



GALVESTON COUNTY, TEXAS

Comprehensive Annual Financial Report



FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2016

GALVESTON COUNTY, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended
September 30, 2016

Prepared by:

Office of County Auditor
Galveston County, Texas

Galveston County, Texas
 Comprehensive Annual Financial Report
 For the Fiscal Year Ended September 30, 2016

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GALVESTON COUNTY



Office of County Auditor

Randall Rice CPA CISA CIO, County Auditor
Kristin Bulanek CIA, First Assistant County Auditor

P.O. Box 1418, Galveston, Texas 77553

(409) 770-5304

722 Moody Ave 4th Floor, Galveston, TX 77550

March 20, 2017

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, 2016, 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 the information presented herein.

Internal control. To provide a reasonable basis for making these representations, the county has established a comprehensive internal control framework 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 Pattillo, Brown & Hill, 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, 2016 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 on the audit, there was a reasonable basis for rendering an unmodified opinion the county's financial statements for the fiscal year ended September 30, 2016, 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 is federally mandated by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements for Federal Awards (Uniform Guidance)*. 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 of 322,225. 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. The county currently reports no 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 55 and 56.

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 appropriations to the County Budget Office. The Budget Office uses these requests as the starting point for developing a proposed budget. The proposed budget and a recommended budget prepared by the Budget Office 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 Office's recommended budget. The Court must publish specific information and notices, as well as hold public hearings, concerning the proposed budget as required 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 personal services, supplies, other services and charges, inter/intragovernmental expenditures, other expenses, capital outlay and other financing uses. Budget-to-actual comparisons are provided in this report for the General Fund and all budgeted funds.

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 (UTMB), 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 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 Blanchard Refining Company, LLC; BP Products (NA), Inc.; Valero Refining-Texas, LP; Union Carbide Corporation; and Marathon Petroleum Company, LLC.

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.

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. Apfel Park, Stewart Beach Park and Galveston Island State Park, as well as alcohol-free beaches stretching from 10th Street to 61st Street along the Island's famous Seawall Boulevard. The amusement park rides, concessions and ambience of the Galveston Island Historic Pleasure Pier at 25th 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, the Lone Star Motorcycle Rally and Dickens on the Strand draw many thousands of visitors.

The Island is home to exotic Moody Gardens, which comprises: 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 are a haven for beachcombers and fishermen.

The Galveston Central Appraisal District reported the county's gross taxable base value for the 2015 tax year (Note: the values for the tax year are used to calculate tax revenues for the following fiscal year) at \$29.1 billion, an increase of

9.5% from the prior year. Residential additions included 1,968 homes with an average value of \$235,480. Commercial additions included:

- an H-E-B supermarket
- the Hobbs Road Business Park
- the Acro Sports Kids' Center
- a CVS store
- a Best Western motel, and
- an America's Best Value Inn.

The net taxable base value for the 2016 tax year is expected to increase by 8.9% to \$31.7 billion. A significant component of that increase is the Lago Mar subdivision, construction of which began in 2015. This subdivision is projected to bring an additional four thousand homes to the county by 2020. Planned developments include:

- the Lago Mar Apartments
- the Marina River Bend Apartments
- the Adventure Pointe Amusement Park
- a Hampton Inn
- a Homewood Suites
- a Motel 6
- the Catalon at Lago Mar Apartments
- a retail strip center planned by South Shore LLC
- a retail strip center planned by Corsair Investments, Inc., and
- the completion of a remodeling of McRee Ford.

Long-term financial planning. Two of the major components of long-term financial planning are debt administration and post-employment benefits.

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

The county continues to monitor conditions of the borrowing market to be able to issue debt to refund outstanding obligations when it can lower its cost of money. At the end of January 2017, as this report was in preparation, the county issued refunding bonds to defease \$72 million of maturities of its General Obligation Refunding Bonds Series 2007. See additional detail in Note III G to the Financial Statements on pages 73-76 of this report.

During its fiscal year ended September 30, 2016, the county made all of its scheduled principal and interest payments timely. At September 30, 2016, its outstanding bonded debt, including cumulative accretion, totaled \$269,609,264. During that fiscal year then ended, the county paid \$20,960,000 in principal and \$10,806,319 in interest and paying agent fees. The county maintains an "Aaa" rating (upgraded from "Aa1" in January 2017) from Moody's Investors Service, Inc., and an "AA+" rating from Fitch Ratings on its general-obligation debt.

Post-employment benefits. The county provides post-employment health- and life-insurance benefits to its retirees. At September 30, 2016, the county recognized 468 retirees, 145 of whom are eligible for full health insurance and 323 of whom receive 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 83-87 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, 2016, the county earned \$797,484 in interest. More information about the county’s deposits and investments can be found in Note III.A to the Financial Statements on pages 66-68 of this report.

Major initiatives. The county continues to undertake major initiatives to better serve its citizens. These initiatives may involve parks and cultural services, information technology and facilities. Examples follow, with additional items and greater detail included in the MD&A section of this report.

Parks and Cultural Services

Near-term initiatives include:

- the construction of permanent restrooms and public showers on the Bolivar Peninsula using funding from the sale of beach parking passes;
- the opening of 61st Street Lee and Joe Jamail Bay Park;
- the opening of 64-Acre Park in the San Leon/Bacliff area; and
- the completion of the Bayside Community Center at the above-named park.

Information Technology

Near-term initiatives include:

- the implementation of time-and-attendance software to integrate payroll and human resources modules of the county’s financial software; and
- completing the transition of all county Justice of the Peace courts to a single judicial software, thereby reducing processing inefficiencies and providing the capability to share data across all courts.

Facilities

Near-term initiatives include:

- construction of the High Island Emergency Shelter, expected to be completed in the summer of 2017;
- the renovation and conversion of the former Environmental Health Building in La Marque to use as the office of the County Medical Examiner, with completion of construction expected in 2018; and
- the repair of foundation damage and the air-conditioning system at the Texas City Annex.

Grant Funding

Near-term initiatives to be funded by non-disaster-related grants include projects involving county law enforcement, criminal prosecution, emergency management and social services. The county also continues to use grant monies received after Hurricane Ike (2008) to restore beaches and dunes, remediate and improve infrastructure, restore county facilities and repair, rebuild and elevate homes.

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, 2015. This was the nineteenth 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 County of Galveston, Texas also received the GFOA's Distinguished Budget Presentation Award for its annual budget document for the fiscal year ended September 30, 2015. To qualify for the Distinguished Budget Presentation Award, the government's budget document had to be judged proficient as a policy document, a financial plan, an operations guide and a communications device.

The preparation of this report would not have been possible without the 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

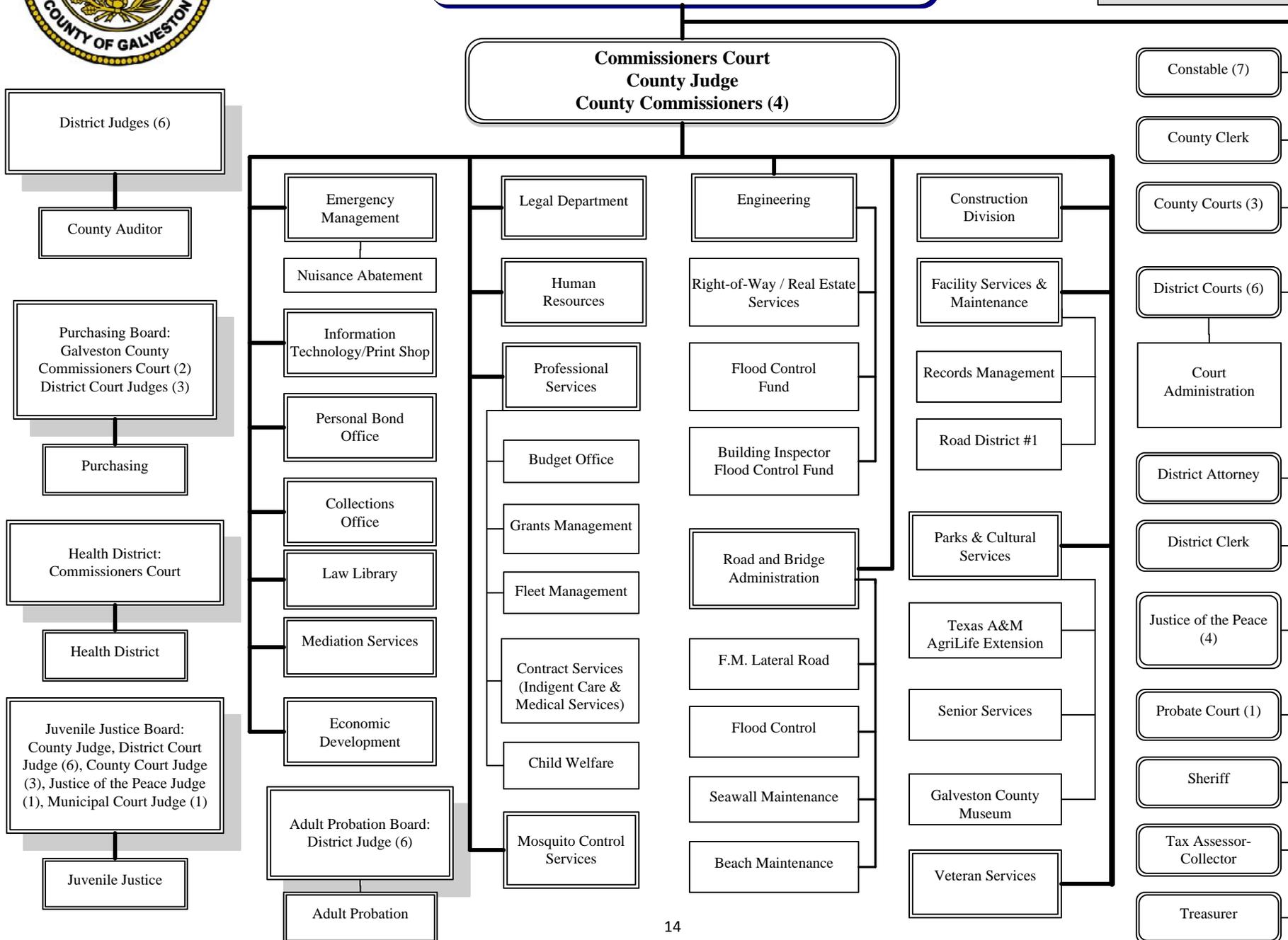
September 30, 2015

Executive Director/CEO



Galveston County Citizens

Galveston County Organizational Chart



GALVESTON COUNTY, TEXAS
LIST OF ELECTED AND APPOINTED OFFICIALS
September 30, 2016

<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>Patricia Grady</i>	<i>Judge, 212th District Court</i>
<i>Anne B. Darring</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>Joe Giusti</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>Jack Ewing</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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PATILLO, BROWN & HILL, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS ■ BUSINESS CONSULTANTS

INDEPENDENT AUDITORS' REPORT

To the Honorable 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, 2016, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

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 contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on 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 control 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.

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 Galveston County, Texas, as of September 30, 2016, 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.

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, Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Grant Special Revenue Fund, Schedule of Changes in Net Pension Liability and Related Ratios – Retirement Plan for the Employees of Galveston County, Schedule of Employer Contributions – 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Galveston County, Texas' basic financial statements. The introductory section, combining and individual fund financial statements and schedules 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 fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic 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 combining and individual fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

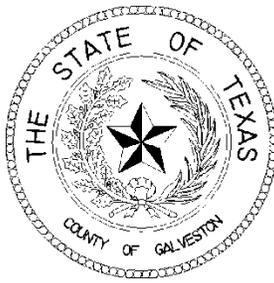
The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 14, 2017, on our consideration of Galveston County, Texas' 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. That 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.

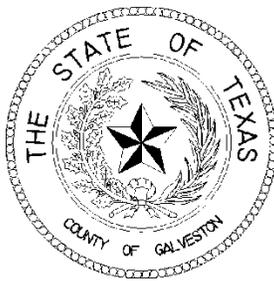
Pattillo, Brown & Hill, L.L.P.

Waco, Texas
March 14, 2017



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Management's Discussion and Analysis



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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, 2016. 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, 2016, the county's assets of \$427,379,114 and deferred outflows of \$37,492,355 exceeded its liabilities of \$393,834,071 and deferred inflows of \$2,491,323 by \$68,546,075 (its "net position"), an increase of \$16,830,672 in net position from September 30, 2015.
- Of this net position, \$130,815,042 is the amount of the county's net investment in capital assets, \$48,293,570 is restricted for specific uses and (\$110,562,537) is unrestricted.
- Of the liabilities of \$393,834,071, \$352,061,362 will not be extinguished in the current year ("noncurrent liabilities due in more than one year"). These long-term liabilities are primarily debt instruments.
- The county's revenues of \$211,091,970 were more than its expenses of \$194,261,298 by \$16,830,672 in this same fiscal year.
- Of these revenues of \$211,091,970, program revenues, such as grant revenues and charges for services, contributed \$75,235,850, while general revenues, such as ad valorem taxes, contributed \$135,856,120.

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

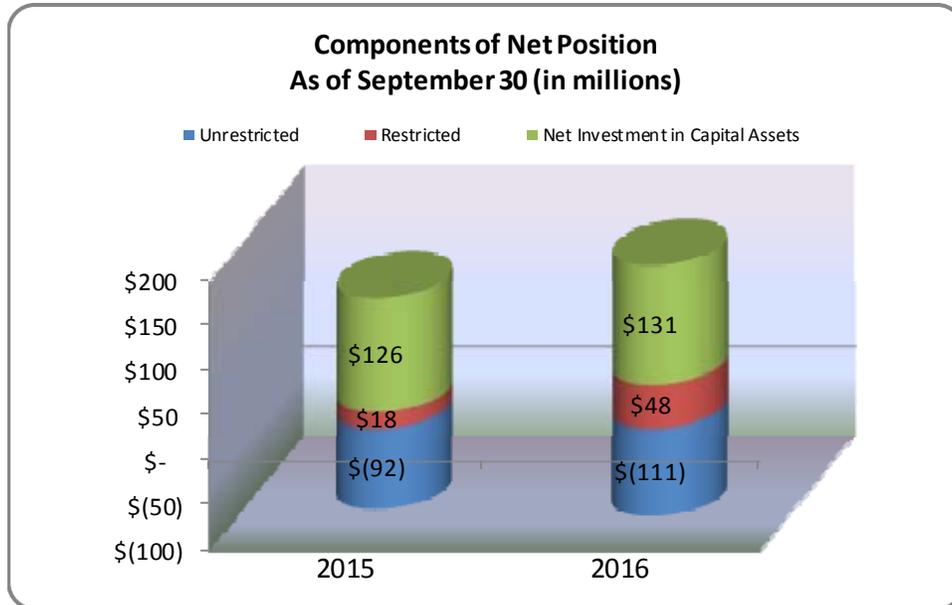
The government-wide financial statements provide readers with a broad overview of the county's finances in a manner similar to that of a private-sector business.

The *Statement of Net Position* presents information on all of the county's assets, deferred outflows, liabilities and deferred inflows, with the difference between the four 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 (two examples are: 1) uncollected taxes, and 2) 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.

Government-wide Financial Analysis



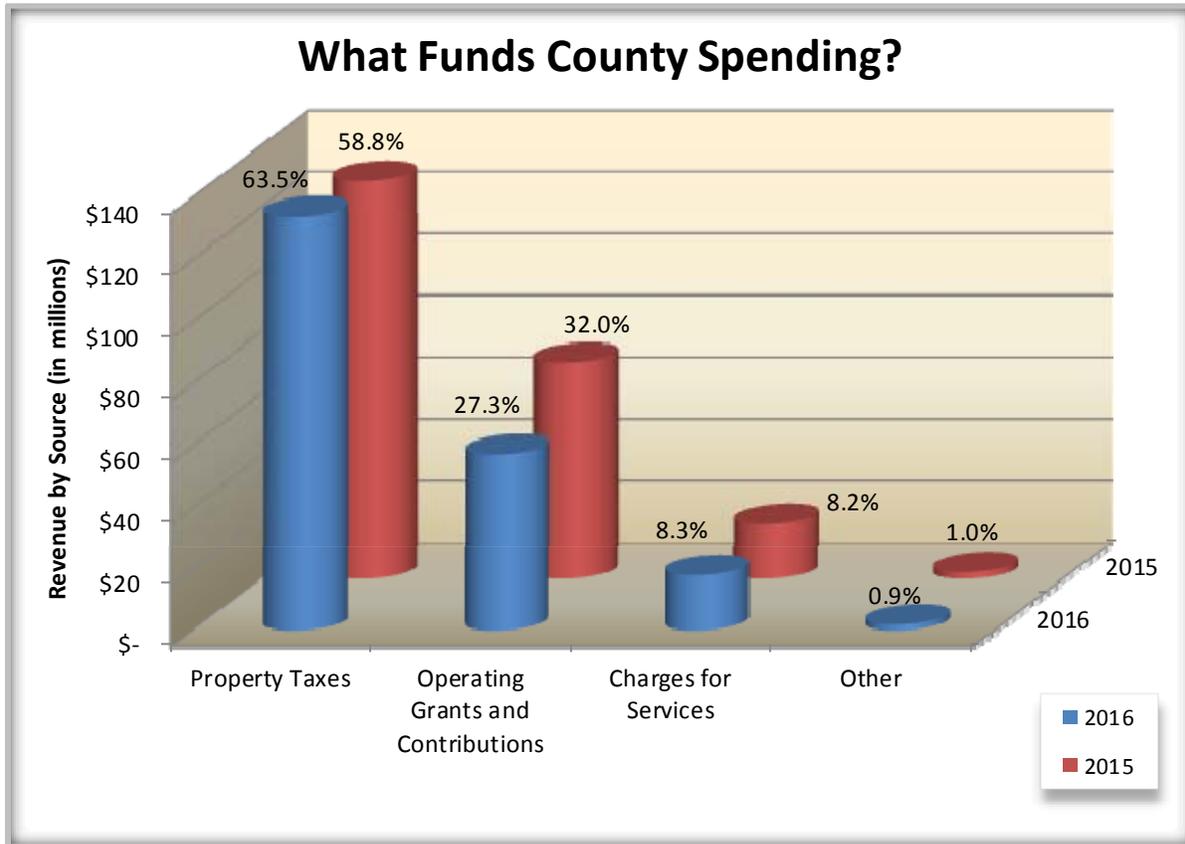
As noted earlier, net position can serve over time as a useful indicator of a government’s financial position. In the case of the county, assets and deferred outflows exceeded liabilities and deferred inflows by \$68,546,075 at the close of the fiscal year ended September 30, 2016.

The largest portion of the county’s net position, \$130,815,042, 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.

A portion of the county’s net position, \$48,293,570, is subject to external restrictions. The remainder, (\$110,562,537), is unrestricted. Unrestricted net position is negative because Galveston County incurred long-term liabilities that were not offset by corresponding assets. One of the contributing factors was the county’s issuance of long-term bonds to finance \$42,360,000 of non-county road construction. Additionally, the county records post-employment benefits on a pay-as-you-go basis; the accrued unpaid obligation for post-employment benefits is \$67,066,615 as of September 30, 2016.

The county’s net position increased by \$16,830,672 (32.54%) during the fiscal year ended September 30, 2016. This increase in net position indicates that, on a flow-of-economic-resources basis, current year

revenues were more than sufficient to pay current year expenses. Underlying revenues decreased by \$7,419,603 (3.40%); underlying expenses decreased by \$14,467,078 (6.93%).



Key factors in the net change in revenues include:

- a \$23.0 million decrease in operating grants and contributions program revenue from the Community Development Block Grant Housing Program and the Severe Repetitive Loss Program
- a \$9.3 million increase in operating grants and contributions program revenue from: 1) the Texas Department of Emergency Management for Hurricane Ike disaster recovery projects, and 2) the City of Galveston for 61st Street Lee and Joe Jamail Bay Park construction
- a \$5.4 million increase in property tax general revenues due to increases in appraised values

Key factors in the net change in expenses include:

- a \$20.0 million decrease in the Community Development Block Grant Housing Program expenses
- a \$4.5 million increase in expenses for Hurricane Ike disaster recovery projects and 61st Street Lee and Joe Jamail Bay Park construction
- a \$4.5 million increase in expenses for personal services due to:
 - cost-of-living raises;
 - additional sheriff liaison positions in Clear Creek, Dickinson, and Texas City Independent School District schools; and

- a change in policy which brought the pay of various county law enforcement personnel more in line with that of comparable positions in other local jurisdictions
- a \$0.6 million increase in expenses in contract services for jail food and health care

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 tables below.

COUNTY OF GALVESTON, TEXAS
Net Position
September 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Current and Other Assets	\$ 164,810,791	\$ 162,922,206
Capital Assets, Net of Accumulated Depreciation	<u>262,568,323</u>	<u>261,065,699</u>
Total Assets	<u>427,379,114</u>	<u>423,987,905</u>
Deferred Charge on Refunding	5,423,392	6,108,372
Deferred Outflows - Pension	<u>32,068,963</u>	<u>8,288,456</u>
Total Deferred Outflows of Resources	<u>37,492,355</u>	<u>14,396,828</u>
Long-Term Liabilities Outstanding	352,061,362	344,450,741
Other Liabilities	<u>41,772,709</u>	<u>41,829,480</u>
Total Liabilities	<u>393,834,071</u>	<u>386,280,221</u>
Deferred Inflows - Pension	<u>2,491,323</u>	389,109
Total Deferred Inflows of Resources	<u>2,491,323</u>	<u>389,109</u>
Net Position:		
Net Investment in Capital Assets	130,815,042	125,612,008
Restricted	48,293,570	17,897,913
Unrestricted	<u>(110,562,537)</u>	<u>(91,794,518)</u>
Total Net Position	<u>\$ 68,546,075</u>	<u>\$ 51,715,403</u>

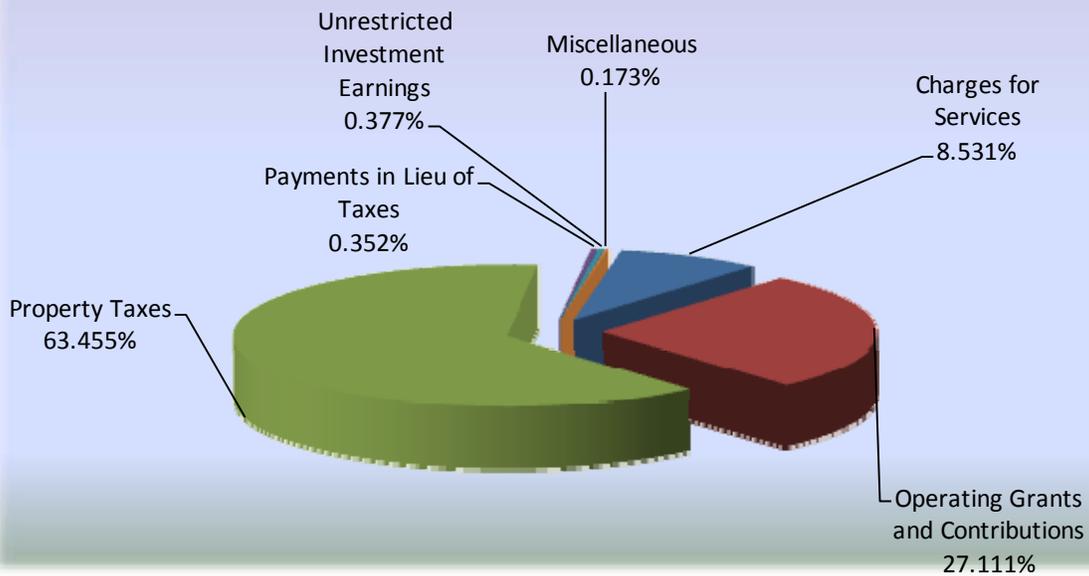
COUNTY OF GALVESTON, TEXAS
Changes in Net Position
September 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Revenues:		
Program Revenues:		
Charges for Services	\$ 18,008,796	\$ 17,891,414
Operating Grants and Contributions	57,227,054	69,967,687
General Revenues:		
Property Taxes	133,944,463	128,533,417
Payments in Lieu of Taxes	743,788	939,148
Unrestricted Investment Earnings	796,319	966,836
Gain on Sale of Assets	5,775	58,868
Miscellaneous	<u>365,775</u>	<u>154,203</u>
Total Revenues	<u>211,091,970</u>	<u>218,511,573</u>
Expenses:		
General Government	73,577,110	95,140,625
Public Safety	68,331,828	69,979,265
Health and Social Services	15,874,567	15,417,647
Culture and Recreation	5,344,112	5,072,232
Conservation	429,014	585,085
Roads, Bridges, and Rights-of-Way	15,645,148	8,222,717
Interest on Long-term Debt	<u>15,059,519</u>	<u>14,310,805</u>
Total Expenses	<u>194,261,298</u>	<u>208,728,376</u>
Increase (Decrease) in Net Position	16,830,672	9,783,197
Net Position - Beginning	51,715,403	49,402,213
Prior Period Adjustments	<u>-</u>	<u>(7,470,007)</u>
Net Position - Ending	<u>\$ 68,546,075</u>	<u>\$ 51,715,403</u>

COUNTY OF GALVESTON, TEXAS
Revenues by Source - Governmental Activities
September 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Program Revenues:		
Charges for Services	\$ 18,008,796	\$ 17,891,414
Operating Grants and Contributions	<u>57,227,054</u>	<u>69,967,687</u>
Total Program Revenues	<u>75,235,850</u>	<u>87,859,101</u>
General Revenues:		
Property Taxes	133,944,463	128,533,417
Payments in Lieu of Taxes	743,788	939,148
Unrestricted Investment Earnings	796,319	966,836
Gain on Sale of Assets	5,775	58,868
Miscellaneous	<u>365,775</u>	<u>154,203</u>
Total General Revenues	<u>135,856,120</u>	<u>130,652,472</u>
Total Revenues by Source	<u>\$ 211,091,970</u>	<u>\$ 218,511,573</u>

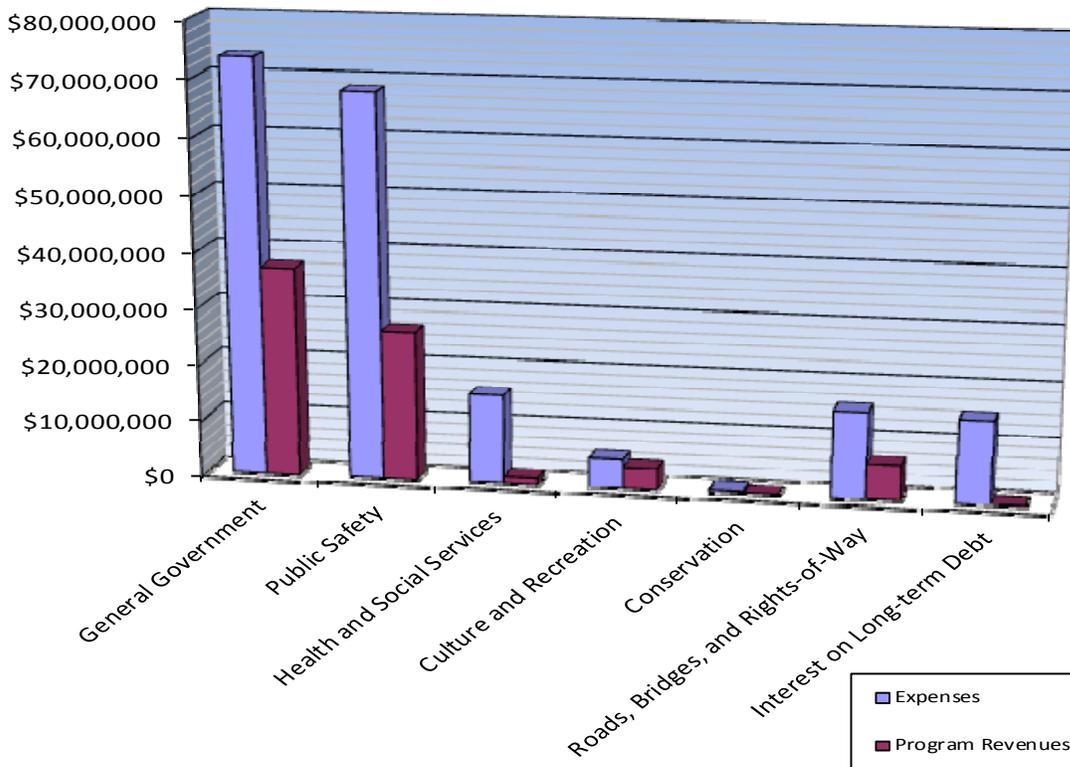
Revenues By Source - Governmental Activities
FY 2016



COUNTY OF GALVESTON, TEXAS
Expenses and Program Revenues - Governmental Activities
For the Year Ended September 30, 2016

Function	Expenses	Program Revenues
General Government	\$ 73,577,110	\$ 37,151,220
Public Safety	68,331,828	26,641,964
Health and Social Services	15,874,567	1,194,169
Culture and Recreation	5,344,112	3,882,303
Conservation	429,014	-
Roads, Bridges, and Rights-of-Way	15,645,148	6,366,194
Interest on Long-term Debt	15,059,519	-
Total Expenses and Program Revenues	\$ 194,261,298	\$ 75,235,850

FY 2016 Expenses and Program Revenues
Governmental 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 narrower 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 and fiduciary funds). Reconciliations are provided to facilitate the comparison between Governmental Funds and government-wide activities.

Governmental Accounting Standards Board Statement No. 54, issued in February 2009, provided guidance on the proper usage of the various governmental fund types with the goal of improving the consistency and usefulness of financial reporting across like governmental entities. Statement No. 54 also implemented a hierarchy of five possible classifications of fund balance based upon the degree of restriction of their use. These classifications and examples of their components include:

- Nonspendable – constraints are imposed by the nature of the balance, such as inventories that will not be converted into cash and the corpus of permanent funds
- Restricted – constraints are imposed externally by creditors, grantors, etc.
- Committed – constraints are imposed internally by formal action of the entity’s highest level of decision-makers, such as the county’s Commissioners Court
- Assigned – constraints are imposed by the government’s intention of use for specific purposes, but with no formal action
- Unassigned – the residual classification for General Fund fund balance not included in a more restrictive classification

The classification of the components of the county’s Governmental Funds’ fund balances is discussed in detail in Note I.D.11, “Equity,” in the Notes to these financial statements.

The county maintains fifty-one 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 the county considers to be “major” funds:

- the General Fund
- the Road and Bridge Fund
- the Grant Fund
- the Debt Service Fund

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

To assist with fiscal oversight, the Commissioners Court adopts annual budgets for the General Fund, most Special Revenue Funds, the Grant Fund and the Debt Service Fund. Some Special Revenue Funds do not issue budgets, while the budgets of others are not under the jurisdiction of Commissioners Court. Project-length, rather than annual, budgets are adopted for the Capital Projects Funds. Schedules contrasting budgeted and actual amounts are presented in this report for all budgeted Governmental Funds in order to demonstrate budgetary compliance, regardless of the basis (annual, project-length or other) on which those budgets are prepared.

Proprietary Funds include Enterprise Funds and Internal Service Funds.

- *Enterprise Funds* are used to report the same functions that would be presented as business-type activities in the government-wide financial statements. The county currently engages in no business-type activity.
- The county’s four *Internal Service Funds* are used to account for: 1) the expenses related to budgeted expenditures of various county departments for group health, unemployment and workers’ compensation insurance; and 2) 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 county presently accounts for no Trust Funds and fourteen Agency Funds.

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.

Governmental Funds Classification of Fund Balances September 30, 2016			
<u>Fund Balance</u> <u>Classification</u>	<u>Amount at 2016</u>	<u>Percent of</u> <u>Fund Balance</u>	<u>Examples of Purposes for Which Classification May Be Used</u>
Non-Spendable	\$ 761,231	0.6%	Inventories; long-term receivables; corpus of Permanent Funds
Restricted	52,679,842	41.2%	Proceeds of long-term debt issued to fund capital projects; ad valorem revenues from debt service and road and bridge components of tax levy; grant revenues restricted to expenditure for a particular purpose
Assigned	35,611,118	27.9%	Monies earmarked for construction projects, disaster recovery, self-insurance, etc.
Unassigned	38,733,026	30.3%	Remainder of General Fund fund balance not classified elsewhere
	<u>\$ 127,785,217</u>	<u>100.0%</u>	

At September 30, 2016, the county's Governmental Funds reported a combined ending fund balance of \$127,785,217, an increase of \$953,251 from September 30, 2015. A small portion of the fund balance, 0.6%, or \$761,231, is non-spendable because it is in the form of inventories. Of the fund balance, 41.2%, or \$52,679,842 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 58.2% , or \$74,344,144, of fund balance is available for new spending. Of that amount, 27.9%, or \$35,611,118, is classified as "assigned," i.e., tentatively earmarked for specific uses, as follows:

- Self-insurance, \$1,500,000;
- Contingent liabilities, \$1,000,000;
- Disaster recovery, \$2,500,000;
- Beach and parks, \$12,000;
- Construction projects, \$5,764,484; and
- Adopted budget utilization of fund balance, \$24,834,634.

The final 30.3% or \$38,733,026 of fund balance is classified as "unassigned" and available for any use.

Changes in Fund Balance – Major Funds

General Fund

The General Fund is the county's primary operating fund. At September 30, 2016, the General Fund's unassigned fund balance totaled \$38,733,026; total fund balance increased during the fiscal year by \$8,923,748 to \$68,668,033. 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 32.9% and 58.3%, respectively, of total expenditures for the fiscal year ended September 30, 2016.

As shown on the Statement of Revenues, Expenditures, and Changes in Fund Balance, county operations resulted in a net increase in fund balance of \$8,923,748. Additionally, Commissioners Court has chosen

to appropriate in fiscal year 2017, in a category of fund balance termed “assigned,” adopted budget utilization of fund balance in the amount of \$24,834,634. The result was an increase in unassigned fund balance of \$13,149,650.

Road and Bridge Fund

The Road and Bridge Fund is presented as a major fund and has a fund balance at September 30, 2016, of \$985,314. The net decrease in fund balance of \$475,088 from the prior year demonstrates that, although some revenues have increased in the current fiscal year, operating revenues were still insufficient to cover costs. Some significant changes in revenues in fiscal year 2016 occurred in items such as Taxes (an increase of \$521,254), Licenses and Permits (an increase of \$210,097) and Fines and Forfeitures (a decrease by \$233,316). The only significant change in this fund’s expenditures in the current fiscal year was an increase of \$539,639 in Roads, Bridges and Rights-of-Way.

Grant Fund

The Grant Fund is a major fund with a fund balance at September 30, 2016, of \$5,069,372. This fund is used to account for grant funding awarded by the federal or state governments or by private foundations. The decrease of \$1,214,682 from the ending fund balance at September 30, 2015, is due to a reduction of \$17,008,423 and \$17,392,392 in revenue and expenditure activity, respectively, largely related to post-Hurricane Ike recovery grants.

Debt Service Fund

The Debt Service Fund is a major fund with a fund balance at September 30, 2016 of \$11,574,207. Its fund balance decreased by \$252,467 from that of the prior fiscal year. The decrease was due to a reduction of the tax levy allocated to debt service in order to lower fund balance. Scheduled debt service was paid timely during fiscal year 2016.

Changes in Fund Balance – Non-Major Funds

The aggregate fund balance of the non-major special revenue funds increased by \$1,716,104, mainly due to activity in three of those funds: the County Clerk Records Management and Preservation, Road District #1 and Beach and Parks Funds.

- In the County Clerk Records Management and Preservation Fund, revenues exceeded expenditures by \$511,488. This positive net change is due in large part to the continuing effects of a fee increase on September 1, 2013, from \$5 to \$10 per case filed, and reverts to the \$5 per case filed on September 1, 2019. This fee accounts for \$801,554 of the total revenue of \$831,502.
- In the Road District #1 Fund, the net change in fund balance was \$311,926. This is mainly due to revenue from tolls of \$550,498 exceeding expenditures.
- In the Beach and Parks Fund, the net change in fund balance was an increase of \$1,107,991. A large payment of \$2,535,000 for intergovernmental revenue was received to be used towards the \$1,609,720 purchase of land at Rollover Pass and future development of a park. In addition, revenue from charges for services increased by \$194,940 between the current and prior fiscal year, while culture and recreation expenditures increased by \$284,491, mainly due to overtime and seasonal help in the amounts of \$132,195 and \$21,971, respectively.

The aggregate fund balance of the non-major capital project funds decreased by \$7,744,364, owing in large part to a \$7,727,683 payment to Harris County for the Mud Gully Storm Water Detention Basin project. This payment was made in accordance with the interlocal agreement executed on January 10,

2012 between Galveston County and Harris County. In addition, the county has several IT projects in progress totaling \$1,018,259, but which are offset by transfers-in from the General Fund in the amount of \$1,353,000 in the County Capital Projects Fund. Some of the larger of these projects are:

- Upgrades to the audio and visual equipment at the Justice Center and the Commissioners Court rooms \$408,318;
- Network updates of \$252,240;
- Phone system upgrades of \$166,387; and
- Completion of the ONESolution upgrade of \$125,466.

The county is also constructing new facilities and repurposing existing facilities at a cost of \$656,207, as follows:

- Renovating the Bacliff Law Enforcement Building (\$297,913 from the Limited Tax County Building Bonds Series 2009B), and
- Construction of a community center and land improvements at the 64-Acre Park (\$358,294 from the Parks Department Capital Project Fund).

General Fund Budgetary Highlights

The original adopted budget for General Fund expenditures was \$124,152,036; transfers out to other funds were budgeted at \$1,646,018. The total adopted General Fund budget, including Budgeted Reserves of \$29,130,000, was \$154,928,054. During the year, Budgeted Reserves were reduced by \$4,563,896, with \$1,239,809 used to increase transfers out to other funds to \$2,885,827. The final approved budget for expenditures was \$127,533,818. The increase in other budgeted expenditures was primarily due to:

- An increase of \$822,740 in the County Clerk's Office for records imaging and indexing projects
- An increase of \$232,000 in the Court Administration Office for indigent defense attorneys, relief judges, court reporters and various other litigation and trial expenditures
- An increase of \$675,000 in the Legal Department for professional services and legal fees
- An increase of \$1,180,354 in the Sheriff's Office for personal service expenditures, including career ladder increases; new positions for school liaisons; prisoner extradition; a "step-up" plan in order to compete with surrounding law enforcement agencies; and an addition of \$500,000 due to an increase in the jail healthcare contract.

During the year, actual revenues were greater by \$3,550,082 and actual expenditures were \$9,747,551 less than final budgeted amounts.

The net positive variance in revenues is primarily attributable to:

- An increase of \$464,746 in taxes, mainly due to an anticipated reimbursement of \$460,000 through a contra-revenue tax account to TIRZ #11 that was not owed due to the closing of the TIRZ;
- An increase of \$2,180,741 in intergovernmental revenues, mainly due to \$1,276,835 more received than anticipated for RTS retainage, along with an increase of \$339,598 for state shared liquor taxes and \$277,498 for sheriff liaison services to various school districts within the county

- An increase of \$668,752 in charges for services, mainly due to \$309,825 less received than anticipated for both County Clerk and Records Archive fees, along with \$146,315 in District Clerk passport fees that exceeded the anticipated amount; and
- An increase of \$430,439 in miscellaneous revenue, mainly due to: 1) \$123,650 more revenue received than anticipated for reimbursement for housing federal jail inmates; 2) \$117,984 for jail inmates telephone commissions; and 3) \$100,299 for sale of assets and foreclosed properties.

The net positive variance in expenditures is primarily attributable to:

- County department-wide, a policy was established to leave vacated positions unfilled for at least four payroll periods unless an exemption is approved by Commissioners Court, which resulted in a savings of approximately \$1,500,000.
- In General Government, other contract services were \$481,982 less than anticipated. In addition, various other expenditures such as audit services, advertising costs for sheriff sales, agency membership fees and travel and conference, contributed to a positive variance of approximately \$360,000 between the budgeted and actual costs.
- In Professional Services, costs of \$100,000 for a county newsletter were anticipated, but not expensed in the fiscal year.
- In Information Technology, costs for maintenance of hardware and software were \$898,863 less than anticipated. In addition, other costs were less than anticipated by approximately \$570,000. Some of the larger of these were maintenance and repairs of equipment (\$276,000), various contract services (\$112,000) and telephone expenditures (\$100,000).
- In the Facilities Department, several expenditures were less than anticipated; namely building utilities costs (\$250,297), building maintenance costs (\$126,023), grounds maintenance and landscaping (\$125,000) and costs for ADA compliance regulations (\$108,335).
- In Fleet Management, the majority of the \$171,212 variance can be attributed to fuel costs being less than anticipated.
- In the Sheriff's Department, salary and benefit costs were \$360,138 less than anticipated and the remaining difference of \$97,588 can be attributed to the effective dates of approved higher pay scale and hire dates of new personnel not occurring at the beginning of the fiscal year.
- In Juvenile Justice, expenditures were less than budgeted by \$232,840, mainly due to food and placement services costs.
- In Community Services, the majority of the \$1,220,241 positive variance between actuals and budget can be attributed to costs being less than expected for indigent healthcare services of \$518,204 and medical examiner services of \$597,600.
- In Capital Outlay, three main anticipated projects did not occur this fiscal year: 1) comprehensive equipment replacement for the Sheriff's Department of \$610,000; 2) Texas City Levee improvement project of approximately \$350,000; and 3) Walter Hall Park facility improvement project of \$250,000.

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, Road and Bridge Fund, Debt Service Fund and Grant Fund, as well as a Schedule of Changes in Net Pension Liability and Related Ratios and a Schedule of Employer Contributions for the county’s retirement plan, and a Schedule of Funding Progress for the county’s other post-employment benefits plan.

Capital Assets and Long-Term Debt

Capital Assets

The county’s investment in capital assets at September 30, 2016, net of accumulated depreciation, totaled \$262,568,323, an increase of \$1,502,624 (0.6%) from the prior year. Capital assets are classified as land, infrastructure, buildings and improvements, machinery and equipment, improvements other than buildings and construction in progress. The increase in investment in capital assets occurred in part from the recording of current year depreciation for assets reported.

