		Variance with Final Budget - Positive (Negative)	2011 Actual
	Final Budgeted Amounts	Actual Amounts		
<b>REVENUES</b>				
Intergovernmental	\$ 30,000	\$ 30,400	\$ 400	\$ 24,694
Miscellaneous	1,000	7,392	6,392	4,087
<b>Total revenues</b>	<b>31,000</b>	<b>37,792</b>	<b>6,792</b>	<b>28,781</b>
<b>EXPENDITURES</b>				
Health and Social Services:				
Current:				
Personal Services	42,600	40,835	1,765	61,712
Supplies	125,500	75,199	50,301	73,075
Other Services and Charges	211,600	143,975	67,625	195,376
<b>Total expenditures</b>	<b>379,700</b>	<b>260,009</b>	<b>119,691</b>	<b>330,163</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(348,700)</b>	<b>(222,217)</b>	<b>126,483</b>	<b>(301,382)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	200,000	200,000	-	354,300
<b>Net change in fund balances</b>	<b>(148,700)</b>	<b>(22,217)</b>	<b>126,483</b>	<b>52,918</b>
<b>Fund balances-beginning</b>	<b>488,673</b>	<b>488,673</b>	<b>-</b>	<b>435,755</b>
<b>Fund balances-ending</b>	<b>\$ 339,973</b>	<b>\$ 466,456</b>	<b>\$ 126,483</b>	<b>\$ 488,673</b>

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**BEACH AND PARKS SPECIAL REVENUE FUND**  
**For the Year Ended September 30, 2012**  
**With Comparative Actual Amounts for the Year Ended September 30, 2011**

	2012		Variance with Final Budget - Positive (Negative)	2011 Actual
	Final Budgeted Amounts	Actual Amounts		
<b>REVENUES</b>				
Intergovernmental	\$ 67,900	\$ 106,410	\$ 38,510	\$ 97,402
Charges for Services	299,800	318,906	19,106	308,567
Investment Earnings	4,500	1,228	(3,272)	5,911
Miscellaneous	100	-	(100)	80
<b>Total revenues</b>	<b>372,300</b>	<b>426,544</b>	<b>54,244</b>	<b>411,960</b>
<b>EXPENDITURES</b>				
Culture and Recreation:				
Current:				
Personal Services	86,300	68,218	18,082	161,997
Supplies	8,000	5,509	2,491	29,399
Other Services and Charges	72,000	3,450	68,550	418,860
Total Culture and Recreation:	166,300	77,177	89,123	610,256
Capital Outlay	-	-	-	84,295
<b>Total expenditures</b>	<b>166,300</b>	<b>77,177</b>	<b>89,123</b>	<b>694,551</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>206,000</b>	<b>349,367</b>	<b>143,367</b>	<b>(282,591)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	-	460,000
Transfers Out	(13,700)	(13,700)	-	(12,700)
<b>Total other financing sources (uses)</b>	<b>(13,700)</b>	<b>(13,700)</b>	<b>-</b>	<b>447,300</b>
<b>Net change in fund balances</b>	<b>192,300</b>	<b>335,667</b>	<b>143,367</b>	<b>164,709</b>
<b>Fund balances-beginning</b>	<b>1,071,673</b>	<b>1,071,673</b>	<b>-</b>	<b>906,964</b>
<b>Fund balances-ending</b>	<b>\$ 1,263,973</b>	<b>\$ 1,407,340</b>	<b>\$ 143,367</b>	<b>\$ 1,071,673</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, 2012**  
**With Comparative Actual Amounts for the Year Ended September 30, 2011**

	2012		Variance with Final Budget - Positive (Negative)	2011 Actual
	Final Budgeted Amounts	Actual Amounts		
<b>REVENUES</b>				
Miscellaneous	\$ 100	\$ -	\$ (100)	\$ 220
<b>EXPENDITURES</b>				
Culture and Recreation:				
Current:				
Supplies	3,000	-	3,000	2,264
<b>Excess (deficiency) of revenues over (under) expenditures</b>	(2,900)	-	2,900	(2,044)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(14,000)	-	14,000	-
<b>Net change in fund balances</b>	(16,900)	-	16,900	(2,044)
<b>Fund balances-beginning</b>	17,909	17,909	-	19,953
<b>Fund balances-ending</b>	<u>\$ 1,009</u>	<u>\$ 17,909</u>	<u>\$ 16,900</u>	<u>\$ 17,909</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.

LIMITED TAX REFUNDING BONDS SERIES 2011A (FUND 4022) – The Limited Tax Refunding Bonds Series 2011A were issued to refund the portion of the Combination Tax and Revenue Certificates of Obligation Series 2003C (Fund 4214) maturing after fiscal year 2013.

UNLIMITED TAX REFUNDING BONDS SERIES 2011B (FUND 4023) – The Unlimited Tax Refunding Bonds Series 2011B were issued to refund the portion of the Unlimited Tax Road Bond Series 2003B (Fund 4369) maturing in fiscal years 2014 through 2023.

LIMITED TAX REFUNDING BONDS SERIES 2011C (FUND 4024) – The Limited Tax Refunding Bonds Series 2011C were issued to refund all of the outstanding debt of the Tax and Revenue Certificates of Obligation Series 1999 (Fund 4205), the portion of the Combination Tax and Revenue Certificates of Obligation Series 2002 (Fund 4362) maturing after fiscal year 2012, and the portion of the Combination Tax and Revenue Certificates of Obligation Series 2002A (Fund 4230) maturing after fiscal year 2012

PASS-THROUGH TOLL REVENUE AND LIMITED TAX REFUNDING BONDS SERIES 2012 (FUND 4026) – The Pass-Through Toll Revenue and Limited Tax Refunding Bonds Series 2012 were issued to refund the portion of the Pass-Through Toll Revenue and Limited Tax Bonds Series 2007 (Fund 4358) maturing after fiscal year 2014.

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, 2012  
With Comparative Totals at September 30, 2011**

	<b>GENERAL OBLIGATION REFUNDING BONDS SERIES 2007</b>	<b>LIMITED TAX COUNTY BUILDING BONDS SERIES 2009B ("BUILD AMERICA BONDS")</b>	<b>LIMITED TAX REFUNDING BONDS SERIES 2011A</b>	<b>UNLIMITED TAX REFUNDING BONDS SERIES 2011B</b>
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 1,158,066	\$ 1,143,378	\$ 156,943	\$ 119,972
Receivables (Net of Allowances for Uncollectibles):				
Taxes	181,700	92,382	5,812	5,109
Accounts and Other	2,224	1,548	149	131
Due From Other Funds	-	-	-	-
<b>Total assets</b>	<b>\$ 1,341,990</b>	<b>\$ 1,237,308</b>	<b>\$ 162,904</b>	<b>\$ 125,212</b>
<b>LIABILITIES</b>				
Due to Others	\$ 3,070	\$ -	\$ 7,828	\$ 8,667
Due to Other Funds	-	-	-	-
Deferred Revenues	181,700	92,382	5,812	5,109
<b>Total liabilities</b>	<b>184,770</b>	<b>92,382</b>	<b>13,640</b>	<b>13,776</b>
<b>FUND BALANCES</b>				
Restricted	1,157,220	1,144,926	149,264	111,436
<b>Total fund balances</b>	<b>1,157,220</b>	<b>1,144,926</b>	<b>149,264</b>	<b>111,436</b>
<b>Total liabilities and fund balances</b>	<b>\$ 1,341,990</b>	<b>\$ 1,237,308</b>	<b>\$ 162,904</b>	<b>\$ 125,212</b>

(Continued)

LIMITED TAX REFUNDING BONDS SERIES 2011C	PASS-THROUGH TOLL REVENUE AND LIMITED TAX REFUNDING BONDS SERIES 2012	CONSTRUCTION/ IMPROVEMENT TAX AND REVENUE CERTIFICATES OF OBLIGATION SERIES 1999	COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION SERIES 2003C	LIMITED TAX JUSTICE CENTER BONDS SERIES 2001	LIMITED TAX CRIMINAL JUSTICE CENTER BONDS SERIES 2003A
\$ 124,191	\$ 4	\$ 190,457	\$ 176,424	\$ 173,292	\$ 571,158
44,697	-	-	90,398	-	294,030
248	1,108,136	-	17,903	-	63,310
-	-	-	-	-	-
<b>\$ 169,136</b>	<b>\$ 1,108,140</b>	<b>\$ 190,457</b>	<b>\$ 284,725</b>	<b>\$ 173,292</b>	<b>\$ 928,498</b>
\$ 5,933	\$ 95,521	\$ 2,076	\$ 4,051	\$ -	\$ 12,501
-	842,729	-	-	-	-
44,697	-	-	90,398	-	294,030
50,630	938,250	2,076	94,449	-	306,531
118,506	169,890	188,381	190,276	173,292	621,967
118,506	169,890	188,381	190,276	173,292	621,967
<b>\$ 169,136</b>	<b>\$ 1,108,140</b>	<b>\$ 190,457</b>	<b>\$ 284,725</b>	<b>\$ 173,292</b>	<b>\$ 928,498</b>

**GALVESTON COUNTY, TEXAS  
COMBINING BALANCE SHEET  
NONMAJOR DEBT SERVICE FUNDS  
September 30, 2012  
With Comparative Totals at September 30, 2011**

	<b>PARK ROADS/ PARKING LOT IMPROVEMENTS CERTIFICATES OF OBLIGATION SERIES 2002A</b>	<b>GENERAL OBLIGATION 1999/2001 REFUNDING BONDS SERIES 2004</b>	<b>PASS-THROUGH TOLL REVENUE AND LIMITED TAX BONDS SERIES 2007</b>	<b>SAN LUIS PASS BRIDGE CERTIFICATES OF OBLIGATION SERIES 2002</b>
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 154,922	\$ 983,626	\$ 200,570	\$ 144,139
Receivables (Net of Allowances for Uncollectibles):				
Taxes	35,249	316,957	53,695	45,591
Accounts and Other	201	2,371	1,025	280
Due From Other Funds	-	-	842,729	-
<b>Total assets</b>	<b>\$ 190,372</b>	<b>\$ 1,302,954</b>	<b>\$ 1,098,019</b>	<b>\$ 190,010</b>
<b>LIABILITIES</b>				
Due to Others	\$ 1,041	\$ 8,194	\$ -	\$ 1,509
Due to Other Funds	-	-	-	-
Deferred Revenues	35,249	316,957	53,695	45,591
<b>Total liabilities</b>	<b>36,290</b>	<b>325,151</b>	<b>53,695</b>	<b>47,100</b>
<b>FUND BALANCES</b>				
Restricted	154,082	977,803	1,044,324	142,910
<b>Total fund balances</b>	<b>154,082</b>	<b>977,803</b>	<b>1,044,324</b>	<b>142,910</b>
<b>Total liabilities and fund balances</b>	<b>\$ 190,372</b>	<b>\$ 1,302,954</b>	<b>\$ 1,098,019</b>	<b>\$ 190,010</b>

(Continued)

UNLIMITED TAX ROAD BONDS SERIES 2001	UNLIMITED TAX ROAD BONDS SERIES 2003B	UNLIMITED TAX ROAD REFUNDING BONDS SERIES 2004A	UNLIMITED TAX ROAD BONDS SERIES 2009A ("BUILD AMERICA BONDS")	LIMITED TAX FLOOD CONTROL SERIES 2009C-1
\$ 182,219	\$ 261,871	\$ 713,434	\$ 2,101,450	\$ 197,252
-	215,895	89,693	226,471	21,548
-	353	1,114	2,879	333
-	-	-	-	-
<b>\$ 182,219</b>	<b>\$ 478,119</b>	<b>\$ 804,241</b>	<b>\$ 2,330,800</b>	<b>\$ 219,133</b>
\$ -	\$ 1,499	\$ 1,189	\$ 2,654	\$ -
-	-	-	-	-
-	215,895	89,693	226,471	21,548
-	217,394	90,882	229,125	21,548
182,219	260,725	713,359	2,101,675	197,585
182,219	260,725	713,359	2,101,675	197,585
<b>\$ 182,219</b>	<b>\$ 478,119</b>	<b>\$ 804,241</b>	<b>\$ 2,330,800</b>	<b>\$ 219,133</b>

**GALVESTON COUNTY, TEXAS  
COMBINING BALANCE SHEET  
NONMAJOR DEBT SERVICE FUNDS  
September 30, 2012  
With Comparative Totals at September 30, 2011**

	<b>LIMITED TAX FLOOD CONTROL SERIES 2009C-2 ("BUILD AMERICA BONDS")</b>		<b>GALVESTON COUNTY CERTIFICATES OF OBLIGATION SERIES 2008</b>		<b>TOTALS</b>	
					<b>2012</b>	<b>2011</b>
<b>ASSETS</b>						
Cash and Cash Equivalents	\$	149,333	\$	393,647	\$ 9,296,348	\$ 9,894,270
Receivables (Net of Allowances for Uncollectibles):						
Taxes		10,231		69,163	1,798,621	1,742,720
Accounts and Other		129		798	1,203,132	1,225,836
Due From Other Funds		-		-	842,729	-
<b>Total assets</b>	<b>\$</b>	<b>159,693</b>	<b>\$</b>	<b>463,608</b>	<b>\$ 13,140,830</b>	<b>\$ 12,862,826</b>
<b>LIABILITIES</b>						
Due to Others	\$	-	\$	1,299	\$ 157,032	\$ 78,163
Due to Other Funds		-		-	842,729	-
Deferred Revenues		10,231		69,163	1,798,621	1,742,720
<b>Total liabilities</b>		10,231		70,462	2,798,382	1,820,883
<b>FUND BALANCES</b>						
Restricted		149,462		393,146	10,342,448	11,041,943
<b>Total fund balances</b>		149,462		393,146	10,342,448	11,041,943
<b>Total liabilities and fund balances</b>	<b>\$</b>	<b>159,693</b>	<b>\$</b>	<b>463,608</b>	<b>\$ 13,140,830</b>	<b>\$ 12,862,826</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, 2012**  
**With Comparative Totals for the Year Ended September 30, 2011**

	<b>GENERAL OBLIGATION REFUNDING BONDS SERIES 2007</b>	<b>LIMITED TAX COUNTY BUILDING BONDS SERIES 2009B ("BUILD AMERICA BONDS")</b>	<b>LIMITED TAX REFUNDING BONDS SERIES 2011A</b>	<b>UNLIMITED TAX REFUNDING BONDS SERIES 2011B</b>
<b>REVENUES</b>				
Taxes	\$ 3,836,704	\$ 2,918,283	\$ 305,202	\$ 268,308
Intergovernmental	-	819,463	-	-
Investment Earnings	9,145	571	69	74
<b>Total revenues</b>	<b>3,845,849</b>	<b>3,738,317</b>	<b>305,271</b>	<b>268,382</b>
<b>EXPENDITURES</b>				
Debt Service:				
Principal Retirement	480,000	1,620,000	60,000	50,000
Interest and Fiscal Charges	3,373,175	2,209,829	100,050	110,931
Bond Issuance Costs	-	-	81,602	80,858
<b>Total expenditures</b>	<b>3,853,175</b>	<b>3,829,829</b>	<b>241,652</b>	<b>241,789</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(7,326)</b>	<b>(91,512)</b>	<b>63,619</b>	<b>26,593</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	-	-
Face Value - Long Term Debt Issued	-	-	4,205,000	4,145,000
Premium - Long Term Debt Issued	-	-	308,709	369,970
Refunded Bonds - Escrow Agent	-	-	(4,428,064)	(4,430,127)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>85,645</b>	<b>84,843</b>
<b>Net change in fund balances</b>	<b>(7,326)</b>	<b>(91,512)</b>	<b>149,264</b>	<b>111,436</b>
<b>Fund balances-beginning</b>	<b>1,164,546</b>	<b>1,236,438</b>	<b>-</b>	<b>-</b>
<b>Fund balances-ending</b>	<b>\$ 1,157,220</b>	<b>\$ 1,144,926</b>	<b>\$ 149,264</b>	<b>\$ 111,436</b>

(Continued)

LIMITED TAX REFUNDING BONDS SERIES 2011C	PASS-THROUGH TOLL REVENUE AND LIMITED TAX REFUNDING BONDS SERIES 2012	CONSTRUCTION/ IMPROVEMENT TAX AND REVENUE CERTIFICATES OF OBLIGATION SERIES 1999	COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION SERIES 2003C	LIMITED TAX JUSTICE CENTER BONDS SERIES 2001	LIMITED TAX CRIMINAL JUSTICE CENTER BONDS SERIES 2003A
\$ 388,879	\$ -	\$ 1,145	\$ 596,154	\$ 338	\$ 1,632,786
-	1,108,136	-	69,992	-	248,145
54	414	963	807	1,438	14,951
388,933	1,108,550	2,108	666,953	1,776	1,895,882
200,000	270,000	-	785,000	-	1,790,000
73,685	682,292	-	46,200	-	115,363
72,132	434,683	-	-	-	-
345,817	1,386,975	-	831,200	-	1,905,363
43,116	(278,425)	2,108	(164,247)	1,776	(9,481)
-	-	-	-	-	-
3,390,000	40,910,000	-	-	-	-
135,309	5,681,432	-	-	-	-
(3,449,919)	(46,143,117)	-	-	-	-
75,390	448,315	-	-	-	-
118,506	169,890	2,108	(164,247)	1,776	(9,481)
-	-	186,273	354,523	171,516	631,448
<b>\$ 118,506</b>	<b>\$ 169,890</b>	<b>\$ 188,381</b>	<b>\$ 190,276</b>	<b>\$ 173,292</b>	<b>\$ 621,967</b>

**GALVESTON COUNTY, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES**  
**NONMAJOR DEBT SERVICE FUNDS**  
**For the Year Ended September 30, 2012**  
**With Comparative Totals for the Year Ended September 30, 2011**

	<b>PARK ROADS/ PARKING LOT IMPROVEMENTS CERTIFICATES OF OBLIGATION SERIES 2002A</b>	<b>GENERAL OBLIGATION 1999/2001 REFUNDING BONDS SERIES 2004</b>	<b>PASS-THROUGH TOLL REVENUE AND LIMITED TAX BONDS SERIES 2007</b>	<b>SAN LUIS PASS BRIDGE CERTIFICATES OF OBLIGATION SERIES 2002</b>
<b>REVENUES</b>				
Taxes	\$ 305,297	\$ 4,031,175	\$ 1,989,564	\$ 406,680
Intergovernmental	-	-	376,433	-
Investment Earnings	1,598	3,852	4,433	684
<b>Total revenues</b>	<b>306,895</b>	<b>4,035,027</b>	<b>2,370,430</b>	<b>407,364</b>
<b>EXPENDITURES</b>				
Debt Service:				
Principal Retirement	365,000	3,410,000	1,605,000	510,000
Interest and Fiscal Charges	8,213	861,898	1,146,047	11,475
Bond Issuance Costs	-	-	-	-
<b>Total expenditures</b>	<b>373,213</b>	<b>4,271,898</b>	<b>2,751,047</b>	<b>521,475</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(66,318)</b>	<b>(236,871)</b>	<b>(380,617)</b>	<b>(114,111)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	-	-
Face Value - Long Term Debt Issued	-	-	-	-
Premium - Long Term Debt Issued	-	-	-	-
Refunded Bonds - Escrow Agent	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>(66,318)</b>	<b>(236,871)</b>	<b>(380,617)</b>	<b>(114,111)</b>
<b>Fund balances-beginning</b>	<b>220,400</b>	<b>1,214,674</b>	<b>1,424,941</b>	<b>257,021</b>
<b>Fund balances-ending</b>	<b>\$ 154,082</b>	<b>\$ 977,803</b>	<b>\$ 1,044,324</b>	<b>\$ 142,910</b>

