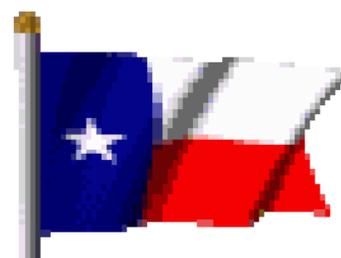
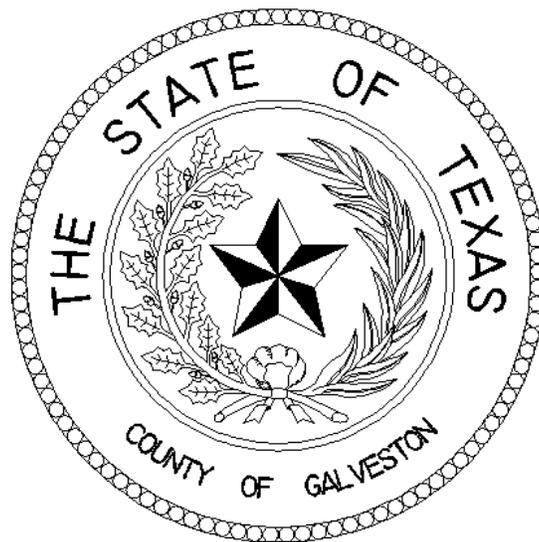


# Galveston County, Texas

COMPREHENSIVE

ANNUAL FINANCIAL REPORT



FOR THE FISCAL YEAR ENDED  
SEPTEMBER 30, 2013



GALVESTON COUNTY, TEXAS  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
For the fiscal year ended  
September 30, 2013

Prepared by:

Office of County Auditor  
Galveston County, Texas



Galveston County, Texas  
 Comprehensive Annual Financial Report  
 For the Fiscal Year Ended September 30, 2013

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**County Auditor**  
**Randall Rice, CPA**  
CITP CISA CIO CBM DABFA CGMA

**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

LaToya Jordan  
First Assistant County Auditor –  
Director of IT Systems

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

March 31, 2014

To the Honorable District Judges of Galveston County  
To the Members of the Galveston County Commissioners Court  
To the Citizens of Galveston County, Texas

The Comprehensive Annual Financial Report of Galveston County, Texas, for the fiscal year ended September 30, 2013, is submitted herewith in accordance with Chapter 114.025 of the Local Government Code. The accompanying financial statements were prepared in accordance with accounting principles generally accepted in the United States of America as promulgated by the Governmental Accounting Standards Board and audited in accordance with auditing standards generally accepted in the United States of America by a firm of licensed public accountants

**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 the financial statements will be free from material misstatement. The county asserts, 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 the financial statements of the county for the fiscal year ended September 30, 2013, 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, there was a reasonable basis for rendering an unmodified opinion the county's financial statements for the fiscal year ended September 30, 2013, 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 includes a Schedule of Findings and Questioned Costs. The Single Audit Report is available from the Galveston County Auditor, P.O. Box 1418, Galveston, TX 77553-1418.

**Reference to MD&A.** GAAP require 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 operates as specified under the Constitution of the State of Texas and Vernon's Texas Code Annotated. It was established on May 15, 1838, by order of 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; an area of the mainland between the Island and Harris County to the north; and 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 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.

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 legally separate from the primary government but 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.

In previous years, the county has reported the Galveston County Health District as a discretely presented component unit. However, the county has determined, under the standards established by Governmental Accounting Standards Board Statement No. 61, "The Financial Reporting Entity: Omnibus," effective in the county's fiscal year ended September 30, 2013, the Galveston County Health District does not qualify to be reported as a discretely presented component unit.

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

Additional information on this component unit is located in Note I.A.2 to the Financial Statements on pages 52 and 53.

**Budget.** The annual budget serves as the foundation for Galveston County's financial planning and control. All departments of the County are required to submit requests for appropriation to the County Budget Officer. The Budget Officer uses these requests as the starting point for developing a proposed budget. The proposed budget and a recommended budget prepared by the Budget Officer are submitted to Commissioners Court for their consideration. Commissioners Court then holds budget work sessions to hear specific requests that were not included in the Budget Officer's recommended budget. The Court is required to publish specific information and notices, as well as hold public hearings, as defined by state statute.

Once all these requirements are met, the Court will adopt the budget and the tax rate by September 1 or as soon thereafter as is practical. The appropriated budget is adopted by fund by the primary categories of salaries and benefits, employee training, maintenance and operating, and capital expenditures. Budget to actual comparisons are provided in this report for the General Fund and all funds for which the Commissioners Court adopts an annual budget.

#### 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 reduces the volatility in its unemployment rate. Major industries represented 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 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 B.P. Products (N.A.), Inc., Valero Refining-Texas L.P., Union Carbide Corporation, Marathon Petroleum Company L.L.C., and B.P. Amoco Chemical Company.

Tourism is an important presence in the county's economy, with more than six million visitors each year. The Island's seashore, its historic downtown and residential districts, and its thriving cruise industry attract growing numbers of visitors to the many hotels and motels, restaurants, shops, and museums. On the mainland, La Marque's Gulf Greyhound Park is a popular attraction.

The county enjoys a wealth of year-round cultural, historical, and recreational activities. To those seeking outdoor relaxation, the Island offers the amenities of Sea Wolf Park, R.A. Apffel 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 amusement park rides, concessions, and ambience of the Galveston Island Historic Pleasure Pier at 25<sup>th</sup> Street and Seawall Boulevard, coupled with quality restaurants within walking distance, are a very popular attraction.

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, home to the restored 1877 iron barque, *Elissa*.

Other Island attractions include the Downtown/Strand, East End, and Silk Stocking Historical Districts, which exhibit some of the nation's finest collections of restored commercial and residential Victorian architecture. 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 draw many thousands of visitors.

The Island is home to exotic Moody Gardens, comprising the Moody Gardens Convention Center with 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. Across the mouth of Galveston Bay from the Island, Port Bolivar and 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 fully recovered in the intervening years, as indeed it has done a number of times throughout its long history.

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

*Debt administration.* The county funds much of its capital investment by issuing general obligation bonds and certificates of obligation. It last issued new, non-refunding, long-term debt in its fiscal year ended September 30, 2009.

The county continues to monitor conditions of the borrowing market and issues debt to refund outstanding obligations to lower its cost of money. The county last issued refunding debt in its fiscal year ended September 30, 2012.

In addition to making its scheduled principal and interest payments during this fiscal year, the county called \$2,960,000 of principal of its Unlimited Tax Road Bonds Series 2003B on August 30, 2013, at par value plus accrued interest of \$11,922.22. The county funded this call with cash on hand.

At September 30, 2013, the county's outstanding bonded debt, including cumulative accretion, totaled \$321,688,850. During that fiscal year then ended, the county paid \$20,830,000 in principal and \$13,253,273 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, 2013, the county recognized 410 retirees, 136 of whom were eligible for full health insurance and 274 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) 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 73-78 of this report.

**Relevant financial policies.** The county deposits idle cash into temporary investment vehicles 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, 2013, the county earned \$1,218,464 in interest, \$368,393 of that from investments and \$850,071 from deposits. More information about the county's deposits and investments can be found in Note III.A to the Financial Statements on pages 61-63 of this report.

### **Major initiatives.**

#### *Roads*

In August 2007 the county issued \$48.3 million of bonds for the two-phase construction of Farm-to-Market Road 646 as a pass-through toll road on the Mainland. It is expected most of the debt payments will be funded by subsidies received from the Texas Department of Transportation 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; Phase II of II construction was completed in May 2013 at a total cost of \$24.5 million. Some \$8.3 million of Phase II subsidies was received through December 31, 2012; another \$4.3 million is anticipated to be received in March 2014, bringing the total of Phase II subsidies received to date of \$12.6 million.

#### *Flood Control*

In September 2009 the county issued \$15 million of bonds for flood-control work. Of the four major projects identified, three, at a cost of \$5 million, have been completed. The remaining project, the Mud Gully detention basin on Clear Creek, is a joint effort of Galveston and Harris Counties estimated 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 complete and operational. 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 cost \$90.4 million, with the United States Coast Guard paying all but about \$5.5 million of that total. The remainder was shared among BNSF, the City of Galveston, the Galveston Wharves, and the county; of these four entities, BNSF contributed about 75% of that \$5.5 million. The project included re-routing City of Galveston 30" and 36" water lines.

#### *Land*

In October 2011, the county closed on the sale of ten acres, for almost three million dollars, of land in Galveston located between the Galveston County Justice Center and Broadway. The buyer, nationwide home-improvement retailer Lowe's, plans to build one of its large stores on the site, although general economic conditions have caused the delay of the start of construction.

#### *Facilities*

- NORTH COUNTY ("CALDER ROAD") ANNEX – Construction projects to replace the air-handling equipment and boiler, and create office space for a congressman and a state senator, were completed in 2013.
- MID-COUNTY ANNEX – This facility became largely 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. The final portion of the project outstanding is a build-out for the Sheriff's Patrol Division; it will be completed in fiscal year 2014.
- FORMER NORTH JAIL - The county will remodel the entire former north jail at 715 19<sup>th</sup> Street in Galveston for use as office space, as well as for records storage for the court system, the District Attorney's Office, and other county departments. The first floor will be renovated to house the Adult Probation Department, which is currently located in the Shearn Moody Plaza. The work began with demolition and asbestos abatement (finished in December 2013) and will be completed late in 2014. 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 caused by Hurricane Ike to this building has not yet been repaired. Plans include 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. Juvenile Justice and the Galveston County Historical Commission and Museum will eventually occupy the building's first floor, while the second floor will be utilized for Adult Probation administrative offices, with shell space for future needs.
- LLEWELYN BUILDING – Reconstruction was completed in 2013. The Galveston County Government Employees Health and Wellness Center (the CareHere! Clinic) is operational on the west end of the first floor of the building. The warehouse portion of the building has been cleaned and configured to house a workshop for the Facilities Department, as well as provide storage for the Sheriff's Office and the Purchasing and Facilities Departments.
- 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 Road and Bridge Department. A fueling station is planned. Both projects will be partially funded by FEMA.
  - IN DICKINSON – This proposed project will renovate deteriorated facilities deemed at risk of failure at the existing Road and Bridge Department site in Dickinson. It would be partially funded by FEMA.
- CRYSTAL BEACH FIRE/E.M.S. STATION – Construction was near completion at fiscal year-end, and the Crystal Beach Volunteer Fire Department will occupy the facility.
- HIGH ISLAND EMERGENCY SHELTER – The project is an emergency shelter planned for the far eastern end of the County. Design documents are being prepared; funding will be provided by Community Development Block Grant stimulus monies.
- FACILITIES CATALOG – A major effort now under way is the compilation of a Facilities Catalog, expected to be completed in 2014. This project will document Galveston County facilities; facilitate long-term planning of maintenance and capital-expenditure programs; permit tracking of insurance premium and claims costs; and provide information necessary for effective operation.

#### 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, 2012. This was the sixteenth consecutive year the county 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 this CAFR will meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to seek a certificate.

The preparation of this report would not have been possible without the efficient and dedicated service of the entire staff of the Galveston County, Texas, Auditor's Office. I wish to express my appreciation to

all members of the department who contributed to and assisted with the preparation of this report. I acknowledge the County Judge and Commissioners for their efforts in planning and conducting the operations of the county in a responsible and progressive manner. I especially thank the District Judges for their support and guidance in matters relating to the discharge of the duties of County Auditor.

Respectfully submitted,

Randall Rice, CPA  
County Auditor



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**Galveston County  
Texas**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

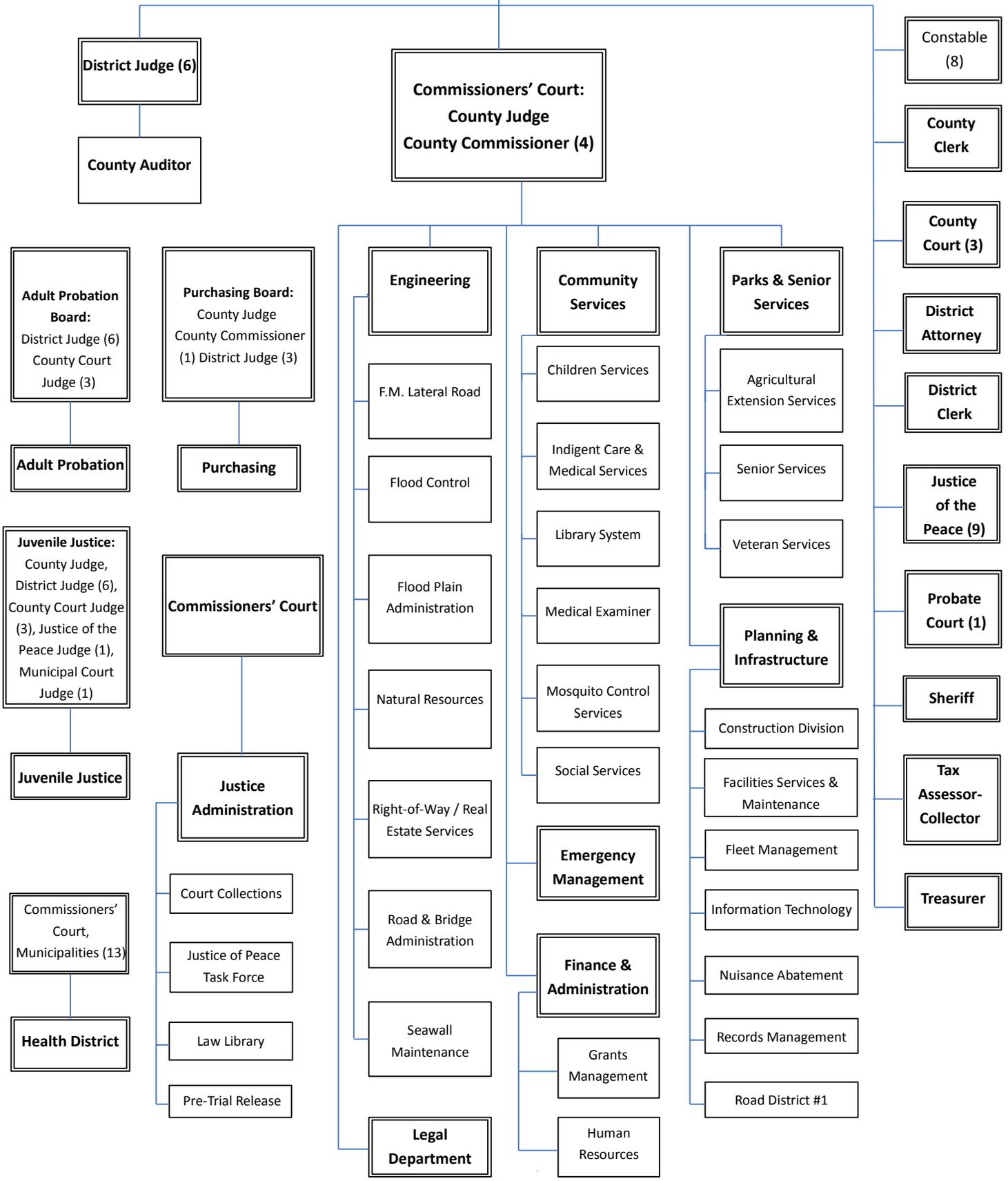
**September 30, 2012**

Executive Director/CEO



# Galveston County Citizens

## Galveston County Organizational Chart



**GALVESTON COUNTY, TEXAS**  
**LIST OF ELECTED AND APPOINTED OFFICIALS**  
September 30, 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 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>Randall Rice</i>	<i>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>Kerri Foley</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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## **Independent Auditor's Report**

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Galveston County, Texas (the "County"), as of and for the year ended September 30, 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements.

#### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

#### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contain 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 from material misstatement.

Audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend of the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the County, as of September 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Emphasis of Matter**

The County adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* as of September 30, 2013. Our opinion is not modified to this matter.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States 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 Balances – Budget and Actual – Road and Bridge Special Revenue Fund, and Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Grant 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 Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. 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. Such 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 basic financial statements or to the basic 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 basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 25, 2014 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. The report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

*Whitley Penn LLP*

Texas City, Texas  
March 25, 2014

## 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, 2013. 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, 2013, the county's assets of \$439,956,824 exceeded its liabilities of \$385,908,825 by \$54,047,999 ("net position"), a decrease of \$9,323,314 in net position from September 30, 2012.
- Of this net position, \$131,463,924 is the amount of the county's net investment in capital assets, \$25,290,591 is restricted for specific uses, and (\$102,706,516) is unrestricted.
- Of the liabilities of \$385,908,825, \$339,707,385 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's expenses of \$190,134,752 exceeded its revenues of \$180,811,438 by \$9,323,314 in this same fiscal year.
- Of these revenues of \$180,811,438, program revenues, such as grant revenues and charges for services, contributed \$52,595,390, while general revenues, such as ad valorem taxes, contributed \$128,216,048.

### 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 Position* presents information on all of the county's assets and liabilities, with the difference between the two reported as "net position." Over time, increases or decreases in net position 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 position changed during the most recent fiscal year. All changes in net position 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 or 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, health and social services, culture and recreation, conservation, and roads, bridges, and rights-of-way. The county currently engages in no business-type activities.

### 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 has no Permanent Funds.

The focus of Governmental Funds is more narrow than 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). Reconciliations are provided to facilitate the comparison between Governmental Funds and government-wide activities.

The county maintains fifty-five 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 four funds, all of which are considered by the county to be “major” funds:

- the General Fund
- the Road and Bridge Special Revenue Fund
- Grant Special Revenue Fund
- the Debt Service 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. The county currently engages in no business-type activities.
- *Internal Service Funds* are used to account, in two separate funds, for the expenses related to budgeted expenditures of various county departments for group health, unemployment, and workers' compensation insurance, as well as general casualty and liability insurance premiums. The Internal Service Funds are combined into a single, aggregated presentation in the Proprietary Funds financial statements. Individual fund data is provided in the form of "combining statements" elsewhere in this report.

*Fiduciary Funds* include Trust Funds and Agency Funds and are used to account for resources held for the benefit of parties external to the government. Fiduciary Funds are not reflected in the government-wide financial statements because the resources of these funds are not available to support the county's own programs. The accounting used for Fiduciary Funds is much like that used for Proprietary Funds. The county presently accounts for no Trust Funds and ten Agency Funds.

#### Notes to the Financial Statements

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

#### Other Information

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

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

As noted earlier, net position can serve over time as a useful indicator of a government's financial position. In the case of the county, assets exceeded liabilities by \$54,047,999 at the close of the fiscal year ended September 30, 2013.

By far the largest portion of the county's net position, \$131,463,924, comprises capital assets (for example, land, infrastructure, and buildings and improvements), which is reported 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. It should be noted 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 \$25,290,591 of the county's net position is subject to external restrictions. The remainder, (\$102,706,516), is unrestricted. Unrestricted net position 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 (\$42,360,000), or when it pays for post-retirement benefits on a pay-as-you-go basis rather than advance funding such costs in a trust account (\$38,037,509).

The county's net position decreased by \$9,323,314 (14.70%) during the fiscal year ended September 30, 2013. Underlying revenues decreased by \$59,990,078 (24.91%), while underlying expenses decreased

by \$63,495,871 (25.03%). This decrease in net position 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 \$4.1 million decrease in Federal Emergency Management Agency (FEMA) funding for the Ike-related Hazard Mitigation Grant Program (HMGP-Ike), as this program nears completion;
- a \$41.3 million decrease in round one funding of the Community Development Block Grant Housing Program, also nearing completion; and
- a \$19.7 million decrease in funding by other entities for the Galveston Causeway Railroad Bridge project required by the U.S. Coast Guard, complete in fiscal year 2013 except for the release of retainage payments.

The key factors in the decrease in expenses were directly related to the decrease in revenues, and include:

- a \$4.0 million decrease in expenses for buy-outs of homes impacted by Hurricane Ike;
- a \$41.4 million decrease in expenses of round one of the Community Development Block Grant Housing Program; and
- a \$19.8 million decrease in expenses of the Galveston Causeway Railroad Bridge project required by the U.S. Coast Guard.

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

**COUNTY OF GALVESTON, TEXAS**

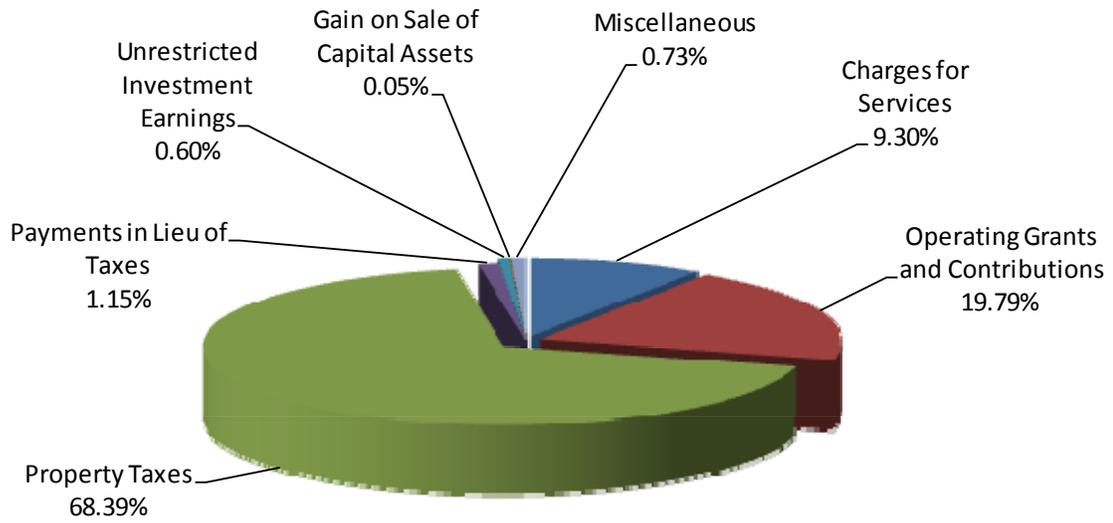
**Net Position**

	<b>2013</b>	<b>2012</b>
Current and Other Assets	\$ 164,614,635	\$ 191,492,341
Capital Assets	275,342,189	279,424,259
Total Assets	<u>439,956,824</u>	<u>470,916,600</u>
Long-Term Liabilities Outstanding	339,707,385	354,427,978
Other Liabilities	46,201,440	53,054,289
Total Liabilities	<u>385,908,825</u>	<u>407,482,267</u>
Net Position:		
Net investment in capital assets	131,463,924	107,571,335
Restricted	25,290,591	14,212,476
Unrestricted	(102,706,516)	(58,349,478)
Total Net Position	<u>\$ 54,047,999</u>	<u>\$ 63,434,333</u>

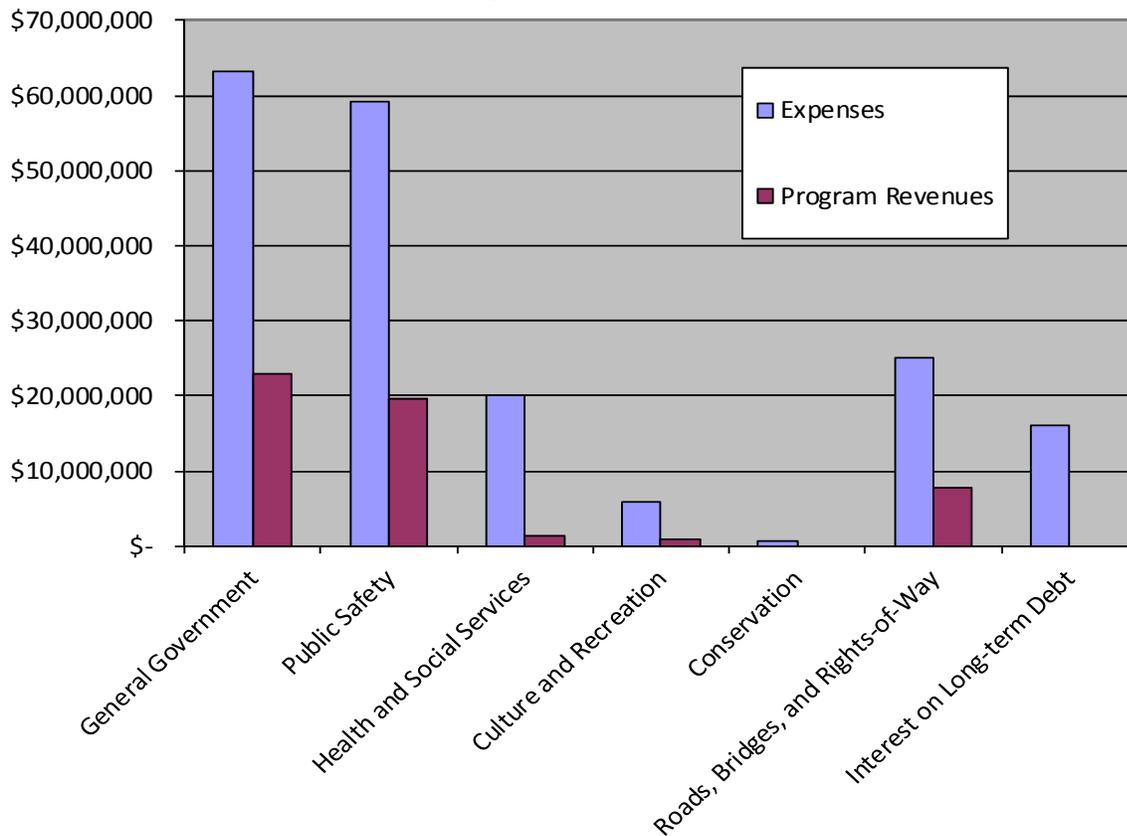
**COUNTY OF GALVESTON, TEXAS**  
**Changes in Net Position**

	<u>2013</u>	<u>2012</u>
Revenues:		
Program Revenues:		
Charges for Services	\$ 16,819,429	\$ 17,884,928
Operating Grants and Contributions	35,775,961	95,036,478
General Revenues:		
Property Taxes	123,648,417	121,548,660
Payments in Lieu of Taxes	2,075,624	1,993,826
Grants and Contributions Not Restricted to Specific Purposes	-	85,725
Unrestricted Investment Earnings	1,087,562	1,021,668
Gain on Sale of Assets	89,660	576,005
Miscellaneous	1,314,785	284,976
Extraordinary Item - Texas Windstorm Case Settlement	-	2,369,250
Total Revenues	<u>180,811,438</u>	<u>240,801,516</u>
Expenses:		
General Government	63,157,679	96,349,934
Public Safety	59,173,398	66,696,483
Health and Social Services	20,173,241	19,154,046
Culture and Recreation	5,860,919	6,674,123
Conservation	613,779	534,570
Roads, Bridges, and Rights-of-Way	25,108,389	47,983,614
Interest on Long-term Debt	16,047,347	16,237,853
Total Expenses	<u>190,134,752</u>	<u>253,630,623</u>
Increase (Decrease) in Net Position	(9,323,314)	(12,829,107)
Net Position - Beginning	63,434,333	76,921,697
Prior Period Adjustments	(63,020)	(658,257)
Net Position - Ending	<u>\$ 54,047,999</u>	<u>\$ 63,434,333</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, 2013, the county's Governmental Funds reported a combined ending fund balance of \$126,689,543, a decrease of \$12,854,439 from September 30, 2012. A small portion of that amount, 0.64% or \$807,587, is non-spendable because it is in the form of inventories and prepaid assets. Some 61.63% or \$78,075,864 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 37.73%, or \$47,806,092, of fund balance is available for new spending. Of that amount, 19.45% or \$24,637,320, 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;
- Construction projects, \$1,970,024; and
- Contingencies, \$17,667,296.

The final 18.29% or \$23,168,772 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, 2013, the General Fund's unassigned fund balance totaled \$23,168,772; total fund balance increased during the fiscal year by \$2,644,603 to \$45,836,068. As a measure of the General Fund's liquidity, it is useful to compare both unassigned and total fund balances to total expenditures. The General Fund's unassigned fund balance and total fund balance represent 23.0% and 45.4%, respectively, of total expenditures for the fiscal year ended September 30, 2013.

As shown on the Statement of Revenues, Expenditures, and Changes in Fund Balance, county operations provided a net increase in fund balance of \$2,644,603; however, Commissioners Court has chosen to appropriate for contingency from fund balance into the assigned category for fiscal year 2014 a total of \$17,667,296. The result was a net reduction in unassigned fund balance of \$15,022,693.

The Road and Bridge Special Revenue Fund is presented as a major fund and had a fund balance at September 30, 2013, of \$3,535,552. The net increase in fund balance of \$531,916 from the prior year is primarily attributable to an increase of \$1.07 million in ad valorem tax revenues. The increase was partially offset by a decrease of nearly \$500,000 in vehicle registration and title revenue due to a change in the state allotment.

The Grant Special Revenue Fund is a major fund with a fund balance at September 30, 2013, of \$7,283,494. This fund is used to account for funds awarded by the federal or state governments, or by private foundations. The fund balance increase of \$4,602,355 is primarily attributable to three factors:

- The HMGP (“Hazard Mitigation Grant Program”) – Ike grant contributed \$849,806 of increase through a cash match in from the General Fund of a cash match of \$786,718.
- The Disaster Recovery VI - Ike grant contributed \$3,655,456 of the increase as follows: 1) additional grant revenues of \$5,199,140 for new and ongoing project efforts, 2) an adjustment of \$1,188,372 reducing prior period grant expenditures, and 3) a net \$350,000 in current year expenditures.
- The CDBG (“Community Development Block Grant”) Housing – Round One grant contributed \$97,440 due to advance.

The Debt Service Fund combines all prior year debt service funds into one; the combined fund is a major fund in fiscal year 2013, with a fund balance at September 30, 2013 of \$10,626,315. It was created by aggregating all of the debt-service funds that in prior fiscal years were presented individually, a separate fund having been created for each long-term debt issuance. The Debt Service Fund balance increased by \$283,867 from the sum of the fiscal-year 2012 ending fund balances of all debt service funds. The increase was due to normal revenue streams in excess of regular principal and interest expenditures. Scheduled debt service was paid timely during fiscal year 2013. Additionally, the remaining principal outstanding of \$2,960,000 of the Unlimited Tax Road Bonds Series 2003B was advance-refunded on August 30, 2013 with funds on hand.

The aggregate fund balance of the non-major special revenue funds decreased by \$1,102,145, mainly due to three funds: Sheriff’s Commissary, Flood Control and Indigent Health Care Fund. In the Sheriff’s Commissary, expenditures exceeded revenues by \$419,680. Over \$200,000 of the current year’s expenditures was to purchase new radio equipment. In addition, the Flood Control fund expenditures and transfers out exceeded revenues by \$877,361. Indigent health care expenditures exceeded revenue by \$3,866,927; a transfer from the General Fund of \$2,928,000 was insufficient to cover all expenditures, resulting in a decrease of \$938,927 to the fund balance of the Indigent Health Care Fund.

The aggregate fund balance of the non-major capital project funds decreased by \$19,752,015, owing to various road and other capital projects. More than half (\$10,181,338) of the expenditures for fiscal year 2013 were for road projects, including Louisiana Street, FM 646, Stewart Road, various city streets in Kemah, Century Blvd, and Calder Road. An additional \$2,743,796 was for the FM 646 Pass-Through Toll Road Project. \$2,769,888 was for vehicles for several departments and communication equipment for the Sheriff’s Department (funded with the sale of land). There was also a transfer out of \$2,942,322 to fund the call of an outstanding bond (the Unlimited Tax Road Bonds Series 2003B, noted above).

**General Fund Budgetary Highlights**

The adopted budget for the General Fund expenditures was \$103,396,730; transfers out to other funds were budgeted at \$12,751,100. The total adopted General Fund budget, including Budgeted Reserves of \$20,000,000, was \$136,147,830. During the year, Budgeted Reserves were reduced by \$7,182,996, with \$5,514,695 used to increase the final approved budget for expenditures to \$108,911,425. The increase in other budgeted expenditures was primarily due to:

- Increased costs for software maintenance and capital outlay in the Information Technology Department
- Increased costs in paid leave for terminating and retiring personnel

- Increased costs in ad valorem tax refunds, including \$1.27 million resulting from a large industrial taxpayer's challenge of the appraised value
- Increase in planned expenditures for vehicles in the Sheriff's, Emergency Management, and Parks Departments.

During the year, actual revenues were greater, and actual expenditures less, than final budgeted amounts by \$770,021 and \$7,996,528, respectively.

The positive variance in revenues is primarily attributable to:

- an unanticipated increase in County Tax Office registration and title revenues of \$1,072,622;
- a reduction in the anticipated revenues from jail usage of (\$96,870);
- an increase in charges for services, primarily from clerk fees and fees of office of \$486,586;
- a lower than budgeted allocation of state shared liquor taxes of (\$366,758);
- reduction in reimbursement from the Public Health District of (\$150,000);
- lower fees for public safety in the Sheriff and Constable offices of (\$63,588);
- reduced reimbursement from the state for juror payments of (\$55,010); and
- reduced lease income for the Mid-County Annex for the Central Appraisal District of (\$65,060).

The positive variance in expenditures is primarily attributable 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, Commissioners Court, for a total of \$4,708,347 in savings;
- expenditure for repairs to the 61<sup>st</sup> Street boat ramp was budgeted at \$193,230 with only \$6,204 actually paid out (net of \$187,026);
- a decrease of \$2,402,711 in expenditures in the Information Technology Department for various projects, including "Desktop Refresh (replacement of laptops and desktops)", network updating, Common Justice Integrated System, JLE System Integration, and imaging; and
- a decrease of \$306,935 in expenditures on software-maintenance contracts.

## **Capital Asset and Debt Administration**

### Capital Assets

The county's investment in capital assets at September 30, 2013, net of accumulated depreciation, totaled \$275,342,189, a decrease of \$4,082,070 (1.5%). Capital assets are classified as land, infrastructure, buildings and improvements, machinery and equipment, improvements other than buildings, and construction in progress. The decrease in investment in capital asset occurred largely in part to the accumulated depreciation for assets reported as of the end of last fiscal year.

During the current fiscal year, improvements to various county facilities continued. Completed and transferred from construction in progress to the improvements other than buildings class were the Washington Park (including the 61st Boat Ramp) and Highway 6 Waste Water System projects. In addition, the Generator Installation project was completed in the current fiscal year and moved out of construction in progress to machinery and equipment. The Bayshore Shoreline Revetment Project,

County-Wide Drainage Project and the Bolivar Road Improvements & Resurfacing Project, all classified as construction in progress at last fiscal year-end, were completed and reclassified to infrastructure. At September 30, 2013, construction in progress related to buildings, improvements other than buildings, and machinery and equipment totaled \$4,054,490, \$3,384,062, and \$1,268,329, respectively.

**COUNTY OF GALVESTON, TEXAS**  
**Capital Assets (Net of Depreciation)**  
**At September 30, 2013 and 2012**

	<b>2013</b>	<b>2012</b>
Land	\$ 33,979,077	\$ 33,999,754
Infrastructure	69,692,328	70,122,569
Buildings and Improvements	143,394,967	152,072,248
Machinery and Equipment	15,225,974	10,893,878
Improvements Other than Buildings	4,342,962	4,029,820
Construction in Progress	8,706,881	8,305,990
Total	\$ 275,342,189	\$ 279,424,259

Additional information on the county's capital assets is found in Note III.C to the Financial Statements on pages 64-66 of this report.

Debt Administration

At September 30, 2013, the county's outstanding bonded debt, including accumulated accretion, totaled \$321,688,850, all of which is general obligation bonds. (The last outstanding series of certificates of obligation was retired in the fiscal year then ended.) These general obligation bonds are backed by the full faith and credit of the county.

**GALVESTON COUNTY, TEXAS**  
**Bonded Debt Outstanding, Including Accumulated Accretion**  
**At September 30, 2013 and 2012**

	<b>2013</b>	<b>2012</b>
Certificates of Obligation	\$ -	\$ 2,145,000
General Obligation Bonds	321,688,850	337,910,336
Total	\$ 321,688,850	\$ 340,055,336

The county's outstanding bonded debt decreased by a net 5.40%, or \$18,366,486, during the fiscal year ended September 30, 2013. Of this net decrease, \$17,870,000 resulted from scheduled principal payments, while another \$2,960,000 in principal was advance refunded from the Unlimited Tax Road Bonds Series 2003B Capital Project Fund. These decreases were partially offset by current-year accretion on capital-appreciation bonds in the amount of . The county issued no debt - neither new nor

refunding – during the fiscal year. It 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 \$1,305,179,000, 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 \$5,766,604,000, 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 67-70 of this report.

#### **Next Year’s Budgets and Rates**

During the fiscal year ended September 30, 2013, the General Fund’s unassigned fund balance decreased to \$23,168,772. The county has appropriated \$17,667,296 of the General Fund unassigned fund balance in its expenditure budget for the fiscal year ending September 30, 2014. The county has also earmarked \$5,000,000 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, P.O. Box 1418, Galveston, TX 77553-1418.