During this fiscal year, \$4,597,838 was transferred from “Construction in Progress” to various capital asset categories, including:

- Buildings (the law enforcement building in Bacliff)
- Infrastructure (the road at Jack Brooks Park)
- Intangible Assets (the OnBase, ONESolution and Odyssey technology projects)

At fiscal year-end, total Construction in Progress included the following:

- Improvements Other Than Buildings - \$5,215,252
- Infrastructure - \$1,863,167
- Land and Land Improvements - \$1,609,960
- Buildings - \$1,510,412
- Technology - \$408,318
- Intangible Assets - \$56,735

COUNTY OF GALVESTON, TEXAS
Capital Assets (Net of Depreciation)
At September 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Land	\$ 34,028,357	\$ 34,028,357
Infrastructure	62,839,270	63,237,544
Buildings and Improvements	130,798,542	139,557,900
Machinery and Equipment	14,436,065	12,043,893
Improvements Other than Buildings	9,802,245	9,856,996
Construction in Progress	10,663,844	2,341,009
Total	<u>\$ 262,568,323</u>	<u>\$ 261,065,699</u>

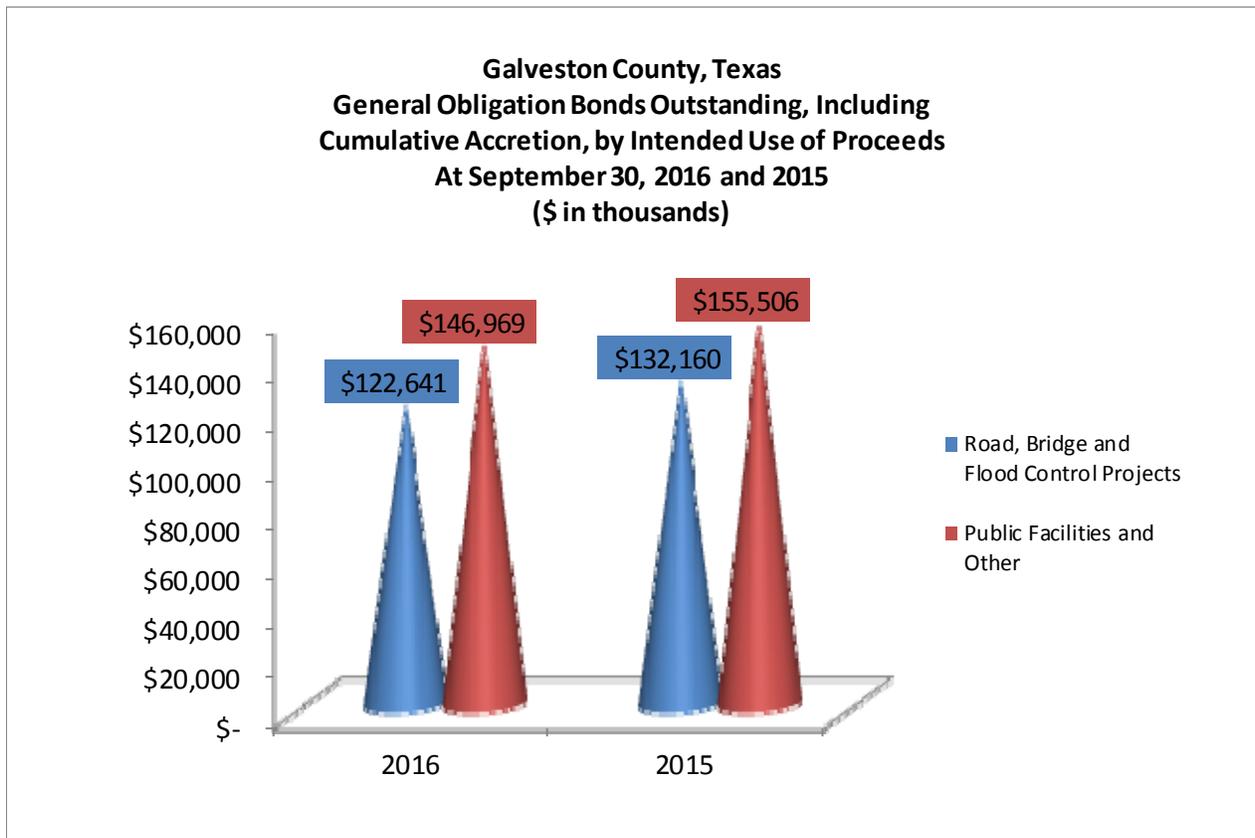
Additional information on the county’s capital assets is found in Note III.D to the Financial Statements on pages 69-71 of this report.

Long-Term Debt

At September 30, 2016, the county’s outstanding bonded debt, including accumulated accretion, totaled \$269,609,264, all of which is general obligation bonds. These general obligation bonds are backed by the full faith and credit of the county.

GALVESTON COUNTY, TEXAS
General Obligation Bonds Outstanding, Including
Cumulative Accretion, by Intended Use of Proceeds
At September 30, 2016 and 2015
(\$ in thousands)

	2016	2015
Road, Bridge, and Flood Control Projects	\$ 122,641	\$ 132,160
Public Facilities and Other	146,969	155,506
Total Long-Term Debt	<u>\$ 269,609</u>	<u>\$ 287,665</u>



The county's outstanding bonded debt decreased by a net 6.28%, or \$18,056,009 during the fiscal year ended September 30, 2016. A decrease of \$20,960,000 resulted from scheduled principal payments; this decrease was partially offset by current-year accretion on capital appreciation bonds of \$2,903,991. No new or refunding debt was issued during the fiscal year. The county maintains an "Aaa" rating (upgraded from "Aa1" in January 2017) from Moody's Investors Service, Inc., and an "AA+" rating from Fitch Ratings 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 \$1,494,986,000 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 \$6,730,125,750, which also significantly exceeds the amount of the county's outstanding unlimited tax road bonds, including the cumulative accretion on all capital-appreciation series.

Additional information concerning the county's long-term debt can be found in Note III.G to the Financial Statements on pages 73-76 of this report.

Economic Factors and Next Year's Budgets and Rates

- The total ad valorem tax rate for FY2017 is \$0.5520 (all amounts expressed as a ratio to one hundred dollars of valuation).
 - 2017 Effective Tax Rate \$0.557981
 - Ad Valorem Tax Rate:
 - 2017 \$0.552
 - 2016 \$0.567
 - Overall Reduction \$0.015
- The reduction in tax rate is due to an increase in the county's projected collectible taxable property value of \$1.1 billion, from \$24.1 billion (2016) to \$25.2 billion (2017).
- Property tax revenue in fiscal year 2017 is projected to be \$136.2 million, approximately \$2.6 million more than fiscal year 2016, primarily due to increased commercial development in the middle and northern parts of the county.
- FY 2017 budget figures for the General Fund include revenues of \$132.1 million, expenditures of \$128.0 million and transfers to other funds of \$1.2 million, with an additional \$20.0 million set aside for contingencies.
- As reported by the Bureau of Labor Statistics, the unemployment rate in Galveston County for April 2016 was 5.0%, which exceeded the February 2016 state unemployment rate of 4.5% by 0.5% and the September 2016 national unemployment rate of 4.9% by 0.1%.
- The U.S. Census Bureau estimated the county's population at June 2015, at 322,225, an increase of 30,916 from the 2010 figure of 291,309.
- The Real Estate Center at Texas A&M University reported an average of 502 housing sales per month for the county's fiscal year ended September 30, 2016, at an average median sales price of \$205,605, compared to statistics of 488 and \$195,065, respectively, for its fiscal year ended September 30, 2015.

- The U.S. Census Bureau also reported that in 2014, the most recent year of data available, there were 5,479 employer establishments operating within the county, employing 79,740 persons, with a combined annual payroll of \$3.21 billion.

County Initiatives

Parks and Cultural Services

- Funded through the sale of beach parking passes on Bolivar Peninsula, permanent restrooms and public showers will be constructed in Crystal Beach in fiscal year 2017 and potential sites for the location of mobile restrooms elsewhere on the peninsula will be researched.
- The county is progressing toward the opening of 64-Acre Park, at the site of the former Spillway Park in the Bacliff/San Leon area, which will feature the Bayside Community Center discussed below, as well as playgrounds, ponds, trails, soccer fields and picnic shelters.
- The Bayside Community Center, which will serve seniors in the north county communities of Bacliff and San Leon, will open at 64-Acre Park in fiscal year 2017. Construction has begun on the approximately 7,000-square-foot facility, with costs expected to total \$1.9 million. The county's Road and Bridge Department is constructing the interior road, parking lots and drainage/storm-water retention system for the center.
- The county's primary rental facility, Walter Hall Park in League City, will be upgraded in fiscal year 2017; work will include renovation of the indoor pavilion.
- The county plans to repair the roofs of pavilions at Bayshore and Gregory Parks at projected costs of \$105,000 and \$111,000, respectively.
- Dependent upon the availability of grant funding, improvements may be made to the Highway 3 boat ramp.
- The county will purchase two buses to be used to take seniors on outings, to run errands and to shuttle them between their homes and senior centers.
- A "soft opening" of, and fundraiser for, the Galveston County Museum's exhibit hall is in the planning stages.

Information Technology

- In conjunction with the Human Resources Department, Information Technology has implemented "Employee Online," an adjunct module to the county's ONESolution financial software. This application allows an employee to access payroll data on the internet and download a year-end Form W-2, and it will eliminate the county's need to print more than thirty thousand paycheck stubs annually.
- Request for proposals will be issued as the first step toward purchasing time-and-attendance software. The product selected will integrate with the ONESolution payroll and human resources modules. The project's completion will mean the elimination of the data entry and concurrent risk of error inherent in the present manual time-tracking procedures used in the various county departments.
- The county will upgrade to the latest version of Odyssey judicial software, which will add functionality, provide public access, reduce requests for court clerk support and enhance compliance with Freedom of Information Act (i.e., "open records") requests.

- CSI's "Intellidact" software will be implemented for the protection of sensitive judicial information with respect to Freedom of Information Act requests and other governmental mandates.
- All of the county's Justice of the Peace courts are transitioning from NetData software to a single judicial alternative, Tyler Technology's "Odyssey," thereby reducing processing inefficiencies and providing the capability to share data across the four precincts. The discontinuance of the use of NetData is projected to save the county more than \$110,000 annually.
- The SharePoint environment will be upgraded for both public and internal users, adding functionality and features and increasing the efficiency of collaboration within and across county departments and data-collection sites.
- New "Help Desk" ticketing software will be purchased, with desired features to include user self-help and self-reporting capabilities. This technology will enable more efficient logging, troubleshooting and resolution of county workforce technological problems.
- Working with the Galveston County Sheriff's Department, Information Technology will upgrade the video recording system at the county jail, including hardware such as servers, storage and/or cameras.

Facilities

- Construction of the High Island Emergency Shelter, on property owned by the High Island Independent School District at the eastern edge of the county, is expected to be completed in the summer of 2017. Funding is provided by a Community Development Block Grant.
- The county will renovate the former Environmental Health Building in La Marque, which will become the new office of the County Medical Examiner. The project's cost is expected to total \$6 million. Conceptual planning is under way and the design and construction phases should be completed in 2017 and 2018, respectively. A separate project in the same building to repair coolers and add emergency electricity generators is budgeted at \$181,000.
- The county continues the long-term process of replacing older fluorescent, incandescent, high-intensity discharge and other forms of lighting in its various facilities with LED technology, thereby reducing electrical consumption and cost.
- Planning is under way to increase the capacity of the North County Annex, including a \$100,000 expansion of its parking lot.
- The county has completed about 90% of an approximately \$500,000 project to correct Americans with Disabilities Act ("ADA") non-compliance issues that were identified during an extensive review by the Department of Justice in conjunction with an architect familiar with ADA regulations.
- The county plans to spend \$400,000 to repair foundation damage and the air-conditioning system at the Texas City Annex.
- Repairs planned for the dormitory air-conditioning equipment at the Juvenile Justice Center are expected to cost \$100,000.

Grant Funding

The county continues to use monies from grants, both those awarded pursuant to Hurricane Ike in 2008 and others not disaster-related, to fund capital projects.

On September 12, 2008, Hurricane Ike struck the upper Texas coast, causing enormous damage to buildings and infrastructure within Galveston County. Grants continue to fuel the county's recovery.

- With joint funding from the Federal Emergency Management Administration ("FEMA") and the Texas General Land Office through a grant for hazard mitigation, the county has spent \$80.1 million to buy out owners whose homes, due to erosion, were located post-storm on state-owned beach or were left at high risk of damage from future storms.
- Although the above-mentioned buy-outs decreased the property value on the county's tax rolls, other post-Ike grants resulted in increased value. For example:
 - Rounds 1 and 2 of the Community Development Block Grant ("CDBG") Housing Program have provided \$182.8 million to improve or replace homes within the county.
 - The Texas Water Development Board, in conjunction with FEMA's National Flood Insurance Program, has provided \$24.2 million of funding to elevate existing homes to lessen their vulnerability to future flood events.
- FEMA has provided \$105 million for the post-Ike remediation and restoration of county facilities and infrastructure.
- Post-Ike CDBG grants have thus far funded \$11 million in infrastructure improvements and emergency facilities, with an additional \$31 million committed to new projects.
- Through the Department of the Interior's Coastal Impact Assistance Program, \$5 million is committed to beach and dune restoration projects along Galveston County's coastline.
- An additional \$24.7 million in expenditures has been approved by FEMA for county infrastructure projects through the Sandy Recovery Improvement Act program.

With regard to non-disaster-related grants, Galveston County receives approximately \$3.1 million in funding annually from various federal and state grants for projects involving county law enforcement, criminal prosecution, emergency management and social services.

At September 30, 2016, the \$68,668,033 of General Fund unassigned fund balance was subsequently reduced to \$38,733,026 by the assignment of:

- \$24,834,634 for adopted budget utilization of fund balance in its expenditure budget for the fiscal year ending September 30, 2017; and
- \$5,012,000 for earmarks for self-insurance, disaster recovery, beaches 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.

Basic Financial Statements

GALVESTON COUNTY, TEXAS
STATEMENT OF NET POSITION
September 30, 2016

Governmental Activities

Assets	
Cash And Cash Equivalents	\$ 110,682,859
Receivables (Net Of Allowances For Uncollectibles):	
Taxes	9,845,965
Accounts And Other	43,285,895
Inventories	673,824
Prepaid Expenses	87,407
Restricted Assets:	
Cash And Cash Equivalents	234,841
Capital Assets Not Being Depreciated:	
Land	34,028,357
Construction In Progress	10,663,844
Capital Assets, Net Of Accumulated Depreciation:	
Infrastructure	62,839,270
Buildings And Improvements	130,798,542
Machinery And Equipment	14,436,065
Improvements Other Than Buildings	<u>9,802,245</u>
Total Assets	<u>427,379,114</u>
Deferred Outflows Of Resources	
Deferred Charge On Refunding	5,423,392
Deferred Outflow - Pension	<u>32,068,963</u>
Total Deferred Outflows Of Resources	<u>37,492,355</u>
Liabilities	
Accounts Payable	8,171,819
Salaries Payable	2,033,018
Accrued Interest Payable	3,000,617
Retainage Payable	592,892
Estimated Liability - Claims And Judgments	1,330,645
Due To Others	1,553,023
Payable From Restricted Assets:	
Deposits	234,833
Unearned Revenues - Other	2,508,002
Noncurrent Liabilities:	
Due Within One Year	22,347,860
Due In More Than One Year	<u>352,061,362</u>
Total Liabilities	<u>393,834,071</u>
Deferred Inflows Of Resources	
Deferred Inflows - Pension	<u>2,491,323</u>
Total Deferred Inflows Of Resources	<u>2,491,323</u>
Net Position	
Net Investment In Capital Assets	130,815,042
Restricted For:	
Grants	5,069,372
Debt Service	10,198,293
Other	3,326,767
Statute - Regulation	13,311,275
Capital Projects	16,387,863
Unrestricted	<u>(110,562,537)</u>
Total Net Position	<u>\$ 68,546,075</u>

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

GALVESTON COUNTY, TEXAS
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2016

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Total
Governmental Activities:						
General Government	\$ 73,577,110	\$ 14,392,725	\$ 22,758,495	\$ -	\$ (36,425,890)	\$ (36,425,890)
Public Safety	68,331,828	2,173,584	24,468,380	-	(41,689,864)	(41,689,864)
Health and Social Services	15,874,567	7,930	1,186,239	-	(14,680,398)	(14,680,398)
Culture and Recreation	5,344,112	839,816	3,042,487	-	(1,461,809)	(1,461,809)
Conservation	429,014	-	-	-	(429,014)	(429,014)
Roads, Bridges, and Rights-of-way	15,645,148	594,741	5,771,453	-	(9,278,954)	(9,278,954)
Interest on Long-term Debt	15,059,519	-	-	-	(15,059,519)	(15,059,519)
Total Governmental Activities	\$ 194,261,298	\$ 18,008,796	\$ 57,227,054	\$ -	\$ (119,025,448)	\$ (119,025,448)
General Revenues:						
Taxes:						
Property Taxes, Levied For General Purposes					110,591,217	110,591,217
Property Taxes, Levied For Debt Service					23,353,246	23,353,246
Payments In Lieu Of Taxes					743,788	743,788
Unrestricted Investment Earnings					796,319	796,319
Gain On Sale Of Capital Assets					5,775	5,775
Miscellaneous					365,775	365,775
Total General Revenues					135,856,120	135,856,120
Change In Net Position					16,830,672	16,830,672
Net Position - Beginning					51,715,403	51,715,403
Net Position - Ending					\$ 68,546,075	\$ 68,546,075

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

**GALVESTON COUNTY, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2016**

	<u>General</u>	<u>Road and Bridge</u>	<u>Grant</u>	<u>Debt Service</u>	<u>Total Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS						
Cash And Cash Equivalents	\$ 47,676,414	\$ 1,112,027	\$ 1,120,134	\$ 7,536,129	\$ 42,078,545	\$ 99,523,249
Receivables (Net Of Allowance For Uncollectibles):						
Taxes	7,841,475	128,152	-	1,624,703	251,635	9,845,965
Accounts And Other	5,342,794	106,378	33,617,062	4,038,078	85,241	43,189,553
Due From Other Funds	24,292,045	-	-	-	-	24,292,045
Inventory At Cost	966	263,227	-	-	409,631	673,824
Prepaid Items	87,407	-	-	-	-	87,407
Total Assets	<u>\$ 85,241,101</u>	<u>\$ 1,609,784</u>	<u>\$ 34,737,196</u>	<u>\$ 13,198,910</u>	<u>\$ 42,825,052</u>	<u>\$ 177,612,043</u>
LIABILITIES						
Accounts Payable	\$ 2,623,743	\$ 435,533	\$ 3,626,457	\$ -	\$ 328,887	\$ 7,014,620
Salaries Payable	1,824,717	58,089	65,770	-	75,518	2,024,094
Compensated Absences Payable	53,373	-	454	-	-	53,827
Retainage Payable	-	-	586,835	-	6,057	592,892
Due To Others	187,693	-	722,664	-	642,666	1,553,023
Escrow Deposits	-	-	-	-	2,378	2,378
Deposits - Held	232,455	-	-	-	-	232,455
Unearned Revenue	2,102,087	2,696	373,599	-	29,620	2,508,002
Due To Other Funds	-	-	24,292,045	-	-	24,292,045
Total Liabilities	<u>7,024,068</u>	<u>496,318</u>	<u>29,667,824</u>	<u>-</u>	<u>1,085,126</u>	<u>38,273,336</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable Revenue:						
Property Taxes	7,841,475	128,152	-	1,624,703	251,635	9,845,965
Charges for Services, Court Fees, and Fines	1,707,525	-	-	-	-	1,707,525
Total Deferred Inflows of Resources	<u>9,549,000</u>	<u>128,152</u>	<u>-</u>	<u>1,624,703</u>	<u>251,635</u>	<u>11,553,490</u>
FUND BALANCES						
Non-Spendable	88,373	263,227	-	-	409,631	761,231
Restricted	-	722,087	5,069,372	11,574,207	35,314,176	52,679,842
Assigned	29,846,634	-	-	-	5,764,484	35,611,118
Unassigned	38,733,026	-	-	-	-	38,733,026
Total Fund Balances	<u>68,668,033</u>	<u>985,314</u>	<u>5,069,372</u>	<u>11,574,207</u>	<u>41,488,291</u>	<u>127,785,217</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 85,241,101</u>	<u>\$ 1,609,784</u>	<u>\$ 34,737,196</u>	<u>\$ 13,198,910</u>	<u>\$ 42,825,052</u>	<u>\$ 177,612,043</u>

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

GALVESTON COUNTY, TEXAS
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION
September 30, 2016

Total fund balance, governmental funds \$ 127,785,217

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. 262,568,323

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. 8,994,025

Deferred losses on refundings are not included in the fund financial statement, but are included in the governmental activities of the Statement of Net Position. 5,423,392

Deferred outflows of resources for pension related activities are not included in the fund financial statements, but are included in the governmental activities of the Statement of Net Position. 32,068,963

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	(238,628,434)
Accumulated accretion on capital appreciation bonds	(30,980,830)
Compensated absences	(4,815,661)
Net OPEB Payable	(67,066,615)
Interest on long-term debt	(3,000,617)
Premiums on issuance of debt	(1,290,837)
Net pension liability	(31,573,018)

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. 9,845,965

Court receivables for fines and related costs that have been imposed and are now due, but are not available soon enough to pay for the current period's expenditures, are therefore deferred in the funds. 1,707,525

Deferred inflows of resources for pension related activities are not included in the fund financial statements, but are included in the governmental activities of the Statement of Net Position. (2,491,323)

Net position of governmental activities \$ 68,546,075

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

GALVESTON COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended September 30, 2016

	<u>General</u>	<u>Road and Bridge</u>	<u>Grant</u>	<u>Debt Service</u>	<u>Total Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES						
Taxes	\$ 106,823,182	\$ 1,402,081	\$ -	\$ 23,370,053	\$ 2,358,461	\$ 133,953,777
Licenses And Permits	3,878	2,865,358	-	-	-	2,869,236
Intergovernmental	9,799,461	388,820	33,753,627	8,003,783	2,670,426	54,616,117
Charges For Services	7,698,487	-	376,574	-	3,303,047	11,378,108
Fines And Forfeitures	1,751,454	144,722	-	-	256,023	2,152,199
Investment Earnings	440,989	4,916	924	140,016	209,947	796,792
Miscellaneous	2,784,056	1,381	919,503	-	1,079,103	4,784,043
Total Revenues	<u>129,301,507</u>	<u>4,807,278</u>	<u>35,050,628</u>	<u>31,513,852</u>	<u>9,877,007</u>	<u>210,550,272</u>
EXPENDITURES						
Current:						
General Government	56,444,914	308,881	10,717,919	-	1,248,159	68,719,873
Public Safety	44,887,220	-	12,816,995	-	2,097,859	59,802,074
Health And Social Services	12,826,686	-	1,026,008	-	1,063,489	14,916,183
Culture And Recreation	2,406,250	-	84,000	-	411,087	2,901,337
Conservation	486,161	-	-	-	-	486,161
Roads, Bridges, And Rights-Of-Way	-	4,916,964	-	-	8,168,981	13,085,945
Debt Service:						
Principal Retirement	-	-	-	20,960,000	-	20,960,000
Interest And Fiscal Charges	-	-	-	10,806,319	-	10,806,319
Capital Outlay	735,036	56,521	12,467,174	-	4,622,652	17,881,383
Total Expenditures	<u>117,786,267</u>	<u>5,282,366</u>	<u>37,112,096</u>	<u>31,766,319</u>	<u>17,612,227</u>	<u>209,559,275</u>
Excess (Deficiency) Of Revenues Over (Under) Expenditures	<u>11,515,240</u>	<u>(475,088)</u>	<u>(2,061,468)</u>	<u>(252,467)</u>	<u>(7,735,220)</u>	<u>990,997</u>
OTHER FINANCING SOURCES (USES)						
Transfers In	48,596	-	802,031	-	1,708,906	2,559,533
Transfers Out	(2,659,475)	-	(48,596)	-	(6,231)	(2,714,302)
Sale Of Capital Assets	19,387	-	93,351	-	4,285	117,023
Total Other Financing Sources (Uses)	<u>(2,591,492)</u>	<u>-</u>	<u>846,786</u>	<u>-</u>	<u>1,706,960</u>	<u>(37,746)</u>
Net Change In Fund Balances	8,923,748	(475,088)	(1,214,682)	(252,467)	(6,028,260)	953,251
Fund Balances - Beginning	<u>59,744,285</u>	<u>1,460,402</u>	<u>6,284,054</u>	<u>11,826,674</u>	<u>47,516,551</u>	<u>126,831,966</u>
Fund Balances - Ending	<u>\$ 68,668,033</u>	<u>\$ 985,314</u>	<u>\$ 5,069,372</u>	<u>\$ 11,574,207</u>	<u>\$ 41,488,291</u>	<u>\$ 127,785,217</u>

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

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, 2016

Net change in fund balances - total governmental funds:	\$ 953,251
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 additions of \$17,881,383 to capital assets, less a reclassification of \$168,365 to other revenue, exceeded depreciation of \$16,104,275 in the current period.	1,608,743
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 undepreciated cost of the asset sold.	(106,119)
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.	703,834
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.	20,960,000
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	(1,146,292)
Compensated absences	(221,474)
Amortization of deferred charges	(202,917)
Other post employment benefits	(9,378,514)
Accretion of capital bond interest	(2,903,991)
Pension cost, net	4,463,098
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.	<u>2,101,053</u>
Change in net position of governmental activities	<u>\$ 16,830,672</u>

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

**GALVESTON COUNTY, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
September 30, 2016**

	Governmental Activities <u>Internal Service Funds</u>
ASSETS	
Current Assets:	
Cash and Cash Equivalents	\$ 11,394,451
Receivables (Net of Allowances for Uncollectibles):	
Accounts and Other	<u>96,342</u>
Total Assets	<u>11,490,793</u>
 LIABILITIES	
Current Liabilities:	
Accounts Payable	1,157,199
Salaries Payable	8,924
Estimated Liability - Claims	<u>1,330,645</u>
Total Liabilities	<u>2,496,768</u>
 NET POSITION	
Unrestricted	<u>8,994,025</u>
 Total Net Position	 <u><u>\$ 8,994,025</u></u>

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, 2016

	Governmental Activities Internal Service Funds
OPERATING REVENUES	
Intergovernmental	\$ 402,377
Charges for Services	16,902,766
Insurance Recovery - County	13,930
Reimbursements	<u>448,434</u>
Total Operating Revenues	<u>17,767,507</u>
OPERATING EXPENSES	
Contract Services	2,159,524
Insurance	2,621,946
Claims Paid	<u>11,040,204</u>
Total Operating Expenses	<u>15,821,674</u>
Operating Income (Loss)	1,945,833
NONOPERATING REVENUES (EXPENSES)	
Investment Earnings	<u>451</u>
Income (loss) before transfers	1,946,284
TRANSFERS	
Transfers In	<u>154,769</u>
Change In Net Position	2,101,053
Total Net Position-Beginning	<u>6,892,972</u>
Total Net Position-Ending	<u><u>\$ 8,994,025</u></u>

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, 2016**

	Governmental Activities <u>Internal Service Funds</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from External Sources	\$ 16,973,685
Payments to Suppliers	(4,775,228)
Payments to Employees	(255,838)
Payments for Claims	(11,040,204)
Other Operating Revenues	<u>850,966</u>
Net cash provided (used) by operating activities	<u>1,753,381</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfer from General Fund	154,769
Repayment to Other Funds	<u>(154,769)</u>
Net cash provided (used) by noncapital financing activities	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Investment Earnings	<u>451</u>
Net cash provided (used) by investing activities	<u>451</u>
Net increase (decrease) in cash and cash equivalents	1,753,832
Cash and Cash Equivalents October 1, 2015	<u>9,640,619</u>
Cash and Cash Equivalents September 30, 2016	<u>\$ 11,394,451</u>
Reconciliation Of Operating Income (Loss) To Net Cash Provided (Used For) By Operating Activities:	
Operating income (loss)	<u>\$ 1,945,833</u>
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
(Increase) Decrease in Accounts Receivable	57,144
(Increase) Decrease in Due to Other Funds	(122,700)
Increase (Decrease) in Accounts Payable	(130,992)
Increase (Decrease) in Salaries Payable	<u>4,096</u>
Total adjustments	<u>(192,452)</u>
Net cash provided (used) by operating activities	<u>\$ 1,753,381</u>

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

GALVESTON COUNTY, TEXAS
STATEMENT OF ASSETS AND LIABILITIES
FIDUCIARY FUNDS
September 30, 2016

	AGENCY FUNDS
ASSETS	
Cash and Cash Equivalents	\$ 16,279,807
Investments	4,014,093
Receivables (Net of Allowances for Uncollectibles):	
Accounts and Other	14,422
Total assets	\$ 20,308,322
LIABILITIES	
Accounts Payable	\$ 924,675
Due to Others	13,273,806
Due to Other Entities	5,140,211
Deposits Held	969,630
Total liabilities	\$ 20,308,322

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



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Notes to the Financial Statements

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

1. Primary government

Galveston County, Texas (the “county”), was organized and exists 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. The county is located on the upper Texas coast and comprises a land area of 430 square miles. It is governed by an elected Commissioners Court composed of the County Judge and four County Commissioners. Services related to public safety, health and social programs, 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”), including:

- *Governmental Accounting Standards Board Statement No. 61: The Financial Reporting Entity: Omnibus – An Amendment of GASB Statements No. 14 and No. 34*, 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 its 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, §52 of the Texas Constitution to construct, maintain and operate macadamized, gravel and paved roads and turnpikes. The Commissioners Court is the statutory governing body of Road District #1 and is authorized to act on its behalf to issue debt, set tax rates and

assess tolls. The county maintains all of the accounting records for Road District #1; separate financial statements are not issued.

Discretely Presented Component Units

Alternatively, a component unit is labeled *discretely presented* when it operates with a greater degree of autonomy with relation to the primary government. The data of such a component unit is presented together with, but distinguishable from, the data of the primary government. The county currently reports no discretely presented component unit.

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. 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 activity.

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 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 use 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 four Internal Service Funds. Their operating revenues consist primarily of charges to the county for

medical insurance, and reimbursements for claims from workers' compensation insurance. Operating expenses for these Internal Service Funds include the payment of claims, the cost of insurance premiums and administrative expenses.

Governmental Funds financial statements use the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they become 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. With regard to this latter criterion, 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 year 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 either 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 made 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 programs, culture and recreation, conservation and capital outlay, in addition to funding general government administration.
- The Road and Bridge Fund was created and is 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 Fund is used to aggregate grant funding awarded by the federal and state governments and by private foundations.
- 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.

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

The government reports, as Proprietary Funds, four *Internal Service Funds*, three of which account for personnel-related insurance (health, workers' compensation and unemployment), and the fourth of which accounts for the insuring of real property and other tangible assets.

The government also reports, as Fiduciary Funds, fourteen *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.

D. Assets, Deferred Outflows/Inflows of Resources, 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, 2016, investment earnings of \$214,021 associated with other funds were reported as revenue in the General Fund.

2. Receivables and payables

Intra-reporting entity receivables/payables

Certain activity between funds is representative of lending/borrowing arrangements. The current portions of such balances of intra-reporting entity loans outstanding at fiscal year-end are labeled "due to/from other funds"; the non-current portions are labeled "advances 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 required by 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):

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

3. Inventories and prepaid items

All inventories are valued at average 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. 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 acquisition cost, which is the price that would be paid to acquire an asset with equivalent service potential 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	5

5. Deferred outflows and inflows of resources

Deferred outflows and inflows of resources are reported as described below.

A *deferred outflow of resources* is a consumption of a government's net position (a decrease in assets in excess of any related decrease in liabilities, or an increase in liabilities in excess of any related increase in assets) that is applicable to a future reporting period. The county has two items that qualify for reporting in this category:

- **Deferred charge on refunding** – Reported in the government-wide Statement of Net Position, this deferred charge on refunding results from the difference between the carrying value of the refunded debt and its reacquisition price. The amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.
- **Deferred outflows of resources for pension** – Reported in the government-wide Statement of Net Position, this deferred outflow results from pension plan contributions made after the measurement date of the net pension liability, and from the results of differences between projected and actual earnings. The deferred outflows of resources related to pensions resulting from county contributions made subsequent to the measurement date will be recognized as a reduction of the net pension liability in the next fiscal year. The other pension-related deferred outflows will be amortized over the expected remaining service life, which is currently five years, of both active and inactive employees who do, or will, receive pensions through the plan.

A *deferred inflow of resources* is an acquisition of a government's net position (an increase in assets in excess of any related increase in liabilities, or a decrease in liabilities in excess of any related decrease in assets) that is applicable to a future reporting period. The county has two items that qualify for reporting in this category:

- **Deferred inflows of resources for unavailable revenues** – Reported only in the governmental funds Balance Sheet, these unavailable revenues arise under the modified accrual basis of accounting from 1) property taxes, and 2) unpaid charges for services, court fees and fines. The amounts are deferred and recognized as an inflow of resources in the periods in which the amounts become available.
- **Deferred inflows of resources for pension** – Reported in the government-wide Statement of Net Position, these deferred inflows result primarily from differences between the expected and actual actuarial experience. The amounts are amortized over a five year period.

6. Compensated absences

The county permits employees to accumulate earned but unused vacation and sick leave up 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 a specified number of hours per year which differs 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 number of hours awarded to full-time employees. Presently, upon termination, employees hired before October 1, 2011, are paid for earned but unused vacation leave up to a maximum of 300 hours, while employees hired on or after October 1, 2011, are paid for earned but unused vacation leave up to a maximum of 120 hours.

Sick Leave

An employee begins to accrue sick leave on the six-month anniversary of the date of employment, at a specified number of hours per year, 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 number of hours awarded to full-time employees. If, at termination, employees: 1) qualify to retire (per criteria of the Texas County and District Retirement System), and 2) were hired before October 1, 2011, they are paid for one-half of their accumulated sick-leave balances, presently to a maximum of 360 hours. Employees hired on or after October 1, 2011, receive no compensation at termination for accumulated sick-leave balances.

At September 30, 2016, the total liability for compensated absences was \$4,869,488, of which \$53,827 was recorded in, and payable from, current financial resources of the fund in which the liability was incurred. If current financial resources in that fund are insufficient, or if such treatment is prohibited by grant provisions, the liability is recorded in the General Fund.

7. Pensions

The county reports a liability for pension obligations and related deferred inflows and outflows of resources in accordance with Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27*, and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an Amendment of GASB Statement 68*. Changes in the net pension liability from year to year will be recognized as pension expense on the government-wide Statement of Activities or reported as deferred inflows or outflows of resources on the Statement of Net Position, depending on the nature of the change. Transactions giving rise to deferred inflows and outflows of resources are not entirely recognized in the Statement of Activities in the period in which they arise but are instead amortized over multiple years.

8. 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 and discounts 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.

9. Unemployment and workers' compensation benefits

The county provides unemployment benefits through the Texas Association of Counties ("TAC"), funding premiums, determined periodically by TAC, during the processing of each biweekly county payroll. The county provides workers' compensation benefits through a third-party administrator, The Littleton Group, which pays claims as they become due. Both of these benefits are budgeted and paid from current resources.

10. 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.

11. Equity

Fund Balance

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

- *Nonspendable* fund balance is either not spendable in its present form (e.g., inventory and the long-term portion of notes receivable) or is legally required to be maintained 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 commitment.
- 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. Authority to assign fund balance rests with Commissioners Court, which does so in adopting 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, 2016, the county reports the following classifications of amounts in the fund balances of its Governmental Funds:

	<u>General</u>	<u>Road and Bridge</u>	<u>Grant</u>	<u>Debt Service</u>	<u>Total Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Non-Spendable:						
Inventory	\$ 966	\$ 263,227	\$ -	\$ -	\$ 409,631	\$ 673,824
Prepaid Items	<u>87,407</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>87,407</u>
Total Non-Spendable	88,373	263,227	-	-	409,631	761,231
Restricted:						
Capital Projects:						
Road Construction	-	-	-	-	8,254,760	8,254,760
Parks Dept	-	-	-	-	2,474,558	2,474,558
Toll Road	-	-	-	-	3,727,496	3,727,496
Other	-	-	-	-	5,321,194	5,321,194
Beach and Parks	-	-	-	-	3,456,435	3,456,435
Other-Special Revenue	-	-	-	-	12,079,733	12,079,733
Debt Service	-	-	-	11,574,207	-	11,574,207
Road and Bridge	-	722,087	-	-	-	722,087
Disaster Recovery						
Building/Infrastructure	-	-	4,106,191	-	-	4,106,191
Hazard Mitigation Grant	-	-	354,856	-	-	354,856
Social Services & Public Safety	<u>-</u>	<u>-</u>	<u>608,325</u>	<u>-</u>	<u>-</u>	<u>608,325</u>
Total Restricted	-	722,087	5,069,372	11,574,207	35,314,176	52,679,842
Assigned:						
Beach and Parks	12,000	-	-	-	-	12,000
Self-insurance	1,500,000	-	-	-	-	1,500,000
Contingent Liabilities	1,000,000	-	-	-	-	1,000,000
Disaster Recovery	2,500,000	-	-	-	-	2,500,000
Adopted Budget Utilization of Fund Balance						
Balance	24,834,634	-	-	-	-	24,834,634
Construction Projects	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,764,484</u>	<u>5,764,484</u>
Total Assigned	29,846,634	-	-	-	5,764,484	35,611,118
Unassigned	<u>38,733,026</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>38,733,026</u>
Total Fund Balances	<u>\$ 68,668,033</u>	<u>\$ 985,314</u>	<u>\$ 5,069,372</u>	<u>\$ 11,574,207</u>	<u>\$ 41,488,291</u>	<u>\$ 127,785,217</u>

12. 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.

13. Indirect expense allocation

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

14. 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.

15. Implementation of new standards

The following four pronouncements of the Governmental Accounting Standards Board (“GASB”) became effective during the county’s fiscal year ended September 30, 2016:

- GASB Statement No. 72 - *Fair Value Measurement and Application*
- GASB Statement No. 73 - *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements No’s. 67 and 68*
- GASB Statement No. 76 - *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*
- GASB Statement No. 79 - *Certain External Investment Pools and Pool Participants*

In general, none of these four pronouncements has significantly impacted this report. In particular, although GASB 73 amends certain provisions of GASB 68, *Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27*, which the county implemented in its fiscal year ended September 30, 2015, its only paragraph applicable to the county’s pension arrangement, paragraph 117, simply clarifies the required disclosure about investment-related factors that significantly affect trends in the amounts reported.

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, most Special Revenue Funds, the Grant Fund and the Debt Service Fund.

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 include:

Constables' Forfeitures ¹	Probate Court Contributions ³
District Attorney Check Collection Fees ¹	Sheriff's Commissary ⁴
District Attorney Contraband Post-10/89 ¹	Sheriff's Forfeitures Post-10/89 ¹
Election Services Contract ²	Task Force Forfeiture Pre-10/89 ¹
Law Enforcement Continued Education ⁴	Tax Assessor-Collector Special Inventory Tax Escrow ⁴

¹ "Receive and File" Commissioners Court agenda items only.

² Under the jurisdiction of the County Clerk.

³ Under the jurisdiction of the Probate Court Judge.

⁴ Governed by specific statutes; the county 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, grantor covenants, construction contracts and statute.

Certain 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 Office 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 budgetary control and accountability and to facilitate effective cash planning. Encumbrances are claims against the budget that are created through the issuance of purchase orders and the execution of contracts. Encumbrances outstanding at year-end are reported as restricted or assigned fund balance, as appropriate, and do not constitute expenditures or liabilities because those dollar amounts will be re-appropriated during the subsequent year.

At September 30, 2016, the amount of encumbrances expected to be honored in the following year upon performance by the vendor were as follows:

Major Funds:	
General Fund	\$ 785,467
Road and Bridge Fund	18,722
Grant Fund	16,570,461
Nonmajor Funds	<u>2,557,568</u>
Total Encumbrances	<u>\$ 19,932,218</u>

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, with the following four “participating banks” as sub-depositories: Frost Bank, J.P. Morgan Chase, 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, 2015 and will expire September 30, 2019.

Pledged securities must meet the criteria of the county’s depository contracts and applicable state law. As of September 30, 2016, 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

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 were its deposits not covered by depository insurance and were they 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, 2016, 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.

In addition to county deposits, various officials are responsible for cash which is not the property of the county, but for the accounting for and protection of which the county is responsible. These funds may be seized for a court case, unclaimed property, inmate accounts, legal judgments awarded by a court to minors and other persons, cash bonds and other accounts where the money does not belong to the county. At September 30, 2016, the County's demand deposits were \$110,921,773 and the carrying value of all custodial cash accounts maintained by various officials totaled \$16,279,805.

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," §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.

No county-owned funds were invested at September 30, 2016. However, the County and District Clerks, upon court order, invest monies for minors and other persons in those individuals' names. Such custodial investments at September 30, 2016, consist of certificates of deposit, held by those two elected officials, with original maturities of four months or more at the date of acquisition. The fair value of these custodial accounts totaled \$4,014,093. The investments are presented at amortized cost in accordance with GASB Statement No. 31: *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*.

Schedule of Deposits and Investments at September 30, 2016		
	County Accounts	Custodial Accounts
Deposits:		
Demand Deposits	\$ 110,921,773	\$ 16,279,805
Investments:		
Certificates of Deposit	-	4,014,093
Total Deposits and Investments	\$ 110,921,773	\$ 20,293,898

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 by managing 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, 2016, the county had no exposure to interest-rate risk, as measured by portfolio weighted-average to maturity, as it had no investments.

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, 2016, the county had no exposure to concentration of credit risk, as measured by the percentage of total portfolio to the fair value of the portfolio, as it had no investments.

B. Receivables

At September 30, 2016, 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, 2015):

	Taxes	Accounts and Other	Total Gross Receivables	Less Allowance for Uncollectibles	Total 2016	Total 2015
Governmental Funds:						
Major Funds:						
General Fund	\$ 8,341,994	\$ 5,342,794	\$ 13,684,788	\$ (500,519)	\$ 13,184,269	\$ 13,550,737
Road and Bridge	136,332	106,378	242,710	(8,180)	234,530	237,680
Grant	-	33,617,062	33,617,062	-	33,617,062	35,919,813
Debt Service	1,728,407	4,038,078	5,766,485	(103,704)	5,662,781	5,330,880
Nonmajor Funds	<u>267,697</u>	<u>85,241</u>	<u>352,938</u>	<u>(16,062)</u>	<u>336,876</u>	<u>538,617</u>
Total Governmental Funds	10,474,430	43,189,553	53,663,983	(628,465)	53,035,518	55,577,727
Internal Service Funds	-	96,342	96,342	-	96,342	153,486
Fiduciary Funds	-	<u>14,422</u>	<u>14,422</u>	-	<u>14,422</u>	<u>14,471</u>
Total Net Receivables	<u>\$ 10,474,430</u>	<u>\$ 43,300,317</u>	<u>\$ 53,774,747</u>	<u>\$ (628,465)</u>	<u>\$ 53,146,282</u>	<u>\$ 55,745,684</u>

C. Deferred Inflows of Resources

Governmental Funds report *deferred inflows* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period.