(Continued)

<b>UNLIMITED TAX ROAD BONDS SERIES 2001</b>	<b>UNLIMITED TAX ROAD BONDS SERIES 2003B</b>	<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>
\$ 276	\$ 455,624	\$ 2,097,398	\$ 5,139,744	\$ 615,077
-	-	-	1,279,985	-
116	1,388	3,212	21,092	90
392	457,012	2,100,610	6,440,821	615,167
-	310,000	779,988	2,730,000	595,000
-	168,100	1,157,466	3,657,350	142,450
-	-	-	-	-
-	478,100	1,937,454	6,387,350	737,450
392	(21,088)	163,156	53,471	(122,283)
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
392	(21,088)	163,156	53,471	(122,283)
181,827	281,813	550,203	2,048,204	319,868
<b>\$ 182,219</b>	<b>\$ 260,725</b>	<b>\$ 713,359</b>	<b>\$ 2,101,675</b>	<b>\$ 197,585</b>

**GALVESTON COUNTY, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES**  
**NONMAJOR DEBT SERVICE FUNDS**  
**For the Year Ended September 30, 2012**  
**With Comparative Totals for the Year Ended September 30, 2011**

	LIMITED TAX FLOOD CONTROL SERIES 2009C-2 ("BUILD AMERICA BONDS")		GALVESTON COUNTY CERTIFICATES OF OBLIGATION SERIES 2008		TOTALS	
					2012	2011
<b>REVENUES</b>						
Taxes	\$	223,332	\$	1,350,077	\$	26,562,043
Intergovernmental		200,126		-		4,102,280
Investment Earnings		280		1,596		66,827
<b>Total revenues</b>		<b>423,738</b>		<b>1,351,673</b>		<b>30,731,150</b>
<b>EXPENDITURES</b>						
Debt Service:						
Principal Retirement		-		1,400,000		16,959,988
Interest and Fiscal Charges		572,041		59,010		14,495,575
Bond Issuance Costs		-		-		669,275
<b>Total expenditures</b>		<b>572,041</b>		<b>1,459,010</b>		<b>32,124,838</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>		<b>(148,303)</b>		<b>(107,337)</b>		<b>(1,393,688)</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers In		-		-		-
Face Value - Long Term Debt Issued		-		-		52,650,000
Premium - Long Term Debt Issued		-		-		6,495,420
Refunded Bonds - Escrow Agent		-		-		(58,451,227)
<b>Total other financing sources (uses)</b>		<b>-</b>		<b>-</b>		<b>694,193</b>
<b>Net change in fund balances</b>		<b>(148,303)</b>		<b>(107,337)</b>		<b>(699,495)</b>
<b>Fund balances-beginning</b>		<b>297,765</b>		<b>500,483</b>		<b>11,041,943</b>
<b>Fund balances-ending</b>	<b>\$</b>	<b>149,462</b>	<b>\$</b>	<b>393,146</b>	<b>\$</b>	<b>10,342,448</b>
					<b>\$</b>	<b>11,041,943</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, 2012**  
**With Comparative Actual Amounts for the Year Ended September 30, 2011**

	<u>2012</u>		<b>Variance with Final Budget- Positive (Negative)</b>	<b>2011 Actual Amounts</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>		
<b>REVENUES</b>				
Taxes:				
Ad Valorem Taxes - Current	\$ 3,599,527	\$ 3,727,776	\$ 128,249	\$ 3,700,607
Ad Valorem Taxes - Delinquent	70,000	72,650	2,650	74,753
Penalties and Interest	38,000	36,278	(1,722)	39,815
Investment Earnings	31,500	9,145	(22,355)	30,047
<b>Total revenues</b>	<u>3,739,027</u>	<u>3,845,849</u>	<u>106,822</u>	<u>3,845,222</u>
<b>EXPENDITURES</b>				
Debt Service:				
Principal Retirement	480,000	480,000	-	465,000
Interest and Fiscal Charges	3,375,700	3,373,175	2,525	3,392,075
<b>Total expenditures</b>	<u>3,855,700</u>	<u>3,853,175</u>	<u>2,525</u>	<u>3,857,075</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	(116,673)	(7,326)	109,347	(11,853)
<b>Fund balances-beginning</b>	<u>1,164,546</u>	<u>1,164,546</u>	<u>-</u>	<u>1,176,399</u>
<b>Fund balances-ending</b>	<u><b>\$ 1,047,873</b></u>	<u><b>\$ 1,157,220</b></u>	<u><b>\$ 109,347</b></u>	<u><b>\$ 1,164,546</b></u>

**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, 2012**  
**With Comparative Actual Amounts for the Year Ended September 30, 2011**

	<b>2012</b>		<b>Variance with Final Budget- Positive (Negative)</b>	<b>2011 Actual Amounts</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>		
<b>REVENUES</b>				
Taxes:				
Ad Valorem Taxes - Current	\$ 2,799,718	\$ 2,918,283	\$ 118,565	\$ 3,448,288
Intergovernmental	773,353	819,463	46,110	782,123
Investment Earnings	10,500	571	(9,929)	8,589
<b>Total revenues</b>	<b>3,583,571</b>	<b>3,738,317</b>	<b>154,746</b>	<b>4,239,000</b>
<b>EXPENDITURES</b>				
Debt Service:				
Principal Retirement	1,620,000	1,620,000	-	1,595,000
Interest and Fiscal Charges	2,212,100	2,209,829	2,271	2,234,888
<b>Total expenditures</b>	<b>3,832,100</b>	<b>3,829,829</b>	<b>2,271</b>	<b>3,829,888</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(248,529)</b>	<b>(91,512)</b>	<b>157,017</b>	<b>409,112</b>
<b>Fund balances-beginning</b>	<b>1,236,438</b>	<b>1,236,438</b>	<b>-</b>	<b>827,326</b>
<b>Fund balances-ending</b>	<b>\$ 987,909</b>	<b>\$ 1,144,926</b>	<b>\$ 157,017</b>	<b>\$ 1,236,438</b>

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**LIMITED TAX REFUNDING BONDS SERIES 2011A DEBT SERVICE FUND**  
**For the Year Ended September 30, 2012**  
**With Comparative Actual Amounts for the Year Ended September 30, 2011**

	<u>2012</u>		<b>Variance with Final Budget- Positive (Negative)</b>	<b>2011 Actual Amounts</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>		
<b>REVENUES</b>				
Taxes:				
Ad Valorem Taxes - Current	\$ 301,909	\$ 305,202	\$ 3,293	\$ -
Investment Earnings	-	69	69	-
<b>Total revenues</b>	<u>301,909</u>	<u>305,271</u>	<u>3,362</u>	<u>-</u>
<b>EXPENDITURES</b>				
Debt Service:				
Principal Retirement	60,000	60,000	-	-
Interest and Fiscal Charges	100,050	100,050	-	-
Bond Issuance Costs	2,500	81,602	(79,102)	-
<b>Total expenditures</b>	<u>162,550</u>	<u>241,652</u>	<u>(79,102)</u>	<u>-</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>139,359</u>	<u>63,619</u>	<u>(75,740)</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Face Value - Long Term Debt Issued	-	4,205,000	4,205,000	-
Premium - Long Term Debt Issued	-	308,709	308,709	-
Payments to Refunded Bonds Escrow Agent	-	(4,428,064)	(4,428,064)	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>85,645</u>	<u>85,645</u>	<u>-</u>
<b>Net change in fund balances</b>	139,359	149,264	9,905	-
<b>Fund balances-beginning</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balances-ending</b>	<u><u>\$ 139,359</u></u>	<u><u>\$ 149,264</u></u>	<u><u>\$ 9,905</u></u>	<u><u>\$ -</u></u>

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**UNLIMITED TAX REFUNDING BONDS SERIES 2011B DEBT SERVICE FUND**  
**For the Year Ended September 30, 2012**  
**With Comparative Actual Amounts for the Year Ended September 30, 2011**

	<u>2012</u>		<b>Variance with Final Budget- Positive (Negative)</b>	<b>2011 Actual Amounts</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>		
<b>REVENUES</b>				
Taxes:				
Ad Valorem Taxes - Current	\$ 265,415	\$ 268,308	\$ 2,893	\$ -
Investment Earnings	-	74	74	-
<b>Total revenues</b>	<u>265,415</u>	<u>268,382</u>	<u>2,967</u>	<u>-</u>
<b>EXPENDITURES</b>				
Debt Service:				
Principal Retirement	50,000	50,000	-	-
Interest and Fiscal Charges	110,931	110,931	-	-
Bond Issuance Costs	2,501	80,858	(78,357)	-
<b>Total expenditures</b>	<u>163,432</u>	<u>241,789</u>	<u>(78,357)</u>	<u>-</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>101,983</u>	<u>26,593</u>	<u>(75,390)</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Face Value - Long Term Debt Issued	-	4,145,000	4,145,000	-
Premium - Long Term Debt Issued	-	369,970	369,970	-
Payments to Refunded Bonds Escrow Agent	-	(4,430,127)	(4,430,127)	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>84,843</u>	<u>84,843</u>	<u>-</u>
<b>Net change in fund balances</b>	101,983	111,436	9,453	-
<b>Fund balances-beginning</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balances-ending</b>	<u><u>\$ 101,983</u></u>	<u><u>\$ 111,436</u></u>	<u><u>\$ 9,453</u></u>	<u><u>\$ -</u></u>

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**LIMITED TAX REFUNDING BONDS SERIES 2011C DEBT SERVICE FUND**  
**For the Year Ended September 30, 2012**  
**With Comparative Actual Amounts for the Year Ended September 30, 2011**

	<u>2012</u>			<u>2011</u> <u>Actual</u> <u>Amounts</u>
	<u>Final</u> <u>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>REVENUES</b>				
Taxes:				
Ad Valorem Taxes - Current	\$ 378,802	\$ 388,879	\$ 10,077	\$ -
Investment Earnings	-	54	54	-
<b>Total revenues</b>	<u>378,802</u>	<u>388,933</u>	<u>10,131</u>	<u>-</u>
<b>EXPENDITURES</b>				
Debt Service:				
Principal Retirement	200,000	200,000	-	-
Interest and Fiscal Charges	75,775	73,685	2,090	-
Bond Issuance Costs	-	72,132	(72,132)	-
<b>Total expenditures</b>	<u>275,775</u>	<u>345,817</u>	<u>(70,042)</u>	<u>-</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>103,027</u>	<u>43,116</u>	<u>(59,911)</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Face Value - Long Term Debt Issued	-	3,390,000	3,390,000	-
Premium - Long Term Debt Issued	-	135,309	135,309	-
Payments to Refunded Bonds Escrow Agent	-	(3,449,919)	(3,449,919)	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>75,390</u>	<u>75,390</u>	<u>-</u>
<b>Net change in fund balances</b>	103,027	118,506	15,479	-
<b>Fund balances-beginning</b>	-	-	-	-
<b>Fund balances-ending</b>	<u>\$ 103,027</u>	<u>\$ 118,506</u>	<u>\$ 15,479</u>	<u>\$ -</u>

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**PASS-THROUGH TOLL REVENUE AND LIMITED TAX REFUNDING BONDS SERIES 2012 DEBT SERVICE FUND**  
**For the Year Ended September 30, 2012**  
**With Comparative Actual Amounts for the Year Ended September 30, 2011**

	<u>2012</u>		<b>Variance with Final Budget- Positive (Negative)</b>	<b>2011 Actual Amounts</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>		
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ 1,108,136	\$ 1,108,136	\$ -
Investment Earnings	-	414	414	-
<b>Total revenues</b>	<b>-</b>	<b>1,108,550</b>	<b>1,108,550</b>	<b>-</b>
<b>EXPENDITURES</b>				
Debt Service:				
Principal Retirement	-	270,000	(270,000)	-
Interest and Fiscal Charges	-	682,292	(682,292)	-
Bond Issuance Costs	-	434,683	(434,683)	-
<b>Total expenditures</b>	<b>-</b>	<b>1,386,975</b>	<b>(1,386,975)</b>	<b>-</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>-</b>	<b>(278,425)</b>	<b>(278,425)</b>	<b>-</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Face Value - Long Term Debt Issued	-	40,910,000	40,910,000	-
Premium - Long Term Debt Issued	-	5,681,432	5,681,432	-
Payments to Refunded Bonds Escrow Agent	-	(46,143,117)	(46,143,117)	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>448,315</b>	<b>448,315</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>-</b>	<b>169,890</b>	<b>169,890</b>	<b>-</b>
<b>Fund balances-beginning</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balances-ending</b>	<b>\$ -</b>	<b>\$ 169,890</b>	<b>\$ 169,890</b>	<b>\$ -</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, 2012**  
**With Comparative Actual Amounts for the Year Ended September 30, 2011**

	<b>2012</b>		<b>Variance with Final Budget- Positive (Negative)</b>	<b>2011 Actual Amounts</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>		
<b>REVENUES</b>				
Taxes:				
Ad Valorem Taxes - Current	\$ -	\$ 34	\$ 34	\$ 118,630
Ad Valorem Taxes - Delinquent	8,500	768	(7,732)	7,794
Penalties and Interest	3,750	343	(3,407)	3,829
Investment Earnings	2,000	963	(1,037)	3,116
<b>Total revenues</b>	<b>14,250</b>	<b>2,108</b>	<b>(12,142)</b>	<b>133,369</b>
<b>EXPENDITURES</b>				
Debt Service:				
Principal Retirement	-	-	-	150,000
Interest and Fiscal Charges	-	-	-	31,900
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>181,900</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>14,250</b>	<b>2,108</b>	<b>(12,142)</b>	<b>(48,531)</b>
<b>Fund balances-beginning</b>	<b>186,273</b>	<b>186,273</b>	<b>-</b>	<b>234,804</b>
<b>Fund balances-ending</b>	<b>\$ 200,523</b>	<b>\$ 188,381</b>	<b>\$ (12,142)</b>	<b>\$ 186,273</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, 2012**  
**With Comparative Actual Amounts for the Year Ended September 30, 2011**

	<u>2012</u>		<b>Variance with Final Budget- Positive (Negative)</b>	<b>2011 Actual Amounts</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>		
<b>REVENUES</b>				
Taxes:				
Ad Valorem Taxes - Current	\$ 537,506	\$ 569,392	\$ 31,886	\$ 895,021
Ad Valorem Taxes - Delinquent	14,000	17,478	3,478	17,129
Penalties and Interest	11,000	9,284	(1,716)	11,360
Intergovernmental	111,351	69,992	(41,359)	69,992
Investment Earnings	8,500	807	(7,693)	7,150
<b>Total revenues</b>	<u>682,357</u>	<u>666,953</u>	<u>(15,404)</u>	<u>1,000,652</u>
<b>EXPENDITURES</b>				
Debt Service:				
Principal Retirement	785,000	785,000	-	805,000
Interest and Fiscal Charges	48,013	46,200	1,813	272,181
<b>Total expenditures</b>	<u>833,013</u>	<u>831,200</u>	<u>1,813</u>	<u>1,077,181</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	(150,656)	(164,247)	(13,591)	(76,529)
<b>Fund balances-beginning</b>	<u>354,523</u>	<u>354,523</u>	<u>-</u>	<u>431,052</u>
<b>Fund balances-ending</b>	<u>\$ 203,867</u>	<u>\$ 190,276</u>	<u>\$ (13,591)</u>	<u>\$ 354,523</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, 2012**  
**With Comparative Actual Amounts for the Year Ended September 30, 2011**

	<u>2012</u>		<b>Variance with Final Budget- Positive (Negative)</b>	<b>2011 Actual Amounts</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>		
<b>REVENUES</b>				
Taxes:				
Ad Valorem Taxes - Current	\$ -	\$ 338	\$ 338	\$ 1,193,108
Ad Valorem Taxes - Delinquent	-	-	-	38,800
Penalties and Interest	-	-	-	18,469
Intergovernmental	-	-	-	90,672
Investment Earnings	-	1,438	1,438	7,197
<b>Total revenues</b>	<u>-</u>	<u>1,776</u>	<u>1,776</u>	<u>1,348,246</u>
<b>EXPENDITURES</b>				
Debt Service:				
Principal Retirement	-	-	-	1,810,000
Interest and Fiscal Charges	-	-	-	39,820
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,849,820</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	-	1,776	1,776	(501,574)
<b>Fund balances-beginning</b>	<u>171,516</u>	<u>171,516</u>	<u>-</u>	<u>673,090</u>
<b>Fund balances-ending</b>	<u><u>\$ 171,516</u></u>	<u><u>\$ 173,292</u></u>	<u><u>\$ 1,776</u></u>	<u><u>\$ 171,516</u></u>

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**LIMITED TAX CRIMINAL JUSTICE CENTER BONDS SERIES 2003A DEBT SERVICE FUND**  
**For the Year Ended September 30, 2012**  
**With Comparative Actual Amounts for the Year Ended September 30, 2011**

	<b>2012</b>		<b>Variance with Final Budget- Positive (Negative)</b>	<b>2011 Actual Amounts</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>		
<b>REVENUES</b>				
Taxes:				
Ad Valorem Taxes - Current	\$ 1,483,950	\$ 1,537,522	\$ 53,572	\$ 1,751,762
Ad Valorem Taxes - Delinquent	35,000	64,489	29,489	45,570
Penalties and Interest	22,000	30,775	8,775	25,483
Intergovernmental	206,796	248,145	41,349	157,493
Investment Earnings	11,500	14,951	3,451	10,693
<b>Total revenues</b>	<b>1,759,246</b>	<b>1,895,882</b>	<b>136,636</b>	<b>1,991,001</b>
<b>EXPENDITURES</b>				
Debt Service:				
Principal Retirement	1,790,000	1,790,000	-	1,720,000
Interest and Fiscal Charges	117,600	115,363	2,237	185,563
<b>Total expenditures</b>	<b>1,907,600</b>	<b>1,905,363</b>	<b>2,237</b>	<b>1,905,563</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(148,354)</b>	<b>(9,481)</b>	<b>138,873</b>	<b>85,438</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	-	85
<b>Net change in fund balances</b>	<b>(148,354)</b>	<b>(9,481)</b>	<b>138,873</b>	<b>85,523</b>
<b>Fund balances-beginning</b>	<b>631,448</b>	<b>631,448</b>	<b>-</b>	<b>545,925</b>
<b>Fund balances-ending</b>	<b>\$ 483,094</b>	<b>\$ 621,967</b>	<b>\$ 138,873</b>	<b>\$ 631,448</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, 2012**  
**With Comparative Actual Amounts for the Year Ended September 30, 2011**