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# Basic Financial Statements



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**GALVESTON COUNTY, TEXAS**  
**STATEMENT OF NET POSITION**  
**September 30, 2013**

	<b>Governmental Activities</b>
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 117,451,266
Receivables (Net of Allowances for Uncollectibles):	
Taxes	10,398,465
Accounts and Other	32,435,796
Inventories	801,616
Prepaid Expenses	259,765
Deferred Charges	3,231,954
Restricted Assets:	
Cash and Cash Equivalents	35,773
Capital Assets not being depreciated:	
Land	33,979,077
Construction in Progress	8,706,881
Capital Assets (Net of Accumulated Depreciation):	
Infrastructure	69,692,328
Buildings and Improvements	143,394,967
Machinery and Equipment	15,225,974
Improvements Other Than Buildings	4,342,962
<b>Total assets</b>	<b>439,956,824</b>
 <b>LIABILITIES</b>	
Accounts Payable	6,899,898
Salaries Payable	3,344,374
Accrued Interest Payable	2,705,370
Retainage Payable	2,270,845
Estimated Liability - Claims and Judgements	2,749,500
Due to Others	2,410,099
Payable from Restricted Assets:	
Escrow Deposits	667,861
Unearned Revenues - Other	243,664
Noncurrent liabilities:	
Due within one year	24,909,829
Due in more than one year	339,707,385
<b>Total liabilities</b>	<b>385,908,825</b>
 <b>NET POSITION</b>	
Net investment in capital assets	131,463,924
Restricted for:	
Grants	8,471,867
Debt Service	9,624,908
Other	7,193,816
Unrestricted	(102,706,516)
<b>Total net position</b>	<b>\$ 54,047,999</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, 2013

<u>Functions/Programs</u>	<u>Program Revenues</u>				<u>Net (Expense) Revenue and Changes in Net Position</u>	
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Total</u>
Governmental Activities						
General Government	\$ 63,157,679	\$ 13,793,187	\$ 9,207,371	\$ -	\$ (40,157,121)	\$ (40,157,121)
Public Safety	59,173,398	1,853,557	17,811,976	-	(39,507,865)	(39,507,865)
Health and Social Services	20,173,241	-	1,328,947	-	(18,844,294)	(18,844,294)
Culture and Recreation	5,860,919	616,746	205,392	-	(5,038,781)	(5,038,781)
Conservation	613,779	-	-	-	(613,779)	(613,779)
Roads, Bridges, and Rights-of-way	25,108,389	555,939	7,222,275	-	(17,330,175)	(17,330,175)
Interest on Long-term Debt	16,047,347	-	-	-	(16,047,347)	(16,047,347)
<b>Total governmental activities</b>	<b>\$ 190,134,752</b>	<b>\$ 16,819,429</b>	<b>\$ 35,775,961</b>	<b>\$ -</b>	<b>\$ (137,539,362)</b>	<b>\$ (137,539,362)</b>

General revenues:

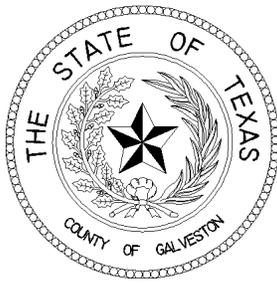
Taxes:				
Property taxes, levied for general purposes			98,384,255	98,384,255
Property taxes, levied for debt service			25,264,162	25,264,162
Payments in lieu of taxes			2,075,624	2,075,624
Unrestricted investment earnings			1,087,562	1,087,562
Gain (Loss) on sale of capital assets			89,660	89,660
Miscellaneous			1,314,785	1,314,785
Total general revenues and transfers			<u>128,216,048</u>	<u>128,216,048</u>
Change in net position			(9,323,314)	(9,323,314)
<b>Net position - beginning</b>			63,434,333	63,434,333
Prior Period Adjustment			(63,020)	(63,020)
<b>Net position - ending</b>			<u>\$ 54,047,999</u>	<u>\$ 54,047,999</u>

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

**GALVESTON COUNTY, TEXAS  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
September 30, 2013**

	<u>General</u>	<u>Road and Bridge</u>	<u>Grant</u>	<u>Debt Service</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>						
Cash and Cash Equivalents	\$ 33,895,692	\$ 3,231,752	\$ 1,619,795	\$ 7,521,039	\$ 60,693,266	\$ 106,961,544
Receivables (Net of Allowance for Uncollectibles):						
Taxes	8,212,095	170,532	-	1,703,963	311,875	10,398,465
Accounts and Other	5,060,879	221,888	20,744,333	3,223,225	3,044,993	32,295,318
Due from Other Funds	13,357,893	-	-	-	-	13,357,893
Inventory at Cost	-	393,352	-	-	408,264	801,616
Prepaid Expenditures	-	-	5,971	-	-	5,971
Restricted Assets:						
Cash and Cash Equivalents	304,916	-	-	-	1,749,202	2,054,118
<b>Total assets</b>	<b><u>\$ 60,831,475</u></b>	<b><u>\$ 4,017,524</u></b>	<b><u>\$ 22,370,099</u></b>	<b><u>\$ 12,448,227</u></b>	<b><u>\$ 66,207,600</u></b>	<b><u>\$ 165,874,925</u></b>
<b>LIABILITIES AND FUND BALANCES</b>						
<b>Liabilities:</b>						
Accounts Payable	\$ 3,276,373	\$ 192,011	\$ 1,515,737	\$ -	\$ 1,525,176	\$ 6,509,297
Salaries Payable	2,795,998	116,733	135,907	-	278,620	3,327,258
Compensated Absences Payable	53,649	-	-	-	-	53,649
Retainage Payable	-	-	100,734	-	2,170,111	2,270,845
Due to Others	352,376	-	359,296	117,949	1,242,733	2,072,354
Payable from Restricted Assets:						
Escrow Deposits	-	-	-	-	35,765	35,765
Deposits - Held	304,916	-	-	-	611,276	916,192
Deferred Revenue	8,212,095	173,228	240,968	1,703,963	311,875	10,642,129
Due to Other Funds	-	-	12,733,963	-	623,930	13,357,893
<b>Total liabilities</b>	<b><u>14,995,407</u></b>	<b><u>481,972</u></b>	<b><u>15,086,605</u></b>	<b><u>1,821,912</u></b>	<b><u>6,799,486</u></b>	<b><u>39,185,382</u></b>
<b>Fund Balances:</b>						
Non-Spendable	-	393,352	5,971	-	408,264	807,587
Restricted	-	3,142,200	7,277,523	10,626,315	57,029,826	78,075,864
Assigned	22,667,296	-	-	-	1,970,024	24,637,320
Unassigned	23,168,772	-	-	-	-	23,168,772
<b>Total fund balances</b>	<b><u>45,836,068</u></b>	<b><u>3,535,552</u></b>	<b><u>7,283,494</u></b>	<b><u>10,626,315</u></b>	<b><u>59,408,114</u></b>	<b><u>126,689,543</u></b>
<b>Total Liabilities and Fund Balances</b>	<b><u>\$ 60,831,475</u></b>	<b><u>\$ 4,017,524</u></b>	<b><u>\$ 22,370,099</u></b>	<b><u>\$ 12,448,227</u></b>	<b><u>\$ 66,207,600</u></b>	<b><u>\$ 165,874,925</u></b>

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



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**GALVESTON COUNTY, TEXAS**  
**RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS**  
**TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION**  
**September 30, 2013**

Total fund balance, governmental funds \$ 126,689,543

Amounts reported for governmental activities in the Statement of Net Position 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 Position. 275,342,189

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. 3,231,954

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 Position. 5,708,432

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 Position. These are as follows:

Bonds payable	(298,963,434)
Accumulated accretion on capital appreciation bonds	(22,725,416)
Community disaster loan payable	(5,000,000)
Compensated absences	(4,261,096)
Net OPEB Payable	(38,037,509)
Interest on long-term debt	(2,705,370)
Premiums on issuance of debt	(3,154,272)
Deferred loss on refunding	7,524,513

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. 10,398,465

Net Position of governmental activities \$ 54,047,999

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, 2013**

	General	Road and Bridge	Grant	Debt Service	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>						
Taxes	\$ 92,406,225	\$ 3,182,858	\$ -	\$ 25,358,820	\$ 3,404,128	\$ 124,352,031
Licenses and Permits	4,078	2,601,809	-	-	-	2,605,887
Intergovernmental	7,757,824	267,044	16,513,079	5,987,665	4,140,012	34,665,624
Charges for Services	6,944,383	-	12,214	-	2,863,295	9,819,892
Fines and Forfeitures	2,123,716	510,761	-	-	258,656	2,893,133
Investment Earnings	746,766	22,752	669	83,280	364,527	1,217,994
Miscellaneous	3,652,175	636,175	1,327,501	-	700,539	6,316,390
<b>Total revenues</b>	<b>113,635,167</b>	<b>7,221,399</b>	<b>17,853,463</b>	<b>31,429,765</b>	<b>11,731,157</b>	<b>181,870,951</b>
<b>EXPENDITURES</b>						
Current:						
General Government	50,100,443	-	872,017	-	2,197,155	53,169,615
Public Safety	34,125,593	-	8,052,158	-	6,598,733	48,776,484
Health and Social Services	12,650,311	-	1,033,534	-	5,167,991	18,851,836
Culture and Recreation	2,208,970	-	-	-	549,539	2,758,509
Conservation	471,785	-	-	-	-	471,785
Roads, Bridges, and Rights-of-Way	-	5,051,747	-	-	17,259,075	22,310,822
Debt Service:						
Principal Retirement	-	-	-	20,830,000	-	20,830,000
Interest and Fiscal Charges	-	-	-	13,258,220	-	13,258,220
Capital Outlay	1,357,795	350,541	5,024,564	-	4,360,778	11,093,678
<b>Total expenditures</b>	<b>100,914,897</b>	<b>5,402,288</b>	<b>14,982,273</b>	<b>34,088,220</b>	<b>36,133,271</b>	<b>191,520,949</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>12,720,270</b>	<b>1,819,111</b>	<b>2,871,190</b>	<b>(2,658,455)</b>	<b>(24,402,114)</b>	<b>(9,649,998)</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers In	4,205,050	4,300	1,732,996	3,702,392	10,099,300	19,744,038
Transfers Out	(14,355,596)	(1,344,200)	(1,831)	(760,070)	(6,641,841)	(23,103,538)
Sale of Capital Assets	74,879	52,705	-	-	90,495	218,079
<b>Total other financing sources (uses)</b>	<b>(10,075,667)</b>	<b>(1,287,195)</b>	<b>1,731,165</b>	<b>2,942,322</b>	<b>3,547,954</b>	<b>(3,141,421)</b>
<b>Net change in fund balances</b>	<b>2,644,603</b>	<b>531,916</b>	<b>4,602,355</b>	<b>283,867</b>	<b>(20,854,160)</b>	<b>(12,791,419)</b>
<b>Fund balances-beginning</b>	<b>43,191,465</b>	<b>3,003,636</b>	<b>2,681,139</b>	<b>10,342,448</b>	<b>80,325,294</b>	<b>139,543,982</b>
Prior period adjustments	-	-	-	-	(63,020)	(63,020)
<b>Fund balances-ending</b>	<b>\$ 45,836,068</b>	<b>\$ 3,535,552</b>	<b>\$ 7,283,494</b>	<b>\$ 10,626,315</b>	<b>\$ 59,408,114</b>	<b>\$ 126,689,543</b>

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



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**GALVESTON COUNTY, TEXAS**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCES - GOVERNMENTAL FUNDS TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES**  
**For the Year Ended September 30, 2013**

Net change in fund balances - total governmental funds:	\$(12,791,419)
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 and other additions of \$11,744,427 plus donated assets of \$64,504 exceeded depreciation of \$15,750,978 in the current period.	(3,942,047)
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 position differs from the change in fund balance by the cost of the asset sold.	(140,022)
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.	(703,614)
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.	20,830,000
Some expenses reported in the statement of activities do not require the use of current financial resources and these are not reported as expenditures in governmental funds:	
Accrued interest not reflected on governmental funds	(37,634)
Compensated absences	(87,019)
Amortization of deferred charges	(287,981)
Other post employment benefits	(10,039,344)
Accretion of capital bond interest	(2,463,514)
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.	339,280
Change in net position of governmental activities	<u><u>\$ (9,323,314)</u></u>

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

**GALVESTON COUNTY, TEXAS  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
September 30, 2013**

	<b>Governmental Activities - Internal Service Funds</b>
<b>ASSETS</b>	
Current Assets:	
Cash and Cash Equivalents	\$ 8,471,377
Receivables (Net of Allowances for Uncollectibles):	
Accounts and Other	140,478
Prepaid Items	253,794
<b>Total current assets</b>	<b>8,865,649</b>
 <b>LIABILITIES</b>	
Current Liabilities:	
Accounts Payable	390,601
Salaries Payable	17,116
Estimated Liability - Claims	2,749,500
<b>Total current liabilities</b>	<b>3,157,217</b>
 <b>NET POSITION</b>	
Unrestricted	5,708,432
<b>Total net position</b>	<b>\$ 5,708,432</b>

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

**GALVESTON COUNTY, TEXAS  
STATEMENT OF REVENUES, EXPENSES, AND  
CHANGES IN NET POSITION  
PROPRIETARY FUNDS  
For the Year Ended September 30, 2013**

	<b>Governmental Activities - Internal Service Funds</b>
<b>OPERATING REVENUES</b>	
Intergovernmental	\$ 269,717
Charges for Services	11,080,500
Insurance Recovery - County	31,992
Reimbursements	1,272,815
<b>Total operating revenues</b>	12,655,024
<b>OPERATING EXPENSES</b>	
Personal Services	309,625
Contract Services	1,781,375
Insurance	3,562,241
Claims Paid	10,022,473
<b>Total operating expenses</b>	15,675,714
<b>Operating income (loss)</b>	(3,020,690)
<b>NONOPERATING REVENUES (EXPENSES)</b>	
Investment Earnings	470
<b>Income (loss) before transfers</b>	(3,020,220)
<b>OPERATING TRANSFERS</b>	
Transfers In	3,359,500
<b>Total operating transfers</b>	3,359,500
<b>Change in net position</b>	339,280
<b>Total net position-beginning</b>	5,369,152
<b>Total net position-ending</b>	<b>\$ 5,708,432</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, 2013**

	<b>Governmental Activities - Internal Service Funds</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from Users	\$ 11,044,325
Payments to Suppliers	(5,171,439)
Payments to Employees	(302,244)
Payments for Claims	(10,022,473)
Other Operating Revenues	1,542,532
	<u>1,542,532</u>
<b>Net cash provided (used) by operating activities</b>	<u>(2,909,299)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Transfers in	3,359,500
	<u>3,359,500</u>
<b>Net cash provided (used) by noncapital financing activities</b>	<u>3,359,500</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Investment Earnings	470
	<u>470</u>
<b>Net cash provided (used) by investing activities</b>	<u>470</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	450,671
<b>Cash and Cash Equivalents October 1, 2012</b>	<u>8,020,706</u>
<b>Cash and Cash Equivalents September 30, 2013</b>	<u>\$ 8,471,377</u>
<b>Reconciliation of operating income to net cash provided (used) by operating activities:</b>	
<b>Operating income (loss)</b>	<u>\$ (3,020,690)</u>
<b>Adjustments to reconcile operating income to net cash provided (used) by operating activities:</b>	
(Increase) Decrease in Accounts Receivable	(68,167)
(Increase) Decrease in Prepaid Items	(8,086)
Increase (Decrease) in Accounts Payable	180,263
Increase (Decrease) in Salaries Payable	7,381
	<u>7,381</u>
<b>Total adjustments</b>	<u>111,391</u>
<b>Net cash provided (used) by operating activities</b>	<u>\$ (2,909,299)</u>

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

**GALVESTON COUNTY, TEXAS**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**September 30, 2013**

		<b>AGENCY FUNDS</b>
<b>ASSETS</b>		
Cash and Cash Equivalents	\$	10,124,828
Investments		6,405,404
Receivables (Net of Allowances for Uncollectibles):		
Accounts and Other		9,013
Restricted Assets:		
Guardianship Assets		1,231,316
		1,231,316
<b>Total assets</b>	<b>\$</b>	<b>17,770,561</b>
<b>LIABILITIES</b>		
Accounts Payable	\$	82,717
Due to Others		9,481,096
Due to Other Entities		5,883,811
Deposits Held		1,091,621
Deposits Held for Restricted Assets		1,231,316
		1,231,316
<b>Total liabilities</b>	<b>\$</b>	<b>17,770,561</b>

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

Galveston County, Texas  
Notes to the Financial Statements  
September 30, 2013

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## I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### A. Reporting Entity

#### 1. Primary government

Galveston County, Texas (the “county”), is organized and existing under the constitution and laws of the State of Texas. It was established on May 15, 1838, by the President of the Republic of Texas, Sam Houston, and is located on the upper Texas coast comprising 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. Services related to public safety, health and social services, culture and recreation, conservation, and the construction, improvement, maintenance, and acquisition of roads, bridges, and rights-of-way are provided.

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 unit*. 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.

In previous years, the county has reported the Galveston County Health District as a discretely presented component unit. However, according to Governmental Accounting Standards Board Statement No. 61, "The Financial Reporting Entity: Omnibus," effective in the county's fiscal year ended September 30, 2013, the county has determined the Galveston County Health District does not meet the new criteria to be reported as such.

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

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

In the Statement of Net Position, 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 two 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 four 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, health and social services, culture and recreation, conservation, and capital outlay, in addition to funding general governmental administration.
- The “Road and Bridge” Special Revenue Fund was created and defined under Article 8, Section 9(c) of the *Texas Constitution*, which authorizes an ad valorem tax of \$0.15 per \$100.00 valuation to be levied and collected for the maintenance of public roads. Additionally, Chapter 256 of the *Texas Transportation Code* states these funds are to be used only for public road work or bridge construction, and only by order of the Commissioners Court.
- The Grant Special Revenue Fund was created in fiscal year 2013 to aggregate grant funding awarded by the federal or state governments or by private foundations. Note that in prior fiscal years, each grant fund was reported separately, but in the fiscal year ended September 30, 2013, all the individual grants funds were combined into one fund.
- The “Debt Service” Fund is used to account for the accumulation of resources disbursed to retire the principal of, and to pay the interest costs and paying-agent fees associated with, the county’s long-term debt. Note that in prior fiscal years a discrete debt service fund was created for each debt issuance, but in the fiscal year ended September 30, 2013, all of those individual debt service funds were consolidated into one fund.

The government reports fifty-one other Governmental Funds as nonmajor funds in the *Special Revenue* and *Capital Projects* fund types.

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

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

- Unclaimed Property Fund – property valued at less than \$100.00 and presumed abandoned, as defined in Chapters 72 and 75, *Texas Property Code*. (Note activity in this fund was formerly accounted for in a Special Revenue Fund. It was determined during fiscal year 2013 the more proper treatment would be as an Agency Fund; the assets, liabilities, and fund balance were transferred from a Special Revenue Fund to an Agency Fund as of October 1, 2012.)
- Payroll – a clearing fund for the county's biweekly payroll expenses.
- Escrow – funds held in trust by the county.
- 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. (Note the county determined during fiscal year 2013 the activity in this fund would be more properly accounted for in a Special Revenue Fund; consequently, the assets and liabilities were moved from the Agency Fund to a newly created Special Revenue Fund effective October 1, 2012.)
- 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 Position or Fund Balance**

### **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 investments 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, 2013, investment earnings of \$226,327 associated with other funds were reported as revenue in the General Fund.

### **2. Receivables and payables**

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

Activity between funds 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" (i.e., the current portion of intra-reporting-entity loans) or "advances to/from other funds" (i.e., the non-current

portion of intra-reporting-entity loans). All other outstanding balances between funds are reported as "due to/from other funds."

#### Ad valorem property tax receivables

The county sets its tax rates annually. The ad valorem property tax receivable is net of an allowance of 6% of the delinquent receivables outstanding at fiscal year-end for estimated uncollectible accounts. The allowance for interest and penalties depends on the age of the receivables and varies from 6% to 100%. Ad valorem property tax value is assessed at 100% of appraised market value as per the *Property Tax Code*. A summary of the timing of annual ad-valorem property-tax activity follows ("y1" and "y2" refer to the earlier and later, respectively, of two consecutive calendar years):

<i>01/01/y1</i>	<i>– property values are assessed</i>
<i>07/25/y1</i>	<i>– the certified tax roll is received from the Galveston County Central Appraisal District</i>
<i>08/01/y1 - 09/30/y1</i>	<i>– tax rates are formally adopted</i>
<i>10/01/y1</i>	<i>– taxes are levied, and tax bills are mailed as soon as practicable thereafter</i>
<i>11/30/y1</i>	<i>– payment due for first half of tax liability from those availing themselves of split-pay</i>
<i>01/01/y2</i>	<i>– tax liens are placed on property to ensure eventual payment</i>
<i>02/01/y2</i>	<i>– current taxes billed the prior October, if still unpaid, become delinquent, and penalties and interest begin to accrue</i>
<i>05/01/y2</i>	<i>– reminders of current-year unpaid taxes are mailed to property owners</i>
<i>06/30/y2</i>	<i>– payment due for second half of tax liability from those availing themselves of split-pay</i>
<i>08/01/y2</i>	<i>– 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.</i>

### **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 (\$304,916), and of the Emergency Management (\$33,387), Flood Control (\$2,386), Child Welfare (\$984), and Beach and Parks (\$1,712,445) 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, 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; or
- at estimated fair market value at the donation date, if donated.

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 county's depreciable capital assets are *depreciated*, using the *straight-line method* and assuming no *salvage value*, over the following estimated useful lives.

Asset Type	Years
Dams and levees	60
Bridges	50
Buildings and improvements	40
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 specified 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 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 the 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, 2013, the total liability for compensated absences was \$4,314,745, of which \$53,649 was recorded in, and payable from current financial resources of, the General Fund.

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

In the government-wide statements, long-term debt and other long-term obligations are reported as liabilities in the Governmental Activities column in the Statement of Net Position. 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 applicable bond premium or discount.

In the Governmental Funds statements, bond premiums, discounts, and issuance costs are recognized in the current period. The face amount of debt issued and related premiums are reported as other financing sources, while 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 balance**

In the fund statements, Governmental Funds may report fund balance in as many as five classifications.

- *Non-spendable* fund balance is either not spendable (e.g., inventory and long-term portion of notes receivable) or legally required to maintain intact (e.g., the corpus 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.
- 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, 2013, the county reports the following classifications of amounts in the fund balances of its Governmental Funds:

	General	Road and Bridge	Grant	Debt Service	Other Governmental Funds	Total Governmental Funds
<b>Non-Spendable:</b>						
Inventory	\$ -	\$ 393,352	\$ -	\$ -	\$ 408,264	\$ 801,616
Prepaid Expenditures	-	-	5,971	-	-	5,971
<b>Total Non-Spendable</b>	<b>-</b>	<b>393,352</b>	<b>5,971</b>	<b>-</b>	<b>408,264</b>	<b>807,587</b>
<b>Restricted for:</b>						
General Government	-	-	654,977	-	4,539,710	5,194,687
Public Safety	-	-	5,894,794	-	6,174,465	12,069,259
Services	-	-	727,752	-	7,713,951	8,441,703
Culture and Recreation	-	-	-	-	1,825,604	1,825,604
Roads, Bridges, and Rights-of-Way	-	3,142,200	-	-	1,598,821	4,741,021
Debt Service	-	-	-	10,626,315	-	10,626,315
Building Projects	-	-	-	-	35,177,275	35,177,275
<b>Total Restricted</b>	<b>-</b>	<b>3,142,200</b>	<b>7,277,523</b>	<b>10,626,315</b>	<b>57,029,826</b>	<b>78,075,864</b>
<b>Assigned:</b>						
Self-insurance	1,500,000	-	-	-	-	1,500,000
Contingent Liabilities	1,000,000	-	-	-	-	1,000,000
Disaster Protection	2,500,000	-	-	-	-	2,500,000
Contingencies	17,667,296	-	-	-	-	17,667,296
Construction Projects	-	-	-	-	1,970,024	1,970,024
<b>Total Assigned</b>	<b>22,667,296</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,970,024</b>	<b>24,637,320</b>
Unassigned:	23,168,772	-	-	-	-	23,168,772
<b>Total Fund Balances</b>	<b>\$45,836,068</b>	<b>\$3,535,552</b>	<b>\$7,283,494</b>	<b>\$10,626,315</b>	<b>\$ 59,408,114</b>	<b>\$ 126,689,543</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, Special Revenue Funds (including all grant funds), and the Debt Service Fund.

Ten 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:

Constables' Seizures	Probate Court Contributions
District Attorney Check Collection Fees	Sheriff's Commissary
District Attorney Contraband Post-10/89	Sheriff Seizures Post-10/89
Election Services Contract	Task Force Seizures Pre-10/89
Law Enforcement Continued Education	Tax Assessor-Collector Special Inventory Tax Escrow

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 and the Probate Court Contributions Fund are under the jurisdictions of the County Clerk and Probate Court Judge, 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 during the third quarter of the fiscal year. The budget requested may not exceed the total of the beginning fund balance added to the revenue estimated by the County Auditor for the coming fiscal year. The county Budget Officer reviews budget requests and meets to discuss them with department heads in Commissioners Court workshops. In late summer, a proposed budget is presented to the Commissioners Court; public hearings are held, at which time the Commissioners Court may change the proposed budget. The final budget is adopted in late

August or early September 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 collect the budgeted tax revenues. The County Auditor opens the various appropriation accounts and administers the budget during the year.

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.

*Encumbrance accounting* is utilized in Governmental Funds to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning. 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. At year-end, the amount of encumbrances expected to be honored upon performance by the vendor in the next year were as follows:

Major Funds:		
General Fund	\$	785,805
Road and Bridge Fund		7,292
Grant Fund		4,653,255
Nonmajor Funds		3,858,450
Total Encumbrances	\$	<u>9,304,802</u>

**B. Excess of Expenditures over Appropriations**

For the year ended September 30, 2013, in the Sheriff’s Commissary Special Revenue Fund, expenditures exceeded appropriations at the departmental level (the level of legal budgetary control) by \$576,508. Commissioners Court does not approve the Commissary budget; the budget and any necessary amendments are determined by the Sheriff and subsequently filed with the Court. The Commissary budget was not amended for the excess expenditures.

**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 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 (including 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, 2013, 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, 2013, the carrying value of the county's deposits totaled \$127,611,867, and the related balances per banks totaled \$131,068,696. The difference is due to outstanding checks exceeding deposits in transit at year-end.

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, 2013, 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 statutes include:

- *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, 2013, consist 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 \$6,405,404. Investments are presented at amortized cost in accordance with *GASB Statement 31: Accounting and Financial Reporting for Certain Investments and for External Investment Pools*.

Schedule of Deposits and Investments at September 30, 2013

	Fair Value
Deposits:	
Demand Deposits	\$ 127,611,867
Investments:	
Certificates of Deposit	6,405,404
Total Deposits and Investments	\$ 134,017,271

*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 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, 2013, 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
Certificates of Deposit	\$ 6,405,404	232

*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, 2013, the composition of the county's investment portfolio was as follows:

Investment Type	Fair Value	Percentage of Total Portfolio
Certificates of Deposit	\$6,405,404	100.00%

**B. Receivables**

At September 30, 2013, 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 the aggregate, are as follows (with summary comparative amounts at September 30, 2012):

	Taxes	Accounts and Other	Total Gross Receivables	Less Allowance for Uncollectibles	Total 2013	Total 2012
<b>Major Funds:</b>						
General Fund	\$ 8,808,175	\$ 5,060,879	\$13,869,054	\$ (596,080)	\$13,272,974	\$14,936,471
Road and Bridge	181,181	221,888	403,069	(10,649)	392,420	663,958
Grant	-	20,744,333	20,744,333	-	20,744,333	31,924,292
Debt Service	1,821,012	3,223,225	5,044,237	(117,049)	4,927,188	3,001,753
<b>Nonmajor Governmental Funds</b>						
Internal Service Funds	-	140,478	140,478	-	140,478	72,311
Fiduciary Funds	-	9,013	9,013	-	9,013	16,904
<b>Total Net Receivables</b>	<b>\$11,151,038</b>	<b>\$32,444,809</b>	<b>\$43,595,847</b>	<b>\$ (752,573)</b>	<b>\$42,843,274</b>	<b>\$60,167,526</b>

Governmental Funds report *deferred revenues* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. At September 30, 2013, the various components of deferred revenues reported in the Governmental Funds were as follows (with summary comparative amounts at September 30, 2012):

	Delinquent Property Tax Receivable	Grant	Other	Total 2013	Total 2012
<b>Major Funds:</b>					
General Fund	\$ 8,212,095	\$ -	\$ -	\$ 8,212,095	\$ 8,804,335
Road and Bridge	170,532	-	2,696	173,228	162,146
Grant	-	240,968	-	240,968	1,891,906
Debt Service Fund	1,703,963	-	-	1,703,963	1,798,621
<b>Nonmajor Governmental Funds</b>	<b>311,875</b>	<b>-</b>	<b>-</b>	<b>311,875</b>	<b>339,673</b>
<b>Total Deferred Revenue</b>	<b>\$10,398,465</b>	<b>\$ 240,968</b>	<b>\$ 2,696</b>	<b>\$10,642,129</b>	<b>\$ 12,996,681</b>

### C. Capital Assets

#### Primary Government

Capital-asset activity for the year ended September 30, 2013, which related solely to governmental activities, was as follows:

	Beginning Balance, 10/1/2012	Additions	Deletions	Ending Balance, 9/30/2013
<b>Governmental Activities -</b>				
<b>Capital Assets Not Being Depreciated:</b>				
Land	\$ 33,999,754	\$ -	\$ (20,677)	\$ 33,979,077
Construction in Progress	8,305,990	5,869,166	(5,468,275)	8,706,881
<b>Total Capital Assets Not Being Depreciated</b>	<b>42,305,744</b>	<b>5,869,166</b>	<b>(5,488,952)</b>	<b>42,685,958</b>
<b>Capital Assets Being Depreciated:</b>				
Buildings and Improvements	226,421,367	446,060	(62,352)	226,805,075
Improvements Other Than Buildings	4,750,547	502,151	(12,960)	5,239,738
Machinery and Equipment	36,346,340	7,575,188	(2,526,577)	41,394,951
Infrastructure	155,569,431	2,884,640	-	158,454,071
<b>Total Capital Assets Being Depreciated</b>	<b>423,087,685</b>	<b>11,408,039</b>	<b>(2,601,889)</b>	<b>431,893,835</b>
<b>Less Accumulated Depreciation for:</b>				
Buildings and Improvements	(74,349,119)	(9,123,341)	62,352	(83,410,108)
Improvements Other Than Buildings	(720,727)	(177,351)	1,302	(896,776)
Machinery and Equipment	(25,452,462)	(3,135,405)	2,418,890	(26,168,977)
Infrastructure	(85,446,862)	(3,314,881)	-	(88,761,743)
<b>Total Accumulated Depreciation</b>	<b>(185,969,170)</b>	<b>(15,750,978)</b>	<b>2,482,544</b>	<b>(199,237,604)</b>
<b>Total Capital Assets Being Depreciated, Net</b>	<b>237,118,515</b>	<b>(4,342,939)</b>	<b>(119,345)</b>	<b>232,656,231</b>
<b>Governmental Activities Capital Assets, Net</b>	<b>\$279,424,259</b>	<b>\$ 1,526,227</b>	<b>\$(5,608,297)</b>	<b>\$275,342,189</b>

Depreciation expense for the primary government for the year ended September 30, 2013, which is related solely to governmental activities, was charged to functions/programs as follows:

	<b>2013</b>	<b>2012</b>
General Government	\$ 6,440,198	\$ 5,756,145
Public Safety	6,200,355	5,852,828
Health and Social Services	133,304	142,697
Culture and Recreation	654,764	670,744
Conservation	84,472	9,093
Roads, Bridges, and Rights-of-Way	2,237,885	1,876,489
<b>Total Depreciation Expense</b>	<b>\$ 15,750,978</b>	<b>\$ 14,307,996</b>

Capital projects of the primary government in progress at September 30, 2013, included building construction and renovations, park improvements, infrastructure improvements, and software upgrades. At that date, construction commitments with contractors comprised the following:

Project	Amount		Remaining Commitment
	Authorized	Spent to Date	
Records Storage Building	\$ 1,642,640	\$ 691,364	\$ 951,276
Crystal Beach EMS Facility	3,374,001	3,294,036	79,965
Crystal Beach Road & Bridge Facility	129,776	69,090	60,686
Ft. Travis Walkway Improvements	1,533,521	1,525,885	7,636
Tower Project	2,057,975	1,858,177	199,798
One Solution Upgrade	477,262	229,002	248,260
OnBase Software Development	1,225,128	743,376	481,752
SharePoint Software Development	296,192	295,951	241
Total	<u>\$ 10,736,495</u>	<u>\$ 8,706,881</u>	<u>\$ 2,029,614</u>

The projects listed above are funded as follows:

*Long-term borrowings -*

- Records Storage Building

*Grants -*

- Crystal Beach EMS Facility
- Crystal Beach Road & Bridge Facility
- Ft. Travis Walkway Improvements
- Tower Project

*County operating funds -*

- One Solution Upgrade
- OnBase Software Development
- SharePoint Software Development

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

Amounts due to/from funds of the county at September 30, 2013, are as follows (with summary comparative amounts at September 30, 2012):

Payable Reported by:	General Fund	Total	Total
		2013	2012
Grant Fund	\$ 12,733,963	\$ 12,733,963	\$ 25,782,326
Nonmajor Governmental Funds	623,930	623,930	1,041,096
Total	<u>\$ 13,357,893</u>	<u>\$ 13,357,893</u>	<u>\$ 26,823,422</u>

Inter-fund balances in the fund financial statements 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 various payables to the General Fund from the major Grant Special Revenue Fund, and from various nonmajor Governmental Funds, exist to offset negative cash balances at fiscal year-end which result from the timing differences between when expenditures are made and when reimbursement is received from third parties, including grantor agencies.

Transfers among the Governmental and Internal Service Funds for the year ended September 30, 2013, are as follows (with summary comparative amounts for the year ended September 30, 2012):

Transfers Out	Transfers In							Total 2013	Total 2012
	General Fund	Road and Bridge	Grant	Debt Service	Nonmajor Governmental Funds	Internal Service Funds			
General Fund	\$ -	\$ -	\$1,603,496	\$ -	\$ 9,969,300	\$2,782,800	\$14,355,596	\$ 5,380,400	
Road and Bridge	1,165,100	-	-	-	-	179,100	1,344,200	1,285,200	
Grant	1,831	-	-	-	-	-	1,831	5,710	
Debt Service	-	-	-	760,070	-	-	760,070	-	
Nonmajor Governmental Funds	3,038,119	4,300	129,500	2,942,322	130,000	397,600	6,641,841	3,204,757	
Internal Service Funds	-	-	-	-	-	-	-	665,019	
<b>Total</b>									
Transfers Out	\$4,205,050	\$4,300	\$1,732,996	\$3,702,392	\$10,099,300	\$3,359,500	\$23,103,538	\$10,541,086	

Transfers are used: 1) to partially fund operations of Internal Service Funds and Special Revenue Funds; 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*

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, 2013 was \$57,426; the total lease cost for the fiscal year was \$689,111.

#### **F. Long-term Debt**

##### *General Obligation Debt*

##### **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, 2013, was \$5,000,000, the full amount of the borrowing. Annual debt-service requirements to maturity, including principal and interest, are as follows:

Year Ending September 30,	Payments Due on Note Payable
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*.

Per requirements of its bond indentures, the county accumulates resources to service debt in a debt service fund used solely for that purpose. Bond indentures also prescribe various other restrictions related to the obligations, with which the county believes it is in compliance. Generally, the county’s debt-service payments are funded solely or primarily by ad-valorem tax revenues.

An exception to funding debt service solely or primarily by tax revenues is the case of bonds which the county issued to fund the expansion of a segment of the state highway system located in the county. State subsidies, predicated on vehicular usage of the road, are expected to reimburse the county for a large portion of the debt service. This is the case with the Pass-Through Toll Revenue and Limited Tax Bonds Series 2007, issued in the fiscal year ended September 30, 2007. These bonds were partially advance refunded in March 2012 with the issuance of \$40,910,000 of Pass-Through Toll Revenue and Limited Tax Refunding Bonds Series 2012.

Although funded primarily by tax revenues, the debt service on three bond series is significantly subsidized by the federal government through the “Build America Bonds” Program. In September 2009 the county issued approximately \$129.2 million of such bonds to finance capital projects dedicated to facilities, roads, and flood control. At the time of issuance, the county expected to receive semiannual subsidies equal to 35% of the interest it pays on said bonds. However, due to continuing federal budget reductions first triggered on March 1, 2013, this 35% rebate was decreased by 8.7% for the county’s August 1, 2013 interest payments on its Build America Bonds, and the amount of the rebate for future years’ debt-service payments is as yet undetermined. In the fiscal year ended September 30, 2013, the county received \$2,125,062 in such subsidies.