At September 30, 2016, the various components of unavailable revenues reported in the Governmental Funds were as follows (with summary comparative amounts at September 30, 2015):

	Delinquent Property Tax Receivable	Delinquent Court Collections	Total 2016	Total 2015
Major Funds:				
General Fund	\$ 7,841,475	\$ 1,707,525	\$ 9,549,000	\$ 8,810,354
Road and Bridge	128,152	-	128,152	133,581
Debt Service Fund	1,624,703	-	1,624,703	1,641,510
Nonmajor Governmental Funds	<u>251,635</u>	<u>-</u>	<u>251,635</u>	<u>264,211</u>
Total Deferred Inflows	<u>\$ 9,845,965</u>	<u>\$ 1,707,525</u>	<u>\$ 11,553,490</u>	<u>\$ 10,849,656</u>

D. Capital Assets

Primary Government

Capital-asset activity for the year ended September 30, 2016, which related solely to governmental activities, was as follows:

	Beginning Balance, 10/1/2015	Additions	Deletions	Ending Balance, 9/30/2016
Governmental Activities -				
Capital Assets Not Being Depreciated:				
Land	\$ 34,028,357	\$ -	\$ -	\$ 34,028,357
Construction in Progress	2,341,009	12,920,673	(4,597,838)	10,663,844
Total Capital Assets Not Being Depreciated	<u>36,369,366</u>	<u>12,920,673</u>	<u>(4,597,838)</u>	<u>44,692,201</u>
Capital Assets Being Depreciated:				
Buildings and Improvements	241,158,628	466,629	(177,995)	241,447,262
Improvements Other Than Buildings	11,338,710	468,946	-	11,807,656
Machinery and Equipment	41,880,134	5,946,087	(370,941)	47,455,280
Infrastructure	158,482,843	2,541,914	-	161,024,757
Total Capital Assets Being Depreciated	<u>452,860,315</u>	<u>9,423,576</u>	<u>(548,936)</u>	<u>461,734,955</u>
Less Accumulated Depreciation for:				
Buildings and Improvements	(101,600,728)	(9,150,872)	102,880	(110,648,720)
Improvements Other Than Buildings	(1,481,714)	(523,697)	-	(2,005,411)
Machinery and Equipment	(29,836,241)	(3,489,518)	306,544	(33,019,215)
Infrastructure	(95,245,299)	(2,940,188)	-	(98,185,487)
Total Accumulated Depreciation	<u>(228,163,982)</u>	<u>(16,104,275)</u>	<u>409,424</u>	<u>(243,858,833)</u>
Total Capital Assets Being Depreciated, Net	<u>224,696,333</u>	<u>(6,680,699)</u>	<u>(139,512)</u>	<u>217,876,122</u>
Governmental Activities Capital Assets, Net	<u>\$ 261,065,699</u>	<u>\$ 6,239,974</u>	<u>\$ (4,737,350)</u>	<u>\$ 262,568,323</u>

Depreciation expense for the primary government for the year ended September 30, 2016, which is related solely to governmental activities, was charged to functions/programs as follows:

	<u>2016</u>	<u>2015</u>
General Government	\$ 6,851,233	\$ 6,173,681
Public Safety	6,620,168	6,594,090
Health and Social Services	124,104	115,362
Culture and Recreation	679,932	644,174
Conservation	81,998	79,960
Roads, Bridges, and Rights-of-Way	<u>1,746,840</u>	<u>1,849,165</u>
Total Depreciation Expense	<u>\$ 16,104,275</u>	<u>\$ 15,456,432</u>

Capital projects of the primary government in progress at September 30, 2016, 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
	Authorized	Spent to Date	Commitment
Rollover Pass	\$ 1,750,000	\$ 1,609,720	\$ 140,280
I-45/Santa Fe ROW Acquisition	390,750	240	390,510
High Island Emergency Shelter	4,235,700	1,389,282	2,846,418
Community Center, 64 Acre Park	2,025,294	121,130	1,904,164
64 Acre Park (former Spillway Park)	2,899,471	331,322	2,568,149
Bolivar Culverts	1,146,900	6,800	1,140,100
Seawall Sidewalk Renovations	1,918,548	1,510,509	408,039
San Leon Roads	3,185,126	208,762	2,976,364
Park, Lee and Joe Jamail	3,086,424	1,829,055	1,257,369
61st Street Boat Ramp	3,278,106	2,096,880	1,181,226
61st Street Pedestrian Bridge	888,576	722,061	166,515
Freddiesville Street Paving	3,176,815	137,096	3,039,719
Walkway Access	103,000	30,500	72,500
Pocket Park#2 Improvements	261,401	205,434	55,967
Audio Visual	474,478	408,318	66,160
Intellidact, Court Redaction Software	<u>225,000</u>	<u>56,735</u>	<u>168,265</u>
Total	<u>\$ 29,045,589</u>	<u>\$ 10,663,844</u>	<u>\$ 18,381,745</u>

The projects listed above are funded as follows:

Long-term Borrowings

- Community Center, 64 Acre Park
- 64 Acre Park (former Spillway Park)

Grants

- I-45/Santa Fe ROW Acquisition
- High Island Emergency Shelter
- Bolivar Culverts
- Seawall Sidewalk Renovations
- San Leon Roads
- Park, Lee and Joe Jamail
- 61st Street Boat Ramp
- 61st Street Pedestrian Bridge
- Freddiesville Street Paving
- Pocket Park#2 Improvements

County Operating Funds

- Rollover Pass
- Walkway Access
- Audio Visual
- Intellidact, Court Redaction Software

E. Inter-fund Receivables, Payables and Transfers

Amounts due to/from funds of the county at September 30, 2016, are as follows (with summary comparative amounts at September 30, 2015):

Payable Reported by:	General Fund	Total 2016	Total 2015
Grant Fund	\$24,292,045	\$ 24,292,045	\$ 24,758,999
Internal Service Funds	-	-	277,469
Agency Funds	-	-	6,494
Total	<u>\$24,292,045</u>	<u>\$ 24,292,045</u>	<u>\$ 25,042,962</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 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, 2016, are as follows (with summary comparative amounts for the year ended September 30, 2015):

	Transfers In					
	General Fund	Grant Fund	Nonmajor Governmental Funds	Internal Service Funds	Total 2016	Total 2015
Transfers Out						
General Fund	\$ -	\$ 802,031	\$ 1,702,675	\$ 154,769	\$ 2,659,475	\$ 6,067,658
Grant Fund	48,596	-	-	-	48,596	649,075
Nonmajor Governmental Funds	-	-	6,231	-	6,231	453,975
Total Transfers Out	<u>\$ 48,596</u>	<u>\$ 802,031</u>	<u>\$ 1,708,906</u>	<u>\$ 154,769</u>	<u>\$ 2,714,302</u>	<u>\$ 7,170,708</u>

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.

F. Leases

Operating Leases

Late in fiscal year 2013, the county entered into a five-year agreement with Xerox Corporation extending from September 2, 2013, through September 1, 2018, to lease photocopiers. The agreement includes a fixed minimum monthly fee for a specified maximum number of copies, plus an additional charge for copies in excess of that maximum. For the fiscal year ended September 30, 2016, the average monthly photocopier expense was \$37,609, for a total of \$451,312. Similar monthly and annual expenses are expected for each remaining year of the agreement.

In addition to leasing office equipment, the County also has agreements with outside parties as both a lessor and lessee.

As lessor, the county has a number of non-cancelable operating leases with rentals in aggregate of \$1,894,747 for the year ended September 30, 2016. Buildings with lease arrangements (in whole or a portion thereof) are carried at a cost of \$49,842,225 with accumulated depreciation of \$11,457,223.

Future minimum rental revenues applicable to the operating leases are as follows:

<u>Fiscal Year</u>	<u>Contractual Future Rental Revenues</u>
2017	\$ 1,923,817
2018	1,789,902
2019	1,789,902
2020	1,789,902
2021	<u>1,789,902</u>
Total	<u>\$ 9,083,425</u>

As lessee, the county rents office space under operating leases that expire over periods of up to six years. Most of the leases are non-cancelable and renewal options are available. The aggregate total of these lease obligations is \$557,891 for the year ended September 30, 2016.

Future minimum rental payments applicable to the operating leases are as follows:

<u>Fiscal Year</u>	<u>Contractual Future Rental Obligations</u>
2017	\$ 557,891
2018	517,891
2019	422,542
2020	368,721
2021	<u>368,721</u>
Total	<u>\$ 2,235,766</u>

G. Long-term Debt

General Obligation Debt

Bonded Debt -

The county issues bonded debt:

- to provide funds for the acquisition and/or construction of capital assets, 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. Bonded debt currently outstanding and presented in the financial statements consists only of general-obligation bonds issued after voter approval at general election, although in the past the county has also issued certificates of obligation at the majority will of Commissioners Court, as allowed by the *Certificate of Obligations Act*.

Per requirements of its bond indentures, the county accumulates resources to pay principal and interest from 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 by ad-valorem tax revenues. An exception to this funding norm is the case of the bonds which the county issued in fiscal year 2007 to provide monies to expand 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 related debt service. The original bonds issued were Pass-Through Toll Revenue and Limited Tax Bonds Series 2007; these were partially advance-refunded in March 2012 by the issuance of \$40,910,000 of Pass-Through Toll Revenue and Limited Tax Refunding Bonds Series 2012.

Although funded primarily by tax revenues, debt service on three other bond series is significantly subsidized by the federal government through the Build America Bonds (“BABs”) Program. In September 2009 the county issued approximately \$129.2 million of BABs to finance facilities, road, and flood control capital projects. At the time of issuance, the county expected to receive semiannual subsidies equal to the nominal 35% of the interest it pays on the bonds. However, due to continuing federal budget reductions first triggered on March 1, 2013, this 35% rebate was decreased to 31.96% of the county’s August 1, 2013 BABs interest payments, while the actual rebate percentages in fiscal years 2014, 2015 and 2016 equaled 32.48%, 32.45% and 32.62%, respectively.

The rebate percentage for future years’ interest payments is not yet known. In the fiscal year ended September 30, 2016, the county received \$1,924,422 in such BABs subsidies.

The county did not issue new or refunding debt in the fiscal year ended September 30, 2016. However, on January 31, 2017, as this report was being prepared, the county issued \$62,835,000 in Limited Tax Refunding Bonds Series 2017. These new bonds have maturities dated from February 1, 2018, through February 1, 2028, at interest rates of 2.0% through 5.0%. The new obligations refunded all of the post-2017 maturities of the General Obligation Refunding Bonds Series 2007, which totaled \$72,020,000. The maturities of the refunded bonds extended from February 1, 2018, through February 1, 2028, at interest rates of 3.5% through 4.5%.

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	3.0% - 6.205%	\$ 127,518,434	\$ 61,230,981	\$ 66,287,453
Governmental Activities - Refunding	3.0% - 5.0%	<u>111,110,000</u>	<u>78,045,000</u>	<u>33,065,000</u>
		<u>\$ 238,628,434</u>	<u>\$ 139,275,981</u>	<u>\$ 99,352,453</u>

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

Year Ending September 30,	Principal	Interest
2017	\$ 17,767,138	\$ 13,945,933
2018	18,247,088	13,576,481
2019	18,685,489	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>\$ 238,628,434</u>	<u>\$ 119,678,633</u>

(1) Columns may not foot due to rounding.

Changes in Long-term Liabilities

Long-term liability activity for the year ended September 30, 2016, was as follows:

	Beginning Balance, <u>10/1/2015</u>	<u>Additions</u>	<u>Reductions</u>	Ending Balance, <u>9/30/2016</u>	<u>Due Within One Year</u>
Bonds Payable:					
General Obligation Bonds	\$ 259,588,434	\$ -	\$ 20,960,000	\$ 238,628,434	\$ 17,767,138
Accumulated Accretion	28,076,839	2,903,991	-	30,980,830	3,872,862
Issuance Premiums (Discounts)	<u>1,772,900</u>	<u>-</u>	<u>482,063</u>	<u>1,290,837</u>	<u>-</u>
Total Bonds Payable	289,438,173	2,903,991	21,442,063	270,900,101	21,640,000
Compensated Absences	4,595,426	1,023,496	749,434	4,869,488	707,860
Net Pension Obligation	7,590,011	30,517,797	6,534,790	31,573,018	-
Net OPEB Obligation	<u>57,688,101</u>	<u>15,206,426</u>	<u>5,827,912</u>	<u>67,066,615</u>	<u>-</u>
Governmental Activity					
Total Long-term Liabilities	<u>\$ 359,311,711</u>	<u>\$ 49,651,710</u>	<u>\$ 34,554,199</u>	<u>\$ 374,409,222</u>	<u>\$ 22,347,860</u>

A compensated absences payable of \$53,827 is reflected as a current liability in the Governmental Funds Balance Sheet. The payment was due and payable by September 30, 2016. Liabilities for compensated absences are generally liquidated by the non-grant funds that bear the related employees' payroll costs prior to their termination, and by the General Fund in the case of grants which do not pay for benefits or

to the extent the other 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. Claim settlements in the last three years have not exceeded coverage.

The county accounts for various risk-management transactions in the Self-Insurance Reserve Fund. These transactions include the purchase of insurance coverage for damage or loss related to property, professional liability (i.e., public officials' bonds), crime and fidelity. The county self-insures for general and vehicular liability, and for liability resulting from certain claims for property damage. Non-litigated claims are expensed on a "pay-as-you-go" basis. Potential liability arising from the operation of a motorized vehicle is evaluated in accordance with the Texas Tort Claims Act. The County Attorney handles claims involving litigation. The county:

- Self-insures for vehicular damage claims.
- Purchases "all other perils" insurance from Great American Insurance for its facilities, currently for \$279,492,477 in coverage, with an annual premium of \$169,973 and a deductible of \$50,000.
- Purchases windstorm and hail insurance from the Texas Windstorm Insurance Association for fifty-three properties. The insured value is \$94,194,108; the annual premium for the most recent policy year was \$958,983, and the deductible is 5% of the insured value of the building(s) damaged.
- Purchases flood insurance from Wright National Flood Insurance for forty-nine properties with a total insured value of \$29,436,600, for an annual premium of \$250,000, and with deductibles of \$5,000 per building and (if included) \$5,000 contents per building.
- Purchases employee crime and fidelity insurance from Hartfield Insurance Group with a limit of \$1,000,000, an annual premium of \$6,311 and a deductible of \$150,000.

The county self-insures for group health and workers' compensation insurance claims, accounting for this activity in the Employee Benefits and Workers' Compensation Internal Service Funds, respectively. Various county departments participate in these funds' expenses based upon estimates of amounts needed to pay prior and current year claims. The claims liabilities in the Employee Benefits and Workers' Compensation Funds at September 30, 2016, are reported in compliance with GASB Statement No. 10: *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues* (GASB 10), as amended by GASB Statement No. 62: *Codification Of Accounting And Financial Reporting Guidance Contained In Pre-November 30, 1989 FASB And AICPA Pronouncements* (GASB 62). GASB 10, as amended by GASB 62, 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 \$13,163,796 in aggregate claims. A stop-loss policy with Westport-SwissRe pays claims in excess of the individual \$275,000 limit. An additional stop-loss policy is

in force for aggregate coverage through Aetna for claims in excess of the annual attachment point, up to a maximum of \$1,000,000 in the aggregate.

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 (as amended by GASB 62) 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 <u>09/30/2016</u>	Year Ended <u>09/30/2015</u>
Unpaid Claims, Beginning of Fiscal Year	\$ 1,330,645	\$ 2,749,500
Incurred (Including IBNR) Claims	11,040,204	9,123,774
Claim Payments	<u>(11,040,204)</u>	<u>(10,542,629)</u>
Unpaid Claims, End of Fiscal Year	<u>\$ 1,330,645</u>	<u>\$ 1,330,645</u>

B. Defeasance of Debt

The county on occasion 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. At September 30, 2016, the county has no outstanding debt considered defeased, because all advance-refunded maturities have been called. In the aggregate, 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, 2016, 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. 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 county 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.

E. 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 (“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 per provisions of Section 457 of the *Internal Revenue Code of 1986* as amended, through mandatory tax-deferred payroll deductions.

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.

Employees may not make optional deferred-compensation contributions to the Alternate Plan in addition to the mandatory payroll deductions, but they may do so into one or more other investment vehicles offered by the county.

Restricted deferred-compensation assets in the custody of third-party administrators at September 30, 2016, and 2015, consisted of the following:

	<u>2016</u>	<u>2015</u>
American United Life Accounts	\$ 82,660,857	\$ 77,983,255
Lincoln National Account	808,148	822,893
N.A.C.O. Account	<u>4,200,805</u>	<u>4,033,954</u>
	<u>\$ 87,669,810</u>	<u>\$ 82,840,102</u>

F. Employee Retirement System and Pension Plan

Plan Description

The county provides retirement, disability and death benefits for full-time employees through an agent, multiple-employer, defined-benefit plan. This 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 701 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 a minimum of eight years of service credit; or
- at any age after accumulating thirty years of service credit; or
- after the sum of their years of age and their years of service credit totals seventy-five or more.

Plan Benefits

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

Benefit amounts are based upon the sum of the employee’s deposits to the plan, the interest earned thereon, and employer-financed monetary credits. The amount of these monetary credits is set by the participating employers’ governing bodies within the actuarial constraints imposed by the *Act* so that the 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*.

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, along with biweekly payroll deductions from the employee and the interest earned thereon.

For the fiscal year ended September 30, 2016, the employer contribution rate was 14%. However, due to forfeitures from separating, non-vested employees, the actual percentage rate paid by the county was 11.2%. The employee contribution rate for the period was 7%.

If a plan suffers an adverse experience, provisions of the *Act* allow the employer to contribute for twenty-five years at a fixed, increased rate determined actuarially by TCDRS, or to reduce the benefits earned in the future.

Actuarial Assumptions

Updated mortality assumptions were adopted in the actuarial valuation of December 31, 2015. All other actuarial assumptions that determined the total pension liability as of December 31, 2015, were based on the results of an actuarial experience study for the period January 1, 2009, through December 31, 2012, except where Governmental Accounting Standards Board Statement No. 68 required otherwise.

The following are the key assumptions and methods applied to this measurement period:

Valuation Date	December 31, 2015
Actuarial Cost Method	Entry Age Normal
Asset Valuation Method:	
Smoothing Period	5 years
Recognition Method	Non-Asymptotic
Corridor	None
Inflation	3.0%
Salary Increases	3.5%
Investment Rate of Return	8.1%
Cost-of-Living Adjustments	Cost-of-living adjustments for Galveston County are not considered to be substantively automatic under GASB 68. Therefore, no assumption for future cost-of-living adjustments is included in either the GASB calculations or the funding valuation.
Turnover	New employees are assumed to replace any terminated members and have similar entry ages.

Discount Rate

The discount rate used to measure the total pension liability was 8.1%, unchanged from that of the previous year. The projection of cash flows used to determine this discount rate assumed that plan members and the employer contributed at the statutorily required rates. Based on that assumption, the pension plan’s fiduciary net position was projected to be sufficient to make all future benefit payments to current members of the plan. Therefore, the long-term expected rate of return on pension-plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term expected rate of return on pension plan investments is 8.00%, net of investment expenses, including inflation and was determined using a building-block method. Ranges of expected future real rates of return (expected returns, net of pension-plan investment expense and inflation) are developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and adding expected inflation.

Best estimates of geometric real rates of return for each major asset class included in the TCDRS target asset allocation as of December 31, 2015 are summarized below:

<u>Asset Class</u>	<u>Benchmark</u>	<u>Target Allocation</u>	<u>Geometric Real Rate of Return (Expected Minus Inflation)</u>
US Equities	Dow Jones U.S. Total Stock Market Index	14.50%	5.45%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index	14.00%	8.45%
Global Equities	MSCI World (net) Index	1.50%	5.75%
International Equities - Developed	MSCI World Ex USA (net)	10.00%	5.45%
International Equities - Emerging	MSCI World Ex USA (net)	8.00%	6.45%
Investment-Grade Bonds	Barclays Capital Aggregate Bond Index	3.00%	1.00%
High-Yield Bonds	Citigroup High-Yield Cash-Pay Capped Index	3.00%	5.10%
Opportunistic Credit	Citigroup High-Yield Cash-Pay Capped Index	2.00%	5.09%
Direct Lending	Citigroup High-Yield Cash-Pay Capped Index	5.00%	6.40%
Distressed Debt	Citigroup High-Yield Cash-Pay Capped Index	3.00%	8.10%
REIT Equities	67% FTSE NAREIT Equity REITs Index + 33% FRSE EPRA/NAREIT Global Real Estate Index	3.00%	4.00%
Master Limited Partnerships (MLPs)	Alerian MLP Index	3.00%	6.80%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index	5.00%	6.90%
Hedge Funds	Hedge Fund Research, Inc. (HFRI) Fund of Funds Composite Index	25.00%	5.25%

Changes in Net Pension Liability

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at December 31, 2014	\$ 350,982,921	\$ 343,392,910	\$ 7,590,011
Changes for the year:			
Service cost	8,033,265	-	8,033,265
Interest on total pension liability	28,029,902	-	28,029,902
Effect of plan changes	(1,570,636)	-	(1,570,636)
Effect of economic/demographic gains or losses	(2,943,467)	-	(2,943,467)
Effect of assumptions changes or inputs	3,176,506	-	3,176,506
Refund of contributions	(923,957)	(923,957)	-
Benefit payments	(18,780,614)	(18,780,614)	-
Administrative expenses	-	(243,373)	243,373
Member contributions	-	4,072,510	(4,072,510)
Net investment income	-	414,224	(414,224)
Employer contributions	-	6,534,101	(6,534,101)
Other	-	(34,899)	34,899
Balances as of December 31, 2015	<u>\$ 366,003,920</u>	<u>\$ 334,430,902</u>	<u>\$ 31,573,018</u>

Sensitivity of the County's Share of the Net Pension Liability

The following table presents the county's net pension liability/(asset) calculated using three different discount rates: at one percentage point lower than the current rate (7.1%), at the current rate (8.1%), and at one percentage point higher than the current rate (9.1%):

	At Current Discount Rate Minus 1%: 7.1%	At Current Discount Rate: 8.1%	At Current Discount Rate Plus 1%: 9.1%
Total pension liability	\$ 411,199,367	\$ 366,003,920	\$ 328,345,754
Fiduciary net position	<u>334,430,902</u>	<u>334,430,902</u>	<u>334,430,902</u>
Net pension liability/(asset)	<u>\$ 76,768,465</u>	<u>\$ 31,573,018</u>	<u>\$ (6,085,148)</u>

Pension Expense and Deferred Outflows and Inflows of Resources Related to Pensions

For the year ended September 30, 2016, the county recognized pension expense of \$9,300,077.

At September 30, 2016, the county reported deferred inflows of resources and deferred outflows of resources related to pensions from the following sources:

	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>
Differences between expected and actual experience	\$ 2,491,323	\$ -
Changes of assumptions	-	2,541,204
Net difference between projected and actual earnings	-	24,313,967
Contributions made subsequent to measurement date	-	5,213,792
Total	<u>\$ 2,491,323</u>	<u>\$ 32,068,963</u>

The county reported \$5,213,792 as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date. These will be recognized as a reduction of the net pension liability for the fiscal year ending September 30, 2017.

Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended September 30,</u>	<u>Amount</u>
2017	\$ 6,287,638
2018	6,287,638
2019	6,287,638
2020	5,500,934
2021	-
Thereafter	-
Total	<u>\$ 24,363,848</u>

G. 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 F, 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 Employee Benefits 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 the county’s 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, except for the expense of

the premiums which purchase the paid-up life-insurance policies awarded to employees upon retirement.

Membership in the plan at September 30, 2016, comprised approximately 1,265 active members and 468 retirees. Of the 468 retirees, 145 were less than 65 years of age and 323 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, 2016, required monthly contributions were as follows:

	Non-Tobacco-Using Retirees Less Than 65 Years Of Age						County Contribution				
	Medical Plans (1)			Dental	Dental	Vision	Medical Plans (1)			Dental	Vision
	Option A	Option B	Option C	Low Plan	High Plan	Option A	Option B	Option C			
Retiree Only	\$86	\$201	\$40	\$25	\$37	\$6	\$535	\$535	\$535	\$0	\$0
Retiree and Spouse	233	349	185	50	74	17	535	535	535	0	0
Retiree and Child(ren)	186	325	125	50	74	14	535	535	535	0	0
Retiree and Family	317	495	255	76	113	22	535	535	535	0	0

(1) Option A = under-65 "base" plan; Option B = under-65 "buy-up" plan; Option C = High-Deductible Health Plan ("HDHP")/Health Savings Account ("HSA").

	Tobacco-Using Retirees Less Than 65 Years Of Age						County Contribution				
	Medical Plans (2)			Dental	Dental	Vision	Medical Plans (2)			Dental	Vision
	Option D	Option E	Option F	Low Plan	High Plan	Option D	Option E	Option F			
Retiree Only	\$210	\$348	\$155	\$25	\$37	\$6	\$535	\$535	\$535	\$0	\$0
Retiree Only	\$210	\$348	\$155	\$25	\$37	\$6	\$535	\$535	\$535	\$0	\$0
Retiree and Spouse	357	496	300	50	74	17	535	535	535	0	0
Retiree and Child(ren)	310	472	240	50	74	14	535	535	535	0	0
Retiree and Family	441	642	370	76	113	22	535	535	535	0	0

	Retirees 65 Years Of Age and Older					County Contribution				
	Medical Plans (3)		Dental	Dental	Vision	Medical Plans (3)		Dental	Vision	
	Option G	Option H			Option G	Option H				
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	

	Non-HRA Retirees Less Than 65 Years Of Age						County Contribution				
	Medical Plans (3)			Dental	Dental	Vision	Medical Plans (2)			Dental	Vision
	Option I	Option J	Option K	Low Plan	High Plan		Option D	Option E	Option F		
Retiree Only	\$272	\$422	\$213	\$25	\$25	\$6	\$535	\$535	\$535	\$0	\$0
Retiree and Spouse	419	570	358	50	50	17	535	535	535	0	0
Retiree and Child(ren)	372	546	298	50	50	14	535	535	535	0	0
Retiree and Family	503	716	428	76	76	22	535	535	535	0	0

(2) Option D = under-65 "base" plan; Option E = under-65 "buy-up" plan; Option F = High-Deductible Health Plan ("HDHP")/Health Savings Account ("HSA").

(3) Option G = 65-and-older plan without CareHere Clinic; Option H = 65-and-older plan with CareHere Clinic.

(4) Option I = Non-HRA: under-65 "base" plan; Option J = Non-HRA: under-65 "buy-up" plan; Option K = Non-HRA: High-Deductible Health Plan ("HDHP")/Health Savings Account ("HSA").

The components of the OPEB cost for the fiscal year ended September 30, 2016, are as follows:

Annual Required Contribution ("ARC")	\$ 15,120,101
Add: Interest on Net OPEB Obligation	2,365,212
Less: Adjustment to the ARC	<u>(2,278,887)</u>
Annual OPEB Cost (a)	15,206,426
Less: Estimated Net Employer Contributions (b)	<u>(5,827,912)</u>
Increase in Net OPEB Obligation	9,378,514
Net OPEB Obligation, Beginning of Year	<u>57,688,101</u>
Net OPEB Obligation, End of Year	<u><u>\$ 67,066,615</u></u>

The county's annual OPEB cost, the net estimated employer contributions, the percentage of annual OPEB cost contributed and the net OPEB obligation at year-end, for the fiscal year ended September 30, 2016, and for the two preceding fiscal years, is 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)]
2014	\$14,338,701	\$4,939,961	34.45%	\$47,436,249
2015	16,563,137	6,311,285	38.10	57,688,101
2016	15,206,426	5,827,912	38.33	67,066,615

Data on the funded status of the plan at September 30, 2016, 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)]
2015	\$ 7,944,516	\$ 153,532,625	\$ 145,588,109	5.17%	\$ 57,112,219	254.92%

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 to 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, 2015, 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 2.50% per year. The assumed investment rate of return is 4.10% 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 are the following:

- for retirees less than age sixty-five, an initial 7.50% declining to 5.00% after twelve years;
- for retirees sixty-five years of age and older, an initial 7.50% declining to 4.25% after fifteen years.

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

H. Claims and Judgments

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, the fulfillment of these expectations of TIRZ Number 12 development has lagged, and the timing of collections against the claim remains uncertain. The county has received three payments thus far: one of \$700,000 in August 2014, one of \$200,000 in December 2015 and one of \$160,000 in September 2016.

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 appealed the verdict, and the Fourteenth Court of Appeals reversed the trial court judgment and remanded the case for a new trial. The taxpayer filed a petition for review in the Texas Supreme Court, which was granted; oral arguments were heard on November 9, 2016, and the case is pending.

The same taxpayer has also filed suits challenging the appraised values of its Texas City properties for the tax years 2012, 2013, 2014 and 2015. These suits are pending in the 56th and 212th Judicial District Courts in Galveston County. The suits for tax years 2012 and 2013 are presently abated pending the decision of the Texas Supreme Court in the tax year 2011 case discussed in the preceding paragraph. The tax years 2014 and 2015 cases are set for trial on May 22 and June 26, 2017, respectively.

Required Supplementary Information

GALVESTON COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended September 30, 2016
With Comparative Actual Amounts for the Year Ended September 30, 2015

	Original Budget	Final Budget	Actual	Variance, Actual from Final Budget Positive (Negative)	Prior Year Actual
REVENUES					
Taxes	\$ 106,358,436	\$ 106,358,436	\$ 106,823,182	\$ 464,746	\$ 100,948,990
Licenses and Permits	2,700	2,700	3,878	1,178	3,277
Intergovernmental	7,616,440	7,618,720	9,799,461	2,180,741	9,728,258
Charges for Services	7,029,735	7,029,735	7,698,487	668,752	7,544,073
Fines and Forfeitures	1,724,917	1,724,917	1,751,454	26,537	1,865,676
Investment Earnings	663,300	663,300	440,989	(222,311)	645,863
Miscellaneous	2,353,617	2,353,617	2,784,056	430,439	2,444,500
Total Revenues	<u>125,749,145</u>	<u>125,751,425</u>	<u>129,301,507</u>	<u>3,550,082</u>	<u>123,180,637</u>
EXPENDITURES					
Current:					
General Government					
General Government					
Personal Services	7,021,175	6,247,146	6,136,991	110,155	5,818,970
Supplies	27,900	27,900	5,857	22,043	1,254
Other Services And Charges	2,947,603	2,827,972	1,986,482	841,490	2,163,845
Total General Government	<u>9,996,678</u>	<u>9,103,018</u>	<u>8,129,330</u>	<u>973,688</u>	<u>7,984,069</u>
County Judge					
Personal Services	410,800	414,284	414,284	-	419,436
Supplies	4,600	4,600	3,321	1,279	4,945
Other Services And Charges	17,000	13,516	13,455	61	15,661
Total County Judge	<u>432,400</u>	<u>432,400</u>	<u>431,060</u>	<u>1,340</u>	<u>440,042</u>
Commissioners Court					
Personal Services	764,200	766,625	723,810	42,815	690,951
Supplies	4,100	3,572	1,358	2,214	2,202
Other Services And Charges	51,900	50,616	48,000	2,616	49,549
Total Commissioners Court	<u>820,200</u>	<u>820,813</u>	<u>773,168</u>	<u>47,645</u>	<u>742,702</u>
County Clerk					
Personal Services	3,149,052	3,224,252	3,100,212	124,040	2,871,505
Supplies	62,500	62,500	51,478	11,022	26,092
Other Services And Charges	200,348	1,023,088	1,011,994	11,094	473,555
Total County Clerk	<u>3,411,900</u>	<u>4,309,840</u>	<u>4,163,684</u>	<u>146,156</u>	<u>3,371,152</u>
War Veterans Office					
Personal Services	159,100	159,100	146,661	12,439	138,334
Supplies	2,200	2,200	1,197	1,003	1,803
Other Services And Charges	4,500	9,500	-	9,500	-
Total War Veterans Office	<u>165,800</u>	<u>170,800</u>	<u>147,858</u>	<u>22,942</u>	<u>140,137</u>

GALVESTON COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended September 30, 2016
With Comparative Actual Amounts for the Year Ended September 30, 2015

	Original Budget	Final Budget	Actual	Variance, Actual from Final Budget Positive (Negative)	Prior Year Actual
Justice Administration					
Personal Services	-	-	-	-	433,911
Supplies	-	-	-	-	11,732
Other Services And Charges	-	-	-	-	3,271,643
Total Justice Administration	-	-	-	-	3,717,286
Veterans Participation Program					
Supplies	-	3,000	1,518	1,482	-
Other Services And Charges	-	27,000	22,214	4,786	22,000
Total Veterans Participation Program	-	30,000	23,732	6,268	22,000
Economic Development Office					
Personal Services	191,400	221,874	202,314	19,560	-
Supplies	3,375	3,375	1,325	2,050	-
Other Services And Charges	164,445	170,645	78,049	92,596	15,000
Total Economic Development Office	359,220	395,894	281,688	114,206	15,000
10th District Court					
Personal Services	188,600	188,600	183,191	5,409	178,084
Supplies	1,500	1,415	522	893	194
Other Services And Charges	-	1,885	1,885	-	1,108
Total 10th District Court	190,100	191,900	185,598	6,302	179,386
56th District Court					
Personal Services	191,400	191,400	172,630	18,770	182,846
Supplies	1,500	1,500	1,055	445	464
Other Services And Charges	-	1,800	265	1,535	265
Total 56th District Court	192,900	194,700	173,950	20,750	183,575
122nd District Court					
Personal Services	188,600	209,661	198,041	11,620	215,924
Supplies	1,500	1,500	667	833	641
Other Services And Charges	-	1,800	265	1,535	235
Total 122nd District Court	190,100	212,961	198,973	13,988	216,800
212th District Court					
Personal Services	188,600	188,600	181,889	6,711	152,855
Supplies	1,500	1,250	894	356	1,071
Other Services And Charges	-	2,050	1,811	239	935
Total 212th District Court	190,100	191,900	184,594	7,306	154,861
306th District Court					
Personal Services	218,752	218,752	213,454	5,298	197,684
Supplies	1,500	1,500	1,422	78	1,628
Other Services And Charges	-	1,800	1,275	525	2,118
Total 306th District Court	220,252	222,052	216,151	5,901	201,430

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	Original Budget	Final Budget	Actual	Variance, Actual from Final Budget Positive (Negative)	Prior Year Actual
405th District Court					
Personal Services	205,200	205,200	199,269	5,931	184,387
Supplies	1,500	1,500	976	524	103
Other Services And Charges	-	1,800	330	1,470	265
Total 405th District Court	<u>206,700</u>	<u>208,500</u>	<u>200,575</u>	<u>7,925</u>	<u>184,755</u>
Court Administration Office					
Personal Services	312,000	389,491	287,421	102,070	7,962
Supplies	10,000	13,000	11,531	1,469	-
Other Services And Charges	3,165,000	3,397,000	3,289,550	107,450	-
Total Court Administration Office	<u>3,487,000</u>	<u>3,799,491</u>	<u>3,588,502</u>	<u>210,989</u>	<u>7,962</u>
County Court #1					
Personal Services	405,452	410,288	410,287	1	392,735
Supplies	1,500	708	707	1	325
Other Services And Charges	-	1,130	1,129	1	1,628
Total County Court #1	<u>406,952</u>	<u>412,126</u>	<u>412,123</u>	<u>3</u>	<u>394,688</u>
County Court #2					
Personal Services	396,352	401,138	401,136	2	383,830
Supplies	1,500	482	258	224	1,115
Other Services And Charges	-	1,840	1,830	10	2,134
Total County Court #2	<u>397,852</u>	<u>403,460</u>	<u>403,224</u>	<u>236</u>	<u>387,079</u>
County Court #3					
Personal Services	388,852	388,852	381,881	6,971	373,979
Supplies	1,500	500	372	128	1,112
Other Services And Charges	-	2,800	2,638	162	515
Total County Court #3	<u>390,352</u>	<u>392,152</u>	<u>384,891</u>	<u>7,261</u>	<u>375,606</u>
Probate Court					
Personal Services	560,800	560,800	561,034	(234)	530,674
Supplies	3,600	3,600	3,597	3	3,219
Other Services And Charges	79,200	116,700	97,215	19,485	62,434
Total Probate Court	<u>643,600</u>	<u>681,100</u>	<u>661,846</u>	<u>19,254</u>	<u>596,327</u>
Justice Court Precinct #1					
Personal Services	412,500	412,500	396,961	15,539	292,745
Supplies	7,125	9,464	9,448	16	4,008
Other Services And Charges	3,500	2,054	2,053	1	415
Total Justice Court Precinct #1	<u>423,125</u>	<u>424,018</u>	<u>408,462</u>	<u>15,556</u>	<u>297,168</u>

GALVESTON COUNTY, TEXAS
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	Original Budget	Final Budget	Actual	Variance, Actual from Final Budget Positive (Negative)	Prior Year Actual
Justice Court Precinct #2					
Personal Services	410,900	410,900	383,932	26,968	264,641
Supplies	6,125	7,625	7,624	1	8,640
Other Services And Charges	6,000	4,500	4,064	436	3,733
Total Justice Court Precinct #2	<u>423,025</u>	<u>423,025</u>	<u>395,620</u>	<u>27,405</u>	<u>277,014</u>
Justice Court Precinct #3					
Personal Services	463,400	463,400	458,754	4,646	337,785
Supplies	12,000	12,000	9,158	2,842	4,016
Other Services And Charges	9,000	9,000	6,320	2,680	3,701
Total Justice Court Precinct #3	<u>484,400</u>	<u>484,400</u>	<u>474,232</u>	<u>10,168</u>	<u>345,502</u>
Justice Court Precinct #4					
Personal Services	377,900	387,010	383,042	3,968	317,820
Supplies	7,125	7,125	5,846	1,279	6,524
Other Services And Charges	1,400	1,400	521	879	1,967
Total Justice Court Precinct #4	<u>386,425</u>	<u>395,535</u>	<u>389,409</u>	<u>6,126</u>	<u>326,311</u>
Justice Court Precinct #5					
Personal Services	-	-	-	-	61,932
Supplies	-	-	-	-	339
Total Justice Court Precinct #5	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>62,271</u>
Justice Court Precinct #6					
Personal Services	-	-	-	-	55,921
Supplies	-	-	-	-	140
Total Justice Court Precinct #6	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>56,061</u>
Justice Court Precinct #7					
Personal Services	-	-	-	-	71,767
Supplies	-	-	-	-	266
Total Justice Court Precinct #7	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>72,033</u>
Justice Court Precinct #8-1					
Personal Services	-	-	-	-	74,668
Supplies	-	-	-	-	397
Total Justice Court Precinct #8-1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>75,065</u>

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance, Actual from Final Budget Positive (Negative)</u>	<u>Prior Year Actual</u>
Justice Court Precinct #8-2					
Personal Services	-	-	-	-	29,981
District Clerk					
Personal Services	2,733,909	2,849,609	2,839,505	10,104	2,692,222
Supplies	82,000	105,000	81,854	23,146	72,786
Other Services And Charges	463,955	465,955	410,441	55,514	448,850
Total District Clerk	<u>3,279,864</u>	<u>3,420,564</u>	<u>3,331,800</u>	<u>88,764</u>	<u>3,213,858</u>
District Attorney					
Personal Services	5,740,550	5,820,229	5,816,922	3,307	5,633,903
Supplies	85,820	99,320	69,863	29,457	45,555
Other Services And Charges	208,200	186,227	144,097	42,130	122,378
Total District Attorney	<u>6,034,570</u>	<u>6,105,776</u>	<u>6,030,882</u>	<u>74,894</u>	<u>5,801,836</u>
Collections Office					
Personal Services	362,000	408,341	377,919	30,422	-
Supplies	4,500	4,500	3,987	513	-
Other Services And Charges	34,800	25,000	-	25,000	-
Total Collections Office	<u>401,300</u>	<u>437,841</u>	<u>381,906</u>	<u>55,935</u>	<u>-</u>
Personal Bond Office					
Personal Services	234,000	187,659	161,672	25,987	-
Supplies	3,500	3,500	2,377	1,123	-
Other Services And Charges	25,000	25,000	497	24,503	-
Total Personal Bond Office	<u>262,500</u>	<u>216,159</u>	<u>164,546</u>	<u>51,613</u>	<u>-</u>
Pre-Trial Release					
Personal Services	-	-	-	-	347,537
Supplies	-	-	-	-	1,264
Other Services And Charges	-	-	-	-	2,680
Total Pre-Trial Release	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>351,481</u>
County Auditor					
Personal Services	2,329,300	2,329,300	2,242,230	87,070	2,195,605
Supplies	11,300	11,300	5,802	5,498	7,607
Other Services And Charges	51,820	51,820	43,227	8,593	41,593
Total County Auditor	<u>2,392,420</u>	<u>2,392,420</u>	<u>2,291,259</u>	<u>101,161</u>	<u>2,244,805</u>