	<b>2012</b>		<b>Variance with Final Budget- Positive (Negative)</b>	<b>2011 Actual Amounts</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>		
<b>REVENUES</b>				
Taxes:				
Ad Valorem Taxes - Current	\$ 279,024	\$ 292,877	\$ 13,853	\$ 395,681
Ad Valorem Taxes - Delinquent	8,500	8,296	(204)	9,770
Penalties and Interest	4,500	4,124	(376)	5,263
Investment Earnings	2,000	1,598	(402)	3,906
<b>Total revenues</b>	<b>294,024</b>	<b>306,895</b>	<b>12,871</b>	<b>414,620</b>
<b>EXPENDITURES</b>				
Debt Service:				
Principal Retirement	365,000	365,000	-	350,000
Interest and Fiscal Charges	10,760	8,213	2,547	80,721
<b>Total expenditures</b>	<b>375,760</b>	<b>373,213</b>	<b>2,547</b>	<b>430,721</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(81,736)</b>	<b>(66,318)</b>	<b>15,418</b>	<b>(16,101)</b>
<b>Fund balances-beginning</b>	<b>220,400</b>	<b>220,400</b>	<b>-</b>	<b>236,501</b>
<b>Fund balances-ending</b>	<b>\$ 138,664</b>	<b>\$ 154,082</b>	<b>\$ 15,418</b>	<b>\$ 220,400</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, 2012**  
**With Comparative Actual Amounts for the Year Ended September 30, 2011**

	<b>2012</b>		<b>Variance with Final Budget- Positive (Negative)</b>	<b>2011 Actual Amounts</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>		
<b>REVENUES</b>				
Taxes:				
Ad Valorem Taxes - Current	\$ 3,786,222	\$ 3,920,298	\$ 134,076	\$ 2,606,987
Ad Valorem Taxes - Delinquent	75,000	69,162	(5,838)	73,874
Penalties and Interest	52,000	41,715	(10,285)	38,933
Investment Earnings	15,000	3,852	(11,148)	20,929
<b>Total revenues</b>	<b>3,928,222</b>	<b>4,035,027</b>	<b>106,805</b>	<b>2,740,723</b>
<b>EXPENDITURES</b>				
Debt Service:				
Principal Retirement	3,410,000	3,410,000	-	1,420,000
Interest and Fiscal Charges	864,100	861,898	2,202	975,548
<b>Total expenditures</b>	<b>4,274,100</b>	<b>4,271,898</b>	<b>2,202</b>	<b>2,395,548</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(345,878)</b>	<b>(236,871)</b>	<b>109,007</b>	<b>345,175</b>
<b>Fund balances-beginning</b>	<b>1,214,674</b>	<b>1,214,674</b>	<b>-</b>	<b>869,499</b>
<b>Fund balances-ending</b>	<b>\$ 868,796</b>	<b>\$ 977,803</b>	<b>\$ 109,007</b>	<b>\$ 1,214,674</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, 2012**  
**With Comparative Actual Amounts for the Year Ended September 30, 2011**

	<u>2012</u>		<b>Variance with Final Budget- Positive (Negative)</b>	<b>2011 Actual Amounts</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>		
<b>REVENUES</b>				
Taxes:				
Ad Valorem Taxes - Current	\$ 1,932,874	\$ 1,952,192	\$ 19,318	\$ 1,463,529
Ad Valorem Taxes - Delinquent	20,000	23,305	3,305	7,727
Penalties and Interest	18,000	14,067	(3,933)	9,567
Intergovernmental	3,600,000	376,433	(3,223,567)	1,934,155
Investment Earnings	2,000	4,433	2,433	3,340
<b>Total revenues</b>	<u>5,572,874</u>	<u>2,370,430</u>	<u>(3,202,444)</u>	<u>3,418,318</u>
<b>EXPENDITURES</b>				
Debt Service:				
Principal Retirement	1,605,000	1,605,000	-	385,000
Interest and Fiscal Charges	2,104,600	1,146,047	958,553	2,147,631
<b>Total expenditures</b>	<u>3,709,600</u>	<u>2,751,047</u>	<u>958,553</u>	<u>2,532,631</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	1,863,274	(380,617)	(2,243,891)	885,687
<b>Fund balances-beginning</b>	<u>1,424,941</u>	<u>1,424,941</u>	<u>-</u>	<u>539,254</u>
<b>Fund balances-ending</b>	<u><u>\$ 3,288,215</u></u>	<u><u>\$ 1,044,324</u></u>	<u><u>\$ (2,243,891)</u></u>	<u><u>\$ 1,424,941</u></u>

**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, 2012**  
**With Comparative Actual Amounts for the Year Ended September 30, 2011**

	<b>2012</b>		<b>Variance with Final Budget- Positive (Negative)</b>	<b>2011 Actual Amounts</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>		
<b>REVENUES</b>				
Taxes:				
Ad Valorem Taxes - Current	\$ 370,985	\$ 390,479	\$ 19,494	\$ 432,444
Ad Valorem Taxes - Delinquent	13,000	10,826	(2,174)	14,416
Penalties and Interest	6,500	5,375	(1,125)	6,821
Investment Earnings	4,500	684	(3,816)	5,324
<b>Total revenues</b>	<b>394,985</b>	<b>407,364</b>	<b>12,379</b>	<b>459,005</b>
<b>EXPENDITURES</b>				
Debt Service:				
Principal Retirement	510,000	510,000	-	490,000
Interest and Fiscal Charges	14,055	11,475	2,580	112,414
<b>Total expenditures</b>	<b>524,055</b>	<b>521,475</b>	<b>2,580</b>	<b>602,414</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(129,070)</b>	<b>(114,111)</b>	<b>14,959</b>	<b>(143,409)</b>
<b>Fund balances-beginning</b>	<b>257,021</b>	<b>257,021</b>	<b>-</b>	<b>400,430</b>
<b>Fund balances-ending</b>	<b>\$ 127,951</b>	<b>\$ 142,910</b>	<b>\$ 14,959</b>	<b>\$ 257,021</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, 2012**  
**With Comparative Actual Amounts for the Year Ended September 30, 2011**

	2012		Variance with Final Budget- Positive (Negative)	2011 Actual Amounts
	Final Budgeted Amounts	Actual Amounts		
<b>REVENUES</b>				
Taxes:				
Ad Valorem Taxes - Current	\$ -	\$ 276	\$ 276	\$ 967,031
Ad Valorem Taxes - Delinquent	-	-	-	29,297
Penalties and Interest	-	-	-	14,086
Investment Earnings	-	116	116	6,359
<b>Total revenues</b>	<b>-</b>	<b>392</b>	<b>392</b>	<b>1,016,773</b>
<b>EXPENDITURES</b>				
Debt Service:				
Principal Retirement	-	-	-	1,355,000
Interest and Fiscal Charges	-	-	-	29,810
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,384,810</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>-</b>	<b>392</b>	<b>392</b>	<b>(368,037)</b>
<b>Fund balances-beginning</b>	<b>181,827</b>	<b>181,827</b>	<b>-</b>	<b>549,864</b>
<b>Fund balances-ending</b>	<b>\$ 181,827</b>	<b>\$ 182,219</b>	<b>\$ 392</b>	<b>\$ 181,827</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, 2012**  
**With Comparative Actual Amounts for the Year Ended September 30, 2011**

	<b>2012</b>		<b>Variance with Final Budget- Positive (Negative)</b>	<b>2011 Actual Amounts</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>		
<b>REVENUES</b>				
Taxes:				
Ad Valorem Taxes - Current	\$ 405,187	\$ 427,578	\$ 22,391	\$ 489,862
Ad Valorem Taxes - Delinquent	19,500	15,933	(3,567)	20,235
Penalties and Interest	15,000	12,113	(2,887)	13,604
Investment Earnings	5,500	1,388	(4,112)	6,355
<b>Total revenues</b>	<b>445,187</b>	<b>457,012</b>	<b>11,825</b>	<b>530,056</b>
<b>EXPENDITURES</b>				
Debt Service:				
Principal Retirement	310,000	310,000	-	295,000
Interest and Fiscal Charges	278,715	168,100	110,615	374,044
<b>Total expenditures</b>	<b>588,715</b>	<b>478,100</b>	<b>110,615</b>	<b>669,044</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(143,528)</b>	<b>(21,088)</b>	<b>122,440</b>	<b>(138,988)</b>
<b>Fund balances-beginning</b>	<b>281,813</b>	<b>281,813</b>	<b>-</b>	<b>420,801</b>
<b>Fund balances-ending</b>	<b>\$ 138,285</b>	<b>\$ 260,725</b>	<b>\$ 122,440</b>	<b>\$ 281,813</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, 2012**  
**With Comparative Actual Amounts for the Year Ended September 30, 2011**

	<b>2012</b>		<b>Variance with Final Budget- Positive (Negative)</b>	<b>2011 Actual Amounts</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>		
<b>REVENUES</b>				
Taxes:				
Ad Valorem Taxes - Current	\$ 1,994,042	\$ 2,060,490	\$ 66,448	\$ 684,293
Ad Valorem Taxes - Delinquent	15,000	21,511	6,511	14,241
Penalties and Interest	13,000	15,397	2,397	8,332
Investment Earnings	6,500	3,212	(3,288)	8,389
<b>Total revenues</b>	<b>2,028,542</b>	<b>2,100,610</b>	<b>72,068</b>	<b>715,255</b>
<b>EXPENDITURES</b>				
Debt Service:				
Principal Retirement	780,000	779,988	12	110,000
Interest and Fiscal Charges	1,159,700	1,157,466	2,234	419,448
<b>Total expenditures</b>	<b>1,939,700</b>	<b>1,937,454</b>	<b>2,246</b>	<b>529,448</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>88,842</b>	<b>163,156</b>	<b>74,314</b>	<b>185,807</b>
<b>Fund balances-beginning</b>	<b>550,203</b>	<b>550,203</b>	<b>-</b>	<b>364,396</b>
<b>Fund balances-ending</b>	<b>\$ 639,045</b>	<b>\$ 713,359</b>	<b>\$ 74,314</b>	<b>\$ 550,203</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, 2012**  
**With Comparative Actual Amounts for the Year Ended September 30, 2011**

	<b>2012</b>		<b>Variance with Final Budget- Positive (Negative)</b>	<b>2011 Actual Amounts</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>		
<b>REVENUES</b>				
Taxes:				
Ad Valorem Taxes - Current	\$ 4,835,686	\$ 4,997,961	\$ 162,275	\$ 5,665,561
Ad Valorem Taxes - Delinquent	25,000	95,153	70,153	29,913
Penalties and Interest	35,000	46,630	11,630	37,038
Intergovernmental	1,279,985	1,279,985	-	1,294,770
Investment Earnings	18,500	21,092	2,592	14,333
<b>Total revenues</b>	<b>6,194,171</b>	<b>6,440,821</b>	<b>246,650</b>	<b>7,041,615</b>
<b>EXPENDITURES</b>				
Debt Service:				
Principal Retirement	2,730,000	2,730,000	-	2,690,000
Interest and Fiscal Charges	3,659,600	3,657,350	2,250	3,699,592
<b>Total expenditures</b>	<b>6,389,600</b>	<b>6,387,350</b>	<b>2,250</b>	<b>6,389,592</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(195,429)</b>	<b>53,471</b>	<b>248,900</b>	<b>652,023</b>
<b>Fund balances-beginning</b>	<b>2,048,204</b>	<b>2,048,204</b>	<b>-</b>	<b>1,396,181</b>
<b>Fund balances-ending</b>	<b>\$ 1,852,775</b>	<b>\$ 2,101,675</b>	<b>\$ 248,900</b>	<b>\$ 2,048,204</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, 2012**  
**With Comparative Actual Amounts for the Year Ended September 30, 2011**

	<b>2012</b>		<b>Variance with Final Budget- Positive (Negative)</b>	<b>2011 Actual Amounts</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>		
<b>REVENUES</b>				
Taxes:				
Ad Valorem Taxes - Current	\$ 575,331	\$ 598,478	\$ 23,147	\$ 910,558
Ad Valorem Taxes - Delinquent	4,000	11,277	7,277	4,808
Penalties and Interest	6,000	5,322	(678)	5,950
Investment Earnings	1,000	90	(910)	2,838
<b>Total revenues</b>	<b>586,331</b>	<b>615,167</b>	<b>28,836</b>	<b>924,154</b>
<b>EXPENDITURES</b>				
Debt Service:				
Principal Retirement	595,000	595,000	-	580,000
Interest and Fiscal Charges	144,700	142,450	2,250	154,200
<b>Total expenditures</b>	<b>739,700</b>	<b>737,450</b>	<b>2,250</b>	<b>734,200</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(153,369)</b>	<b>(122,283)</b>	<b>31,086</b>	<b>189,954</b>
<b>Fund balances-beginning</b>	<b>319,868</b>	<b>319,868</b>	<b>-</b>	<b>129,914</b>
<b>Fund balances-ending</b>	<b>\$ 166,499</b>	<b>\$ 197,585</b>	<b>\$ 31,086</b>	<b>\$ 319,868</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, 2012**  
**With Comparative Actual Amounts for the Year Ended September 30, 2011**

	<b>2012</b>		<b>Variance with Final Budget- Positive (Negative)</b>	<b>2011 Actual Amounts</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>		
<b>REVENUES</b>				
Taxes:				
Ad Valorem Taxes - Current	\$ 204,126	\$ 214,853	\$ 10,727	\$ 553,536
Ad Valorem Taxes - Delinquent	3,000	6,073	3,073	2,923
Penalties and Interest	3,500	2,406	(1,094)	3,581
Intergovernmental	200,127	200,126	(1)	200,127
Investment Earnings	1,000	280	(720)	1,829
<b>Total revenues</b>	<b>411,753</b>	<b>423,738</b>	<b>11,985</b>	<b>761,996</b>
<b>EXPENDITURES</b>				
Debt Service:				
Interest and Fiscal Charges	574,300	572,041	2,259	572,041
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(162,547)</b>	<b>(148,303)</b>	<b>14,244</b>	<b>189,955</b>
<b>Fund balances-beginning</b>	<b>297,765</b>	<b>297,765</b>	<b>-</b>	<b>107,810</b>
<b>Fund balances-ending</b>	<b>\$ 135,218</b>	<b>\$ 149,462</b>	<b>\$ 14,244</b>	<b>\$ 297,765</b>

**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, 2012**  
**With Comparative Actual Amounts for the Year Ended September 30, 2011**

	<b>2012</b>		<b>Variance with Final Budget- Positive (Negative)</b>	<b>2011 Actual Amounts</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>		
<b>REVENUES</b>				
Taxes:				
Ad Valorem Taxes - Current	\$ 1,263,123	\$ 1,309,251	\$ 46,128	\$ 1,372,188
Ad Valorem Taxes - Delinquent	24,000	27,447	3,447	30,126
Penalties and Interest	11,000	13,379	2,379	15,459
Investment Earnings	10,500	1,596	(8,904)	9,700
<b>Total revenues</b>	<b>1,308,623</b>	<b>1,351,673</b>	<b>43,050</b>	<b>1,427,473</b>
<b>EXPENDITURES</b>				
Debt Service:				
Principal Retirement	1,400,000	1,400,000	-	1,400,000
Interest and Fiscal Charges	61,600	59,010	2,590	98,351
<b>Total expenditures</b>	<b>1,461,600</b>	<b>1,459,010</b>	<b>2,590</b>	<b>1,498,351</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(152,977)</b>	<b>(107,337)</b>	<b>45,640</b>	<b>(70,878)</b>
<b>Fund balances-beginning</b>	<b>500,483</b>	<b>500,483</b>	<b>-</b>	<b>571,361</b>
<b>Fund balances-ending</b>	<b>\$ 347,506</b>	<b>\$ 393,146</b>	<b>\$ 45,640</b>	<b>\$ 500,483</b>

NONMAJOR  
CAPITAL PROJECTS FUNDS

PURPOSE:

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

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.

LIMITED TAX COUNTY BUILDING BONDS SERIES 2009B (FUND 3120) – 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.

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	<u>314,000</u>
	<u>\$4,614,875</u>

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, 2012  
With Comparative Totals at September 30, 2011**

	<b>COUNTY CAPITAL PROJECTS FUND</b>	<b>CAPITAL REPLENISHMENT FUND</b>	<b>LIMITED TAX COUNTY BUILDING BONDS SERIES 2009B</b>	<b>COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION SERIES 2003C</b>
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 1,203,994	\$ 527,376	\$ 6,101,714	\$ 1,234,676
Investments	-	-	-	-
Receivables (Net of Allowances for Uncollectibles):				
Accounts and Other	196,975	-	20,661	-
<b>Total assets</b>	<b>\$ 1,400,969</b>	<b>\$ 527,376</b>	<b>\$ 6,122,375</b>	<b>\$ 1,234,676</b>
<b>LIABILITIES</b>				
Accounts Payable	\$ 182,946	\$ -	\$ 165,403	\$ 106,564
Salaries Payable	-	-	6,416	-
Retainage Payable	-	-	395,503	5,160
Due to Others	-	-	-	-
<b>Total liabilities</b>	<b>182,946</b>	<b>-</b>	<b>567,322</b>	<b>111,724</b>
<b>FUND BALANCES</b>				
Restricted	-	-	-	1,122,952
Assigned	1,218,023	527,376	5,555,053	-
<b>Total fund balances</b>	<b>1,218,023</b>	<b>527,376</b>	<b>5,555,053</b>	<b>1,122,952</b>
<b>Total liabilities and fund balances</b>	<b>\$ 1,400,969</b>	<b>\$ 527,376</b>	<b>\$ 6,122,375</b>	<b>\$ 1,234,676</b>

(Continued)

LIMITED TAX CRIMINAL JUSTICE CENTER BONDS SERIES 2003A	PARKS DEPARTMENT CAPITAL PROJECTS FUND	ROAD BONDS SERIES 1987	UNLIMITED TAX ROAD BONDS SERIES 2003B	UNLIMITED TAX ROAD BONDS SERIES 2001	PASS-THROUGH TOLL REVENUE AND LIMITED TAX BONDS SERIES 2007	COUNTY ROAD AND BRIDGE PROJECTS
\$ 2,886,774	\$ 2,920,715	\$ 49,782	\$ 4,926,734	\$ 1,337,593	\$ 6,886,309	\$ 279,946
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<b>\$ 2,886,774</b>	<b>\$ 2,920,715</b>	<b>\$ 49,782</b>	<b>\$ 4,926,734</b>	<b>\$ 1,337,593</b>	<b>\$ 6,886,309</b>	<b>\$ 279,946</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 441,640	\$ 5,187
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	3,044	-	-	-	-	-
-	3,044	-	-	-	441,640	5,187
2,886,774	2,917,671	49,782	4,926,734	1,337,593	6,444,669	-
-	-	-	-	-	-	274,759
2,886,774	2,917,671	49,782	4,926,734	1,337,593	6,444,669	274,759
<b>\$ 2,886,774</b>	<b>\$ 2,920,715</b>	<b>\$ 49,782</b>	<b>\$ 4,926,734</b>	<b>\$ 1,337,593</b>	<b>\$ 6,886,309</b>	<b>\$ 279,946</b>

**GALVESTON COUNTY, TEXAS  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
NONMAJOR CAPITAL PROJECTS FUNDS  
September 30, 2012  
With Comparative Totals at September 30, 2011**