The county issued no new or refunding debt in the fiscal year ended September 30, 2013. 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	2.50% - 6.205%	\$ 145,318,434	\$ 68,500,833	\$ 76,817,601
Governmental Activities - Refunding	2.00% - 5.50%	153,645,000	101,865,000	51,780,000
		<u>\$ 298,963,434</u>	<u>\$ 170,365,833</u>	<u>\$ 128,597,601</u>

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

Year Ending September 30,	Principal	Interest
2014	\$ 19,300,000	\$ 12,423,762
2015	20,075,000	11,662,816
2016	20,960,000	10,802,966
2017	17,767,138	13,945,933
2018	18,247,087	13,576,481
2019	18,685,488	13,149,092
2020	19,154,273	12,635,229
2021	19,725,965	11,999,444
2022	20,311,822	11,304,207
2023	16,626,620	10,665,896
2024	16,165,406	10,096,008
2025	16,230,544	9,508,067
2026	16,849,091	8,875,438
2027	23,325,000	2,341,822
2028	24,430,000	1,241,902
2029	11,110,000	339,115
Total	<u>\$ 298,963,434</u>	<u>\$ 154,568,178</u>

*Changes in Long-term Liabilities*

Long-term liability activity for the year ended September 30, 2013, was as follows:

	Beginning Balance, 10/1/2012	Additions	Reductions	Ending Balance, 9/30/2013	Due Within One Year
<b>Bonds Payable:</b>					
General Obligation Bonds	\$ 319,793,434	\$ -	\$20,830,000	\$298,963,434	\$19,300,000
Accumulated Accretion	20,261,902	2,463,514	-	22,725,416	-
<b>Plus Deferred Amounts:</b>					
Loss on Refundings	(8,232,585)	-	708,072	(7,524,513)	-
Issuance Premiums (Discounts)	3,858,682	-	704,410	3,154,272	-
<b>Total Bonds Payable</b>	<b>335,681,433</b>	<b>2,463,514</b>	<b>22,242,482</b>	<b>317,318,609</b>	<b>19,300,000</b>
<b>Note Payable:</b>					
Community Disaster Loan	5,000,000	-	-	5,000,000	5,000,000
Compensated Absences	4,174,077	812,180	725,161	4,261,096	609,829
Net OPEB Obligation	<u>27,998,165</u>	<u>13,891,524</u>	<u>3,852,180</u>	<u>38,037,509</u>	<u>-</u>
<b>Governmental Activity</b>					
<b>Total Long-term Liabilities</b>	<b><u>\$ 372,853,675</u></b>	<b><u>\$17,167,218</u></b>	<b><u>\$26,819,823</u></b>	<b><u>\$364,617,214</u></b>	<b><u>\$24,909,829</u></b>

A compensated absences payable of \$53,649 is reflected as a current liability in the Governmental Funds Balance Sheet. The payment was due and payable by September 30, 2013. 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 strives to identify, evaluate, and manage 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 Internal Service Fund accounts 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 liability in the Group Insurance Fund at September 30, 2013, is reported in compliance with *GASB Statement 10: Accounting and Financial Reporting for Risk Financing and Related Insurance Issues ("GASB 10")*. *GASB 10* requires 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 \$13,288,415 in aggregate claims. A stop-loss policy with Swiss Re Life Insurance pays claims in excess of the individual \$275,000 limit to a maximum of \$2,000,000 in aggregate claims.

The county's self-insurance coverage for workers' compensation claims provides medical and indemnification benefits for job-related injuries, as is required by law.

The GASB 10 estimate of liability is based on county-specific experience of claims incurred but not reported ("IBNR"). Liability activity during the past two fiscal years is as follows:

	Year Ended 09/30/2013	Year Ended 09/30/2012
Unpaid Claims, Beginning of Fiscal Year	\$ 2,749,500	\$ 2,749,500
Incurred (Including IBNR) Claims	10,022,473	10,620,426
Claim Payments	<u>(10,022,473)</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, 2013, \$42.53 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 § 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
- 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, 2013, and Arbitrage Compliance Specialists has opined 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, has been responsible for administering financial and social services for persons whom the Galveston County Probate Judge has deemed legally incapable of managing such matters for themselves.

For the fiscal year ended September 30, 2013, and in previous years, the Galveston County Probate Judge has appointed guardians who, along with administrators, have been employees of the Galveston County Department of Social Services. However, during the fiscal year ending September 30, 2014, the county has begun to contract with a vendor to provide guardianship services rather than utilize employees to do so.

The Texas Probate Court defines guardian responsibilities and ward rights. At September 30, 2013 and 2012, Galveston County Department of Social Services employees were administering approximately \$1,231,316 and \$1,042,491, respectively, as follows:

Program	September 30, 2013		September 30, 2012	
	Approximate		Approximate	
	Number of Cases	Assets Administered	Number of Cases	Assets Administered
Payee	32	\$ 100,937	53	\$ 149,685
Guardianship	78	1,130,379	64	892,806
Total	110	\$ 1,231,316	117	\$ 1,042,491

**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 any such amounts to be immaterial.

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 they will not materially adversely affect the financial condition of the county.

**F. Deferred Compensation Plan**

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

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

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

Restricted deferred-compensation assets in the custody of third-party administrators at September 30, 2013 and 2012, consisted of the following:

	<b>2013</b>	<b>2012</b>
American United Life Accounts	\$ 70,373,620	\$ 65,758,042
Lincoln National Account	3,700,412	1,216,246
N.A.C.O. Account	1,098,573	3,446,549
	<u>\$ 75,172,605</u>	<u>\$ 70,420,837</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 655 counties and districts. 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 nominal employer contribution rates were 14% for each of the fiscal years ended September 30, 2013, 2012, and 2011. However, due to forfeitures from separating, non-vested employees credited to the county, actual contribution rates for those three fiscal years were 9.78%, 9.14%, and 9.84%, respectively. The employee contribution rate was 7% for the calendar years ended December 31, 2013, 2012, and 2011.

#### *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 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, 2013, 2012, and 2011, the annual costs of the county's TCDRS pension plan were \$5,786,151, \$5,202,462, and \$5,202,882, 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, 2012, 2011, and 2010, which were the basis for determining the contribution rates for calendar years 2013, 2012, and 2011, respectively. The most recent actuarial valuation is that of December 31, 2012.

The required contribution was determined as part of the December 31, 2012, actuarial valuation using the entry-age actuarial cost method. The actuarial assumptions at December 31, 2012, included: 1) an SAF: 10-Yr. Smoothed investment rate of return; 2) projected salary increases of Value; ESF: Fund Value; and 3) no cost-of-living adjustment. Both 1) and 2) include an inflation component of . 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, 2012, was of Payroll, Closed years.

#### *Funded Status and Funding Progress*

As of December 31, 2012, the most recent actuarial valuation date, the actuarial value of plan assets as a percentage of the actuarial accrued liability (the "funded ratio") was 86.35%. The actuarial accrued liability for benefits was \$210.26 million and the actuarial value of assets was \$181.56 million, resulting in an unfunded actuarial accrued liability ("UAAL") of \$28.70 million. The annual covered payroll was \$54.34 million, and the ratio of the UAAL to the annual covered payroll was 52.82%.

The Schedule of Funding Progress and the Schedule of Employer Contributions are presented as Required Supplementary Information 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 the county has funded.

	Actuarial Valuation Date		
	12/31/2012	12/31/2011	12/31/2010
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	20
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 former employees who retired after qualifying to do so according to the requirements of 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 Commissioners Court the authority to establish and amend the plan's terms.

Plan activity is recorded in the 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 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, 2013, comprised approximately 1,268 active members and 410 retirees. Of the 410 retirees, 136 were less than 65 years of age and 274 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, 2013, required monthly contributions were as follows:

	Retiree 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

	Retiree 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, 2013, are as follows:

Annual Required Contribution ("ARC")	\$ 13,798,907
Add: Interest on Net OPEB Obligation	1,259,917
Less: Adjustment to the ARC	<u>(1,167,300)</u>
Annual OPEB Cost (a)	13,891,524
Less: Estimated Net Employer Contributions (b)	<u>(3,852,180)</u>
Increase in Net OPEB Obligation	10,039,344
Net OPEB Obligation, Beginning of Year	<u>27,998,165</u>
Net OPEB Obligation, End of Year	<u><u>\$ 38,037,509</u></u>

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, 2013, 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)]
2013	\$ 13,891,524	\$ 3,852,180	27.73%	\$ 38,037,509
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, 2013, 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)]
2011	\$ -	\$ 124,919,562	\$ 124,919,562	0%	\$ 44,727,676	279.2892%

#### *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, decreasing, or remaining constant 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 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, 2011, the "projected unit credit" actuarial cost method was used. Assets held by the plan, if any, 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. The assumed rates of increase for health-care costs ranged from an initial 7.5% to an ultimate 4.5% after six years, and the amortization method and period are "level as a percentage of employee payroll" and thirty years - open, respectively.

#### **I. 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.

A large county ad valorem taxpayer filed suit in the 56th Judicial District Court of Galveston County, Texas, challenging the 2011 appraised values of its properties in Texas City, which include a refinery. The taxpayer received a jury verdict and judgment in its favor, which resulted in a reduction of those 2011 appraised values in the amount of \$189.4 million, from \$522.8 million to \$333.4 million. In August 2013 the county refunded \$1,271,408 to the taxpayer. The Galveston Central Appraisal District has appealed the verdict, and that appeal is pending before the Fourteenth Court of Appeals; a ruling may be issued during calendar-year 2014. The losing party will likely ask the Texas Supreme Court to review the case. The same taxpayer has also filed suits to challenge the appraised values for the 2012 and 2013 tax years. The case related to tax-year 2012 is currently set for jury trial in May 2014; the case related to tax-year 2013 is in its preliminary stages, with no trial date yet set.

#### **J. Prior-Period Adjustments**

It was determined during the fiscal year ended September 30, 2013, the Unclaimed Property Fund, which in prior years was treated as a Special Revenue Fund, would be more properly accounted for as an Agency Fund. This change was implemented effective October 1, 2012. At that time, assets (cash and cash equivalents) totaled \$202,349, liabilities (amounts due to others and escrow deposits) totaled \$139,329, and fund balance (cumulative interest earned on bank balances) equaled \$63,020. In the fiscal year ended September 30, 2013, the net increase in both assets and liabilities of the Unclaimed Property Agency Fund totaled \$6,427.



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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, 2013**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance, Actual from Final Budget Positive (Negative)</u>	<u>Actual Prior Year</u>
<b>REVENUES</b>					
Taxes	\$ 92,477,151	\$ 92,477,151	\$ 92,406,225	\$ (70,926)	\$ 89,927,488
Licenses and Permits	2,500	2,500	4,078	1,578	6,078
Intergovernmental	7,265,379	7,267,879	7,757,824	489,945	6,822,629
Charges for Services	6,498,410	6,498,410	6,944,383	445,973	7,496,198
Fines and Forfeitures	2,315,500	2,315,500	2,123,716	(191,784)	2,120,477
Investment	740,406	740,406	746,766	6,360	515,322
Miscellaneous	3,565,800	3,563,300	3,652,175	88,875	4,007,003
<b>Total revenues</b>	<u>112,865,146</u>	<u>112,865,146</u>	<u>113,635,167</u>	<u>770,021</u>	<u>110,895,195</u>
<b>EXPENDITURES</b>					
<b>General government</b>					
General Government	5,066,100	6,556,505	6,379,371	177,134	4,573,520
County Judge and Commissioners' Court	387,500	354,033	306,394	47,639	365,349
Commissioners' Court	770,700	749,037	698,104	50,933	689,224
County Clerk	3,014,500	3,014,500	2,783,091	231,409	2,832,537
War Veterans Office	151,200	151,200	142,564	8,636	134,597
Bail Bond Board	500	500	-	500	-
Justice Administration	3,350,400	3,390,635	3,371,836	18,799	3,006,547
10th District Court	185,700	185,700	168,814	16,886	179,420
56th District Court	172,500	172,500	172,234	266	166,753
122nd District Court	223,100	223,100	222,864	236	215,656
212th District Court	172,500	172,500	169,675	2,825	168,637
306th District Court	182,500	182,500	182,248	252	176,387
405th District Court	185,700	185,700	169,558	16,142	178,643
County Court #1	343,100	340,297	340,297	-	497,368
County Court #2	323,900	327,018	327,018	-	473,388
Probate Court	617,800	617,800	608,030	9,770	608,568
County Court #3	337,200	337,200	305,129	32,071	457,590
Justice Court Precinct #1	209,100	191,054	185,597	5,457	199,799
Justice Court Precinct #2	174,000	174,000	168,850	5,150	167,080
Justice Court Precinct #3	288,900	289,608	278,163	11,445	271,893
Justice Court Precinct #4	300,700	301,235	299,820	1,415	287,921
Justice Court Precinct #5	265,300	265,300	260,578	4,722	240,740
Justice Court Precinct #6	329,900	237,380	212,049	25,331	203,899
Justice Court Precinct #7	259,800	259,800	251,370	8,430	228,605
Justice Court Precinct #8-1	205,600	330,216	328,680	1,536	314,591
Justice Court Precinct #8-2	252,700	180,965	147,106	33,859	197,954
Jury and Trial Expense	65,400	65,400	40,017	25,383	56,697
District Clerk	3,361,100	3,361,100	3,145,618	215,482	3,035,625
District Attorney	5,985,600	5,850,638	5,468,992	381,646	5,286,770
Pre-Trial Release	356,400	356,400	335,003	21,397	326,479
County Auditor	2,441,500	2,441,711	2,107,495	334,216	1,994,319
Professional Services	373,400	382,614	363,684	18,930	582,715
County Tax Assessor-Collector	2,574,800	2,579,920	2,500,794	79,126	2,477,283
County Treasurer	503,800	507,928	455,711	52,217	451,812
Purchasing Agent	578,800	578,800	534,665	44,135	509,656
Legal Department	742,100	846,790	846,515	275	648,646

(Continued)

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**GENERAL FUND**  
**For the Year Ended September 30, 2013**

	Original Budget	Final Budget	Actual	Variance, Actual from Final Budget Positive (Negative)	Actual Prior Year
Human Resources	410,200	409,861	293,697	116,164	367,750
Information Technology	7,041,200	8,592,900	7,467,306	1,125,594	7,140,625
Facilities Services	7,066,600	7,144,261	6,867,420	276,841	6,734,051
Fleet Management	846,900	846,900	746,367	100,533	713,409
County Engineer	544,300	544,300	447,719	96,581	463,155
<b>Total general government</b>	<b>50,663,000</b>	<b>53,699,806</b>	<b>50,100,443</b>	<b>3,599,363</b>	<b>47,625,658</b>
<b>Public safety</b>					
Sheriff's Office	\$ 31,799,680	\$ 31,889,767	\$ 30,984,678	\$ 905,089	\$ 29,903,267
Constable Precinct #1	279,000	279,000	274,400	4,600	250,922
Constable Precinct #2	274,400	278,740	274,482	4,258	259,926
Constable Precinct #3	379,200	384,262	367,236	17,026	358,329
Constable Precinct #4	294,400	300,910	285,774	15,136	271,158
Constable Precinct #5	289,300	291,308	291,308	-	271,267
Constable Precinct #6	350,300	228,770	228,497	273	212,750
Constable Precinct #7	477,000	362,736	338,083	24,653	330,730
Constable Precinct #8	226,600	492,912	486,283	6,629	448,586
Emergency Management	736,400	736,400	594,852	141,548	671,256
<b>Total public safety</b>	<b>35,106,280</b>	<b>35,244,805</b>	<b>34,125,593</b>	<b>1,119,212</b>	<b>32,978,191</b>
<b>Health and social services</b>					
Health Administration and Sanitation	7,669,700	7,606,235	7,605,569	666	7,258,412
Community Services	3,628,950	3,701,901	3,701,227	674	3,540,643
Indigent Care and Medication	858,200	858,200	799,908	58,292	763,040
Senior Citizens	702,400	558,930	543,607	15,323	554,672
<b>Total health and social services</b>	<b>12,859,250</b>	<b>12,725,266</b>	<b>12,650,311</b>	<b>74,955</b>	<b>12,116,767</b>
<b>Culture and recreation</b>					
Galveston County Museum	191,300	191,300	125,645	65,655	91,462
Beach and Parks Department	2,474,800	2,716,852	2,083,325	633,527	1,814,576
Beach Maintenance-Road & Bridge	-	-	-	-	398,205
<b>Total culture and recreation</b>	<b>2,666,100</b>	<b>2,908,152</b>	<b>2,208,970</b>	<b>699,182</b>	<b>2,304,243</b>
<b>Conservation</b>					
County Extension Service	499,200	505,392	471,785	33,607	432,190
<b>Capital outlay</b>					
Buildings and Improvement	-	-	-	-	54,000
Improvements Other Than Buildings	-	62,628	(3,656)	66,284	18,000
Machinery and Equipment	118,900	258,513	176,040	82,473	139,079
Vehicles	71,700	289,937	190,040	99,897	381,407
Technology	1,412,300	3,216,926	995,371	2,221,555	771,050
<b>Total capital outlay</b>	<b>1,602,900</b>	<b>3,828,004</b>	<b>1,357,795</b>	<b>2,470,209</b>	<b>1,363,536</b>
<b>Total expenditures</b>	<b>103,396,730</b>	<b>108,911,425</b>	<b>100,914,897</b>	<b>7,996,528</b>	<b>96,820,585</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>9,468,416</b>	<b>3,953,721</b>	<b>12,720,270</b>	<b>8,766,549</b>	<b>14,074,610</b>

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**GENERAL FUND**  
**For the Year Ended September 30, 2013**

<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	3,652,800	4,260,774	4,205,050	(55,724)	1,584,610
Transfers Out	(12,751,100)	(14,453,300)	(14,355,596)	97,704	(5,380,400)
Sale of Capital Assets	60,000	60,000	74,879	14,879	50,087
Budgeted Reserves	(20,000,000)	(12,817,004)	-	12,817,004	-
<b>Total other financing sources (uses)</b>	<u>(29,038,300)</u>	<u>(22,949,530)</u>	<u>(10,075,667)</u>	<u>12,873,863</u>	<u>(3,745,703)</u>
<b>Net change in fund balances</b>	(19,569,884)	(18,995,809)	2,644,603	21,640,412	10,328,907
<b>Fund balances-beginning</b>	<u>43,191,465</u>	<u>43,191,465</u>	<u>43,191,465</u>	<u>-</u>	<u>32,862,558</u>
<b>Fund balances-ending</b>	<u><b>\$ 23,621,581</b></u>	<u><b>\$ 24,195,656</b></u>	<u><b>\$ 45,836,068</b></u>	<u><b>\$ 21,640,412</b></u>	<u><b>\$ 43,191,465</b></u>

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**ROAD AND BRIDGE SPECIAL REVENUE FUND**  
**For the Year Ended September 30, 2013**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)	2012 Actual
<b>REVENUES</b>					
Taxes	\$ 3,174,931	\$ 3,174,931	\$ 3,182,858	\$ 7,927	\$ 2,115,231
Licenses and Permits	2,220,000	2,220,000	2,601,809	381,809	2,568,870
Intergovernmental	615,000	615,000	267,044	(347,956)	797,297
Charges for Services	-	-	-	-	11
Fines and Forfeitures	624,000	624,000	510,761	(113,239)	587,627
Investment Earnings	13,000	13,000	22,752	9,752	14,357
Miscellaneous	-	-	636,175	636,175	5,213
<b>Total revenues</b>	<b>6,646,931</b>	<b>6,646,931</b>	<b>7,221,399</b>	<b>574,468</b>	<b>6,088,606</b>
<b>EXPENDITURES</b>					
Roads, Bridges, & R.O.W:					
Current:					
Personal Services	2,750,200	2,750,200	2,527,930	222,270	2,407,000
Supplies	2,586,600	2,743,272	2,164,042	579,230	1,900,390
Other Services and Charges	427,200	427,200	359,775	67,425	375,407
Miscellaneous	-	-	-	-	17,872
Total Roads, Bridges, & R.O.W:	5,764,000	5,920,672	5,051,747	868,925	4,700,669
Capital Outlay	155,500	149,500	350,541	(201,041)	436,689
<b>Total expenditures</b>	<b>5,919,500</b>	<b>6,070,172</b>	<b>5,402,288</b>	<b>667,884</b>	<b>5,137,358</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>727,431</b>	<b>576,759</b>	<b>1,819,111</b>	<b>1,242,352</b>	<b>951,248</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	-	14,900	4,300	(10,600)	-
Transfers Out	(2,829,200)	(2,693,428)	(1,344,200)	1,349,228	(1,285,200)
Sale of Capital Assets	2,000	2,000	52,705	50,705	34,491
<b>Total other financing sources (uses)</b>	<b>(2,827,200)</b>	<b>(2,676,528)</b>	<b>(1,287,195)</b>	<b>1,389,333</b>	<b>(1,250,709)</b>
<b>Net change in fund balances</b>	<b>(2,099,769)</b>	<b>(2,099,769)</b>	<b>531,916</b>	<b>2,631,685</b>	<b>(299,461)</b>
<b>Fund balances-beginning</b>	<b>3,003,636</b>	<b>3,003,636</b>	<b>3,003,636</b>	<b>-</b>	<b>3,303,097</b>
<b>Fund balances-ending</b>	<b>\$ 903,867</b>	<b>\$ 903,867</b>	<b>\$ 3,535,552</b>	<b>\$ 2,631,685</b>	<b>\$ 3,003,636</b>

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**GRANT SPECIAL REVENUE FUND**  
**For the Year Ended September 30, 2013**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)	2012 Actual
<b>REVENUES</b>					
Intergovernmental	\$ 230,537,679	\$ 230,537,679	\$ 16,513,079	\$ (214,024,600)	\$ 56,224,337
Charges for Services	(16,800)	(16,800)	12,214	29,014	(1,630)
Investment Earnings	-	591	669	78	192
Miscellaneous	3,130,973	3,130,973	1,327,501	(1,803,472)	-
<b>Total revenues</b>	<b>233,651,852</b>	<b>233,652,443</b>	<b>17,853,463</b>	<b>(215,798,980)</b>	<b>56,222,899</b>
<b>EXPENDITURES</b>					
General Government:					
Current:					
Personal Services	2,616,717	2,616,717	568,243	2,048,474	504,102
Supplies	162,387	162,387	19,806	142,581	19,935
Other Services and Charges	102,750,310	102,750,310	283,968	102,466,342	41,403,526
Total General Government:	105,529,414	105,529,414	872,017	104,657,397	41,927,563
Public Safety:					
Current:					
Personal Services	5,185,929	5,185,929	2,291,154	2,894,775	2,145,359
Supplies	1,785,783	1,785,783	896,293	889,490	133,196
Other Services and Charges	104,083,269	104,083,269	4,864,711	99,218,558	6,412,799
Total Public Safety:	111,054,981	111,054,981	8,052,158	103,002,823	8,691,354
Health and social services:					
Current:					
Personal Services	334,551	334,551	310,859	23,692	294,108
Supplies	553,956	553,956	449,687	104,269	104,339
Other Services and Charges	1,185,651	1,185,651	272,988	912,663	646,845
Total Health and social services:	2,074,158	2,074,158	1,033,534	1,040,624	1,045,292
Culture and recreation:					
Current:					
Other Services and Charges	130,000	130,000	-	130,000	-
Total Culture and recreation::	130,000	130,000	-	130,000	-
Capital Outlay	21,360,079	21,360,079	5,024,564	16,335,515	5,602,299
<b>Total expenditures</b>	<b>240,148,632</b>	<b>240,148,632</b>	<b>14,982,273</b>	<b>225,166,359</b>	<b>57,266,508</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(6,496,780)</b>	<b>(6,496,189)</b>	<b>2,871,190</b>	<b>9,367,379</b>	<b>(1,043,609)</b>

**GALVESTON COUNTY, TEXAS  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
GRANT SPECIAL REVENUE FUND  
For the Year Ended September 30, 2013**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>	<u>2012 Actual</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	7,840,699	7,840,699	1,732,996	(6,107,703)	361,100
Transfers Out	<u>720,407</u>	<u>720,407</u>	<u>(1,831)</u>	<u>(722,238)</u>	<u>207,647</u>
<b>Total other financing sources (uses)</b>	<u>8,561,106</u>	<u>8,561,106</u>	<u>1,731,165</u>	<u>(6,829,941)</u>	<u>568,747</u>
Extraordinary Item - Texas Windstorm Case Settlement	<u>685,076</u>	<u>685,076</u>	<u>-</u>	<u>(685,076)</u>	<u>2,369,250</u>
<b>Net change in fund balances</b>	2,749,402	2,749,993	4,602,355	1,852,362	1,894,388
<b>Fund balances-beginning</b>	<u>2,681,139</u>	<u>2,681,139</u>	<u>2,681,139</u>	<u>-</u>	<u>786,751</u>
<b>Fund balances-ending</b>	<u><b>\$ 5,430,541</b></u>	<u><b>\$ 5,431,132</b></u>	<u><b>\$ 7,283,494</b></u>	<u><b>\$ 1,852,362</b></u>	<u><b>\$ 2,681,139</b></u>

Galveston County, Texas  
Notes to the Required Supplementary Information  
For the Year Ended September 30, 2013

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  
General Employees' Retirement Plan for the Employees of Galveston County, Texas  
September 30, 2013

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
12/31/2012	181,563,228	210,264,021	28,700,793	86.35	54,338,090	52.82

Galveston County, Texas  
Schedule of Employer Contributions  
General Employees' Retirement Plan for the Employees of Galveston County, Texas  
September 30, 2013

Fiscal Year Ended	Annual Pension Cost ("APC")	Percentage of APC Contributed	Net Pension Obligation
September 30, 2013	\$ 5,786,151	100%	-
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  
 General Employees' Post-Employment Benefits Plan for the Employees of Galveston County, Texas  
 September 30, 2013

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)]
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%
2011	-	124,919,562	124,919,562	0%	44,727,676	279.2892%

*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, is the actuarial valuation of October 1, 2011.*

## 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 Road and Bridge Special Revenue Fund qualifies as a major fund and is thus presented in the Basic Financial Statements of this report. Note that in prior fiscal years, each Special Revenue grant fund was reported separately, but in the fiscal year ended September 30, 2013, all of those individual grant funds were combined into one fund.

### Debt Service Fund

The Debt Service Fund is used to account for the accumulation of resources disbursed to retire the principal of, and to pay the interest costs and paying-agent fees associated with, the county's long-term debt. Note that in prior fiscal years a discrete debt service fund was created for each debt issuance, but in the fiscal year ended September 30, 2013, all of those individual debt service funds were combined into one fund.

### 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.

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**DEBT SERVICE FUND**  
**For the Year Ended September 30, 2013**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget- Positive (Negative)</b>	<b>2012 Actual Amounts</b>
<b>REVENUES</b>					
Taxes:					
Ad Valorem Taxes - Current	\$ 24,515,043	\$ 24,515,043	\$ 24,551,098	\$ 36,055	\$ 25,795,603
Ad Valorem Taxes - Delinquent	340,100	340,100	528,005	187,905	498,659
Penalties and Interest	231,000	231,000	279,717	48,717	267,781
Intergovernmental	6,341,545	6,341,545	5,987,665	(353,880)	4,102,280
Investment Earnings	65,750	65,750	83,280	17,530	66,827
<b>Total revenues</b>	<b>31,493,438</b>	<b>31,493,438</b>	<b>31,429,765</b>	<b>(63,673)</b>	<b>30,731,150</b>
<b>EXPENDITURES</b>					
Debt Service:					
Principal Retirement	17,870,000	20,830,000	20,830,000	-	16,959,988
Interest and Fiscal Charges	13,248,900	13,260,823	13,258,220	2,603	14,495,575
Bond Issuance Cost	-	-	-	-	669,275
<b>Total expenditures</b>	<b>31,118,900</b>	<b>34,090,823</b>	<b>34,088,220</b>	<b>2,603</b>	<b>32,124,838</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>374,538</b>	<b>(2,597,385)</b>	<b>(2,658,455)</b>	<b>(61,070)</b>	<b>(1,393,688)</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	-	3,702,392	3,702,392	-	-
Transfers Out	-	(760,070)	(760,070)	-	-
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>2,942,322</b>	<b>2,942,322</b>	<b>-</b>	<b>694,193</b>
<b>Net change in fund balances</b>	<b>374,538</b>	<b>344,937</b>	<b>283,867</b>	<b>(61,070)</b>	<b>(699,495)</b>
<b>Fund balances-beginning</b>	<b>10,342,448</b>	<b>10,342,448</b>	<b>10,342,448</b>	<b>-</b>	<b>11,041,943</b>
<b>Fund balances-ending</b>	<b>\$ 10,716,986</b>	<b>\$ 10,687,385</b>	<b>\$ 10,626,315</b>	<b>\$ (61,070)</b>	<b>\$ 10,342,448</b>



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## Nonmajor Governmental Funds

**GALVESTON COUNTY, TEXAS  
COMBINED BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
September 30, 2013**

	SPECIAL REVENUE	CAPITAL PROJECTS	TOTAL NONMAJOR GOVERNMENTAL FUNDS
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 21,670,400	\$ 39,022,866	\$ 60,693,266
Receivables (Net of Allowances for Uncollectibles):			
Taxes	311,875	-	311,875
Accounts and Other	302,665	2,742,328	3,044,993
Inventory at Cost	408,264	-	408,264
Restricted Assets:			
Cash and Cash Equivalents	1,749,202	-	1,749,202
<b>Total assets</b>	<b>\$ 24,442,406</b>	<b>\$ 41,765,194</b>	<b>\$ 66,207,600</b>
<b>LIABILITIES</b>			
Accounts Payable	\$ 943,675	\$ 581,501	\$ 1,525,176
Salaries Payable	270,840	7,780	278,620
Retainage Payable	-	2,170,111	2,170,111
Due to Others	8,160	1,234,573	1,242,733
Payable from Restricted Assets:			
Escrow Deposits	35,765	-	35,765
Deposits - Held	611,276	-	611,276
Due to Other Funds	-	623,930	623,930
Deferred Revenue	311,875	-	311,875
<b>Total liabilities</b>	<b>2,181,591</b>	<b>4,617,895</b>	<b>6,799,486</b>
<b>FUND BALANCES</b>			
Non-Spendable	408,264	-	408,264
Restricted	21,852,551	35,177,275	57,029,826
Assigned	-	1,970,024	1,970,024
<b>Total fund balances</b>	<b>22,260,815</b>	<b>37,147,299</b>	<b>59,408,114</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 24,442,406</b>	<b>\$ 41,765,194</b>	<b>\$ 66,207,600</b>

**GALVESTON COUNTY, TEXAS**  
**COMBINED STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**For the Year Ended September 30, 2013**

	SPECIAL REVENUE	CAPITAL PROJECTS	TOTAL NONMAJOR GOVERNMENTAL FUNDS
<b>REVENUES</b>			
Taxes	\$ 3,404,128	\$ -	\$ 3,404,128
Intergovernmental	362,796	3,777,216	4,140,012
Charges for Services	2,863,295	-	2,863,295
Fines and Forfeitures	258,656	-	258,656
Investment Earnings	72,313	292,214	364,527
Miscellaneous	700,539	-	700,539
<b>Total revenues</b>	<u>7,661,727</u>	<u>4,069,430</u>	<u>11,731,157</u>
<b>EXPENDITURES</b>			
Current:			
General Government	1,803,611	393,544	2,197,155
Public Safety	6,598,733	-	6,598,733
Health and Social Services	5,167,991	-	5,167,991
Culture and Recreation	549,539	-	549,539
Roads, Bridges and Rights-of-Way	350,529	16,908,546	17,259,075
Capital Outlay	907,819	3,452,959	4,360,778
<b>Total expenditures</b>	<u>15,378,222</u>	<u>20,755,049</u>	<u>36,133,271</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(7,716,495)</u>	<u>(16,685,619)</u>	<u>(24,402,114)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	9,649,300	450,000	10,099,300
Transfers Out	(3,125,445)	(3,516,396)	(6,641,841)
Sale of Capital Assets	90,495	-	90,495
Total other financing sources (uses)	<u>6,614,350</u>	<u>(3,066,396)</u>	<u>3,547,954</u>
Net change in fund balances	(1,102,145)	(19,752,015)	(20,854,160)
<b>Fund balances-beginning</b>	23,425,980	56,899,314	80,325,294
Prior period adjustments	(63,020)	-	(63,020)
<b>Fund balances-ending</b>	<u>\$ 22,260,815</u>	<u>\$ 37,147,299</u>	<u>\$ 59,408,114</u>

NONMAJOR  
SPECIAL REVENUE FUNDS

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*. 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 County Clerk 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. The County of Galveston and the lessee enter into a lease agreement 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. Fees collected by the County Clerk for the county equipment 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 the 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 District Clerk records management and automation projects.

VETERANS COURT (FUND 2108) – The Veterans Court Fund was established under Chapter 617 of the Health and Safety Code, which states the Commissioners Court may establish a Veterans Court Program for persons arrested for or charged with any misdemeanor or felony offense. Defendants must be veterans or current members of the US military suffering from brain injury, mental illness or mental disorder resulting from military service. Fees collected from the participant include: 1) a reasonable program fee not to exceed \$1,000, and 2) testing, counseling and treatment fees necessary to cover such costs. These fees may only be used for purposes specific to the Veterans Court Program. This fund is under the direction of the Commissioners Court.

TAX ASSESSOR-COLLECTOR SPECIAL INVENTORY TAX ESCROW (FUND 2111) – Chapter 23.12 of the *Property Tax Code* states 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 102.007 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. This fund has been reclassified to a trust and agency fund (Fund 7250) as of the beginning of fiscal year 2013.

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 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.

JUSTICE COURT BUILDING SECURITY (FUND 2206) – The Justice Court Building Security Fund was created under Chapter 102.017 of the *Code of Criminal Procedure* to finance security personnel, services and items related to buildings that house the operations of the justice courts. The clerks of the respective courts are to collect a \$4.00 security fee as a cost of court and remit them to the County Treasurer. The County Treasurer is to deposit one-fourth of the court cost into a fund known as the Justice Court Building Security Fund, with the remaining three-fourths being remitted into the Courthouse Security Fund. This fund is under the direction of the Commissioners Court.

APPELLATE JUDICIAL (FUND 2207) – The Appellate Judicial Fund was established as required under Government Code 22.2021 for use by any Commissioners Court in the First or Fourteenth Court of Appeals District. A court cost of not more than \$5.00 is collected for each civil suit filed in county court, county court at law, probate court or district court in the county and remitted to the County Treasurer to deposit into this fund. The fees collected and deposited into the Appellate Judicial Fund are only to be used to defray costs and expenses incurred for the operation of the courts of appeals. The Commissioners Court shall administer this fund to maintain the system in cooperation with the chief justice of the courts of appeals.

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 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 \$10.00 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 and charge 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.

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 Commissary operations. The Commissary is controlled by the County Sheriff and is a means for inmates to purchase personal items. The proceeds 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 1701.157.

CONSTABLES SEIZURES (FUND 2255) – Seizures and forfeitures collected by the Constables after *Code of Criminal Procedure* Chapter 59.06 was passed in October 1989 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.

FARM-TO-MARKET LATERAL ROAD (FUND 2303) – 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 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) - 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 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 each commissioners court 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.

BEACH AND MAINTENANCE-ROAD & BRIDGE (FUND 2602) – The Beach and Maintenance Road & Bridge fund was created in fiscal year 2013 to account for funds appropriated to the County annually by the Texas General Land Office to offset beach road and maintenance expenses. The allocation varies each year based on the State funding budget availability.

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.