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	Original Budget	Final Budget	Actual	Variance, Actual from Final Budget Positive (Negative)	Prior Year Actual
Professional Services					
Personal Services	574,700	574,700	556,658	18,042	319,789
Supplies	3,500	3,500	2,482	1,018	2,760
Other Services And Charges	9,250	109,250	6,214	103,036	2,804
Total Professional Services	<u>587,450</u>	<u>687,450</u>	<u>565,354</u>	<u>122,096</u>	<u>325,353</u>
County Tax Assessor-Collector					
Personal Services	2,539,300	2,614,800	2,597,887	16,913	2,504,725
Supplies	30,953	32,253	26,657	5,596	24,005
Other Services And Charges	64,470	64,470	35,886	28,584	59,807
Total County Tax Assessor-Collector	<u>2,634,723</u>	<u>2,711,523</u>	<u>2,660,430</u>	<u>51,093</u>	<u>2,588,537</u>
County Treasurer					
Personal Services	509,700	517,703	517,704	(1)	473,423
Supplies	12,000	8,805	8,804	1	9,425
Other Services And Charges	24,100	19,292	17,633	1,659	16,847
Total County Treasurer	<u>545,800</u>	<u>545,800</u>	<u>544,141</u>	<u>1,659</u>	<u>499,695</u>
Purchasing Agent					
Personal Services	569,800	570,915	570,914	1	545,537
Supplies	4,000	4,000	3,326	674	6,504
Other Services And Charges	26,595	25,480	12,638	12,842	18,064
Total Purchasing Agent	<u>600,395</u>	<u>600,395</u>	<u>586,878</u>	<u>13,517</u>	<u>570,105</u>
Legal Department					
Personal Services	954,100	954,100	843,435	110,665	703,210
Supplies	7,800	7,800	7,194	606	3,416
Other Services And Charges	380,500	1,055,500	1,020,405	35,095	863,662
Total Legal Department	<u>1,342,400</u>	<u>2,017,400</u>	<u>1,871,034</u>	<u>146,366</u>	<u>1,570,288</u>
Human Resources					
Personal Services	485,600	485,600	444,418	41,182	447,543
Supplies	11,500	11,500	4,947	6,553	4,919
Other Services And Charges	46,800	160,486	138,778	21,708	72,385
Total Human Resources	<u>543,900</u>	<u>657,586</u>	<u>588,143</u>	<u>69,443</u>	<u>524,847</u>
Information Technology					
Personal Services	3,114,200	3,129,427	3,129,427	-	3,071,619
Supplies	725,630	724,610	683,354	41,256	713,871
Other Services And Charges	4,212,810	4,222,250	2,754,450	1,467,800	3,501,019
Total Information Technology	<u>8,052,640</u>	<u>8,076,287</u>	<u>6,567,231</u>	<u>1,509,056</u>	<u>7,286,509</u>

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With Comparative Actual Amounts for the Year Ended September 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance, Actual from Final Budget Positive (Negative)</u>	<u>Prior Year Actual</u>
Facilities Services					
Personal Services	1,149,598	1,178,965	1,129,027	49,938	957,044
Supplies	407,228	411,600	340,412	71,188	262,511
Other Services And Charges	5,748,215	5,749,333	5,072,179	677,154	4,716,992
Total Facilities Services	<u>7,305,041</u>	<u>7,339,898</u>	<u>6,541,618</u>	<u>798,280</u>	<u>5,936,547</u>
County Architect					
Personal Services	126,800	127,453	127,453	-	125,181
Other Services And Charges	2,000	69,440	68,716	724	-
Total County Architect	<u>128,800</u>	<u>196,893</u>	<u>196,169</u>	<u>724</u>	<u>125,181</u>
Fleet Management					
Personal Services	739,500	739,500	689,357	50,143	621,721
Supplies	569,000	625,213	454,001	171,212	458,497
Other Services And Charges	226,120	296,120	228,434	67,686	194,750
Total Fleet Management	<u>1,534,620</u>	<u>1,660,833</u>	<u>1,371,792</u>	<u>289,041</u>	<u>1,274,968</u>
County Engineer					
Personal Services	565,040	565,040	501,318	63,722	435,223
Supplies	6,000	6,000	3,492	2,508	5,989
Other Services And Charges	36,262	36,262	18,251	18,011	18,873
Total County Engineer	<u>607,302</u>	<u>607,302</u>	<u>523,061</u>	<u>84,241</u>	<u>460,085</u>
Total General Government	<u>59,672,806</u>	<u>61,574,212</u>	<u>56,444,914</u>	<u>5,129,298</u>	<u>53,630,358</u>
Public Safety					
Sheriff's Office					
Personal Services	30,164,084	31,344,438	30,886,712	457,726	28,637,780
Supplies	616,793	777,605	657,460	120,145	443,933
Other Services And Charges	5,210,308	5,811,488	5,715,408	96,080	5,070,773
Total Sheriff's Office	<u>35,991,185</u>	<u>37,933,531</u>	<u>37,259,580</u>	<u>673,951</u>	<u>34,152,486</u>
Constable Precinct #1					
Personal Services	242,900	254,290	201,612	52,678	236,821
Supplies	2,900	2,900	1,638	1,262	2,881
Other Services And Charges	16,600	16,600	15,739	861	32,757
Total Constable Precinct #1	<u>262,400</u>	<u>273,790</u>	<u>218,989</u>	<u>54,801</u>	<u>272,459</u>
Constable Precinct #2					
Personal Services	148,300	156,141	152,902	3,239	143,889
Supplies	2,900	2,900	967	1,933	908
Other Services And Charges	15,000	15,000	14,041	959	22,001
Total Constable Precinct #2	<u>166,200</u>	<u>174,041</u>	<u>167,910</u>	<u>6,131</u>	<u>166,798</u>

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	Original Budget	Final Budget	Actual	Variance, Actual from Final Budget Positive (Negative)	Prior Year Actual
Constable Precinct #3					
Personal Services	295,100	399,244	394,979	4,265	283,764
Supplies	2,900	5,075	4,106	969	2,892
Other Services And Charges	22,700	23,750	17,457	6,293	40,503
Total Constable Precinct #3	<u>320,700</u>	<u>428,069</u>	<u>416,542</u>	<u>11,527</u>	<u>327,159</u>
Constable Precinct #4					
Personal Services	195,000	202,206	197,147	5,059	199,747
Supplies	2,900	2,900	1,574	1,326	1,155
Other Services And Charges	21,217	21,217	17,524	3,693	29,400
Total Constable Precinct #4	<u>219,117</u>	<u>226,323</u>	<u>216,245</u>	<u>10,078</u>	<u>230,302</u>
Constable Precinct #5					
Personal Services	203,250	216,092	212,831	3,261	174,297
Supplies	2,900	2,900	724	2,176	370
Other Services And Charges	16,600	16,600	14,267	2,333	27,200
Total Constable Precinct #5	<u>222,750</u>	<u>235,592</u>	<u>227,822</u>	<u>7,770</u>	<u>201,867</u>
Constable Precinct #6					
Personal Services	199,400	110,865	54,119	56,746	191,412
Supplies	2,900	725	-	725	1,358
Other Services And Charges	16,600	15,550	4,794	10,756	31,600
Total Constable Precinct #6	<u>218,900</u>	<u>127,140</u>	<u>58,913</u>	<u>68,227</u>	<u>224,370</u>
Constable Precinct #7					
Personal Services	363,300	391,639	389,270	2,369	347,847
Supplies	2,900	3,846	3,797	49	2,409
Other Services And Charges	15,000	15,000	14,265	735	23,124
Total Constable Precinct #7	<u>381,200</u>	<u>410,485</u>	<u>407,332</u>	<u>3,153</u>	<u>373,380</u>
Constable Precinct #8					
Personal Services	433,750	472,744	468,155	4,589	415,539
Supplies	2,900	4,139	2,406	1,733	1,618
Other Services And Charges	21,400	21,400	18,134	3,266	61,776
Total Constable Precinct #8	<u>458,050</u>	<u>498,283</u>	<u>488,695</u>	<u>9,588</u>	<u>478,933</u>
Juvenile Justice					
Personal Services	3,300,271	3,480,855	3,382,257	98,598	3,139,803
Supplies	84,240	91,573	71,528	20,045	58,209
Other Services And Charges	1,177,630	1,179,609	946,769	232,840	1,009,356
Total Juvenile Justice	<u>4,562,141</u>	<u>4,752,037</u>	<u>4,400,554</u>	<u>351,483</u>	<u>4,207,368</u>

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance, Actual from Final Budget Positive (Negative)</u>	<u>Prior Year Actual</u>
Emergency Management					
Personal Services	404,200	404,200	399,976	4,224	148,445
Supplies	20,000	20,000	17,498	2,502	8,434
Other Services And Charges	647,426	699,926	607,164	92,762	515,596
Total Emergency Management	<u>1,071,626</u>	<u>1,124,126</u>	<u>1,024,638</u>	<u>99,488</u>	<u>672,475</u>
Total Public Safety	<u>43,874,269</u>	<u>46,183,417</u>	<u>44,887,220</u>	<u>1,296,197</u>	<u>41,307,597</u>
Health And Social Services					
Health Administration & Sanitation					
Personal Services	-	-	-	-	24,566
Other Services And Charges	7,435,075	7,435,075	7,305,075	130,000	7,409,756
Total Health Administration & Sanitation	<u>7,435,075</u>	<u>7,435,075</u>	<u>7,305,075</u>	<u>130,000</u>	<u>7,434,322</u>
Community Services					
Personal Services	314,600	314,600	248,240	66,360	350,293
Supplies	1,000	1,300	697	603	789
Other Services And Charges	5,889,067	5,889,067	4,668,826	1,220,241	4,048,212
Total Community Services	<u>6,204,667</u>	<u>6,204,967</u>	<u>4,917,763</u>	<u>1,287,204</u>	<u>4,399,294</u>
Child Welfare					
Personal Services	46,600	46,695	46,693	2	45,200
Supplies	71,500	71,405	45,910	25,495	49,195
Other Services And Charges	162,745	162,745	157,955	4,790	134,291
Total Child Welfare	<u>280,845</u>	<u>280,845</u>	<u>250,558</u>	<u>30,287</u>	<u>228,686</u>
Senior Citizens					
Personal Services	277,800	340,735	304,587	36,148	304,335
Supplies	21,990	26,490	24,923	1,567	10,845
Other Services And Charges	41,005	41,005	23,780	17,225	25,452
Total Senior Citizens	<u>340,795</u>	<u>408,230</u>	<u>353,290</u>	<u>54,940</u>	<u>340,632</u>
Total Health And Social Services	<u>14,261,382</u>	<u>14,329,117</u>	<u>12,826,686</u>	<u>1,502,431</u>	<u>12,402,934</u>
Culture And Recreation					
Galveston County Museum					
Personal Services	99,500	99,500	94,435	5,065	65,036
Supplies	20,040	23,563	12,428	11,135	10,944
Other Services And Charges	54,475	55,595	49,297	6,298	19,854
Total Galveston County Museum	<u>174,015</u>	<u>178,658</u>	<u>156,160</u>	<u>22,498</u>	<u>95,834</u>

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance, Actual from Final Budget Positive (Negative)</u>	<u>Prior Year Actual</u>
Beach And Parks Department					
Personal Services	1,531,850	1,639,077	1,574,551	64,526	1,619,726
Supplies	66,860	66,860	65,464	1,396	97,797
Other Services And Charges	314,270	274,270	228,363	45,907	230,394
Total Beach And Parks Department	<u>1,912,980</u>	<u>1,980,207</u>	<u>1,868,378</u>	<u>111,829</u>	<u>1,947,917</u>
Beach Maintenance-Road & Bridge					
Personal Services	124,300	124,300	94,514	29,786	86,158
Supplies	30,240	30,240	6,822	23,418	78,916
Other Services And Charges	339,900	299,900	280,376	19,524	279,332
Total Beach Maintenance-Road & Bridge	<u>494,440</u>	<u>454,440</u>	<u>381,712</u>	<u>72,728</u>	<u>444,406</u>
Total Culture And Recreation	<u>2,581,435</u>	<u>2,613,305</u>	<u>2,406,250</u>	<u>207,055</u>	<u>2,488,157</u>
Conservation					
County Extension Service					
Personal Services	510,300	510,300	441,769	68,531	418,577
Supplies	36,500	34,200	27,214	6,986	32,291
Other Services And Charges	17,440	19,740	17,178	2,562	18,781
Total County Extension Service	<u>564,240</u>	<u>564,240</u>	<u>486,161</u>	<u>78,079</u>	<u>469,649</u>
Capital Outlay					
Buildings And Improvement	20,000	113,500	30,500	83,000	-
Improvements Other Than Buildings	-	57,380	-	57,380	33,975
Machinery And Equipment	1,067,450	1,094,055	214,000	880,055	212,855
Vehicles	453,537	453,537	85,519	368,018	61,340
Technology	1,656,917	551,055	405,017	146,038	124,660
Total Capital Outlay	<u>3,197,904</u>	<u>2,269,527</u>	<u>735,036</u>	<u>1,534,491</u>	<u>432,830</u>
Total Expenditures	<u>124,152,036</u>	<u>127,533,818</u>	<u>117,786,267</u>	<u>9,747,551</u>	<u>110,731,525</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,597,109</u>	<u>(1,782,393)</u>	<u>11,515,240</u>	<u>13,297,633</u>	<u>12,449,112</u>
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	48,596	48,596	656,050
Transfers Out	(1,646,018)	(2,885,827)	(2,659,475)	226,352	(6,067,658)
Sale of Capital Assets	30,000	30,000	19,387	(10,613)	26,394
Budgeted Contingencies Used	(29,130,000)	(24,566,104)	-	24,566,104	-
Total Other Financing Sources (Uses)	<u>(30,746,018)</u>	<u>(27,421,931)</u>	<u>(2,591,492)</u>	<u>24,830,439</u>	<u>(5,385,214)</u>
Net Change In Fund Balance	<u>(29,148,909)</u>	<u>(29,204,324)</u>	<u>8,923,748</u>	<u>38,128,072</u>	<u>7,063,898</u>
Fund Balance-Beginning	<u>59,744,285</u>	<u>59,744,285</u>	<u>59,744,285</u>	<u>-</u>	<u>52,680,387</u>
Fund Balance-Ending	<u>\$ 30,595,376</u>	<u>\$ 30,539,961</u>	<u>\$ 68,668,033</u>	<u>\$ 38,128,072</u>	<u>\$ 59,744,285</u>

**GALVESTON COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
ROAD AND BRIDGE FUND**

For the Year Ended September 30, 2016

With Comparative Actual Amounts for the Year Ended September 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>	<u>Prior Year Actual</u>
REVENUES					
Taxes	\$ 1,409,677	\$ 1,409,677	\$ 1,402,081	\$ (7,596)	\$ 880,827
Licenses and Permits	2,800,000	2,800,000	2,865,358	65,358	2,655,261
Intergovernmental	50,000	50,000	388,820	338,820	343,008
Fines and Forfeitures	391,200	391,200	144,722	(246,478)	378,038
Investment Earnings	11,000	11,000	4,916	(6,084)	9,837
Miscellaneous	-	-	1,381	1,381	668
Total Revenues	<u>4,661,877</u>	<u>4,661,877</u>	<u>4,807,278</u>	<u>145,401</u>	<u>4,267,639</u>
EXPENDITURES					
Current:					
General Government					
Personal Services	-	-	1,793	(1,793)	-
Supplies	-	23,500	21,962	1,538	-
Other Services And Charges	-	328,496	285,126	43,370	-
Total General Government	<u>-</u>	<u>351,996</u>	<u>308,881</u>	<u>43,115</u>	<u>-</u>
Roads, Bridges And Rights-Of-Way					
Personal Services	2,229,301	2,415,701	2,403,767	11,934	2,331,008
Supplies	2,812,400	2,896,420	2,419,349	477,071	2,452,716
Other Services And Charges	411,050	179,554	93,848	85,706	346,082
Total Roads, Bridges And Rights-Of-Way	<u>5,452,751</u>	<u>5,491,675</u>	<u>4,916,964</u>	<u>574,711</u>	<u>5,129,806</u>
Capital Outlay	<u>141,507</u>	<u>143,075</u>	<u>56,521</u>	<u>86,554</u>	<u>-</u>
Total Expenditures	<u>5,594,258</u>	<u>5,986,746</u>	<u>5,282,366</u>	<u>704,380</u>	<u>5,129,806</u>
Excess (Deficiency) Of Revenues Over (Under) Expenditures	<u>(932,381)</u>	<u>(1,324,869)</u>	<u>(475,088)</u>	<u>849,781</u>	<u>(862,167)</u>
Other Financing Sources (Uses)					
Sale Of Capital Assets	-	-	-	-	42,948
Budgeted Contingencies Used	<u>(1,700,000)</u>	<u>(1,307,512)</u>	-	<u>1,307,512</u>	-
Total Other Financing Sources (Uses)	<u>(1,700,000)</u>	<u>(1,307,512)</u>	-	<u>1,307,512</u>	<u>42,948</u>
Net Change In Fund Balance	(2,632,381)	(2,632,381)	(475,088)	2,157,293	(819,219)
Fund Balance-Beginning	<u>1,460,402</u>	<u>1,460,402</u>	<u>1,460,402</u>	-	<u>2,279,621</u>
Fund Balance-Ending	<u>\$ (1,171,979)</u>	<u>\$ (1,171,979)</u>	<u>\$ 985,314</u>	<u>\$ 2,157,293</u>	<u>\$ 1,460,402</u>

(Continued)

GALVESTON COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GRANT FUND

For the Year Ended September 30, 2016

With Comparative Actual Amounts for the Year Ended September 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>	<u>2015 Actual</u>
REVENUES					
Intergovernmental	\$ 129,652,410	\$ 129,652,410	\$ 33,753,627	\$ (95,898,783)	\$ 51,021,867
Charges For Services	1,259,081	1,259,081	376,574	(882,507)	722,819
Investment Earnings	-	-	924	924	494
Miscellaneous	4,109,049	4,109,049	919,503	(3,189,546)	313,871
Total Revenues	<u>135,020,540</u>	<u>135,020,540</u>	<u>35,050,628</u>	<u>(99,969,912)</u>	<u>52,059,051</u>
EXPENDITURES					
Current:					
General Government					
Personal Services	1,120,622	1,120,622	508,585	612,037	474,507
Supplies	167,923	167,923	63,151	104,772	24,610
Other Services And Charges	21,700,304	21,700,304	10,146,183	11,554,121	35,609,085
Total General Government	<u>22,988,849</u>	<u>22,988,849</u>	<u>10,717,919</u>	<u>12,270,930</u>	<u>36,108,202</u>
Public Safety					
Personal Services	3,724,278	3,724,278	1,684,556	2,039,722	1,902,212
Supplies	753,618	753,618	164,802	588,816	136,136
Other Services And Charges	65,609,541	65,609,541	10,967,637	54,641,904	9,709,815
Total Public Safety	<u>70,087,437</u>	<u>70,087,437</u>	<u>12,816,995</u>	<u>57,270,442</u>	<u>11,748,163</u>
Health And Social Services					
Personal Services	480,655	480,655	407,866	72,789	365,263
Supplies	418,951	418,951	310,951	108,000	324,168
Other Services And Charges	1,854,527	1,854,527	307,191	1,547,336	228,310
Total Health And Social Services	<u>2,754,133</u>	<u>2,754,133</u>	<u>1,026,008</u>	<u>1,728,125</u>	<u>917,741</u>
Culture And Recreation					
Supplies	2,600	2,600	-	2,600	7,732
Other Services And Charges	107,916	107,916	84,000	23,916	16,453
Total Culture And Recreation	<u>110,516</u>	<u>110,516</u>	<u>84,000</u>	<u>26,516</u>	<u>24,185</u>
Capital Outlay	<u>39,544,785</u>	<u>39,544,785</u>	<u>12,467,174</u>	<u>27,077,611</u>	<u>5,706,197</u>
Total Expenditures	<u>135,485,720</u>	<u>135,485,720</u>	<u>37,112,096</u>	<u>98,373,624</u>	<u>54,504,488</u>
Excess (Deficiency) Of Revenues Over (Under) Expenditures	<u>(465,180)</u>	<u>(465,180)</u>	<u>(2,061,468)</u>	<u>(1,596,288)</u>	<u>(2,445,437)</u>

**GALVESTON COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GRANT FUND**

For the Year Ended September 30, 2016

With Comparative Actual Amounts for the Year Ended September 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>	<u>Prior Year Actual</u>
OTHER FINANCING SOURCES (USES)					
Transfers In	6,095,155	6,095,155	802,031	(5,293,124)	2,087,785
Transfers Out	(64,794)	(64,794)	(48,596)	16,198	(649,075)
Sale of Capital Assets	<u>101,055</u>	<u>101,055</u>	<u>93,351</u>	<u>(7,704)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>6,131,416</u>	<u>6,131,416</u>	<u>846,786</u>	<u>(5,284,630)</u>	<u>1,438,710</u>
Net Change In Fund Balance	5,666,913	5,666,913	(1,214,682)	(6,881,595)	(1,006,727)
Fund Balance-Beginning	<u>6,284,054</u>	<u>6,284,054</u>	<u>6,284,054</u>	<u>-</u>	<u>7,290,781</u>
Fund Balance-Ending	<u>\$ 11,950,967</u>	<u>\$ 11,950,967</u>	<u>\$ 5,069,372</u>	<u>\$ (6,881,595)</u>	<u>\$ 6,284,054</u>

**GALVESTON COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
DEBT SERVICE FUND**

For the Year Ended September 30, 2016

With Comparative Actual Amounts for the Year Ended September 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>	<u>Prior Year Actual</u>
REVENUES					
Taxes	\$ 23,495,716	\$ 23,495,716	\$ 23,370,053	\$ (125,663)	\$ 24,852,176
Intergovernmental	7,332,188	7,332,188	8,003,783	671,595	7,245,767
Investment Earnings	89,502	89,502	140,016	50,514	100,371
Miscellaneous	-	-	-	-	117,949
Total Revenues	<u>30,917,406</u>	<u>30,917,406</u>	<u>31,513,852</u>	<u>596,446</u>	<u>32,316,263</u>
EXPENDITURES					
Debt Service:					
Principal Retirement	20,960,000	20,960,000	20,960,000	-	20,075,000
Interest and Fiscal Charges	<u>10,807,967</u>	<u>10,807,967</u>	<u>10,806,319</u>	<u>1,648</u>	<u>11,666,881</u>
Total Expenditures	<u>31,767,967</u>	<u>31,767,967</u>	<u>31,766,319</u>	<u>1,648</u>	<u>31,741,881</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(850,561)</u>	<u>(850,561)</u>	<u>(252,467)</u>	<u>598,094</u>	<u>574,382</u>
Fund Balance-Beginning	<u>11,826,674</u>	<u>11,826,674</u>	<u>11,826,674</u>	<u>-</u>	<u>11,252,292</u>
Fund Balance-Ending	<u>\$ 10,976,113</u>	<u>\$ 10,976,113</u>	<u>\$ 11,574,207</u>	<u>\$ 598,094</u>	<u>\$ 11,826,674</u>

Galveston County, Texas
Notes to the Required Supplementary Information – Budgetary Schedules
For the Year Ended September 30, 2016

Budgetary Basis of Accounting

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

Galveston County, Texas
Schedule of Changes in Net Pension Liability and Related Ratios
General Employees' Retirement Plan for the Employees of Galveston County, Texas
For the Last Two Calendar Years

	<u>Year Ended December 31, 2014</u>	<u>Year Ended December 31, 2015</u>
Total Pension Liability		
Service cost	\$ 7,971,478	\$ 8,033,265
Interest on total pension liability	26,719,008	28,029,902
Effect of plan changes	-	(1,570,636)
Effect of assumption changes or inputs	-	3,176,506
Effect of economic/demographic (gains) or losses	(227,582)	(2,943,467)
Benefit payments/refunds of contributions	<u>(18,511,860)</u>	<u>(19,704,571)</u>
Net change in total pension liability	15,951,044	15,020,999
Total pension liability, beginning	<u>335,031,877</u>	<u>350,982,921</u>
Total pension liability, ending (a)	<u><u>\$ 350,982,921</u></u>	<u><u>\$ 366,003,920</u></u>
Fiduciary Net Position		
Employer contributions	\$ 6,419,135	\$ 6,534,101
Member contributions	3,997,855	4,072,510
Investment income net of investment expenses	22,444,380	414,224
Benefit payments/refunds of contributions	(18,511,860)	(19,704,571)
Administrative expenses	(258,882)	(243,373)
Other	<u>(117,593)</u>	<u>(34,899)</u>
Net change in fiduciary net position	13,973,035	(8,962,008)
Fiduciary net position, beginning	<u>329,419,875</u>	<u>343,392,910</u>
Fiduciary net position, ending (b)	<u><u>\$ 343,392,910</u></u>	<u><u>\$ 334,430,902</u></u>
Net pension liability / (asset), ending = (a) - (b)	<u><u>\$ 7,590,011</u></u>	<u><u>\$ 31,573,018</u></u>
Fiduciary net position as a % of total pension liability	97.84%	91.37%
Pensionable covered payroll	\$ 57,112,219	\$ 58,080,901
Net pension liability as a % of covered payroll	13.29%	54.36%

GASB Statements No. 68 and No. 71 were implemented during the fiscal year ended September 30, 2015.

This schedule is intended to show information for ten years; additional years' information will be displayed as it becomes available.

Galveston County, Texas
Schedule of Employer Contributions
General Employees' Retirement Plan for the Employees of Galveston County, Texas
For the Last Three Fiscal Years

Year Ending September 30,	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Pensionable Covered Payroll ⁽¹⁾	Actual Contribution as a % of Covered Payroll
2014	6,298,097	6,298,097	-	57,069,071	11.0%
2015	6,736,606	6,736,606	-	59,944,754	11.2%
2016	6,788,319	6,788,319	-	60,509,533	11.2%

⁽¹⁾ Payroll is calculated based on contributions as reported to TCDRS.

GASB Statements No. 68 and 71 were implemented during the fiscal year ended September 30, 2015.

This schedule is intended to show information for ten years; additional years' information will be displayed as it becomes available.

Notes to Schedule

Valuation Date: Actuarially determined contribution rates are calculated each December 31, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry Age
Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	14.7 years (based on contribution rate calculated in 12/31/2015 valuation)
Asset Valuation Method	5-year smoothed market
Inflation	3.0%
Salary Increases	Varies by age and service. 4.9% average over career including inflation.
Investment Rate of Return	8.00%, net of investment expenses, including inflation
Retirement Age	Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age at service retirement for recent retirees is 61.
Mortality	In the 2015 actuarial valuation, assumed life expectancies were adjusted as a result of adopting a new projection scale (110% of the MP-2014 Ultimate Scale) for 2014 and later. Previously Scale AA had been used. The base table is the RP-2000 table projected with Scale AA to 2014.
Changes in Plan Provisions Reflected in the Schedule*	No changes in plan provisions are reflected in the Schedule of Employer Contributions.

*Only changes effective 2015 and later are shown in the Notes to Schedule

Galveston County, Texas
Schedule of Funding Progress
General Employees' Post-Employment Benefits Plan for the Employees of Galveston County, Texas
September 30, 2016

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	0.0%	\$ 42,360,523	219.66%
2009	-	100,273,986	100,273,986	0.0%	54,622,846	183.58%
2011	-	124,919,562	124,919,562	0.0%	56,047,951	222.88%
2013	7,204,085	142,413,596	135,209,511	5.1%	54,338,090	248.83%
2015	7,944,516	153,532,625	145,588,109	5.2%	57,112,219	254.92%

* The Annual Covered Payroll amounts for the actuarial valuation dates of October 1, 2007, 2009, and 2011 have been restated to agree with those of the actuarial valuations of the county's Texas County and District Retirement System plan of December 31, 2006, 2008, and 2010, respectively.

The correspondence of the actuarial data used for the county's various fiscal years with the actuarial valuation dates is as follows:

<u>Actuarial data for the fiscal years ended</u>	<u>Was provided by the actuarial valuations dated</u>
September 30, 2009 and 2010	October 1, 2007
September 30, 2011 and 2012	October 1, 2009
September 30, 2013 and 2014	October 1, 2011
September 30, 2015	October 1, 2013
September 30, 2016	October 1, 2015

GOVERNMENTAL FUNDS

Governmental Funds consist of:

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 Fund qualifies as a major fund and is thus presented in the Basic Financial Statements of this report. The Grant Fund accounts for state, federal and private grants legally restricted to specific purposes. The Grant Fund qualifies as a major fund and is thus presented in the Basic Financial Statements of this report.

Debt Service Fund

The Debt Service Fund accounts for the accumulation of resources to retire the principal of, and to pay the interest costs and paying-agent fees associated with, the county's long-term debt.

Capital Projects Funds

Capital Projects Funds account for the acquisition or construction of major capital assets.



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Nonmajor Governmental Funds

**GALVESTON COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2016**

	SPECIAL REVENUE	CAPITAL PROJECTS	TOTAL NONMAJOR GOVERNMENTAL FUNDS
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash And Cash Equivalents	\$ 15,766,189	\$ 26,312,356	\$ 42,078,545
Receivables (Net Of Allowances For Uncollectibles):			
Taxes	251,635	-	251,635
Accounts And Other	85,241	-	85,241
Inventory At Cost	<u>409,631</u>	<u>-</u>	<u>409,631</u>
Total Assets	<u>\$ 16,512,696</u>	<u>\$ 26,312,356</u>	<u>\$ 42,825,052</u>
LIABILITIES			
Accounts Payable	\$ 206,546	\$ 122,341	\$ 328,887
Salaries Payable	75,518	-	75,518
Retainage Payable	-	6,057	6,057
Due To Others	1,200	641,466	642,666
Escrow Deposits	2,378	-	2,378
Unearned Revenue	<u>29,620</u>	<u>-</u>	<u>29,620</u>
Total Liabilities	<u>315,262</u>	<u>769,864</u>	<u>1,085,126</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue - Property Taxes	<u>251,635</u>	<u>-</u>	<u>251,635</u>
Total Deferred Inflows of Resources	<u>251,635</u>	<u>-</u>	<u>251,635</u>
FUND BALANCES			
Non - Spendable	409,631	-	409,631
Restricted	15,536,168	19,778,008	35,314,176
Assigned	<u>-</u>	<u>5,764,484</u>	<u>5,764,484</u>
Total Fund Balances	<u>15,945,799</u>	<u>25,542,492</u>	<u>41,488,291</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 16,512,696</u>	<u>\$ 26,312,356</u>	<u>\$ 42,825,052</u>

GALVESTON COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2016

	SPECIAL REVENUE	CAPITAL PROJECTS	TOTAL NONMAJOR GOVERNMENTAL FUNDS
REVENUES			
Taxes	\$ 2,358,461	\$ -	\$ 2,358,461
Intergovernmental	2,670,426	-	2,670,426
Charges For Services	3,303,047	-	3,303,047
Fines And Forfeitures	256,023	-	256,023
Investment Earnings	62,362	147,585	209,947
Miscellaneous	844,375	234,728	1,079,103
Total Revenues	<u>9,494,694</u>	<u>382,313</u>	<u>9,877,007</u>
EXPENDITURES			
Current:			
General Government	1,093,708	154,451	1,248,159
Public Safety	2,097,859	-	2,097,859
Health And Social Services	1,063,489	-	1,063,489
Culture And Recreation	411,087	-	411,087
Roads, Bridges And Rights-Of-Way	317,392	7,851,589	8,168,981
Capital Outlay	2,834,015	1,788,637	4,622,652
Total Expenditures	<u>7,817,550</u>	<u>9,794,677</u>	<u>17,612,227</u>
Excess (Deficiency) Of Revenues Over (Under) Expenditures	<u>1,677,144</u>	<u>(9,412,364)</u>	<u>(7,735,220)</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	40,906	1,668,000	1,708,906
Transfers Out	(6,231)	-	(6,231)
Sale Of Capital Assets	4,285	-	4,285
Total Other Financing Sources (Uses)	<u>38,960</u>	<u>1,668,000</u>	<u>1,706,960</u>
Net Change In Fund Balances	1,716,104	(7,744,364)	(6,028,260)
Fund Balances - Beginning	<u>14,229,695</u>	<u>33,286,856</u>	<u>47,516,551</u>
Fund Balances - Ending	<u>\$ 15,945,799</u>	<u>\$ 25,542,492</u>	<u>\$ 41,488,291</u>

NONMAJOR
SPECIAL REVENUE FUNDS

COUNTY RECORDS MANAGEMENT AND PRESERVATION - On May 30, 1993, Chapter 203, §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 §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 - The County Clerk Records Management and Preservation Fund was established under Chapter 203, §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 - 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 §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.

DISTRICT CLERK CHILD SUPPORT IV-D - The District Clerk Child Support IV-D Fund was created under the authority of *Texas Family Code* Chapter 231, §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 - The District Clerk Records Management Fund was established under the authority of §51.317 of the *Government Code* as amended by House Bill 1905 passed by the 78th 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.

ELECTION CODE CHAPTER 19 FUND - Pursuant to *Election Code* §19.002, this revenue is paid by the secretary of state to the voter registrar and must be used to defray the cost of voter registration, and may be used to pay for any item or service designed to increase the number of registered voters in the state, maintain and report an accurate list of the number of registered voters or increase the efficiency of the voter registration office, including hiring temporary voter registration personnel. These monies may not be used to pay for the normal day to day operation of the office. They must be used within a two-year period or else lapse to the state for distribution to counties with limited technological resources to upgrade voter registration technology.

TAX ASSESSOR-COLLECTOR SPECIAL INVENTORY TAX ESCROW - 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 - 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 - 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 - 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.

COURTHOUSE SECURITY - 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 - 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 - 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 - Under *Local Government Code* Chapter 323, §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 \$35, 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 - 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 - 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 - Effective September 1, 2001, *Government Code* Chapter 25, §25.00213 establishes a Contributions Fund under the direction of the Probate Court Judge in a county that collects additional fees under Chapter 51, §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.

SUPPLEMENTAL COURT-INITIATED GUARDIANSHIP FEE - Pursuant to *Local Government Code* §118.067, this \$20.00 fee is collected for court-initiated guardianship proceedings and is paid by the persons filing both original and adverse probate actions. It is used to supplement, but not supplant, other monies used to pay guardian and attorney ad litem costs, and to pay for guardianship programs for indigent, incapacitated persons without family members suitable and willing to serve as guardians.

PRETRIAL INTERVENTION PROGRAM - This fund was created in accordance with *Texas Code of Criminal Procedures* Article 102.0121 to account for a fee to reimburse the county for expenses related to a defendant's participation in a pretrial intervention program offered by the county. The funds must be used for expenditures related to pretrial intervention programs.

COURT REPORTER SERVICES FUND - The Court Reporter Services Fund accounts for the fees collected by the County and District Clerks pursuant to *Government Code* §51.601 to be used to defray the cost of court-reporting services.

SHERIFF'S COMMISSARY - This fund, created under *Local Government Code* Chapter 351, §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 FORFEITURES POST-10/89 - Funds collected in connection with drug 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 FORFEITURES PRE-10/89 - 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.

LAW ENFORCEMENT CONTINUED EDUCATION - 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 74th 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' FORFEITURES - 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 - 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. This fund is funded by and under the jurisdiction and control of the Commissioners Court.

FARM-TO-MARKET LATERAL ROAD - Chapter 256, §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 - The Galveston County Road District #1 was created under Article 3, §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 - Chapter 256, §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 - On November 7, 1953, in accordance with Chapter 344, §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.

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

GALVESTON COUNTY MUSEUM - The county, under the authority of *Local Government Code* §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.

GALVESTON COUNTY, TEXAS
 COMBINING BALANCE SHEET
 ALL NONMAJOR SPECIAL REVENUE FUNDS
 September 30, 2016
 With Comparative Totals at September 30, 2015

(Continued)

	COUNTY RECORDS MANAGEMENT AND PRESERVATION	COUNTY CLERK RECORDS MANAGEMENT AND PRESERVATION	ELECTION SERVICES CONTRACT	DISTRICT CLERK CHILD SUPPORT IV-D	DISTRICT CLERK RECORDS MANAGEMENT	ELECTION CODE CHAPTER 19 FUND	TAX ASSESSOR- COLLECTOR SPECIAL INVENTORY TAX ESCROW
ASSETS							
Cash And Cash Equivalents	\$ 399,101	\$ 2,173,721	\$ 510,043	\$ 66,746	\$ 150,157	\$ 1	\$ 78,564
Receivables (Net Of Allowances For Uncollectibles):							
Taxes	-	-	-	-	-	-	-
Accounts And Other	426	1,376	31,606	-	366	1	540
Due From Other Funds	-	-	-	-	-	-	-
Inventory At Cost	-	-	-	-	-	-	-
Total Assets	\$ 399,527	\$ 2,175,097	\$ 541,649	\$ 66,746	\$ 150,523	\$ 2	\$ 79,104
LIABILITIES							
Accounts Payable	\$ -	\$ 877	\$ 21,719	\$ -	\$ -	\$ -	\$ -
Salaries Payable	1,410	3,891	1,969	1,240	-	-	-
Due To Others	-	-	-	-	-	-	-
Escrow Deposits	-	-	-	-	-	-	-
Unearned Revenue	-	-	-	-	-	-	-
Total Liabilities	1,410	4,768	23,688	1,240	-	-	-
DEFERRED INFLOWS OF RESOURCES							
Unavailable Revenue - Property Taxes	-	-	-	-	-	-	-
Total Deferred Inflows Of Resources	-	-	-	-	-	-	-
FUND BALANCES							
Non-Spendable	-	-	-	-	-	-	-
Restricted	398,117	2,170,329	517,961	65,506	150,523	2	79,104
Total Fund Balances	398,117	2,170,329	517,961	65,506	150,523	2	79,104
Total Liabilities, Deferred Inflows Of Resources and Fund Balances	\$ 399,527	\$ 2,175,097	\$ 541,649	\$ 66,746	\$ 150,523	\$ 2	\$ 79,104

GALVESTON COUNTY, TEXAS
COMBINING BALANCE SHEET
ALL NONMAJOR SPECIAL REVENUE FUNDS
September 30, 2016
With Comparative Totals at September 30, 2015

(Continued)

	DONATIONS TO GALVESTON COUNTY	DISTRICT ATTORNEY CONTRABAND POST-10/89	DISTRICT ATTORNEY CHECK COLLECTION FEES	COURTHOUSE SECURITY	JUSTICE COURT BUILDING SECURITY	APPELLATE JUDICIAL	LAW LIBRARY
ASSETS							
Cash And Cash Equivalents	\$ 19,117	\$ 150,350	\$ 7,197	\$ 119,105	\$ 44,003	\$ 69,064	\$ 85,575
Receivables (Net Of Allowances For Uncollectibles):							
Taxes	-	-	-	-	-	-	-
Accounts And Other	-	280	-	509	25	226	1,128
Due From Other Funds	-	-	-	-	-	-	-
Inventory At Cost	-	-	-	-	-	-	-
Total Assets	<u>\$ 19,117</u>	<u>\$ 150,630</u>	<u>\$ 7,197</u>	<u>\$ 119,614</u>	<u>\$ 44,028</u>	<u>\$ 69,290</u>	<u>\$ 86,703</u>
LIABILITIES							
Accounts Payable	\$ -	\$ 553	\$ -	\$ -	\$ -	\$ -	\$ 8,635
Salaries Payable	-	-	-	5,444	-	-	-
Due To Others	-	-	-	-	-	-	-
Escrow Deposits	-	-	-	-	-	-	-
Unearned Revenue	-	-	-	-	-	-	-
Total Liabilities	<u>-</u>	<u>553</u>	<u>-</u>	<u>5,444</u>	<u>-</u>	<u>-</u>	<u>8,635</u>
DEFERRED INFLOWS OF RESOURCES							
Unavailable Revenue - Property Taxes	-	-	-	-	-	-	-
Total Deferred Inflows Of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES							
Non-Spendable	-	-	-	-	-	-	-
Restricted	19,117	150,077	7,197	114,170	44,028	69,290	78,068
Total Fund Balances	<u>19,117</u>	<u>150,077</u>	<u>7,197</u>	<u>114,170</u>	<u>44,028</u>	<u>69,290</u>	<u>78,068</u>
Total Liabilities, Deferred Inflows Of Resources and Fund Balances	<u>\$ 19,117</u>	<u>\$ 150,630</u>	<u>\$ 7,197</u>	<u>\$ 119,614</u>	<u>\$ 44,028</u>	<u>\$ 69,290</u>	<u>\$ 86,703</u>

GALVESTON COUNTY, TEXAS
 COMBINING BALANCE SHEET
 ALL NONMAJOR SPECIAL REVENUE FUNDS
 September 30, 2016
 With Comparative Totals at September 30, 2015

(Continued)

	MEDIATION SERVICES PROGRAM	JUSTICE COURT TECHNOLOGY	PROBATE COURT CONTRIBUTIONS	SUPPLEMENTAL COURT- INITIATED GUARDIANSHIP FEE	PRETRIAL INTERVENTION PROGRAM	COURT REPORTER SERVICE FUND	SHERIFF'S COMMISSARY
ASSETS							
Cash And Cash Equivalents	\$ 1,062,404	\$ 146,361	\$ 315,483	\$ 148,980	\$ 60,790	\$ 96,304	\$ 730,652
Receivables (Net Of Allowances For Uncollectibles):							
Taxes	-	-	-	-	-	-	-
Accounts And Other	607	102	1,527	220	-	527	31,350
Due From Other Funds	-	-	-	-	-	-	-
Inventory At Cost	-	-	-	-	-	-	-
Total Assets	<u>\$ 1,063,011</u>	<u>\$ 146,463</u>	<u>\$ 317,010</u>	<u>\$ 149,200</u>	<u>\$ 60,790</u>	<u>\$ 96,831</u>	<u>\$ 762,002</u>
LIABILITIES							
Accounts Payable	\$ 6,705	\$ -	\$ 3,494	\$ 5,181	\$ -	\$ -	\$ 18,701
Salaries Payable	-	-	-	-	-	-	-
Due To Others	-	-	-	-	-	-	-
Escrow Deposits	-	-	-	-	-	-	-
Unearned Revenue	-	-	-	-	-	-	-
Total Liabilities	<u>6,705</u>	<u>-</u>	<u>3,494</u>	<u>5,181</u>	<u>-</u>	<u>-</u>	<u>18,701</u>
DEFERRED INFLOWS OF RESOURCES							
Unavailable Revenue - Property Taxes	-	-	-	-	-	-	-
Total Deferred Inflows Of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES							
Non-Spendable	-	-	-	-	-	-	-
Restricted	<u>1,056,306</u>	<u>146,463</u>	<u>313,516</u>	<u>144,019</u>	<u>60,790</u>	<u>96,831</u>	<u>743,301</u>
Total Fund Balances	<u>1,056,306</u>	<u>146,463</u>	<u>313,516</u>	<u>144,019</u>	<u>60,790</u>	<u>96,831</u>	<u>743,301</u>
Total Liabilities, Deferred Inflows Of Resources and Fund Balances	<u>\$ 1,063,011</u>	<u>\$ 146,463</u>	<u>\$ 317,010</u>	<u>\$ 149,200</u>	<u>\$ 60,790</u>	<u>\$ 96,831</u>	<u>\$ 762,002</u>

GALVESTON COUNTY, TEXAS
 COMBINING BALANCE SHEET
 ALL NONMAJOR SPECIAL REVENUE FUNDS
 September 30, 2016
 With Comparative Totals at September 30, 2015

(Continued)