	LIMITED TAX FLOOD CONTROL SERIES 2009C		GALVESTON COUNTY CERTIFICATES OF OBLIGATION SERIES 2008		TOTALS	
					2012	2011
<b>ASSETS</b>						
Cash and Cash Equivalents	\$	10,265,087	\$	342,209	\$ 38,962,909	\$ 35,091,884
Investments		-		-	-	22,208,406
Receivables (Net of Allowances for Uncollectibles):						
Accounts and Other		-		-	217,636	199,803
<b>Total assets</b>	<b>\$</b>	<b>10,265,087</b>	<b>\$</b>	<b>342,209</b>	<b>\$ 39,180,545</b>	<b>\$ 57,500,093</b>
<b>LIABILITIES</b>						
Accounts Payable	\$	-	\$	-	\$ 901,740	\$ 2,524,033
Salaries Payable		-		-	6,416	7,790
Retainage Payable		-		-	400,663	1,000,377
Due to Others		-		-	3,044	-
<b>Total liabilities</b>		-		-	1,311,863	3,532,200
<b>FUND BALANCES</b>						
Restricted		10,265,087		342,209	30,293,471	51,052,795
Assigned		-		-	7,575,211	2,915,098
<b>Total fund balances</b>		<b>10,265,087</b>		<b>342,209</b>	<b>37,868,682</b>	<b>53,967,893</b>
<b>Total liabilities and fund balances</b>	<b>\$</b>	<b>10,265,087</b>	<b>\$</b>	<b>342,209</b>	<b>\$ 39,180,545</b>	<b>\$ 57,500,093</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, 2012**  
**With Comparative Totals for the Year Ended September 30, 2011**

	<b>COUNTY CAPITAL PROJECTS FUND</b>	<b>CAPITAL REPLENISHMENT FUND</b>	<b>LIMITED TAX COUNTY BUILDING BONDS SERIES 2009B</b>	<b>COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION SERIES 2003C</b>
<b>REVENUES</b>				
Investment Earnings	\$ -	\$ -	\$ 73,739	\$ 21
Charges for Services	-	-	-	-
Miscellaneous	-	-	4,440	-
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>78,179</b>	<b>21</b>
<b>EXPENDITURES</b>				
General Government	426,514	-	229,599	26,307
Roads, Bridges and Rights-of-Way	-	-	-	-
Capital Outlay	629,972	-	10,058,562	111,724
<b>Total expenditures</b>	<b>1,056,486</b>	<b>-</b>	<b>10,288,161</b>	<b>138,031</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(1,056,486)</b>	<b>-</b>	<b>(10,209,982)</b>	<b>(138,010)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	250,000	-	-
Transfers Out	(250,000)	-	-	-
Sale of Capital Asset	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>(250,000)</b>	<b>250,000</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>(1,306,486)</b>	<b>250,000</b>	<b>(10,209,982)</b>	<b>(138,010)</b>
<b>Fund balances-beginning</b>	<b>2,524,509</b>	<b>277,376</b>	<b>15,765,035</b>	<b>1,260,962</b>
<b>Fund balances-ending</b>	<b>\$ 1,218,023</b>	<b>\$ 527,376</b>	<b>\$ 5,555,053</b>	<b>\$ 1,122,952</b>

(Continued)

LIMITED TAX CRIMINAL JUSTICE CENTER BONDS SERIES 2003A	PARKS DEPARTMENT CAPITAL PROJECTS FUND	ROAD BONDS SERIES 1987	UNLIMITED TAX ROAD BONDS SERIES 2003B	UNLIMITED TAX ROAD BONDS SERIES 2001	PASS-THROUGH TOLL REVENUE AND LIMITED TAX BONDS SERIES 2007	COUNTY ROAD AND BRIDGE PROJECTS
\$ 612	\$ -	\$ 250	\$ 36,488	\$ 7,038	\$ 76,621	\$ 924
-	-	-	-	-	-	165,808
-	-	-	-	-	-	-
612	-	250	36,488	7,038	76,621	166,732
-	-	-	-	-	-	-
-	-	-	-	18,470	5,845,516	5,186
-	1,320,137	-	406,484	-	-	-
-	1,320,137	-	406,484	18,470	5,845,516	5,186
612	(1,320,137)	250	(369,996)	(11,432)	(5,768,895)	161,546
-	-	-	-	-	-	-
-	-	-	-	-	-	-
2,886,162	-	-	-	-	-	-
2,886,162	-	-	-	-	-	-
2,886,774	(1,320,137)	250	(369,996)	(11,432)	(5,768,895)	161,546
-	4,237,808	49,532	5,296,730	1,349,025	12,213,564	113,213
\$ 2,886,774	\$ 2,917,671	\$ 49,782	\$ 4,926,734	\$ 1,337,593	\$ 6,444,669	\$ 274,759

**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, 2012**  
**With Comparative Totals for the Year Ended September 30, 2011**

	LIMITED TAX FLOOD CONTROL SERIES 2009C	GALVESTON COUNTY CERTIFICATES OF OBLIGATION SERIES 2008	TOTALS	
			2012	2011
<b>REVENUES</b>				
Investment Earnings	\$ 71,128	\$ 2,522	\$ 269,343	\$ 218,202
Charges for Services	-	-	165,808	-
Miscellaneous	-	-	4,440	600
<b>Total revenues</b>	<b>71,128</b>	<b>2,522</b>	<b>439,591</b>	<b>218,802</b>
<b>EXPENDITURES</b>				
General Government	-	-	682,420	303,867
Roads, Bridges and Rights-of-Way	62,951	70,185	6,002,308	11,727,221
Capital Outlay	-	-	12,526,879	21,841,447
<b>Total expenditures</b>	<b>62,951</b>	<b>70,185</b>	<b>19,211,607</b>	<b>33,872,535</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>8,177</b>	<b>(67,663)</b>	<b>(18,772,016)</b>	<b>(33,653,733)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	250,000	6,822,808
Transfers Out	-	(213,357)	(463,357)	(85)
Sale of Capital Asset	-	-	2,886,162	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>(213,357)</b>	<b>2,672,805</b>	<b>6,822,723</b>
<b>Net change in fund balances</b>	<b>8,177</b>	<b>(281,020)</b>	<b>(16,099,211)</b>	<b>(26,831,010)</b>
<b>Fund balances-beginning</b>	<b>10,256,910</b>	<b>623,229</b>	<b>53,967,893</b>	<b>80,798,903</b>
<b>Fund balances-ending</b>	<b>\$ 10,265,087</b>	<b>\$ 342,209</b>	<b>\$ 37,868,682</b>	<b>\$ 53,967,893</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, 2012**  
**With Comparative Amounts for the Year Ended September 30, 2011**

	<b>TOTAL PROJECT AUTHORIZED</b>	<b>ACTUAL TO SEPTEMBER 30, 2012</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	\$ -
Miscellaneous	198,218	198,218	-	198,218	-
<b>Total revenues</b>	<b>3,577,301</b>	<b>3,577,300</b>	<b>-</b>	<b>3,577,300</b>	<b>-</b>
<b>EXPENDITURES</b>					
General Government:					
Administration Costs	1,757,545	1,331,030	426,514	1,757,544	32,090
Capital Outlay:					
IT Capital Projects	2,769,837	1,565,793	629,972	2,195,765	822,664
Galveston Fire/EMS Station	3,608,511	3,382,283	-	3,382,283	3,248
<b>Total expenditures</b>	<b>8,135,893</b>	<b>6,279,106</b>	<b>1,056,486</b>	<b>7,335,592</b>	<b>858,002</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(4,558,592)</b>	<b>(2,701,806)</b>	<b>(1,056,486)</b>	<b>(3,758,292)</b>	<b>(858,002)</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	7,528,700	7,528,700	-	7,528,700	1,785,000
Transfers Out	(3,401,600)	(3,151,600)	(250,000)	(3,401,600)	-
Sale of Capital Assets	849,215	849,215	-	849,215	-
<b>Total other financing sources (uses)</b>	<b>4,976,315</b>	<b>5,226,315</b>	<b>(250,000)</b>	<b>4,976,315</b>	<b>1,785,000</b>
<b>Net change in fund balances</b>	<b>\$ 417,723</b>	<b>\$ 2,524,509</b>	<b>(1,306,486)</b>	<b>\$ 1,218,023</b>	<b>926,998</b>
<b>Fund balances-beginning</b>			<b>2,524,509</b>		<b>1,597,511</b>
<b>Fund balances-ending</b>			<b>\$ 1,218,023</b>		<b>\$ 2,524,509</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, 2012**  
**With Comparative Amounts for the Year Ended September 30, 2011**

	<b>TOTAL PROJECT AUTHORIZED</b>	<b>ACTUAL TO SEPTEMBER 30, 2012</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	525,000	-	-	-	-
Capital Outlay:					
Road & Bridge Re-Roof	25,000	22,624	-	22,624	22,624
<b>Total expenditures</b>	<u>550,000</u>	<u>22,624</u>	<u>-</u>	<u>22,624</u>	<u>22,624</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	(550,000)	(22,624)	-	(22,624)	(22,624)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	550,000	300,000	250,000	550,000	300,000
<b>Net change in fund balances</b>	<u>\$ -</u>	<u>\$ 277,376</u>	250,000	<u>\$ 527,376</u>	277,376
<b>Fund balances-beginning</b>			277,376		-
<b>Fund balances-ending</b>			<u>\$ 527,376</u>		<u>\$ 277,376</u>

GALVESTON COUNTY, TEXAS  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES -  
BUDGET (PROJECT-LENGTH) AND ACTUAL  
LIMITED TAX COUNTY BUILDING BONDS SERIES 2009B CAPITAL PROJECTS FUND  
From Inception and for the Year Ended September 30, 2012  
With Comparative Amounts for the Year Ended September 30, 2011

	TOTAL PROJECT AUTHORIZED	ACTUAL TO SEPTEMBER 30, 2012			LAST YEAR'S ACTUAL
		REPORTED IN PRIOR YEARS	CURRENT YEAR	TOTAL	
<b>REVENUES</b>					
Investment Earnings	\$ 180,486	\$ 106,747	\$ 73,739	\$ 180,486	\$ 26,206
Miscellaneous	5,040	600	4,440	5,040	600
<b>Total revenues</b>	<b>185,526</b>	<b>107,347</b>	<b>78,179</b>	<b>185,526</b>	<b>26,806</b>
<b>EXPENDITURES</b>					
General Government:					
Administration Costs	1,093,888	481,206	229,599	710,805	260,657
Capital Outlay:					
Agricultural Ext Facility	3,478,764	2,867,953	55,810	2,923,763	2,207,125
Mid-County Annex	29,646,382	18,618,837	9,381,812	28,000,649	13,027,134
Records Storage Bldg	2,999,939	178,535	-	178,535	2,800
North County Annex	139,133	-	110,273	110,273	-
Animal Resource Center	5,527,330	4,972,327	510,667	5,482,994	4,259,263
Bond Issuance Costs	679,393	679,393	-	679,393	-
<b>Total expenditures</b>	<b>43,564,829</b>	<b>27,798,251</b>	<b>10,288,161</b>	<b>38,086,412</b>	<b>19,756,979</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(43,379,303)</b>	<b>(27,690,904)</b>	<b>(10,209,982)</b>	<b>(37,900,886)</b>	<b>(19,730,173)</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	500,000	500,000	-	500,000	500,000
Face Value - Long Term Debt Issued	42,955,939	42,955,939	-	42,955,939	-
<b>Total other financing sources (uses)</b>	<b>43,455,939</b>	<b>43,455,939</b>	<b>-</b>	<b>43,455,939</b>	<b>500,000</b>
<b>Net change in fund balances</b>	<b>\$ 76,636</b>	<b>\$ 15,765,035</b>	<b>(10,209,982)</b>	<b>\$ 5,555,053</b>	<b>(19,230,173)</b>
<b>Fund balances-beginning</b>			15,765,035		34,995,208
<b>Fund balances-ending</b>			<b>\$ 5,555,053</b>		<b>\$ 15,765,035</b>

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES -**  
**BUDGET (PROJECT-LENGTH) AND ACTUAL**  
**COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION SERIES 2003C CAPITAL PROJECTS FUND**  
**From Inception and for the Year Ended September 30, 2012**  
**With Comparative Amounts for the Year Ended September 30, 2011**

	<b>TOTAL PROJECT AUTHORIZED</b>	<b>ACTUAL TO SEPTEMBER 30, 2012</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	\$ 3,326,421	\$ 3,326,400	\$ 21	\$ 3,326,421	\$ 45
Miscellaneous	25,630	25,629	-	25,629	-
<b>Total revenues</b>	<b>3,352,051</b>	<b>3,352,029</b>	<b>21</b>	<b>3,352,050</b>	<b>45</b>
<b>EXPENDITURES</b>					
General Government:					
Administration Costs	584,909	558,602	26,307	584,909	11,120
Capital Outlay:					
Information Tech Project	108,250	-	103,200	103,200	-
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	33,493,803	33,453,403	-	33,453,403	38,899
Flood Projects	69,000	-	-	-	-
Road and Bridge Projects	20,000	-	8,524	8,524	-
Park Projects	41,292	-	-	-	-
Bond Issuance Costs	597,757	597,757	-	597,757	-
<b>Total expenditures</b>	<b>47,821,201</b>	<b>47,515,952</b>	<b>138,031</b>	<b>47,653,983</b>	<b>50,019</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(44,469,150)</b>	<b>(44,163,923)</b>	<b>(138,010)</b>	<b>(44,301,933)</b>	<b>(49,974)</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>\$ 955,735</b>	<b>\$ 1,260,962</b>	<b>(138,010)</b>	<b>\$ 1,122,952</b>	<b>(49,974)</b>
<b>Fund balances-beginning</b>			<b>1,260,962</b>		<b>1,310,936</b>
<b>Fund balances-ending</b>			<b>\$ 1,122,952</b>		<b>\$ 1,260,962</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, 2012**  
**With Comparative Amounts for the Year Ended September 30, 2011**

	<b>TOTAL PROJECT AUTHORIZED</b>	<b>ACTUAL TO SEPTEMBER 30, 2012</b>			<b>LAST YEAR'S ACTUAL</b>
		<b>REPORTED IN PRIOR YEARS</b>	<b>CURRENT YEAR</b>	<b>TOTAL</b>	
<b>REVENUES</b>					
Investment	\$ 2,700,274	\$ 2,699,662	\$ 612	\$ 2,700,274	\$ -
Intergovernmental	468,179	468,179	-	468,179	-
<b>Total revenues</b>	<b>3,168,453</b>	<b>3,167,841</b>	<b>612</b>	<b>3,168,453</b>	<b>-</b>
<b>EXPENDITURES</b>					
Capital Outlay:					
Courthouse Renovations	4,117,630	4,117,630	-	4,117,630	-
Justice Center	61,511	61,511	-	61,511	-
646 Building Construction	56,201,386	56,201,386	-	56,201,386	-
Capital Outlay - Vehicles	420,800	-	-	-	-
Capitalized FF&E	2,465,362	-	-	-	-
Bond Issuance Costs	792,255	792,255	-	792,255	-
<b>Total expenditures</b>	<b>64,058,944</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>(60,890,491)</b>	<b>(58,004,941)</b>	<b>612</b>	<b>(58,004,329)</b>	<b>-</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers Out	(75,201)	(75,195)	-	(75,195)	(85)
Sale of Capital Asset	2,886,162	-	2,886,162	2,886,162	-
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>60,891,097</b>	<b>58,004,941</b>	<b>2,886,162</b>	<b>60,891,103</b>	<b>(85)</b>
<b>Net change in fund balances</b>	<b>\$ 606</b>	<b>\$ -</b>	<b>2,886,774</b>	<b>\$ 2,886,774</b>	<b>(85)</b>
<b>Fund balances-beginning</b>			<b>-</b>		<b>85</b>
<b>Fund balances-ending</b>			<b>\$ 2,886,774</b>		<b>\$ -</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, 2012**  
**With Comparative Amounts for the Year Ended September 30, 2011**

	<b>TOTAL PROJECT AUTHORIZED</b>	<b>ACTUAL TO SEPTEMBER 30, 2012</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	-	1,320,137	1,320,137	-
<b>Excess (deficiency) of revenues     over (under) expenditures</b>	(4,237,808)	-	(1,320,137)	(1,320,137)	-
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	4,237,808	4,237,808	-	4,237,808	4,237,808
<b>Net change in fund balances</b>	<b>\$ -</b>	<b>\$ 4,237,808</b>	(1,320,137)	<b>\$ 2,917,671</b>	4,237,808
<b>Fund balances-beginning</b>			4,237,808		-
<b>Fund balances-ending</b>			<b>\$ 2,917,671</b>		<b>\$ 4,237,808</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, 2012**  
**With Comparative Amounts for the Year Ended September 30, 2011**

	<b>TOTAL PROJECT AUTHORIZED</b>	<b>ACTUAL TO SEPTEMBER 30, 2012</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	4,044,952	4,044,702	250	4,044,952	1,652
Miscellaneous	5,511	5,511	-	5,511	-
<b>Total revenues</b>	<b>5,410,618</b>	<b>5,410,368</b>	<b>250</b>	<b>5,410,618</b>	<b>1,652</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	-
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	1,967,983	1,920,783	-	1,920,783	491,272
<b>Total expenditures</b>	<b>20,833,545</b>	<b>20,786,345</b>	<b>-</b>	<b>20,786,345</b>	<b>491,272</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(15,422,927)</b>	<b>(15,375,977)</b>	<b>250</b>	<b>(15,375,727)</b>	<b>(489,620)</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>\$ 2,582</b>	<b>\$ 49,532</b>	<b>250</b>	<b>\$ 49,782</b>	<b>(489,620)</b>
<b>Fund balances-beginning</b>			<b>49,532</b>		<b>539,152</b>
<b>Fund balances-ending</b>			<b>\$ 49,782</b>		<b>\$ 49,532</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, 2012**  
**With Comparative Amounts for the Year Ended September 30, 2011**

	<b>TOTAL PROJECT AUTHORIZED</b>	<b>ACTUAL TO SEPTEMBER 30, 2012</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	2,030,624	1,994,136	36,488	2,030,624	59,569
<b>Total revenues</b>	<b>5,445,238</b>	<b>5,408,750</b>	<b>36,488</b>	<b>5,445,238</b>	<b>59,569</b>
<b>EXPENDITURES</b>					
Roads, Bridges and Rights-of-Way:					
Administration Costs	3,032,938	90,616	-	90,616	-
Galv/Signals Various Locations	750,000	281,328	-	281,328	-
Century Blvd	197,038	-	-	-	-
FM 646 Pass Thru Toll	5,581,160	5,079,806	-	5,079,806	158,257
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	-
Fort Travis Park	442,485	36,001	406,484	442,485	36,001
Highways and Roads	574,033	574,033	-	574,033	574,033
Bond Issuance Costs	154,363	154,363	-	154,363	-
<b>Total expenditures</b>	<b>14,965,498</b>	<b>9,660,357</b>	<b>406,484</b>	<b>10,066,841</b>	<b>768,291</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(9,520,260)</b>	<b>(4,251,607)</b>	<b>(369,996)</b>	<b>(4,621,603)</b>	<b>(708,722)</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>\$ 28,077</b>	<b>\$ 5,296,730</b>	<b>(369,996)</b>	<b>\$ 4,926,734</b>	<b>(708,722)</b>
<b>Fund balances-beginning</b>			<b>5,296,730</b>		<b>6,005,452</b>
<b>Fund balances-ending</b>			<b>\$ 4,926,734</b>		<b>\$ 5,296,730</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, 2012**  
**With Comparative Amounts for the Year Ended September 30, 2011**