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GALVESTON COUNTY, TEXAS  
 COMBINING BALANCE SHEET  
 ALL NONMAJOR SPECIAL REVENUE FUNDS  
 September 30, 2013  
 With Comparative Totals at September 30, 2012

(Continued)

	COUNTY RECORDS MANAGEMENT	COUNTY CLERK RECORDS MANAGEMENT AND PRESERVATION	ELECTION SERVICES CONTRACT	COUNTY CLERK RECORDS ARCHIVE FEE	DISTRICT CLERK CHILD SUPPORT IV-D	DISTRICT CLERK RECORDS MANAGEMENT	VETERANS COURT
<b>ASSETS</b>							
Cash and Cash Equivalents	\$ 203,135	\$ 675,653	\$ 503,707	\$ 1,411,556	\$ 126,403	\$ 177,148	\$ 1,000
Receivables (Net of Allowances for Uncollectibles):							
Taxes	-	-	-	-	-	-	-
Accounts and Other	679	175	26,302	138	-	-	-
Inventory at Cost	-	-	-	-	-	-	-
Restricted Assets:							
Cash and Cash Equivalents	-	-	-	-	-	-	-
<b>Total assets</b>	<b>\$ 203,814</b>	<b>\$ 675,828</b>	<b>\$ 530,009</b>	<b>\$ 1,411,694</b>	<b>\$ 126,403</b>	<b>\$ 177,148</b>	<b>\$ 1,000</b>
<b>LIABILITIES</b>							
Accounts Payable	\$ 10,000	\$ 7,041	\$ 675	\$ 92,552	\$ -	\$ -	\$ -
Salaries Payable	-	6,685	3,547	10,586	-	-	-
Retainage Payable	-	-	-	-	-	-	-
Due to Others	-	-	-	-	-	-	-
Payable from Restricted Assets:							
Escrow Deposits	-	-	-	-	-	-	-
Deposits - Held	-	-	-	-	-	-	-
Due to Other Funds	-	-	-	-	-	-	-
Deferred Revenue	-	-	-	-	-	-	-
<b>Total liabilities</b>	<b>10,000</b>	<b>13,726</b>	<b>4,222</b>	<b>103,138</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES</b>							
Non-Spendable	-	-	-	-	-	-	-
Restricted	193,814	662,102	525,787	1,308,556	126,403	177,148	1,000
<b>Total fund balances</b>	<b>193,814</b>	<b>662,102</b>	<b>525,787</b>	<b>1,308,556</b>	<b>126,403</b>	<b>177,148</b>	<b>1,000</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 203,814</b>	<b>\$ 675,828</b>	<b>\$ 530,009</b>	<b>\$ 1,411,694</b>	<b>\$ 126,403</b>	<b>\$ 177,148</b>	<b>\$ 1,000</b>

**GALVESTON COUNTY, TEXAS  
COMBINING BALANCE SHEET  
ALL NONMAJOR SPECIAL REVENUE FUNDS  
September 30, 2013  
With Comparative Totals at September 30, 2012**

(Continued)

	TAX ASSESSOR- COLLECTOR SPECIAL INVENTORY TAX ESCROW	DONATIONS TO GALVESTON COUNTY	DISTRICT ATTORNEY CONTRABAND POST-10/89	DISTRICT ATTORNEY CHECK COLLECTION FEES	UNCLAIMED PROPERTY	COURTHOUSE SECURITY	JUSTICE COURT BUILDING SECURITY	APPELLATE JUDICIAL
<b>ASSETS</b>								
Cash and Cash Equivalents	\$ 46,120	\$ 9,064	\$ 224,780	\$ 25,741	\$ -	\$ 195,866	\$ 11,045	\$ 44,075
Receivables (Net of Allowances for Uncollectibles):								
Taxes	-	-	-	-	-	-	-	-
Accounts and Other	626	-	256	-	-	280	-	158
Inventory at Cost	-	-	-	-	-	-	-	-
Restricted Assets:								
Cash and Cash Equivalents	-	-	-	-	-	-	-	-
<b>Total assets</b>	<b>\$ 46,746</b>	<b>\$ 9,064</b>	<b>\$ 225,036</b>	<b>\$ 25,741</b>	<b>\$ -</b>	<b>\$ 196,146</b>	<b>\$ 11,045</b>	<b>\$ 44,233</b>
<b>LIABILITIES</b>								
Accounts Payable	\$ 235	\$ 3,282	\$ 80	\$ -	\$ -	\$ -	\$ -	\$ 38,309
Salaries Payable	-	-	-	-	-	-	-	-
Retainage Payable	-	-	-	-	-	-	-	-
Due to Others	-	-	-	-	-	-	-	-
Payable from Restricted Assets:								
Escrow Deposits	-	-	-	-	-	-	-	-
Deposits - Held	-	-	142,686	-	-	-	-	-
Due to Other Funds	-	-	-	-	-	-	-	-
Deferred Revenue	-	-	-	-	-	-	-	-
<b>Total liabilities</b>	<b>235</b>	<b>3,282</b>	<b>142,766</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>38,309</b>
<b>FUND BALANCES</b>								
Non-Spendable	-	-	-	-	-	-	-	-
Restricted	46,511	5,782	82,270	25,741	-	196,146	11,045	5,924
<b>Total fund balances</b>	<b>46,511</b>	<b>5,782</b>	<b>82,270</b>	<b>25,741</b>	<b>-</b>	<b>196,146</b>	<b>11,045</b>	<b>5,924</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 46,746</b>	<b>\$ 9,064</b>	<b>\$ 225,036</b>	<b>\$ 25,741</b>	<b>\$ -</b>	<b>\$ 196,146</b>	<b>\$ 11,045</b>	<b>\$ 44,233</b>

**GALVESTON COUNTY, TEXAS  
COMBINING BALANCE SHEET  
ALL NONMAJOR SPECIAL REVENUE FUNDS  
September 30, 2013  
With Comparative Totals at September 30, 2012**

(Continued)

	LAW LIBRARY	MEDIATION SERVICES PROGRAM	JUSTICE COURT TECHNOLOGY	PROBATE COURT CONTRIBUTIONS	JUVENILE JUSTICE	SHERIFF'S COMMISSARY	SHERIFF SEIZURES POST-10/89	TASK FORCE SEIZURES PRE-10/89
<b>ASSETS</b>								
Cash and Cash Equivalents	\$ 8,842	\$ 1,045,889	\$ 53,653	\$ 282,184	\$ 1,835,501	\$ 465,442	\$ 587,264	\$ 21,664
Receivables (Net of Allowances for Uncollectibles):								
Taxes	-	-	-	-	-	-	-	-
Accounts and Other	328	316	-	-	30,315	59,716	-	-
Inventory at Cost	-	-	-	-	-	-	-	-
Restricted Assets:								
Cash and Cash Equivalents	-	-	-	-	-	-	-	-
<b>Total assets</b>	<b>\$ 9,170</b>	<b>\$ 1,046,205</b>	<b>\$ 53,653</b>	<b>\$ 282,184</b>	<b>\$ 1,865,816</b>	<b>\$ 525,158</b>	<b>\$ 587,264</b>	<b>\$ 21,664</b>
<b>LIABILITIES</b>								
Accounts Payable	\$ 327	\$ 4,048	\$ -	\$ 1,080	\$ 110,305	\$ 48,459	\$ 2,146	\$ -
Salaries Payable	1,303	-	-	-	146,426	3,828	-	-
Retainage Payable	-	-	-	-	-	-	-	-
Due to Others	-	-	-	-	950	-	-	-
Payable from Restricted Assets:								
Escrow Deposits	-	-	-	-	-	-	-	-
Deposits - Held	-	-	-	-	-	-	447,604	14,083
Due to Other Funds	-	-	-	-	-	-	-	-
Deferred Revenue	-	-	-	-	-	-	-	-
<b>Total liabilities</b>	<b>1,630</b>	<b>4,048</b>	<b>-</b>	<b>1,080</b>	<b>257,681</b>	<b>52,287</b>	<b>449,750</b>	<b>14,083</b>
<b>FUND BALANCES</b>								
Non-Spendable	-	-	-	-	-	-	-	-
Restricted	7,540	1,042,157	53,653	281,104	1,608,135	472,871	137,514	7,581
<b>Total fund balances</b>	<b>7,540</b>	<b>1,042,157</b>	<b>53,653</b>	<b>281,104</b>	<b>1,608,135</b>	<b>472,871</b>	<b>137,514</b>	<b>7,581</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 9,170</b>	<b>\$ 1,046,205</b>	<b>\$ 53,653</b>	<b>\$ 282,184</b>	<b>\$ 1,865,816</b>	<b>\$ 525,158</b>	<b>\$ 587,264</b>	<b>\$ 21,664</b>

**GALVESTON COUNTY, TEXAS  
COMBINING BALANCE SHEET  
ALL NONMAJOR SPECIAL REVENUE FUNDS  
September 30, 2013  
With Comparative Totals at September 30, 2012**

(Continued)

	CRIMINAL INVESTIGATIVE DIVISION SEIZURES POST-10/89	LAW ENFORCEMENT CONTINUED EDUCATION	CONSTABLES' SEIZURES	EMERGENCY MANAGEMENT	FARM-TO- MARKET LATERAL ROAD	ROAD DISTRICT #1	FLOOD CONTROL	MOSQUITO CONTROL DISTRICT
<b>ASSETS</b>								
Cash and Cash Equivalents	\$ 5,919	\$ 113,837	\$ 3,443	\$ 2,180,113	\$ 1,181,516	\$ 443,124	\$ 1,526,448	\$ 526,371
Receivables (Net of Allowances for Uncollectibles):								
Taxes	-	-	-	-	8,286	202	190,919	112,468
Accounts and Other	-	-	-	23,296	1,990	1,102	10,384	870
Inventory at Cost	-	-	-	-	-	-	-	408,264
Restricted Assets:								
Cash and Cash Equivalents	-	-	-	33,387	-	-	2,386	-
<b>Total assets</b>	<b>\$ 5,919</b>	<b>\$ 113,837</b>	<b>\$ 3,443</b>	<b>\$ 2,236,796</b>	<b>\$ 1,191,792</b>	<b>\$ 444,428</b>	<b>\$ 1,730,137</b>	<b>\$ 1,047,973</b>
<b>LIABILITIES</b>								
Accounts Payable	\$ -	\$ 2,028	\$ -	\$ 12,794	\$ -	\$ 13,461	\$ 48,130	\$ 55,217
Salaries Payable	-	-	-	-	3,630	10,620	47,404	27,540
Retainage Payable	-	-	-	-	-	-	-	-
Due to Others	-	-	-	-	1,200	-	6,000	-
Payable from Restricted Assets:								
Escrow Deposits	-	-	-	33,387	-	-	2,378	-
Deposits - Held	5,919	-	-	-	-	-	-	-
Due to Other Funds	-	-	-	-	-	-	-	-
Deferred Revenue	-	-	-	-	8,286	202	190,919	112,468
<b>Total liabilities</b>	<b>5,919</b>	<b>2,028</b>	<b>-</b>	<b>46,181</b>	<b>13,116</b>	<b>24,283</b>	<b>294,831</b>	<b>195,225</b>
<b>FUND BALANCES</b>								
Non-Spendable	-	-	-	-	-	-	-	408,264
Restricted	-	111,809	3,443	2,190,615	1,178,676	420,145	1,435,306	444,484
<b>Total fund balances</b>	<b>-</b>	<b>111,809</b>	<b>3,443</b>	<b>2,190,615</b>	<b>1,178,676</b>	<b>420,145</b>	<b>1,435,306</b>	<b>852,748</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 5,919</b>	<b>\$ 113,837</b>	<b>\$ 3,443</b>	<b>\$ 2,236,796</b>	<b>\$ 1,191,792</b>	<b>\$ 444,428</b>	<b>\$ 1,730,137</b>	<b>\$ 1,047,973</b>

**GALVESTON COUNTY, TEXAS**  
**COMBINING BALANCE SHEET**  
**ALL NONMAJOR SPECIAL REVENUE FUNDS**  
**September 30, 2013**  
**With Comparative Totals at September 30, 2012**

	INDIGENT		BEACH AND PARKS	BEACH MAINTENANCE ROAD & BRIDGE	GALVESTON COUNTY MUSEUM	TOTALS	
	HEALTH CARE FUND	CHILD WELFARE				2013	2012*
<b>ASSETS</b>							
Cash and Cash Equivalents	\$ 7,307,483	\$ 385,325	\$ -	\$ 23,180	\$ 17,909	\$ 21,670,400	\$ 23,609,151
Receivables (Net of Allowances for Uncollectibles):							
Taxes	-	-	-	-	-	311,875	339,673
Accounts and Other	259	46,471	-	99,004	-	302,665	4,566,037
Inventory at Cost	-	-	-	-	-	408,264	327,446
Restricted Assets:							
Cash and Cash Equivalents	-	984	1,712,445	-	-	1,749,202	1,522,849
<b>Total assets</b>	<b>\$ 7,307,742</b>	<b>\$ 432,780</b>	<b>\$ 1,712,445</b>	<b>\$ 122,184</b>	<b>\$ 17,909</b>	<b>\$ 24,442,406</b>	<b>\$ 30,365,156</b>
<b>LIABILITIES</b>							
Accounts Payable	\$ 446,794	\$ 27,117	\$ 1,525	\$ 18,070	\$ -	\$ 943,675	\$ 2,889,546
Salaries Payable	-	1,942	2,703	4,626	-	270,840	347,892
Retainage Payable	-	-	-	-	-	-	133,103
Due to Others	-	-	10	-	-	8,160	23,551
Payable from Restricted Assets:							
Escrow Deposits	-	-	-	-	-	35,765	166,162
Deposits - Held	-	984	-	-	-	611,276	504,916
Due to Other Funds	-	-	-	-	-	-	1,609,070
Deferred Revenue	-	-	-	-	-	311,875	675,892
<b>Total liabilities</b>	<b>446,794</b>	<b>30,043</b>	<b>4,238</b>	<b>22,696</b>	<b>-</b>	<b>2,181,591</b>	<b>6,350,132</b>
<b>FUND BALANCES</b>							
Non-Spendable	-	-	-	-	-	408,264	327,446
Restricted	6,860,948	402,737	1,708,207	99,488	17,909	21,852,551	23,687,578
<b>Total fund balances</b>	<b>6,860,948</b>	<b>402,737</b>	<b>1,708,207</b>	<b>99,488</b>	<b>17,909</b>	<b>22,260,815</b>	<b>24,015,024</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 7,307,742</b>	<b>\$ 432,780</b>	<b>\$ 1,712,445</b>	<b>\$ 122,184</b>	<b>\$ 17,909</b>	<b>\$ 24,442,406</b>	<b>\$ 30,365,156</b>

\*As restated

**GALVESTON COUNTY, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**ALL NONMAJOR SPECIAL REVENUE FUNDS**  
**For the Year Ended September 30, 2013**  
**With Comparative Totals for the Year Ended September 30, 2012**

(Continued)

	COUNTY RECORDS MANAGEMENT	COUNTY CLERK RECORDS MANAGEMENT AND PRESERVATION	ELECTION SERVICES CONTRACT	COUNTY CLERK RECORDS ARCHIVE FEE	DISTRICT CLERK CHILD SUPPORT IV-D	DISTRICT CLERK RECORDS MANAGEMENT	VETERANS COURT
<b>REVENUES</b>							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	3,895	-	-
Charges for Services	114,613	469,923	130,655	439,499	-	69,197	-
Fines and Forfeitures	-	-	-	-	-	-	-
Investment Earnings	-	-	-	-	-	-	-
Miscellaneous	1,425	-	-	-	-	-	-
<b>Total revenues</b>	<b>116,038</b>	<b>469,923</b>	<b>130,655</b>	<b>439,499</b>	<b>3,895</b>	<b>69,197</b>	<b>-</b>
<b>EXPENDITURES</b>							
Current :							
General Government	120,188	267,737	44,923	446,951	-	-	-
Public Safety	-	-	-	-	-	-	-
Health and Social Services	-	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-	-
Roads, Bridges, Rights-of-Way	-	-	-	-	-	-	-
Capital Outlay	-	33,117	-	-	-	-	-
<b>Total expenditures</b>	<b>120,188</b>	<b>300,854</b>	<b>44,923</b>	<b>446,951</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(4,150)</b>	<b>169,069</b>	<b>85,732</b>	<b>(7,452)</b>	<b>3,895</b>	<b>69,197</b>	<b>-</b>
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers In	80,000	-	-	-	-	-	1,000
Transfers Out	(15,000)	(49,700)	-	(20,800)	-	(40,000)	-
Sale of Capital Assets	-	-	-	-	-	-	-
Total other financing sources (uses)	65,000	(49,700)	-	(20,800)	-	(40,000)	1,000
<b>Net change in fund balances</b>	<b>60,850</b>	<b>119,369</b>	<b>85,732</b>	<b>(28,252)</b>	<b>3,895</b>	<b>29,197</b>	<b>1,000</b>
<b>Fund balances-beginning</b>	<b>132,964</b>	<b>542,733</b>	<b>440,055</b>	<b>1,336,808</b>	<b>122,508</b>	<b>147,951</b>	<b>-</b>
Prior period adjustments	-	-	-	-	-	-	-
<b>Fund balances-ending</b>	<b>\$ 193,814</b>	<b>\$ 662,102</b>	<b>\$ 525,787</b>	<b>\$ 1,308,556</b>	<b>\$ 126,403</b>	<b>\$ 177,148</b>	<b>\$ 1,000</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, 2013**  
**With Comparative Totals for the Year Ended September 30, 2012**

(Continued)

	TAX ASSESSOR- COLLECTOR SPECIAL INVENTORY TAX ESCROW	DONATIONS TO GALVESTON COUNTY	DISTRICT ATTORNEY CONTRABAND POST-10/89	DISTRICT ATTORNEY CHECK COLLECTION FEES	UNCLAIMED PROPERTY	COURTHOUSE SECURITY	JUSTICE COURT BUILDING SECURITY	APPELLATE JUDICIAL
<b>REVENUES</b>								
Taxes	\$ 3,151	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	2,636	-	184,688	14,635	-
Fines and Forfeitures	-	-	51,703	-	-	-	-	44,233
Investment Earnings	6,218	-	584	-	-	-	-	-
Miscellaneous	-	11,850	90	-	-	-	-	-
<b>Total revenues</b>	<b>9,369</b>	<b>11,850</b>	<b>52,377</b>	<b>2,636</b>	<b>-</b>	<b>184,688</b>	<b>14,635</b>	<b>44,233</b>
<b>EXPENDITURES</b>								
Current :								
General Government	13,744	-	44,332	16,631	-	-	-	38,309
Public Safety	-	-	-	-	-	18,000	3,590	-
Health and Social Services	-	6,947	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-	-	-
Roads, Bridges, Rights-of-Way	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>13,744</b>	<b>6,947</b>	<b>44,332</b>	<b>16,631</b>	<b>-</b>	<b>18,000</b>	<b>3,590</b>	<b>38,309</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(4,375)</b>	<b>4,903</b>	<b>8,045</b>	<b>(13,995)</b>	<b>-</b>	<b>166,688</b>	<b>11,045</b>	<b>5,924</b>
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	(211,900)	-	-
Sale of Capital Assets	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(211,900)</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>(4,375)</b>	<b>4,903</b>	<b>8,045</b>	<b>(13,995)</b>	<b>-</b>	<b>(45,212)</b>	<b>11,045</b>	<b>5,924</b>
<b>Fund balances-beginning</b>	<b>50,886</b>	<b>879</b>	<b>74,225</b>	<b>39,736</b>	<b>63,020</b>	<b>241,358</b>	<b>-</b>	<b>-</b>
Prior period adjustments	-	-	-	-	(63,020)	-	-	-
<b>Fund balances-ending</b>	<b>\$ 46,511</b>	<b>\$ 5,782</b>	<b>\$ 82,270</b>	<b>\$ 25,741</b>	<b>\$ -</b>	<b>\$ 196,146</b>	<b>\$ 11,045</b>	<b>\$ 5,924</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, 2013**  
**With Comparative Totals for the Year Ended September 30, 2012**

(Continued)

	LAW LIBRARY	MEDIATION SERVICES PROGRAM	JUSTICE COURT TECHNOLOGY	PROBATE COURT CONTRIBUTIONS	JUVENILE JUSTICE	SHERIFF'S COMMISSARY	SHERIFF SEIZURES POST-10/89	TASK FORCE SEIZURES PRE-10/89
<b>REVENUES</b>								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	40,000	89,793	-	-	-
Charges for Services	244,757	137,206	-	-	30	-	-	-
Fines and Forfeitures	-	-	57,986	-	-	-	103,493	-
Investment Earnings	-	6,728	-	-	8,662	6,057	652	-
Miscellaneous	-	300	-	-	183	455,571	741	-
<b>Total revenues</b>	<b>244,757</b>	<b>144,234</b>	<b>57,986</b>	<b>40,000</b>	<b>98,668</b>	<b>461,628</b>	<b>104,886</b>	<b>-</b>
<b>EXPENDITURES</b>								
Current :								
General Government	258,981	48,618	-	24,165	-	-	-	-
Public Safety	-	-	-	-	4,372,491	679,348	37,802	-
Health and Social Services	-	-	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-	-	-
Roads, Bridges, Rights-of-Way	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	201,960	-	-
<b>Total expenditures</b>	<b>258,981</b>	<b>48,618</b>	<b>-</b>	<b>24,165</b>	<b>4,372,491</b>	<b>881,308</b>	<b>37,802</b>	<b>-</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(14,224)</b>	<b>95,616</b>	<b>57,986</b>	<b>15,835</b>	<b>(4,273,823)</b>	<b>(419,680)</b>	<b>67,084</b>	<b>-</b>
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers In	-	-	-	-	5,985,300	-	-	-
Transfers Out	(3,300)	(17,100)	(80,000)	(7,946)	(1,368,300)	(28,000)	-	(5,399)
Sale of Capital Assets	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>(3,300)</b>	<b>(17,100)</b>	<b>(80,000)</b>	<b>(7,946)</b>	<b>4,617,000</b>	<b>(28,000)</b>	<b>-</b>	<b>(5,399)</b>
<b>Net change in fund balances</b>	<b>(17,524)</b>	<b>78,516</b>	<b>(22,014)</b>	<b>7,889</b>	<b>343,177</b>	<b>(447,680)</b>	<b>67,084</b>	<b>(5,399)</b>
<b>Fund balances-beginning</b>	<b>25,064</b>	<b>963,641</b>	<b>75,667</b>	<b>273,215</b>	<b>1,264,958</b>	<b>920,551</b>	<b>70,430</b>	<b>12,980</b>
Prior period adjustments	-	-	-	-	-	-	-	-
<b>Fund balances-ending</b>	<b>\$ 7,540</b>	<b>\$ 1,042,157</b>	<b>\$ 53,653</b>	<b>\$ 281,104</b>	<b>\$ 1,608,135</b>	<b>\$ 472,871</b>	<b>\$ 137,514</b>	<b>\$ 7,581</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, 2013**  
**With Comparative Totals for the Year Ended September 30, 2012**

(Continued)

	CRIMINAL INVESTIGATIVE DIVISION SEIZURES POST-10/89	LAW ENFORCEMENT CONTINUED EDUCATION	CONSTABLES' SEIZURES	EMERGENCY MANAGEMENT	FARM-TO- MARKET LATERAL ROAD	ROAD DISTRICT #1	FLOOD CONTROL	MOSQUITO CONTROL DISTRICT
<b>REVENUES</b>								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 766	\$ 8	\$ 1,827,485	\$ 1,572,718
Intergovernmental	-	-	-	23,890	24,971	-	-	-
Charges for Services	-	-	-	-	-	512,479	114,874	-
Fines and Forfeitures	-	-	1,241	-	-	-	-	-
Investment Earnings	-	-	24	-	8,119	2,848	16,029	5,870
Miscellaneous	-	-	-	-	43,611	-	184,315	-
<b>Total revenues</b>	-	-	1,265	23,890	77,467	515,335	2,142,703	1,578,588
<b>EXPENDITURES</b>								
Current :								
General Government	-	-	-	-	-	-	479,032	-
Public Safety	-	19,832	1,322	38,609	-	-	1,427,739	-
Health and Social Services	-	-	-	-	-	-	-	1,021,696
Culture and Recreation	-	-	-	-	-	-	-	-
Roads, Bridges, Rights-of-Way	-	-	-	-	90,917	259,612	-	-
Capital Outlay	-	-	-	-	-	-	500,268	55,745
<b>Total expenditures</b>	-	19,832	1,322	38,609	90,917	259,612	2,407,039	1,077,441
<b>Excess (deficiency) of revenues over (under) expenditures</b>	-	(19,832)	(57)	(14,719)	(13,450)	255,723	(264,336)	501,147
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	(44,500)	(75,200)	(153,900)	(617,600)	(360,200)
Sale of Capital Assets	-	-	-	-	60,320	-	4,575	-
<b>Total other financing sources (uses)</b>	-	-	-	(44,500)	(14,880)	(153,900)	(613,025)	(360,200)
<b>Net change in fund balances</b>	-	(19,832)	(57)	(59,219)	(28,330)	101,823	(877,361)	140,947
<b>Fund balances-beginning</b>	-	131,641	3,500	2,249,834	1,207,006	318,322	2,312,667	711,801
Prior period adjustments	-	-	-	-	-	-	-	-
<b>Fund balances-ending</b>	<b>\$ -</b>	<b>\$ 111,809</b>	<b>\$ 3,443</b>	<b>\$ 2,190,615</b>	<b>\$ 1,178,676</b>	<b>\$ 420,145</b>	<b>\$ 1,435,306</b>	<b>\$ 852,748</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, 2013**  
**With Comparative Totals for the Year Ended September 30, 2012**

	INDIGENT		BEACH AND PARKS	BEACH MAINTENANCE ROAD & BRIDGE	GALVESTON COUNTY MUSEUM	TOTALS	
	HEALTH CARE FUND	CHILD WELFARE				2013	2012*
<b>REVENUES</b>							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,404,128	\$ 3,105,859
Intergovernmental	51,243	30,000	-	99,004	-	362,796	10,596,600
Charges for Services	-	-	418,753	9,350	-	2,863,295	2,839,811
Fines and Forfeitures	-	-	-	-	-	258,656	202,681
Investment Earnings	6	-	10,516	-	-	72,313	57,891
Miscellaneous	179	2,274	-	-	-	700,539	844,866
<b>Total revenues</b>	<b>51,428</b>	<b>32,274</b>	<b>429,269</b>	<b>108,354</b>	<b>-</b>	<b>7,661,727</b>	<b>17,647,708</b>
<b>EXPENDITURES</b>							
Current :							
General Government	-	-	-	-	-	1,803,611	1,302,798
Public Safety	-	-	-	-	-	6,598,733	11,214,218
Health and Social Services	3,918,355	220,993	-	-	-	5,167,991	5,706,656
Culture and Recreation	-	-	117,962	431,577	-	549,539	77,177
Roads, Bridges, Rights-of-Way	-	-	-	-	-	350,529	641,440
Capital Outlay	-	-	9,440	107,289	-	907,819	5,106,130
<b>Total expenditures</b>	<b>3,918,355</b>	<b>220,993</b>	<b>127,402</b>	<b>538,866</b>	<b>-</b>	<b>15,378,222</b>	<b>24,048,419</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(3,866,927)</b>	<b>(188,719)</b>	<b>301,867</b>	<b>(430,512)</b>	<b>-</b>	<b>(7,716,495)</b>	<b>(6,400,711)</b>
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers In	2,928,000	125,000	-	530,000	-	9,649,300	4,246,400
Transfers Out	-	-	(26,600)	-	-	(3,125,445)	(2,747,110)
Sale of Capital Assets	-	-	25,600	-	-	90,495	8,099
<b>Total other financing sources (uses)</b>	<b>2,928,000</b>	<b>125,000</b>	<b>(1,000)</b>	<b>530,000</b>	<b>-</b>	<b>6,614,350</b>	<b>1,507,389</b>
<b>Net change in fund balances</b>	<b>(938,927)</b>	<b>(63,719)</b>	<b>300,867</b>	<b>99,488</b>	<b>-</b>	<b>(1,102,145)</b>	<b>(4,893,322)</b>
<b>Fund balances-beginning</b>	<b>7,799,875</b>	<b>466,456</b>	<b>1,407,340</b>	<b>-</b>	<b>17,909</b>	<b>23,425,980</b>	<b>29,566,603</b>
Prior period adjustments	-	-	-	-	-	(63,020)	(658,257)
<b>Fund balances-ending</b>	<b>\$ 6,860,948</b>	<b>\$ 402,737</b>	<b>\$ 1,708,207</b>	<b>\$ 99,488</b>	<b>\$ 17,909</b>	<b>\$ 22,260,815</b>	<b>\$ 24,015,024</b>

\*As restated

**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, 2013**  
**With Comparative Actual Amounts for the Year Ended September 30, 2012**

	<b>2013</b>		<b>Variance with Final Budget - Positive (Negative)</b>	<b>2012 Actual</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>		
<b>REVENUES</b>				
Charges for Services	\$ 132,000	\$ 114,613	\$ (17,387)	\$ 122,539
Miscellaneous	1,000	1,425	425	912
<b>Total revenues</b>	<b>133,000</b>	<b>116,038</b>	<b>(16,962)</b>	<b>123,451</b>
<b>EXPENDITURES</b>				
General Government:				
Current:				
Supplies	1,000	188	812	-
Other Services and Charges	120,000	120,000	-	110,000
<b>Total expenditures</b>	<b>121,000</b>	<b>120,188</b>	<b>812</b>	<b>110,000</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>12,000</b>	<b>(4,150)</b>	<b>(16,150)</b>	<b>13,451</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	80,000	80,000	-	30,400
Transfers Out	(115,000)	(15,000)	100,000	(66,300)
<b>Total other financing sources (uses)</b>	<b>(35,000)</b>	<b>65,000</b>	<b>100,000</b>	<b>(35,900)</b>
<b>Net change in fund balances</b>	<b>(23,000)</b>	<b>60,850</b>	<b>83,850</b>	<b>(22,449)</b>
<b>Fund balances-beginning</b>	<b>132,964</b>	<b>132,964</b>	<b>-</b>	<b>155,413</b>
<b>Fund balances-ending</b>	<b>\$ 109,964</b>	<b>\$ 193,814</b>	<b>\$ 83,850</b>	<b>\$ 132,964</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, 2013**  
**With Comparative Actual Amounts for the Year Ended September 30, 2012**

	<b>2013</b>		<b>Variance with Final Budget - Positive (Negative)</b>	<b>2012 Actual</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>		
<b>REVENUES</b>				
Charges for Services	\$ 396,900	\$ 469,923	\$ 73,023	\$ 416,733
<b>EXPENDITURES</b>				
General Government:				
Current:				
Personal Services	199,800	146,842	52,958	260,050
Supplies	15,000	33,163	(18,163)	12,903
Other Services and Charges	112,400	87,732	24,668	79,229
Total General Government:	327,200	267,737	59,463	352,182
Capital Outlay	465,000	33,117	431,883	-
<b>Total expenditures</b>	<b>792,200</b>	<b>300,854</b>	<b>491,346</b>	<b>352,182</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(395,300)</b>	<b>169,069</b>	<b>564,369</b>	<b>64,551</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(49,700)	(49,700)	-	(1,443,600)
<b>Net change in fund balances</b>	<b>(445,000)</b>	<b>119,369</b>	<b>564,369</b>	<b>(1,379,049)</b>
<b>Fund balances-beginning</b>	<b>542,733</b>	<b>542,733</b>	<b>-</b>	<b>1,921,782</b>
<b>Fund balances-ending</b>	<b>\$ 97,733</b>	<b>\$ 662,102</b>	<b>\$ 564,369</b>	<b>\$ 542,733</b>

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET (NON-GAAP) AND ACTUAL**  
**ELECTION SERVICES CONTRACT FUND SPECIAL REVENUE FUND**  
**For the Year Ended September 30, 2013**  
**With Comparative Actual Amounts for the Year Ended September 30, 2012**

	<b>2013</b>			<b>2012 Actual</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>	
<b>REVENUES</b>				
Charges for Services	\$ 105,000	\$ 130,655	\$ 25,655	\$ 218,724
<b>EXPENDITURES</b>				
General Government:				
Current:				
Personal Services	165,000	25,547	139,453	7,381
Supplies	50,000	12,118	37,882	1,800
Other Services and Charges	30,000	7,258	22,742	-
Total General Government:	245,000	44,923	200,077	9,181
Capital Outlay	50,000	-	50,000	-
<b>Total expenditures</b>	295,000	44,923	250,077	9,181
<b>Excess (deficiency) of revenues over (under) expenditures</b>	(190,000)	85,732	275,732	209,543
<b>Fund balances-beginning</b>	440,055	440,055	-	230,512
<b>Fund balances-ending</b>	<b>\$ 250,055</b>	<b>\$ 525,787</b>	<b>\$ 275,732</b>	<b>\$ 440,055</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, 2013**  
**With Comparative Actual Amounts for the Year Ended September 30, 2012**

	<b>2013</b>		<b>Variance with Final Budget - Positive (Negative)</b>	<b>2012 Actual</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>		
<b>REVENUES</b>				
Charges for Services	\$ 325,000	\$ 439,499	\$ 114,499	\$ 397,633
<b>EXPENDITURES</b>				
General Government:				
Current:				
Personal Services	268,800	206,282	62,518	-
Supplies	10,000	3,837	6,163	-
Other Services and Charges	-	236,832	(236,832)	26,825
Total General Government:	278,800	446,951	(168,151)	26,825
Capital Outlay	773,175	-	773,175	-
<b>Total expenditures</b>	<b>1,051,975</b>	<b>446,951</b>	<b>605,024</b>	<b>26,825</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(726,975)</b>	<b>(7,452)</b>	<b>719,523</b>	<b>370,808</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	-	966,000
Transfers Out	(217,625)	(20,800)	196,825	-
<b>Total other financing sources (uses)</b>	<b>(217,625)</b>	<b>(20,800)</b>	<b>196,825</b>	<b>966,000</b>
<b>Net change in fund balances</b>	<b>(944,600)</b>	<b>(28,252)</b>	<b>916,348</b>	<b>1,336,808</b>
Fund balances-beginning	1,336,808	1,336,808	-	-
<b>Fund balances-ending</b>	<b>\$ 392,208</b>	<b>\$ 1,308,556</b>	<b>\$ 916,348</b>	<b>\$ 1,336,808</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, 2013**  
**With Comparative Actual Amounts for the Year Ended September 30, 2012**

	<u>2013</u>			<u>2012</u> <u>Actual</u>
	<u>Final Budgeted</u> <u>Amounts</u>	<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget -</u> <u>Positive</u> <u>(Negative)</u>	
<b>REVENUES</b>				
Intergovernmental	\$ 6,000	\$ 3,895	\$ (2,105)	\$ 5,733
<b>EXPENDITURES</b>				
General Government:				
Current:				
Personal Services	50,800	-	50,800	-
<b>Excess (deficiency) of revenues</b> <b>over (under) expenditures</b>	(44,800)	3,895	48,695	5,733
<b>Fund balances-beginning</b>	122,508	122,508	-	116,775
<b>Fund balances-ending</b>	<u>\$ 77,708</u>	<u>\$ 126,403</u>	<u>\$ 48,695</u>	<u>\$ 122,508</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, 2013**  
**With Comparative Actual Amounts for the Year Ended September 30, 2012**

	<b>2013</b>			<b>2012 Actual</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>	
<b>REVENUES</b>				
Charges for Services	\$ 70,000	\$ 69,197	\$ (803)	\$ 69,475
<b>EXPENDITURES</b>	-	-	-	-
<b>Excess (deficiency) of revenues     over (under) expenditures</b>	70,000	69,197	(803)	69,475
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(40,000)	(40,000)	-	(40,000)
<b>Net change in fund balances</b>	30,000	29,197	(803)	29,475
<b>Fund balances-beginning</b>	147,951	147,951	-	118,476
<b>Fund balances-ending</b>	<b>\$ 177,951</b>	<b>\$ 177,148</b>	<b>\$ (803)</b>	<b>\$ 147,951</b>

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**VETERANS COURT SPECIAL REVENUE FUND**  
**For the Year Ended September 30, 2013**  
**With Comparative Actual Amounts for the Year Ended September 30, 2012**

	2013		Variance with Final Budget - Positive (Negative)	2012 Actual
	Final Budgeted Amounts	Actual Amounts		
<b>REVENUES</b>	\$ -	\$ -	\$ -	\$ -
<b>EXPENDITURES</b>				
General Government:				
Current:				
Supplies	1,000	-	1,000	-
<b>Excess (deficiency) of revenues over (under) expenditures</b>	(1,000)	-	1,000	-
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	1,000	1,000	-	-
<b>Net change in fund balances</b>	-	1,000	1,000	-
<b>Fund balances-beginning</b>	-	-	-	-
<b>Fund balances-ending</b>	<u>\$ -</u>	<u>\$ 1,000</u>	<u>\$ 1,000</u>	<u>\$ -</u>

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET (NON-GAAP) AND ACTUAL**  
**TAX ASSESSOR-COLLECTOR SPECIAL INVENTORY TAX ESCROW SPECIAL REVENUE FUND**  
**For the Year Ended September 30, 2013**  
**With Comparative Actual Amounts for the Year Ended September 30, 2012**

	<u>2013</u>			<u>2012</u> <u>Actual</u>
	<u>Final Budgeted</u> <u>Amounts</u>	<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget -</u> <u>Positive</u> <u>(Negative)</u>	
<b>REVENUES</b>				
Taxes	\$ 4,000	\$ 3,151	\$ (849)	\$ 3,486
Investment Earnings	3,000	6,218	3,218	3,473
<b>Total revenues</b>	<u>7,000</u>	<u>9,369</u>	<u>2,369</u>	<u>6,959</u>
<b>EXPENDITURES</b>				
General Government:				
Current:				
Personal Services	11,300	9,360	1,940	-
Other Services and Charges	5,700	4,384	1,316	497
<b>Total expenditures</b>	<u>17,000</u>	<u>13,744</u>	<u>3,256</u>	<u>497</u>
<b>Excess (deficiency) of revenues</b> <b>over (under) expenditures</b>	(10,000)	(4,375)	5,625	6,462
<b>Fund balances-beginning</b>	<u>50,886</u>	<u>50,886</u>	<u>-</u>	<u>44,424</u>
<b>Fund balances-ending</b>	<u><u>\$ 40,886</u></u>	<u><u>\$ 46,511</u></u>	<u><u>\$ 5,625</u></u>	<u><u>\$ 50,886</u></u>

**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, 2013**  
**With Comparative Actual Amounts for the Year Ended September 30, 2012**

	<u>2013</u>			<u>2012</u> <u>Actual</u>
	<u>Final Budgeted</u> <u>Amounts</u>	<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget -</u> <u>Positive</u> <u>(Negative)</u>	
<b>REVENUES</b>				
Miscellaneous	\$ 11,850	\$ 11,850	\$ -	\$ 10,000
<b>EXPENDITURES</b>				
Health and Social Services:				
Current:				
Other Services and Charges	\$ 11,850	\$ 6,947	\$ 4,903	\$ 9,991
<b>Excess (deficiency) of revenues</b> <b>over (under) expenditures</b>	-	4,903	4,903	9
<b>Fund balances-beginning</b>	879	879	-	870
<b>Fund balances-ending</b>	<u>\$ 879</u>	<u>\$ 5,782</u>	<u>\$ 4,903</u>	<u>\$ 879</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, 2013**  
**With Comparative Actual Amounts for the Year Ended September 30, 2012**

	<b>2013</b>			<b>2012 Actual</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>	
<b>REVENUES</b>				
Fines and Forfeitures	\$ 35,000	\$ 51,703	\$ 16,703	\$ 83,837
Investment Earnings	-	584	584	1,608
Miscellaneous	-	90	90	-
<b>Total revenues</b>	<b>35,000</b>	<b>52,377</b>	<b>17,377</b>	<b>85,445</b>
<b>EXPENDITURES</b>				
General Government:				
Current:				
Supplies	23,400	5,903	17,497	10,678
Other Services and Charges	70,700	38,429	32,271	43,876
<b>Total expenditures</b>	<b>94,100</b>	<b>44,332</b>	<b>49,768</b>	<b>54,554</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(59,100)</b>	<b>8,045</b>	<b>67,145</b>	<b>30,891</b>
<b>Fund balances-beginning</b>	<b>74,225</b>	<b>74,225</b>	<b>-</b>	<b>43,334</b>
<b>Fund balances-ending</b>	<b>\$ 15,125</b>	<b>\$ 82,270</b>	<b>\$ 67,145</b>	<b>\$ 74,225</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, 2013**  
**With Comparative Actual Amounts for the Year Ended September 30, 2012**