	SHERIFF FORFEITURES POST-10/89	TASK FORCE FORFEITURES PRE-10/89	LAW ENFORCEMENT CONTINUED EDUCATION	CONSTABLES' FORFEITURES	EMERGENCY MANAGEMENT	FARM-TO- MARKET LATERAL ROAD	ROAD DISTRICT #1
ASSETS							
Cash And Cash Equivalents	\$ 397,554	\$ -	\$ 146,066	\$ 3,495	\$ 806,498	\$ 1,230,144	\$ 1,327,924
Receivables (Net Of Allowances For Uncollectibles):							
Taxes	-	-	-	-	-	4,894	-
Accounts And Other	-	-	-	-	-	4,127	6,011
Due From Other Funds	-	-	-	-	-	-	-
Inventory At Cost	-	-	-	-	-	-	-
Total Assets	<u>\$ 397,554</u>	<u>\$ -</u>	<u>\$ 146,066</u>	<u>\$ 3,495</u>	<u>\$ 806,498</u>	<u>\$ 1,239,165</u>	<u>\$ 1,333,935</u>
LIABILITIES							
Accounts Payable	\$ 2,555	\$ -	\$ 202	\$ -	\$ 3,125	\$ -	\$ 4,580
Salaries Payable	-	-	-	-	-	2,521	5,369
Due To Others	-	-	-	-	-	1,200	-
Escrow Deposits	-	-	-	-	-	-	-
Unearned Revenue	-	-	-	-	-	-	-
Total Liabilities	<u>2,555</u>	<u>-</u>	<u>202</u>	<u>-</u>	<u>3,125</u>	<u>3,721</u>	<u>9,949</u>
DEFERRED INFLOWS OF RESOURCES							
Unavailable Revenue - Property Taxes	-	-	-	-	-	4,894	-
Total Deferred Inflows Of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,894</u>	<u>-</u>
FUND BALANCES							
Non-Spendable	-	-	-	-	-	-	-
Restricted	394,999	-	145,864	3,495	803,373	1,230,550	1,323,986
Total Fund Balances	<u>394,999</u>	<u>-</u>	<u>145,864</u>	<u>3,495</u>	<u>803,373</u>	<u>1,230,550</u>	<u>1,323,986</u>
Total Liabilities, Deferred Inflows Of Resources and Fund Balances	<u>\$ 397,554</u>	<u>\$ -</u>	<u>\$ 146,066</u>	<u>\$ 3,495</u>	<u>\$ 806,498</u>	<u>\$ 1,239,165</u>	<u>\$ 1,333,935</u>

**GALVESTON COUNTY, TEXAS
COMBINING BALANCE SHEET
ALL NONMAJOR SPECIAL REVENUE FUNDS
September 30, 2016
With Comparative Totals at September 30, 2015**

					TOTALS	
	FLOOD CONTROL	MOSQUITO CONTROL DISTRICT	BEACH AND PARKS	GALVESTON COUNTY MUSEUM	2016	2015
ASSETS						
Cash And Cash Equivalents	\$ 1,680,522	\$ 231,101	\$ 3,502,822	\$ 6,345	\$ 15,766,189	\$ 16,205,426
Receivables (Net Of Allowances For Uncollectibles):						
Taxes	150,363	96,378	-	-	251,635	264,211
Accounts And Other	3,488	599	200	-	85,241	274,406
Due From Other Funds	-	-	-	-	-	6,494
Inventory At Cost	539	409,092	-	-	409,631	543,472
Total Assets	<u>\$ 1,834,912</u>	<u>\$ 737,170</u>	<u>\$ 3,503,022</u>	<u>\$ 6,345</u>	<u>\$ 16,512,696</u>	<u>\$ 17,294,009</u>
LIABILITIES						
Accounts Payable	\$ 89,218	\$ 3,662	\$ 37,339	\$ -	\$ 206,546	\$ 180,870
Salaries Payable	29,318	15,108	9,248	-	75,518	47,016
Due To Others	-	-	-	-	1,200	1,210
Escrow Deposits	2,378	-	-	-	2,378	36,007
Unearned Revenue	29,620	-	-	-	29,620	2,535,000
Total Liabilities	<u>150,534</u>	<u>18,770</u>	<u>46,587</u>	<u>-</u>	<u>315,262</u>	<u>2,800,103</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable Revenue - Property Taxes	150,363	96,378	-	-	251,635	264,211
Total Deferred Inflows Of Resources	<u>150,363</u>	<u>96,378</u>	<u>-</u>	<u>-</u>	<u>251,635</u>	<u>264,211</u>
FUND BALANCES						
Non-Spendable	539	409,092	-	-	409,631	543,472
Restricted	1,533,476	212,930	3,456,435	6,345	15,536,168	13,686,223
Total Fund Balances	<u>1,534,015</u>	<u>622,022</u>	<u>3,456,435</u>	<u>6,345</u>	<u>15,945,799</u>	<u>14,229,695</u>
Total Liabilities, Deferred Inflows Of Resources and Fund Balances	<u>\$ 1,834,912</u>	<u>\$ 737,170</u>	<u>\$ 3,503,022</u>	<u>\$ 6,345</u>	<u>\$ 16,512,696</u>	<u>\$ 17,294,009</u>

GALVESTON COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
ALL NONMAJOR SPECIAL REVENUE FUNDS
For the Year Ended September 30, 2016
With Comparative Totals for the Year Ended September 30, 2015

(Continued)

	COUNTY RECORDS MANAGEMENT AND PRESERVATION	COUNTY CLERK RECORDS MANAGEMENT AND PRESERVATION	ELECTION SERVICES CONTRACT	DISTRICT CLERK CHILD SUPPORT IV-D	DISTRICT CLERK RECORDS MANAGEMENT	ELECTION CODE CHAPTER 19 FUND	(Continued) TAX ASSESSOR- COLLECTOR SPECIAL INVENTORY TAX ESCROW
REVENUES							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,899
Intergovernmental	-	-	-	3,833	-	25,825	-
Charges for Services	92,651	831,502	260,399	-	58,001	-	-
Fines and Forfeitures	-	-	-	-	-	-	-
Investment Earnings	-	-	-	-	-	26	6,251
Miscellaneous	1,574	-	15,000	-	-	-	-
Total Revenues	<u>94,225</u>	<u>831,502</u>	<u>275,399</u>	<u>3,833</u>	<u>58,001</u>	<u>25,851</u>	<u>23,150</u>
EXPENDITURES							
Current :							
General Government	53,004	239,690	196,898	43,923	14,835	29,576	5,332
Public Safety	-	-	-	-	-	-	-
Health and Social Services	-	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-	-
Roads, Bridges and Rights-of-Way	-	-	-	-	-	-	-
Capital Outlay	-	80,324	10,000	-	-	-	-
Total Expenditures	<u>53,004</u>	<u>320,014</u>	<u>206,898</u>	<u>43,923</u>	<u>14,835</u>	<u>29,576</u>	<u>5,332</u>
Excess (Deficiency) Of Revenues Over (Under) Expenditures	<u>41,221</u>	<u>511,488</u>	<u>68,501</u>	<u>(40,090)</u>	<u>43,166</u>	<u>(3,725)</u>	<u>17,818</u>
OTHER FINANCING SOURCES (USES)							
Transfers In	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	41,221	511,488	68,501	(40,090)	43,166	(3,725)	17,818
Fund Balances - Beginning	356,896	1,658,841	449,460	105,596	107,357	3,727	61,286
Fund Balances - Ending	<u>\$ 398,117</u>	<u>\$ 2,170,329</u>	<u>\$ 517,961</u>	<u>\$ 65,506</u>	<u>\$ 150,523</u>	<u>\$ 2</u>	<u>\$ 79,104</u>

GALVESTON COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
ALL NONMAJOR SPECIAL REVENUE FUNDS
For the Year Ended September 30, 2016
With Comparative Totals for the Year Ended September 30, 2015

(Continued)

	DONATIONS TO GALVESTON COUNTY	DISTRICT ATTORNEY CONTRABAND POST-10/89	DISTRICT ATTORNEY CHECK COLLECTION FEES	COURTHOUSE SECURITY	JUSTICE COURT BUILDING SECURITY	APPELLATE JUDICIAL	LAW LIBRARY
REVENUES							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-	-
Charges for Services	-	-	75	155,473	9,598	-	203,446
Fines and Forfeitures	-	102,439	-	-	-	34,410	-
Investment Earnings	-	518	-	-	-	-	-
Miscellaneous	6,562	-	-	-	-	-	-
Total Revenues	<u>6,562</u>	<u>102,957</u>	<u>75</u>	<u>155,473</u>	<u>9,598</u>	<u>34,410</u>	<u>203,446</u>
EXPENDITURES							
Current :							
General Government	-	73,231	120	-	-	-	230,210
Public Safety	-	-	-	205,523	-	-	-
Health and Social Services	5,827	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-	-
Roads, Bridges and Rights-of-Way	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-
Total Expenditures	<u>5,827</u>	<u>73,231</u>	<u>120</u>	<u>205,523</u>	<u>-</u>	<u>-</u>	<u>230,210</u>
Excess (Deficiency) Of Revenues Over (Under) Expenditures	<u>735</u>	<u>29,726</u>	<u>(45)</u>	<u>(50,050)</u>	<u>9,598</u>	<u>34,410</u>	<u>(26,764)</u>
OTHER FINANCING SOURCES (USES)							
Transfers In	-	-	-	-	-	-	30,000
Transfers Out	-	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>30,000</u>
Net Change in Fund Balances	735	29,726	(45)	(50,050)	9,598	34,410	3,236
Fund Balances - Beginning	<u>18,382</u>	<u>120,351</u>	<u>7,242</u>	<u>164,220</u>	<u>34,430</u>	<u>34,880</u>	<u>74,832</u>
Fund Balances - Ending	<u>\$ 19,117</u>	<u>\$ 150,077</u>	<u>\$ 7,197</u>	<u>\$ 114,170</u>	<u>\$ 44,028</u>	<u>\$ 69,290</u>	<u>\$ 78,068</u>

GALVESTON COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
ALL NONMAJOR SPECIAL REVENUE FUNDS
For the Year Ended September 30, 2016
With Comparative Totals for the Year Ended September 30, 2015

(Continued)

	MEDIATION SERVICES PROGRAM	JUSTICE COURT TECHNOLOGY	PROBATE COURT CONTRIBUTIONS	SUPPLEMENTAL COURT-INITIATED GUARDIANSHIP FEE	PRETRIAL INTERVENTION PROGRAM	COURT REPORTER SERVICE FUND	SHERIFF'S COMMISSARY
REVENUES							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	41,527	-	-	-	-
Charges for Services	107,652	-	-	21,389	22,481	96,673	-
Fines and Forfeitures	-	38,461	-	-	-	-	-
Investment Earnings	3,663	-	-	-	-	158	2,862
Miscellaneous	-	-	-	-	-	-	453,230
Total Revenues	<u>111,315</u>	<u>38,461</u>	<u>41,527</u>	<u>21,389</u>	<u>22,481</u>	<u>96,831</u>	<u>456,092</u>
EXPENDITURES							
Current :							
General Government	124,095	-	32,900	26,507	-	-	-
Public Safety	-	-	-	-	-	-	337,682
Health and Social Services	-	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-	-
Roads, Bridges and Rights-of-Way	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-
Total Expenditures	<u>124,095</u>	<u>-</u>	<u>32,900</u>	<u>26,507</u>	<u>-</u>	<u>-</u>	<u>337,682</u>
Excess (Deficiency) Of Revenues Over (Under) Expenditures	<u>(12,780)</u>	<u>38,461</u>	<u>8,627</u>	<u>(5,118)</u>	<u>22,481</u>	<u>96,831</u>	<u>118,410</u>
OTHER FINANCING SOURCES (USES)							
Transfers In	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>(12,780)</u>	<u>38,461</u>	<u>8,627</u>	<u>(5,118)</u>	<u>22,481</u>	<u>96,831</u>	<u>118,410</u>
Fund Balances - Beginning	<u>1,069,086</u>	<u>108,002</u>	<u>304,889</u>	<u>149,137</u>	<u>38,309</u>	<u>-</u>	<u>624,891</u>
Fund Balances - Ending	<u>\$ 1,056,306</u>	<u>\$ 146,463</u>	<u>\$ 313,516</u>	<u>\$ 144,019</u>	<u>\$ 60,790</u>	<u>\$ 96,831</u>	<u>\$ 743,301</u>

GALVESTON COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
ALL NONMAJOR SPECIAL REVENUE FUNDS
For the Year Ended September 30, 2016
With Comparative Totals for the Year Ended September 30, 2015

(Continued)

	SHERIFF FORFEITURES POST-10/89	TASK FORCE FORFEITURES PRE-10/89	LAW ENFORCEMENT CONTINUED EDUCATION	CONSTABLES' FORFEITURES	EMERGENCY MANAGEMENT	FARM-TO- MARKET LATERAL ROAD	ROAD DISTRICT #1
REVENUES							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 207	\$ 7
Intergovernmental	-	-	31,595	-	7,576	25,070	-
Charges for Services	-	-	-	-	-	-	550,498
Fines and Forfeitures	80,713	-	-	-	-	-	-
Investment Earnings	1,086	-	-	12	15,721	4,243	3,917
Miscellaneous	28,403	-	-	-	17,908	48,467	-
Total Revenues	<u>110,202</u>	<u>-</u>	<u>31,595</u>	<u>12</u>	<u>41,205</u>	<u>77,987</u>	<u>554,422</u>
EXPENDITURES							
Current :							
General Government	-	-	-	-	-	-	-
Public Safety	21,790	-	10,505	-	11,358	-	-
Health and Social Services	-	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-	-
Roads, Bridges and Rights-of-Way	-	-	-	-	-	88,411	228,981
Capital Outlay	-	-	-	-	800,000	500	13,515
Total Expenditures	<u>21,790</u>	<u>-</u>	<u>10,505</u>	<u>-</u>	<u>811,358</u>	<u>88,911</u>	<u>242,496</u>
Excess (Deficiency) Of Revenues Over (Under) Expenditures	<u>88,412</u>	<u>-</u>	<u>21,090</u>	<u>12</u>	<u>(770,153)</u>	<u>(10,924)</u>	<u>311,926</u>
OTHER FINANCING SOURCES (USES)							
Transfers In	6,231	-	-	-	-	-	-
Transfers Out	-	(6,231)	-	-	-	-	-
Sale of Capital Assets	4,285	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>10,516</u>	<u>(6,231)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	98,928	(6,231)	21,090	12	(770,153)	(10,924)	311,926
Fund Balances - Beginning	296,071	6,231	124,774	3,483	1,573,526	1,241,474	1,012,060
Fund Balances - Ending	<u>\$ 394,999</u>	<u>\$ -</u>	<u>\$ 145,864</u>	<u>\$ 3,495</u>	<u>\$ 803,373</u>	<u>\$ 1,230,550</u>	<u>\$ 1,323,986</u>

GALVESTON COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
ALL NONMAJOR SPECIAL REVENUE FUNDS
For the Year Ended September 30, 2016
With Comparative Totals for the Year Ended September 30, 2015

					<u>TOTALS</u>	
	FLOOD	MOSQUITO		GALVESTON		
	CONTROL	CONTROL	BEACH AND	COUNTY	2016	2015
	CONTROL	DISTRICT	PARKS	MUSEUM		
REVENUES						
Taxes	\$ 1,371,529	\$ 969,819	\$ -	\$ -	\$ 2,358,461	\$ 2,244,890
Intergovernmental	-	-	2,535,000	-	2,670,426	152,028
Charges for Services	258,017	-	635,192	-	3,303,047	2,875,263
Fines and Forfeitures	-	-	-	-	256,023	188,806
Investment Earnings	6,504	1,675	15,726	-	62,362	54,755
Miscellaneous	273,132	-	-	99	844,375	1,067,429
Total Revenues	<u>1,909,182</u>	<u>971,494</u>	<u>3,185,918</u>	<u>99</u>	<u>9,494,694</u>	<u>6,583,171</u>
EXPENDITURES						
Current :						
General Government	23,387	-	-	-	1,093,708	1,029,034
Public Safety	1,511,001	-	-	-	2,097,859	2,491,648
Health and Social Services	-	1,057,662	-	-	1,063,489	1,087,144
Culture and Recreation	-	-	399,424	11,663	411,087	114,933
Roads, Bridges and Rights-of-Way	-	-	-	-	317,392	316,584
Capital Outlay	246,498	-	1,683,178	-	2,834,015	208,315
Total Expenditures	<u>1,780,886</u>	<u>1,057,662</u>	<u>2,082,602</u>	<u>11,663</u>	<u>7,817,550</u>	<u>5,247,658</u>
Excess (Deficiency) Of Revenues						
Over (Under) Expenditures	<u>128,296</u>	<u>(86,168)</u>	<u>1,103,316</u>	<u>(11,564)</u>	<u>1,677,144</u>	<u>1,335,513</u>
OTHER FINANCING SOURCES (USES)						
Transfers In	-	-	4,675	-	40,906	195,270
Transfers Out	-	-	-	-	(6,231)	(453,975)
Sale of Capital Assets	-	-	-	-	4,285	113,265
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>4,675</u>	<u>-</u>	<u>38,960</u>	<u>(145,440)</u>
Net Change in Fund Balances	128,296	(86,168)	1,107,991	(11,564)	1,716,104	1,190,073
Fund Balances - Beginning	<u>1,405,719</u>	<u>708,190</u>	<u>2,348,444</u>	<u>17,909</u>	<u>14,229,695</u>	<u>13,039,622</u>
Fund Balances - Ending	<u>\$ 1,534,015</u>	<u>\$ 622,022</u>	<u>\$ 3,456,435</u>	<u>\$ 6,345</u>	<u>\$ 15,945,799</u>	<u>\$ 14,229,695</u>

GALVESTON COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
COUNTY RECORDS MANAGEMENT AND PRESERVATION SPECIAL REVENUE FUND
For the Year Ended September 30, 2016
With Comparative Actual Amounts for the Year Ended September 30, 2015

	<u>2016</u>		Variance with Final Budget - Positive (Negative)	Prior Year Actual
	Final Budget	Actual		
REVENUES				
Charges For Services	\$ 105,200	\$ 92,651	\$ (12,549)	\$ 102,097
Miscellaneous	<u>2,000</u>	<u>1,574</u>	<u>(426)</u>	<u>2,339</u>
Total Revenues	<u>107,200</u>	<u>94,225</u>	<u>(12,975)</u>	<u>104,436</u>
EXPENDITURES				
General Government:				
Current:				
Personal Services	55,900	53,004	2,896	33,463
Supplies	<u>5,000</u>	<u>-</u>	<u>5,000</u>	<u>-</u>
Total Expenditures	<u>60,900</u>	<u>53,004</u>	<u>7,896</u>	<u>33,463</u>
Excess (Deficiency) Of Revenues Over (Under) Expenditures	<u>46,300</u>	<u>41,221</u>	<u>(5,079)</u>	<u>70,973</u>
OTHER FINANCING SOURCES (USES)				
Budgeted Contingencies Used	<u>(200,000)</u>	<u>-</u>	<u>200,000</u>	<u>-</u>
Net Change in Fund Balance	(153,700)	41,221	194,921	70,973
Fund Balance - Beginning	<u>356,896</u>	<u>356,896</u>	<u>-</u>	<u>285,923</u>
Fund Balance - Ending	<u><u>\$ 203,196</u></u>	<u><u>\$ 398,117</u></u>	<u><u>\$ 194,921</u></u>	<u><u>\$ 356,896</u></u>

GALVESTON COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
COUNTY CLERK RECORDS MANAGEMENT AND PRESERVATION SPECIAL REVENUE FUND
For the Year Ended September 30, 2016
With Comparative Actual Amounts for the Year Ended September 30, 2015

	<u>2016</u>		Variance with Final Budget - Positive (Negative)	Prior Year Actual
	Final Budget	Actual		
REVENUES				
Charges For Services	\$ 888,500	\$ 831,502	\$ (56,998)	\$ 865,739
EXPENDITURES				
General Government:				
Current:				
Personal Services	209,834	158,323	51,511	151,883
Supplies	37,950	14,687	23,263	5,186
Other Services And Charges	<u>125,200</u>	<u>66,680</u>	<u>58,520</u>	<u>89,129</u>
Total General Government	372,984	239,690	133,294	246,198
Capital Outlay	<u>268,000</u>	<u>80,324</u>	<u>187,676</u>	<u>46,463</u>
Total Expenditures	<u>640,984</u>	<u>320,014</u>	<u>320,970</u>	<u>292,661</u>
Excess (Deficiency) Of Revenues Over (Under) Expenditures	<u>247,516</u>	<u>511,488</u>	<u>263,972</u>	<u>573,078</u>
OTHER FINANCING SOURCES (USES)				
Budgeted Contingencies Used	<u>(231,000)</u>	<u>-</u>	<u>231,000</u>	<u>-</u>
Net Change in Fund Balance	16,516	511,488	494,972	573,078
Fund Balance - Beginning	<u>1,658,841</u>	<u>1,658,841</u>	<u>-</u>	<u>1,085,763</u>
Fund Balance - Ending	<u><u>\$ 1,675,357</u></u>	<u><u>\$ 2,170,329</u></u>	<u><u>\$ 494,972</u></u>	<u><u>\$ 1,658,841</u></u>

GALVESTON COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET (NON-GAAP) AND ACTUAL
ELECTION SERVICES CONTRACT FUND SPECIAL REVENUE FUND
For the Year Ended September 30, 2016
With Comparative Actual Amounts for the Year Ended September 30, 2015

	2016		Variance with Final Budget - Positive (Negative)	Prior Year Actual
	Final Budget	Actual		
REVENUES				
Charges For Services	\$ 292,000	\$ 260,399	\$ (31,601)	\$ 156,734
Miscellaneous	-	15,000	15,000	-
Total Revenues	<u>292,000</u>	<u>275,399</u>	<u>(16,601)</u>	<u>156,734</u>
EXPENDITURES				
General Government:				
Current:				
Personal Services	206,407	135,418	70,989	89,279
Supplies	31,800	30,565	1,235	116,587
Other Services And Charges	44,000	30,915	13,085	24,909
Total General Government	<u>282,207</u>	<u>196,898</u>	<u>85,309</u>	<u>230,775</u>
Capital Outlay	<u>43,200</u>	<u>10,000</u>	<u>33,200</u>	<u>-</u>
Total Expenditures	<u>325,407</u>	<u>206,898</u>	<u>118,509</u>	<u>230,775</u>
Excess (Deficiency) Of Revenues Over (Under) Expenditures	(33,407)	68,501	101,908	(74,041)
Fund Balance - Beginning	<u>449,460</u>	<u>449,460</u>	<u>-</u>	<u>523,501</u>
Fund Balance - Ending	<u><u>\$ 416,053</u></u>	<u><u>\$ 517,961</u></u>	<u><u>\$ 101,908</u></u>	<u><u>\$ 449,460</u></u>

GALVESTON COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
DISTRICT CLERK CHILD SUPPORT IV-D SPECIAL REVENUE FUND
For the Year Ended September 30, 2016
With Comparative Actual Amounts for the Year Ended September 30, 2015

	<u>2016</u>		Variance with Final Budget - Positive (Negative)	Prior Year Actual
	Final Budget	Actual		
REVENUES				
Intergovernmental	\$ 4,200	\$ 3,833	\$ (367)	\$ 4,180
EXPENDITURES				
General Government:				
Current:				
Personal Services	46,600	43,923	2,677	28,839
Excess (Deficiency) Of Revenues Over (Under) Expenditures	<u>(42,400)</u>	<u>(40,090)</u>	<u>2,310</u>	<u>(24,659)</u>
OTHER FINANCING SOURCES (USES)				
Budgeted Contingencies Used	(75,000)	-	75,000	-
Net Change in Fund Balance	(117,400)	(40,090)	77,310	(24,659)
Fund Balance - Beginning	105,596	105,596	-	130,255
Fund Balance - Ending	<u>\$ (11,804)</u>	<u>\$ 65,506</u>	<u>\$ 77,310</u>	<u>\$ 105,596</u>

GALVESTON COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
DISTRICT CLERK RECORDS MANAGEMENT SPECIAL REVENUE FUND
For the Year Ended September 30, 2016
With Comparative Actual Amounts for the Year Ended September 30, 2015

	<u>2016</u>		Variance with Final Budget - Positive (Negative)	Prior Year Actual
	Final Budget	Actual		
REVENUES				
Charges For Services	\$ 61,000	\$ 58,001	\$ (2,999)	\$ 57,391
EXPENDITURES				
General Government:				
Current:				
Personal Services	-	-	-	1,021
Other Services And Charges	14,850	14,835	15	-
Total Expenditures	<u>14,850</u>	<u>14,835</u>	<u>15</u>	<u>1,021</u>
Excess (Deficiency) Of Revenues Over (Under) Expenditures	<u>46,150</u>	<u>43,166</u>	<u>(2,984)</u>	<u>56,370</u>
OTHER FINANCING SOURCES (USES)				
Budgeted Contingencies Used	(5,150)	-	5,150	-
Net Change in Fund Balance	41,000	43,166	2,166	56,370
Fund Balance - Beginning	<u>107,357</u>	<u>107,357</u>	<u>-</u>	<u>50,987</u>
Fund Balance - Ending	<u>\$ 148,357</u>	<u>\$ 150,523</u>	<u>\$ 2,166</u>	<u>\$ 107,357</u>

GALVESTON COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
ELECTION CODE CHAPTER 19 SPECIAL REVENUE FUND
For the Year Ended September 30, 2016
With Comparative Actual Amounts for the Year Ended September 30, 2015

	<u>2016</u>		Variance with Final Budget - Positive (Negative)	Prior Year Actual
	Final Budget	Actual		
REVENUES				
Intergovernmental	\$ 60,000	\$ 25,825	\$ (34,175)	\$ 45,793
Investment Earnings	<u>20</u>	<u>26</u>	<u>6</u>	<u>28</u>
Total Revenues	<u>60,020</u>	<u>25,851</u>	<u>(34,169)</u>	<u>45,821</u>
EXPENDITURES				
General Government:				
Current:				
Personal Services	30,200	25,021	5,179	42,776
Supplies	2,500	2,500	-	2,097
Other Services And Charges	<u>5,645</u>	<u>2,055</u>	<u>3,590</u>	<u>2,797</u>
Total Expenditures	<u>38,345</u>	<u>29,576</u>	<u>8,769</u>	<u>47,670</u>
Excess (Deficiency) Of Revenues Over (Under) Expenditures	21,675	(3,725)	(25,400)	(1,849)
Fund Balance - Beginning	<u>3,727</u>	<u>3,727</u>	<u>-</u>	<u>5,576</u>
Fund Balance - Ending	<u><u>\$ 25,402</u></u>	<u><u>\$ 2</u></u>	<u><u>\$ (25,400)</u></u>	<u><u>\$ 3,727</u></u>

GALVESTON COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET (NON-GAAP) AND ACTUAL
TAX ASSESSOR-COLLECTOR SPECIAL INVENTORY TAX ESCROW SPECIAL REVENUE FUND
For the Year Ended September 30, 2016
With Comparative Actual Amounts for the Year Ended September 30, 2015

	<u>2016</u>		Variance with Final Budget - Positive (Negative)	Prior Year Actual
	Final Budget	Actual		
REVENUES				
Taxes	\$ 9,000	\$ 16,899	\$ 7,899	\$ 6,674
Investment Earnings	<u>8,500</u>	<u>6,251</u>	<u>(2,249)</u>	<u>8,471</u>
Total Revenues	<u>17,500</u>	<u>23,150</u>	<u>5,650</u>	<u>15,145</u>
EXPENDITURES				
General Government:				
Current:				
Other Services and Charges	<u>9,350</u>	<u>5,332</u>	<u>4,018</u>	<u>6,182</u>
Excess (Deficiency) Of Revenues Over (Under) Expenditures	8,150	17,818	9,668	8,963
Fund Balance - Beginning	<u>61,286</u>	<u>61,286</u>	-	<u>52,323</u>
Fund Balance - Ending	<u><u>\$ 69,436</u></u>	<u><u>\$ 79,104</u></u>	<u><u>\$ 9,668</u></u>	<u><u>\$ 61,286</u></u>

GALVESTON COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
DONATIONS TO GALVESTON COUNTY SPECIAL REVENUE FUND
For the Year Ended September 30, 2016
With Comparative Actual Amounts for the Year Ended September 30, 2015

	<u>2016</u>		Variance with Final Budget - Positive (Negative)	Prior Year Actual
	Final Budget	Actual		
REVENUES				
Miscellaneous	\$ 16,562	\$ 6,562	\$ (10,000)	\$ 10,000
EXPENDITURES				
Health and Social Services:				
Current:				
Other Services and Charges	16,562	5,827	10,735	7,980
Excess (Deficiency) Of Revenues Over (Under) Expenditures	-	735	735	2,020
Fund Balance - Beginning	18,382	18,382	-	16,362
Fund Balance - Ending	<u>\$ 18,382</u>	<u>\$ 19,117</u>	<u>\$ 735</u>	<u>\$ 18,382</u>

GALVESTON COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET (NON-GAAP) AND ACTUAL
DISTRICT ATTORNEY CONTRABAND POST-10/89 SPECIAL REVENUE FUND
For the Year Ended September 30, 2016
With Comparative Actual Amounts for the Year Ended September 30, 2015

	<u>2016</u>		Variance with Final Budget - Positive (Negative)	Prior Year Actual
	Final Budget	Actual		
REVENUES				
Fines and Forfeitures	\$ 75,000	\$ 102,439	\$ 27,439	\$ 86,865
Investment Earnings	600	518	(82)	638
Miscellaneous	-	-	-	166
Total Revenues	<u>75,600</u>	<u>102,957</u>	<u>27,357</u>	<u>87,669</u>
EXPENDITURES				
General Government:				
Current:				
Supplies	19,000	2,363	16,637	939
Other Services and Charges	<u>101,066</u>	<u>70,868</u>	<u>30,198</u>	<u>61,091</u>
Total Expenditures	<u>120,066</u>	<u>73,231</u>	<u>46,835</u>	<u>62,030</u>
Excess (Deficiency) Of Revenues Over (Under) Expenditures	(44,466)	29,726	74,192	25,639
Fund Balance - Beginning	<u>120,351</u>	<u>120,351</u>	-	<u>94,712</u>
Fund Balance - Ending	<u><u>\$ 75,885</u></u>	<u><u>\$ 150,077</u></u>	<u><u>\$ 74,192</u></u>	<u><u>\$ 120,351</u></u>

GALVESTON COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET (NON-GAAP) AND ACTUAL
DISTRICT ATTORNEY CHECK COLLECTION FEES SPECIAL REVENUE FUND
For the Year Ended September 30, 2016
With Comparative Actual Amounts for the Year Ended September 30, 2015

	2016		Variance with Final Budget - Positive (Negative)	Prior Year Actual
	Final Budget	Actual		
REVENUES				
Charges for Services	\$ 500	\$ 75	\$ (425)	\$ 375
EXPENDITURES				
General Government:				
Current:				
Other Services and Charges	2,000	120	1,880	4,256
Excess (Deficiency) Of Revenues Over (Under) Expenditures	(1,500)	(45)	1,455	(3,881)
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	-	-	(6,075)
Net Change in Fund Balance	(1,500)	(45)	1,455	(9,956)
Fund Balance - Beginning	7,242	7,242	-	17,198
Fund Balance - Ending	\$ 5,742	\$ 7,197	\$ 1,455	\$ 7,242

GALVESTON COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
COURTHOUSE SECURITY SPECIAL REVENUE FUND
For the Year Ended September 30, 2016
With Comparative Actual Amounts for the Year Ended September 30, 2015

	<u>2016</u>		Variance with Final Budget - Positive (Negative)	Prior Year Actual
	Final Budget	Actual		
REVENUES				
Charges for Services	\$ 167,135	\$ 155,473	\$ (11,662)	\$ 164,919
EXPENDITURES				
Public Safety:				
Current:				
Personal Services	209,725	205,523	4,202	194,172
Excess (Deficiency) Of Revenues Over (Under) Expenditures	<u>(42,590)</u>	<u>(50,050)</u>	<u>(7,460)</u>	<u>(29,253)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	7,902
Budgeted Contingencies Used	<u>(155,040)</u>	<u>-</u>	<u>155,040</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(155,040)</u>	<u>-</u>	<u>155,040</u>	<u>7,902</u>
Net Change in Fund Balance	(197,630)	(50,050)	147,580	(21,351)
Fund Balance - Beginning	<u>164,220</u>	<u>164,220</u>	<u>-</u>	<u>185,571</u>
Fund Balance - Ending	<u><u>\$ (33,410)</u></u>	<u><u>\$ 114,170</u></u>	<u><u>\$ 147,580</u></u>	<u><u>\$ 164,220</u></u>

GALVESTON COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
JUSTICE COURT BUILDING SECURITY SPECIAL REVENUE FUND
For the Year Ended September 30, 2016
With Comparative Actual Amounts for the Year Ended September 30, 2015

	<u>2016</u>		Variance with Final Budget - Positive (Negative)	Prior Year Actual
	Final Budget	Actual		
REVENUES				
Charges for Services	\$ 15,000	\$ 9,598	\$ (5,402)	\$ 10,857
EXPENDITURES				
Public Safety:				
Current:				
Supplies	-	-	-	4,590
Excess (Deficiency) Of Revenues Over (Under) Expenditures	15,000	9,598	(5,402)	6,267
Fund Balance - Beginning	34,430	34,430	-	28,163
Fund Balance - Ending	<u>\$ 49,430</u>	<u>\$ 44,028</u>	<u>\$ (5,402)</u>	<u>\$ 34,430</u>

GALVESTON COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
APPELLATE JUDICIAL SPECIAL REVENUE FUND
For the Year Ended September 30, 2016
With Comparative Actual Amounts for the Year Ended September 30, 2015

	<u>2016</u>		Variance with Final Budget - Positive (Negative)	Prior Year Actual
	Final Budget	Actual		
REVENUES				
Fines and Forfeitures	\$ 34,000	\$ 34,410	\$ 410	\$ 33,144
EXPENDITURES	-	-	-	-
Excess (Deficiency) Of Revenues Over (Under) Expenditures	34,000	34,410	410	33,144
Fund Balance - Beginning	34,880	34,880	-	1,736
Fund Balance - Ending	<u>\$ 68,880</u>	<u>\$ 69,290</u>	<u>\$ 410</u>	<u>\$ 34,880</u>

GALVESTON COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
LAW LIBRARY SPECIAL REVENUE FUND
For the Year Ended September 30, 2016
With Comparative Actual Amounts for the Year Ended September 30, 2015

	2016		Variance with Final Budget - Positive (Negative)	Prior Year Actual
	Final Budget	Actual		
REVENUES				
Charges for Services	\$ 207,400	\$ 203,446	\$ (3,954)	\$ 206,850
Miscellaneous	-	-	-	116
Total Revenues	<u>207,400</u>	<u>203,446</u>	<u>(3,954)</u>	<u>206,966</u>
EXPENDITURES				
General Government:				
Current:				
Supplies	256,000	230,210	25,790	175,003
Other Services and Charges	<u>2,000</u>	<u>-</u>	<u>2,000</u>	<u>-</u>
Total Expenditures	<u>258,000</u>	<u>230,210</u>	<u>27,790</u>	<u>175,003</u>
Excess (Deficiency) Of Revenues Over (Under) Expenditures	<u>(50,600)</u>	<u>(26,764)</u>	<u>23,836</u>	<u>31,963</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	<u>30,000</u>	<u>30,000</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(20,600)	3,236	23,836	31,963
Fund Balance - Beginning	<u>74,832</u>	<u>74,832</u>	<u>-</u>	<u>42,869</u>
Fund Balance - Ending	<u><u>\$ 54,232</u></u>	<u><u>\$ 78,068</u></u>	<u><u>\$ 23,836</u></u>	<u><u>\$ 74,832</u></u>

GALVESTON COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
MEDIATION SERVICES PROGRAM SPECIAL REVENUE FUND
For the Year Ended September 30, 2016
With Comparative Actual Amounts for the Year Ended September 30, 2015

	<u>2016</u>		Variance with Final Budget - Positive (Negative)	Prior Year Actual
	Final Budget	Actual		
REVENUES				
Charges for Services	\$ 112,300	\$ 107,652	\$ (4,648)	\$ 112,242
Investment Earnings	5,200	3,663	(1,537)	5,531
Total Revenues	<u>117,500</u>	<u>111,315</u>	<u>(6,185)</u>	<u>117,773</u>
EXPENDITURES				
General Government:				
Current:				
Other Services and Charges	143,000	124,095	18,905	116,891
Excess (Deficiency) Of Revenues Over (Under) Expenditures	<u>(25,500)</u>	<u>(12,780)</u>	<u>12,720</u>	<u>882</u>
OTHER FINANCING SOURCES (USES)				
Budgeted Contingencies Used	(682,000)	-	682,000	-
Net Change in Fund Balance	(707,500)	(12,780)	694,720	882
Fund Balance - Beginning	<u>1,069,086</u>	<u>1,069,086</u>	<u>-</u>	<u>1,068,204</u>
Fund Balance - Ending	<u><u>\$ 361,586</u></u>	<u><u>\$ 1,056,306</u></u>	<u><u>\$ 694,720</u></u>	<u><u>\$ 1,069,086</u></u>

GALVESTON COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
JUSTICE COURT TECHNOLOGY SPECIAL REVENUE FUND
For the Year Ended September 30, 2016
With Comparative Actual Amounts for the Year Ended September 30, 2015

	<u>2016</u>		Variance with Final Budget - Positive (Negative)	Prior Year Actual
	Final Budget	Actual		
REVENUES				
Fines and Forfeitures	\$ 44,100	\$ 38,461	\$ (5,639)	\$ 43,576
EXPENDITURES				
General Government:				
Current:				
Other Services and Charges	81,000	-	81,000	-
Excess (Deficiency) Of Revenues Over (Under) Expenditures	(36,900)	38,461	75,361	43,576
Fund Balance - Beginning	108,002	108,002	-	64,426
Fund Balance - Ending	<u>\$ 71,102</u>	<u>\$ 146,463</u>	<u>\$ 75,361</u>	<u>\$ 108,002</u>

GALVESTON COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET (NON-GAAP) AND ACTUAL
PROBATE COURT CONTRIBUTIONS SPECIAL REVENUE FUND
For the Year Ended September 30, 2016
With Comparative Actual Amounts for the Year Ended September 30, 2015

	<u>2016</u>		Variance with Final Budget - Positive (Negative)	Prior Year Actual
	Final Budget	Actual		
REVENUES				
Intergovernmental	\$ 40,000	\$ 41,527	\$ 1,527	\$ 40,000
EXPENDITURES				
General Government:				
Current:				
Supplies	27,000	22,322	4,678	15,040
Other Services and Charges	26,500	10,578	15,922	7,458
Total Expenditures	<u>53,500</u>	<u>32,900</u>	<u>20,600</u>	<u>22,498</u>
Excess (Deficiency) Of Revenues Over (Under) Expenditures	<u>(13,500)</u>	<u>8,627</u>	<u>22,127</u>	<u>17,502</u>
OTHER FINANCING SOURCES (USES)				
Budgeted Contingencies Used	(200,000)	-	200,000	-
Net Change in Fund Balance	(213,500)	8,627	222,127	17,502
Fund Balance - Beginning	<u>304,889</u>	<u>304,889</u>	<u>-</u>	<u>287,387</u>
Fund Balance - Ending	<u>\$ 91,389</u>	<u>\$ 313,516</u>	<u>\$ 222,127</u>	<u>\$ 304,889</u>

GALVESTON COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SUPPLEMENTAL COURT-INITIATED GUARDIANSHIP FEE SPECIAL REVENUE FUND
For the Year Ended September 30, 2016
With Comparative Actual Amounts for the Year Ended September 30, 2015

	<u>2016</u>		Variance with Final Budget - Positive (Negative)	Prior Year Actual
	Final Budget	Actual		
REVENUES				
Charges for Services	\$ 24,000	\$ 21,389	\$ (2,611)	\$ 25,148
EXPENDITURES				
General Government:				
Current:				
Other Services and Charges	30,000	26,507	3,493	18,209
Excess (Deficiency) Of Revenues Over (Under) Expenditures	<u>(6,000)</u>	<u>(5,118)</u>	<u>882</u>	<u>6,939</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	65,000	-	(65,000)	142,178
Net Change in Fund Balance	59,000	(5,118)	(64,118)	149,117
Fund Balance - Beginning	<u>149,137</u>	<u>149,137</u>	<u>-</u>	<u>20</u>
Fund Balance - Ending	<u><u>\$ 208,137</u></u>	<u><u>\$ 144,019</u></u>	<u><u>\$ (64,118)</u></u>	<u><u>\$ 149,137</u></u>

GALVESTON COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
PRETRIAL INTERVENTION PROGRAM SPECIAL REVENUE FUND
For the Year Ended September 30, 2016
With Comparative Actual Amounts for the Year Ended September 30, 2015

	<u>2016</u>		Variance with Final Budget - Positive (Negative)	Prior Year Actual
	Final Budget	Actual		
REVENUES				
Charges for Services	\$ 25,000	\$ 22,481	\$ (2,519)	\$ 38,309
EXPENDITURES	-	-	-	-
Excess (Deficiency) Of Revenues Over (Under) Expenditures	25,000	22,481	(2,519)	38,309
Fund Balance - Beginning	38,309	38,309	-	-
Fund Balance - Ending	<u>\$ 63,309</u>	<u>\$ 60,790</u>	<u>\$ (2,519)</u>	<u>\$ 38,309</u>

GALVESTON COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
COURT REPORTER SERVICE FUND SPECIAL REVENUE FUND
For the Year Ended September 30, 2016
With Comparative Actual Amounts for the Year Ended September 30, 2015

	2016		Variance with Final Budget - Positive (Negative)	Prior Year Actual
	Final Budget	Actual		
REVENUES				
Charges for Services	\$ -	\$ 96,673	\$ 96,673	\$ -
Investment Earnings	-	158	158	-
Total Revenues	-	96,831	96,831	-
EXPENDITURES	-	-	-	-
Excess (Deficiency) Of Revenues Over (Under) Expenditures	-	96,831	96,831	-
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 96,831</u>	<u>\$ 96,831</u>	<u>\$ -</u>

GALVESTON COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET (NON-GAAP) AND ACTUAL
SHERIFF'S COMMISSARY SPECIAL REVENUE FUND
For the Year Ended September 30, 2016
With Comparative Actual Amounts for the Year Ended September 30, 2015