	<b>TOTAL PROJECT AUTHORIZED</b>	<b>ACTUAL TO SEPTEMBER 30, 2012</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	\$ 3,413,517	\$ 3,406,480	\$ 7,038	\$ 3,413,518	\$ 16,087
Miscellaneous	825,323	825,323	-	825,323	-
<b>Total revenues</b>	<b>4,238,840</b>	<b>4,231,803</b>	<b>7,038</b>	<b>4,238,841</b>	<b>16,087</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	27,849	18,470	46,319	5,276
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	-
FM 646	748,329	748,329	-	748,329	-
6th	189,052	-	-	-	-
FM 517	60,948	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>29,386,473</b>	<b>18,470</b>	<b>29,404,943</b>	<b>5,276</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(26,466,772)</b>	<b>(25,154,670)</b>	<b>(11,432)</b>	<b>(25,166,102)</b>	<b>10,811</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>\$ 36,923</b>	<b>\$ 1,349,025</b>	<b>(11,432)</b>	<b>\$ 1,337,593</b>	<b>10,811</b>
<b>Fund balances-beginning</b>			<b>1,349,025</b>		<b>1,338,214</b>
<b>Fund balances-ending</b>			<b>\$ 1,337,593</b>		<b>\$ 1,349,025</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, 2012**  
**With Comparative Amounts for the Year Ended September 30, 2011**

	<b>TOTAL PROJECT AUTHORIZED</b>	<b>ACTUAL TO SEPTEMBER 30, 2012</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	3,052,110	2,975,489	76,621	3,052,110	98,171
<b>Total revenues</b>	<b>4,137,496</b>	<b>4,060,875</b>	<b>76,621</b>	<b>4,137,496</b>	<b>98,171</b>
<b>EXPENDITURES</b>					
Roads, Bridges and Rights-of-Way:					
FM 646 Pass Thru Toll Rd Project	44,058,697	31,822,211	5,845,516	37,667,727	7,739,638
Capital Outlay:					
FM 646 Pass Thru Toll Rd Project	25,100	25,100	-	25,100	-
Bond Issuance Costs	672,492	672,492	-	672,492	-
<b>Total expenditures</b>	<b>44,756,289</b>	<b>32,519,803</b>	<b>5,845,516</b>	<b>38,365,319</b>	<b>7,739,638</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(40,618,793)</b>	<b>(28,458,928)</b>	<b>(5,768,895)</b>	<b>(34,227,823)</b>	<b>(7,641,467)</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>\$ 53,699</b>	<b>\$ 12,213,564</b>	<b>(5,768,895)</b>	<b>\$ 6,444,669</b>	<b>(7,641,467)</b>
<b>Fund balances-beginning</b>			<b>12,213,564</b>		<b>19,855,031</b>
<b>Fund balances-ending</b>			<b>\$ 6,444,669</b>		<b>\$ 12,213,564</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, 2012**  
**With Comparative Amounts for the Year Ended September 30, 2011**

	<b>TOTAL PROJECT AUTHORIZED</b>	<b>ACTUAL TO SEPTEMBER 30, 2012</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	\$ 24,134	\$ 23,209	\$ 924	\$ 24,133	\$ 1,508
Charges for Services	315,808	150,000	165,808	315,808	-
<b>Total revenues</b>	<b>339,942</b>	<b>173,209</b>	<b>166,732</b>	<b>339,941</b>	<b>1,508</b>
<b>EXPENDITURES</b>					
Roads, Bridges and Rights-of-Way:					
Administration Costs	5,187	-	5,186	5,186	-
Capital Outlay:					
Grand Cay Project	145,821	59,996	-	59,996	-
FM 646 Pass Thru Toll	8,200	-	-	-	-
<b>Total expenditures</b>	<b>159,208</b>	<b>59,996</b>	<b>5,186</b>	<b>65,182</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>\$ 180,734</b>	<b>\$ 113,213</b>	161,546	<b>\$ 274,759</b>	1,508
<b>Fund balances-beginning</b>			113,213		111,705
<b>Fund balances-ending</b>			<b>\$ 274,759</b>		<b>\$ 113,213</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, 2012**  
**With Comparative Amounts for the Year Ended September 30, 2011**

	<b>TOTAL PROJECT AUTHORIZED</b>	<b>ACTUAL TO SEPTEMBER 30, 2012</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	\$ 114,552	\$ 43,423	\$ 71,128	\$ 114,551	\$ 13,092
Miscellaneous	271	271	-	271	-
<b>Total revenues</b>	<b>114,823</b>	<b>43,694</b>	<b>71,128</b>	<b>114,822</b>	<b>13,092</b>
<b>EXPENDITURES</b>					
Roads, Bridges and Rights-of-Way:					
Clear Creek	9,724,000	-	-	-	-
Dickinson Bayou	2,300,000	1,841,972	60,182	1,902,154	1,841,972
FM 646	2,200,000	2,134,403	2,769	2,137,172	1,968,979
Bond Issuance Costs	204,571	204,571	-	204,571	-
<b>Total expenditures</b>	<b>14,428,571</b>	<b>4,180,946</b>	<b>62,951</b>	<b>4,243,897</b>	<b>3,810,951</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(14,313,748)</b>	<b>(4,137,252)</b>	<b>8,177</b>	<b>(4,129,075)</b>	<b>(3,797,859)</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>\$ 80,414</b>	<b>\$ 10,256,910</b>	<b>8,177</b>	<b>\$ 10,265,087</b>	<b>(3,797,859)</b>
<b>Fund balances-beginning</b>			<b>10,256,910</b>		<b>14,054,769</b>
<b>Fund balances-ending</b>			<b>\$ 10,265,087</b>		<b>\$ 10,256,910</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, 2012**  
**With Comparative Amounts for the Year Ended September 30, 2011**

	<b>TOTAL PROJECT AUTHORIZED</b>	<b>ACTUAL TO SEPTEMBER 30, 2012</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	\$ 248,888	\$ 246,365	\$ 2,522	\$ 248,887	\$ 1,872
<b>EXPENDITURES</b>					
Roads, Bridges and Rights-of-Way:					
Administration Costs	87,758	87,819	-	87,819	13,099
Texas City Hurricane Levee	3,124,218	3,000,000	70,185	3,070,185	-
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	-
Capital Outlay:					
Skyline Drive	323,912	323,912	-	323,912	-
Texas City Hurricane Levee	356,445	356,384	-	356,384	356,384
Bond Issuance Costs	53,000	53,000	-	53,000	-
<b>Total expenditures</b>	<b>5,280,557</b>	<b>5,136,293</b>	<b>70,185</b>	<b>5,206,478</b>	<b>369,483</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(5,031,669)</b>	<b>(4,889,928)</b>	<b>(67,663)</b>	<b>(4,957,591)</b>	<b>(367,611)</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	-
Transfers Out	(1,700,200)	(1,700,200)	(213,357)	(1,913,557)	-
<b>Total other financing sources (uses)</b>	<b>5,513,157</b>	<b>5,513,157</b>	<b>(213,357)</b>	<b>5,299,800</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>\$ 481,488</b>	<b>\$ 623,229</b>	<b>(281,020)</b>	<b>\$ 342,209</b>	<b>(367,611)</b>
<b>Fund balances-beginning</b>			<b>623,229</b>		<b>990,840</b>
<b>Fund balances-ending</b>			<b>\$ 342,209</b>		<b>\$ 623,229</b>



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# 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 and unemployment 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 and casualty losses. 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. In fiscal year 2012, this fund was closed out and the fund balance transferred to the Group Insurance Fund.

**GALVESTON COUNTY, TEXAS**  
**COMBINING STATEMENT OF NET ASSETS**  
**INTERNAL SERVICE FUNDS**  
**September 30, 2012**

	<b>GROUP INSURANCE</b>	<b>SELF- INSURANCE RESERVE</b>	<b>WORKERS' COMPENSATION</b>	<b>TOTAL</b>
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 6,478,419	\$ 1,542,287	\$ -	\$ 8,020,706
Receivables (Net of Allowances for Uncollectibles):				
Accounts and Other	21,587	50,724	-	72,311
Prepaid Items	-	245,708	-	245,708
<b>Total assets</b>	<b>6,500,006</b>	<b>1,838,719</b>	<b>-</b>	<b>8,338,725</b>
<b>LIABILITIES</b>				
Accounts Payable	\$ 185,688	\$ 24,650	\$ -	\$ 210,338
Salaries Payable	9,735	-	-	9,735
Estimated Liability - Claims	2,749,500	-	-	2,749,500
<b>Total liabilities</b>	<b>2,944,923</b>	<b>24,650</b>	<b>-</b>	<b>2,969,573</b>
<b>NET ASSETS</b>				
Unrestricted	3,555,083	1,814,069	-	5,369,152
<b>Total net assets</b>	<b>\$ 3,555,083</b>	<b>\$ 1,814,069</b>	<b>\$ -</b>	<b>\$ 5,369,152</b>

**GALVESTON COUNTY, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND**  
**CHANGES IN FUND NET ASSETS**  
**INTERNAL SERVICE FUNDS**  
**For the Year Ended September 30, 2012**

	<b>GROUP INSURANCE</b>	<b>SELF- INSURANCE RESERVE</b>	<b>WORKERS' COMPENSATION</b>	<b>TOTAL</b>
<b>OPERATING REVENUES</b>				
Intergovernmental	\$ 253,788	\$ -	\$ -	\$ 253,788
Charges for Services	10,962,991	-	-	10,962,991
Insurance Recovery - County	-	50,641	-	50,641
Reimbursements	897,395	-	-	897,395
<b>Total operating revenues</b>	<b>12,114,174</b>	<b>50,641</b>	<b>-</b>	<b>12,164,815</b>
<b>OPERATING EXPENSES</b>				
Personal Services	\$ 389,242	\$ -	\$ -	\$ 389,242
Contract Services	1,675,233	-	-	1,675,233
Insurance	736,863	2,478,334	-	3,215,197
Claims Paid	10,739,702	-	-	10,739,702
<b>Total operating expenses</b>	<b>13,541,040</b>	<b>2,478,334</b>	<b>-</b>	<b>16,019,374</b>
<b>Operating income (loss)</b>	<b>(1,426,866)</b>	<b>(2,427,693)</b>	<b>-</b>	<b>(3,854,559)</b>
<b>NON-OPERATING REVENUES</b>				
Investment Earnings	1,008	-	-	1,008
<b>Income (loss) before transfers</b>	<b>(1,425,858)</b>	<b>(2,427,693)</b>	<b>-</b>	<b>(3,853,551)</b>
<b>OPERATING TRANSFERS</b>				
Transfers In	689,619	3,196,000	-	3,885,619
Transfers Out	(18,000)	-	(647,019)	(665,019)
<b>Total operating transfers</b>	<b>671,619</b>	<b>3,196,000</b>	<b>(647,019)</b>	<b>3,220,600</b>
<b>Change in net assets</b>	<b>(754,239)</b>	<b>768,307</b>	<b>(647,019)</b>	<b>(632,951)</b>
<b>Total net assets-beginning</b>	<b>4,309,322</b>	<b>1,045,762</b>	<b>647,019</b>	<b>6,002,103</b>
<b>Total net assets-ending</b>	<b>\$ 3,555,083</b>	<b>\$ 1,814,069</b>	<b>\$ -</b>	<b>\$ 5,369,152</b>

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

	<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	\$ 11,236,410	\$ 1,111	\$ 6,057	\$ 11,243,578
Payments to Suppliers	(2,351,520)	(2,683,824)	(70,631)	(5,105,975)
Payments to Employees	(379,506)	(6,100)	-	(385,606)
Payments for Claims	(9,618,702)	-	(1,121,000)	(10,739,702)
Other Operating Revenues	1,148,964	-	-	1,148,964
<b>Net cash provided (used) by operating activities</b>	<b>35,646</b>	<b>(2,688,813)</b>	<b>(1,185,574)</b>	<b>(3,838,741)</b>
<b>Cash flows from noncapital financing activities:</b>				
Transfers In	689,619	3,196,000	-	3,885,619
Transfers Out	(18,000)	-	(647,019)	(665,019)
<b>Net cash provided (used) by noncapital financing activities</b>	<b>671,619</b>	<b>3,196,000</b>	<b>(647,019)</b>	<b>3,220,600</b>
<b>Cash flows from investing activities:</b>				
Matured Investments	5,770,146	1,035,100	1,832,593	8,637,839
Investment Earnings	1,008	-	-	1,008
<b>Net cash provided (used) by investing activities</b>	<b>5,771,154</b>	<b>1,035,100</b>	<b>1,832,593</b>	<b>8,638,847</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>6,478,419</b>	<b>1,542,287</b>	<b>-</b>	<b>8,020,706</b>
<b>Cash and Cash Equivalents October 1, 2011</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash and Cash Equivalents September 30, 2012</b>	<b>\$ 6,478,419</b>	<b>\$ 1,542,287</b>	<b>\$ -</b>	<b>\$ 8,020,706</b>
<b>Income (loss) before transfers provided (used) by operating activities:</b>				
<b>Operating income (loss)</b>	<b>\$ (1,426,866)</b>	<b>\$ (2,427,693)</b>	<b>\$ -</b>	<b>\$ (3,854,559)</b>
<b>Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:</b>				
(Increase) Decrease in Accounts Receivable	271,200	(49,530)	6,057	227,727
(Increase) Decrease in Prepaid Items	-	(38,777)	-	(38,777)
Increase (Decrease) in Accounts Payable	60,577	(166,713)	(66,086)	(172,222)
Increase (Decrease) in Salaries Payable	9,735	(6,100)	(4,545)	(910)
Increase (Decrease) in Estimated Liability - Claims Payable	1,121,000	-	(1,121,000)	-
<b>Total adjustments</b>	<b>1,462,512</b>	<b>(261,120)</b>	<b>(1,185,574)</b>	<b>15,818</b>
<b>Net cash provided (used) by operating activities</b>	<b>\$ 35,646</b>	<b>\$ (2,688,813)</b>	<b>\$ (1,185,574)</b>	<b>\$ (3,838,741)</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, 2012  
With Comparative Amounts as of September 30, 2011**

	<u>PAYROLL</u>	<u>ESCROW</u>	<u>CHILDREN'S PROTECTIVE SERVICES - ESCROW</u>	<u>INMATE DEPOSITS</u>
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 745,881	\$ 1,301,372	\$ 10,223	\$ 31,802
Investments	-	-	-	-
Receivables (Net of Allowances for Uncollectibles):				
Accounts and Other	-	16,699	-	-
Restricted Assets:				
Guardianship Assets	-	1,042,491	-	-
<b>Total Assets</b>	<b><u>\$ 745,881</u></b>	<b><u>\$ 2,360,562</u></b>	<b><u>\$ 10,223</u></b>	<b><u>\$ 31,802</u></b>
<b>LIABILITIES</b>				
Accounts Payable	\$ 41,412	\$ 58,198	\$ -	\$ -
Due to Others	-	16,881	-	31,802
Due to Other Entities	704,469	-	-	-
Deposits Held	-	1,242,992	10,223	-
Deposits Held for Restricted Assets	-	1,042,491	-	-
<b>Total Liabilities</b>	<b><u>\$ 745,881</u></b>	<b><u>\$ 2,360,562</u></b>	<b><u>\$ 10,223</u></b>	<b><u>\$ 31,802</u></b>

\*As restated

(Continued)

<u>APPELLATE JUDICIAL SYSTEM FEES</u>	<u>DISTRICT CLERK TRUST</u>	<u>COUNTY CLERK TRUST</u>	<u>TAX ASSESSOR- COLLECTOR UNDISTRIBUTED COLLECTIONS</u>
\$ 4,681	\$ 2,111,424	\$ 1,263,294	\$ 5,275,783
-	3,822,858	4,301,983	-
205	-	-	-
-	-	-	-
<u>\$ 4,886</u>	<u>\$ 5,934,282</u>	<u>\$ 5,565,277</u>	<u>\$ 5,275,783</u>
\$ -	\$ -	\$ -	\$ -
-	5,934,282	5,565,277	-
-	-	-	5,275,783
4,886	-	-	-
-	-	-	-
<u>\$ 4,886</u>	<u>\$ 5,934,282</u>	<u>\$ 5,565,277</u>	<u>\$ 5,275,783</u>

**GALVESTON COUNTY, TEXAS  
COMBINING BALANCE SHEET  
AGENCY FUNDS  
September 30, 2012  
With Comparative Amounts as of September 30, 2011**

	<b>DEBT SERVICE AGENCY</b>	<b>TOTALS</b>	
		<b>2012</b>	<b>2011*</b>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 5,311	\$ 10,749,771	\$ 3,538,746
Investments	-	8,124,841	13,853,572
Receivables (Net of Allowances for Uncollectibles):			
Accounts and Other	-	16,904	16,962
Restricted Assets:			
Guardianship Assets	-	1,042,491	1,225,753
<b>Total Assets</b>	<b>\$ 5,311</b>	<b>\$ 19,934,007</b>	<b>\$ 18,635,033</b>
<b>LIABILITIES</b>			
Accounts Payable	\$ -	\$ 99,610	\$ 54,361
Due to Others	5,311	11,553,553	11,151,479
Due to Other Entities	-	5,980,252	5,136,168
Deposits Held	-	1,258,101	1,067,272
Deposits Held for Restricted Assets	-	1,042,491	1,225,753
<b>Total Liabilities</b>	<b>\$ 5,311</b>	<b>\$ 19,934,007</b>	<b>\$ 18,635,033</b>

**GALVESTON COUNTY, TEXAS**  
**COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**For the Year Ended September 30, 2012**

	<u>BALANCE*</u> <u>10/1/2011</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>9/30/2012</u>
<b>PAYROLL</b>				
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ -	\$ 137,448,746	\$ 136,702,865	\$ 745,881
Investments	725,081	-	725,081	-
Receivables (Net of Allowances for Uncollectibles):				
Accounts and Other	-	16,994	16,994	-
<b>Total assets</b>	<b><u>\$ 725,081</u></b>	<b><u>\$ 137,465,740</u></b>	<b><u>\$ 137,444,940</u></b>	<b><u>\$ 745,881</u></b>
<b>LIABILITIES</b>				
Accounts Payable	\$ 34,094	\$ 3,748,006	\$ 3,740,688	\$ 41,412
Due to Other Entities	690,987	26,110,112	26,096,630	704,469
<b>Total liabilities</b>	<b><u>\$ 725,081</u></b>	<b><u>\$ 29,858,118</u></b>	<b><u>\$ 29,837,318</u></b>	<b><u>\$ 745,881</u></b>
<b>ESCROW</b>				
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ -	\$ 5,121,068	\$ 3,819,696	\$ 1,301,372
Investments	1,067,445	-	1,067,445	-
Receivables (Net of Allowances for Uncollectibles):				
Accounts and Other	16,867	206,296	206,464	16,699
Guardianship Assets	1,225,753	-	183,262	1,042,491
<b>Total assets</b>	<b><u>\$ 2,310,065</u></b>	<b><u>\$ 5,327,364</u></b>	<b><u>\$ 5,276,867</u></b>	<b><u>\$ 2,360,562</u></b>
<b>LIABILITIES</b>				
Accounts Payable	\$ 20,267	\$ 2,321,382	\$ 2,283,451	\$ 58,198
Due to Others	7,091	28,902	19,112	16,881
Deposits Held	1,056,954	5,144,901	4,958,863	1,242,992
Deposits Held for Restricted Assets	1,225,753	-	183,262	1,042,491
<b>Total liabilities</b>	<b><u>\$ 2,310,065</u></b>	<b><u>\$ 7,495,185</u></b>	<b><u>\$ 7,444,688</u></b>	<b><u>\$ 2,360,562</u></b>
<b>CHILDREN'S PROTECTIVE SERVICES - ESCROW</b>				
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ -	\$ 10,223	\$ -	\$ 10,223
Investments	10,223	-	10,223	-
<b>Total assets</b>	<b><u>\$ 10,223</u></b>	<b><u>\$ 10,223</u></b>	<b><u>\$ 10,223</u></b>	<b><u>\$ 10,223</u></b>
<b>LIABILITIES</b>				
Deposits Held	\$ 10,223	\$ -	\$ -	\$ 10,223
<b>Total liabilities</b>	<b><u>\$ 10,223</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 10,223</u></b>