	<u>2013</u>			<u>2012</u> <u>Actual</u>
	<u>Final Budgeted</u> <u>Amounts</u>	<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget -</u> <u>Positive</u> <u>(Negative)</u>	
<b>REVENUES</b>				
Charges for Services	\$ -	\$ 2,636	\$ 2,636	\$ 4,123
<b>EXPENDITURES</b>				
General Government:				
Current:				
Personal Services	4,600	1,479	3,121	9,448
Supplies	7,000	-	7,000	34
Other Services and Charges	42,000	15,152	26,848	6,861
<b>Total expenditures</b>	<u>53,600</u>	<u>16,631</u>	<u>36,969</u>	<u>16,343</u>
<b>Excess (deficiency) of revenues</b> <b>over (under) expenditures</b>	(53,600)	(13,995)	39,605	(12,220)
<b>Fund balances-beginning</b>	<u>39,736</u>	<u>39,736</u>	<u>-</u>	<u>51,956</u>
<b>Fund balances-ending</b>	<u><u>\$ (13,864)</u></u>	<u><u>\$ 25,741</u></u>	<u><u>\$ 39,605</u></u>	<u><u>\$ 39,736</u></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, 2013**  
**With Comparative Actual Amounts for the Year Ended September 30, 2012**

	<b>2013</b>			<b>2012 Actual</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>	
<b>REVENUES</b>				
Charges for Services	\$ 178,500	\$ 184,688	\$ 6,188	\$ 195,351
<b>EXPENDITURES</b>				
Public Safety:				
Current:				
Personal Services	-	-	-	193,400
Supplies	-	-	-	2,041
Other Services and Charges	25,500	18,000	7,500	18,000
<b>Total expenditures</b>	<b>25,500</b>	<b>18,000</b>	<b>7,500</b>	<b>213,441</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>153,000</b>	<b>166,688</b>	<b>13,688</b>	<b>(18,090)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(391,900)	(211,900)	180,000	(18,600)
<b>Net change in fund balances</b>	<b>(238,900)</b>	<b>(45,212)</b>	<b>193,688</b>	<b>(36,690)</b>
<b>Fund balances-beginning</b>	<b>241,358</b>	<b>241,358</b>	<b>-</b>	<b>278,048</b>
<b>Fund balances-ending</b>	<b>\$ 2,458</b>	<b>\$ 196,146</b>	<b>\$ 193,688</b>	<b>\$ 241,358</b>

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**JUSTICE COURT BUILDING SECURITY SPECIAL REVENUE FUND**  
**For the Year Ended September 30, 2013**  
**With Comparative Actual Amounts for the Year Ended September 30, 2012**

	<b>2013</b>			<b>2012 Actual</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>	
<b>REVENUES</b>				
Charges for Services	\$ 20,000	\$ 14,635	\$ (5,365)	\$ -
<b>EXPENDITURES</b>				
Public Safety:				
Current:				
Supplies	4,600	3,590	1,010	-
<b>Excess (deficiency) of revenues over (under) expenditures</b>	15,400	11,045	(4,355)	-
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(15,400)	-	15,400	-
<b>Net change in fund balances</b>	-	11,045	11,045	-
<b>Fund balances-beginning</b>	-	-	-	-
<b>Fund balances-ending</b>	<u>\$ -</u>	<u>\$ 11,045</u>	<u>\$ 11,045</u>	<u>\$ -</u>

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**APPELLATE JUDICIAL SPECIAL REVENUE FUND**  
**For the Year Ended September 30, 2013**  
**With Comparative Actual Amounts for the Year Ended September 30, 2012**

	<u>2013</u>			<u>2012</u> <u>Actual</u>
	<u>Final Budgeted</u> <u>Amounts</u>	<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget -</u> <u>Positive</u> <u>(Negative)</u>	
<b>REVENUES</b>				
Fines and Forfeitures	\$ 38,500	\$ 44,233	\$ 5,733	\$ -
<b>EXPENDITURES</b>				
Public Safety:				
Current:				
Personal Services	44,000	38,309	5,691	-
<b>Total expenditures</b>	<u>44,000</u>	<u>38,309</u>	<u>5,691</u>	<u>-</u>
<b>Excess (deficiency) of revenues</b> <b>over (under) expenditures</b>	(5,500)	5,924	11,424	-
<b>Fund balances-beginning</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balances-ending</b>	<u>\$ (5,500)</u>	<u>\$ 5,924</u>	<u>\$ 11,424</u>	<u>\$ -</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, 2013**  
**With Comparative Actual Amounts for the Year Ended September 30, 2012**

	<b>2013</b>			<b>2012 Actual</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>	
<b>REVENUES</b>				
Charges for Services	\$ 248,000	\$ 244,757	\$ (3,243)	\$ 259,884
<b>EXPENDITURES</b>				
General Government:				
Current:				
Personal Services	40,700	39,433	1,267	32,454
Supplies	219,933	219,548	385	330,957
Other Services and Charges	1,050	-	1,050	612
<b>Total expenditures</b>	<b>261,683</b>	<b>258,981</b>	<b>2,702</b>	<b>364,023</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(13,683)</b>	<b>(14,224)</b>	<b>(541)</b>	<b>(104,139)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(3,300)	(3,300)	-	(12,800)
<b>Net change in fund balances</b>	<b>(16,983)</b>	<b>(17,524)</b>	<b>(541)</b>	<b>(116,939)</b>
<b>Fund balances-beginning</b>	<b>25,064</b>	<b>25,064</b>	<b>-</b>	<b>142,003</b>
<b>Fund balances-ending</b>	<b>\$ 8,081</b>	<b>\$ 7,540</b>	<b>\$ (541)</b>	<b>\$ 25,064</b>

**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, 2013**  
**With Comparative Actual Amounts for the Year Ended September 30, 2012**

	<b>2013</b>			<b>2012 Actual</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>	
<b>REVENUES</b>				
Charges for Services	\$ 133,900	\$ 137,206	\$ 3,306	\$ 140,929
Investment Earnings	5,000	6,728	1,728	4,623
Miscellaneous	-	300	300	-
<b>Total revenues</b>	<b>138,900</b>	<b>144,234</b>	<b>5,334</b>	<b>145,552</b>
<b>EXPENDITURES</b>				
General Government:				
Current:				
Other Services and Charges	75,000	48,618	26,382	47,252
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>63,900</b>	<b>95,616</b>	<b>31,716</b>	<b>98,300</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(1,017,100)	(17,100)	1,000,000	-
<b>Net change in fund balances</b>	<b>(953,200)</b>	<b>78,516</b>	<b>1,031,716</b>	<b>98,300</b>
<b>Fund balances-beginning</b>	<b>963,641</b>	<b>963,641</b>	<b>-</b>	<b>865,341</b>
<b>Fund balances-ending</b>	<b>\$ 10,441</b>	<b>\$ 1,042,157</b>	<b>\$ 1,031,716</b>	<b>\$ 963,641</b>

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**JUSTICE COURT TECHNOLOGY SPECIAL REVENUE FUND**  
**For the Year Ended September 30, 2013**  
**With Comparative Actual Amounts for the Year Ended September 30, 2012**

	<b>2013</b>			<b>2012 Actual</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>	
<b>REVENUES</b>				
Fines and Forfeitures	\$ 66,350	\$ 57,986	\$ (8,364)	\$ 61,726
<b>EXPENDITURES</b>				
General Government:				
Current:				
Other Services and Charges	-	-	-	-
<b>Excess (deficiency) of revenues over (under) expenditures</b>	66,350	57,986	(8,364)	61,726
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(145,000)	(80,000)	65,000	(60,000)
<b>Net change in fund balances</b>	(78,650)	(22,014)	56,636	1,726
<b>Fund balances-beginning</b>	75,667	75,667	-	73,941
<b>Fund balances-ending</b>	<b>\$ (2,983)</b>	<b>\$ 53,653</b>	<b>\$ 56,636</b>	<b>\$ 75,667</b>

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET (NON-GAAP) AND ACTUAL**  
**PROBATE COURT CONTRIBUTIONS SPECIAL REVENUE FUND**  
**For the Year Ended September 30, 2013**  
**With Comparative Actual Amounts for the Year Ended September 30, 2012**

	<u>2013</u>			<u>2012</u> <u>Actual</u>
	<u>Final Budgeted</u> <u>Amounts</u>	<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget -</u> <u>Positive</u> <u>(Negative)</u>	
<b>REVENUES</b>				
Intergovernmental	\$ 40,000	\$ 40,000	\$ -	\$ 39,985
<b>EXPENDITURES</b>				
General Government:				
Current:				
Supplies	27,000	21,949	5,051	-
Other Services and Charges	40,000	2,216	37,784	3,448
<b>Total expenditures</b>	<u>67,000</u>	<u>24,165</u>	<u>42,835</u>	<u>3,448</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	(27,000)	15,835	42,835	36,537
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(221,100)	(7,946)	213,154	(70,100)
<b>Net change in fund balances</b>	(248,100)	7,889	255,989	(33,563)
<b>Fund balances-beginning</b>	<u>273,215</u>	<u>273,215</u>	<u>-</u>	<u>306,778</u>
<b>Fund balances-ending</b>	<u>\$ 25,115</u>	<u>\$ 281,104</u>	<u>\$ 255,989</u>	<u>\$ 273,215</u>

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**JUVENILE JUSTICE SPECIAL REVENUE FUND**  
**For the Year Ended September 30, 2013**  
**With Comparative Actual Amounts for the Year Ended September 30, 2012**

	<b>2013</b>		<b>Variance with Final Budget - Positive (Negative)</b>	<b>2012 Actual</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>		
<b>REVENUES</b>				
Intergovernmental	\$ 115,000	\$ 89,793	\$ (25,207)	\$ 158,543
Charges for Services	400	30	(370)	362
Investment Earnings	18,500	8,662	(9,838)	11,351
Miscellaneous	-	183	183	960
<b>Total revenues</b>	<b>133,900</b>	<b>98,668</b>	<b>(35,232)</b>	<b>171,216</b>
<b>EXPENDITURES</b>				
Public Safety:				
Current:				
Personal Services	3,362,589	3,208,708	153,881	3,070,695
Supplies	97,066	78,529	18,537	69,898
Other Services and Charges	1,376,542	1,085,254	291,288	1,235,750
<b>Total expenditures</b>	<b>4,836,197</b>	<b>4,372,491</b>	<b>463,706</b>	<b>4,376,343</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(4,702,297)</b>	<b>(4,273,823)</b>	<b>428,474</b>	<b>(4,205,127)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	5,985,300	5,985,300	-	3,050,000
Transfers Out	212,097	(1,368,300)	(1,580,397)	-
Sale of Capital Assets	-	-	-	4,699
<b>Total other financing sources (uses)</b>	<b>6,197,397</b>	<b>4,617,000</b>	<b>(1,580,397)</b>	<b>3,054,699</b>
<b>Net change in fund balances</b>	<b>1,495,100</b>	<b>343,177</b>	<b>(1,151,923)</b>	<b>(1,150,428)</b>
<b>Fund balances-beginning</b>	<b>1,264,958</b>	<b>1,264,958</b>	<b>-</b>	<b>2,415,386</b>
<b>Fund balances-ending</b>	<b>\$ 2,760,058</b>	<b>\$ 1,608,135</b>	<b>\$ (1,151,923)</b>	<b>\$ 1,264,958</b>

**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, 2013**  
**With Comparative Actual Amounts for the Year Ended September 30, 2012**

	<b>2013</b>		<b>Variance with Final Budget - Positive (Negative)</b>	<b>2012 Actual</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>		
<b>REVENUES</b>				
Investment Earnings	\$ -	\$ 6,057	\$ 6,057	\$ 4,965
Miscellaneous	-	455,571	455,571	319,011
<b>Total revenues</b>	<b>-</b>	<b>461,628</b>	<b>461,628</b>	<b>323,976</b>
<b>EXPENDITURES</b>				
Public Safety:				
Current:				
Personal Services	84,116	86,060	(1,944)	24
Other Services and Charges	220,684	593,288	(372,604)	363,908
Total Public Safety:	304,800	679,348	(374,548)	363,932
Capital Outlay	-	201,960	(201,960)	-
<b>Total expenditures</b>	<b>304,800</b>	<b>881,308</b>	<b>(576,508)</b>	<b>363,932</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(304,800)</b>	<b>(419,680)</b>	<b>114,880</b>	<b>(39,956)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(28,000)	(28,000)	-	-
<b>Net change in fund balances</b>	<b>(332,800)</b>	<b>(447,680)</b>	<b>114,880</b>	<b>(39,956)</b>
<b>Fund balances-beginning</b>	<b>920,551</b>	<b>920,551</b>	<b>-</b>	<b>960,507</b>
<b>Fund balances-ending</b>	<b>\$ 587,751</b>	<b>\$ 472,871</b>	<b>\$ 114,880</b>	<b>\$ 920,551</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, 2013**  
**With Comparative Actual Amounts for the Year Ended September 30, 2012**

	<b>2013</b>		<b>Variance with Final Budget - Positive (Negative)</b>	<b>2012 Actual</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>		
<b>REVENUES</b>				
Fines and Forfeitures	\$ 33,000	\$ 103,493	\$ 70,493	\$ 57,118
Investment Earnings	-	652	652	694
Miscellaneous	-	741	741	3,247
<b>Total revenues</b>	<b>33,000</b>	<b>104,886</b>	<b>71,886</b>	<b>61,059</b>
<b>EXPENDITURES</b>				
Public Safety:				
Current:				
Supplies	18,000	16,944	1,056	58,768
Other Services and Charges	23,000	20,858	2,142	50,393
Total Public Safety:	41,000	37,802	3,198	109,161
Capital Outlay	8,000	-	8,000	-
<b>Total expenditures</b>	<b>49,000</b>	<b>37,802</b>	<b>11,198</b>	<b>109,161</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(16,000)</b>	<b>67,084</b>	<b>83,084</b>	<b>(48,102)</b>
<b>Fund balances-beginning</b>	<b>70,430</b>	<b>70,430</b>	<b>-</b>	<b>118,532</b>
<b>Fund balances-ending</b>	<b>\$ 54,430</b>	<b>\$ 137,514</b>	<b>\$ 83,084</b>	<b>\$ 70,430</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, 2013**  
**With Comparative Actual Amounts for the Year Ended September 30, 2012**

	<u>2013</u>			<u>2012</u> <u>Actual</u>
	<u>Final Budgeted</u> <u>Amounts</u>	<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget -</u> <u>Positive</u> <u>(Negative)</u>	
<b>REVENUES</b>	\$ -	\$ -	\$ -	\$ -
<b>EXPENDITURES</b>	-	-	-	-
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(5,399)	(5,399)	-	(5,400)
<b>Net change in fund balances</b>	(5,399)	(5,399)	-	(5,400)
<b>Fund balances-beginning</b>	12,980	12,980	-	18,380
<b>Fund balances-ending</b>	<u>\$ 7,581</u>	<u>\$ 7,581</u>	<u>\$ -</u>	<u>\$ 12,980</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, 2013**  
**With Comparative Actual Amounts for the Year Ended September 30, 2012**

	<u>2013</u>			<u>2012</u> <u>Actual</u>
	<u>Final Budgeted</u> <u>Amounts</u>	<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget -</u> <u>Positive</u> <u>(Negative)</u>	
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ -	\$ -	\$ 361
<b>EXPENDITURES</b>				
Public Safety:				
Current:				
Intergovernmental	131,279	19,832	111,447	15,514
<b>Excess (deficiency) of revenues</b> <b>over (under) expenditures</b>	(131,279)	(19,832)	111,447	(15,153)
<b>Fund balances-beginning</b>	131,641	131,641	-	146,794
<b>Fund balances-ending</b>	<u>\$ 362</u>	<u>\$ 111,809</u>	<u>\$ 111,447</u>	<u>\$ 131,641</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, 2013**  
**With Comparative Actual Amounts for the Year Ended September 30, 2012**

	<u>2013</u>			<u>2012</u> <u>Actual</u>
	<u>Final Budgeted</u> <u>Amounts</u>	<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget -</u> <u>Positive</u> <u>(Negative)</u>	
<b>REVENUES</b>				
Fines and Forfeitures	\$ -	\$ 1,241	\$ 1,241	\$ -
Investment Earnings	-	24	24	-
<b>Total revenues</b>	<u>-</u>	<u>1,265</u>	<u>1,265</u>	<u>-</u>
<b>EXPENDITURES</b>				
Public Safety:				
Current:				
Personal Services	<u>1,322</u>	<u>1,322</u>	<u>-</u>	<u>-</u>
<b>Excess (deficiency) of revenues</b> <b>over (under) expenditures</b>	(1,322)	(57)	1,265	-
<b>Fund balances-beginning</b>	<u>\$ 3,500</u>	<u>\$ 3,500</u>	<u>\$ -</u>	<u>\$ 3,500</u>
<b>Fund balances-ending</b>	<u><u>\$ 2,178</u></u>	<u><u>\$ 3,443</u></u>	<u><u>\$ 1,265</u></u>	<u><u>\$ 3,500</u></u>

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**EMERGENCY MANAGEMENT SPECIAL REVENUE FUND**  
**For the Year Ended September 30, 2013**  
**With Comparative Actual Amounts for the Year Ended September 30, 2012**

	<b>2013</b>			<b>2012 Actual</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>	
<b>REVENUES</b>				
Intergovernmental	\$ 5,355,931	\$ 23,890	\$ (5,332,041)	\$ 592
<b>EXPENDITURES</b>				
Public Safety:				
Current:				
Other Services and Charges	5,842,071	38,609	5,803,462	213,506
<b>Excess (deficiency) of revenues over (under) expenditures</b>	(486,140)	(14,719)	471,421	(212,914)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(1,626,954)	(44,500)	1,582,454	(361,100)
<b>Net change in fund balances</b>	(2,113,094)	(59,219)	2,053,875	(574,014)
<b>Fund balances-beginning</b>	2,249,834	2,249,834	-	2,823,848
<b>Fund balances-ending</b>	<b>\$ 136,740</b>	<b>\$ 2,190,615</b>	<b>\$ 2,053,875</b>	<b>\$ 2,249,834</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, 2013**  
**With Comparative Actual Amounts for the Year Ended September 30, 2012**

	2013		Variance with Final Budget - Positive (Negative)	2012 Actual
	Final Budgeted Amounts	Actual Amounts		
<b>REVENUES</b>				
Taxes	\$ 550	\$ 766	\$ 216	\$ 586
Intergovernmental	28,000	24,971	(3,029)	28,308
Investment Earnings	10,000	8,119	(1,881)	6,972
Miscellaneous	37,895	43,611	5,716	38,528
<b>Total revenues</b>	<b>76,445</b>	<b>77,467</b>	<b>1,022</b>	<b>74,394</b>
<b>EXPENDITURES</b>				
Roads, Bridges, and Rights-of-Way:				
Current:				
Personal Services	77,500	77,272	228	74,528
Supplies	3,000	182	2,818	2,220
Other Services and Charges	16,900	13,463	3,437	72,329
Total Roads, Bridges, and Rights-of-Way:	97,400	90,917	6,483	149,077
Capital Outlay	75,301	-	75,301	20,000
<b>Total expenditures</b>	<b>172,701</b>	<b>90,917</b>	<b>81,784</b>	<b>169,077</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(96,256)</b>	<b>(13,450)</b>	<b>82,806</b>	<b>(94,683)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(1,029,899)	(75,200)	954,699	(203,000)
Sale of Capital Assets	1,200	60,320	59,120	3,400
<b>Total other financing sources (uses)</b>	<b>(1,028,699)</b>	<b>(14,880)</b>	<b>1,013,819</b>	<b>(199,600)</b>
<b>Net change in fund balances</b>	<b>(1,124,955)</b>	<b>(28,330)</b>	<b>1,096,625</b>	<b>(294,283)</b>
<b>Fund balances-beginning</b>	<b>1,207,006</b>	<b>1,207,006</b>	<b>-</b>	<b>1,501,289</b>
<b>Fund balances-ending</b>	<b>\$ 82,051</b>	<b>\$ 1,178,676</b>	<b>\$ 1,096,625</b>	<b>\$ 1,207,006</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, 2013**  
**With Comparative Actual Amounts for the Year Ended September 30, 2012**

	<b>2013</b>		<b>Variance with Final Budget - Positive (Negative)</b>	<b>2012 Actual</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>		
<b>REVENUES</b>				
Taxes	\$ -	\$ 8	\$ 8	\$ 46
Charges for Services	500,000	512,479	12,479	553,650
Investment Earnings	5,000	2,848	(2,152)	2,780
<b>Total revenues</b>	<b>505,000</b>	<b>515,335</b>	<b>10,335</b>	<b>556,476</b>
<b>EXPENDITURES</b>				
Roads, Bridges, and Rights-of-Way:				
Current:				
Personal Services	283,500	238,381	45,119	-
Supplies	6,000	4,983	1,017	6,086
Other Services and Charges	44,100	16,248	27,852	486,277
<b>Total expenditures</b>	<b>333,600</b>	<b>259,612</b>	<b>73,988</b>	<b>492,363</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>171,400</b>	<b>255,723</b>	<b>84,323</b>	<b>64,113</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(297,900)	(153,900)	144,000	(132,200)
<b>Net change in fund balances</b>	<b>(126,500)</b>	<b>101,823</b>	<b>228,323</b>	<b>(68,087)</b>
<b>Fund balances-beginning</b>	<b>318,322</b>	<b>318,322</b>	<b>-</b>	<b>386,409</b>
<b>Fund balances-ending</b>	<b>\$ 191,822</b>	<b>\$ 420,145</b>	<b>\$ 228,323</b>	<b>\$ 318,322</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, 2013**  
**With Comparative Actual Amounts for the Year Ended September 30, 2012**

	<b>2013</b>		<b>Variance with Final Budget - Positive (Negative)</b>	<b>2012 Actual</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>		
<b>REVENUES</b>				
Taxes	\$ 1,784,167	\$ 1,827,485	\$ 43,318	\$ 1,739,864
Charges for Services	150,000	114,874	(35,126)	124,702
Investment Earnings	20,000	16,029	(3,971)	15,039
Miscellaneous	100,100	184,315	84,215	164,510
<b>Total revenues</b>	<b>2,054,267</b>	<b>2,142,703</b>	<b>88,436</b>	<b>2,044,115</b>
<b>EXPENDITURES</b>				
General Government:				
Current:				
Other Services and Charges	13,900	479,032	(465,132)	161,749
Public Safety:				
Current:				
Personal Services	1,087,900	1,025,551	62,349	982,993
Supplies	216,800	198,428	18,372	226,410
Other Services and Charges	262,900	203,760	59,140	217,877
Total Public Safety	1,567,600	1,427,739	139,861	1,427,280
Capital Outlay	1,253,450	500,268	753,182	444,392
<b>Total expenditures</b>	<b>2,834,950</b>	<b>2,407,039</b>	<b>427,911</b>	<b>2,033,421</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(780,683)</b>	<b>(264,336)</b>	<b>516,347</b>	<b>10,694</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(717,850)	(617,600)	100,250	(211,300)
Sale of Capital Assets	-	4,575	4,575	-
<b>Total other financing sources (uses)</b>	<b>(717,850)</b>	<b>(613,025)</b>	<b>104,825</b>	<b>(211,300)</b>
<b>Net change in fund balances</b>	<b>(1,498,533)</b>	<b>(877,361)</b>	<b>621,172</b>	<b>(200,606)</b>
<b>Fund balances-beginning</b>	<b>2,312,667</b>	<b>2,312,667</b>	<b>-</b>	<b>2,513,273</b>
<b>Fund balances-ending</b>	<b>\$ 814,134</b>	<b>\$ 1,435,306</b>	<b>\$ 621,172</b>	<b>\$ 2,312,667</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, 2013**  
**With Comparative Actual Amounts for the Year Ended September 30, 2012**

	<b>2013</b>		<b>Variance with Final Budget - Positive (Negative)</b>	<b>2012 Actual</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>		
<b>REVENUES</b>				
Taxes	\$ 1,557,801	\$ 1,572,718	\$ 14,917	\$ 1,361,877
Investment Earnings	4,000	5,870	1,870	3,489
Miscellaneous	100	-	(100)	40
<b>Total revenues</b>	<b>1,561,901</b>	<b>1,578,588</b>	<b>16,687</b>	<b>1,365,406</b>
<b>EXPENDITURES</b>				
Health and Social Services:				
Current:				
Personal Services	665,300	607,121	58,179	603,238
Supplies	485,400	370,386	115,014	575,855
Other Services and Charges	45,100	44,189	911	44,379
Total Health and Social Services:	1,195,800	1,021,696	174,104	1,223,472
Capital Outlay	61,500	55,745	5,755	11,700
<b>Total expenditures</b>	<b>1,257,300</b>	<b>1,077,441</b>	<b>179,859</b>	<b>1,235,172</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>304,601</b>	<b>501,147</b>	<b>196,546</b>	<b>130,234</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(700,200)	(360,200)	340,000	(103,300)
<b>Net change in fund balances</b>	<b>(395,599)</b>	<b>140,947</b>	<b>536,546</b>	<b>26,934</b>
<b>Fund balances-beginning</b>	<b>711,801</b>	<b>711,801</b>	<b>-</b>	<b>684,867</b>
<b>Fund balances-ending</b>	<b>\$ 316,202</b>	<b>\$ 852,748</b>	<b>\$ 536,546</b>	<b>\$ 711,801</b>

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**INDIGENT HEALTH CARE SPECIAL REVENUE FUND**  
**For the Year Ended September 30, 2013**  
**With Comparative Actual Amounts for the Year Ended September 30, 2012**

	<b>2013</b>		<b>Variance with Final Budget - Positive (Negative)</b>	<b>2012 Actual</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>		
<b>REVENUES</b>				
Intergovernmental	\$ 200,000	\$ 51,243	\$ (148,757)	\$ 125,669
Investment Earnings	-	6	6	-
Miscellaneous	-	179	179	266
<b>Total revenues</b>	<b>200,000</b>	<b>51,428</b>	<b>(148,572)</b>	<b>125,935</b>
<b>EXPENDITURES</b>				
Health and Social Services:				
Current:				
Other Services and Charges	3,918,355	3,918,355	-	3,167,892
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(3,718,355)</b>	<b>(3,866,927)</b>	<b>(148,572)</b>	<b>(3,041,957)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	2,928,000	2,928,000	-	-
Transfers Out	(7,096,645)	-	7,096,645	-
<b>Total other financing sources (uses)</b>	<b>(4,168,645)</b>	<b>2,928,000</b>	<b>7,096,645</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>(7,887,000)</b>	<b>(938,927)</b>	<b>6,948,073</b>	<b>(3,041,957)</b>
<b>Fund balances-beginning</b>	<b>7,799,875</b>	<b>7,799,875</b>	<b>-</b>	<b>10,841,832</b>
<b>Fund balances-ending</b>	<b>\$ (87,125)</b>	<b>\$ 6,860,948</b>	<b>\$ 6,948,073</b>	<b>\$ 7,799,875</b>

**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, 2013**  
**With Comparative Actual Amounts for the Year Ended September 30, 2012**

	<b>2013</b>		<b>Variance with Final Budget - Positive (Negative)</b>	<b>2012 Actual</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>		
<b>REVENUES</b>				
Intergovernmental	\$ 30,000	\$ 30,000	\$ -	\$ 30,400
Miscellaneous	1,500	2,274	774	7,392
<b>Total revenues</b>	<b>31,500</b>	<b>32,274</b>	<b>774</b>	<b>37,792</b>
<b>EXPENDITURES</b>				
Health and Social Services:				
Current:				
Personal Services	43,700	43,412	288	40,835
Supplies	73,000	49,139	23,861	75,199
Other Services and Charges	179,100	128,442	50,658	143,975
<b>Total expenditures</b>	<b>295,800</b>	<b>220,993</b>	<b>74,807</b>	<b>260,009</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(264,300)</b>	<b>(188,719)</b>	<b>75,581</b>	<b>(222,217)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	125,000	125,000	-	200,000
Transfers Out	(220,000)	-	220,000	-
<b>Total other financing sources (uses)</b>	<b>(95,000)</b>	<b>125,000</b>	<b>220,000</b>	<b>200,000</b>
<b>Net change in fund balances</b>	<b>(359,300)</b>	<b>(63,719)</b>	<b>295,581</b>	<b>(22,217)</b>
<b>Fund balances-beginning</b>	<b>466,456</b>	<b>466,456</b>	<b>-</b>	<b>488,673</b>
<b>Fund balances-ending</b>	<b>\$ 107,156</b>	<b>\$ 402,737</b>	<b>\$ 295,581</b>	<b>\$ 466,456</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, 2013**  
**With Comparative Actual Amounts for the Year Ended September 30, 2012**

	<b>2013</b>		<b>Variance with Final Budget - Positive (Negative)</b>	<b>2012 Actual</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>		
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ -	\$ -	\$ 106,410
Charges for Services	300,000	418,753	118,753	318,906
Investment Earnings	3,500	10,516	7,016	1,228
<b>Total revenues</b>	<b>303,500</b>	<b>429,269</b>	<b>125,769</b>	<b>426,544</b>
<b>EXPENDITURES</b>				
Culture and Recreation:				
Current:				
Personal Services	81,222	81,223	(1)	68,218
Supplies	13,700	13,473	227	5,509
Other Services and Charges	103,678	23,266	80,412	3,450
Total Culture and Recreation:	198,600	117,962	80,638	77,177
Capital Outlay	10,000	9,440	560	-
<b>Total expenditures</b>	<b>208,600</b>	<b>127,402</b>	<b>81,198</b>	<b>77,177</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>94,900</b>	<b>301,867</b>	<b>206,967</b>	<b>349,367</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(1,321,500)	(26,600)	1,294,900	(13,700)
Sale of Capital Assets	-	25,600	25,600	-
<b>Total other financing sources (uses)</b>	<b>(1,321,500)</b>	<b>(1,000)</b>	<b>1,320,500</b>	<b>(13,700)</b>
<b>Net change in fund balances</b>	<b>(1,226,600)</b>	<b>300,867</b>	<b>1,527,467</b>	<b>335,667</b>
<b>Fund balances-beginning</b>	<b>1,407,340</b>	<b>1,407,340</b>	<b>-</b>	<b>1,071,673</b>
<b>Fund balances-ending</b>	<b>\$ 180,740</b>	<b>\$ 1,708,207</b>	<b>\$ 1,527,467</b>	<b>\$ 1,407,340</b>

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**BEACH MAINTENANCE - ROAD AND BRIDGE SPECIAL REVENUE FUND**  
**For the Year Ended September 30, 2013**  
**With Comparative Actual Amounts for the Year Ended September 30, 2012**

	<b>2013</b>		<b>Variance with Final Budget - Positive (Negative)</b>	<b>2012 Actual</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>		
<b>REVENUES</b>				
Intergovernmental	\$ 67,900	\$ 99,004	\$ 31,104	\$ -
Charges for Services	8,000	9,350	1,350	-
<b>Total revenues</b>	<b>75,900</b>	<b>108,354</b>	<b>32,454</b>	<b>-</b>
<b>EXPENDITURES</b>				
Culture and Recreation:				
Current:				
Personal Services	117,800	99,169	18,631	-
Supplies	35,500	30,792	4,708	-
Other Services and Charges	331,500	301,616	29,884	-
Total Culture and Recreation:	484,800	431,577	53,223	-
Capital Outlay	107,400	107,289	111	-
<b>Total expenditures</b>	<b>592,200</b>	<b>538,866</b>	<b>53,334</b>	<b>-</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(516,300)</b>	<b>(430,512)</b>	<b>85,788</b>	<b>-</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	530,000	530,000	-	-
Transfers Out	(10,600)	-	10,600	-
<b>Total other financing sources (uses)</b>	<b>519,400</b>	<b>530,000</b>	<b>10,600</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>3,100</b>	<b>99,488</b>	<b>96,388</b>	<b>-</b>
<b>Fund balances-beginning</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balances-ending</b>	<b>\$ 3,100</b>	<b>\$ 99,488</b>	<b>\$ 96,388</b>	<b>\$ -</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, 2013**  
**With Comparative Actual Amounts for the Year Ended September 30, 2012**

	<u>2013</u>			<u>2012</u> <u>Actual</u>
	<u>Final Budgeted</u> <u>Amounts</u>	<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget -</u> <u>Positive</u> <u>(Negative)</u>	
<b>REVENUES</b>				
Miscellaneous	\$ 100	\$ -	\$ (100)	\$ -
<b>EXPENDITURES</b>				
Culture and Recreation:				
Current:				
Supplies	17,000	-	17,000	-
<b>Excess (deficiency) of revenues</b> <b>over (under) expenditures</b>	(16,900)	-	16,900	-
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(1,000)	-	1,000	-
<b>Net change in fund balances</b>	(17,900)	-	17,900	-
<b>Fund balances-beginning</b>	17,909	17,909	-	17,909
<b>Fund balances-ending</b>	<u>\$ 9</u>	<u>\$ 17,909</u>	<u>\$ 17,900</u>	<u>\$ 17,909</u>

NONMAJOR  
CAPITAL PROJECTS FUNDS

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 resources other than bond proceeds to accumulate reserves for major repairs of County owned facilities.

LIMITED TAX COUNTY BUILDING BONDS SERIES 2009B (FUND 3120) – This fund was created in fiscal year 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 and to pay for professional services rendered in connection with the projects.

COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION SERIES 2003C (FUND 3206) – Issued September 4, 2003 in the amount of \$40,890,000; proceeds used to purchase 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 September 4, 2003 in the amount of \$57,245,000; proceeds used to build, improve and equip buildings, jails and court facilities and to pay the costs associated with the issuance of the bonds.

PARKS DEPARTMENT CAPITAL PROJECTS FUND (FUND 3271) – Fund created to account for the net proceeds from the sale of the Bayshore RV Park and Spillway Fishing Pier in fiscal year 2007 and for the 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, requiring the county to expend the sale proceeds as per federal and state regulations 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.

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

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

Road Bond Fund, 1977	\$ 694,526
Road Bond Fund, 1978	3,056,306
Road Bond Fund, 1982	550,043
Road & Bridge Bond Fund, 1970	314,000
	<hr/>
	\$4,614,875
	<hr/> <hr/>

UNLIMITED TAX ROAD BONDS SERIES 2003B (FUND 3307) – Issued September 4, 2003 in the amount of \$9,625,000 to 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 as 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. Proceeds used to build and improve roads within the County.

PASS-THROUGH TOLL REVENUE AND LIMITED TAX BONDS SERIES 2007 (FUND 3310) – Fund created in fiscal year 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.

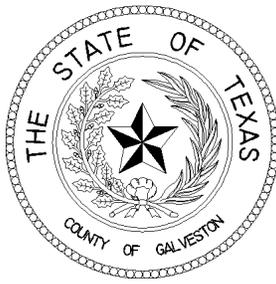
UNLIMITED TAX ROAD BONDS SERIES 2009A (FUND 3312) – Fund created in fiscal year 2009 to account for the financial resources used to construct, purchase, maintain and/or operate macadamized, graveled and paved roads and turnpikes, and to pay for professional services rendered in connection with the aforementioned projects. These projects were funded by a dedicated bond issue.

GALVESTON CAUSEWAY RAILROAD BRIDGE PROJECT (FUND 3315) – Fund was created in fiscal year 2005 pursuant to an order issued by the U.S. Coast Guard requiring alteration of an existing railroad bridge to eliminate obstructions that its configuration posed to free navigation.

COUNTY ROAD AND BRIDGE PROJECTS (FUND 3316) – This fund was created in fiscal year 2005 to account for various County road and bridge projects. The 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 to be used to: 1) establish, construct, extend, maintain, or improve a seawall, breakwater, levee, floodway, and/or drainage; 2) pay for the professional services rendered in connection with the aforementioned projects; 3) pay the costs associated with the issuance of the Series 2009C Bonds; and 4) 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 to be used to pay all or part of the contractual obligations to be incurred for the construction of public works: 1) levee improvements and improvements to various pump stations; 2) improvements to the Texas City Dike and the Texas City Dike road; 3) improvements to various City of Texas City roads in the San Leon portion of the County; and 4) for the professional services rendered in connection with the above listed projects.