	<u>2016</u>		Variance with Final Budget - Positive (Negative)	Prior Year Actual
	Final Budget	Actual		
REVENUES				
Investment Earnings	\$ 6,683	\$ 2,862	\$ (3,821)	\$ 4,182
Miscellaneous	<u>1,432,280</u>	<u>453,230</u>	<u>(979,050)</u>	<u>702,277</u>
Total Revenues	<u>1,438,963</u>	<u>456,092</u>	<u>(982,871)</u>	<u>706,459</u>
EXPENDITURES				
Public Safety:				
Current:				
Other Services and Charges	<u>1,312,970</u>	<u>337,682</u>	<u>975,288</u>	<u>637,967</u>
Excess (Deficiency) Of Revenues Over (Under) Expenditures	125,993	118,410	(7,583)	68,492
Fund Balance - Beginning	<u>624,891</u>	<u>624,891</u>	<u>-</u>	<u>556,399</u>
Fund Balance - Ending	<u>\$ 750,884</u>	<u>\$ 743,301</u>	<u>\$ (7,583)</u>	<u>\$ 624,891</u>

GALVESTON COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET (NON-GAAP) AND ACTUAL
SHERIFF FORFEITURES POST-10/89 SPECIAL REVENUE FUND
For the Year Ended September 30, 2016
With Comparative Actual Amounts for the Year Ended September 30, 2015

	2016		Variance with Final Budget - Positive (Negative)	Prior Year Actual
	Final Budget	Actual		
REVENUES				
Fines and Forfeitures	\$ 24,500	\$ 80,713	\$ 56,213	\$ 25,221
Investment Earnings	2,000	1,086	(914)	1,779
Miscellaneous	-	28,403	28,403	1,406
Total Revenues	<u>26,500</u>	<u>110,202</u>	<u>83,702</u>	<u>28,406</u>
EXPENDITURES				
Public Safety:				
Current:				
Supplies	50,000	3,064	46,936	18,177
Other Services and Charges	75,000	18,726	56,274	3,246
Total Public Safety	125,000	21,790	103,210	21,423
Capital Outlay	15,000	-	15,000	7,039
Total Expenditures	<u>140,000</u>	<u>21,790</u>	<u>118,210</u>	<u>28,462</u>
Excess (Deficiency) Of Revenues Over (Under) Expenditures	<u>(113,500)</u>	<u>88,412</u>	<u>201,912</u>	<u>(56)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	6,231	6,231	-	-
Sale of Capital Assets	-	4,285	4,285	4,175
Total Other Financing Sources (Uses)	<u>6,231</u>	<u>10,516</u>	<u>4,285</u>	<u>4,175</u>
Net Change in Fund Balance	(107,269)	98,928	206,197	4,119
Fund Balance - Beginning	<u>296,071</u>	<u>296,071</u>	<u>-</u>	<u>291,952</u>
Fund Balance - Ending	<u>\$ 188,802</u>	<u>\$ 394,999</u>	<u>\$ 206,197</u>	<u>\$ 296,071</u>

GALVESTON COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET (NON-GAAP) AND ACTUAL
TASK FORCE FORFEITURES PRE-10/89 SPECIAL REVENUE FUND
For the Year Ended September 30, 2016
With Comparative Actual Amounts for the Year Ended September 30, 2015

	<u>2016</u>		Variance with Final Budget - Positive (Negative)	Prior Year Actual
	Final Budget	Actual		
REVENUES	\$ -	\$ -	\$ -	\$ -
EXPENDITURES	-	-	-	-
Other Financing Sources (Uses)				
Transfers Out	(6,231)	(6,231)	-	-
Net Change in Fund Balance	(6,231)	(6,231)	-	-
Fund Balance - Beginning	6,231	6,231	-	6,231
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,231</u>

GALVESTON COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET (NON-GAAP) AND ACTUAL
LAW ENFORCEMENT CONTINUED EDUCATION SPECIAL REVENUE FUND
For the Year Ended September 30, 2016
With Comparative Actual Amounts for the Year Ended September 30, 2015

	<u>2016</u>		Variance with Final Budget - Positive (Negative)	Prior Year Actual
	Final Budget	Actual		
REVENUES				
Intergovernmental	\$ 46,866	\$ 31,595	\$ (15,271)	\$ 31,039
EXPENDITURES				
Public Safety:				
Current:				
Intergovernmental	154,610	10,505	144,105	29,637
Excess (Deficiency) Of Revenues Over (Under) Expenditures	(107,744)	21,090	128,834	1,402
Fund Balance - Beginning	124,774	124,774	-	123,372
Fund Balance - Ending	<u>\$ 17,030</u>	<u>\$ 145,864</u>	<u>\$ 128,834</u>	<u>\$ 124,774</u>

GALVESTON COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET (NON-GAAP) AND ACTUAL
CONSTABLES' FORFEITURES SPECIAL REVENUE FUND
For the Year Ended September 30, 2016
With Comparative Actual Amounts for the Year Ended September 30, 2015

	2016		Variance with Final Budget - Positive (Negative)	Prior Year Actual
	Final Budget	Actual		
REVENUES				
Investment Earnings	\$ -	\$ 12	\$ 12	\$ 18
EXPENDITURES	-	-	-	-
Excess (Deficiency) Of Revenues Over (Under) Expenditures	-	12	12	18
Fund Balance - Beginning	3,483	3,483	-	3,465
Fund Balance - Ending	<u>\$ 3,483</u>	<u>\$ 3,495</u>	<u>\$ 12</u>	<u>\$ 3,483</u>

GALVESTON COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
EMERGENCY MANAGEMENT SPECIAL REVENUE FUND
For the Year Ended September 30, 2016
With Comparative Actual Amounts for the Year Ended September 30, 2015

	<u>2016</u>		Variance with Final Budget - Positive (Negative)	Prior Year Actual
	Final Budget	Actual		
REVENUES				
Intergovernmental	\$ 25,416	\$ 7,576	\$ (17,840)	\$ 5,925
Investment Earnings	-	15,721	15,721	-
Miscellaneous	-	17,908	17,908	-
Total Revenues	<u>25,416</u>	<u>41,205</u>	<u>15,789</u>	<u>5,925</u>
EXPENDITURES				
Public Safety:				
Current:				
Supplies	13,890	7,881	6,009	-
Other Services and Charges	879,881	3,477	876,404	27,862
Total Public Safety	893,771	11,358	882,413	27,862
Capital Outlay	800,000	800,000	-	-
Total Expenditures	<u>1,693,771</u>	<u>811,358</u>	<u>882,413</u>	<u>27,862</u>
Excess (Deficiency) Of Revenues Over (Under) Expenditures	<u>(1,668,355)</u>	<u>(770,153)</u>	<u>898,202</u>	<u>(21,937)</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	-	-	(432,000)
Budgeted Contingencies Used	(998,800)	-	998,800	-
Total Other Financing Sources (Uses)	<u>(998,800)</u>	<u>-</u>	<u>998,800</u>	<u>(432,000)</u>
Net Change in Fund Balance	(2,667,155)	(770,153)	1,897,002	(453,937)
Fund Balance - Beginning	<u>1,573,526</u>	<u>1,573,526</u>	<u>-</u>	<u>2,027,463</u>
Fund Balance - Ending	<u>\$ (1,093,629)</u>	<u>\$ 803,373</u>	<u>\$ 1,897,002</u>	<u>\$ 1,573,526</u>

GALVESTON COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FARM-TO-MARKET LATERAL ROAD SPECIAL REVENUE FUND
For the Year Ended September 30, 2016
With Comparative Actual Amounts for the Year Ended September 30, 2015

	2016		Variance with Final Budget - Positive (Negative)	Prior Year Actual
	Final Budget	Actual		
REVENUES				
Taxes	\$ 400	\$ 207	\$ (193)	\$ 419
Intergovernmental	32,000	25,070	(6,930)	25,091
Investment Earnings	6,000	4,243	(1,757)	6,313
Miscellaneous	46,200	48,467	2,267	42,674
Total Revenues	84,600	77,987	(6,613)	74,497
EXPENDITURES				
Roads, Bridges and Rights-of-Way:				
Current:				
Personal Services	101,119	85,566	15,553	84,138
Supplies	3,000	1,237	1,763	1,556
Other Services and Charges	17,500	1,608	15,892	7,282
Total Roads, Bridges and Rights-of-Way	121,619	88,411	33,208	92,976
Capital Outlay	57,000	500	56,500	-
Total Expenditures	178,619	88,911	89,708	92,976
Excess (Deficiency) Of Revenues Over (Under) Expenditures	(94,019)	(10,924)	83,095	(18,479)
OTHER FINANCING SOURCES (USES)				
Sale of Capital Assets	-	-	-	65,970
Budgeted Contingencies Used	(963,874)	-	963,874	-
Total Other Financing Sources (Uses)	(963,874)	-	963,874	65,970
Net Change in Fund Balance	(1,057,893)	(10,924)	1,046,969	47,491
Fund Balance - Beginning	1,241,474	1,241,474	-	1,193,983
Fund Balance - Ending	\$ 183,581	\$ 1,230,550	\$ 1,046,969	\$ 1,241,474

GALVESTON COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
ROAD DISTRICT #1 SPECIAL REVENUE FUND
For the Year Ended September 30, 2016
With Comparative Actual Amounts for the Year Ended September 30, 2015

	2016		Variance with Final Budget - Positive (Negative)	Prior Year Actual
	Final Budget	Actual		
REVENUES				
Taxes	\$ -	\$ 7	\$ 7	\$ 194
Charges for Services	480,000	550,498	70,498	540,205
Investment Earnings	4,000	3,917	(83)	4,207
Total Revenues	<u>484,000</u>	<u>554,422</u>	<u>70,422</u>	<u>544,606</u>
EXPENDITURES				
Roads, Bridges and Rights-of-Way:				
Current:				
Personal Services	229,500	218,316	11,184	218,252
Supplies	11,100	7,082	4,018	2,783
Other Services and Charges	4,000	3,583	417	2,573
Total Roads, Bridges and Rights-of-Way	<u>244,600</u>	<u>228,981</u>	<u>15,619</u>	<u>223,608</u>
Capital Outlay	<u>13,600</u>	<u>13,515</u>	<u>85</u>	<u>-</u>
Total Expenditures	<u>258,200</u>	<u>242,496</u>	<u>15,704</u>	<u>223,608</u>
Excess (Deficiency) Of Revenues Over (Under) Expenditures	<u>225,800</u>	<u>311,926</u>	<u>86,126</u>	<u>320,998</u>
OTHER FINANCING SOURCES (USES)				
Budgeted Contingencies Used	<u>(303,300)</u>	<u>-</u>	<u>303,300</u>	<u>-</u>
Net Change in Fund Balance	<u>(77,500)</u>	<u>311,926</u>	<u>389,426</u>	<u>320,998</u>
Fund Balance - Beginning	<u>1,012,060</u>	<u>1,012,060</u>	<u>-</u>	<u>691,062</u>
Fund Balance - Ending	<u>\$ 934,560</u>	<u>\$ 1,323,986</u>	<u>\$ 389,426</u>	<u>\$ 1,012,060</u>

GALVESTON COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FLOOD CONTROL SPECIAL REVENUE FUND
For the Year Ended September 30, 2016
With Comparative Actual Amounts for the Year Ended September 30, 2015

	2016		Variance with Final Budget - Positive (Negative)	Prior Year Actual
	Final Budget	Actual		
REVENUES				
Taxes	\$ 1,359,034	\$ 1,371,529	\$ 12,495	\$ 1,323,922
Charges for Services	131,500	258,017	126,517	136,145
Investment Earnings	7,800	6,504	(1,296)	8,770
Miscellaneous	<u>225,000</u>	<u>273,132</u>	<u>48,132</u>	<u>308,451</u>
Total Revenues	<u>1,723,334</u>	<u>1,909,182</u>	<u>185,848</u>	<u>1,777,288</u>
EXPENDITURES				
General Government:				
Current:				
Personal Services	10,300	-	10,300	-
Other Services and Charges	<u>38,900</u>	<u>23,387</u>	<u>15,513</u>	<u>35,999</u>
Total General Government	<u>49,200</u>	<u>23,387</u>	<u>25,813</u>	<u>35,999</u>
Public Safety:				
Current:				
Personal Services	1,236,970	1,160,847	76,123	1,155,433
Supplies	224,875	157,570	67,305	211,922
Other Services and Charges	<u>343,004</u>	<u>192,584</u>	<u>150,420</u>	<u>208,642</u>
Total Public Safety	<u>1,804,849</u>	<u>1,511,001</u>	<u>293,848</u>	<u>1,575,997</u>
Capital Outlay	<u>343,325</u>	<u>246,498</u>	<u>96,827</u>	<u>154,813</u>
Total Expenditures	<u>2,197,374</u>	<u>1,780,886</u>	<u>416,488</u>	<u>1,766,809</u>
Excess (Deficiency) Of Revenues Over (Under) Expenditures	<u>(474,040)</u>	<u>128,296</u>	<u>602,336</u>	<u>10,479</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	45,190
Transfers Out	-	-	-	(15,000)
Sale of Capital Assets	-	-	-	7,645
Budgeted Contingencies Used	<u>(398,251)</u>	<u>-</u>	<u>398,251</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(398,251)</u>	<u>-</u>	<u>398,251</u>	<u>37,835</u>
Net Change in Fund Balance	(872,291)	128,296	1,000,587	48,314
Fund Balance - Beginning	<u>1,405,719</u>	<u>1,405,719</u>	<u>-</u>	<u>1,357,405</u>
Fund Balance - Ending	<u><u>\$ 533,428</u></u>	<u><u>\$ 1,534,015</u></u>	<u><u>\$ 1,000,587</u></u>	<u><u>\$ 1,405,719</u></u>

GALVESTON COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
MOSQUITO CONTROL DISTRICT SPECIAL REVENUE FUND
For the Year Ended September 30, 2016
With Comparative Actual Amounts for the Year Ended September 30, 2015

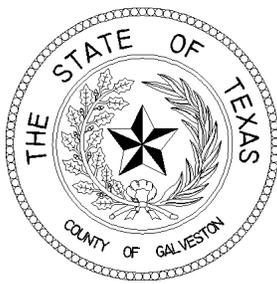
	<u>2016</u>		Variance with Final Budget - Positive (Negative)	Prior Year Actual
	Final Budget	Actual		
REVENUES				
Taxes	\$ 973,580	\$ 969,819	\$ (3,761)	\$ 913,681
Investment Earnings	2,600	1,675	(925)	3,049
Total Revenues	<u>976,180</u>	<u>971,494</u>	<u>(4,686)</u>	<u>916,730</u>
EXPENDITURES				
Health and Social Services:				
Current:				
Personal Services	633,518	633,517	1	562,824
Supplies	551,024	392,367	158,657	450,979
Other Services and Charges	45,300	31,778	13,522	65,361
Total Expenditures	<u>1,229,842</u>	<u>1,057,662</u>	<u>172,180</u>	<u>1,079,164</u>
Excess (Deficiency) Of Revenues Over (Under) Expenditures	<u>(253,662)</u>	<u>(86,168)</u>	<u>167,494</u>	<u>(162,434)</u>
OTHER FINANCING SOURCES (USES)				
Budgeted Contingencies Used	(260,750)	-	260,750	-
Net Change in Fund Balance	(514,412)	(86,168)	428,244	(162,434)
Fund Balance - Beginning	<u>708,190</u>	<u>708,190</u>	<u>-</u>	<u>870,624</u>
Fund Balance - Ending	<u>\$ 193,778</u>	<u>\$ 622,022</u>	<u>\$ 428,244</u>	<u>\$ 708,190</u>

GALVESTON COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
BEACH AND PARKS SPECIAL REVENUE FUND
For the Year Ended September 30, 2016
With Comparative Actual Amounts for the Year Ended September 30, 2015

	2016		Variance with Final Budget - Positive (Negative)	Prior Year Actual
	Final Budget	Actual		
REVENUES				
Intergovernmental	\$ -	\$ 2,535,000	\$ 2,535,000	\$ -
Charges for Services	360,000	635,192	275,192	458,252
Investment Earnings	10,000	15,726	5,726	11,769
Total Revenues	370,000	3,185,918	2,815,918	470,021
EXPENDITURES				
Culture and Recreation:				
Current:				
Personal Services	334,371	257,712	76,659	56,879
Supplies	54,200	50,664	3,536	11,015
Other Services and Charges	95,176	91,048	4,128	47,039
Total Culture and Recreation	483,747	399,424	84,323	114,933
Capital Outlay	2,609,450	1,683,178	926,272	-
Total Expenditures	3,093,197	2,082,602	1,010,595	114,933
Excess (Deficiency) Of Revenues Over (Under) Expenditures	(2,723,197)	1,103,316	3,826,513	355,088
OTHER FINANCING SOURCES (USES)				
Transfers In	4,675	4,675	-	-
Sale of Capital Assets	-	-	-	35,475
Budgeted Contingencies Used	(1,072,215)	-	1,072,215	-
Total Other Financing Sources (Uses)	(1,067,540)	4,675	1,072,215	35,475
Net Change in Fund Balance	(3,790,737)	1,107,991	4,898,728	390,563
Fund Balance - Beginning	2,348,444	2,348,444	-	1,957,881
Fund Balance - Ending	\$ (1,442,293)	\$ 3,456,435	\$ 4,898,728	\$ 2,348,444

GALVESTON COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GALVESTON COUNTY MUSEUM SPECIAL REVENUE FUND
For the Year Ended September 30, 2016
With Comparative Actual Amounts for the Year Ended September 30, 2015

	<u>2016</u>		Variance with Final Budget - Positive (Negative)	Prior Year Actual
	Final Budget	Actual		
REVENUES	\$ -	\$ 99	\$ 99	\$ -
EXPENDITURES				
Culture and Recreation:				
Current:				
Supplies	17,000	11,663	5,337	-
Excess (Deficiency) Of Revenues Over (Under) Expenditures	<u>(17,000)</u>	<u>(11,564)</u>	<u>5,436</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Budgeted Contingencies Used	(500)	-	500	-
Net Change in Fund Balance	(17,500)	(11,564)	5,936	-
Fund Balance - Beginning	<u>17,909</u>	<u>17,909</u>	<u>-</u>	<u>17,909</u>
Fund Balance - Ending	<u>\$ 409</u>	<u>\$ 6,345</u>	<u>\$ 5,936</u>	<u>\$ 17,909</u>



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NONMAJOR
CAPITAL PROJECT FUNDS

COUNTY CAPITAL PROJECTS FUND - 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 - 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 - 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 - 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 - 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 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 - 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 Road Bond Fund, 1987:

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

UNLIMITED TAX ROAD BONDS SERIES 2003B - 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 bonds.

UNLIMITED TAX ROAD BONDS SERIES 2001 - Issued in March 2001 in the amount of \$26,151,372 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 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 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 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 - 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 - 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.

CERTIFICATES OF OBLIGATION SERIES 2008 - 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.

GALVESTON COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
September 30, 2016
With Comparative Totals at September 30, 2015

(Continued)

	COUNTY CAPITAL PROJECTS FUND	CAPITAL REPLENISHMENT FUND	LIMITED TAX COUNTY BUILDING BONDS SERIES 2009B	COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION SERIES 2003C
ASSETS				
Cash and Cash Equivalents	\$ 3,924,437	\$ 1,452,648	\$ 1,058,588	\$ 124,350
Total assets	\$ 3,924,437	\$ 1,452,648	\$ 1,058,588	\$ 124,350
LIABILITIES				
Accounts Payable	\$ 27,205	\$ -	\$ -	\$ -
Retainage Payable	-	-	-	-
Due to Others	-	-	-	-
Total liabilities	27,205	-	-	-
FUND BALANCES				
Restricted	-	-	1,058,588	124,350
Assigned	3,897,232	1,452,648	-	-
Total fund balances	3,897,232	1,452,648	1,058,588	124,350
Total liabilities and fund balances	\$ 3,924,437	\$ 1,452,648	\$ 1,058,588	\$ 124,350

(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
\$ 8,361	\$ 2,573,126	\$ 34,406	\$ 1,900,551	\$ 1,360,995	\$ 3,727,496
<u>\$ 8,361</u>	<u>\$ 2,573,126</u>	<u>\$ 34,406</u>	<u>\$ 1,900,551</u>	<u>\$ 1,360,995</u>	<u>\$ 3,727,496</u>
\$ -	\$ 92,511	\$ -	\$ -	\$ -	\$ -
-	6,057	-	-	-	-
-	-	-	-	-	-
-	98,568	-	-	-	-
8,361	2,474,558	34,406	1,900,551	1,360,995	3,727,496
-	-	-	-	-	-
<u>8,361</u>	<u>2,474,558</u>	<u>34,406</u>	<u>1,900,551</u>	<u>1,360,995</u>	<u>3,727,496</u>
<u>\$ 8,361</u>	<u>\$ 2,573,126</u>	<u>\$ 34,406</u>	<u>\$ 1,900,551</u>	<u>\$ 1,360,995</u>	<u>\$ 3,727,496</u>

GALVESTON COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
September 30, 2016
With Comparative Totals at September 30, 2015

(Continued)

	UNLIMITED TAX ROAD BONDS SERIES 2009A	GALVESTON CAUSEWAY RAILROAD BRIDGE PROJECT	COUNTY ROAD AND BRIDGE PROJECTS	LIMITED TAX FLOOD CONTROL SERIES 2009C
ASSETS				
Cash and Cash Equivalents	\$ 8,898,851	\$ 155,126	\$ 259,478	\$ 521,046
Total assets	\$ 8,898,851	\$ 155,126	\$ 259,478	\$ 521,046
LIABILITIES				
Accounts Payable	\$ 2,625	\$ -	\$ -	\$ -
Retainage Payable	-	-	-	-
Due to Others	641,466	-	-	-
Total liabilities	644,091	-	-	-
FUND BALANCES				
Restricted	8,254,760	-	-	521,046
Assigned	-	155,126	259,478	-
Total fund balances	8,254,760	155,126	259,478	521,046
Total liabilities and fund balances	\$ 8,898,851	\$ 155,126	\$ 259,478	\$ 521,046

CERTIFICATES OF OBLIGATION SERIES 2008	TOTALS	
	2016	2015
\$ 312,897	\$ 26,312,356	\$ 34,931,038
\$ 312,897	\$ 26,312,356	\$ 34,931,038
\$ -	\$ 122,341	\$ 384,852
-	6,057	101,441
-	641,466	1,157,889
-	769,864	1,644,182
312,897	19,778,008	28,000,038
-	5,764,484	5,286,818
312,897	25,542,492	33,286,856
\$ 312,897	\$ 26,312,356	\$ 34,931,038

GALVESTON COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
For the Year Ended September 30, 2016
With Comparative Totals for the Year Ended September 30, 2015

(Continued)

	COUNTY CAPITAL PROJECTS FUND	CAPITAL REPLENISHMENT FUND	LIMITED TAX COUNTY BUILDING BONDS SERIES 2009B	COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION SERIES 2003C
REVENUES				
Investment Earnings	\$ 13,089	\$ 4,394	\$ 5,618	\$ 529
Miscellaneous	-	-	168,362	-
Total Revenues	<u>13,089</u>	<u>4,394</u>	<u>173,980</u>	<u>529</u>
EXPENDITURES				
General Government	81,993	-	72,458	-
Culture and Recreation	-	-	-	-
Roads, Bridges and Rights-of-Way	-	-	-	-
Capital Outlay	1,045,828	81,407	303,108	-
Total Expenditures	<u>1,127,821</u>	<u>81,407</u>	<u>375,566</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,114,732)</u>	<u>(77,013)</u>	<u>(201,586)</u>	<u>529</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	1,353,000	315,000	-	-
Net Change in Fund Balances	238,268	237,987	(201,586)	529
Fund Balances-Beginning	<u>3,658,964</u>	<u>1,214,661</u>	<u>1,260,174</u>	<u>123,821</u>
Fund Balances-Ending	<u><u>\$ 3,897,232</u></u>	<u><u>\$ 1,452,648</u></u>	<u><u>\$ 1,058,588</u></u>	<u><u>\$ 124,350</u></u>

(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
\$ 28	\$ 9,339	\$ 117	\$ 9,460	\$ 4,849	\$ 18,621
-	-	-	-	-	-
28	9,339	117	9,460	4,849	18,621
-	-	-	-	-	-
-	-	-	-	-	57,494
-	358,294	-	-	-	-
-	358,294	-	-	-	57,494
28	(348,955)	117	9,460	4,849	(38,873)
-	-	-	-	-	-
28	(348,955)	117	9,460	4,849	(38,873)
8,333	2,823,513	34,289	1,891,091	1,356,146	3,766,369
<u>\$ 8,361</u>	<u>\$ 2,474,558</u>	<u>\$ 34,406</u>	<u>\$ 1,900,551</u>	<u>\$ 1,360,995</u>	<u>\$ 3,727,496</u>

GALVESTON COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
For the Year Ended September 30, 2016
With Comparative Totals for the Year Ended September 30, 2015

(Continued)

	UNLIMITED TAX ROAD BONDS SERIES 2009A	GALVESTON CAUSEWAY RAILROAD BRIDGE PROJECT	COUNTY ROAD AND BRIDGE PROJECTS	LIMITED TAX FLOOD CONTROL SERIES 2009C
REVENUES				
Investment Earnings	\$ 37,415	\$ 527	\$ 884	\$ 41,160
Miscellaneous	66,366	-	-	-
Total Revenues	<u>103,781</u>	<u>527</u>	<u>884</u>	<u>41,160</u>
EXPENDITURES				
General Government	-	-	-	-
Culture and Recreation	-	-	-	-
Roads, Bridges and Rights-of-Way	66,412	-	-	7,727,683
Capital Outlay	-	-	-	-
Total Expenditures	<u>66,412</u>	<u>-</u>	<u>-</u>	<u>7,727,683</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>37,369</u>	<u>527</u>	<u>884</u>	<u>(7,686,523)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Net Change in Fund Balances	37,369	527	884	(7,686,523)
Fund Balances-Beginning	<u>8,217,391</u>	<u>154,599</u>	<u>258,594</u>	<u>8,207,569</u>
Fund Balances-Ending	<u><u>\$ 8,254,760</u></u>	<u><u>\$ 155,126</u></u>	<u><u>\$ 259,478</u></u>	<u><u>\$ 521,046</u></u>

CERTIFICATES OF OBLIGATION SERIES 2008	TOTALS	
	2016	2015
\$ 1,555	\$ 147,585	\$ 161,845
-	234,728	-
<u>1,555</u>	<u>382,313</u>	<u>161,845</u>
-	154,451	153,436
-	-	14,100
-	7,851,589	410,900
-	1,788,637	3,248,235
-	<u>9,794,677</u>	<u>3,826,671</u>
<u>1,555</u>	<u>(9,412,364)</u>	<u>(3,664,826)</u>
-	<u>1,668,000</u>	<u>4,231,603</u>
1,555	(7,744,364)	566,777
<u>311,342</u>	<u>33,286,856</u>	<u>32,720,079</u>
<u>\$ 312,897</u>	<u>\$ 25,542,492</u>	<u>\$ 33,286,856</u>

GALVESTON COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE -
BUDGET (PROJECT-LENGTH) AND ACTUAL
COUNTY CAPITAL PROJECTS FUND
From Inception and for the Year Ended September 30, 2016
With Comparative Amounts for the Year Ended September 30, 2015

	Total Project Authorized	ACTUAL TO SEPTEMBER 30, 2016			Prior Year Actual
		Reported in Prior Years	Actual	Total	
REVENUES					
Intergovernmental	\$ 3,424,731	\$ 3,424,731	\$ -	\$ 3,424,731	\$ -
Investment Earnings	13,089	-	13,089	13,089	-
Miscellaneous	198,218	198,218	-	198,218	-
Total Revenues	<u>3,636,038</u>	<u>3,622,949</u>	<u>13,089</u>	<u>3,636,038</u>	<u>-</u>
EXPENDITURES					
General Government:					
Administration Costs	2,096,604	2,014,611	81,993	2,096,604	46,580
Capital Outlay:					
IT Capital Projects	7,140,518	3,530,935	1,018,259	4,549,194	1,335,170
JB Park Arena	30,000		27,569	27,569	-
Galveston Fire/EMS Station	3,382,283	3,382,283	-	3,382,283	-
Total Expenditures	<u>12,649,405</u>	<u>8,927,829</u>	<u>1,127,821</u>	<u>10,055,650</u>	<u>1,381,750</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(9,013,367)</u>	<u>(5,304,880)</u>	<u>(1,114,732)</u>	<u>(6,419,612)</u>	<u>(1,381,750)</u>
OTHER FINANCING SOURCES (USES)					
Transfers In	13,443,303	12,090,303	1,353,000	13,443,303	3,811,603
Transfers Out	(3,975,674)	(3,975,674)	-	(3,975,674)	-
Sale of Capital Assets	849,215	849,215	-	849,215	-
Total Other Financing Sources (Uses)	<u>10,316,844</u>	<u>8,963,844</u>	<u>1,353,000</u>	<u>10,316,844</u>	<u>3,811,603</u>
Net Change in Fund Balance	<u>\$ 1,303,477</u>	<u>\$ 3,658,964</u>	238,268	<u>\$ 3,897,232</u>	2,429,853
Fund Balance-Beginning			3,658,964		1,229,111
Fund Balance-Ending			<u>\$ 3,897,232</u>		<u>\$ 3,658,964</u>

GALVESTON COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE -
BUDGET (PROJECT-LENGTH) AND ACTUAL
CAPITAL REPLENISHMENT CAPITAL PROJECTS FUND
From Inception and for the Year Ended September 30, 2016
With Comparative Amounts for the Year Ended September 30, 2015

	Total Project Authorized	ACTUAL TO SEPTEMBER 30, 2016		Prior Year Actual	
		Reported in Prior Years	Actual		Total
REVENUES					
Investment Earnings	\$ 4,394	\$ -	\$ 4,394	\$ 4,394	\$ -
EXPENDITURES					
Culture and Recreation:					
Administration Costs	14,100	14,100	-	14,100	14,100
Capital Outlay:					
Parks Division	105,900	18,615	81,407	100,022	18,615
Road & Bridge Re-Roof	22,624	22,624	-	22,624	-
Total Expenditures	<u>142,624</u>	<u>55,339</u>	<u>81,407</u>	<u>136,746</u>	<u>32,715</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(138,230)</u>	<u>(55,339)</u>	<u>(77,013)</u>	<u>(132,352)</u>	<u>(32,715)</u>
OTHER FINANCING SOURCES (USES)					
Transfers In	<u>1,270,000</u>	<u>1,270,000</u>	<u>315,000</u>	<u>1,585,000</u>	<u>420,000</u>
Net Change in Fund Balance	<u>\$ 1,131,770</u>	<u>\$ 1,214,661</u>	237,987	<u>\$ 1,452,648</u>	387,285
Fund Balance-Beginning			<u>1,214,661</u>		<u>827,376</u>
Fund Balance-Ending			<u>\$ 1,452,648</u>		<u>\$ 1,214,661</u>

GALVESTON COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE -
BUDGET (PROJECT-LENGTH) AND ACTUAL
LIMITED TAX COUNTY BUILDING BONDS SERIES 2009B CAPITAL PROJECTS FUND
From Inception and for the Year Ended September 30, 2016
With Comparative Amounts for the Year Ended September 30, 2015

	Total Project Authorized	ACTUAL TO SEPTEMBER 30, 2016			Prior Year Actual
		Reported in Prior Years	Actual	Total	
REVENUES					
Investment Earnings	\$ 263,049	\$ 257,431	\$ 5,618	\$ 263,049	\$ 12,277
Miscellaneous	173,402	5,040	168,362	173,402	-
Total Revenues	<u>436,451</u>	<u>262,471</u>	<u>173,980</u>	<u>436,451</u>	<u>12,277</u>
EXPENDITURES					
General Government:					
Administration Costs	1,076,490	1,005,736	72,458	1,078,194	37,937
Capital Outlay:					
Agricultural Ext Facility	3,298,764	2,931,027	-	2,931,027	-
Mid-County Annex	29,646,382	28,241,976	-	28,241,976	-
Records Storage Bldg	3,945,853	3,789,250	-	3,789,250	1,082,277
North County Annex	156,621	110,273	-	110,273	-
Animal Resource Center	5,540,600	5,509,166	5,195	5,514,361	7,485
Llewellyn Bldg	180,000	180,000	-	180,000	-
823 Grand Bacliff	324,913	11,415	297,913	309,328	11,415
Bond Issuance Costs	679,393	679,393	-	679,393	-
Total Expenditures	<u>44,849,016</u>	<u>42,458,236</u>	<u>375,566</u>	<u>42,833,802</u>	<u>1,139,114</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(44,412,565)</u>	<u>(42,195,765)</u>	<u>(201,586)</u>	<u>(42,397,351)</u>	<u>(1,126,837)</u>
OTHER FINANCING SOURCES (USES)					
Transfers In	500,000	500,000	-	500,000	-
Face Value - Long Term Debt Issued	42,955,939	42,955,939	-	42,955,939	-
Total Other Financing Sources (Uses)	<u>43,455,939</u>	<u>43,455,939</u>	<u>-</u>	<u>43,455,939</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ (956,626)</u>	<u>\$ 1,260,174</u>	(201,586)	<u>\$ 1,058,588</u>	(1,126,837)
Fund Balance-Beginning			1,260,174		2,387,011
Fund Balance-Ending			<u>\$ 1,058,588</u>		<u>\$ 1,260,174</u>

GALVESTON COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE -
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, 2016
With Comparative Amounts for the Year Ended September 30, 2015

	ACTUAL TO SEPTEMBER 30, 2016				
	Total Project Authorized	Reported in Prior Years	Actual	Total	Prior Year Actual
REVENUES					
Investment Earnings	\$ 3,326,957	\$ 3,326,428	\$ 529	\$ 3,326,957	\$ -
Miscellaneous	25,629	25,629	-	25,629	-
Total Revenues	<u>3,352,586</u>	<u>3,352,057</u>	<u>529</u>	<u>3,352,586</u>	<u>-</u>
EXPENDITURES					
General Government:					
Administration Costs	882,533	882,553	-	882,553	68,919
Capital Outlay:					
Information Tech Project	238,207	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	-
Road and Bridge Projects	710,018	710,018	-	710,018	701,494
Park Projects	41,292	-	-	-	-
Bond Issuance Costs	597,757	597,757	-	597,757	-
Total Expenditures	<u>48,835,594</u>	<u>48,653,121</u>	<u>-</u>	<u>48,653,121</u>	<u>770,413</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(45,483,008)</u>	<u>(45,301,064)</u>	<u>529</u>	<u>(45,300,535)</u>	<u>(770,413)</u>
OTHER FINANCING SOURCES (USES)					
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	-
Total Other Financing Sources (Uses)	<u>45,424,885</u>	<u>45,424,885</u>	<u>-</u>	<u>45,424,885</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ (58,123)</u>	<u>\$ 123,821</u>	529	<u>\$ 124,350</u>	(770,413)
Fund Balance-Beginning			<u>123,821</u>		<u>894,234</u>
Fund Balance-Ending			<u>\$ 124,350</u>		<u>\$ 123,821</u>

GALVESTON COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE -
BUDGET (PROJECT-LENGTH) AND ACTUAL
LIMITED TAX CRIMINAL JUSTICE CENTER BONDS SERIES 2003A CAPITAL PROJECTS FUND
From Inception and for the Year Ended September 30, 2016
With Comparative Amounts for the Year Ended September 30, 2015

	Total Project Authorized	ACTUAL TO SEPTEMBER 30, 2016			Prior Year Actual
		Reported in Prior Years	Actual	Total	
REVENUES					
Intergovernmental	\$ 668,187	\$ 468,179	\$ -	\$ 468,179	\$ -
Investment Earnings	2,863,932	2,705,895	28	2,705,923	43
Total Revenues	<u>3,532,119</u>	<u>3,174,074</u>	<u>28</u>	<u>3,174,102</u>	<u>43</u>
EXPENDITURES					
General Government:					
Administration Costs	41,279	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	2,463,264	2,463,251	-	2,463,251	-
Bond Issuance Costs	792,255	792,255	-	792,255	-
Total Expenditures	<u>64,058,944</u>	<u>64,056,844</u>	<u>-</u>	<u>64,056,844</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(60,526,825)</u>	<u>(60,882,770)</u>	<u>28</u>	<u>(60,882,742)</u>	<u>43</u>
OTHER FINANCING SOURCES (USES)					
Transfers Out	(75,195)	(75,195)	-	(75,195)	-
Sale of Capital Asset	2,886,162	2,886,162	-	2,886,162	-
Face Value - Long Term Debt Issue	57,245,000	57,245,000	-	57,245,000	-
Premium - Long Term Debt Issue	1,212,089	1,212,089	-	1,212,089	-
Discount - Long Term Debt Issued	(376,953)	(376,953)	-	(376,953)	-
Total Other Financing Sources (Uses)	<u>60,891,103</u>	<u>60,891,103</u>	<u>-</u>	<u>60,891,103</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ 364,278</u>	<u>\$ 8,333</u>	<u>28</u>	<u>\$ 8,361</u>	<u>43</u>
Fund Balance-Beginning			<u>8,333</u>		<u>8,290</u>
Fund Balance-Ending			<u>\$ 8,361</u>		<u>\$ 8,333</u>

GALVESTON COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE -
BUDGET (PROJECT-LENGTH) AND ACTUAL
PARKS DEPARTMENT CAPITAL PROJECTS FUND
From Inception and for the Year Ended September 30, 2016
With Comparative Amounts for the Year Ended September 30, 2015

	Total Project Authorized	ACTUAL TO SEPTEMBER 30, 2016		Prior Year Actual	
		Reported in Prior Years	Actual		Total
REVENUES					
Investment Earnings	\$ 9,339	\$ -	\$ 9,339	\$ 9,339	\$ -
EXPENDITURES					
Capital Outlay:					
64-Acre Park (former Spillway Park Project)	4,219,608	1,414,295	358,294	1,772,589	77,548
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(4,210,269)</u>	<u>(1,414,295)</u>	<u>(348,955)</u>	<u>(1,763,250)</u>	<u>(77,548)</u>
OTHER FINANCING SOURCES (USES)					
Transfers In	4,237,808	4,237,808	-	4,237,808	-
Net Change in Fund Balance	<u>\$ 27,539</u>	<u>\$ 2,823,513</u>	(348,955)	<u>\$ 2,474,558</u>	(77,548)
Fund Balance-Beginning			<u>2,823,513</u>		<u>2,901,061</u>
Fund Balance-Ending			<u>\$ 2,474,558</u>		<u>\$ 2,823,513</u>

GALVESTON COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE -
BUDGET (PROJECT-LENGTH) AND ACTUAL
ROAD BONDS SERIES 1987 CAPITAL PROJECTS FUND
From Inception and for the Year Ended September 30, 2016
With Comparative Amounts for the Year Ended September 30, 2015

	Total Project Authorized	ACTUAL TO SEPTEMBER 30, 2016		Total	Prior Year Actual
		Reported in Prior Years	Actual		
REVENUES					
Intergovernmental	\$ 1,360,155	\$ 1,360,155	\$ -	\$ 1,360,155	\$ -
Investment Earnings	4,045,748	4,045,631	117	4,045,748	176
Miscellaneous	5,511	5,511	-	5,511	-
Total Revenues	<u>5,411,414</u>	<u>5,411,297</u>	<u>117</u>	<u>5,411,414</u>	<u>176</u>
EXPENDITURES					
Roads, Bridges and Rights-of-Way:					
Administration Costs	327,801	343,973	-	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	-
Total Expenditures	<u>20,833,545</u>	<u>20,802,517</u>	<u>-</u>	<u>20,802,517</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(15,422,131)</u>	<u>(15,391,220)</u>	<u>117</u>	<u>(15,391,103)</u>	<u>176</u>
OTHER FINANCING SOURCES (USES)					
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	-
Total Other Financing Sources (Uses)	<u>15,425,509</u>	<u>15,425,509</u>	<u>-</u>	<u>15,425,509</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ 3,378</u>	<u>\$ 34,289</u>	117	<u>\$ 34,406</u>	176
Fund Balance-Beginning			<u>34,289</u>		<u>34,113</u>
Fund Balance-Ending			<u>\$ 34,406</u>		<u>\$ 34,289</u>

GALVESTON COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE -
BUDGET (PROJECT-LENGTH) AND ACTUAL
UNLIMITED TAX ROAD BONDS SERIES 2003B CAPITAL PROJECTS FUND
From Inception and for the Year Ended September 30, 2016
With Comparative Amounts for the Year Ended September 30, 2015

	ACTUAL TO SEPTEMBER 30, 2016				
	Total Project Authorized	Reported in Prior Years	Actual	Total	Prior Year Actual
REVENUES					
Intergovernmental	\$ 3,414,614	\$ 3,414,614	\$ -	\$ 3,414,614	\$ -
Investment Earnings	2,104,548	2,095,087	9,460	2,104,547	14,016
Total Revenues	<u>5,519,162</u>	<u>5,509,701</u>	<u>9,460</u>	<u>5,519,161</u>	<u>14,016</u>
EXPENDITURES					
Roads, Bridges and Rights-of-Way:					
Galv/Signals Various Locations	711,894	268,144	-	268,144	-
Century Blvd	197,038	-	-	-	-
FM 646 Pass Thru Toll	5,600,832	5,270,448	-	5,270,448	-
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	-
Highways and Roads	834,034	574,033	-	574,033	-
Bond Issuance Costs	154,363	154,363	-	154,363	-
Total Expenditures	<u>12,023,176</u>	<u>10,224,625</u>	<u>-</u>	<u>10,224,625</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(6,504,014)</u>	<u>(4,714,924)</u>	<u>9,460</u>	<u>(4,705,464)</u>	<u>14,016</u>
OTHER FINANCING SOURCES (USES)					
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)	-
Total Other Financing Sources (Uses)	<u>6,606,015</u>	<u>6,606,015</u>	<u>-</u>	<u>6,606,015</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ 102,001</u>	<u>\$ 1,891,091</u>	9,460	<u>\$ 1,900,551</u>	14,016
Fund Balance-Beginning			1,891,091		1,877,075
Fund Balance-Ending			<u>\$ 1,900,551</u>		<u>\$ 1,891,091</u>

GALVESTON COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE -
BUDGET (PROJECT-LENGTH) AND ACTUAL
UNLIMITED TAX ROAD BONDS SERIES 2001 CAPITAL PROJECTS FUND
From Inception and for the Year Ended September 30, 2016
With Comparative Amounts for the Year Ended September 30, 2015