\*As restated

**GALVESTON COUNTY, TEXAS**  
**COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**For the Year Ended September 30, 2012**

	<u>BALANCE*</u> <u>10/1/2011</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>9/30/2012</u>
<b>INMATE DEPOSITS</b>				
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ -	\$ 31,802	\$ -	\$ 31,802
Investments	30,480	-	30,480	-
<b>Total assets</b>	<b><u>\$ 30,480</u></b>	<b><u>\$ 31,802</u></b>	<b><u>\$ 30,480</u></b>	<b><u>\$ 31,802</u></b>
<b>LIABILITIES</b>				
Due to Others	\$ 30,480	\$ 1,322	\$ -	\$ 31,802
<b>Total liabilities</b>	<b><u>\$ 30,480</u></b>	<b><u>\$ 1,322</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 31,802</u></b>
<b>APPELLATE JUDICIAL SYSTEM FEES</b>				
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ -	\$ 43,199	\$ 38,518	4,681
Receivables (Net of Allowances for Uncollectibles):				
Accounts and Other	95	330	220	205
<b>Total assets</b>	<b><u>\$ 95</u></b>	<b><u>\$ 43,529</u></b>	<b><u>\$ 38,738</u></b>	<b><u>\$ 4,886</u></b>
<b>LIABILITIES</b>				
Deposits Held	\$ 95	\$ 4,791	\$ -	\$ 4,886
<b>Total liabilities</b>	<b><u>\$ 95</u></b>	<b><u>\$ 4,791</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 4,886</u></b>
<b>DISTRICT CLERK TRUST</b>				
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 2,433,344	\$ 2,111,424	\$ 2,433,344	\$ 2,111,424
Investments	4,182,493	-	359,635	3,822,858
<b>Total assets</b>	<b><u>6,615,837</u></b>	<b><u>2,111,424</u></b>	<b><u>2,792,979</u></b>	<b><u>5,934,282</u></b>
<b>LIABILITIES</b>				
Due to Others	\$ 6,615,837	\$ -	\$ 681,555	\$ 5,934,282
<b>Total liabilities</b>	<b><u>\$ 6,615,837</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 681,555</u></b>	<b><u>\$ 5,934,282</u></b>
<b>COUNTY CLERK TRUST</b>				
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 1,105,402	\$ 1,251,759	\$ 1,093,867	\$ 1,263,294
Investments	3,387,358	914,625	-	4,301,983
<b>Total assets</b>	<b><u>\$ 4,492,760</u></b>	<b><u>\$ 2,166,384</u></b>	<b><u>\$ 1,093,867</u></b>	<b><u>\$ 5,565,277</u></b>
<b>LIABILITIES</b>				
Due to Others	\$ 4,492,760	\$ 1,072,517	\$ -	\$ 5,565,277
<b>Total liabilities</b>	<b><u>\$ 4,492,760</u></b>	<b><u>\$ 1,072,517</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 5,565,277</u></b>

**GALVESTON COUNTY, TEXAS**  
**COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**For the Year Ended September 30, 2012**

	<u>BALANCE*</u> <u>10/1/2011</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>9/30/2012</u>
<b>TAX ASSESSOR-COLLECTOR</b>				
<b>UNDISTRIBUTED COLLECTIONS</b>				
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ -	\$ 7,895,692	\$ 2,619,909	\$ 5,275,783
Investments	4,445,181	-	4,445,181	-
<b>Total assets</b>	<b>\$ 4,445,181</b>	<b>\$ 7,895,692</b>	<b>\$ 7,065,090</b>	<b>\$ 5,275,783</b>
<b>LIABILITIES</b>				
Due to Other Entities	\$ 4,445,181	\$ 830,602	\$ -	\$ 5,275,783
<b>Total liabilities</b>	<b>\$ 4,445,181</b>	<b>\$ 830,602</b>	<b>\$ -</b>	<b>\$ 5,275,783</b>
<b>DEBT SERVICE AGENCY</b>				
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ -	\$ 5,311	\$ -	\$ 5,311
Investments	5,311	-	5,311	-
<b>Total assets</b>	<b>\$ 5,311</b>	<b>\$ 5,311</b>	<b>\$ 5,311</b>	<b>\$ 5,311</b>
<b>LIABILITIES</b>				
Due to Others	\$ 5,311	\$ -	\$ -	\$ 5,311
<b>Total liabilities</b>	<b>\$ 5,311</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5,311</b>
<b>TOTALS - ALL AGENCY FUNDS</b>				
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 3,538,746	\$ 153,919,224	\$ 146,708,199	\$ 10,749,771
Investments	13,853,572	914,625	6,643,356	8,124,841
Receivables (Net of Allowances for Uncollectibles):				
Accounts and Other	16,962	223,620	223,678	16,904
Guardianship Assets	1,225,753	-	183,262	1,042,491
<b>Total assets</b>	<b>\$ 18,635,033</b>	<b>\$ 155,057,469</b>	<b>\$ 153,758,495</b>	<b>\$ 19,934,007</b>
<b>LIABILITIES</b>				
Accounts Payable	\$ 54,361	\$ 6,069,388	\$ 6,024,139	\$ 99,610
Due to Others	11,151,479	1,102,741	700,667	11,553,553
Due to Other Entities	5,136,168	26,940,714	26,096,630	5,980,252
Deposits Held	1,067,272	5,149,692	4,958,863	1,258,101
Deposits Held for Restricted Assets	1,225,753	-	183,262	1,042,491
<b>Total liabilities</b>	<b>\$ 18,635,033</b>	<b>\$ 39,262,535</b>	<b>\$ 37,963,561</b>	<b>\$ 19,934,007</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**  
**2012**

	<b>2012</b>	<b>2011</b>
<b>GOVERNMENTAL FUNDS CAPITAL ASSETS</b>		
Land	\$ 33,999,754	\$ 33,225,943
Buildings and Improvements	226,421,367	195,719,443
Improvements Other Than Buildings	4,750,547	3,131,549
Machinery and Equipment	36,346,340	35,188,533
Infrastructure	155,569,431	148,590,776
Construction in Progress	8,305,990	28,636,958
	<b>\$ 465,393,429</b>	<b>\$ 444,493,202</b>
<b>Total governmental funds capital assets</b>	<b>\$ 465,393,429</b>	<b>\$ 444,493,202</b>

<b>INVESTMENT IN GOVERNMENTAL FUNDS CAPITAL ASSETS BY SOURCE</b>		
General Fund	\$ 19,957,645	\$ 19,493,260
Special Revenue Funds and Grants	39,996,205	33,934,819
Capital Projects Funds	396,105,496	381,816,765
Gifts	9,334,083	9,248,358
	<b>\$ 465,393,429</b>	<b>\$ 444,493,202</b>
<b>Total governmental funds capital assets</b>	<b>\$ 465,393,429</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.

GALVESTON COUNTY, TEXAS  
 CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS  
 SCHEDULE BY FUNCTION AND ACTIVITY  
 2012

FUNCTION AND ACTIVITY	LAND	BUILDINGS	IMPROVEMENTS			CONSTRUCTION IN PROGRESS
			BUILDINGS	BUILDINGS	MACHINERY & EQUIPMENT	
<b>General government:</b>						
General Government	\$ 8,648,526	\$ 121,825,254	\$ 419,885	\$ 3,960,027	\$ -	\$ -
County Clerk	-	-	-	2,306,360	-	-
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	-	-	-	5,493,767	-	416,253
Facilities Services	47,217	20,619,971	343,720	1,185,406	-	178,534
County Engineer	-	-	-	-	28,140	-
<b>Total general government</b>	<b>8,743,963</b>	<b>142,616,846</b>	<b>763,605</b>	<b>13,337,400</b>	<b>28,140</b>	<b>594,787</b>
<b>Public safety:</b>						
Sheriff	2,452,292	67,096,668	-	9,702,446	-	-
Const Pct#8	-	-	-	24,956	-	-
Medical Examiner	-	433,715	-	-	-	-
Juvenile Justice	18,047	234,411	-	265,628	-	-
Emergency Management	1,111,999	-	12,960	173,954	-	1,550,066
Fire/EMS	-	-	-	-	-	3,104,010
Flood Control	1,065,717	3,903,472	563,225	2,606,139	81,256,457	2,526,048
<b>Total public safety</b>	<b>4,648,055</b>	<b>71,668,266</b>	<b>576,185</b>	<b>12,773,123</b>	<b>81,256,457</b>	<b>7,180,124</b>
<b>Roads, bridges, and right-of -way:</b>						
Road Department	2,590,047	374,077	723,172	6,168,508	58,858,118	-
Road District #1	-	283,669	-	52,436	9,705,186	-
Rights of Way Department	1,910,975	-	-	-	-	-
<b>Total roads, bridges, and rights-of -way</b>	<b>4,501,022</b>	<b>657,746</b>	<b>723,172</b>	<b>6,220,944</b>	<b>68,563,304</b>	<b>-</b>

**G ALVESTON COUNTY, TEXAS**  
**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS**  
**SCHEDULE BY FUNCTION AND ACTIVITY**

2012

FUNCTION AND ACTIVITY	IMPROVEMENTS					CONSTRUCTION IN PROGRESS
	LAND	BUILDINGS	OTHER THAN BUILDINGS	MACHINERY & EQ UIPMENT	INFRASTRUCTURE	
<b>Health and social services:</b>						
Health Administration and Sanitation	378,794	1,320,808	-	-	-	-
Mosquito Control District	-	-	-	1,187,357	-	-
Senior Citizens	55,595	1,105,894	-	390,140	-	-
<b>Total health and social services</b>	<b>434,389</b>	<b>2,426,702</b>	<b>-</b>	<b>1,577,497</b>	<b>-</b>	<b>-</b>
<b>Culture and recreation:</b>						
Museum	20,677	62,352	-	38,913	-	-
Beach and Parks Department	15,651,648	8,989,455	2,668,082	1,612,998	5,721,530	531,079
Beach Maintenance-Road and Bridge	-	-	-	624,874	-	-
<b>Total culture and recreation</b>	<b>15,672,325</b>	<b>9,051,807</b>	<b>2,668,082</b>	<b>2,276,785</b>	<b>5,721,530</b>	<b>531,079</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>\$ 33,999,754</b>	<b>\$ 226,421,367</b>	<b>\$ 4,750,547</b>	<b>\$ 36,346,340</b>	<b>\$ 155,569,431</b>	<b>\$ 8,305,990</b>

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

**GALVESTON COUNTY, TEXAS**  
**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS**  
**SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY**  
**2012**

FUNCTIONS AND ACTIVITY	GOVERNMENTAL FUNDS CAPITAL ASSETS				GOVERNMENTAL FUNDS CAPITAL ASSETS
	2011	ADDITIONS	DEDUCTIONS	TRANSFERS	2012
<b>General government:</b>					
General Government	\$ 110,877,513	\$25,230,643	\$ (1,254,464)	\$ -	\$ 134,853,692
County Clerk	2,306,360	-	-	-	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	4,531,498	1,401,022	(22,500)	-	5,910,020
Facilities Services	37,286,061	15,749,545	(30,640,669)	(20,089)	22,374,848
County Engineer	28,140	-	-	-	28,140
<b>Total general governmental</b>	<b>155,641,253</b>	<b>42,381,210</b>	<b>(31,917,633)</b>	<b>(20,089)</b>	<b>166,084,741</b>
<b>Public safety:</b>					
Sheriff's Department	79,084,067	452,083	(304,833)	20,089	79,251,406
Const Pct#8	24,956	-	-	-	24,956
Medical Examiner	433,715	-	-	-	433,715
Juvenile Justice	559,785	-	(41,699)	-	518,086
Emergency Management	879,853	2,053,619	(59,580)	(24,913)	2,848,979
Fire/ EMS	-	3,104,010	-	-	3,104,010
Flood Control	91,476,666	800,837	(356,445)	-	91,921,058
<b>Total public safety</b>	<b>172,459,042</b>	<b>6,410,549</b>	<b>(762,557)</b>	<b>(4,824)</b>	<b>178,102,210</b>
<b>Roads, bridges, and right-of-way:</b>					
Road Department	65,652,458	10,529,184	(7,467,720)	-	68,713,922
Road District #1	10,041,291	-	-	-	10,041,291
Rights-of-Way Department	1,890,975	20,000	-	-	1,910,975
<b>Total roads, bridges, and rights-of-way</b>	<b>77,584,724</b>	<b>10,549,184</b>	<b>(7,467,720)</b>	<b>-</b>	<b>80,666,188</b>
<b>Health and social services:</b>					
Health Administration and Sanitation	1,699,602	-	-	-	1,699,602
Mosquito Control District	1,175,657	11,700	-	-	1,187,357
Senior Citizens	1,532,790	18,839	-	-	1,551,629
<b>Total health and social services</b>	<b>4,408,049</b>	<b>30,539</b>	<b>-</b>	<b>-</b>	<b>4,438,588</b>
<b>Culture and recreation:</b>					
Museum	83,029	14,000	-	24,913	121,942
Beach and Parks Department	33,580,114	1,679,018	(84,340)	-	35,174,792
Beach Maintenance- Road and Bridge	556,897	67,977	-	-	624,874
<b>Total culture and recreation</b>	<b>34,220,040</b>	<b>1,760,995</b>	<b>(84,340)</b>	<b>24,913</b>	<b>35,921,608</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>\$ 444,493,202</b>	<b>\$61,132,477</b>	<b>\$ (40,232,250)</b>	<b>\$ -</b>	<b>\$ 465,393,429</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 TEN FISCAL YEARS  
(accrual basis of accounting)  
(amounts expressed in thousands)

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
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	\$ 107,571
Restricted for:										
Grants	902	548	210	565	482	8,293	1,832	329	787	2,557
Debt service	1,926	4,111	4,534	5,448	12,820	12,575	15,645	7,864	9,921	9,473
Other projects	55	-	-	-	-	-	-	-	260	162
Capital projects	-	-	-	-	-	-	2,346	1,709	2,915	2,020
Unrestricted	10,150	19,494	25,692	31,154	24,188	28,264	45,726	(8,592)	(39,371)	(58,349)
Total net assets - governmental activities	\$ 127,263	\$ 117,193	\$ 128,381	\$ 140,793	\$ 155,112	\$ 157,090	\$ 128,346	\$ 98,725	\$ 76,922	\$ 63,434

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

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<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	\$ 96,350
Public Safety	35,293	36,420	39,715	40,233	46,077	57,562	134,746	122,790	106,660	66,696
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	19,154
Culture and Recreation	3,037	6,827	4,347	4,101	6,347	6,428	6,265	6,522	6,181	6,674
Conservation	328	315	403	392	426	475	535	546	492	535
Roads, Bridges, and Rights-of-way	17,077	19,991	9,552	10,985	14,587	12,207	24,290	40,390	87,814	47,984
Interest on Long-term Debt	5,841	10,173	10,269	10,199	10,057	10,617	11,662	18,345	17,997	16,238
<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>253,631</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	14,808
Public Safety	1,752	1,712	1,627	1,750	1,776	4,201	1,576	1,636	1,884	2,002
Roads, Bridges, and Rights-of-way	750	759	331	679	866	769	421	587	553	591
Other	405	216	125	137	385	466	326	419	476	484
Operating grants and contributions	11,904	11,430	14,216	13,614	24,553	20,835	89,943	100,735	171,373	95,036
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>	<b>112,921</b>
Net (expense) revenue-governmental activities	(88,743)	(97,338)	(84,995)	(91,713)	(98,467)	(120,294)	(144,588)	(150,527)	(147,653)	(140,709)
<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	94,931
Property taxes, levied for debt service	10,014	12,549	14,303	15,820	15,895	16,273	15,221	16,435	27,534	26,618
Payments in lieu of taxes	1,064	758	875	1,467	1,433	1,897	1,337	1,764	2,101	1,994
Unrestricted Grants and Contributions	-	-	-	-	-	-	-	-	18	86
Unrestricted investment earnings	3,657	5,865	4,413	4,480	5,534	4,605	4,152	2,426	1,878	1,022
Gain on sale of capital assets	1,618	-	610	1,000	870	660	-	-	36	576
Miscellaneous	94	221	406	460	37	108	101	62	533	284
Extraordinary Item-Insurance Recovery Proceeds (1)	-	-	-	-	-	5,511	-	-	-	-
Extraordinary Item-Infrastructure Loss (2)	-	-	-	-	-	(344)	-	-	-	-
Extraordinary Item - TWIA Case Settlement (1)	-	-	-	-	-	-	-	-	696	2,369
<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>127,880</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>	<b>\$ (12,829)</b>

(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 TEN 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
2012	94,931	26,618	121,549

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011**	2012
General Fund										
Non-spendable										
Prepaid Expenditures										
Restricted									\$ 267	\$ -
Assigned										
Indigent Defense									951	-
Self-insurance									1,500	1,500
Contingent Liability									1,000	1,000
Disaster Protection									2,500	2,500
Unassigned (1)									26,645	38,191
Total general fund									\$ 32,863	\$ 43,191
General Fund	\$ 995	\$ 551	\$ 953	\$ 616	\$ 274	\$ 482	\$ 629	\$ 289	\$ -	\$ -
Reserved	5,310	12,557	18,195	25,006	28,865	27,106	29,232	30,092	-	-
Unreserved (1)	6,305	13,108	19,148	25,622	29,139	27,588	29,861	30,381	-	-
Total general fund (4)									\$ -	\$ -
All Other Governmental Funds										
Non-spendable									\$ 791	\$ 587
Inventory									4	-
Prepaid Expenditures										
Restricted										
General Government									4,325	4,467
Public Safety									10,382	9,911
Health and Social Services									11,668	8,736
Culture and Recreation									1,089	1,425
Roads, Bridges, and ROW									4,822	4,269
Debt Service									11,042	10,342
County Building Projects									86,822	49,233
Assigned										
Other Construction Projects									3,175	7,737
Unassigned										(354)
Total all Other Governmental Funds									\$ 134,120	\$ 96,353
All other governmental funds	\$ 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	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)	129,233	38,803	31,114	19,477	49,741	33,938	161,394	99,688	-	-
Total all other governmental funds (6)	\$ 176,562	\$ 123,591	\$ 72,457	\$ 48,018	\$ 86,849	\$ 98,522	\$ 216,166	\$ 185,687	\$ -	\$ -