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**GALVESTON COUNTY, TEXAS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR CAPITAL PROJECTS FUNDS**  
**September 30, 2013**  
**With Comparative Totals at September 30, 2012**

	COUNTY CAPITAL PROJECTS FUND	CAPITAL REPLENISHMENT FUND	LIMITED TAX COUNTY BUILDING BONDS SERIES 2009B	COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION SERIES 2003C
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 1,093,949	\$ 527,376	\$ 4,817,654	\$ 1,028,210
Receivables (Net of Allowances for Uncollectibles):				
Accounts and Other	-	-	-	-
Due from Other Funds	-	-	-	-
<b>Total assets</b>	<b>\$ 1,093,949</b>	<b>\$ 527,376</b>	<b>\$ 4,817,654</b>	<b>\$ 1,028,210</b>
<b>LIABILITIES</b>				
Accounts Payable	\$ -	\$ -	\$ 80,975	\$ 62,785
Salaries Payable	-	-	7,780	-
Retainage Payable	-	-	5,480	-
Due to Others	-	-	-	-
Due to Other Funds	-	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>94,235</b>	<b>62,785</b>
<b>FUND BALANCES</b>				
Restricted	-	-	4,723,419	965,425
Assigned	1,093,949	527,376	-	-
<b>Total fund balances</b>	<b>1,093,949</b>	<b>527,376</b>	<b>4,723,419</b>	<b>965,425</b>
<b>Total Liabilities, Deferred Inflows, and Fund Balances</b>	<b>\$ 1,093,949</b>	<b>\$ 527,376</b>	<b>\$ 4,817,654</b>	<b>\$ 1,028,210</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
\$ 83,574	\$ 2,920,715	\$ 33,890	\$ 1,876,183	\$ 1,339,948	\$ 3,890,292
-	-	-	-	-	-
-	-	-	-	-	-
<b>\$ 83,574</b>	<b>\$ 2,920,715</b>	<b>\$ 33,890</b>	<b>\$ 1,876,183</b>	<b>\$ 1,339,948</b>	<b>\$ 3,890,292</b>
\$ 2,666	\$ -	\$ -	\$ 265	\$ -	\$ 153,750
-	-	-	-	-	-
-	-	-	-	-	-
-	3,044	-	-	-	-
-	-	-	-	-	-
2,666	3,044	-	265	-	153,750
80,908	2,917,671	33,890	1,875,918	1,339,948	3,736,542
-	-	-	-	-	-
80,908	2,917,671	33,890	1,875,918	1,339,948	3,736,542
<b>\$ 83,574</b>	<b>\$ 2,920,715</b>	<b>\$ 33,890</b>	<b>\$ 1,876,183</b>	<b>\$ 1,339,948</b>	<b>\$ 3,890,292</b>

**GALVESTON COUNTY, TEXAS  
COMBINING BALANCE SHEET  
NONMAJOR CAPITAL PROJECTS FUNDS  
September 30, 2013  
With Comparative Totals at September 30, 2012**

	<b>UNLIMITED TAX ROAD BONDS SERIES 2009A</b>	<b>GALVESTON CAUSEWAY RAILROAD BRIDGE PROJECT</b>	<b>COUNTY ROAD AND BRIDGE PROJECTS</b>	<b>LIMITED TAX FLOOD CONTROL SERIES 2009C</b>
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 10,471,368	\$ -	\$ 276,591	\$ 10,342,286
Receivables (Net of Allowances for Uncollectibles):				
Accounts and Other	-	2,742,328	-	-
Due from Other Funds	-	-	-	-
<b>Total assets</b>	<b>\$ 10,471,368</b>	<b>\$ 2,742,328</b>	<b>\$ 276,591</b>	<b>\$ 10,342,286</b>
<b>LIABILITIES</b>				
Accounts Payable	\$ 260,060	\$ -	\$ 21,000	\$ -
Salaries Payable	-	-	-	-
Retainage Payable	139,341	2,025,290	-	-
Due to Others	1,231,529	-	-	-
Due to Other Funds	-	623,930	-	-
<b>Total liabilities</b>	<b>1,630,930</b>	<b>2,649,220</b>	<b>21,000</b>	<b>-</b>
<b>FUND BALANCES</b>				
Restricted	8,840,438	-	-	10,342,286
Assigned	-	93,108	255,591	-
<b>Total fund balances</b>	<b>8,840,438</b>	<b>93,108</b>	<b>255,591</b>	<b>10,342,286</b>
<b>Total Liabilities, Deferred Inflows, and Fund Balances</b>	<b>\$ 10,471,368</b>	<b>\$ 2,742,328</b>	<b>\$ 276,591</b>	<b>\$ 10,342,286</b>

GALVESTON COUNTY CERTIFICATES OF OBLIGATION			TOTALS			
SERIES 2008			2013			2012
\$ 320,830	\$		39,022,866	\$		61,589,788
-			2,742,328			217,636
-			-			8,591,874
<hr/>						
<b>\$ 320,830</b>	<b>\$</b>		<b>41,765,194</b>	<b>\$</b>		<b>70,399,298</b>
<hr/>						
-	\$		581,501	\$		7,580,256
-			7,780			6,416
-			2,170,111			4,883,364
-			1,234,573			1,014,324
-			623,930			15,624
<hr/>						
-			4,617,895			13,499,984
<hr/>						
320,830			35,177,275			49,162,317
-			1,970,024			7,736,997
<hr/>						
320,830			37,147,299			56,899,314
<hr/>						
<b>\$ 320,830</b>	<b>\$</b>		<b>41,765,194</b>	<b>\$</b>		<b>70,399,298</b>
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**GALVESTON COUNTY, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES**  
**NONMAJOR CAPITAL PROJECTS FUNDS**  
**For the Year Ended September 30, 2013**  
**With Comparative Totals for the Year Ended September 30, 2012**

	COUNTY CAPITAL PROJECTS FUND	CAPITAL REPLENISHMENT FUND	LIMITED TAX COUNTY BUILDING BONDS SERIES 2009B	COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION SERIES 2003C
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Investment Earnings	-	-	36,762	7
Charges for Services	-	-	-	-
Miscellaneous	-	-	-	-
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>36,762</b>	<b>7</b>
<b>EXPENDITURES</b>				
General Government	-	-	194,731	157,534
Roads, Bridges and Rights-of-Way	-	-	-	-
Capital Outlay	-	-	673,665	-
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>868,396</b>	<b>157,534</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>-</b>	<b>-</b>	<b>(831,634)</b>	<b>(157,527)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	450,000	-	-	-
Transfers Out	(574,074)	-	-	-
Sale of Capital Asset	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>(124,074)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>(124,074)</b>	<b>-</b>	<b>(831,634)</b>	<b>(157,527)</b>
<b>Fund balances-beginning</b>	<b>1,218,023</b>	<b>527,376</b>	<b>5,555,053</b>	<b>1,122,952</b>
<b>Fund balances-ending</b>	<b>\$ 1,093,949</b>	<b>\$ 527,376</b>	<b>\$ 4,723,419</b>	<b>\$ 965,425</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
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5,301	-	280	36,522	9,071	35,669
-	-	-	-	-	-
-	-	-	-	-	-
5,301	-	280	36,522	9,071	35,669
41,279	-	-	-	-	-
-	-	16,172	145,016	6,716	2,743,796
2,769,888	-	-	-	-	-
2,811,167	-	16,172	145,016	6,716	2,743,796
(2,805,866)	-	(15,892)	(108,494)	2,355	(2,708,127)
-	-	-	-	-	-
-	-	-	(2,942,322)	-	-
-	-	-	-	-	-
-	-	-	(2,942,322)	-	-
(2,805,866)	-	(15,892)	(3,050,816)	2,355	(2,708,127)
2,886,774	2,917,671	49,782	4,926,734	1,337,593	6,444,669
\$ 80,908	\$ 2,917,671	\$ 33,890	\$ 1,875,918	\$ 1,339,948	\$ 3,736,542

**GALVESTON COUNTY, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES**  
**NONMAJOR CAPITAL PROJECTS FUNDS**  
**For the Year Ended September 30, 2013**  
**With Comparative Totals for the Year Ended September 30, 2012**

	<b>UNLIMITED TAX ROAD BONDS SERIES 2009A</b>	<b>GALVESTON CAUSEWAY RAILROAD BRIDGE PROJECT</b>	<b>COUNTY ROAD AND BRIDGE PROJECTS</b>	<b>LIMITED TAX FLOOD CONTROL SERIES 2009C</b>
<b>REVENUES</b>				
Intergovernmental	\$ 65,886	\$ 3,711,330	\$ -	\$ -
Investment Earnings	87,044	-	1,832	77,199
Charges for Services	-	-	-	-
Miscellaneous	-	-	-	-
<b>Total revenues</b>	<b>152,930</b>	<b>3,711,330</b>	<b>1,832</b>	<b>77,199</b>
<b>EXPENDITURES</b>				
General Government	-	-	-	-
Roads, Bridges and Rights-of-Way	10,181,338	3,780,008	21,000	-
Capital Outlay	-	-	-	-
<b>Total expenditures</b>	<b>10,181,338</b>	<b>3,780,008</b>	<b>21,000</b>	<b>-</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(10,028,408)</b>	<b>(68,678)</b>	<b>(19,168)</b>	<b>77,199</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Sale of Capital Asset	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>(10,028,408)</b>	<b>(68,678)</b>	<b>(19,168)</b>	<b>77,199</b>
<b>Fund balances-beginning</b>	<b>18,868,846</b>	<b>161,786</b>	<b>274,759</b>	<b>10,265,087</b>
<b>Fund balances-ending</b>	<b>\$ 8,840,438</b>	<b>\$ 93,108</b>	<b>\$ 255,591</b>	<b>\$ 10,342,286</b>

GALVESTON COUNTY CERTIFICATES OF OBLIGATION SERIES 2008			TOTALS		
			2013	2012	
\$	-	\$	3,777,216	\$	24,994,692
	2,527		292,214		463,951
	-		-		165,808
	-		-		4,440
<hr/>					
	2,527		4,069,430		25,628,891
<hr/>					
	-		393,544		682,420
	14,500		16,908,546		46,292,942
	9,406		3,452,959		14,928,731
<hr/>					
	23,906		20,755,049		61,904,093
<hr/>					
	(21,379)		(16,685,619)		(36,275,202)
<hr/>					
	-		450,000		250,000
	-		(3,516,396)		(463,357)
	-		-		3,461,918
<hr/>					
	-		(3,066,396)		3,248,561
<hr/>					
	(21,379)		(19,752,015)		(33,026,641)
<hr/>					
	342,209		56,899,314		89,925,955
<hr/>					
\$	<b>320,830</b>	\$	<b>37,147,299</b>	\$	<b>56,899,314</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, 2013**  
**With Comparative Amounts for the Year Ended September 30, 2012**

	TOTAL PROJECT AUTHORIZED	ACTUAL TO SEPTEMBER 30, 2013			LAST YEAR'S ACTUAL
		REPORTED IN PRIOR YEARS	CURRENT YEAR	TOTAL	
<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	1,757,544	1,757,544	-	1,757,544	426,514
Capital Outlay:					
IT Capital Projects	2,195,765	2,195,765	-	2,195,765	629,972
Galveston Fire/EMS Station	3,382,283	3,382,283	-	3,382,283	-
<b>Total expenditures</b>	<b>7,335,592</b>	<b>7,335,592</b>	<b>-</b>	<b>7,335,592</b>	<b>1,056,486</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(3,758,291)</b>	<b>(3,758,292)</b>	<b>-</b>	<b>(3,758,292)</b>	<b>(1,056,486)</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	7,978,700	7,528,700	450,000	7,978,700	-
Transfers Out	(4,975,675)	(3,401,600)	(574,074)	(3,975,674)	(250,000)
Sale of Capital Assets	849,215	849,215	-	849,215	-
<b>Total other financing sources (uses)</b>	<b>3,852,240</b>	<b>4,976,315</b>	<b>(124,074)</b>	<b>4,852,241</b>	<b>(250,000)</b>
<b>Net change in fund balances</b>	<b>\$ 93,949</b>	<b>\$ 1,218,023</b>	<b>(124,074)</b>	<b>\$ 1,093,949</b>	<b>(1,306,486)</b>
<b>Fund balances-beginning</b>			<b>1,218,023</b>		<b>2,524,509</b>
<b>Fund balances-ending</b>			<b>\$ 1,093,949</b>		<b>\$ 1,218,023</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, 2013**  
**With Comparative Amounts for the Year Ended September 30, 2012**

	TOTAL PROJECT AUTHORIZED	ACTUAL TO SEPTEMBER 30, 2013			LAST YEAR'S ACTUAL
		REPORTED IN PRIOR YEARS	CURRENT YEAR	TOTAL	
<b>REVENUES</b>	\$ -	\$ -	\$ -	\$ -	\$ -
<b>EXPENDITURES</b>					
General Government:					
Administration Costs	527,000	-	-	-	-
Capital Outlay:					
Road & Bridge Re-Roof	22,624	22,624	-	22,624	-
<b>Total expenditures</b>	549,624	22,624	-	22,624	-
<b>Excess (deficiency) of revenues over (under) expenditures</b>	(549,624)	(22,624)	-	(22,624)	-
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	550,000	550,000	-	550,000	250,000
<b>Net change in fund balances</b>	<u>\$ 376</u>	<u>\$ 527,376</u>	-	<u>\$ 527,376</u>	250,000
<b>Fund balances-beginning</b>			527,376		277,376
<b>Fund balances-ending</b>			<u>\$ 527,376</u>		<u>\$ 527,376</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, 2013**  
**With Comparative Amounts for the Year Ended September 30, 2012**

	TOTAL PROJECT AUTHORIZED	ACTUAL TO SEPTEMBER 30, 2013			LAST YEAR'S ACTUAL
		REPORTED IN PRIOR YEARS	CURRENT YEAR	TOTAL	
<b>REVENUES</b>					
Investment Earnings	\$ 217,249	\$ 180,486	\$ 36,762	\$ 217,248	\$ 73,739
Miscellaneous	5,040	5,040	-	5,040	4,440
<b>Total revenues</b>	<b>222,289</b>	<b>185,526</b>	<b>36,762</b>	<b>222,288</b>	<b>78,179</b>
<b>EXPENDITURES</b>					
General Government:					
Administration Costs	1,093,888	710,805	194,731	905,536	229,599
Capital Outlay:					
Agricultural Ext Facility	3,298,764	2,923,763	7,264	2,931,027	55,810
Mid-County Annex	29,646,382	28,000,649	241,022	28,241,671	9,381,812
Records Storage Bldg	2,999,939	178,535	229,692	408,227	-
North County Annex	139,133	110,273	-	110,273	110,273
Animal Resource Center	5,527,330	5,482,994	15,687	5,498,681	510,667
Llewellyn Bldg	180,000	-	180,000	180,000	-
Bond Issuance Costs	679,393	679,393	-	679,393	-
<b>Total expenditures</b>	<b>43,564,829</b>	<b>38,086,412</b>	<b>868,396</b>	<b>38,954,808</b>	<b>10,288,161</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(43,342,540)</b>	<b>(37,900,886)</b>	<b>(831,634)</b>	<b>(38,732,520)</b>	<b>(10,209,982)</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	500,000	500,000	-	500,000	-
Transfers Out	-	-	-	-	-
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>-</b>
<b>Net change in fund balances</b>	<b>\$ 113,399</b>	<b>\$ 5,555,053</b>	<b>(831,634)</b>	<b>\$ 4,723,419</b>	<b>(10,209,982)</b>
<b>Fund balances-beginning</b>			<b>5,555,053</b>		<b>15,765,035</b>
<b>Fund balances-ending</b>			<b>\$ 4,723,419</b>		<b>\$ 5,555,053</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, 2013**  
**With Comparative Amounts for the Year Ended September 30, 2012**

	TOTAL PROJECT AUTHORIZED	ACTUAL TO SEPTEMBER 30, 2013			LAST YEAR'S ACTUAL
		REPORTED IN PRIOR YEARS	CURRENT YEAR	TOTAL	
<b>REVENUES</b>					
Investment Earnings	\$ 3,326,428	\$ 3,326,421	\$ 7	\$ 3,326,428	\$ 21
Miscellaneous	25,629	25,629	-	25,629	-
<b>Total revenues</b>	<b>3,352,057</b>	<b>3,352,050</b>	<b>7</b>	<b>3,352,057</b>	<b>21</b>
<b>EXPENDITURES</b>					
General Government:					
Administration Costs	584,909	584,909	157,534	742,443	26,307
Capital Outlay:					
Information Tech Project	238,207	103,200	-	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	33,459,597	33,453,403	-	33,453,403	-
Flood Projects	69,000	-	-	-	-
Road and Bridge Projects	8,524	8,524	-	8,524	8,524
Park Projects	41,292	-	-	-	-
Bond Issuance Costs	597,757	597,757	-	597,757	-
<b>Total expenditures</b>	<b>47,905,476</b>	<b>47,653,983</b>	<b>157,534</b>	<b>47,811,517</b>	<b>138,031</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(44,553,419)</b>	<b>(44,301,933)</b>	<b>(157,527)</b>	<b>(44,459,460)</b>	<b>(138,010)</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>\$ 871,466</b>	<b>\$ 1,122,952</b>	<b>(157,527)</b>	<b>\$ 965,425</b>	<b>(138,010)</b>
<b>Fund balances-beginning</b>			<b>1,122,952</b>		<b>1,260,962</b>
<b>Fund balances-ending</b>			<b>\$ 965,425</b>		<b>\$ 1,122,952</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, 2013**  
**With Comparative Amounts for the Year Ended September 30, 2012**

	TOTAL PROJECT AUTHORIZED	ACTUAL TO SEPTEMBER 30, 2013			LAST YEAR'S ACTUAL
		REPORTED IN PRIOR YEARS	CURRENT YEAR	TOTAL	
<b>REVENUES</b>					
Investment	\$ 2,705,574	\$ 2,700,274	\$ 5,301	\$ 2,705,575	\$ 612
Intergovernmental	468,179	468,179	-	468,179	-
<b>Total revenues</b>	<b>3,173,753</b>	<b>3,168,453</b>	<b>5,301</b>	<b>3,173,754</b>	<b>612</b>
<b>EXPENDITURES</b>					
General Government:					
Administration Costs	41,278	-	41,279	41,279	-
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	381,619	-	379,532	379,532	-
Capitalized FF&E	2,463,259	-	2,390,356	2,390,356	-
Bond Issuance Costs	792,255	792,255	-	792,255	-
<b>Total expenditures</b>	<b>64,058,938</b>	<b>61,172,782</b>	<b>2,811,167</b>	<b>63,983,949</b>	<b>-</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(60,885,185)</b>	<b>(58,004,329)</b>	<b>(2,805,866)</b>	<b>(60,810,195)</b>	<b>612</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers Out	(75,201)	(75,195)	-	(75,195)	-
Sale of Capital Asset	2,886,162	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>60,891,103</b>	<b>-</b>	<b>60,891,103</b>	<b>2,886,162</b>
<b>Net change in fund balances</b>	<b>\$ 5,912</b>	<b>\$ 2,886,774</b>	<b>(2,805,866)</b>	<b>\$ 80,908</b>	<b>2,886,774</b>
<b>Fund balances-beginning</b>			<b>2,886,774</b>		
<b>Fund balances-ending</b>			<b>\$ 80,908</b>		<b>\$ 2,886,774</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, 2013**  
**With Comparative Amounts for the Year Ended September 30, 2012**

	TOTAL PROJECT AUTHORIZED	ACTUAL TO SEPTEMBER 30, 2013		LAST YEAR'S ACTUAL
		REPORTED IN PRIOR YEARS	CURRENT YEAR	
<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
<b>Net change in fund balances</b>	<u>\$ -</u>	<u>\$ 2,917,671</u>	<u>-</u>	<u>\$ 2,917,671</u>
Fund balances-beginning			2,917,671	4,237,808
Fund balances-ending			<u>\$ 2,917,671</u>	<u>\$ 2,917,671</u>

**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, 2013**  
**With Comparative Amounts for the Year Ended September 30, 2012**

	TOTAL PROJECT AUTHORIZED	ACTUAL TO SEPTEMBER 30, 2013			LAST YEAR'S ACTUAL
		REPORTED IN PRIOR YEARS	CURRENT YEAR	TOTAL	
<b>REVENUES</b>					
Intergovernmental	\$ 1,360,155	\$ 1,360,155	\$ -	\$ 1,360,155	\$ -
Investment Earnings	4,045,231	4,044,952	280	4,045,232	250
Miscellaneous	5,511	5,511	-	5,511	-
<b>Total revenues</b>	<b>5,410,897</b>	<b>5,410,618</b>	<b>280</b>	<b>5,410,898</b>	<b>250</b>
<b>EXPENDITURES</b>					
Roads, Bridges and Rights-of-Way:					
Administration Costs	327,801	327,801	16,172	343,973	-
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	-
<b>Total expenditures</b>	<b>20,833,545</b>	<b>20,786,345</b>	<b>16,172</b>	<b>20,802,517</b>	<b>-</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(15,422,648)</b>	<b>(15,375,727)</b>	<b>(15,892)</b>	<b>(15,391,619)</b>	<b>250</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>\$ 2,861</b>	<b>\$ 49,782</b>	<b>(15,892)</b>	<b>\$ 33,890</b>	<b>250</b>
<b>Fund balances-beginning</b>			<b>49,782</b>		<b>49,532</b>
<b>Fund balances-ending</b>			<b>\$ 33,890</b>		<b>\$ 49,782</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, 2013**  
**With Comparative Amounts for the Year Ended September 30, 2012**

	TOTAL PROJECT AUTHORIZED	ACTUAL TO SEPTEMBER 30, 2013			LAST YEAR'S ACTUAL
		REPORTED IN PRIOR YEARS	CURRENT YEAR	TOTAL	
<b>REVENUES</b>					
Intergovernmental	\$ 3,414,614	\$ 3,414,614	\$ -	\$ 3,414,614	\$ -
Investment Earnings	2,067,146	2,030,624	36,522	2,067,146	36,488
<b>Total revenues</b>	<b>5,481,760</b>	<b>5,445,238</b>	<b>36,522</b>	<b>5,481,760</b>	<b>36,488</b>
<b>EXPENDITURES</b>					
Roads, Bridges and Rights-of-Way:					
Galv/Signals Various Locations	750,000	281,328	(13,184)	268,144	-
Century Blvd	197,038	-	-	-	-
FM 646 Pass Thru Toll	5,600,832	5,099,480	158,200	5,257,680	-
FM 646 - IH 45 to FM 270	350,000	302,622	-	302,622	-
FM 646 - SH 6 to FM 517	49,999	49,999	-	49,999	-
FM 518 - FM 2094 to SH 146	103,131	103,131	-	103,131	-
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	442,485	-	442,485	406,484
Highways and Roads	795,928	574,033	-	574,033	-
Bond Issuance Costs	154,363	154,363	-	154,363	-
<b>Total expenditures</b>	<b>12,023,176</b>	<b>10,066,841</b>	<b>145,016</b>	<b>10,211,857</b>	<b>406,484</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(6,541,416)</b>	<b>(4,621,603)</b>	<b>(108,494)</b>	<b>(4,730,097)</b>	<b>(369,996)</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers Out	(2,942,322)	-	(2,942,322)	(2,942,322)	-
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>6,606,015</b>	<b>9,548,337</b>	<b>(2,942,322)</b>	<b>6,606,015</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>\$ 64,599</b>	<b>\$ 4,926,734</b>	<b>(3,050,816)</b>	<b>\$ 1,875,918</b>	<b>(369,996)</b>
<b>Fund balances-beginning</b>			<b>4,926,734</b>		<b>5,296,730</b>
<b>Fund balances-ending</b>			<b>\$ 1,875,918</b>		<b>\$ 4,926,734</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, 2013**  
**With Comparative Amounts for the Year Ended September 30, 2012**

	TOTAL PROJECT AUTHORIZED	ACTUAL TO SEPTEMBER 30, 2013			LAST YEAR'S ACTUAL
		REPORTED IN PRIOR YEARS	CURRENT YEAR	TOTAL	
<b>REVENUES</b>					
Investment Earnings	\$ 3,422,589	\$ 3,413,518	\$ 9,071	\$ 3,422,589	\$ 7,038
Miscellaneous	825,323	825,323	-	825,323	-
<b>Total revenues</b>	<b>4,247,912</b>	<b>4,238,841</b>	<b>9,071</b>	<b>4,247,912</b>	<b>7,038</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	46,319	6,716	53,035	18,470
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>29,404,943</b>	<b>6,716</b>	<b>29,411,659</b>	<b>18,470</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(26,457,700)</b>	<b>(25,166,102)</b>	<b>2,355</b>	<b>(25,163,747)</b>	<b>(11,432)</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>\$ 45,995</b>	<b>\$ 1,337,593</b>	<b>2,355</b>	<b>\$ 1,339,948</b>	<b>(11,432)</b>
<b>Fund balances-beginning</b>			<b>1,337,593</b>		<b>1,349,025</b>
<b>Fund balances-ending</b>			<b>\$ 1,339,948</b>		<b>\$ 1,337,593</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, 2013**  
**With Comparative Amounts for the Year Ended September 30, 2012**

	TOTAL PROJECT AUTHORIZED	ACTUAL TO SEPTEMBER 30, 2013			LAST YEAR'S ACTUAL
		REPORTED IN PRIOR YEARS	CURRENT YEAR	TOTAL	
<b>REVENUES</b>					
Intergovernmental	\$ 1,085,386	\$ 1,085,386	\$ -	\$ 1,085,386	\$ -
Investment Earnings	3,087,779	3,052,110	35,669	3,087,779	76,621
<b>Total revenues</b>	<b>4,173,165</b>	<b>4,137,496</b>	<b>35,669</b>	<b>4,173,165</b>	<b>76,621</b>
<b>EXPENDITURES</b>					
Roads, Bridges and Rights-of-Way:					
FM 646 Pass Thru Toll Rd Project	44,058,697	37,667,727	2,743,796	40,411,523	5,845,516
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>38,365,319</b>	<b>2,743,796</b>	<b>41,109,115</b>	<b>5,845,516</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(40,583,124)</b>	<b>(34,227,823)</b>	<b>(2,708,127)</b>	<b>(36,935,950)</b>	<b>(5,768,895)</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>\$ 89,368</b>	<b>\$ 6,444,669</b>	<b>(2,708,127)</b>	<b>\$ 3,736,542</b>	<b>(5,768,895)</b>
<b>Fund balances-beginning</b>			<b>6,444,669</b>		<b>12,213,564</b>
<b>Fund balances-ending</b>			<b>\$ 3,736,542</b>		<b>\$ 6,444,669</b>

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES -**  
**BUDGET (PROJECT-LENGTH) AND ACTUAL**  
**UNLIMITED TAX ROAD BONDS SERIES 2009A CAPITAL PROJECTS FUND**  
**From Inception and for the Year Ended September 30, 2013**  
**With Comparative Amounts for the Year Ended September 30, 2012**

	TOTAL PROJECT AUTHORIZED	ACTUAL TO SEPTEMBER 30, 2013			LAST YEAR'S ACTUAL
		REPORTED IN PRIOR YEARS	CURRENT YEAR	TOTAL	
<b>REVENUES</b>					
Intergovernmental	\$ 1,589,410	\$ 1,535,680	\$ 65,886	\$ 1,601,566	\$ 1,535,680
Investment Earnings	395,177	395,177	87,044	482,221	194,608
<b>Total revenues</b>	<b>1,984,587</b>	<b>1,930,857</b>	<b>152,930</b>	<b>2,083,787</b>	<b>1,730,288</b>
<b>EXPENDITURES</b>					
Roads, Bridges and Rights-of-Way:					
Non County Owned Roads	58,168,888	40,786,058	10,179,806	50,965,864	16,728,533
County Owned Roads	4,853	4,853	1,532	6,385	4,853
Capital Outlay:					
County Owned Roads	14,792,287	13,400,387	-	13,400,387	2,401,852
Bond Issuance Costs	1,129,895	1,129,895	-	1,129,895	-
<b>Total expenditures</b>	<b>74,095,923</b>	<b>55,321,193</b>	<b>10,181,338</b>	<b>65,502,531</b>	<b>19,135,238</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(72,111,336)</b>	<b>(53,390,336)</b>	<b>(10,028,408)</b>	<b>(63,418,744)</b>	<b>(17,404,950)</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Face Value - Long Term Debt Issued	71,593,226	71,593,226	-	71,593,226	-
Sale of Capital Asset	665,956	665,956	-	665,956	575,756
<b>Total other financing sources (uses)</b>	<b>72,259,182</b>	<b>72,259,182</b>	<b>-</b>	<b>72,259,182</b>	<b>575,756</b>
<b>Net change in fund balances</b>	<b>\$ 147,846</b>	<b>\$ 18,868,846</b>	<b>\$ (10,028,408)</b>	<b>\$ 8,840,438</b>	<b>\$ (16,829,194)</b>
<b>Fund balances-beginning</b>			<b>18,868,846</b>		<b>35,698,040</b>
<b>Fund balances-ending</b>			<b>\$ 8,840,438</b>		<b>\$ 18,868,846</b>

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES -**  
**BUDGET (PROJECT-LENGTH) AND ACTUAL**  
**GALVESTON CAUSEWAY RAILROAD BRIDGE PROJECT CAPITAL PROJECTS FUND**  
**From Inception and for the Year Ended September 30, 2013**  
**With Comparative Amounts for the Year Ended September 30, 2012**

	TOTAL PROJECT AUTHORIZED	ACTUAL TO SEPTEMBER 30, 2013			LAST YEAR'S ACTUAL
		REPORTED IN PRIOR YEARS	CURRENT YEAR	TOTAL	
<b>REVENUES</b>					
Intergovernmental	\$ 97,089,573	\$ 86,323,633	\$ 3,711,330	\$ 90,034,963	\$ 23,459,012
<b>EXPENDITURES</b>					
Roads, Bridges and Rights-of-Way:					
Galveston Causeway RR Bridge	97,618,609	86,678,016	3,780,008	90,458,024	23,557,248
<b>Total expenditures</b>	97,618,609	86,678,016	3,780,008	90,458,024	23,557,248
<b>Excess (deficiency) of revenues over (under) expenditures</b>	(529,036)	(354,383)	(68,678)	(423,061)	(98,236)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	511,682	516,169	-	516,169	-
<b>Net change in fund balances</b>	<b>\$ (17,354)</b>	<b>\$ 161,786</b>	(68,678)	<b>\$ 93,108</b>	(98,236)
<b>Fund balances-beginning</b>			161,786		260,022
<b>Fund balances-ending</b>			<b>\$ 93,108</b>		<b>\$ 161,786</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, 2013**  
**With Comparative Amounts for the Year Ended September 30, 2012**

	TOTAL PROJECT AUTHORIZED	ACTUAL TO SEPTEMBER 30, 2013			LAST YEAR'S ACTUAL
		REPORTED IN PRIOR YEARS	CURRENT YEAR	TOTAL	
<b>REVENUES</b>					
Investment Earnings	\$ 24,134	\$ 24,133	\$ 1,832	\$ 25,965	\$ 924
Charges for Services	150,000	315,808	-	315,808	165,808
<b>Total revenues</b>	<b>174,134</b>	<b>339,941</b>	<b>1,832</b>	<b>341,773</b>	<b>166,732</b>
<b>EXPENDITURES</b>					
Roads, Bridges and Rights-of-Way:					
Administration Costs	-	5,186	21,000	26,186	5,186
Capital Outlay:					
Grand Cay Project	151,008	59,996	-	59,996	-
FM 646 Pass Thru Toll	8,200	-	-	-	-
<b>Total expenditures</b>	<b>159,208</b>	<b>65,182</b>	<b>21,000</b>	<b>86,182</b>	<b>5,186</b>
<b>Net change in fund balances</b>	<b>\$ 14,926</b>	<b>\$ 274,759</b>	<b>(19,168)</b>	<b>\$ 255,591</b>	<b>161,546</b>
<b>Fund balances-beginning</b>			<b>274,759</b>		<b>113,213</b>
<b>Fund balances-ending</b>			<b>\$ 255,591</b>		<b>\$ 274,759</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, 2013**  
**With Comparative Amounts for the Year Ended September 30, 2012**

	TOTAL PROJECT AUTHORIZED	ACTUAL TO SEPTEMBER 30, 2013			LAST YEAR'S ACTUAL
		REPORTED IN PRIOR YEARS	CURRENT YEAR	TOTAL	
<b>REVENUES</b>					
Investment Earnings	\$ 191,752	\$ 114,551	\$ 77,199	\$ 191,750	\$ 71,128
Miscellaneous	271	271	-	271	-
<b>Total revenues</b>	<b>192,023</b>	<b>114,822</b>	<b>77,199</b>	<b>192,021</b>	<b>71,128</b>
<b>EXPENDITURES</b>					
Roads, Bridges and Rights-of-Way:					
Clear Creek	9,724,000	-	-	-	-
Dickinson Bayou	2,300,000	1,902,154	-	1,902,154	60,182
FM 646	2,200,000	2,137,172	-	2,137,172	2,769
Bond Issuance Costs	204,571	204,571	-	204,571	-
<b>Total expenditures</b>	<b>14,428,571</b>	<b>4,243,897</b>	<b>-</b>	<b>4,243,897</b>	<b>62,951</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(14,236,548)</b>	<b>(4,129,075)</b>	<b>77,199</b>	<b>(4,051,876)</b>	<b>8,177</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>\$ 157,614</b>	<b>\$ 10,265,087</b>	<b>77,199</b>	<b>\$ 10,342,286</b>	<b>8,177</b>
<b>Fund balances-beginning</b>			<b>10,265,087</b>		<b>10,256,910</b>
<b>Fund balances-ending</b>			<b>\$ 10,342,286</b>		<b>\$ 10,265,087</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, 2013**  
**With Comparative Amounts for the Year Ended September 30, 2012**

	<b>ACTUAL TO SEPTEMBER 30, 2013</b>				<b>LAST YEAR'S ACTUAL</b>
	<b>TOTAL PROJECT AUTHORIZED</b>	<b>REPORTED IN PRIOR YEARS</b>	<b>CURRENT YEAR</b>	<b>TOTAL</b>	
<b>REVENUES</b>					
Investment Earnings	\$ 251,415	\$ 248,887	\$ 2,527	\$ 251,414	\$ 2,522
<b>EXPENDITURES</b>					
Roads, Bridges and Rights-of-Way:					
Administration Costs	87,758	87,819	-	87,819	-
Texas City Hurricane Levee	3,124,218	3,070,185	14,500	3,084,685	70,185
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	9,406	365,790	-
Bond Issuance Costs	53,000	53,000	-	53,000	-
<b>Total expenditures</b>	<b>5,280,557</b>	<b>5,206,478</b>	<b>23,906</b>	<b>5,230,384</b>	<b>70,185</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(5,029,142)</b>	<b>(4,957,591)</b>	<b>(21,379)</b>	<b>(4,978,970)</b>	<b>(67,663)</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)	(1,913,557)	-	(1,913,557)	(213,357)
<b>Total other financing sources (uses)</b>	<b>5,513,157</b>	<b>5,299,800</b>	<b>-</b>	<b>5,299,800</b>	<b>(213,357)</b>
<b>Net change in fund balances</b>	<b>\$ 484,015</b>	<b>\$ 342,209</b>	<b>(21,379)</b>	<b>\$ 320,830</b>	<b>(281,020)</b>
<b>Fund balances-beginning</b>			<b>342,209</b>		<b>623,229</b>
<b>Fund balances-ending</b>			<b>\$ 320,830</b>		<b>\$ 342,209</b>

# Proprietary Funds

## PROPRIETARY FUNDS

Proprietary Funds consist of:

### Internal Service Funds

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

## **INTERNAL SERVICE FUNDS**

GROUP INSURANCE (FUND 6123) - The Group Insurance Fund accounts for the administration of the health, unemployment, and workers' compensation insurance benefits that are provided current and former county employees. Primarily the county self-insures against these risks, but in instances it also pays premiums on insurance policies in order to obtain additional coverage.

SELF-INSURANCE RESERVE (FUND 6130) – The Self-Insurance Reserve Fund provides for general liability and casualty loss coverage.