	<u>ACTUAL TO SEPTEMBER 30, 2016</u>				
	<u>Total Project Authorized</u>	<u>Reported in Prior Years</u>	<u>Actual</u>	<u>Total</u>	<u>Prior Year Actual</u>
REVENUES					
Investment Earnings	\$ 3,622,929	\$ 3,438,787	\$ 4,849	\$ 3,443,636	\$ 7,255
Miscellaneous	<u>825,323</u>	<u>825,323</u>	<u>-</u>	<u>825,323</u>	<u>-</u>
Total Revenues	<u>4,448,252</u>	<u>4,264,110</u>	<u>4,849</u>	<u>4,268,959</u>	<u>7,255</u>
EXPENDITURES					
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	53,035	-	53,035	-
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	<u>202,421</u>	<u>202,421</u>	<u>-</u>	<u>202,421</u>	<u>-</u>
Total Expenditures	<u>30,705,612</u>	<u>29,411,659</u>	<u>-</u>	<u>29,411,659</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(26,257,360)	(25,147,549)	4,849	(25,142,700)	7,255
OTHER FINANCING SOURCES (USES)					
Long Term Debt Issued	<u>26,503,695</u>	<u>26,503,695</u>	<u>-</u>	<u>26,503,695</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ 246,335</u>	<u>\$ 1,356,146</u>	4,849	<u>\$ 1,360,995</u>	7,255
Fund Balances-Beginning			<u>1,356,146</u>		<u>1,348,891</u>
Fund Balances-Ending			<u>\$ 1,360,995</u>		<u>\$ 1,356,146</u>

GALVESTON COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE -
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, 2016
With Comparative Amounts for the Year Ended September 30, 2015

	Total Project Authorized	ACTUAL TO SEPTEMBER 30, 2016		Prior Year Actual	
		Reported in Prior Years	Actual		Total
REVENUES					
Intergovernmental	\$ 1,085,386	\$ 1,085,386	\$ -	\$ 1,085,386	\$ -
Investment Earnings	3,161,272	3,142,651	18,621	3,161,272	27,472
Total Revenues	<u>4,246,658</u>	<u>4,228,037</u>	<u>18,621</u>	<u>4,246,658</u>	<u>27,472</u>
EXPENDITURES					
Roads, Bridges and Rights-of-Way:					
FM 646 Pass Thru Toll Rd Project	44,058,697	40,436,567	57,494	40,494,061	9,725
Capital Outlay:					
FM 646 Pass Thru Toll Rd Project	25,100	25,101	-	25,101	1
Bond Issuance Costs	672,492	672,492	-	672,492	-
Total Expenditures	<u>44,756,289</u>	<u>41,134,160</u>	<u>57,494</u>	<u>41,191,654</u>	<u>9,726</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(40,509,631)</u>	<u>(36,906,123)</u>	<u>(38,873)</u>	<u>(36,944,996)</u>	<u>17,746</u>
OTHER FINANCING SOURCES (USES)					
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)	-
Total Other Financing Sources (Uses)	<u>40,672,492</u>	<u>40,672,492</u>	<u>-</u>	<u>40,672,492</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ 162,861</u>	<u>\$ 3,766,369</u>	<u>(38,873)</u>	<u>\$ 3,727,496</u>	<u>17,746</u>
Fund Balance-Beginning			<u>3,766,369</u>		<u>3,748,623</u>
Fund Balance-Ending			<u>\$ 3,727,496</u>		<u>\$ 3,766,369</u>

GALVESTON COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE -
BUDGET (PROJECT-LENGTH) AND ACTUAL
UNLIMITED TAX ROAD BONDS SERIES 2009A CAPITAL PROJECTS FUND
From Inception and for the Year Ended September 30, 2016
With Comparative Amounts for the Year Ended September 30, 2015

	Total Project Authorized	ACTUAL TO SEPTEMBER 30, 2016		Prior Year Actual	
		Reported in Prior Years	Actual		Total
REVENUES					
Intergovernmental	\$ 1,714,605	\$ 1,714,605	\$ -	\$ 1,714,605	\$ -
Investment Earnings	595,610	558,195	37,415	595,610	35,616
Miscellaneous	66,366	-	66,366	66,366	-
Total Revenues	<u>2,376,581</u>	<u>2,272,800</u>	<u>103,781</u>	<u>2,376,581</u>	<u>35,616</u>
EXPENDITURES					
Roads, Bridges and Rights-of-Way:					
Non County Owned Roads	55,330,485	51,777,924	66,412	51,844,336	401,175
County Owned Roads	6,385	6,385	-	6,385	-
Capital Outlay:					
County Owned Roads	13,382,869	13,400,387	-	13,400,387	-
Bond Issuance Costs	1,129,895	1,129,895	-	1,129,895	-
Total Expenditures	<u>69,849,634</u>	<u>66,314,591</u>	<u>66,412</u>	<u>66,381,003</u>	<u>401,175</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(67,473,053)</u>	<u>(64,041,791)</u>	<u>37,369</u>	<u>(64,004,422)</u>	<u>(365,559)</u>
OTHER FINANCING SOURCES (USES)					
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	-
Total Other Financing Sources (Uses)	<u>72,259,182</u>	<u>72,259,182</u>	<u>-</u>	<u>72,259,182</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ 4,786,129</u>	<u>\$ 8,217,391</u>	37,369	<u>\$ 8,254,760</u>	(365,559)
Fund Balance-Beginning			<u>8,217,391</u>		<u>8,582,950</u>
Fund Balance-Ending			<u>\$ 8,254,760</u>		<u>\$ 8,217,391</u>

GALVESTON COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE -
BUDGET (PROJECT-LENGTH) AND ACTUAL
GALVESTON CAUSEWAY RAILROAD BRIDGE PROJECT CAPITAL PROJECTS FUND
From Inception and for the Year Ended September 30, 2016
With Comparative Amounts for the Year Ended September 30, 2015

	Total Project Authorized	ACTUAL TO SEPTEMBER 30, 2016		Total	Prior Year Actual
		Reported in Prior Years	Actual		
REVENUES					
Intergovernmental	\$ 97,089,573	\$ 90,122,625	\$ -	\$ 90,122,625	\$ -
Investment Earnings	527	-	527	527	-
Total Revenues	<u>97,090,100</u>	<u>90,122,625</u>	<u>527</u>	<u>90,123,152</u>	<u>-</u>
EXPENDITURES					
Roads, Bridges and Rights-of-Way:					
Galveston Causeway RR Bridge	97,618,609	90,484,195	-	90,484,195	-
Total Expenditures	<u>97,618,609</u>	<u>90,484,195</u>	<u>-</u>	<u>90,484,195</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(528,509)</u>	<u>(361,570)</u>	<u>527</u>	<u>(361,043)</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)					
Transfers In	511,682	516,169	-	516,169	-
Net Change in Fund Balance	<u>\$ (16,827)</u>	<u>\$ 154,599</u>	527	<u>\$ 155,126</u>	-
Fund Balance-Beginning			<u>154,599</u>		<u>154,599</u>
Fund Balance-Ending			<u>\$ 155,126</u>		<u>\$ 154,599</u>

GALVESTON COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE -
BUDGET (PROJECT-LENGTH) AND ACTUAL
COUNTY ROAD AND BRIDGE PROJECTS CAPITAL PROJECTS FUND
From Inception and for the Year Ended September 30, 2016
With Comparative Amounts for the Year Ended September 30, 2015

	Total Project Authorized	ACTUAL TO SEPTEMBER 30, 2016			Prior Year Actual
		Reported in Prior Years	Actual	Total	
REVENUES					
Investment Earnings	\$ 29,852	\$ 28,968	\$ 884	\$ 29,852	\$ 1,322
Charges for Services	<u>150,000</u>	<u>315,808</u>	<u>-</u>	<u>315,808</u>	<u>-</u>
Total Revenues	<u>179,852</u>	<u>344,776</u>	<u>884</u>	<u>345,660</u>	<u>1,322</u>
EXPENDITURES					
Roads, Bridges and Rights-of-Way:					
Administration Costs	-	26,186	-	26,186	-
Capital Outlay:					
Grand Cay Project	151,008	59,996	-	59,996	-
FM 646 Pass Thru Toll Road	<u>8,200</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>159,208</u>	<u>86,182</u>	<u>-</u>	<u>86,182</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ 20,644</u>	<u>\$ 258,594</u>	884	<u>\$ 259,478</u>	1,322
Fund Balance-Beginning			<u>258,594</u>		<u>257,272</u>
Fund Balance-Ending			<u>\$ 259,478</u>		<u>\$ 258,594</u>

GALVESTON COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE -
BUDGET (PROJECT-LENGTH) AND ACTUAL
LIMITED TAX FLOOD CONTROL BONDS SERIES 2009C CAPITAL PROJECTS FUND
From Inception and for the Year Ended September 30, 2016
With Comparative Amounts for the Year Ended September 30, 2015

	Total Project Authorized	ACTUAL TO SEPTEMBER 30, 2016		Prior Year Actual	
		Reported in Prior Years	Actual		Total
REVENUES					
Investment Earnings	\$ 370,510	\$ 329,350	\$ 41,160	\$ 370,510	\$ 61,307
Miscellaneous	272	271	-	271	-
Total Revenues	<u>370,782</u>	<u>329,621</u>	<u>41,160</u>	<u>370,781</u>	<u>61,307</u>
EXPENDITURES					
Roads, Bridges and Rights-of-Way:					
Dickinson Bayou	2,024,000	1,902,154	-	1,902,154	-
FM 646	2,200,000	2,137,172	-	2,137,172	-
Mud Gully Stormwater Detention Basin	7,727,683	-	7,727,683	7,727,683	-
Capital Outlay:					
Clear Creek	2,272,317	2,272,317	-	2,272,317	-
Bond Issuance Costs	204,571	204,571	-	204,571	-
Total Expenditures	<u>14,428,571</u>	<u>6,516,214</u>	<u>7,727,683</u>	<u>14,243,897</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(14,057,789)</u>	<u>(6,186,593)</u>	<u>(7,686,523)</u>	<u>(13,873,116)</u>	<u>61,307</u>
OTHER FINANCING SOURCES (USES)					
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	-
Total Other Financing Sources (Uses)	<u>14,394,162</u>	<u>14,394,162</u>	<u>-</u>	<u>14,394,162</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ 336,373</u>	<u>\$ 8,207,569</u>	(7,686,523)	<u>\$ 521,046</u>	61,307
Fund Balance-Beginning			8,207,569		8,146,262
Fund Balance-Ending			<u>\$ 521,046</u>		<u>\$ 8,207,569</u>

GALVESTON COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE -
BUDGET (PROJECT-LENGTH) AND ACTUAL
CERTIFICATES OF OBLIGATION SERIES 2008 CAPITAL PROJECTS FUND
From Inception and for the Year Ended September 30, 2016
With Comparative Amounts for the Year Ended September 30, 2015

	ACTUAL TO SEPTEMBER 30, 2016				
	Total Project Authorized	Reported in Prior Years	Actual	Total	Prior Year Actual
REVENUES					
Investment Earnings	\$ 257,710	\$ 256,156	\$ 1,555	\$ 257,711	\$ 2,361
EXPENDITURES					
Roads, Bridges and Rights-of-Way:					
Administration Costs	87,758	87,819	-	87,819	-
Texas City Hurricane Levee	3,124,218	3,084,685	-	3,084,685	-
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	380,020	-	380,020	14,230
Bond Issuance Costs	53,000	53,000	-	53,000	-
Total Expenditures	5,280,557	5,244,614	-	5,244,614	14,230
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,022,847)	(4,988,458)	1,555	(4,986,903)	(11,869)
OTHER FINANCING SOURCES (USES)					
Face Value - Long Term Debt Issued	7,000,000	7,000,000	-	7,000,000	-
Transfers In	213,357	213,357	-	213,357	-
Transfers Out	(1,913,557)	(1,913,557)	-	(1,913,557)	-
Total Other Financing Sources (Uses)	5,299,800	5,299,800	-	5,299,800	-
Net Change in Fund Balance	\$ 276,953	\$ 311,342	1,555	\$ 312,897	(11,869)
Fund Balance-Beginning			311,342		323,211
Fund Balance-Ending			\$ 312,897		\$ 311,342

Proprietary Funds

PROPRIETARY FUNDS

Proprietary Funds consist of:

Internal Service Funds

Internal Service Funds may be used 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

EMPLOYEE BENEFITS - The Employee Benefits Fund accounts for the administration of the health 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.

WORKERS' COMPENSATION - The Workers' Compensation Fund was established for the purpose of paying Worker's Compensation claims.

UNEMPLOYMENT - The Unemployment Fund accounts for unemployment insurance.

SELF-INSURANCE RESERVE – 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, 2016

	EMPLOYEE BENEFITS	WORKERS' COMPENSATION	UNEMPLOYMENT	SELF- INSURANCE RESERVE	TOTAL
ASSETS					
Cash and Cash Equivalents	\$ 4,572,349	\$ 790,188	\$ 24,673	\$ 6,007,241	\$ 11,394,451
Receivables (Net of Allowances for Uncollectibles):					
Accounts and Other	<u>96,334</u>	<u>-</u>	<u>-</u>	<u>8</u>	<u>96,342</u>
Total Assets	<u>4,668,683</u>	<u>790,188</u>	<u>24,673</u>	<u>6,007,249</u>	<u>11,490,793</u>
LIABILITIES					
Accounts Payable	1,106,890	50,309	-	-	1,157,199
Salaries Payable	-	2,299	6,625	-	8,924
Estimated Liability - Claims	<u>883,745</u>	<u>446,900</u>	<u>-</u>	<u>-</u>	<u>1,330,645</u>
Total Liabilities	<u>1,990,635</u>	<u>499,508</u>	<u>6,625</u>	<u>-</u>	<u>2,496,768</u>
NET POSITION					
Unrestricted	<u>2,678,048</u>	<u>290,680</u>	<u>18,048</u>	<u>6,007,249</u>	<u>8,994,025</u>
Total Net Position	<u>\$ 2,678,048</u>	<u>\$ 290,680</u>	<u>\$ 18,048</u>	<u>\$ 6,007,249</u>	<u>\$ 8,994,025</u>

GALVESTON COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
For the Year Ended September 30, 2016

	<u>EMPLOYEE BENEFITS</u>	<u>WORKERS' COMPENSATION</u>	<u>UNEMPLOYMENT</u>	<u>SELF- INSURANCE RESERVE</u>	<u>TOTAL</u>
OPERATING REVENUES					
Intergovernmental	\$ 402,377	\$ -	\$ -	\$ -	\$ 402,377
Charges for Services	12,627,795	850,000	274,970	3,150,001	16,902,766
Insurance Recovery - County	-	-	-	13,930	13,930
Reimbursements	426,901	21,435	98	-	448,434
Total Operating Revenues	<u>13,457,073</u>	<u>871,435</u>	<u>275,068</u>	<u>3,163,931</u>	<u>17,767,507</u>
OPERATING EXPENSES					
Contract Services	2,114,481	45,043	-	-	2,159,524
Insurance	918,231	7,629	252,305	1,443,781	2,621,946
Claims Paid	10,634,645	405,559	-	-	11,040,204
Total Operating Expenses	<u>13,667,357</u>	<u>458,231</u>	<u>252,305</u>	<u>1,443,781</u>	<u>15,821,674</u>
Operating Income (Loss)	(210,284)	413,204	22,763	1,720,150	1,945,833
NON-OPERATING REVENUES					
Investment Earnings	278	173	-	-	451
Income (loss) before transfers	(210,006)	413,377	22,763	1,720,150	1,946,284
TRANSFERS					
Transfers In	-	-	154,769	-	154,769
Change In Net Position	(210,006)	413,377	177,532	1,720,150	2,101,053
Total Net Position-Beginning	<u>2,888,054</u>	<u>(122,697)</u>	<u>(159,484)</u>	<u>4,287,099</u>	<u>6,892,972</u>
Total Net Position-Ending	<u>\$ 2,678,048</u>	<u>\$ 290,680</u>	<u>\$ 18,048</u>	<u>\$ 6,007,249</u>	<u>\$ 8,994,025</u>

GALVESTON COUNTY, TEXAS
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended September 30, 2016

	EMPLOYEE BENEFITS	WORKERS' COMPENSATION	UNEMPLOYMENT	SELF- INSURANCE RESERVE	TOTAL
CASH FLOWS FROM OPERATING ACTIVITIES:					
Receipts from Outside Sources	\$ 12,684,439	\$ 850,350	\$ 274,970	\$ 3,163,926	\$ 16,973,685
Payments to Suppliers	(3,182,928)	(148,519)	-	(1,443,781)	(4,775,228)
Payments to Employees	-	(5,443)	(250,395)	-	(255,838)
Payments for Claims	(10,634,645)	(405,559)	-	-	(11,040,204)
Other Operating Revenues	829,433	21,435	98	-	850,966
Net Cash Provided (Used) By Operating Activities	(303,701)	312,264	24,673	1,720,145	1,753,381
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Transfer from General Fund	-	-	154,769	-	154,769
Repayment to Other Funds	-	-	(154,769)	-	(154,769)
Net cash provided (used) by Noncapital Financing Activities	-	-	-	-	-
CASH FLOWS FROM INVESTING ACTIVITIES:					
Investment Earnings	278	173	-	-	451
Net Cash Provided (Used) By Investing Activities	278	173	-	-	451
Net Increase (Decrease) In Cash And Cash Equivalents	(303,423)	312,437	24,673	1,720,145	1,753,832
Cash and Cash Equivalents October 1, 2015	4,875,772	477,751	-	4,287,096	9,640,619
Cash and Cash Equivalents September 30, 2016	\$ 4,572,349	\$ 790,188	\$ 24,673	\$ 6,007,241	\$ 11,394,451
Reconciliation Of Operating Income (Loss) To Net Cash Provided (Used For) By Operating Activities:					
Operating Income (Loss)	\$ (210,284)	\$ 413,204	\$ 22,763	\$ 1,720,150	\$ 1,945,833
Adjustments To Reconcile Operating Income (Loss) To Net Cash Provided (Used) By Operating Activities:					
(Increase) Decrease in Accounts Receivable	56,799	350	-	(5)	57,144
(Increase) Decrease in Due to Other Funds	-	(122,700)	-	-	(122,700)
Increase (Decrease) in Accounts Payable	(150,216)	19,224	-	-	(130,992)
Increase (Decrease) in Salaries Payable	-	2,186	1,910	-	4,096
Total Adjustments	(93,417)	(100,940)	1,910	(5)	(192,452)
Net Cash Provided (Used) By Operating Activities	\$ (303,701)	\$ 312,264	\$ 24,673	\$ 1,720,145	\$ 1,753,381

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

DA SEIZED FUNDS - Monies seized by the District Attorney's Office after October 1989 per *Code of Criminal Procedure* Chapter 59.06 and held until court order determines their disposition.

SHERIFF SEIZED FUNDS - Monies seized by the Sheriff's Department after October 1989 per *Code of Criminal Procedure* Chapter 59.06 and held until court order determines their disposition.

CRIMINAL INVESTIGATIVE DIVISION SEIZURES POST-10/89 - Monies seized by the Criminal Investigative Division after October 1989 per *Code of Criminal Procedure* Chapter 59.06 and held until court order determines their disposition.

TASK-FORCE SEIZURES PRE-10/89 - Task force seizures made prior to the enactment of *Code of Criminal Procedure* Chapter 59.06 and held until court order determines their disposition.

UNCLAIMED PROPERTY - 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 - A clearing fund for county payrolls, used to accumulate payroll expenses from all funds and pay liabilities for salaries, payroll taxes, retirement and other payroll-related expenses from one fund.

ESCROW - 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 - 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 - Collections made by the County Tax Assessor-Collector which are held until distribution are accounted for in this fund.

COUNTY CLERK TRUST - Registry funds remanded to the custody of the County Clerk until a court order determines the disposition of such funds.

DISTRICT CLERK TRUST - Registry funds remanded to the custody of the District Clerk until a court order determines the disposition of such funds.

INMATE DEPOSITS - 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 - Social Security and child support funds due to children that are under Children's Protective Services' supervision.

DICKINSON BAYOU STEERING COMMITTEE - This fund was established to account for funds held in trust by the county for dues paid by members of the Dickinson Bayou Steering Committee to be used for meals and other expenses of that committee.

(Continued)

GALVESTON COUNTY, TEXAS
COMBINING STATEMENT OF ASSETS AND LIABILITIES
AGENCY FUNDS
September 30, 2016
With Comparative Amounts as of September 30, 2015

	<u>DA SEIZED FUNDS</u>	<u>SHERIFF SEIZED FUNDS</u>	<u>CRIMINAL INVESTIGATIVE DIVISION SEIZURES POST-10/89</u>	<u>TASK-FORCE SEIZURES PRE-10/89</u>	<u>UNCLAIMED PROPERTY</u>	<u>PAYROLL</u>	<u>ESCROW</u>
ASSETS							
Cash and Cash Equivalents	\$ 80,773	\$ 243,654	\$ 5,937	\$ 14,403	\$ 236,715	\$ 1,011,939	\$ 952,003
Investments	-	-	-	-	-	-	-
Receivables (Net of Allowances for Uncollectibles):							
Accounts and Other	-	-	-	-	-	-	14,422
Total Assets	<u>\$ 80,773</u>	<u>\$ 243,654</u>	<u>\$ 5,937</u>	<u>\$ 14,403</u>	<u>\$ 236,715</u>	<u>\$ 1,011,939</u>	<u>\$ 966,425</u>
LIABILITIES							
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 924,214	\$ 461
Due to Others	80,773	243,654	5,937	14,403	223,835	-	6,666
Due to Primary Government	-	-	-	-	-	-	-
Due to Other Entities	-	-	-	-	12,880	87,725	-
Deposits Held	-	-	-	-	-	-	959,298
Total Liabilities	<u>\$ 80,773</u>	<u>\$ 243,654</u>	<u>\$ 5,937</u>	<u>\$ 14,403</u>	<u>\$ 236,715</u>	<u>\$ 1,011,939</u>	<u>\$ 966,425</u>

GALVESTON COUNTY, TEXAS
COMBINING STATEMENT OF ASSETS AND LIABILITIES
AGENCY FUNDS
September 30, 2016
With Comparative Amounts as of September 30, 2015

	BOND ESCROW	TAX ASSESSOR- COLLECTOR UNDISTRIBUTED COLLECTIONS	COUNTY CLERK TRUST	DISTRICT CLERK TRUST	INMATE DEPOSITS	CHILDREN'S PROTECTIVE SERVICES - ESCROW	DICKINSON BAYOU STEERING COMMITTEE	TOTALS	
								2016	2015
ASSETS									
Cash and Cash Equivalents	\$ 5,311	\$ 5,037,554	\$ 4,918,516	\$ 3,551,931	\$ 208,687	\$ 10,223	\$ 2,161	\$ 16,279,807	\$ 13,873,574
Investments	-	-	2,323,829	1,690,264	-	-	-	4,014,093	4,548,940
Receivables (Net of Allowances for Uncollectibles):									
Accounts and Other	-	-	-	-	-	-	-	14,422	14,471
Total Assets	\$ 5,311	\$ 5,037,554	\$ 7,242,345	\$ 5,242,195	\$ 208,687	\$ 10,223	\$ 2,161	\$ 20,308,322	\$ 18,436,985
LIABILITIES									
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 924,675	\$ 1,314,555
Due to Others	5,311	-	7,242,345	5,242,195	208,687	-	-	13,273,806	10,414,418
Due to Primary Government	-	-	-	-	-	-	-	-	6,494
Due to Other Entities	-	5,037,554	-	-	-	-	2,052	5,140,211	5,643,613
Deposits Held	-	-	-	-	-	10,223	109	969,630	1,057,905
Total Liabilities	\$ 5,311	\$ 5,037,554	\$ 7,242,345	\$ 5,242,195	\$ 208,687	\$ 10,223	\$ 2,161	\$ 20,308,322	\$ 18,436,985

GALVESTON COUNTY, TEXAS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
For the Year Ended September 30, 2016

	<u>BALANCE</u> <u>10/1/2015</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>9/30/2016</u>
<u>DA SEIZED FUNDS</u>				
ASSETS				
Cash and Cash Equivalents	\$ 185,483	\$ 28,488	\$ 133,198	\$ 80,773
Total Assets	<u>\$ 185,483</u>	<u>\$ 28,488</u>	<u>\$ 133,198</u>	<u>\$ 80,773</u>
LIABILITIES				
Due to Others	\$ 185,483	\$ 28,488	\$ 133,198	\$ 80,773
Total Liabilities	<u>\$ 185,483</u>	<u>\$ 28,488</u>	<u>\$ 133,198</u>	<u>\$ 80,773</u>
<u>SHERIFF SEIZED FUNDS</u>				
ASSETS				
Cash and Cash Equivalents	\$ 335,103	\$ 68,191	\$ 159,640	\$ 243,654
Total Assets	<u>\$ 335,103</u>	<u>\$ 68,191</u>	<u>\$ 159,640</u>	<u>\$ 243,654</u>
LIABILITIES				
Due to Others	\$ 335,103	\$ 79,358	\$ 170,807	\$ 243,654
Total Liabilities	<u>\$ 335,103</u>	<u>\$ 79,358</u>	<u>\$ 170,807</u>	<u>\$ 243,654</u>
<u>CRIMINAL INVESTIGATIVE DIVISION SEIZURES POST-10/89</u>				
ASSETS				
Cash and Cash Equivalents	\$ 5,919	\$ 18	\$ -	\$ 5,937
Total Assets	<u>\$ 5,919</u>	<u>\$ 18</u>	<u>\$ -</u>	<u>\$ 5,937</u>
LIABILITIES				
Due to Others	\$ 5,919	\$ 18	\$ -	\$ 5,937
Total Liabilities	<u>\$ 5,919</u>	<u>\$ 18</u>	<u>\$ -</u>	<u>\$ 5,937</u>
<u>TASK-FORCE SEIZURES PRE-10/89</u>				
ASSETS				
Cash and Cash Equivalents	\$ 14,358	\$ 45	\$ -	\$ 14,403
Total Assets	<u>\$ 14,358</u>	<u>\$ 45</u>	<u>\$ -</u>	<u>\$ 14,403</u>
LIABILITIES				
Due to Others	\$ 14,358	\$ 45	\$ -	\$ 14,403
Total Liabilities	<u>\$ 14,358</u>	<u>\$ 45</u>	<u>\$ -</u>	<u>\$ 14,403</u>

GALVESTON COUNTY, TEXAS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
For the Year Ended September 30, 2016

	<u>BALANCE</u> <u>10/1/2015</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>9/30/2016</u>
<u>UNCLAIMED PROPERTY</u>				
ASSETS				
Cash and Cash Equivalents	\$ 230,909	\$ 9,030	\$ 3,224	\$ 236,715
Total Assets	<u>\$ 230,909</u>	<u>\$ 9,030</u>	<u>\$ 3,224</u>	<u>\$ 236,715</u>
LIABILITIES				
Due to Others	\$ 218,029	\$ 5,806	\$ -	\$ 223,835
Due to Other Entities	12,880	-	-	12,880
Total Liabilities	<u>\$ 230,909</u>	<u>\$ 5,806</u>	<u>\$ -</u>	<u>\$ 236,715</u>
<u>PAYROLL</u>				
ASSETS				
Cash and Cash Equivalents	\$ 1,564,862	\$ 167,273,150	\$ 167,826,073	\$ 1,011,939
Total Assets	<u>\$ 1,564,862</u>	<u>\$ 167,273,150</u>	<u>\$ 167,826,073</u>	<u>\$ 1,011,939</u>
LIABILITIES				
Accounts Payable	\$ 1,284,730	\$ 22,479,767	\$ 22,840,283	\$ 924,214
Due to Other Entities	280,132	30,095,768	30,288,175	87,725
Total Liabilities	<u>\$ 1,564,862</u>	<u>\$ 52,575,535</u>	<u>\$ 53,128,458</u>	<u>\$ 1,011,939</u>
<u>ESCROW</u>				
ASSETS				
Cash and Cash Equivalents	\$ 1,070,093	\$ 3,294,878	\$ 3,412,968	\$ 952,003
Receivables (Net of Allowances for Uncollectibles):				
Accounts and Other	14,471	22,287	22,336	14,422
Total Assets	<u>\$ 1,084,564</u>	<u>\$ 3,317,165</u>	<u>\$ 3,435,304</u>	<u>\$ 966,425</u>
LIABILITIES				
Accounts Payable	\$ 29,825	\$ 118,832	\$ 148,196	\$ 461
Due to Others	7,057	-	391	6,666
Deposits Held	1,047,682	3,198,333	3,286,717	959,298
Total Liabilities	<u>\$ 1,084,564</u>	<u>\$ 3,317,165</u>	<u>\$ 3,435,304</u>	<u>\$ 966,425</u>

GALVESTON COUNTY, TEXAS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
For the Year Ended September 30, 2016

	<u>BALANCE</u> <u>10/1/2015</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>9/30/2016</u>
<u>BOND ESCROW</u>				
ASSETS				
Cash and Cash Equivalents	\$ 5,311	\$ -	\$ -	\$ 5,311
Total Assets	<u>\$ 5,311</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,311</u>
LIABILITIES				
Due to Others	\$ 5,311	\$ -	\$ -	\$ 5,311
Total Liabilities	<u>\$ 5,311</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,311</u>
<u>TAX ASSESSOR-COLLECTOR UNDISTRIBUTED COLLECTIONS</u>				
ASSETS				
Cash and Cash Equivalents	\$ 5,350,601	\$ 604,778,077	\$ 605,091,124	\$ 5,037,554
Total Assets	<u>\$ 5,350,601</u>	<u>\$ 604,778,077</u>	<u>\$ 605,091,124</u>	<u>\$ 5,037,554</u>
LIABILITIES				
Due to Other Entities	\$ 5,350,601	\$ 604,778,077	\$ 605,091,124	\$ 5,037,554
Total Liabilities	<u>\$ 5,350,601</u>	<u>\$ 604,778,077</u>	<u>\$ 605,091,124</u>	<u>\$ 5,037,554</u>
<u>COUNTY CLERK TRUST</u>				
ASSETS				
Cash and Cash Equivalents	\$ 668,494	\$ 12,682,198	\$ 8,432,176	\$ 4,918,516
Investments	2,595,713	-	271,884	2,323,829
Total Assets	<u>\$ 3,264,207</u>	<u>\$ 12,682,198</u>	<u>\$ 8,704,060</u>	<u>\$ 7,242,345</u>
LIABILITIES				
Due to Others	\$ 3,264,207	\$ 12,682,198	\$ 8,704,060	\$ 7,242,345
Total Liabilities	<u>\$ 3,264,207</u>	<u>\$ 12,682,198</u>	<u>\$ 8,704,060</u>	<u>\$ 7,242,345</u>

GALVESTON COUNTY, TEXAS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
For the Year Ended September 30, 2016

	<u>BALANCE</u> <u>10/1/2015</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>9/30/2016</u>
<u>DISTRICT CLERK TRUST</u>				
ASSETS				
Cash and Cash Equivalents	\$ 4,083,207	\$ 2,277,706	\$ 2,808,982	\$ 3,551,931
Investments	<u>1,953,227</u>	<u>-</u>	<u>262,963</u>	<u>1,690,264</u>
Total Assets	<u>\$ 6,036,434</u>	<u>\$ 2,277,706</u>	<u>\$ 3,071,945</u>	<u>\$ 5,242,195</u>
LIABILITIES				
Due to Others	<u>\$ 6,036,434</u>	<u>\$ 2,277,706</u>	<u>\$ 3,071,945</u>	<u>\$ 5,242,195</u>
Total Liabilities	<u>\$ 6,036,434</u>	<u>\$ 2,277,706</u>	<u>\$ 3,071,945</u>	<u>\$ 5,242,195</u>
<u>INMATE DEPOSITS</u>				
ASSETS				
Cash and Cash Equivalents	<u>\$ 349,011</u>	<u>\$ 3,882,114</u>	<u>\$ 4,022,438</u>	<u>\$ 208,687</u>
Total Assets	<u>\$ 349,011</u>	<u>\$ 3,882,114</u>	<u>\$ 4,022,438</u>	<u>\$ 208,687</u>
LIABILITIES				
Due to Others	<u>\$ 342,517</u>	<u>\$ 3,882,114</u>	<u>\$ 4,015,944</u>	<u>\$ 208,687</u>
Due to Primary Government	<u>6,494</u>	<u>-</u>	<u>6,494</u>	<u>-</u>
Total Liabilities	<u>\$ 349,011</u>	<u>\$ 3,882,114</u>	<u>\$ 4,022,438</u>	<u>\$ 208,687</u>
<u>CHILDREN'S PROTECTIVE SERVICES - ESCROW</u>				
ASSETS				
Cash and Cash Equivalents	<u>\$ 10,223</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,223</u>
Total Assets	<u>\$ 10,223</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,223</u>
LIABILITIES				
Deposits Held	<u>\$ 10,223</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,223</u>
Total Liabilities	<u>\$ 10,223</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,223</u>

GALVESTON COUNTY, TEXAS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
For the Year Ended September 30, 2016

	<u>BALANCE</u> <u>10/1/2015</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>9/30/2016</u>
<u>DICKINSON BAYOU STEERING COMMITTEE</u>				
ASSETS				
Cash and Cash Equivalents	\$ -	\$ 3,137	\$ 976	\$ 2,161
Total Assets	<u>\$ -</u>	<u>\$ 3,137</u>	<u>\$ 976</u>	<u>\$ 2,161</u>
LIABILITIES				
Due to Other Entities	\$ -	\$ 3,137	\$ 1,085	\$ 2,052
Deposits Held	-	109	-	109
Total Liabilities	<u>\$ -</u>	<u>\$ 3,246</u>	<u>\$ 1,085</u>	<u>\$ 2,161</u>
<u>TOTALS - ALL AGENCY FUNDS</u>				
ASSETS				
Cash and Cash Equivalents	\$ 13,873,574	\$ 794,297,032	\$ 791,890,799	\$ 16,279,807
Investments	4,548,940	-	534,847	4,014,093
Receivables (Net of Allowances for Uncollectibles):				
Accounts and Other	14,471	22,287	22,336	14,422
Total Assets	<u>\$ 18,436,985</u>	<u>\$ 794,319,319</u>	<u>\$ 792,447,982</u>	<u>\$ 20,308,322</u>
LIABILITIES				
Accounts Payable	\$ 1,314,555	\$ 22,598,599	\$ 22,988,479	\$ 924,675
Due to Others	10,414,418	18,955,733	16,096,345	13,273,806
Due to Primary Government	6,494	-	6,494	-
Due to Other Entities	5,643,613	634,876,982	635,380,384	5,140,211
Deposits Held	1,057,905	3,198,442	3,286,717	969,630
Total Liabilities	<u>\$ 18,436,985</u>	<u>\$ 679,629,756</u>	<u>\$ 677,758,419</u>	<u>\$ 20,308,322</u>

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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.

Contents	Section
<u>Financial Trends</u>	1
<i>Financial trends information is intended to assist readers in understanding and assessing how the county's financial position has changed over time.</i>	
Table 1.1 - Net Position by Component	
Table 1.2 - Changes in Net Position	
Table 1.3 - Governmental Activities Tax Revenue by Source	
Table 1.4 - Fund Balances, Governmental Funds	
Table 1.5 - Changes in Fund Balances, Governmental Funds	
<u>Revenue Capacity</u>	2
<i>Revenue capacity information is intended to assist readers in understanding and assessing the factors affecting the county's ability to generate its own source revenues.</i>	
Table 2.1 - Estimated Market Value and Assessed Taxable Value of Property	
Table 2.2 - Property Tax Rates – All Direct and Overlapping Governments	
Table 2.3 - Principal Taxpayers and Chart	
Table 2.4 - Property Tax Levies and Collections	
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<i>Debt capacity information is intended to assist readers in understanding and assessing the county's debt burden and its ability to issue additional debt in the future.</i>	
Table 3.1 - Ratios of Outstanding Debt by Type	
Table 3.2 - Ratio of General Bonded Debt Outstanding	
Table 3.3 - Direct and Overlapping Governmental Activities Debt	
Table 3.4 - Legal Debt Margin Information	
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<i>Demographic and economic information is intended to assist readers in understanding the socioeconomic environment within which the county operates and to provide information to facilitate comparisons of financial statement information.</i>	
Table 4.1 - Demographic and Economic Statistics	
Table 4.2 - Principal Employers and Chart	
<u>Operating Information</u>	5
<i>Operating information is intended to provide statistical information about the county's operations and resources to assist readers in using financial statement information.</i>	
Table 5.1 - County Employees by Function and Chart	
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Sources: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year.

Financial Trends



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GALVESTON COUNTY, TEXAS
TABLE 1.1 - NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(accrual basis of accounting)
(amounts expressed in thousands)

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Net Position - Governmental Activities										
Net Investment In Capital Assets	\$ 117,622	\$ 107,958	\$ 62,797	\$ 97,415	\$ 102,410	\$ 107,571	\$ 131,464	\$ 127,529	\$ 125,612	\$ 130,815
Restricted For:										
Grants	482	8,293	1,832	329	787	2,557	8,472	7,291	6,284	5,069
Debt Service	12,820	12,575	15,645	7,864	9,921	9,473	9,625	10,958	11,614	10,198
Other Projects	-	-	-	-	260	162	7,194	1	-	3,327
Statute - Regulation	-	-	-	-	-	-	-	-	-	13,311
Capital Projects	-	-	2,346	1,709	2,915	2,020	-	-	-	16,388
Unrestricted	<u>24,188</u>	<u>28,264</u>	<u>45,726</u>	<u>(8,592)</u>	<u>(39,371)</u>	<u>(58,349)</u>	<u>(102,707)</u>	<u>(96,376)</u>	<u>(91,795)</u>	<u>(110,563)</u>
Total Net Position-Governmental Activities (1)	<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>	<u>\$ 49,403</u>	<u>\$ 51,715</u>	<u>\$ 68,546</u>

(1) Columns may not foot due to rounding.

(continued)

GALVESTON COUNTY, TEXAS
TABLE 1.2 - CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)
(amounts expressed in thousands)

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Expenses										
Governmental Activities:										
General Government	\$ 51,530	\$ 57,076	\$ 59,080	\$ 63,394	\$ 100,079	\$ 96,351	\$ 63,158	\$ 104,795	\$ 95,141	\$ 73,577
Public Safety	46,077	57,562	134,746	122,790	106,660	66,696	59,173	68,035	69,979	68,332
Health And Social Services	16,825	18,213	17,455	18,757	17,038	19,154	20,173	17,368	15,418	15,875
Culture And Recreation	6,347	6,428	6,265	6,522	6,181	6,674	5,861	5,719	5,072	5,344
Conservation	426	475	535	546	492	535	614	604	585	429
Roads, Bridges And Rights-of-Way	14,774	12,228	24,297	40,488	87,814	47,984	25,108	9,309	8,223	15,645
Interest On Long-term Debt	10,057	10,617	11,662	18,345	17,997	16,238	16,047	14,978	14,311	15,060
Total Governmental Activities Expenses (3)	<u>146,036</u>	<u>162,599</u>	<u>254,040</u>	<u>270,842</u>	<u>336,261</u>	<u>253,631</u>	<u>190,135</u>	<u>220,806</u>	<u>208,728</u>	<u>194,261</u>
Program Revenues										
Governmental Activities:										
Charges For Services:										
General Government	17,094	15,998	16,452	16,864	14,121	14,808	13,793	14,001	14,401	14,393
Public Safety	1,776	4,201	1,576	1,636	1,884	2,002	1,854	1,943	2,244	2,174
Roads, Bridges And Rights-of-Way	866	769	421	587	553	591	556	551	585	595
Other	385	466	326	419	476	484	617	563	663	848
Operating Grants And Contributions	24,553	20,835	89,943	100,735	171,373	95,036	35,776	75,184	69,968	57,227
Capital Grants And Contributions	2,895	36	734	73	203	-	-	-	-	-
Total Governmental Activities Program Revenues (3)	<u>47,569</u>	<u>42,305</u>	<u>109,452</u>	<u>120,314</u>	<u>188,610</u>	<u>112,921</u>	<u>52,596</u>	<u>92,242</u>	<u>87,859</u>	<u>75,236</u>
Net (Expense) Revenue-Governmental Activities	<u>(98,467)</u>	<u>(120,294)</u>	<u>(144,588)</u>	<u>(150,528)</u>	<u>(147,651)</u>	<u>(140,710)</u>	<u>(137,539)</u>	<u>(128,565)</u>	<u>(120,869)</u>	<u>(119,025)</u>
Total Primary Government Net Expense	<u>\$ (98,467)</u>	<u>\$ (120,294)</u>	<u>\$ (144,588)</u>	<u>\$ (150,528)</u>	<u>\$ (147,651)</u>	<u>\$ (140,710)</u>	<u>\$ (137,539)</u>	<u>\$ (128,565)</u>	<u>\$ (120,869)</u>	<u>\$ (119,025)</u>

GALVESTON COUNTY, TEXAS
TABLE 1.2 - CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)
(amounts expressed in thousands)

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
General Revenues And Other Changes In Net Position										
Governmental Activities:										
Taxes:										
Property Taxes, Levied For General Purpose	89,018	93,562	95,032	100,219	91,863	94,931	98,384	98,702	103,736	110,591
Property Taxes, Levied For Debt Service	15,895	16,273	15,221	16,434	27,534	26,618	25,264	25,092	24,797	23,353
Payments In Lieu Of Taxes	1,433	1,897	1,337	1,764	2,101	1,994	2,076	2,163	939	744
Unrestricted Grants And Contributions	-	-	-	-	-	86	-	-	-	-
Unrestricted Investment Earnings	5,534	4,605	4,152	2,426	2,009	1,022	1,088	1,085	967	796
Gain On Sale Of Capital Assets	870	660	-	-	-	486	90	6	59	6
Miscellaneous	37	108	101	62	424	332	284	103	154	366
Extraordinary Item - Insurance Recovery Proceeds (1)	-	5,511	-	-	-	-	-	-	-	-
Extraordinary Item - Infrastructure Loss (2)	-	(344)	-	-	-	-	-	-	-	-
Extraordinary Item - TWIA Case Settlement (1)	-	-	-	-	-	2,369	-	-	-	-
Total Governmental Activities (3)	<u>112,787</u>	<u>122,273</u>	<u>115,843</u>	<u>120,905</u>	<u>123,931</u>	<u>127,838</u>	<u>127,185</u>	<u>127,151</u>	<u>130,653</u>	<u>135,856</u>
Change In Net Position-Governmental Activities (3)	<u>\$ 14,320</u>	<u>\$ 1,979</u>	<u>\$ (28,745)</u>	<u>\$ (29,623)</u>	<u>\$ (23,720)</u>	<u>\$ (12,872)</u>	<u>\$ (10,354)</u>	<u>\$ (1,414)</u>	<u>\$ 9,784</u>	<u>\$ 16,831</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.