(1) The goal of Commissioners Court is to maintain a combined budgeted and unallocated fund balance for operating funds that are primarily funded by ad valorem taxes of 25% of total budgeted expenditures. To build at a minimum, an unreserved fund balance in budgeted operating funds equal to three months expenditures in budgeted operating funds. For fiscal year 2013, that is equivalent to \$34,447,283. 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 lapse funds. 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 in fiscal year 2003. The county issued bonds, the proceeds of which were used to build, improve, and 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 contract, purchase, maintain and/or operate macadamized, graveled and paved roads and turnpikes. To reconstruct, improve, and/or equip buildings. Maintain or improve a sewer, 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)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Revenues</b>										
Taxes	\$ 74,072	\$ 82,806	\$ 88,759	\$ 97,414	\$ 103,810	\$ 108,051	\$ 113,260	\$ 118,121	\$ 119,442	\$ 121,711
Licenses and Permits	2,058	2,100	2,140	2,325	2,320	2,267	2,504	2,426	2,372	2,575
Intergovernmental (1)	11,559	14,661	15,120	16,317	20,106	22,987	90,604	99,644	168,880	93,437
Charges for Services	8,262	8,300	8,334	9,818	10,289	9,879	9,027	10,231	9,756	10,504
Fines and Forfeitures	2,679	2,818	2,786	2,763	3,578	3,588	3,365	3,327	3,034	2,911
Investment Earnings (2)	3,657	5,991	4,676	5,132	6,213	5,211	4,624	2,526	2,136	1,118
Miscellaneous (3)	5,046	5,004	4,566	5,899	5,867	5,559	5,289	6,995	6,067	4,883
<b>Total Revenues</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>311,687</b>	<b>237,139</b>
<b>Expenditures</b>										
<b>Current:</b>										
General Government	36,936	34,864	39,269	42,655	49,899	55,122	52,430	60,315	96,145	91,382
Public Safety	30,751	32,961	33,784	35,231	39,926	48,516	123,765	108,755	95,316	48,731
Sanitation	-	18	18	575	87	21	7	98	2	-
Health and Social Services (4)	5,624	14,996	14,978	15,137	15,222	16,987	16,093	17,341	16,004	17,823
Culture and Recreation	2,351	3,045	2,378	2,336	2,600	2,813	2,988	3,174	2,940	2,381
Conservation	310	301	349	366	401	449	437	454	450	432
Roads, Bridges, and Rights-of-Way (5)	4,308	4,510	5,023	4,410	12,086	9,257	21,308	37,972	84,543	51,635
Debt Service (6):										
Principal	6,125	4,115	5,999	7,372	7,831	9,351	9,685	10,410	15,620	16,960
Interest and Fiscal Charges	4,038	8,164	8,254	8,178	7,879	8,134	8,982	14,202	14,820	14,496
Bond Issuance Costs	1,544	601	-	-	672	1,047	2,014	-	-	669
Refund - Prior Year Tax Revenue	-	-	159	159	159	-	-	-	-	-
Capital Outlay (7)	36,342	64,751	61,192	40,567	19,143	6,336	7,925	17,438	34,196	22,807
<b>Total Expenditures</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>360,036</b>	<b>267,317</b>
Excess (deficiency) of revenues over (under) expenditures	(20,996)	(46,644)	(45,021)	(17,317)	(3,722)	(491)	(16,960)	(26,889)	(48,349)	(30,178)

(Continued)

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

Table with columns for years 2003 through 2012 and rows for 'Other Financing Sources (Uses)' and 'Extraordinary Item - Tx Windstorm Case Settlement'. Rows include Transfers In, Transfers Out, Sale of Capital Assets, Capital Lease, Insurance Recovery Proceeds, Long Term Debt Issued, Face Value - Long Term Debt Issued, Face Value - Refunding Bonds Issued, Premium - Long Term Debt Issued, Premium - Refunding Bonds Issued, Discount - Long Term Debt Issued, Refunded Bonds - Escrow Agent Payments, Other, Total Other Financing Sources (Uses), and Net Change In Fund Balances. The table shows various positive and negative values for each year, culminating in a net change of \$ (26,780) in 2012.

- (1) The increase in intergovernmental revenues between fiscal years 2003-2004 and fiscal years 2008-2010 was due to receipt of FEMA reimbursements for tropical storm damages and hurricane damages respectively.
- (2) The steady decrease in investment earnings from fiscal years 2008-2010 was due to the current economic recession of the nation.
- (3) The increase in miscellaneous revenues beginning in 2003 was due to a reclassification of revenue from the Intergovernmental category. The County also saw an increase in interlocal agreement reimbursements in fiscal year 2003.
- (4) The increase in the Health and Social Services expenditures beginning in fiscal year 2004 was due to a reclassification of our component unit operating transfer.
- (5) The increase in the Debt Service Expenditures was funded by proceeds of bonds issued from 2001 through 2010 for various capital projects.
- (6) In fiscal year 2007 the county issued \$48 million in Pass-through Toll Revenue and Limited Tax Bonds, the proceeds of which were used for designing, developing, also financing, constructing, expanding or improving a non-toll project for FM 646, a part of the State Highway System.
- (7) In fiscal year 2009 the county issued \$135 million in Unlimited Tax Roads Bonds, Limited Tax County Building Bonds and Limited Tax Flood Control Bonds. The proceeds of which were used to construct, purchase, maintain and/or operate macadamized, graveled and paved roads and turnpikes, to reconstruct, improve, and/or equip buildings, and to maintain or improve a seawall, breakwater, levee, floodway and/or driveway.
- (8) 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>				
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
2011-12	16,713,893	5,329,897	324,910	2,361,728	514,614	25,245,042	0.6218

(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 (1)  
LAST TEN FISCAL YEARS**

Taxing Jurisdiction	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Galveston County Direct Rates</b>										
Maintenance & Operations	\$0.511900	\$0.529710	\$0.527650	\$0.518126	\$0.498920	\$0.485670	\$0.482075	\$0.532964	\$0.479336	\$0.480819
Debt Service	0.057569	0.077050	0.089900	0.093224	0.070954	0.068465	0.068202	0.069576	0.099218	0.092421
Special Road Levy	0.024431	0.020840	0.010400	0.006000	0.017476	0.014465	0.008323	0.016060	0.041196	0.039705
Farm to Market Lateral Road/Flood	0.012400	0.012400	0.010800	0.011400	0.011400	0.011400	0.011400	0.011400	0.009000	0.008855
Total Direct Rate	\$0.606300	\$0.640000	\$0.638750	\$0.628750	\$0.598750	\$0.580000	\$0.570000	\$0.630000	\$0.628750	\$0.621800
<b>Cities</b>										
Galveston	0.554900	0.541700	0.541700	0.541700	0.494000	0.494000	0.494000	0.554000	0.554000	0.554001
Friendswood	0.638500	0.638500	0.638500	0.604000	0.582100	0.576400	0.579700	0.579700	0.585100	0.590200
Hitchcock	0.568400	0.581380	0.538900	0.534557	0.555050	0.511080	0.473230	0.473230	0.472295	0.396491
Jamaica Beach	0.460900	0.420820	0.345400	0.311200	0.285000	0.260300	0.251100	0.322800	0.289500	0.287100
La Marque	0.536100	0.510340	0.540300	0.553300	0.514360	0.514360	0.514360	0.514360	0.514360	0.514360
League City	0.650000	0.640000	0.630000	0.527500	0.608800	0.608800	0.630000	0.630000	0.616000	0.610000
Texas City	0.357500	0.456240	0.456240	0.456240	0.456240	0.435610	0.425000	0.425000	0.425000	0.425000
Tiki Island	0.169100	0.165890	0.175900	0.160252	0.155590	0.164860	0.166307	0.204667	0.213783	0.238174
Bayou Vista	0.375000	0.340000	0.354000	0.356200	0.338720	0.354200	0.352400	0.417222	0.379495	0.376833
Clear Lake Shores	0.262633	0.241810	0.238600	0.238600	0.210000	0.204750	0.000000	0.000000	0.000000	0.000000
Dickinson	0.373000	0.391500	0.414500	0.434500	0.408800	0.408600	0.408600	0.408600	0.408600	0.408610
Kemah	0.071200	0.150000	0.170200	0.208545	0.255395	0.270000	0.265247	0.280293	0.250000	0.250000
Santa Fe	0.271900	0.271900	0.274700	0.282400	0.299200	0.299200	0.311400	0.311400	0.311400	0.311400
<b>School and Junior College Districts</b>										
Galveston	1.570000	1.560000	1.710000	1.685000	1.525000	1.175000	1.165000	1.165000	1.165000	1.165000
Friendswood	1.637000	1.637000	1.637000	1.637000	1.507000	1.177000	1.367000	1.367000	1.367000	1.367000
Hitchcock	1.710000	1.710000	1.710000	1.695000	1.565050	1.121505	1.410050	1.440050	1.500000	1.540000
La Marque	1.650000	1.730000	1.743000	1.740000	1.570000	1.240000	1.240000	1.240000	1.240000	1.240000
Texas City	1.604700	1.623400	1.613000	1.587100	1.448354	1.112750	1.184931	1.216000	1.288600	1.295300
Clear Creek	1.740000	1.730000	1.745000	1.775000	1.630000	1.320000	1.360000	1.360000	1.360000	1.360000
Dickinson	1.764000	1.743000	1.738000	1.751000	1.724000	1.430000	1.500000	1.504000	1.540000	1.540000
High Island	1.500000	1.770000	1.709100	1.700000	1.630000	1.300000	1.305690	1.600000	1.490000	1.470000
Santa Fe	1.570000	1.570000	1.570000	1.570000	1.445000	1.160000	1.160000	1.330200	1.419200	1.495000
College of the Mainland	0.231870	0.263060	0.245250	0.243020	0.233450	0.227380	0.221640	0.221640	0.233890	0.232020
Galveston College	0.195200	0.195200	0.195200	0.191800	0.170000	0.170000	0.170000	0.190000	0.189475	0.189450
<b>Special Districts</b>										
Bacliff MUD	0.165000	0.238260	0.243700	0.350000	0.315800	0.303640	0.295422	0.318548	0.291058	0.290974
Bayview MUD	0.236800	0.220000	0.220000	0.220000	0.216900	0.218500	0.236800	0.238100	0.238100	0.233400
South Shore MUD #2	0.570000	0.520000	0.450000	0.340000	0.290000	0.290000	0.240000	0.220000	0.170000	0.000000
South Shore MUD #3	0.300000	0.240000	0.220000	0.200000	0.180000	0.170000	0.160000	0.160000	0.000000	0.000000
South Shore MUD #6	0.380000	1.000000	1.000000	0.310000	0.300000	0.300000	0.290000	0.290000	0.290000	0.290000
South Shore Harbour MUD#7	0.000000	0.000000	0.000000	0.950000	0.820000	0.800000	0.750000	0.700000	0.650000	0.600000
Tara Glen MUD	0.725000	0.700000	0.700000	0.670000	0.670000	0.670000	0.670000	0.670000	0.670000	0.670000
Flamingo Isles MUD	0.000000	0.000000	0.000000	0.500000	0.500000	0.500000	0.500000	0.500000	0.587500	0.587500

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

Taxing Jurisdiction	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Special Districts (Continued)</b>										
Bay Colony West MUD	\$0.000000	\$0.000000	\$0.000000	\$1.000000	\$1.000000	\$1.000000	\$1.000000	\$1.000000	\$1.000000	\$1.000000
Clear Creek Drainage District	0.155000	0.150000	0.150000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
GC Fresh Water Supply District #6	0.282700	0.245080	0.249600	0.220153	0.201300	0.222900	0.223105	0.225403	0.236324	0.228742
Galveston County Consolidated Drainage District	0.000000	0.000000	0.000000	0.148300	0.000000	0.142500	0.142500	0.142500	0.142500	0.140000
Galveston County EMS District	0.095390	0.085800	0.085800	0.082670	0.081700	0.079810	0.085000	0.083000	0.083000	0.0863000
Galveston County Management District #1	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Galveston County MUD #1 (2)	0.460000	0.460000	0.460000	0.460000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Galveston County MUD #2	0.430000	0.390000	0.365000	0.300000	0.260000	0.250000	0.240000	0.240000	0.240000	0.260000
Galveston County MUD #3	0.390000	0.320000	0.250000	0.210000	0.160000	0.140000	0.130000	0.120000	0.120000	0.120000
Galveston County MUD #6	0.700000	0.700000	0.700000	0.640000	0.480000	0.460000	0.440000	0.400000	0.400000	0.422000
Galveston County MUD #12	0.252862	0.258620	0.220100	0.207717	0.270000	0.258420	0.259575	0.259575	0.243826	0.260488
Galveston County MUD #13	0.915000	0.860000	0.760000	0.710000	0.630000	0.610000	0.585000	0.560000	0.550000	0.540000
Galveston County MUD #14	1.000000	0.970000	0.920000	0.900000	0.880000	0.880000	0.870000	0.870000	0.860000	0.860000
Galveston County MUD #15	0.870000	0.860000	0.830000	0.825000	0.825000	0.825000	0.795000	0.790000	0.790000	0.790000
Galveston County MUD #29	0.175000	0.175000	0.175000	0.170000	0.000000	0.000000	0.170000	0.188500	0.188500	0.180000
Galveston County MUD #30	0.000000	0.000000	0.000000	0.000000	0.350000	0.350000	0.350000	0.350000	0.350000	0.350000
Galveston County MUD #31	0.000000	0.000000	0.000000	1.090000	1.090000	1.090000	1.090000	1.090000	1.090000	1.090000
Galveston County MUD #32	0.000000	0.000000	0.000000	0.000000	0.750000	0.750000	0.750000	0.750000	0.750000	0.750000
Galveston County MUD #39	0.900000	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	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000
Galveston County MUD #44	0.000000	0.000000	0.000000	0.000000	1.000000	0.800000	0.800000	0.800000	0.800000	0.800000
Galveston County MUD #45	0.000000	0.000000	0.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000
Galveston County MUD #46	0.000000	0.000000	0.000000	1.000000	1.000000	1.000000	0.000000	1.000000	1.000000	1.000000
Galveston County MUD #52	0.000000	0.000000	0.000000	0.000000	1.500000	1.500000	0.000000	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	0.000000
Galveston County MUD #68	0.000000	0.000000	0.000000	0.000000	0.000000	0.850000	0.000000	0.850000	0.900000	0.900000
Galveston County Navigation District #1	0.042000	0.042000	0.040900	0.038000	0.033690	0.330300	0.000000	0.047970	0.048809	0.046618
West Ranch Management District #1	0.000000	0.000000	0.000000	0.000000	0.650000	0.650000	0.650000	0.650000	0.650000	0.650000
Water Control Improvement Dist. #1	0.310000	0.262620	0.262500	0.241490	0.230260	0.220260	0.000000	0.218190	0.213687	0.210377
Water Control Improvement Dist. #8	0.250000	0.250000	0.250000	0.246300	0.247400	0.250000	0.000000	0.250700	0.300000	0.295600
Water Control Improvement Dist. #12	0.520000	0.470000	0.420000	0.420000	0.370000	0.370000	0.000000	0.300000	0.300000	0.300000
Water Control Improvement Dist. #19	0.152700	0.150170	0.170800	0.165030	0.159520	0.183110	0.000000	0.461816	0.456468	0.483978
San Leon MUD	0.488000	0.450500	0.449100	0.434700	0.434500	0.450000	0.450000	0.450000	0.450000	0.450000
Drainage District #1	0.095800	0.090100	0.090100	0.103887	0.108940	0.114210	0.119684	0.124933	0.115000	0.115000
Drainage District #2	0.058800	0.058800	0.058800	0.055200	0.055740	0.057360	0.063021	0.063021	0.063021	0.063021

(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.

(3) South Shore MUD #2 and #3 were dissolved in 2012.

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>2012</u>			<u>2003</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.	\$ 1,503,012	1	5.95%	\$ 1,051,200	1	6.56%
Valero Refining-Texas LP	580,719	2	2.30%	248,148	3	1.55%
Union Carbide Corporation	249,898	3	0.99%	310,624	2	1.94%
Marathon Petroleum Company LLC	225,231	4	0.89%	-	-	-
South Houston Green Power, LP	178,245	5	0.71%	82,125	7	0.51%
Praxair Inc	169,754	6	0.67%	-	-	-
BP Amoco Chemical Company	164,334	7	0.65%	-	-	-
Valero Marketing & Supply Co.	103,193	8	0.41%	76,599	8	0.48%
Texas-New Mexico Power Company	100,490	9	0.40%	75,342	9	0.47%
Centerpoint Energt, Inc	92,488	10	0.37%	101,793	6	0.63%
Sterling Chemicals	-	-	-	200,358	4	1.25%
Marathon Ashland Petroleum LLC	-	-	-	103,366	5	0.64%
Calpine Central LP	-	-	-	71,642	10	0.45%
Totals	<u>\$ 3,367,364</u>		<u>13.34%</u>	<u>\$ 2,321,197</u>		<u>14.48%</u>

(1) Galveston Central Appraisal District Top Taxpayer Report shows only the top ten (10) taxpayers for fiscal year 2012.  
Total assessed value = \$25,245,042

**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>
2002-03	\$ 71,177	\$ 69,298	97.36%	\$ 1,633	\$ 70,931	99.65%
2003-04	81,478	79,367	97.41%	1,834	81,201	99.66%
2004-05	88,135	85,893	97.46%	1,923	87,816	99.64%
2005-06	96,906	94,764	97.79%	1,817	96,581	99.66%
2006-07	105,002	103,081	98.17%	1,555	104,636	99.65%
2007-08	109,690	107,656	98.15%	1,594	109,250	99.60%
2008-09	117,297	114,712	97.80%	1,984	116,696	99.49%
2009-10	120,802	118,563	98.15%	1,511	120,074	99.40%
2010-11	121,859	119,744	98.26%	1,063	120,807	99.14%
2011-12	124,056	121,996	98.34%	-	121,996	98.34%

(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>
2003	\$ 207,423	\$ -	\$ -	\$ 207,423	26.27%	\$ 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	40.06%	1,173
2012	319,793	5,000	-	324,793	36.69%	1,098

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, 2012.