**GALVESTON COUNTY, TEXAS**  
**COMBINING STATEMENT OF NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**September 30, 2013**

	<b>GROUP INSURANCE</b>	<b>SELF- INSURANCE RESERVE</b>	<b>TOTAL</b>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 6,663,896	\$ 1,807,481	\$ 8,471,377
Receivables (Net of Allowances for Uncollectibles):			
Accounts and Other	140,478	-	140,478
Prepaid Items	-	253,794	253,794
<b>Total assets</b>	<u>6,804,374</u>	<u>2,061,275</u>	<u>8,865,649</u>
<b>LIABILITIES</b>			
Accounts Payable	\$ 390,423	\$ 178	\$ 390,601
Salaries Payable	17,116	-	17,116
Estimated Liability - Claims	2,749,500	-	2,749,500
<b>Total liabilities</b>	<u>3,157,039</u>	<u>178</u>	<u>3,157,217</u>
<b>NET POSITION</b>			
Unrestricted	<u>3,647,335</u>	<u>2,061,097</u>	<u>5,708,432</u>
<b>Total net position</b>	<u><u>\$ 3,647,335</u></u>	<u><u>\$ 2,061,097</u></u>	<u><u>\$ 5,708,432</u></u>

**GALVESTON COUNTY, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND**  
**CHANGES IN NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**For the Year Ended September 30, 2013**

	<b>GROUP INSURANCE</b>	<b>SELF- INSURANCE RESERVE</b>	<b>TOTAL</b>
<b>OPERATING REVENUES</b>			
Intergovernmental	\$ 269,717	\$ -	\$ 269,717
Charges for Services	11,080,500	-	11,080,500
Insurance Recovery - County	-	31,992	31,992
Reimbursements	1,272,815	-	1,272,815
<b>Total operating revenues</b>	<b>12,623,032</b>	<b>31,992</b>	<b>12,655,024</b>
<b>OPERATING EXPENSES</b>			
Personal Services	\$ 309,625	\$ -	\$ 309,625
Contract Services	1,781,375	-	1,781,375
Insurance	854,977	2,707,264	3,562,241
Claims Paid	10,022,473	-	10,022,473
<b>Total operating expenses</b>	<b>12,968,450</b>	<b>2,707,264</b>	<b>15,675,714</b>
<b>Operating income (loss)</b>	<b>(345,418)</b>	<b>(2,675,272)</b>	<b>(3,020,690)</b>
<b>NON-OPERATING REVENUES</b>			
Investment Earnings	470	-	470
<b>Income (loss) before transfers</b>	<b>(344,948)</b>	<b>(2,675,272)</b>	<b>(3,020,220)</b>
<b>OPERATING TRANSFERS</b>			
Transfers In	437,200	2,922,300	3,359,500
<b>Change in net position</b>	<b>92,252</b>	<b>247,028</b>	<b>339,280</b>
<b>Total net position-beginning</b>	<b>3,555,083</b>	<b>1,814,069</b>	<b>5,369,152</b>
<b>Total net position-ending</b>	<b>\$ 3,647,335</b>	<b>\$ 2,061,097</b>	<b>\$ 5,708,432</b>

**GALVESTON COUNTY, TEXAS**  
**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
**For the Year Ended September 30, 2013**

	<b>GROUP INSURANCE</b>	<b>SELF- INSURANCE RESERVE</b>	<b>TOTAL</b>
<b>Cash flows from operating activities:</b>			
Receipts from Users	\$ 10,961,609	\$ 82,716	\$ 11,044,325
Payments to Suppliers	(2,431,617)	(2,739,822)	(5,171,439)
Payments to Employees	(302,244)	-	(302,244)
Payments for Claims	(10,022,473)	-	(10,022,473)
Other Operating Revenues	1,542,532	-	1,542,532
<b>Net cash provided (used) by operating activities</b>	<b>(252,193)</b>	<b>(2,657,106)</b>	<b>(2,909,299)</b>
<b>Cash flows from noncapital financing activities:</b>			
Transfers In	437,200	2,922,300	3,359,500
<b>Net cash provided (used) by noncapital financing activities</b>	<b>437,200</b>	<b>2,922,300</b>	<b>3,359,500</b>
<b>Cash flows from investing activities:</b>			
Investment Earnings	470	-	470
<b>Net cash provided (used) by investing activities</b>	<b>470</b>	<b>-</b>	<b>470</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>185,477</b>	<b>265,194</b>	<b>450,671</b>
<b>Cash and Cash Equivalents October 1, 2012</b>	<b>6,478,419</b>	<b>1,542,287</b>	<b>8,020,706</b>
<b>Cash and Cash Equivalents September 30, 2013</b>	<b>\$ 6,663,896</b>	<b>\$ 1,807,481</b>	<b>\$ 8,471,377</b>
<b>Income (loss) before transfers provided (used) by operating activities:</b>			
<b>Operating income (loss)</b>	<b>\$ (345,418)</b>	<b>\$ (2,675,272)</b>	<b>\$ (3,020,690)</b>
<b>Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:</b>			
(Increase) Decrease in Accounts Receivable	(118,891)	50,724	(68,167)
(Increase) Decrease in Prepaid Items	-	(8,086)	(8,086)
Increase (Decrease) in Accounts Payable	204,735	(24,472)	180,263
Increase (Decrease) in Salaries Payable	7,381	-	7,381
<b>Total adjustments</b>	<b>93,225</b>	<b>18,166</b>	<b>111,391</b>
<b>Net cash provided (used) by operating activities</b>	<b>\$ (252,193)</b>	<b>\$ (2,657,106)</b>	<b>\$ (2,909,299)</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

UNCLAIMED PROPERTY (FUND 7250) – This fund was established to account for unclaimed property valued under \$100. The property is presumed abandoned as defined by Chapters 72 and 75 of the Texas Property Code.

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.

BOND ESCROW (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.

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.

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. Effective with fiscal year 2013, this fund is accounted for as a Special Revenue Fund.

COUNTY CLERK TRUST (FUND 7631) – Registry funds remanded to the custody of the County Clerk until a court order determines the disposition of such funds.

DISTRICT CLERK TRUST (FUND 7641) – Registry funds remanded to the custody of the District Clerk until a court order determines the disposition of such funds.

INMATE DEPOSITS (FUND 7652) – County jail inmates' funds are accounted for in this fund until such time as an inmate requests payment on their behalf or the inmate is released.

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

**GALVESTON COUNTY, TEXAS  
COMBINING BALANCE SHEET  
AGENCY FUNDS  
September 30, 2013  
With Comparative Amounts as of September 30, 2012**

	<u>UNCLAIMED PROPERTY</u>	<u>PAYROLL</u>	<u>ESCROW</u>	<u>BOND ESCROW</u>
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 208,777	\$ 828,864	\$ 1,102,804	\$ 5,311
Investments	-	-	-	-
Receivables (Net of Allowances for Uncollectibles):				
Accounts and Other	-	-	9,013	-
Restricted Assets:				
Guardianship Assets	-	-	1,231,316	-
<b>Total Assets</b>	<b><u>\$ 208,777</u></b>	<b><u>\$ 828,864</u></b>	<b><u>\$ 2,343,133</u></b>	<b><u>\$ 5,311</u></b>
<b>LIABILITIES</b>				
Accounts Payable	\$ -	\$ 62,721	\$ 19,996	\$ -
Due to Others	197,704	-	10,423	5,311
Due to Other Entities	11,073	766,143	-	-
Deposits Held	-	-	1,081,398	-
Deposits Held for Restricted Assets	-	-	1,231,316	-
<b>Total Liabilities</b>	<b><u>\$ 208,777</u></b>	<b><u>\$ 828,864</u></b>	<b><u>\$ 2,343,133</u></b>	<b><u>\$ 5,311</u></b>

(Continued)

<b>TAX ASSESSOR- COLLECTOR UNDISTRIBUTED COLLECTIONS</b>	<b>APPELLATE JUDICIAL SYSTEM FEES</b>	<b>COUNTY CLERK TRUST</b>	<b>DISTRICT CLERK TRUST</b>	<b>INMATE DEPOSITS</b>
\$ 5,106,595	\$ -	\$ 1,070,680	\$ 1,642,581	\$ 148,993
-	-	3,472,503	2,932,901	-
-	-	-	-	-
-	-	-	-	-
<b>\$ 5,106,595</b>	<b>\$ -</b>	<b>\$ 4,543,183</b>	<b>\$ 4,575,482</b>	<b>\$ 148,993</b>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	4,543,183	4,575,482	148,993
5,106,595	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<b>\$ 5,106,595</b>	<b>\$ -</b>	<b>\$ 4,543,183</b>	<b>\$ 4,575,482</b>	<b>\$ 148,993</b>

**GALVESTON COUNTY, TEXAS  
COMBINING BALANCE SHEET  
AGENCY FUNDS  
September 30, 2013  
With Comparative Amounts as of September 30, 2012**

	CHILDREN'S PROTECTIVE SERVICES -		TOTALS	
	ESCROW	2013	2012*	
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 10,223	\$ 10,124,828	\$ 10,952,120	
Investments	-	6,405,404	8,124,841	
Receivables (Net of Allowances for Uncollectibles):				
Accounts and Other	-	9,013	16,904	
Restricted Assets:				
Guardianship Assets	-	1,231,316	1,042,491	
<b>Total Assets</b>	<b>\$ 10,223</b>	<b>\$ 17,770,561</b>	<b>\$ 20,136,356</b>	
<b>LIABILITIES</b>				
Accounts Payable	\$ -	\$ 82,717	\$ 99,610	
Due to Others	-	9,481,096	11,746,970	
Due to Other Entities	-	5,883,811	5,989,184	
Deposits Held	10,223	1,091,621	1,258,101	
Deposits Held for Restricted Assets	-	1,231,316	1,042,491	
<b>Total Liabilities</b>	<b>\$ 10,223</b>	<b>\$ 17,770,561</b>	<b>\$ 20,136,356</b>	

\*As restated

**GALVESTON COUNTY, TEXAS**  
**COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**For the Year Ended September 30, 2013**

	<b>BALANCE*</b> <b>10/1/2012</b>	<b>ADDITIONS</b>	<b>DEDUCTIONS</b>	<b>BALANCE</b> <b>9/30/2013</b>
<b>UNCLAIMED PROPERTY</b>				
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 202,349	\$ 8,267	\$ 1,839	\$ 208,777
<b>Total Assets</b>	<b>\$ 202,349</b>	<b>\$ 8,267</b>	<b>\$ 1,839</b>	<b>\$ 208,777</b>
<b>LIABILITIES</b>				
Due to Others	\$ 193,417	\$ 6,126	\$ 1,839	\$ 197,704
Due to Other Entities	8,932	2,141	-	11,073
<b>Total Liabilities</b>	<b>\$ 202,349</b>	<b>\$ 8,267</b>	<b>\$ 1,839</b>	<b>\$ 208,777</b>
<b>PAYROLL</b>				
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 745,881	\$ 138,556,586	\$ 138,473,603	\$ 828,864
<b>Total Assets</b>	<b>\$ 745,881</b>	<b>\$ 138,556,586</b>	<b>\$ 138,473,603</b>	<b>\$ 828,864</b>
<b>LIABILITIES</b>				
Accounts Payable	\$ 41,412	\$ 3,883,149	\$ 3,861,840	\$ 62,721
Due to Other Entities	704,469	27,478,742	27,417,068	766,143
<b>Total Liabilities</b>	<b>\$ 745,881</b>	<b>\$ 31,361,891</b>	<b>\$ 31,278,908</b>	<b>\$ 828,864</b>
<b>ESCROW</b>				
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 1,301,372	\$ 4,257,341	\$ 4,455,909	\$ 1,102,804
Receivables (Net of Allowances for Uncollectibles):				
Accounts and Other	16,699	93,305	100,991	9,013
Restricted Assets:				
Guardianship Assets	1,042,491	237,572	48,747	1,231,316
<b>Total Assets</b>	<b>\$ 2,360,562</b>	<b>\$ 4,588,218</b>	<b>\$ 4,605,647</b>	<b>\$ 2,343,133</b>
<b>LIABILITIES</b>				
Accounts Payable	\$ 58,198	\$ 830,579	\$ 868,781	\$ 19,996
Due to Others	16,881	176,738	183,196	10,423
Deposits Held	1,242,992	3,343,329	3,504,923	1,081,398
Deposits Held for Restricted Assets	1,042,491	237,572	48,747	1,231,316
<b>Total Liabilities</b>	<b>\$ 2,360,562</b>	<b>\$ 4,588,218</b>	<b>\$ 4,605,647</b>	<b>\$ 2,343,133</b>

\*As restated

**GALVESTON COUNTY, TEXAS**  
**COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**For the Year Ended September 30, 2013**

	<u>BALANCE*</u> <u>10/1/2012</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>9/30/2013</u>
<b>BOND ESCROW</b>				
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 5,311	\$ -	\$ -	\$ 5,311
<b>Total Assets</b>	<b>\$ 5,311</b>	<b>\$ -</b>	<b>\$ -</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>TAX ASSESSOR-COLLECTOR UNDISTRIBUTED COLLECTIONS</b>				
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 5,275,783	\$ 527,102,090	\$ 527,271,278	\$ 5,106,595
<b>Total Assets</b>	<b>\$ 5,275,783</b>	<b>\$ 527,102,090</b>	<b>\$ 527,271,278</b>	<b>\$ 5,106,595</b>
<b>LIABILITIES</b>				
Due to Other Entities	\$ 5,275,783	\$ 527,102,090	\$ 527,271,278	\$ 5,106,595
<b>Total Liabilities</b>	<b>\$ 5,275,783</b>	<b>\$ 527,102,090</b>	<b>\$ 527,271,278</b>	<b>\$ 5,106,595</b>
<b>APPELLATE JUDICIAL SYSTEM FEES</b>				
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 4,681	\$ -	\$ 4,681	\$ -
Receivables (Net of Allowances for Uncollectibles):				
Accounts and Other	205	-	205	-
<b>Total Assets</b>	<b>\$ 4,886</b>	<b>\$ -</b>	<b>\$ 4,886</b>	<b>\$ -</b>
<b>LIABILITIES</b>				
Deposits Held	\$ 4,886	\$ -	\$ 4,886	\$ -
<b>Total Liabilities</b>	<b>\$ 4,886</b>	<b>\$ -</b>	<b>\$ 4,886</b>	<b>\$ -</b>

\*As restated

**GALVESTON COUNTY, TEXAS**  
**COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**For the Year Ended September 30, 2013**

	<u>BALANCE*</u> <u>10/1/2012</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>9/30/2013</u>
<b>COUNTY CLERK TRUST</b>				
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 1,263,294	\$ 3,614,586	\$ 3,807,200	\$ 1,070,680
Investments	4,301,983	-	829,480	3,472,503
<b>Total Assets</b>	<b><u>\$ 5,565,277</u></b>	<b><u>\$ 3,614,586</u></b>	<b><u>\$ 4,636,680</u></b>	<b><u>\$ 4,543,183</u></b>
<b>LIABILITIES</b>				
Due to Others	\$ 5,565,277	\$ 3,614,586	\$ 4,636,680	\$ 4,543,183
<b>Total Liabilities</b>	<b><u>\$ 5,565,277</u></b>	<b><u>\$ 3,614,586</u></b>	<b><u>\$ 4,636,680</u></b>	<b><u>\$ 4,543,183</u></b>
<b>DISTRICT CLERK TRUST</b>				
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 2,111,424	\$ 4,269,747	\$ 4,738,590	\$ 1,642,581
Investments	3,822,858	-	889,957	2,932,901
<b>Total Assets</b>	<b><u>5,934,282</u></b>	<b><u>4,269,747</u></b>	<b><u>5,628,547</u></b>	<b><u>4,575,482</u></b>
<b>LIABILITIES</b>				
Due to Others	\$ 5,934,282	\$ 4,269,747	\$ 5,628,547	\$ 4,575,482
<b>Total Liabilities</b>	<b><u>\$ 5,934,282</u></b>	<b><u>\$ 4,269,747</u></b>	<b><u>\$ 5,628,547</u></b>	<b><u>\$ 4,575,482</u></b>
<b>INMATE DEPOSITS</b>				
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 31,802	\$ 1,366,019	\$ 1,248,828	\$ 148,993
<b>Total Assets</b>	<b><u>\$ 31,802</u></b>	<b><u>\$ 1,366,019</u></b>	<b><u>\$ 1,248,828</u></b>	<b><u>\$ 148,993</u></b>
<b>LIABILITIES</b>				
Due to Others	\$ 31,802	\$ 1,366,019	\$ 1,248,828	\$ 148,993
<b>Total Liabilities</b>	<b><u>\$ 31,802</u></b>	<b><u>\$ 1,366,019</u></b>	<b><u>\$ 1,248,828</u></b>	<b><u>\$ 148,993</u></b>

\*As restated

**GALVESTON COUNTY, TEXAS**  
**COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES**  
**AGENCY FUNDS**

For the Year Ended September 30, 2013

	<u>BALANCE*</u> <u>10/1/2012</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>9/30/2013</u>
<b>CHILDREN'S PROTECTIVE SERVICES - ESCROW</b>				
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 10,223	\$ -	\$ -	\$ 10,223
<b>Total Assets</b>	<b>\$ 10,223</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 10,223</b>
<b>LIABILITIES</b>				
Deposits Held	\$ 10,223	\$ -	\$ -	\$ 10,223
<b>Total Liabilities</b>	<b>\$ 10,223</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 10,223</b>
<b>TOTALS - ALL AGENCY FUNDS</b>				
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 10,952,120	\$ 679,174,636	\$ 680,001,928	\$ 10,124,828
Investments	8,124,841	-	1,719,437	6,405,404
Receivables (Net of Allowances for Uncollectibles):				
Accounts and Other	16,904	93,305	101,196	9,013
Restricted Assets:				
Guardianship Assets	1,042,491	237,572	48,747	1,231,316
<b>Total Assets</b>	<b>\$ 20,136,356</b>	<b>\$ 679,505,513</b>	<b>\$ 681,871,308</b>	<b>\$ 17,770,561</b>
<b>LIABILITIES</b>				
Accounts Payable	\$ 99,610	\$ 4,713,728	\$ 4,730,621	\$ 82,717
Due to Others	11,746,970	9,433,216	11,699,090	9,481,096
Due to Other Entities	5,989,184	554,582,973	554,688,346	5,883,811
Deposits Held	1,258,101	3,343,329	3,509,809	1,091,621
Deposits Held for Restricted Assets	1,042,491	237,572	48,747	1,231,316
<b>Total Liabilities</b>	<b>\$ 20,136,356</b>	<b>\$ 572,310,818</b>	<b>\$ 574,676,613</b>	<b>\$ 17,770,561</b>

\*As restated



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# 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**  
**2013**

	<b>2013</b>	<b>2012</b>
<b>GOVERNMENTAL FUNDS CAPITAL ASSETS</b>		
Land	\$ 33,979,077	\$ 33,999,754
Buildings and Improvements	226,805,075	226,421,367
Improvements Other Than Buildings	5,239,738	4,750,547
Machinery and Equipment	41,394,951	36,346,340
Infrastructure	158,454,071	155,569,431
Construction in Progress	8,706,881	8,305,990
	<b>\$ 474,579,793</b>	<b>\$ 465,393,429</b>
 <b>INVESTMENT IN GOVERNMENTAL FUNDS CAPITAL ASSETS BY SOURCE</b>		
General Fund	\$ 19,631,840	\$ 19,957,645
Special Revenue Funds and Grants	47,748,382	39,996,205
Capital Projects Funds	397,809,884	396,105,496
Gifts	9,389,687	9,334,083
	<b>\$ 474,579,793</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 Position. However, Galveston County's Internal Service Funds do not own any capital assets at this time.

**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS**  
**SCHEDULE BY FUNCTION AND ACTIVITY**  
**2013**

FUNCTION AND ACTIVITY	LAND	BUILDINGS	IMPROVEMENTS OTHER THAN BUILDINGS	MACHINERY & EQUIPMENT
<b>General government:</b>				
General Government	\$ 6,743,827	\$ 124,817,133	\$ 419,885	\$ 4,882,784
County Clerk	-	-	-	2,201,611
County Records Management	-	-	-	149,962
Justice Courts	48,220	171,621	-	-
District Clerk	-	-	-	87,069
District Attorney	-	-	-	119,753
Tax Assessor-Collector	-	-	-	63,004
Information Technology	-	-	-	6,085,738
Facilities Services	47,217	15,136,258	332,600	731,427
County Engineer	-	-	-	6,518
<b>Total general government</b>	<b>6,839,264</b>	<b>140,125,012</b>	<b>752,485</b>	<b>14,327,866</b>
<b>Public safety:</b>				
Sheriff	3,564,291	67,096,669	-	11,072,120
Const Pct#8	-	-	-	24,956
Medical Examiner	-	433,715	-	-
Juvenile Justice	18,047	234,412	-	244,051
Emergency Management	1,904,700	-	250,000	2,577,979
Fire/EMS	-	-	-	-
Flood Control	1,065,717	3,903,472	578,729	3,100,310
<b>Total public safety</b>	<b>6,552,755</b>	<b>71,668,268</b>	<b>828,729</b>	<b>17,019,416</b>
<b>Roads, bridges, and right-of-way:</b>				
Road Department	2,590,047	374,076	734,292	5,990,078
Road District #1	-	283,669	-	36,241
Rights-of-Way Department	1,910,975	-	-	-
<b>Total roads, bridges, and rights-of-way</b>	<b>4,501,022</b>	<b>657,745</b>	<b>734,292</b>	<b>6,026,319</b>
<b>Health and social services:</b>				
Health Administration and Sanitation	378,794	1,320,808	-	-
Mosquito Control District	-	-	-	1,212,911
Senior Citizens	55,595	1,105,894	-	372,150
<b>Total health and social services</b>	<b>434,389</b>	<b>2,426,702</b>	<b>-</b>	<b>1,585,061</b>
<b>Culture and recreation:</b>				
Museum	-	-	-	25,953
Beach and Parks Department	15,651,647	8,985,799	2,904,729	1,630,242
Beach Maintenance-Road and Bridge	-	-	-	639,403
<b>Total culture and recreation</b>	<b>15,651,647</b>	<b>8,985,799</b>	<b>2,904,729</b>	<b>2,295,598</b>
<b>Conservation</b>	<b>-</b>	<b>2,941,549</b>	<b>19,503</b>	<b>140,691</b>
<b>Total governmental funds capital assets</b>	<b>\$ 33,979,077</b>	<b>\$ 226,805,075</b>	<b>\$ 5,239,738</b>	<b>\$ 41,394,951</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.

(Continued)

INFRASTRUCTURE	CONSTRUCTION IN PROGRESS
\$ -	\$ -
-	-
-	-
-	-
-	-
-	-
-	-
-	1,268,329
-	691,364
28,140	-
<u>28,140</u>	<u>1,959,693</u>
2,308,646	3,384,062
81,642,650	3,294,036
<u>83,951,296</u>	<u>69,090</u>
<u>83,951,296</u>	<u>6,747,188</u>
59,047,919	-
9,705,186	-
<u>68,753,105</u>	<u>-</u>
-	-
-	-
<u>-</u>	<u>-</u>
-	-
5,721,530	-
<u>5,721,530</u>	<u>-</u>
-	-
<u>-</u>	<u>-</u>
<u>\$ 158,454,071</u>	<u>\$ 8,706,881</u>

**GALVESTON COUNTY, TEXAS**  
**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS**  
**SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY**  
**2013**

FUNCTIONS AND ACTIVITY	GOVERNMENTAL FUNDS CAPITAL ASSETS			TRANSFERS / ADJUSTMENTS	GOVERNMENTAL FUNDS CAPITAL
	2012	ADDITIONS	DEDUCTIONS		ASSETS 2013
<b>General government:</b>					
General Government	\$ 134,853,692	\$ 492,374	\$ (129,671)	\$ 1,647,234	\$ 136,863,629
County Clerk	2,306,360	33,117	(98,967)	(38,899)	2,201,611
County Records Management	149,962			-	149,962
Justice Courts	219,841			-	219,841
District Clerk	98,369		(50,199)	38,899	87,069
District Attorney	90,505	55,696	(5,640)	(20,808)	119,753
Tax Assessor-Collector	53,004	10,000		-	63,004
Information Technology	5,910,020	1,750,829	(306,782)	-	7,354,067
Facilities Services	22,374,848	776,802	(393,691)	(5,819,093)	16,938,866
County Engineer	28,140	6,518	-	-	34,658
<b>Total general governmental</b>	<b>166,084,741</b>	<b>3,125,336</b>	<b>(984,950)</b>	<b>(4,192,667)</b>	<b>164,032,460</b>
<b>Public safety:</b>					
Sheriff's Department	79,251,406	2,982,306	(1,028,178)	527,546	81,733,080
Const Pct#8	24,956			-	24,956
Medical Examiner	433,715			-	433,715
Juvenile Justice	518,086		(21,576)	-	496,510
Emergency Management	2,848,979	8,886,209	(4,536,788)	3,226,987	10,425,387
Fire/ EMS	3,104,010	190,026		-	3,294,036
Flood Control	91,921,058	895,867	(694,838)	(1,762,119)	90,359,968
<b>Total public safety</b>	<b>178,102,210</b>	<b>12,954,408</b>	<b>(6,281,380)</b>	<b>1,992,414</b>	<b>186,767,652</b>
<b>Roads, bridges, and right-of-way:</b>					
Road Department	68,713,922	737,177	(348,068)	(366,619)	68,736,412
Road District #1	10,041,291			(16,195)	10,025,096
Rights-of-Way Department	1,910,975			-	1,910,975
<b>Total roads, bridges, and rights-of-way</b>	<b>80,666,188</b>	<b>737,177</b>	<b>(348,068)</b>	<b>(382,814)</b>	<b>80,672,483</b>
<b>Health and social services:</b>					
Health Administration and Sanitation	1,699,602			-	1,699,602
Mosquito Control District	1,187,357	63,440	(21,888)	(15,998)	1,212,911
Senior Citizens	1,551,629		(17,990)	-	1,533,639
<b>Total health and social services</b>	<b>4,438,588</b>	<b>63,440</b>	<b>(39,878)</b>	<b>(15,998)</b>	<b>4,446,152</b>
<b>Culture and recreation:</b>					
Museum	121,942		(95,989)		25,953
Beach and Parks Department	35,174,792	289,555	(247,816)	(322,584)	34,893,947
Beach Maintenance-Road and Bridge	624,874	107,289	(92,760)	-	639,403
<b>Total culture and recreation</b>	<b>35,921,608</b>	<b>396,844</b>	<b>(436,565)</b>	<b>(322,584)</b>	<b>35,559,303</b>
<b>Conservation</b>	<b>180,094</b>	<b>-</b>	<b>-</b>	<b>2,921,649</b>	<b>3,101,743</b>
<b>Total governmental funds capital assets</b>	<b>\$ 465,393,429</b>	<b>\$ 17,277,205</b>	<b>\$ (8,090,841)</b>	<b>\$ -</b>	<b>\$ 474,579,793</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.

# Financial Trends

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

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Net position - governmental activities										
Net investment in capital assets	\$ 93,040	\$ 97,944	\$ 103,625	\$ 117,622	\$ 107,958	\$ 62,797	\$ 97,415	\$ 102,410	\$ 107,571	\$ 131,464
Restricted for:										
Grants	548	210	565	482	8,293	1,832	329	787	2,557	8,472
Debt service	4,111	4,534	5,448	12,820	12,575	15,645	7,864	9,921	9,473	9,625
Other projects	-	-	-	-	-	-	-	260	162	7,194
Capital projects	-	-	-	-	-	2,346	1,709	2,915	2,020	-
Unrestricted	19,494	25,692	31,154	24,188	28,264	45,726	(8,592)	(39,371)	(58,349)	(102,707)
Total net position-governmental activities (1)	<u>\$ 117,193</u>	<u>\$ 128,381</u>	<u>\$ 140,793</u>	<u>\$ 155,112</u>	<u>\$ 157,090</u>	<u>\$ 128,346</u>	<u>\$ 98,725</u>	<u>\$ 76,922</u>	<u>\$ 63,434</u>	<u>\$ 54,047</u>

(1) Columns may not foot due to rounding.



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

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
<b>Expenses</b>				
Governmental activities:				
General Government	\$ 42,501	\$ 38,234	\$ 44,828	\$ 51,530
Public Safety	36,420	39,715	40,233	46,077
Sanitation	18	18	575	187
Health and Social Services	12,196	15,799	15,987	16,825
Culture and Recreation	6,827	4,347	4,101	6,347
Conservation	315	403	392	426
Roads, Bridges, and Rights-of-way	19,991	9,552	10,985	14,587
Interest on Long-term Debt	10,173	10,269	10,199	10,057
<b>Total governmental activities expenses (3)</b>	<u>128,441</u>	<u>118,337</u>	<u>127,300</u>	<u>146,036</u>
<b>Program revenues</b>				
Governmental activities:				
Charges for services:				
General Government	13,809	13,469	15,156	17,094
Public Safety	1,712	1,627	1,750	1,776
Roads, Bridges, and Rights-of-way	759	331	679	866
Other	216	125	137	385
Operating grants and contributions	11,430	14,216	13,614	24,553
Capital grants and contributions	3,177	3,574	4,251	2,895
<b>Total governmental activities program revenues (3)</b>	<u>31,103</u>	<u>33,342</u>	<u>35,587</u>	<u>47,569</u>
Net (expense) revenue-governmental activities	<u>(97,338)</u>	<u>(84,995)</u>	<u>(91,713)</u>	<u>(98,467)</u>
<b>General revenues and other changes in net position</b>				
Governmental activities:				
Taxes:				
Property taxes, levied for general purpose	70,302	75,543	81,610	89,018
Property taxes, levied for debt service	12,549	14,303	15,820	15,895
Payments in lieu of taxes	758	875	1,467	1,433
Unrestricted Grants and Contributions	-	-	-	-
Unrestricted investment earnings	5,865	4,413	4,480	5,534
Gain on sale of capital assets	-	610	1,000	870
Miscellaneous	221	406	460	37
Extraordinary Item-Insurance Recovery Proceeds (1)	-	-	-	-
Extraordinary Item-Infrastructure Loss (2)	-	-	-	-
Extraordinary Item - TWIA Case Settlement (1)	-	-	-	-
<b>Total governmental activities (3)</b>	<u>89,695</u>	<u>96,150</u>	<u>104,837</u>	<u>112,787</u>
<b>Change in net position-governmental activities (3)</b>	<u>\$ (7,643)</u>	<u>\$ 11,155</u>	<u>\$ 13,124</u>	<u>\$ 14,320</u>

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

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

(3) Columns may not foot due to rounding.

	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
\$	57,076	\$ 59,080	\$ 63,394	\$ 100,081	\$ 96,350	\$ 63,158
	57,562	134,746	122,790	106,660	66,696	59,173
	21	7	97	-	-	-
	18,213	17,455	18,757	17,038	19,154	20,173
	6,428	6,265	6,522	6,181	6,674	5,861
	475	535	546	492	535	614
	12,207	24,290	40,390	87,814	47,984	25,108
	10,617	11,662	18,345	17,997	16,238	16,047
	<u>162,599</u>	<u>254,040</u>	<u>270,841</u>	<u>336,263</u>	<u>253,631</u>	<u>190,135</u>
	15,998	16,452	16,864	14,121	14,808	13,793
	4,201	1,576	1,636	1,884	2,002	1,854
	769	421	587	553	591	556
	466	326	419	476	484	617
	20,835	89,943	100,735	171,373	95,036	35,776
	36	734	73	203	-	-
	<u>42,305</u>	<u>109,452</u>	<u>120,314</u>	<u>188,610</u>	<u>112,921</u>	<u>52,595</u>
	<u>(120,294)</u>	<u>(144,588)</u>	<u>(150,527)</u>	<u>(147,653)</u>	<u>(140,710)</u>	<u>(137,539)</u>
	93,562	95,032	100,219	91,863	94,931	98,384
	16,273	15,221	16,435	27,534	26,618	25,264
	1,897	1,337	1,764	2,101	1,994	2,076
	-	-	-	18	86	-
	4,605	4,152	2,426	1,878	1,022	1,088
	660	-	-	36	576	90
	108	101	62	533	284	1,314
	5,511	-	-	-	-	-
	(344)	-	-	-	-	-
	-	-	-	696	2,369	0
	<u>122,273</u>	<u>115,843</u>	<u>120,906</u>	<u>124,659</u>	<u>127,880</u>	<u>128,216</u>
\$	<u>1,979</u>	<u>(28,745)</u>	<u>(29,621)</u>	<u>(22,994)</u>	<u>(12,830)</u>	<u>(9,323)</u>

**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>
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
2013	98,384	25,264	123,648

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

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011**</u>	<u>2012</u>	<u>2013</u>
General Fund										
Non-spendable										
Prepaid Expenditures								\$ 267	\$ -	
Assigned										
Subsequent Year's Budget-										
Appropriation of Fund Balance								951	-	17,667
Indigent Defense								951	-	-
Self-insurance								1,500	1,500	1,500
Contingent Liability								1,000	1,000	1,000
Disaster Protection								2,500	2,500	2,500
Unassigned								26,645	38,191	23,169
Reserved	\$ 551	\$ 953	\$ 616	\$ 274	\$ 482	\$ 629	\$ 289	\$ -	\$ -	\$ -
Unreserved	12,557	18,195	25,006	28,865	27,106	29,232	30,092	-	-	-
Total general fund (2)	<u>\$ 13,108</u>	<u>\$ 19,148</u>	<u>\$ 25,622</u>	<u>\$ 29,139</u>	<u>\$ 27,588</u>	<u>\$ 29,861</u>	<u>\$ 30,381</u>	<u>\$ 33,814</u>	<u>\$ 43,191</u>	<u>\$ 45,836</u>
All Other Governmental Funds										
Non-spendable										
Inventory								\$ 791	\$ 587	\$ 802
Prepaid Expenditures								4	-	6
Restricted										
General Government								4,325	4,467	5,195
Public Safety								10,382	9,911	12,069
Health and Social Services								11,668	8,736	8,442
Culture and Recreation								1,089	1,425	1,826
Roads, Bridges, and ROW								4,822	4,269	4,741
Debt Service								11,042	10,342	10,626
County Building Projects								86,822	49,233	35,177
Assigned										
Other Construction Projects								3,175	7,737	1,970
Unassigned									(354)	-
Reserved (1)	\$ 67,798	\$ 24,561	\$ 10,073	\$ 15,617	\$ 35,912	\$ 25,697	\$ 48,020	-	-	-
Unreserved, reported in:										
Special Revenue Funds	16,990	16,782	18,467	21,491	28,672	29,075	37,979	-	-	-
Debt Service Funds	-	-	-	-	-	-	-	-	-	-
Capital Projects Funds	38,803	31,114	19,477	49,741	33,938	161,394	99,688	-	-	-
Total all other governmental funds (2)	<u>\$ 123,591</u>	<u>\$ 72,457</u>	<u>\$ 48,018</u>	<u>\$ 86,849</u>	<u>\$ 98,522</u>	<u>\$ 216,166</u>	<u>\$ 185,687</u>	<u>\$ 134,120</u>	<u>\$ 96,353</u>	<u>\$ 80,853</u>

(1) The increase in reserved funds during fiscal year 2008 is attributable to encumbrances for capital projects.

(2) Columns may not foot due to rounding.

\*\* 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)**

	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
<b>Revenues</b>					
Taxes	\$ 82,806	\$ 88,759	\$ 97,414	\$ 103,810	\$ 108,051
Licenses and Permits	2,100	2,140	2,325	2,320	2,267
Intergovernmental (1)	14,661	15,120	16,317	20,106	22,987
Charges for Services	8,300	8,334	9,818	10,289	9,879
Fines and Forfeitures	2,818	2,786	2,763	3,578	3,588
Investment Earnings	5,991	4,676	5,132	6,213	5,211
Miscellaneous	5,004	4,566	5,899	5,867	5,559
<b>Total Revenues (3)</b>	<b>121,681</b>	<b>126,383</b>	<b>139,669</b>	<b>152,183</b>	<b>157,542</b>
<b>Expenditures</b>					
Current:					
General Government	34,864	39,269	42,655	49,899	55,122
Public Safety	32,961	33,784	35,231	39,926	48,516
Sanitation	18	18	575	87	21
Health and Social Services	14,996	14,978	15,137	15,222	16,987
Culture and Recreation	3,045	2,378	2,336	2,600	2,813
Conservation	301	349	366	401	449
Roads, Bridges, and Rights-of-Way	4,510	5,023	4,410	12,086	9,257
Debt Service:					
Principal	4,115	5,999	7,372	7,831	9,351
Interest and Fiscal Charges	8,164	8,254	8,178	7,879	8,134
Bond Issuance Costs	601	-	-	672	1,047
Refund - Prior Year Tax Revenue	-	159	159	159	-
Capital Outlay	64,751	61,192	40,567	19,143	6,336
<b>Total Expenditures (3)</b>	<b>168,325</b>	<b>171,404</b>	<b>156,986</b>	<b>155,905</b>	<b>158,033</b>
Excess (deficiency) of revenues over (under) expenditures (3)	(46,644)	(45,021)	(17,317)	(3,722)	(491)
<b>Other Financing Sources (Uses)</b>					
Transfers In	6,525	4,669	8,083	10,529	17,555
Transfers Out	(8,920)	(6,418)	(10,711)	(16,123)	(21,571)
Sale of Capital Assets	184	1,082	1,979	4,033	1,122
Capital Lease	2,053	-	-	-	-
Insurance Recovery Proceeds (2)	-	-	-	-	5,512
Long Term Debt Issued	-	-	-	-	-
Face Value - Long Term Debt Issued	-	-	-	48,270	95,425
Face Value - Refunding Bonds Issued	42,595	-	-	-	-
Premium - Long Term Debt Issued	-	-	-	120	229
Premium - Refunding Bonds Issued	3,596	-	-	-	-
Discount - Long Term Debt Issued	-	-	-	(759)	(4,380)
Refunded Bonds - Escrow Agent Payments	(45,556)	-	-	-	(83,278)
<b>Total Other Financing Sources (Uses) (3)</b>	<b>476</b>	<b>(668)</b>	<b>(649)</b>	<b>46,070</b>	<b>10,613</b>
Extraordinary Item - Texas Windstorm Case Settlement	-	-	-	-	-
<b>Net Change In Fund Balances (3)</b>	<b>\$ (46,168)</b>	<b>\$ (45,689)</b>	<b>\$ (17,966)</b>	<b>\$ 42,348</b>	<b>\$ 10,122</b>
Debt service as a percentage of noncapital expenditures	11.9%	12.9%	13.4%	11.5%	11.5%

(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) Insurance proceeds received for damages caused by Hurricane Ike.

(3) Columns may not foot due to rounding.