**GALVESTON COUNTY, TEXAS**  
**COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT (1)**  
**GENERAL OBLIGATION BONDS**  
**September 30, 2012**  
(amounts expressed in thousands)

<u>Governmental Unit</u>	<b>General Obligation Bonded Debt Outstanding</b>	<b>Percentage Applicable to Government</b>	<b>Amount Applicable to Government</b>
<b><u>Galveston County</u></b>	\$ 340,681	100%	\$ 340,681
Total Direct Debt	<u>340,681</u>		<u>340,681</u>
<b><u>Cities</u></b>			
Dickinson	10,870	100%	10,870
Friendswood	17,667	79.56%	14,056
Galveston	19,099	100%	19,099
Hitchcock	1,144	100%	1,144
La Marque	10,292	100%	10,292
League City	75,973	98.43%	74,780
Texas City	26,391	100%	26,388
Tiki Island	500	100%	500
Total Cities	<u>161,936</u>		<u>157,130</u>
<b><u>School Districts</u></b>			
Dickinson	224,184	100%	224,184
Friendswood	111,020	100%	111,020
Galveston	68,529	100%	68,529
High Island	1,465	100%	1,465
Hitchcock	36,633	100%	36,633
La Marque	22,153	100%	22,153
Santa Fe	74,577	100%	74,577
Texas City	119,819	100%	119,819
Total School Districts	<u>658,380</u>		<u>658,380</u>
<b><u>Co-Line School Districts</u></b>			
Clear Creek	<u>647,416</u>	32.79%	<u>212,288</u>

**GALVESTON COUNTY, TEXAS**  
**COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT (1)**  
**GENERAL OBLIGATION BONDS**  
**September 30, 2012**  
**(amounts expressed in thousands)**

<u>Governmental Unit</u>	<u>General Obligation Bonded Debt Outstanding</u>	<u>Percentage Applicable to Government</u>	<u>Amount Applicable to Government</u>
<b>Other</b>			
Bacliff MUD	\$ 6,855	100%	\$ 6,855
Bay Colony West MUD	8,487	100%	8,487
Bayview MUD	260	100%	260
Flamingo Isle MUD	3,599	100%	3,599
Galveston CC District	2,625	100%	2,625
Galveston County FWSD #6	5,115	100%	5,115
Galveston County MUD #2	2,740	100%	2,740
Galveston County MUD #3	3,125	100%	3,125
Galveston County MUD #6	15,917	100%	15,917
Galveston County MUD #12	683	100%	683
Galveston County MUD #13	5,426	100%	5,426
Galveston County MUD #14	11,827	100%	11,827
Galveston County MUD #15	11,340	100%	11,340
Galveston County MUD #29	3,410	100%	3,410
Galveston County MUD #30	2,500	100%	2,500
Galveston County MUD #32	2,330	100%	2,330
Galveston County MUD #39	19,225	100%	19,225
Galveston County MUD #43	21,830	100%	21,830
Galveston County MUD #44	3,869	100%	3,869
Galveston County MUD #46	12,769	100%	12,769
Galveston County MUD #68	2,268	100%	2,268
San Leon MUD	2,516	100%	2,516
Galveston WCID #1	4,854	100%	4,854
Galveston WCID #8	5,235	100%	5,235
Galveston WCID #12	13,164	100%	13,164
South Shore Harbor MUD #6	3,640	100%	3,640
South Shore Harbor MUD #7	18,449	100%	18,449
Tara Glen MUD	2,678	100%	2,678
West Ranch Management Dist	8,555	99.92%	8,548
Total Others	205,291		205,284
Total Overlapping Debt	\$ 1,673,023		\$ 1,233,082
Total Direct and Overlapping Debt	\$ 2,013,704		\$ 1,573,763
Ratio of Direct and Overlapping Debt to 2011 Net Taxable Assessed Valuation			7.84%
Per Capita Direct and Overlapping Debt (2011 estimated population = (2012 = 295,747) (2)			5,321
Net Taxable Assessed Valuation			\$ 20,068,812

*Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the county. The percentage of overlapping debt applicable is estimated using the taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the county's boundaries and dividing it by the total assessed value of the overlapping government.*

(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 May 05, 2012; 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) *2012 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)

Debt limit rate (5% of assessed value)

Dollar amount of debt limit

Amount of debt applicable to constitutional debt limit:

Total general bonded debt, including cumulative accretion

Less Debt Service fund balance

Total debt applicable to limitation

Legal debt margin

\$ 25,245,042  
x 5%  
1,262,252

\$ 340,055  
(10,342)  
329,713  
\$ 932,539

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Debt limit	\$ 801,694	\$ 855,177	\$ 941,570	\$ 1,091,754	\$ 1,172,206	\$ 1,283,192	\$ 1,270,256	\$ 1,192,949	\$ 1,231,928	\$ 1,262,252
Total net debt applicable to limit	209,324	205,632	200,745	194,891	229,641	239,122	363,007	360,706	345,850	329,713
Legal debt margin	\$ 592,370	\$ 649,545	\$ 740,825	\$ 896,863	\$ 942,565	\$ 1,044,070	\$ 907,249	\$ 832,243	\$ 886,078	\$ 932,539
Total net debt applicable to the limit as a percentage of debt limit	26.11%	24.05%	21.32%	17.85%	19.59%	18.63%	28.58%	30.24%	28.07%	26.12%

**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**  
**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>
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	292,607	24,638,557	356,892	11,042	345,850	1.40	1,182
2011-12	295,747	25,245,042	340,055	10,342	329,713	1.31	1,115

\* 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>
2003	266,858	\$ 8,209,086	\$ 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	8,568,974	28,974	37.2	81,109	9.60%
2012	295,747 *	8,853,482	29,936	37.0	79,803	7.70%

(1) U.S. Bureau of Census; American Community Survey 2011

(2) Amount expressed in thousands.

\* Actual population count for 2012 is not available at the time of printing.

Amounts presented are just estimate derived from U.S. Census Bueau Data as of December 2012.

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

<b>Employer</b>	<b>2012</b>			<b>2003</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	10,696	1	41.1%	14,600	1	52.4%
Clear Creek Independent School District	4,894	2	18.8%	3,352	2	12.0%
BP-Amoco Oil Company Texas City	2,300	3	8.9%	2,000	3	7.2%
Walmart**	1,385	4	5.3%	-	-	-
Galveston Independent School District	1,366	5	5.3%	1,400	5	5.0%
Ineos Nova LLC.	1,300	6	5.0%	-	-	-
Galveston County	1,280	7	4.9%	1,375	6	4.9%
Texas City Independent School District	1,150	8	4.4%	879	8	3.2%
American National Insurance Company (ANICO)	879	9	3.4%	1,600	4	5.7%
Moody Gardens	750	10	2.9%	1,110	7	4.0%
City of Galveston	-	-	-	830	9	3.0%
Landry's Seafood Inc.	-	-	-	732	10	2.6%
<b>Total</b>	<b>26,000</b>		<b>100.0%</b>	<b>27,878</b>		<b>100.0%</b>

\* Source: Texas City - La Marque Chamber of Commerce and Galveston Chamber of Commerce.-Galveston Economic Development Partnership, 2011, Clear Lake Shores Chamber of Commerce

\*University of Texas Data Reference Card for Fiscal year 2011.

\*\*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>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>2012</b>
General Government	450	455	454	505	551	555	481	491	483	476
Public Safety	560	575	555	547	535	556	638	665	666	644
Road and Bridges, and Rights-of-Way	47	43	50	47	51	54	56	55	49	57
Health and Social Services	64	79	74	67	74	76	60	60	59	52
Culture and Recreation	50	49	44	41	47	45	53	53	50	40
Conservation	9	11	10	10	11	10	10	10	11	11
<b>Total</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>	<b>1,280</b>

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

**GALVESTON COUNTY, TEXAS  
CAPITAL ASSET STATISTICS BY FUNCTION  
LAST TEN 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>2012</b>
<b>General Government</b>										
Number of buildings	18	18	19	20	20	18	17	18	18	17
Number of courtrooms	19	19	19	21	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	1,187
Stations / substations (3)	3	3	3	3	3	3	3	3	3	3
Sheriff's Department vehicles	113	117	115	136	120	128	128	130	132	141
Boats / seacrafts*	5	5	5	5	5	5	5	5	5	5
Training facility	1	1	1	1	1	1	1	1	1	1
Animal facility	1	1	1	1	1	1	1	1	1	1
Sheriff's Department buildings	3	3	3	5	5	3	3	3	3	3
Medical Examiner building	1	1	1	1	1	1	1	1	1	1
Juvenile Justice buildings	4	4	4	4	4	4	4	4	4	4
Emergency Management building	1	1	1	1	1	1	1	1	1	1
Flood Control buildings	3	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	336
Bridges	22	22	22	22	22	22	22	22	22	22
Motor Vehicles	54	54	46	56	46	42	42	43	40	39
Heavy and General Equipment	66	62	69	78	79	77	77	77	74	77
<b>Health and Social Services</b>										
Clinics	2	2	2	2	3	4	4	4	4	3
Animal Shelter	1	1	1	1	1	1	1	1	1	1
Mosquito Control vehicles	17	17	19	21	19	19	19	19	19	19
Airplanes	2	2	2	2	2	2	2	2	2	2
Airboat	1	1	1	1	1	1	1	1	1	1
Spray units	13	13	13	13	13	13	13	13	13	13
Senior Citizens centers	4	4	4	4	4	6	6	6	6	3
Senior Citizens vehicles	5	5	6	7	7	9	9	9	9	10
<b>Culture and Recreation</b>										
Museum	1	1	1	1	1	1	1	1	1	1
Parks	26	26	25	25	26	26	26	26	26	23
Park acreage (5)	1,201	1,201	1,204	1,204	1,255	1,266	1,266	1,350	1,321	1,385
Park buildings	30	30	30	30	31	31	31	31	32	19
Community centers	4	4	4	4	4	6	6	6	6	3
Athletic fields & courts (5)	41	41	41	41	41	41	41	41	41	52
Boat launches	11	11	11	11	11	11	11	11	11	11
Campground sites (5)	9	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	31,680
Equestrian trails (feet) (1)(5)	-	-	-	-	-	12,576	12,576	12,576	12,576	12,576
Vehicles	32	28	32	39	34	30	27	25	30	29
Parks Heavy & General Equipment	31	35	36	47	40	47	47	47	52	50
Beach maintenance equipment	6	6	6	6	6	7	7	8	9	17
<b>Conservation</b>										
Extension service vehicles	5	5	5	5	6	6	6	7	7	6

\* Restated: previously reported boat motors as separate asset from boat

(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 SEVEN FISCAL YEARS \***

<b>Function /Program</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
<b>General Government</b>							
<i>Tax Assessor- Collector</i>							
Employees	53	53	53	52	52	50	50
Ad-Valorem Accounts	172,782	181,952	189,520	187,473	189,114	189,495	190,051
Motor Vehicle Registration/Licenses	240,369	251,750	259,329	257,566	258,471	262,687	261,515
Number of entities for which we collect	34	32	35	35	36	36	37
Number of Registered Voters	185,911	179,172	191,052	163,852	182,813	177,347	185,379
Beer and Wine Permits	921	2,063	2,254	899	705	748	883
Special Inventory Tax Accounts	175	106	141	144	129	129	133
Coin Operated Machines	1,076	396	771	7,622	1,591	3,980	3,634
<i>County Clerk</i>							
Employees	55	59	60	60	60	51	52
Recording Real Property and Governmental	89,496	83,986	78,917	68,733	64,677	66,039	71,149
Marriage License	2,320	2,411	2,260	1,940	2,077	2,048	2,174
Assumed Names (Business Names)	3,218	2,984	2,758	3,385	3,065	2,839	2,763
Number of Criminal Cases Filed	11,933	13,857	14,137	15,271	15,493	11,042	11,135
New Cases filed by DA	-	12,323	11,653	12,872	13,726	8,826	8,451
Appeals from Lower Courts	-	1,013	1,134	1,128	1,287	991	963
Others-Motions Revoke Probation, Etc.	-	521	361	387	472	540	532
Bond Forfeitures	1,074	1,437	989	884	684	685	489
Number of Civil Suits Filed	2,028	2,229	1,730	1,798	2,211	2,310	2,427
Number of Probate Cases Filed	877	1,415	810	748	839	866	969
Probate Mental Health Cases filed	274	466	355	243	398	353	237
Elections Held (County, School, Federal)	15	13	29	20	23	16	22
<i>District Clerk</i>							
Number of Employees	48	47	48	49	46	63	50
Civil Cases	6,659	7,327	5,776	5,695	4,375	5,726	3,072
Criminal cases	4,544	4,544	4,566	3,908	4,016	7,898	3,944
Tax Cases Processed	1,092	1,235	839	727	1,072	3,095	1,016
CPS Cases Processed	154	157	102	101	117	206	84
Juvenile Cases	1,004	1,099	919	362	380	857	659
Jurors Summoned	34,563	55,300	52,900	63,600	59,050	49,600	56,800
<i>Human Resources</i>							
Applications Accepted	1,609	1,555	1,348	1,168	1,745	1,905	2,340
Positions Filled	356	335	484	258	219	270	253
<i>Justice of the Peace (8 precincts)</i>							
<i>Precinct #1</i>							
Number of Employees	4	4	3	4	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	3
Civil Cases Filed	543	466	469	308	269	242	336
Civil Cases Disposed	540	401	366	284	299	320	295
Civil Cases Appealed	13	14	16	6	8	10	12
Criminal Cases Filed	540	422	273	222	178	169	254
Criminal Cases Disposed	373	393	230	205	375	128	234
Criminal Cases Appealed	3	2	1	-	1	2	-

(continued)

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

<b>Function /Program</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</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	6
Civil Cases Filed	488	689 (b)	612	630	487	361	4,563
Civil Cases Disposed	280	178	384	614	501	368	389
Civil Cases Appealed	-	-	6	6	2	3	2
Criminal Cases Filed	8,096	8,056	6,442	5,815	4,046	3,138	1,498
Criminal Cases Disposed	4,578	9,413	6,143	8,903	4,439	3,402	2,455
Criminal Cases Appealed	43	95	68	35	53	57	28
<i>Precinct #4</i>							
Number of Employees	6	6	5	5	5	6	6
Civil Cases Filed	335	338	493	579	481	376	1,373
Civil Cases Disposed	303	274	489	514	474	406	236
Civil Cases Appealed	3	4	3	4	6	7	6
Criminal Cases Filed	4,470	4,948	5,280	4,388	4,021	4,478	4,205
Criminal Cases Disposed	5,592	5,988	4,615	4,150	4,097	4,147	4,765
Criminal Cases Appealed	31	22	25	20	62	46	68
<i>Precinct #5</i>							
Number of Employees	5	4	5	5	5	4	5
Civil Cases Filed	602	676	915	911	692	683	2,589
Civil Cases Disposed	498	707	889	818	798	658	919
Civil Cases Appealed	-	3	-	-	1	-	2
Criminal Cases Filed	4,518	5,077	4,537	3,903	3,722	2,736	2,821
Criminal Cases Disposed	-	3,660	3,683	4,915	3,179	2,464	2,279
Criminal Cases Appealed	3	2	9	15	8	19	2
<i>Precinct #6 **</i>							
Number of Employees	5	5	5	5	5	4	4
Civil Cases Filed	38	65	47	24	27	20	21
Civil Cases Disposed	20	37	47	17	28	21	19
Civil Cases Appealed	1	4	2	1	3	-	-
Criminal Cases Filed	7,779	5,724	6,653	2,465	2,978	2,791	2,276
Criminal Cases Disposed	7,244	6,302	8,916	3,739	3,802	3,949	3,083
Criminal Cases Appealed	123	60	56	11	34	25	37
<i>Precinct #7</i>							
Number of Employees	5	5	5	5	5	5	5
Civil Cases Filed	862	841	1,007	951	977	954	1,212
Civil Cases Disposed	5,144	715	897	828	940	1,137	1,098
Civil Cases Appealed	2	-	-	-	-	2	-
Criminal Cases Filed	5,144	4,379	4,187	4,693	4,177	4,658	2,993
Criminal Cases Disposed	4,424	5,541	3,589	4,100	4,951	3,731	4,023
Criminal Cases Appealed	15	11	38	34	13	18	11
<i>Precinct #8-1 &amp; 8-2 (Previously JP6)</i>							
Number of Employees	9	9	9	9	9	10	10
Civil Cases Filed	893	944	1,239	1,112	940	818	969
Civil Cases Disposed	652	25	831	905	937	780	847
Civil Cases Appealed	2	2	3	4	13	14	18
Criminal Cases Filed	8,598	6,448	5,535	4,896	5,515	4,116	4,782
Criminal Cases Disposed	5,457	1,001	6,574	4,924	5,951	4,393	5,209
Criminal Cases Appealed	28	1	44	53	46	56	55
<b>Public Safety</b>							
<i>Sheriff</i>							
Number of Employees	365	395	395	413	429	459	579
Daily average in County Jail	969	1,041	1,066	931	980	939	903
Number of persons booked	18,269	21,898	19,476	19,360	19,098	18,226	18,514
Number of Civil Processes	6,780	5,970	7,137	6,529	6,926	7,085	4,345

(continued)

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

<b>Function /Program</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
<b>Public Safety</b>							
<i>Constables (8 precincts)</i>							
*** Precinct #1							
Number of Employees	4	4	4	4	4	4	4
Civil Cases Processed	4,988	1,781	1,743	1,472	1,611	1,407	1,501
*** Precinct #2							
Number of Employees	4	4	4	4	4	4	4
Civil Cases Processed	1,013	954	792	1,022	1,056	1,165	1,558
*** Precinct #3							
Number of Employees	5	6	6	6	6	7	7
Civil Cases Processed	427	1,517	2,500	3,500	3,626	4,500	4,700
*** Precinct #4							
Number of Employees	5	4	4	4	4	5	5
Civil Cases Processed	1,440	1,304	846	911	782	687	652
*** Precinct #5							
Number of Employees	4	4	4	4	4	4	4
Civil Cases Processed	1,400	2,200	2,046	2,240	2,110	2,704	2,869
*** Precinct #6							
Number of Employees	3	3	3	6	3	3	3
Civil Cases Processed	91	94	92	40	67	45	35
*** Precinct #7							
Number of Employees	9	7	12	12	12	7	12
Civil Cases Processed	2,016	2,083	2,800	1,902	2,154	2,439	2,310
*** Precinct #8							
Number of Employees	11	10	10	9	8	8	8
Civil Cases Processed	1,442	2,148	2,301	2,036	1,977	1,803	1,876
<b>Road, Bridges &amp; Right-of-Way</b>							
<i>County Maintained Roads - Road and Bridge</i>							
<i>(Lane Road Miles)</i>							
Precinct #1	213.76 miles	211.57 miles	199.2 miles	199.2 miles	208.0 miles	203.3 miles	211.8 miles
Precinct #2	126.95 miles	118.35 miles	104.4 miles	104.4 miles	105.0 miles	104.8 miles	104.8 miles
Precinct #3	21.93 miles	21.02 miles	20.5 miles	20.5 miles	20.0 miles	21.3 miles	15.3 miles
Precinct #4	6.22 miles	6.06 miles	5.10 miles	5.10 miles	5.0 miles	7.3 miles	3.8 miles
<b>Health and Social Services</b>							
<i>Community Services</i>							
Community Clinics	2	2	2	2	2	2	2
Employees' CareHere! Clinics	-	2	2	2	2	2	2
<b>Culture and Recreation</b>							
<i>County Parks Department</i>							
Park Permits Approved	412(a)	623(a)	986	965	904	850	539
Festival & Special Events Hosted	22(a)	25(a)	11	11	12	12	17
Vehicle Permits Sold (a)	-	22,059	30,880	14,985 (c)	24,859	30,895	32,005
Golf Permits Sold (a)	-	1,606	2,192	1,496 (c)	1,409	1,981	2,045

Sources: Various county departments; Texas State Courts Website: www.courts.state.tx.us/courts/jp.asp

\* Data prior to fiscal year 2006 is unavailable.

\*\* In January 3, 2009, an order of renumbering Justice Precinct 9 as Justice Precinct 6 takes effect under Article 5, Section 18(a) 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.

(d) 2012 JP Precinct #1 Court information was not available at the time of publication.

Note: JP Court Precinct #1 FY 2012 Court information was not available at the time of publication.

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

March, 2013

*(Vacant)*  
**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*  
*Acting County Auditor*

<i>Jeanne Broussard, BS</i>	<i>Accountant IV</i>
<i>Kristin Bulanek, BBA</i>	<i>Internal Audit Supervisor</i>
<i>Michelle Culler</i>	<i>I.T. Systems Technician</i>
<i>Ana de Leon</i>	<i>Accounts Payable Specialist</i>
<i>Megan Dolato</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>Donna Green, AA, BBA</i>	<i>Accountant I</i>
<i>Terri Gustafson</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>Internal Auditor II</i>
<i>Megan Posey</i>	<i>Accounting Technician</i>
<i>John Sanchez, Jr., AS, BS</i>	<i>Chief Accountant</i>
<i>Katherine Seidl-Smith, BS</i>	<i>Accountant III</i>
<i>Troy Stringer, BS</i>	<i>Accounting Supervisor</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>Accounts Payable 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>
<i>Vacant</i>	<i>Internal Auditor III</i>

# GALVESTON COUNTY, TEXAS COUNTY AUDITOR'S OFFICE PERSONNEL - ORGANIZATIONAL CHART MARCH, 2013