	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
\$	113,260	\$ 118,121	\$ 119,442	\$ 121,711	\$ 124,352
	2,504	2,426	2,372	2,575	2,606
	90,604	99,644	168,880	93,437	34,666
	9,027	10,231	9,756	10,504	9,820
	3,365	3,327	3,034	2,911	2,893
	4,624	2,526	2,136	1,118	1,218
	5,289	6,995	6,067	4,883	6,316
	<u>228,675</u>	<u>243,270</u>	<u>311,687</u>	<u>237,139</u>	<u>181,871</u>
	52,430	60,315	96,145	91,382	53,170
	123,765	108,755	95,316	48,731	48,776
	7	98	2	-	-
	16,093	17,341	16,004	17,823	18,852
	2,988	3,174	2,940	2,381	2,759
	437	454	450	432	472
	21,308	37,972	84,543	51,635	22,311
	9,685	10,410	15,620	16,960	20,830
	8,982	14,202	14,820	14,496	13,258
	2,014	-	-	669	-
	-	-	-	-	-
	7,925	17,438	34,196	22,804	11,094
	<u>245,634</u>	<u>270,159</u>	<u>360,036</u>	<u>267,313</u>	<u>191,521</u>
	<u>(16,960)</u>	<u>(26,889)</u>	<u>(48,349)</u>	<u>(30,174)</u>	<u>(9,650)</u>
	31,934	21,912	21,698	6,655	19,744
	(35,447)	(25,129)	(24,447)	(9,876)	(23,104)
	86	146	125	3,555	218
	-	-	-	-	-
	231	-	-	-	-
	-	-	-	-	-
	140,000	-	-	52,650	-
	-	-	-	-	-
	76	-	-	-	-
	-	-	-	-	-
	-	-	-	6,495	-
	-	-	-	(58,451)	-
	<u>136,879</u>	<u>(3,071)</u>	<u>(2,624)</u>	<u>1,028</u>	<u>(3,141)</u>
	-	-	696	2,369	-
\$	<u>119,919</u>	<u>\$ (29,960)</u>	<u>\$ (50,973)</u>	<u>\$ (26,777)</u>	<u>\$ (12,791)</u>
	<u>7.9%</u>	<u>9.7%</u>	<u>9.3%</u>	<u>12.9%</u>	<u>18.9%</u>

# Revenue Capacity

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

Fiscal Year (2)	Real Property (2)			Personal Property(2)	Utilities Pipelines, and Boats(2)	Total	Tax Rate (3)
	Residential Property	Commercial and Industrial Property	Other Property				
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
2012-13	17,329,409	5,419,783	317,224	2,508,533	528,636	26,103,585	0.6088

(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	2004	2005	2006	2007	2008
<b><u>Galveston County Direct Rates</u></b>					
Maintenance & Operations	\$0.529710	\$0.527650	\$0.518126	\$0.498920	\$0.485670
Debt Service	0.077050	0.089900	0.093224	0.070954	0.068465
Special Road Levy	0.020840	0.010400	0.006000	0.017476	0.014465
Farm to Market Lateral Road/Flood	0.012400	0.010800	0.011400	0.011400	0.011400
Total Direct Rate	\$0.640000	\$0.638750	\$0.628750	\$0.598750	\$0.580000
<b><u>Cities</u></b>					
Galveston	0.541700	0.541700	0.541700	0.494000	0.494000
Friendswood	0.638500	0.638500	0.604000	0.582100	0.576400
Hitchcock	0.581380	0.538900	0.534557	0.555050	0.511080
Jamaica Beach	0.420820	0.345400	0.311200	0.285000	0.260300
La Marque	0.510340	0.540300	0.553300	0.514360	0.514360
League City	0.640000	0.630000	0.527500	0.608800	0.608800
Texas City	0.456240	0.456240	0.456240	0.456240	0.435610
Tiki Island	0.165890	0.175900	0.160252	0.155590	0.164860
Bayou Vista	0.340000	0.354000	0.356200	0.338720	0.354200
Clear Lake Shores	0.241810	0.238600	0.238600	0.210000	0.204750
Dickinson	0.391500	0.414500	0.434500	0.408800	0.408600
Kemah	0.150000	0.170200	0.208545	0.255395	0.270000
Santa Fe	0.271900	0.274700	0.282400	0.299200	0.299200
<b><u>School and Junior College Districts</u></b>					
Galveston	1.560000	1.710000	1.685000	1.525000	1.175000
Friendswood	1.637000	1.637000	1.637000	1.507000	1.177000
Hitchcock	1.710000	1.710000	1.695000	1.565050	1.121505
La Marque	1.730000	1.743000	1.740000	1.570000	1.240000
Texas City	1.623400	1.613000	1.587100	1.448354	1.112750
Clear Creek	1.730000	1.745000	1.775000	1.630000	1.320000
Dickinson	1.743000	1.738000	1.751000	1.724000	1.430000
High Island	1.770000	1.709100	1.700000	1.630000	1.300000
Santa Fe	1.570000	1.570000	1.570000	1.445000	1.160000
College of the Mainland	0.263060	0.245250	0.243020	0.233450	0.227380
Galveston College	0.195200	0.195200	0.191800	0.170000	0.170000
<b><u>Special Districts</u></b>					
Bacliff MUD	0.238260	0.243700	0.350000	0.315800	0.303640
Bayview MUD	0.220000	0.220000	0.220000	0.216900	0.218500
South Shore MUD #2	0.520000	0.450000	0.340000	0.290000	0.290000
South Shore MUD #3	0.240000	0.220000	0.200000	0.180000	0.170000
South Shore MUD #6	1.000000	1.000000	0.310000	0.300000	0.300000
South Shore Harbour MUD#7	0.000000	0.000000	0.950000	0.820000	0.800000
Tara Glen MUD	0.700000	0.700000	0.670000	0.670000	0.670000
Flamingo Isles MUD	0.000000	0.000000	0.500000	0.500000	0.500000

(Continued)

<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
\$0.482075	\$0.532964	\$0.479336	\$0.480819	\$0.479419
0.068202	0.069576	0.099218	0.092421	0.085536
0.008323	0.016060	0.041196	0.039705	0.034960
0.011400	0.011400	0.009000	0.008855	0.008855
<u>\$0.570000</u>	<u>\$0.630000</u>	<u>\$0.628750</u>	<u>\$0.621800</u>	<u>\$0.608770</u>
0.494000	0.554000	0.554000	0.554001	0.554001
0.579700	0.579700	0.585100	0.590200	0.597000
0.473230	0.473230	0.472295	0.396491	0.396105
0.251100	0.322800	0.289500	0.287100	0.281307
0.514360	0.514360	0.514360	0.514360	0.514360
0.630000	0.630000	0.616000	0.610000	0.597000
0.425000	0.425000	0.425000	0.425000	0.425000
0.166307	0.204667	0.213783	0.238174	0.278301
0.352400	0.417222	0.379495	0.376833	0.374455
0.000000	0.000000	0.000000	0.000000	0.000000
0.408600	0.408600	0.408600	0.408610	0.408600
0.265247	0.280293	0.250000	0.250000	0.249999
0.311400	0.311400	0.311400	0.311400	0.314700
1.165000	1.165000	1.165000	1.165000	1.165000
1.367000	1.367000	1.367000	1.367000	1.367000
1.410050	1.440050	1.500000	1.540000	1.540000
1.240000	1.240000	1.240000	1.240000	1.220000
1.184931	1.216000	1.288600	1.295300	1.269200
1.360000	1.360000	1.360000	1.360000	1.360000
1.500000	1.504000	1.540000	1.540000	1.540000
1.305690	1.600000	1.490000	1.470000	1.420000
1.160000	1.330200	1.419200	1.495000	1.453900
0.221640	0.221640	0.233890	0.232020	0.225970
0.170000	0.190000	0.189475	0.189450	0.189420
0.295422	0.318548	0.291058	0.290974	0.292358
0.236800	0.238100	0.238100	0.233400	0.232600
0.240000	0.220000	0.170000	0.000000	0.000000
0.160000	0.160000	0.000000	0.000000	0.000000
0.290000	0.290000	0.290000	0.290000	0.290000
0.750000	0.700000	0.650000	0.600000	0.550000
0.670000	0.670000	0.670000	0.670000	0.660000
0.500000	0.500000	0.587500	0.587500	0.587500

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

Taxing Jurisdiction	2004	2005	2006	2007	2008
<b><u>Special Districts (Continued)</u></b>					
Bay Colony West MUD	\$0.000000	\$0.000000	\$1.000000	\$1.000000	\$1.000000
Clear Creek Drainage District	0.150000	0.150000	0.000000	0.000000	0.000000
GC Fresh Water Supply District #6	0.245080	0.249600	0.220153	0.201300	0.222900
Galveston County Consolidated Drainage District	0.000000	0.000000	0.148300	0.000000	0.142500
Galveston County EMS District	0.085800	0.085800	0.082670	0.081700	0.079810
Galveston County Management District #1	0.000000	0.000000	0.000000	0.000000	0.000000
Galveston County MUD #1 (2)	0.460000	0.460000	0.460000	0.000000	0.000000
Galveston County MUD #2	0.390000	0.365000	0.300000	0.260000	0.250000
Galveston County MUD #3	0.320000	0.250000	0.210000	0.160000	0.140000
Galveston County MUD #6	0.700000	0.700000	0.640000	0.480000	0.460000
Galveston County MUD #12	0.258620	0.220100	0.207717	0.270000	0.258420
Galveston County MUD #13	0.860000	0.760000	0.710000	0.630000	0.610000
Galveston County MUD #14	0.970000	0.920000	0.900000	0.880000	0.880000
Galveston County MUD #15	0.860000	0.830000	0.825000	0.825000	0.825000
Galveston County MUD #29	0.175000	0.175000	0.170000	0.000000	0.000000
Galveston County MUD #30	0.000000	0.000000	0.000000	0.350000	0.350000
Galveston County MUD #31	0.000000	0.000000	1.090000	1.090000	1.090000
Galveston County MUD #32	0.000000	0.000000	0.000000	0.750000	0.750000
Galveston County MUD #39	0.900000	0.900000	0.900000	0.900000	0.900000
Galveston County MUD #43	0.000000	0.000000	1.000000	1.000000	1.000000
Galveston County MUD #44	0.000000	0.000000	0.000000	1.000000	0.800000
Galveston County MUD #45	0.000000	0.000000	1.000000	1.000000	1.000000
Galveston County MUD #46	0.000000	0.000000	1.000000	1.000000	1.000000
Galveston County MUD #52	0.000000	0.000000	0.000000	1.500000	1.500000
Galveston County MUD #54	0.000000	0.000000	0.000000	0.000000	0.000000
Galveston County MUD #66	0.000000	0.000000	0.000000	0.000000	0.000000
Galveston County MUD #68	0.000000	0.000000	0.000000	0.000000	0.850000
Galveston County Navigation District #1	0.042000	0.040900	0.038000	0.033690	0.330300
West Ranch Management District #1	0.000000	0.000000	0.000000	0.650000	0.650000
Water Control Improvement Dist. #1	0.262620	0.262500	0.241490	0.230260	0.220260
Water Control Improvement Dist. #8	0.250000	0.250000	0.246300	0.247400	0.250000
Water Control Improvement Dist. #12	0.470000	0.420000	0.420000	0.370000	0.370000
Water Control Improvement Dist. #19	0.150170	0.170800	0.165030	0.159520	0.183110
San Leon MUD	0.450500	0.449100	0.434700	0.434500	0.450000
Drainage District #1	0.090100	0.090100	0.103887	0.108940	0.114210
Drainage District #2	0.058800	0.058800	0.055200	0.055740	0.057360

(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

<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
\$1.000000	\$1.000000	\$1.000000	\$1.000000	\$1.000000
0.000000	0.000000	0.000000	0.000000	0.000000
0.223105	0.225403	0.236324	0.228742	0.225000
0.142500	0.142500	0.142500	0.140000	0.140000
0.085000	0.863000	0.863000	0.863000	0.857000
0.800000	0.800000	0.800000	0.800000	0.800000
0.000000	0.000000	0.000000	0.000000	0.000000
0.240000	0.240000	0.240000	0.260000	0.270000
0.130000	0.120000	0.120000	0.120000	0.120000
0.440000	0.400000	0.400000	0.422000	0.439000
0.259575	0.259575	0.243826	0.260488	0.270643
0.585000	0.560000	0.550000	0.540000	0.540000
0.870000	0.870000	0.860000	0.860000	0.780000
0.795000	0.790000	0.790000	0.790000	0.780000
0.170000	0.188500	0.188500	0.180000	0.000000
0.350000	0.350000	0.350000	0.350000	0.350000
1.090000	1.090000	1.090000	1.090000	1.040000
0.750000	0.750000	0.750000	0.750000	0.750000
0.900000	0.900000	0.900000	0.900000	0.880000
1.000000	1.000000	1.000000	1.000000	1.000000
0.800000	0.800000	0.800000	0.800000	0.800000
1.000000	1.000000	1.000000	1.000000	1.000000
0.000000	1.000000	1.000000	1.000000	1.000000
0.000000	0.000000	0.000000	0.000000	0.000000
0.000000	0.000000	1.000000	1.000000	0.540000
0.000000	0.000000	1.000000	1.000000	1.000000
0.000000	0.850000	0.900000	0.900000	0.950000
0.000000	0.047970	0.048809	0.046618	0.046618
0.650000	0.650000	0.650000	0.650000	0.650000
0.000000	0.218190	0.213687	0.210377	0.206977
0.000000	0.250700	0.300000	0.295600	0.295200
0.000000	0.300000	0.300000	0.300000	0.300000
0.000000	0.461816	0.456468	0.483978	0.483978
0.450000	0.450000	0.450000	0.450000	0.450000
0.119684	0.124933	0.115000	0.115000	0.120000
0.063021	0.063021	0.063021	0.063021	0.063021

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

Taxpayer	2013			2004		
	Taxable Assessed Value	Rank	% of Total Taxable Assessed Value	Taxable Assessed Value	Rank	% of Total Taxable Assessed Value
BP Products (NA) Inc.	\$ 1,503,012	1	5.76%	\$ 813,212	1	5.23%
Valero Refining-Texas LP	580,719	2	2.22%	249,596	3	1.60%
Union Carbide Corporation	249,898	3	0.96%	330,699	2	2.13%
Marathon Petroleum Company LLC	225,231	4	0.86%	140,392	7	0.90%
South Houston Green Power, LP	178,245	5	0.68%	140,028	8	0.90%
Praxair Inc	169,754	6	0.65%	78,868	11	0.51%
BP Amoco Chemical Company	164,334	7	0.63%	203,594	5	1.31%
Valero Marketing & Supply Co.	103,193	8	0.40%	70,975	9	0.46%
Texas-New Mexico Power Company	100,490	9	0.38%	94,063	10	0.60%
Centerpoint Energy, Inc	92,488	10	0.35%	103,759	9	0.67%
Sterling Chemicals	-	-	-	192,364	6	1.24%
Marathon Ashland Petroleum LLC	-	-	-	140,392	7	0.90%
Calpine Central LP	-	-	-	64,760	12	0.42%
Totals	<u>3,367,364</u>		<u>12.90%</u>	<u>2,622,702</u>		<u>16.86%</u>

(1) Galveston Central Appraisal District Top Taxpayer Report shows only the top ten (10) taxpayers for fiscal year 2013.  
Total assessed value = \$26,103,585

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

Fiscal Year ended September 30	Total Adjusted Tax Levy	Collected Within the Fiscal Year of the Levy		Collected in Subsequent Years	Total Collected to Date	
		Amounts (1)	Percentage of Levy		Amount (2)	Percentage of Levy
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%	1,546	121,290	99.53%
2011-12	123,922	121,996	98.45%	(134)	121,862	98.34%
2012-13	126,290	124,528	98.60%	-	124,528	98.60%

(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>
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
2013	317,319	5,000	-	322,319	34.82%	1,073

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, 2013.

**GALVESTON COUNTY, TEXAS**  
**COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT (1)**  
**GENERAL OBLIGATION BONDS**  
**September 30, 2013**  
**(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>Galveston County</b>	\$ 322,319	100%	\$ 322,319
Total Direct Debt	<u>322,319</u>		<u>322,319</u>
<b><u>Cities</u></b>			
Dickinson	10,410	100%	10,410
Friendswood	20,230	79.56%	16,095
Galveston	51,442	100%	51,442
Hitchcock	1,114	100%	1,114
La Marque	8,980	100%	8,980
League City	179,945	98.43%	177,120
Texas City	28,425	100%	28,422
Santa Fe	335	100%	335
Tiki Island	690	100%	690
Total Cities	<u>301,571</u>		<u>294,609</u>
<b><u>School Districts</u></b>			
Dickinson	223,848	100%	223,848
Friendswood	109,315	100%	109,315
Galveston	62,775	100%	62,775
High Island	1,345	100%	1,345
Hitchcock	35,251	100%	35,251
La Marque	21,716	100%	21,716
Santa Fe	73,385	100%	73,385
Texas City	114,560	100%	114,560
Total School Districts	<u>642,195</u>		<u>642,195</u>
<b><u>Co-Line School Districts</u></b>			
Clear Creek	<u>602,665</u>	32.79%	<u>197,614</u>
<b><u>Other</u></b>			
Bacliff MUD	\$ 14,900	100%	\$ 14,900
Bay Colony West MUD	8,980	100%	8,980
Bayview MUD	165	100%	165
Flamingo Isle MUD	4,205	100%	4,205
Galveston CC District	1,355	100%	1,355

<u>Governmental Unit</u>	<u>General Obligation Bonded Debt Outstanding</u>	<u>Percentage Applicable to Government</u>	<u>Amount Applicable to Government</u>
Galveston County FWSD #6	4,915	100%	4,915
Galveston County MUD #2	960	100%	960
Galveston County MUD #3	1,920	100%	1,920
Galveston County MUD #6	13,945	100%	13,945
Galveston County MUD #12	380	100%	380
Galveston County MUD #13	4,105	100%	4,105
Galveston County MUD #14	12,380	100%	12,380
Galveston County MUD #15	10,990	100%	10,990
Galveston County MUD #29	-	100%	-
Galveston County MUD #30	3,555	100%	3,555
Galveston County MUD #32	2,235	100%	2,235
Galveston County MUD #39	23,120	100%	23,120
Galveston County MUD #43	26,120	100%	26,120
Galveston County MUD #44	6,810	100%	6,810
Galveston County MUD #46	14,905	100%	14,905
Galveston County MUD #68	2,560	100%	2,560
San Leon MUD	9,895	100%	9,895
Galveston WCID #1	3,845	100%	3,845
Galveston WCID #8	5,165	100%	5,165
Galveston WCID #12	13,760	100%	13,760
South Shore Harbor MUD #6	1,245	100%	1,245
South Shore Harbor MUD #7	19,880	100%	19,880
Tara Glen MUD	2,515	100%	2,515
West Ranch Management Dist	14,385	99.92%	14,373
Total Others	<u>231,695</u>		<u>229,183</u>
Total Overlapping Debt	<u>\$ 1,778,126</u>		<u>\$ 1,363,601</u>
Total Direct and Overlapping Debt	<u>\$ 2,100,445</u>		<u>\$ 1,685,919</u>
Ratio of Direct and Overlapping Debt to 2013 Net Taxable Assessed Valuation			8.08%
Per Capita Direct and Overlapping Debt (2013 estimated population = 300,484) (see note 2)			5,611
Net Taxable Assessed Valuation			\$ 20,868,861

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) 2013 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)		\$ 26,103,585
Debt limit rate (5% of assessed value)		x 5%
Dollar amount of debt limit		1,305,179
Amount of debt applicable to constitutional debt limit:		
Total general bonded debt, including cumulative accretion	\$ 321,689	
Less Debt Service fund balance	(10,342)	
Total debt applicable to limitation		311,347
Legal debt margin		\$ 993,832

	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>
Debt limit	\$ 855,177	\$ 941,570	\$1,091,754	\$1,172,206
Total net debt applicable to limit	205,632	200,745	194,891	229,641
Legal debt margin	\$ 649,545	\$ 740,825	\$ 896,863	\$ 942,565
Total net debt applicable to the limit as a percentage of debt limit	24.05%	21.32%	17.85%	19.59%

**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.

(Continued)

<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
\$ 1,283,192	\$ 1,270,256	\$ 1,192,949	\$ 1,231,928	\$ 1,262,252	\$ 1,305,179
<u>239,122</u>	<u>363,007</u>	<u>360,706</u>	<u>345,850</u>	<u>329,713</u>	<u>311,347</u>
<u>\$ 1,044,070</u>	<u>\$ 907,249</u>	<u>\$ 832,243</u>	<u>\$ 886,078</u>	<u>\$ 932,539</u>	<u>\$ 993,832</u>
18.63%	28.58%	30.24%	28.07%	26.12%	23.85%

**GALVESTON COUNTY, TEXAS  
LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS  
(amounts expressed in thousands)**

**Bonds Issued Under Article 3, Section 52**

Assessed value of real property (excluding exemptions)	\$ 23,066,416
Debt limit rate	X 25%
Amount of Debt Limit	5,766,604
Total Road Bonds Outstanding, including cumulative accretion	(93,678)
Legal debt margin	\$ 5,672,926

	2004	2005	2006	2007
Debt limit	\$ 3,812,922	\$ 4,180,324	\$ 4,872,923	\$ 5,244,559
Less: Road bonds outstanding	(37,811)	(38,225)	(38,675)	(38,122)
Legal debt margin	\$ 3,775,111	\$ 4,142,099	\$ 4,834,248	\$ 5,206,437

The County is authorized under Article III, Section 52, of the State Constitution to issue bonds payable from ad valorem taxes for the construction of roads. There is no constitutional or statutory limit on bonds issued pursuant to such a constitutional provision. However, the amount of bonds which may be issued is limited to 25% of the assessed valuation of real property in the County.

<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
\$ 5,666,524	\$ 5,606,885	\$ 5,354,023	\$ 5,469,068	\$ 5,592,175	\$ 5,766,604
<u>(37,541)</u>	<u>(111,928)</u>	<u>(111,283)</u>	<u>(107,904)</u>	<u>(100,266)</u>	<u>(93,678)</u>
<u><u>\$ 5,628,983</u></u>	<u><u>\$ 5,494,957</u></u>	<u><u>\$ 5,242,740</u></u>	<u><u>\$ 5,361,164</u></u>	<u><u>\$ 5,491,909</u></u>	<u><u>\$ 5,672,926</u></u>

**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>
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
2012-13	300,484	26,103,585	317,319	10,626	306,692	1.17	1,021

\* 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**

<u>Fiscal Year</u>	<u>Population (1)</u>	<u>Personal Income (1)(2)</u>	<u>Per Capita Personal Income (1)(2)</u>	<u>Median Age (1)</u>	<u>School Enrollment (1)</u>	<u>Unemployment Rate (1)</u>
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	7,319,197	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	78,820	8.50%
2010	291,309	8,089,068	27,768	36.7	78,519	8.20%
2011	292,607	8,568,974	28,974	37.2	79,043	9.60%
2012	295,747	8,853,482	29,936	37.0	79,803	7.70%
2013	300,484	9,256,109	30,804	37.5	80,432	7.90%

(1) U.S. Bureau of Census; American Community Survey 2013

(2) Amount expressed in thousands.

Amounts are estimated from U.S. Census Bureau Data as of December 2013.

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

<b>Employer</b>	<b>2013</b>			<b>2004</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>
Valero Energy Corporation (3)	22,000	1	42.3%	-	-	0.0%
University of Texas Medical Branch (1)	10,696	2	20.6%	12,320	1	46.9%
Clear Creek Independent School District	4,900	3	9.4%	3,458	2	13.2%
American National Insurance Company (ANICO)	3,094	4	6.0%	2,200	3	8.4%
Galveston Bay Refinery (2)	2,300	5	4.5%	1,500	4	5.7%
Landry's Seafood Inc.	1,900	6	-	1,245	7	4.7%
Walmart (5)	1,490	7	2.9%	1,300	-	5.0%
Galveston Independent School District	1,366	8	2.6%	1,350	6	5.1%
Galveston County (4)	1,340	9	2.6%	1,245	5	4.7%
Ineos Nova LLC.	1,150	10	2.2%	-	-	-
Mainland Medical Center	925	11	1.8%	750	11	2.9%
Texas City Independent School District	879	12	1.7%	880	8	3.4%
<b>Total</b>	<b>52,040</b>		<b>100.0%</b>	<b>26,248</b>		<b>100.0%</b>

\* Source: Texas City - La Marque Chamber of Commerce and Galveston Chamber of Commerce.-Galveston Economic Development Partnership, 2013, Clear Lake Shores Chamber of Commerce

(1) University of Texas Data Reference Card for Fiscal year 2013.

(2) Galveston Bay Refinery uses contract employees, ranging from 3,000 to 5,000 per day during peak turnaround maintenance periods.

(3) Includes its subsidiaries

(4) Human Resources budgeted positions for 2013

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



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## Operating Information

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

<b>Function</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>2013</b>
General Government	455	454	505	551	555	481	491	483	476	479
Public Safety	575	555	547	535	556	638	665	666	644	687
Road and Bridges, and Rights-of-Way	43	50	47	51	54	56	55	49	57	61
Health and Social Services	79	74	67	74	76	60	60	59	52	52
Culture and Recreation	49	44	41	47	45	53	53	50	40	52
Conservation	11	10	10	11	10	10	10	11	11	9
<b>Total</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>	<b>1,340</b>

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

**County of Galveston, Texas**  
**CAPITAL ASSET STATISTICS BY FUNCTION**  
**LAST TEN FISCAL YEARS**

<b>Function</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>2013</b>
<b>General Government</b>										
Number of buildings	18	19	20	20	18	17	18	18	17	18
Number of courtrooms	19	19	21	21	21	21	21	21	21	21
<b>Public Safety</b>										
Jail capacity/number of beds (2)	881	881	1,187	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
Sheriff's Department vehicles	117	115	136	120	128	128	130	132	141	113
Boats / seacrafts	5	5	5	5	5	5	5	5	5	7
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	5	5	3	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; R.O.W.</b>										
Miles of county roads	325	326	323	357	329	329	338	337	336	334
Bridges	22	22	22	22	22	22	22	22	22	22
Motor Vehicles	54	46	56	46	42	42	43	40	39	37
Heavy and General Equipment	62	69	78	79	77	77	77	74	77	71
<b>Health and Social Services</b>										
Clinics	2	2	2	3	4	4	4	4	3	2
Animal Shelter	1	1	1	1	1	1	1	1	1	1
Mosquito Control vehicles	17	19	21	19	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	8
Senior Citizens centers	4	4	4	4	6	6	6	6	3	3
Senior Citizens vehicles	5	6	7	7	9	9	9	9	10	9
<b>Culture and Recreation</b>										
Museum	1	1	1	1	1	1	1	1	1	-
Parks	26	25	25	26	26	26	26	26	23	23
Park acreage	1,201	1,204	1,204	1,255	1,266	1,266	1,321	1,321	1,385	1,385
Park buildings	30	30	30	31	31	31	31	32	19	20
Community centers	4	4	4	4	6	6	6	6	3	3
Athletic fields & courts	41	41	41	41	41	41	41	41	52	52
Boat launches	11	11	11	11	11	11	11	11	11	10
Campground sites	9	9	9	9	9	9	9	9	9	9
Trails (feet) (1)	751	751	751	751	31,680	31,680	31,680	31,680	31,680	31,680
Equestrian trails (feet) (1)	-	-	-	-	12,576	12,576	12,576	12,576	12,576	12,576
Vehicles	28	32	39	34	30	30	25	30	29	25
Parks Heavy & General Equipment	35	36	47	40	47	47	47	52	50	55
Beach maintenance equipment	6	6	6	6	7	7	8	9	17	20
<b>Conservation</b>										
Extension service vehicles	5	5	5	6	6	6	7	7	6	5

(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

**GALVESTON COUNTY, TEXAS  
OPERATING INDICATORS BY FUNCTION  
LAST EIGHT 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>2013</b>
<b>General Government</b>								
<i>Tax Assessor- Collector</i>								
Employees	53	53	53	52	52	50	50	51
Ad-Valorem Accounts	172,782	181,952	189,520	187,473	189,114	189,495	190,051	192,450
Vehicle Registration/Licenses	240,369	251,750	259,329	257,566	258,471	262,687	261,515	277,521
Entities for which we collect	34	32	35	35	36	36	37	37
Number of Registered Voters	185,911	179,172	191,052	163,852	182,813	177,347	185,379	182,503
Beer and Wine Permits	921	2,063	2,254	899	705	748	883	670
Special Inventory Tax Accounts	175	106	141	144	129	129	133	152
Coin Operated Machines	1,076	396	771	7,622	1,591	3,980	3,634	3,048
<i>County Clerk</i>								
Employees	55	59	60	60	60	51	52	52
Record Property/Govt	89,496	83,986	78,917	68,733	64,677	66,039	71,149	63,272
Marriage License	2,320	2,411	2,260	1,940	2,077	2,048	2,174	2,223
Assumed Names (Business Names)	3,218	2,984	2,758	3,385	3,065	2,839	2,763	2,783
Number of Criminal Cases Filed	11,933	13,857	14,137	15,271	15,493	11,042	11,135	9,931
New Cases filed by DA	-	12,323	11,653	12,872	13,726	8,826	8,451	8,407
Appeals from Lower Courts	-	1,013	1,134	1,128	1,287	991	963	843
Motions Revoke Probation, Etc.	-	521	361	387	472	540	532	681
Bond Forfeitures	1,074	1,437	989	884	684	685	489	661
Number of Civil Suits Filed	2,028	2,229	1,730	1,798	2,211	2,310	2,427	2,485
Number of Probate Cases Filed	877	1,415	810	748	839	866	969	873
Probate Mental Health Cases filed	274	466	355	243	398	353	237	140
Elections Held	15	13	29	20	23	16	22	14
<i>District Clerk</i>								
Number of Employees	48	47	48	49	46	63	50	50
Civil Cases	6,659	7,327	5,776	5,695	4,375	5,726	3,072	2,370
Criminal Cases	4,544	4,544	4,566	3,908	4,016	7,898	3,944	4,471
Tax Cases Processed	1,092	1,235	839	727	1,072	3,095	1,016	990
CPS Cases Processed	154	157	102	101	117	206	84	86
Juvenile Cases	1,004	1,099	919	362	380	857	659	521
Jurors Summoned	34,563	55,300	52,900	63,600	59,050	49,600	56,800	54,419
<i>Human Resources</i>								
Applications Accepted	1,609	1,555	1,348	1,168	1,745	1,905	2,340	2,993
Positions Filled	356	335	484	258	219	270	253	264
<i>Justice of the Peace (9 precincts)</i>								
<i>Precinct #1</i>								
Number of Employees	4	4	3	4	4	4	4	4
Civil Cases Filed	864	852	1,395	731	652	530	606	519
Civil Cases Disposed	804	693	1,056	752	703	485	731	527
Civil Cases Appealed	4	7	9	9	8	15	-	18
Criminal Cases Filed	2,667	2,499	2,358	1,235	1,680	1,630	-	1,101
Criminal Cases Disposed	1,596	1,778	1,597	1,031	2,880	1,685	731	1,258
Criminal Cases Appealed	10	15	13	18	8	15	-	18

(continued)

<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>2013</b>
<b>General Government</b>								
<i>Precinct #2</i>								
Number of Employees	3	3	3	3	3	3	3	3
Civil Cases Filed	543	466	469	308	269	242	336	962
Civil Cases Disposed	540	401	366	284	299	320	295	405
Civil Cases Appealed	13	14	16	6	8	10	12	19
Criminal Cases Filed	540	422	273	222	178	169	254	281
Criminal Cases Disposed	373	393	230	205	375	128	234	132
Criminal Cases Appealed	3	2	1	-	1	2	-	1
<i>Precinct #3</i>								
Number of Employees	5	5	5	5	5	6	6	6
Civil Cases Filed	488	689 (b)	612	630	487	361	4,563	2,652
Civil Cases Disposed	280	178	384	614	501	368	389	455
Civil Cases Appealed	-	-	6	6	2	3	2	4
Criminal Cases Filed	8,096	8,056	6,442	5,815	4,046	3,138	1,498	1,032
Criminal Cases Disposed	4,578	9,413	6,143	8,903	4,439	3,402	2,455	1,249
Criminal Cases Appealed	43	95	68	35	53	57	28	20
<i>Precinct #4</i>								
Number of Employees	6	6	5	5	5	6	6	6
Civil Cases Filed	335	338	493	579	481	376	1,373	2,200
Civil Cases Disposed	303	274	489	514	474	406	236	344
Civil Cases Appealed	3	4	3	4	6	7	6	13
Criminal Cases Filed	4,470	4,948	5,280	4,388	4,021	4,478	4,205	4,627
Criminal Cases Disposed	5,592	5,988	4,615	4,150	4,097	4,147	4,765	3,585
Criminal Cases Appealed	31	22	25	20	62	46	68	64
<i>Precinct #5</i>								
Number of Employees	5	4	5	5	5	4	5	5
Civil Cases Filed	602	676	915	911	692	683	2,589	4,433
Civil Cases Disposed	498	707	889	818	798	658	919	845
Civil Cases Appealed	-	3	-	-	1	-	2	2
Criminal Cases Filed	4,518	5,077	4,537	3,903	3,722	2,736	2,821	3,431
Criminal Cases Disposed	-	3,660	3,683	4,915	3,179	2,464	2,279	2,689
Criminal Cases Appealed	3	2	9	15	8	19	2	35
<i>Precinct #6 **</i>								
Number of Employees	5	5	5	5	5	4	4	4
Civil Cases Filed	38	65	47	24	27	20	21	26
Civil Cases Disposed	20	37	47	17	28	21	19	24
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	2,835
Criminal Cases Disposed	7,244	6,302	8,916	3,739	3,802	3,949	3,083	3,070
Criminal Cases Appealed	123	60	56	11	34	25	37	9

**GALVESTON COUNTY, TEXAS  
OPERATING INDICATORS BY FUNCTION  
LAST EIGHT 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>2013</b>
<b>General Government</b>								
<i>Precinct #7</i>								
Number of Employees	5	5	5	5	5	5	5	5
Civil Cases Filed	862	841	1,007	951	977	954	1,212	1,082
Civil Cases Disposed	5,144	715	897	828	940	1,137	1,098	1,049
Civil Cases Appealed	2	-	-	-	-	2	-	
Criminal Cases Filed	5,144	4,379	4,187	4,693	4,177	4,658	2,993	4,464
Criminal Cases Disposed	4,424	5,541	3,589	4,100	4,951	3,731	4,023	4,538
Criminal Cases Appealed	15	11	38	34	13	18	11	12
<i>Precinct #8-1 &amp; 8-2</i>								
Number of Employees	9	9	9	9	9	10	10	10
Civil Cases Filed	893	944	1,239	1,112	940	818	969	872
Civil Cases Disposed	652	25	831	905	937	780	847	805
Civil Cases Appealed	2	2	3	4	13	14	18	23
Criminal Cases Filed	8,598	6,448	5,535	4,896	5,515	4,116	4,782	6,545
Criminal Cases Disposed	5,457	1,001	6,574	4,924	5,951	4,393	5,209	5,088
Criminal Cases Appealed	28	1	44	53	46	56	55	50
<b>Public Safety</b>								
<i>Sheriff</i>								
Number of Employees	365	395	395	413	429	459	579	460
Daily average in County Jail	969	1,041	1,066	931	980	939	903	878
Number of persons booked	18,269	21,898	19,476	19,360	19,098	18,226	18,514	19,621
Number of Civil Processes	6,780	5,970	7,137	6,529	6,926	7,085	4,345	4,461
<i>Constables (8 precincts)</i>								
<i>Precinct #1</i>								
Number of Employees	4	4	4	4	4	4	4	4
Civil Cases Processed	4,988	1,781	1,743	1,472	1,611	1,407	1,501	4,950
<i>Precinct #2</i>								
Number of Employees	4	4	4	4	4	4	4	4
Civil Cases Processed	1,013	954	792	1,022	1,056	1,165	1,558	1,188
<i>Precinct #3</i>								
Number of Employees	5	6	6	6	6	7	7	6
Civil Cases Processed	427	1,517	2,500	3,500	3,626	4,500	4,700	3,725
<i>Precinct #4</i>								
Number of Employees	5	4	4	4	4	5	5	5
Civil Cases Processed	1,440	1,304	846	911	782	687	652	727

<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>2013</b>
<b>Public Safety</b>								
<i>Precinct #5</i>								
Number of Employees	4	4	4	4	4	4	4	4
Civil Cases Processed	1,400	2,200	2,046	2,240	2,110	2,704	2,869	2,057
<i>Precinct #6</i>								
Number of Employees	3	3	3	6	3	3	3	3
Civil Cases Processed	91	94	92	40	67	45	35	54
<i>Precinct #7</i>								
Number of Employees	9	7	12	12	12	7	12	11
Civil Cases Processed	2,016	2,083	2,800	1,902	2,154	2,439	2,310	2636 (e)
<i>Precinct #8</i>								
Number of Employees	11	10	10	9	8	8	8	7
Civil Cases Processed	1,442	2,148	2,301	2,036	1,977	1,803	1,876	1,544
<b>Road, Bridges &amp; Right-of-Way</b>								
<i>County Maintained Roads - Road and Bridge</i>								
<i>(Lane Road mi)</i>								
Precinct #1	213.76 mi	211.57 mi	199.2 mi	199.2 mi	208.0 mi	203.3 mi	211.8 mi	211.7 mi
Precinct #2	126.95 mi	118.35 mi	104.4 mi	104.4 mi	105.0 mi	104.8 mi	104.8 mi	104.8 mi
Precinct #3	21.93 mi	21.02 mi	20.5 mi	20.5 mi	20.0 mi	21.3 mi	15.3 mi	15.3 mi
Precinct #4	6.22 mi	6.06 mi	5.10 mi	5.10 mi	5.0 mi	7.3 mi	3.8 mi	3.8 mi
<b>Health and Social Services</b>								
Community Services								
Community Clinics	2	2	2	2	2	2	2	2
Employees' CareHere! Clinics	-	2	2	2	2	2	2	2
<b>Culture and Recreation</b>								
County Parks Department								
Park Permits Approved	412(a)	623(a)	986	965	904	850	539	411
Festival & Special Events Hosted	22(a)	25(a)	11	11	12	12	17	21
Vehicle Permits Sold (a)	-	22,059	30,880	14,985	24,859	30,895	32,005	40,487
Golf Permits Sold (a)	-	1,606	2,192	1,496	1,409	1,981	2,045	4,972

Sources: Various county departments; Texas State Courts Website: [www.courts.state.tx.us/courts/jp.asp](http://www.courts.state.tx.us/courts/jp.asp)

\* Data prior to fiscal year 2006 is unavailable.

\*\* In January 3, 2009, an order of renumbering Justice Precinct 9 as Justice Precinct 6 takes effect under Article5, Section 18(a) of the

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

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

(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.

(e) Number of civil cases attempt/serve for the period of January 2013 thru September 2013.