GALVESTON COUNTY, TEXAS
TABLE 1.3 - GOVERNMENTAL ACTIVITIES TAX REVENUE BY SOURCE
LAST TEN FISCAL YEARS
(accrual basis of accounting)
(amounts expressed in thousands)

Fiscal Year	Property Tax (General Purposes)	Property Tax (Debt Service)	Total
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
2014	98,702	25,092	123,794
2015	103,736	24,797	128,533
2016	110,591	23,353	133,944

GALVESTON COUNTY, TEXAS
TABLE 1.4 - FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)
(amounts expressed in thousands)

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011 (3)</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<i>General Fund</i>										
Non-spendable										
Prepaid Items	\$ -	\$ -	\$ -	\$ -	\$ 267	\$ -	\$ -	\$ 1	\$ -	\$ 88
Assigned										
Adopted Budget Utilization of Fund										
Balance	-	-	-	-	-	-	17,667	19,986	29,149	24,835
Beach and Parks	-	-	-	-	-	-	-	-	12	12
Indigent Defense	-	-	-	-	951	-	-	-	-	-
Self-insurance	-	-	-	-	1,500	1,500	1,500	1,500	1,500	1,500
Contingent Liability	-	-	-	-	1,000	1,000	1,000	1,000	1,000	1,000
Disaster Protection	-	-	-	-	2,500	2,500	2,500	2,500	2,500	2,500
Unassigned	-	-	-	-	26,645	38,191	23,169	16,599	25,583	38,733
Reserved	274	482	629	289	-	-	-	-	-	-
Unreserved	28,865	27,106	29,232	30,092	-	-	-	-	-	-
Total General Fund (2)	<u>\$ 29,139</u>	<u>\$ 27,588</u>	<u>\$ 29,861</u>	<u>\$ 30,381</u>	<u>\$ 32,863</u>	<u>\$ 43,191</u>	<u>\$ 45,836</u>	<u>\$ 41,586</u>	<u>\$ 59,744</u>	<u>\$ 68,668</u>
<i>All Other Governmental Funds</i>										
Non-spendable										
Inventory	\$ -	\$ -	\$ -	\$ -	\$ 791	\$ 587	\$ 802	\$ 740	\$ 885	\$ 673
Prepaid Items	-	-	-	-	4	-	6	-	-	-
Restricted										
General Government	-	-	-	-	4,325	4,467	5,195	32,192	9,112	7,450
Public Safety	-	-	-	-	10,382	9,911	12,069	17,717	5,934	6,721
Health and Social Services	-	-	-	-	11,668	8,736	8,442	5,314	301	443
Culture and Recreation	-	-	-	-	1,089	1,425	1,826	919	2,369	3,480
Roads, Bridges And Rights-of-Way	-	-	-	-	4,822	4,269	4,741	2,009	3,372	3,234
Debt Service	-	-	-	-	11,042	10,342	10,626	12,222	11,827	11,574
County Building Projects	-	-	-	-	86,822	49,233	35,177	4,095	28,000	19,778
Assigned										
Other Construction Projects	-	-	-	-	3,175	7,737	1,970	2,468	5,287	5,764
Unassigned	-	-	-	-	-	(354)	-	-	-	-
Reserved (1)	15,617	35,912	25,697	48,020	-	-	-	-	-	-
Unreserved, reported in:										
Special Revenue Funds	21,491	28,672	29,075	37,979	-	-	-	-	-	-
Debt Service Funds	-	-	-	-	-	-	-	-	-	-
Capital Projects Funds	49,741	33,938	161,394	99,688	-	-	-	-	-	-
Total All Other Governmental Funds (2)	<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>\$ 80,854</u>	<u>\$ 77,676</u>	<u>\$ 67,088</u>	<u>\$ 59,117</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.

(3) Beginning 2011, fund balances are reported using GASB 54 classifications

GALVESTON COUNTY, TEXAS
TABLE 1.5 - CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)
(amounts expressed in thousands)

REVENUES	2007	2008	2009	2010	2011
Taxes	\$ 103,810	\$ 108,051	\$ 113,260	\$ 118,121	\$ 119,442
Licenses and Permits	2,320	2,267	2,504	2,426	2,372
Intergovernmental (1)	20,106	22,987	90,604	99,644	168,880
Charges for Services	10,289	9,879	9,027	10,231	9,756
Fines and Forfeitures	3,578	3,588	3,365	3,327	3,034
Investment Earnings	6,213	5,211	4,624	2,526	2,136
Miscellaneous	5,867	5,559	5,289	6,995	6,067
Total Revenues (3)	<u>152,183</u>	<u>157,542</u>	<u>228,675</u>	<u>243,270</u>	<u>311,687</u>
EXPENDITURES					
Current:					
General Government	49,899	55,122	52,430	60,315	96,145
Public Safety	39,926	48,516	123,765	108,755	95,316
Sanitation	87	21	7	98	2
Health and Social Services	15,222	16,987	16,093	17,341	16,004
Culture and Recreation	2,600	2,813	2,988	3,174	2,940
Conservation	401	449	437	454	450
Roads, Bridges and Rights-of-Way	12,086	9,257	21,308	37,972	84,543
Debt Service:					
Principal	7,831	9,351	9,685	10,410	15,620
Interest and Fiscal Charges	7,879	8,134	8,982	14,202	14,820
Bond Issuance Costs	672	1,047	2,014	-	-
Refund - Prior Year Tax Revenue	159	-	-	-	-
Capital Outlay	19,143	6,336	7,925	17,438	34,196
Total Expenditures (3)	<u>155,905</u>	<u>158,033</u>	<u>245,634</u>	<u>270,159</u>	<u>360,036</u>
Excess (Deficiency) Of Revenues Over (Under) Expenditures (3)	<u>(3,722)</u>	<u>(491)</u>	<u>(16,960)</u>	<u>(26,889)</u>	<u>(48,349)</u>
OTHER FINANCING SOURCES (USES)					
Transfers In	10,529	17,555	31,934	21,912	21,698
Transfers Out	(16,123)	(21,571)	(35,447)	(25,129)	(24,447)
Sale of Capital Assets	4,033	1,122	86	146	125
Insurance Recovery Proceeds (2)	-	5,512	231	-	-
Face Value - Long Term Debt Issued	48,270	95,425	140,000	-	-
Premium - Long Term Debt Issued	120	229	76	-	-
Discount - Long Term Debt Issued	(759)	(4,380)	-	-	-
Refunded Bonds - Escrow Agent Payments	-	(83,278)	-	-	-
Total Other Financing Sources (Uses) (3)	<u>46,070</u>	<u>10,613</u>	<u>136,879</u>	<u>(3,071)</u>	<u>(2,624)</u>
Extraordinary Item - Texas Windstorm Case Settlement	-	-	-	-	696
Net Change In Fund Balances (3)	<u>\$ 42,348</u>	<u>\$ 10,122</u>	<u>\$ 119,919</u>	<u>\$ (29,960)</u>	<u>\$ (50,277)</u>
Debt Service As A Percentage Of					
Noncapital Expenditures	11.5%	11.5%	7.9%	9.7%	9.3%

(1) The increases in intergovernmental revenues in fiscal years 2009-2011 were due to receipt of FEMA reimbursements for hurricane damages and funding reimbursements for CDBG and FEMA disaster programs.

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

(3) Columns may not foot due to rounding.

GALVESTON COUNTY, TEXAS
TABLE 1.5 - CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)
(amounts expressed in thousands)

2012	2013	2014	2015	2016
\$ 121,711	\$ 124,352	\$ 123,944	\$ 128,927	\$ 133,954
2,575	2,606	2,740	2,659	2,869
93,437	34,666	73,863	68,491	54,616
10,504	9,820	10,033	11,142	11,378
2,911	2,893	3,024	2,433	2,152
1,118	1,218	1,131	973	797
4,883	6,316	5,559	3,944	4,784
<u>237,139</u>	<u>181,871</u>	<u>220,292</u>	<u>218,569</u>	<u>210,550</u>
91,382	53,170	98,709	90,906	68,720
48,731	48,776	53,964	55,547	59,802
-	-	-	-	-
17,823	18,852	16,257	14,408	14,916
2,381	2,759	2,811	2,656	2,901
432	472	455	470	486
51,635	22,311	6,146	5,857	13,086
16,960	20,830	24,300	20,075	20,960
14,496	13,258	13,086	11,667	10,806
669	-	-	-	-
-	-	-	-	-
<u>22,807</u>	<u>11,744</u>	<u>12,234</u>	<u>7,501</u>	<u>17,881</u>
<u>267,316</u>	<u>192,172</u>	<u>227,962</u>	<u>209,087</u>	<u>209,559</u>
<u>(30,177)</u>	<u>(10,301)</u>	<u>(7,670)</u>	<u>9,481</u>	<u>991</u>
6,655	19,744	11,312	7,171	2,560
(9,876)	(23,104)	(11,312)	(7,171)	(2,714)
3,555	218	85	183	117
-	-	-	-	-
52,650	-	-	-	-
-	-	-	-	-
6,495	-	-	-	-
<u>(58,451)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>1,028</u>	<u>(3,142)</u>	<u>85</u>	<u>183</u>	<u>(38)</u>
<u>2,369</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ (26,780)</u>	<u>\$ (13,443)</u>	<u>\$ (7,585)</u>	<u>\$ 9,664</u>	<u>\$ 953</u>
12.9%	18.9%	17.3%	15.7%	16.6%

Revenue Capacity

GALVESTON COUNTY, TEXAS
TABLE 2.1 - 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				
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
2013-14	17,776,170	5,041,174	310,272	2,712,504	559,233	26,399,353	0.5898
2014-15	18,686,405	5,038,663	333,560	2,641,770	597,311	27,297,709	0.5848
2015-16	21,478,627	4,953,958	487,918	2,333,462	645,749	29,899,714	0.5670

(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
TABLE 2.2 - PROPERTY TAX RATES
DIRECT AND ALL OVERLAPPING GOVERNMENTS (1)
LAST TEN FISCAL YEARS

Taxing Jurisdiction	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<u>Galveston County Direct Rates</u>										
Maintenance & Operations	\$ 0.498920	\$ 0.485670	\$ 0.482075	\$ 0.532964	\$ 0.479336	\$ 0.480819	\$ 0.479419	\$ 0.466788	\$ 0.469178	\$ 0.464731
Debt Service	0.070954	0.068465	0.068202	0.069576	0.099218	0.092421	0.085536	0.084678	0.077775	0.068392
Special Road Levy	0.017476	0.014465	0.008323	0.016060	0.041196	0.039705	0.034960	0.032234	0.031891	0.028124
Farm to Market Lateral Road/Flood	<u>0.011400</u>	<u>0.011400</u>	<u>0.011400</u>	<u>0.011400</u>	<u>0.009000</u>	<u>0.008855</u>	<u>0.008855</u>	<u>0.006100</u>	<u>0.005956</u>	<u>0.005757</u>
Total Direct Rate	\$ 0.598750	\$ 0.580000	\$ 0.570000	\$ 0.630000	\$ 0.628750	\$ 0.621800	\$ 0.608770	\$ 0.589800	\$ 0.584800	\$ 0.567004
<u>Cities</u>										
Galveston	0.494000	0.494000	0.494000	0.554000	0.554000	0.554001	0.554001	0.554000	0.533890	0.529000
Friendswood	0.582100	0.576400	0.579700	0.579700	0.585100	0.590200	0.597000	0.519400	0.519400	0.568700
Hitchcock	0.555050	0.511080	0.473230	0.473230	0.472295	0.396491	0.396105	0.413202	0.413202	0.413202
Jamaica Beach	0.285000	0.260300	0.251100	0.322800	0.289500	0.287100	0.281307	0.264380	0.266334	0.225678
La Marque	0.514360	0.514360	0.514360	0.514360	0.514360	0.514360	0.514360	0.514360	0.490764	0.490764
League City	0.608800	0.608800	0.630000	0.630000	0.616000	0.610000	0.597000	0.597000	0.597000	0.573500
Texas City	0.456240	0.435610	0.425000	0.425000	0.425000	0.425000	0.425000	0.453000	0.438000	0.449210
Tiki Island	0.155590	0.164860	0.166307	0.204667	0.213783	0.238174	0.278301	0.293966	0.295986	0.282210
Bayou Vista	0.338720	0.354200	0.352400	0.417222	0.379495	0.376833	0.374455	0.366683	0.355000	0.355000
Clear Lake Shores	0.210000	0.204750	-	-	-	-	-	-	-	-
Dickinson	0.408800	0.408600	0.408600	0.408600	0.408600	0.408610	0.408600	0.408610	0.408610	0.408610
Kemah	0.255395	0.270000	0.265247	0.280293	0.250000	0.250000	0.249999	0.246488	0.265545	0.254011
Santa Fe	0.299200	0.299200	0.311400	0.311400	0.311400	0.311400	0.314700	0.370200	0.358900	0.345000
<u>School and Junior College Districts</u>										
Galveston	1.525000	1.175000	1.165000	1.165000	1.165000	1.165000	1.165000	1.116500	1.155000	1.155000
Friendswood	1.507000	1.177000	1.367000	1.367000	1.367000	1.367000	1.367000	1.367000	1.367000	1.367000
Hitchcock	1.565050	1.121505	1.410050	1.440050	1.500000	1.540000	1.540000	1.540000	1.540000	1.540000
La Marque	1.570000	1.240000	1.240000	1.240000	1.240000	1.240000	1.220000	1.220000	1.220000	1.220000
Texas City	1.448354	1.112750	1.184931	1.216000	1.288600	1.295300	1.269200	1.290900	1.262600	1.429800
Clear Creek	1.630000	1.320000	1.360000	1.360000	1.360000	1.360000	1.360000	1.400000	1.400000	1.400000
Dickinson	1.724000	1.430000	1.500000	1.504000	1.540000	1.540000	1.540000	1.540000	1.540000	1.540000
High Island	1.630000	1.300000	1.305690	1.600000	1.490000	1.470000	1.420000	1.370000	1.320000	1.270000
Santa Fe	1.445000	1.160000	1.160000	1.330200	1.419200	1.495000	1.453900	1.449000	1.435800	1.416700
College of the Mainland	0.233450	0.227380	0.221640	0.221640	0.233890	0.232020	0.225970	0.221210	0.205085	0.202307
Galveston College	0.170000	0.170000	0.170000	0.190000	0.189475	0.189450	0.189420	0.187000	0.187000	0.178750

GALVESTON COUNTY, TEXAS
TABLE 2.2 - PROPERTY TAX RATES
DIRECT AND ALL OVERLAPPING GOVERNMENTS (1)
LAST TEN FISCAL YEARS

Taxing Jurisdiction	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Special Districts										
Bacliff MUD	0.315800	0.303640	0.295422	0.318548	0.291058	0.290974	0.292358	0.305545	0.433583	0.401964
Bayview MUD	0.216900	0.218500	0.236800	0.238100	0.238100	0.233400	0.232600	0.227600	0.230600	0.234700
South Shore MUD #2 (2)	0.290000	0.290000	0.240000	0.220000	0.170000	-	-	Dissolved	Dissolved	Dissolved
South Shore MUD #3 (2)	0.180000	0.170000	0.160000	0.160000	-	-	-	Dissolved	Dissolved	Dissolved
South Shore MUD #6	0.300000	0.300000	0.290000	0.290000	0.290000	0.290000	0.290000	0.215000	0.120000	Dissolved
South Shore Harbour MUD#7	0.820000	0.800000	0.750000	0.700000	0.650000	0.600000	0.550000	0.530000	0.530000	0.490000
Tara Glen MUD	0.670000	0.670000	0.670000	0.670000	0.670000	0.670000	0.660000	0.660000	0.630000	0.570000
Flamingo Isles MUD	0.500000	0.500000	0.500000	0.500000	0.587500	0.587500	0.587500	0.587500	0.600000	0.580000
Bay Colony West MUD	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000
GC Fresh Water Supply District #6	0.201300	0.222900	0.223105	0.225403	0.236324	0.228742	0.225000	0.231680	0.252000	0.235237
Galveston County Consolidated Drainage Dist.	-	0.142500	0.142500	0.142500	0.142500	0.140000	0.140000	0.140000	0.135000	0.115000
Galveston County EMS District #1	0.081700	0.079810	0.085000	0.863000	0.863000	0.863000	0.857000	0.857000	0.857000	0.850000
Galveston County EMS District #2	-	-	-	-	-	-	-	0.063021	0.095000	0.085000
Galveston County Management District #1	-	-	0.800000	0.800000	0.800000	0.800000	0.800000	0.800000	Pending	0.800000
Galveston County MUD #2	0.260000	0.250000	0.240000	0.240000	0.240000	0.260000	0.270000	0.300000	Dissolved	Dissolved
Galveston County MUD #3	0.160000	0.140000	0.130000	0.120000	0.120000	0.120000	0.120000	0.120000	0.030000	Dissolved
Galveston County MUD #6	0.480000	0.460000	0.440000	0.400000	0.400000	0.422000	0.439000	0.439000	0.470000	0.460000
Galveston County MUD #12	0.270000	0.258420	0.259575	0.259575	0.243826	0.260488	0.270643	0.283626	0.283626	0.244265
Galveston County MUD #13	0.630000	0.610000	0.585000	0.560000	0.550000	0.540000	0.540000	0.500000	0.460000	0.360000
Galveston County MUD #14	0.880000	0.880000	0.870000	0.870000	0.860000	0.860000	0.780000	0.740000	0.740000	0.710000
Galveston County MUD #15	0.825000	0.825000	0.795000	0.790000	0.790000	0.790000	0.780000	0.760000	0.720000	0.660000
Galveston County MUD #29	-	-	0.170000	0.188500	0.188500	0.180000	-	Dissolved	Dissolved	Dissolved
Galveston County MUD #30	0.350000	0.350000	0.350000	0.350000	0.350000	0.350000	0.350000	0.350000	0.350000	0.330000
Galveston County MUD #31	1.090000	1.090000	1.090000	1.090000	1.090000	1.090000	1.040000	1.000000	0.990000	0.940000
Galveston County MUD #32	0.750000	0.750000	0.750000	0.750000	0.750000	0.750000	0.750000	Pending	0.750000	0.750000
Galveston County MUD #39	0.900000	0.900000	0.900000	0.900000	0.900000	0.900000	0.880000	0.880000	0.880000	0.800000

GALVESTON COUNTY, TEXAS
TABLE 2.2 - PROPERTY TAX RATES
DIRECT AND ALL OVERLAPPING GOVERNMENTS (1)
LAST TEN FISCAL YEARS

Taxing Jurisdiction	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Special Districts (Continued)										
Galveston County MUD #43	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000
Galveston County MUD #44	1.000000	0.800000	0.800000	0.800000	0.800000	0.800000	0.800000	0.800000	0.800000	0.800000
Galveston County MUD #45	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000
Galveston County MUD #46	1.000000	1.000000	-	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	0.980000
Galveston County MUD #52	1.500000	1.500000	-	-	-	-	-	1.500000	Pending	1.500000
Galveston County MUD #54	-	-	-	-	1.000000	1.000000	0.540000	0.540000	0.540000	0.540000
Galveston County MUD #56	-	-	-	-	-	-	-	-	Pending	1.000000
Galveston County MUD #66	-	-	-	-	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000
Galveston County MUD #68	-	0.850000	-	0.850000	0.900000	0.900000	0.950000	0.950000	0.950000	0.950000
Galveston County Navigation District #1	0.033690	0.330300	-	0.047970	0.048809	0.046618	0.046618	0.466180	0.466180	0.452920
West Ranch Management District #1	0.650000	0.650000	0.650000	0.650000	0.650000	0.650000	0.650000	0.650000	0.650000	0.650000
Westwood Management District	-	-	-	-	-	-	-	-	1.000000	1.000000
Water Control Improvement Dist. #1	0.230260	0.220260	-	0.218190	0.213687	0.210377	0.206977	0.205402	0.201673	0.200500
Water Control Improvement Dist. #8	0.247400	0.250000	-	0.250700	0.300000	0.295600	0.295200	0.293700	0.280000	0.263800
Water Control Improvement Dist. #12	0.370000	0.370000	-	0.300000	0.300000	0.300000	0.300000	0.300000	0.300000	0.280000
Water Control Improvement Dist. #19	0.159520	0.183110	-	0.461816	0.456468	0.483978	0.483978	0.483978	0.489378	0.489378
San Leon MUD	0.434500	0.450000	0.450000	0.450000	0.450000	0.450000	0.450000	0.450000	0.450000	0.450000
Drainage District #1	0.108940	0.114210	0.119684	0.124933	0.115000	0.115000	0.120000	0.120000	0.115000	0.110000
Drainage District #2	0.055740	0.057360	0.063021	0.063021	0.063021	0.063021	0.063021	0.063021	0.063021	0.063021

- (1) Tax rates are reported in dollars per \$100 of value.
(2) South Shore MUD #2 and #3 were dissolved in 2012.

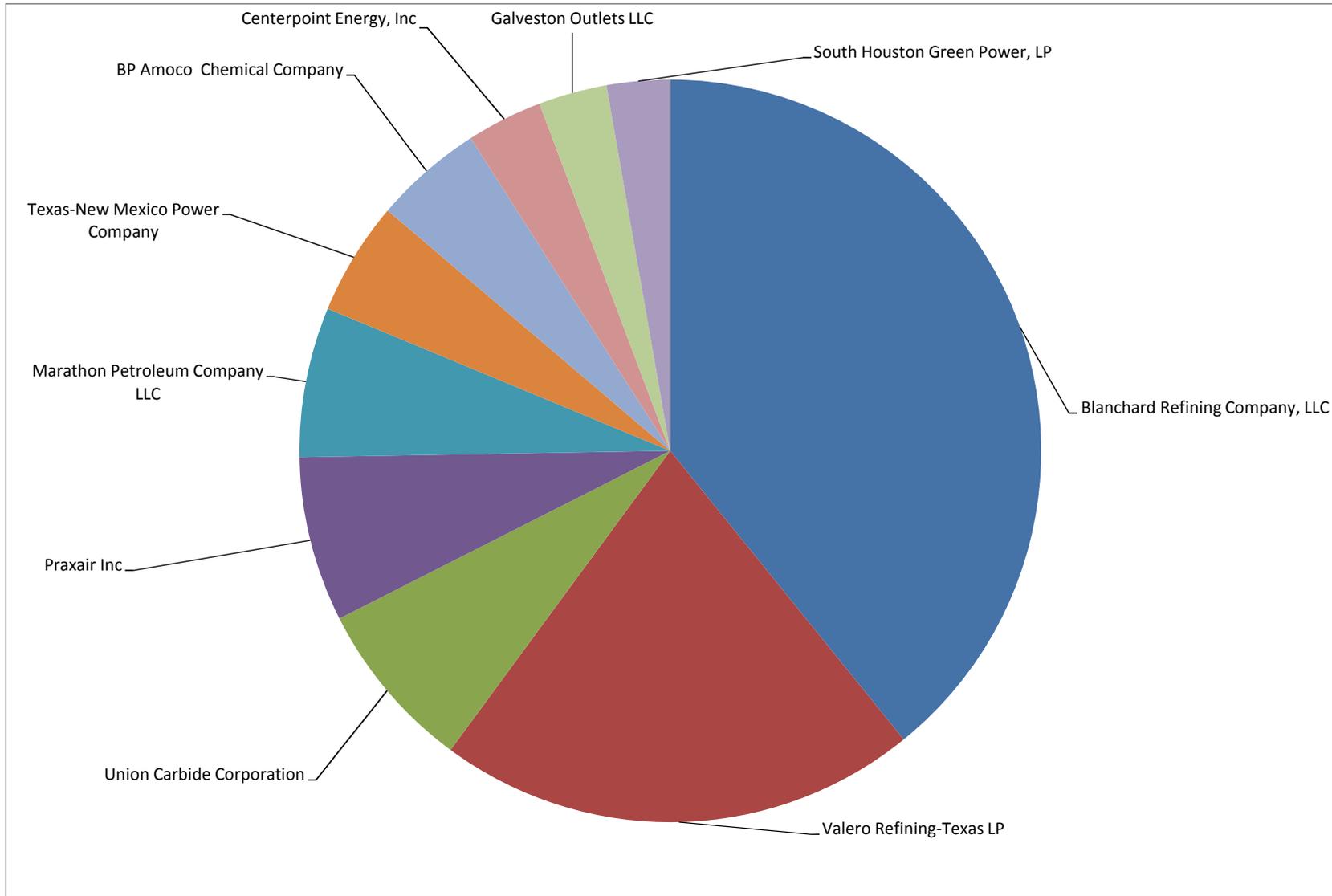
Source: Galveston Central Appraisal District

GALVESTON COUNTY, TEXAS
TABLE 2.3 - PRINCIPAL TAXPAYERS (1)
CURRENT YEAR AND NINE YEARS AGO
(Amounts expressed in thousands)

Taxpayer	2016			2007		
	Taxable Assessed Value	Rank	% of Total Taxable Assessed Value	Taxable Assessed Value	Rank	% of Total Taxable Assessed Value
Blanchard Refining Company, LLC	\$ 1,152,354	1	3.85%			
Valero Refining-Texas LP	615,880	2	2.06%	\$ 776,777	2	2.70%
Union Carbide Corporation	219,121	3	0.73%	333,756	3	1.16%
Praxair Inc	211,265	4	0.71%	169,437	5	0.59%
Marathon Petroleum Company LLC	192,058	5	0.64%	153,030	7	0.53%
Texas-New Mexico Power Company	145,785	6	0.49%	97,629	9	0.34%
BP Amoco Chemical Company	139,603	7	0.47%	156,314	6	1.00%
Centerpoint Energy, Inc	97,269	8	0.33%	93,471	10	0.33%
Galveston Outlets LLC	87,604	9	0.29%			
South Houston Green Power, LP	81,283	10	0.27%	289,147	4	1.01%
BP Products (NA) Inc.				1,395,731	1	4.85%
Sterling Chemicals				130,365	8	0.45%
Totals	<u>\$ 2,942,222</u>		<u>12.03%</u>	<u>\$ 3,595,657</u>		<u>12.50%</u>

(1) Galveston Central Appraisal District Top Taxpayer Report shows only the top ten (10) taxpayers for fiscal year 2015.
Total assessed value = \$29,899,714

Taxable Assessed Value



GALVESTON COUNTY, TEXAS
TABLE 2.4 - 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
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%	211	122,207	98.62%
2012-13	126,290	124,528	98.60%	838	125,366	99.27%
2013-14	125,568	123,805	98.60%	1,595	125,400	99.87%
2014-15	130,850	129,171	98.72%	994	130,165	99.48%
2015-16	135,762	134,108	98.78%	-	134,108	98.78%

(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
TABLE 3.1 - RATIO OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(amounts expressed in thousands, except per capita amount)

Fiscal Year	Governmental Activities			Total	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Notes Payable	Capital Leases			
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
2014	307,441	-	-	307,441	34.14%	997
2015	287,665	-	-	287,665	29.60%	916
2016	270,900	-	-	270,900	26.62%	841

GALVESTON COUNTY, TEXAS
TABLE 3.2 - RATIO OF NET GENERAL OBLIGATION BONDED DEBT
TO ASSESSED VALUE AND NET GENERAL OBLIGATION BONDED DEBT PER CAPITA
LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Population (1)</u>	<u>Assessed Value (2)</u>	<u>Gross Original-Issue Bonded Debt (2)(3)</u>	<u>Gross Refunding Bonded Debt (2)(3)</u>	<u>Total Gross Bonded Debt (2)</u>	<u>Less: Net Position Restricted for Debt Service (2)</u>	<u>Net Bonded Debt (2)</u>	<u>Ratio of Net Bonded Debt to Assessed Value</u>	<u>Net Bonded Debt Per Capita</u>
2006-07	283,987	\$ 23,444,128	\$ -	\$ -	\$ 242,183	\$ 12,820	\$ 229,363	0.98	\$ 809
2007-08	288,239	25,663,846	-	-	250,991	12,575	238,416	0.93	827
2008-09	288,489	25,405,120	-	-	378,388	15,645	362,743	1.43	1,258
2009-10	291,309	23,858,987	-	-	370,181	7,864	362,317	1.52	1,244
2010-11	292,607	24,638,557	-	-	356,892	9,921	346,971	1.41	1,186
2011-12	295,747	25,245,042	-	-	340,055	9,473	330,582	1.31	1,118
2012-13	300,484	26,103,585	169,577	147,742	317,319	9,625	307,694	1.18	1,024
2013-14	308,448	26,399,353	164,954	142,487	307,441	10,958	296,483	1.12	961
2014-15	314,198	27,297,709	160,276	127,389	287,665	11,614	276,051	1.01	879
2015-16	322,225	29,899,714	157,288	112,321	269,609	10,198	259,411	0.87	805

(1) Source: U.S. Census Bureau

(2) Amounts expressed in thousands.

(3) Amounts not readily available for fiscal years 2006-2012.



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GALVESTON COUNTY, TEXAS
TABLE 3.3 - COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT (1)(2)
GENERAL OBLIGATION BONDS
September 30, 2016
(amounts expressed in thousands)

<u>Governmental Unit</u>	General Obligation Bonded Debt Outstanding	Percentage Applicable to Government	Amount Applicable to Government
<u>Galveston County</u>	\$ 270,900	100%	\$ 270,900
Total Direct Debt	<u>270,900</u>		<u>270,900</u>
<u>Cities</u>			
Dickinson	8,737	100%	8,737
Bayou Vista	122	100%	122
Friendswood	42,223	80.47%	33,977
Galveston	10,714	100%	10,714
Hitchcock	1,081	100%	1,081
La Marque	16,780	100%	16,780
League City	83,321	98.02%	81,671
Texas City	35,514	100%	35,514
Tiki Island	540	100%	540
Total Cities	<u>199,032</u>		<u>189,136</u>
<u>School Districts</u>			
Dickinson	255,482	100%	255,482
Friendswood	92,955	99.94%	92,899
Galveston	51,027	100%	51,027
High Island	895	100%	895
Hitchcock	34,893	100%	34,893
La Marque	18,119	100%	18,119
Santa Fe	62,700	100%	62,700
Texas City	106,215	100%	106,215
Total School Districts	<u>622,286</u>		<u>622,230</u>
<u>Co-Line School Districts</u>			
Clear Creek	<u>876,828</u>	33.41%	<u>292,948</u>
<u>Other</u>			
Bacliff MUD	13,334	100%	13,334
Bay Colony West MUD	12,408	100%	12,408
Bayview MUD	60	100%	60
Flamingo Isle MUD	3,613	100%	3,613
Galveston County FWSD #6	3,416	100%	3,416
Galveston County MUD #6	10,157	100%	10,157
Galveston County MUD #12	551	100%	551
Galveston County MUD #13	1,985	100%	1,985
Galveston County MUD #14	9,800	100%	9,800
Galveston County MUD #15	8,523	100%	8,523
Galveston County MUD #30	4,502	100%	4,502
Galveston County MUD #31	2,164	100%	2,164
Galveston County MUD #32	1,980	100%	1,980
Galveston County MUD #39	25,749	100%	25,749
Galveston County MUD #43	26,706	100%	26,706
Galveston County MUD #44	9,556	100%	9,556
Galveston County MUD #45	8,317	100%	8,317

GALVESTON COUNTY, TEXAS
TABLE 3.3 - COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT (1)(2)
GENERAL OBLIGATION BONDS
September 30, 2016
(amounts expressed in thousands)

<u>Governmental Unit</u>	<u>General Obligation Bonded Debt Outstanding</u>	<u>Percentage Applicable to Government</u>	<u>Amount Applicable to Government</u>
Galveston County MUD #46	28,953	100%	28,953
Galveston County MUD #54	15,058	100%	15,058
Galveston County MUD #66	1,754	100%	1,754
Galveston County MUD #68	2,166	100%	2,166
San Leon MUD	8,286	100%	8,286
Galveston WCID #1	2,272	100%	2,272
Galveston WCID #8	4,835	100%	4,835
Galveston WCID #12	14,435	100%	14,435
South Shore Harbor MUD #7	16,500	100%	16,500
Tara Glen MUD	1,656	100%	1,656
West Ranch Management Dist	22,216	100%	22,216
Total Others	<u>260,952</u>		<u>260,952</u>
Total Overlapping Debt	<u>1,959,098</u>		<u>1,365,267</u>
Total Direct and Overlapping Debt	<u>\$ 2,229,998</u>		<u>\$ 1,636,167</u>
Ratio of Direct and Overlapping Debt to 2016 Gross Taxable Assessed Valuation			5.47%
Per Capita Direct and Overlapping Debt (2016 estimated population = 322,225) (3)			5,078
Gross Taxable Assessed Valuation			\$ 29,899,714

(1) 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.

(2) 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.

(3) 2016 estimated county population and Per Capita Direct and Overlapping Debt amounts are not rounded to thousands.

GALVESTON COUNTY, TEXAS
TABLE 3.4 - 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)	\$ 29,899,714
Debt limit rate (5% of assessed value)	x 5%
Dollar amount of debt limit	<u>1,494,986</u>
Amount of debt applicable to constitutional debt limit:	
Total general bonded debt, including cumulative accretion	\$ 269,609
Less: Debt Service fund balance	<u>(11,574)</u>
Total debt applicable to limitation	<u>258,035</u>
Legal debt margin	<u>\$ 1,236,951</u>

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Debt limit	\$1,172,206	\$ 1,283,192	\$ 1,270,256	\$ 1,192,949	\$ 1,231,928	\$ 1,262,252	\$ 1,305,179	\$ 1,319,968	\$ 1,364,885	\$ 1,494,986
Total net debt applicable to limit	<u>229,641</u>	<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>293,739</u>	<u>275,839</u>	<u>258,035</u>
Legal debt margin	<u>\$ 942,565</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>	<u>\$ 1,026,229</u>	<u>\$ 1,089,046</u>	<u>\$ 1,236,951</u>
Total net debt applicable to the limit as a percentage of debt limit	19.59%	18.63%	28.58%	30.24%	28.07%	26.12%	23.85%	22.25%	20.21%	17.26%

Constitutional Tax Limitations:

Bonds issued under the Texas general laws, in addition to the debt limit of 5 percent of assessed value of all taxable property, authorized the county to levy a tax for general fund, jury fund, road and bridge fund and permanent improvement fund purposes limited in the aggregate to \$0.80 per \$100 of assessed valuation (the "\$0.80 Tax Limitation"). The Constitution also authorizes the county to levy a separate tax, without legal limit as to rate, to pay debt service on county road bonds. In addition, the county is authorized to levy a special tax for the maintenance of public roads not to exceed \$0.15 per \$100 of assessed valuation provided a majority of the qualified property-tax-paying voters of the county voting at an election to be held for that purpose shall vote such tax. The receipts of such special tax are restricted and are not available to pay debt service on the Road Refunding Bonds. This special Road and Bridge Fund tax provides additional funds for road purposes that would otherwise be paid from taxes subject to the \$0.80 tax limitation.

The Texas Constitution authorizes the county to levy a separate tax, not to exceed \$0.30 per \$100 of the assessed valuation, for the construction and maintenance of farm-to-market roads and flood control. The county is further authorized to levy a tax, not to exceed \$0.50 per \$100 assessed valuation, to pay debt service on Seawall bonds.

GALVESTON COUNTY, TEXAS
TABLE 3.4 - LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(amounts expressed in thousands)

Bonds Issued Under Article 3, §52

Assessed value of real property (excluding exemptions)	\$ 26,920,503
Debt limit rate	<u>X 25%</u>
Amount of Debt Limit	6,730,126
Total Road Bonds Outstanding, including cumulative accretion	<u>(81,256)</u>
Legal debt margin	<u>\$ 6,648,870</u>

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Debt limit	\$ 5,244,559	\$ 5,666,524	\$ 5,606,885	\$ 5,354,023	\$ 5,469,068	\$ 5,592,175	\$ 5,766,604	\$ 5,781,904	\$ 6,014,657	\$ 6,730,126
Less: Road bonds outstanding	<u>(38,122)</u>	<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>(93,678)</u>	<u>(85,870)</u>	<u>(81,256)</u>
Legal debt margin	<u>\$ 5,206,437</u>	<u>\$ 5,628,983</u>	<u>\$ 5,494,957</u>	<u>\$ 5,242,740</u>	<u>\$ 5,361,164</u>	<u>\$ 5,491,909</u>	<u>\$ 5,672,926</u>	<u>\$ 5,688,226</u>	<u>\$ 5,928,787</u>	<u>\$ 6,648,870</u>

The county is authorized under Article III, §52, of the Texas 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.

Demographic and Economic Information

GALVESTON COUNTY, TEXAS
TABLE 4.1 - DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year	Population (1)	Personal Income (1)(4)	Per Capita		School Enrollment (2)	Unemployment Rate (3)
			Personal Income (1)(4)	Median Age (1)		
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	29,285	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%
2014	308,448	9,004,196	29,192	37.5	92,043	5.50%
2015	314,198	9,716,887	30,926	37.4	81,062	4.86%
2016	322,225	9,998,642	31,030	37.5	84,391	4.40%

(1) Source: U.S. Census Bureau as of December 2015

(2) Source: Texas State Data Center

(3) Source: American Community Survey June 2015

(4) Amount expressed in thousands.

GALVESTON COUNTY, TEXAS
TABLE 4.2 - PRINCIPAL EMPLOYERS (1)
CURRENT YEAR AND NINE YEARS AGO

Employer		2016			2007		
		Number of Employees	Rank	% of Principal-Employer Employees	Number of Employees	Rank	% of Principal-Employer Employees
University of Texas Medical Branch	(2)	12,448	1	41.5%	12,408	1	47.6%
Clear Creek Independent School District		4,963	2	16.5%	4,000	2	15.3%
Marathon Petroleum Corp.	(3)	1,900	3	6.3%			
Texas City Independent School District	(4)	1,899	4	6.3%	879	8	3.4%
Walmart	(6)	1,775	5	5.9%			
American National Insurance Company		1,600	6	5.3%	1,476	6	5.7%
Galveston County	(5)	1,425	7	4.8%	1,269	4	4.9%
Galveston Independent School District		1,360	8	4.5%	1,221	7	4.7%
Dickinson Independent School District		1,350	9	4.5%			
Landry's Seafood Inc./Fertitta Hospitality, LLC		1,300	10	4.3%	1,245	5	4.8%
Mainland Medical Center					750	10	2.9%
BP-Amoco Oil Company Texas City					2,000	3	7.7%
Moody Gardens					840	9	3.2%
Total		<u>30,020</u>		<u>100.0%</u>	<u>26,088</u>		<u>100.0%</u>

(1) Source: Unless otherwise stated below: Texas City - La Marque Chamber of Commerce and Galveston Chamber of Commerce-Galveston Economic Development Partnership, 2015, Clear Lake Shores Chamber of Commerce

(2) University of Texas Data Reference Card for Fiscal year 2015

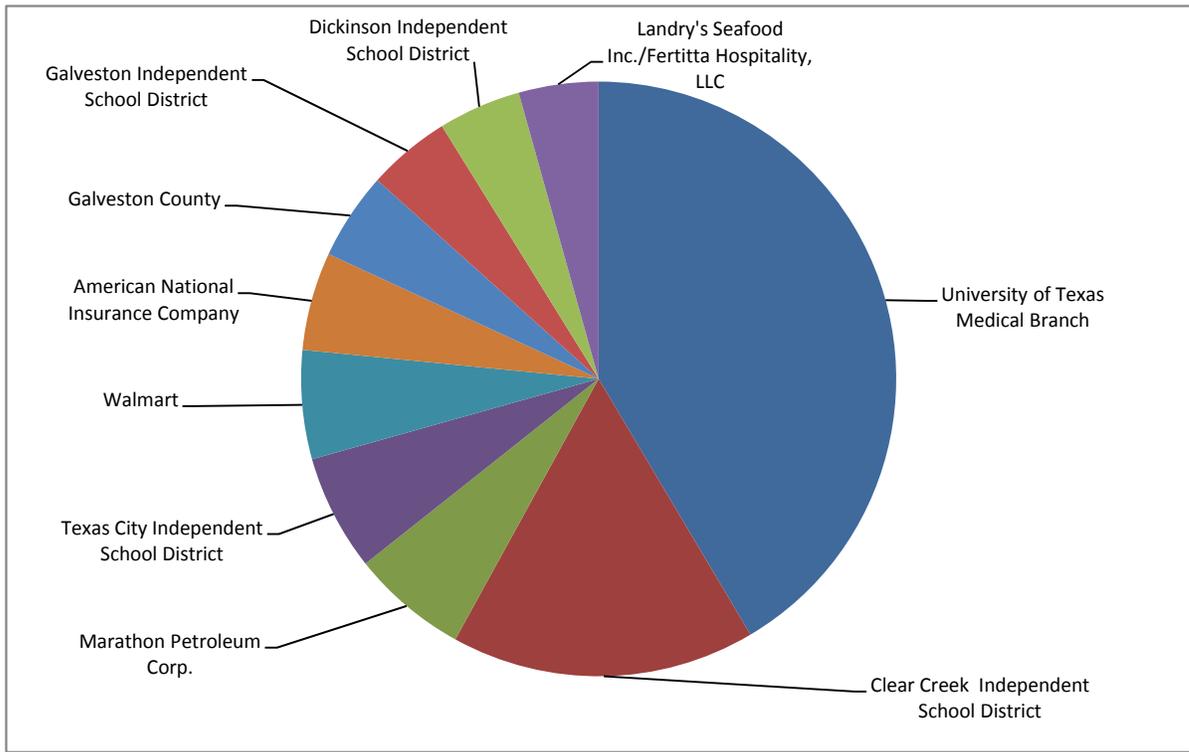
(3) Galveston Bay Refinery uses contract employees, ranging from 3,000 to 5,000 per day during peak turnaround maintenance periods.

(4) On December 2, 2015, Texas Education Agency Commissioner Michael Williams announced that Texas City ISD would absorb the LaMarque Independent School District (LMISD) effective July 1, 2016.) Texas City ISD will annex La Marque ISD into its school district beginning in the 2016-17 school year.

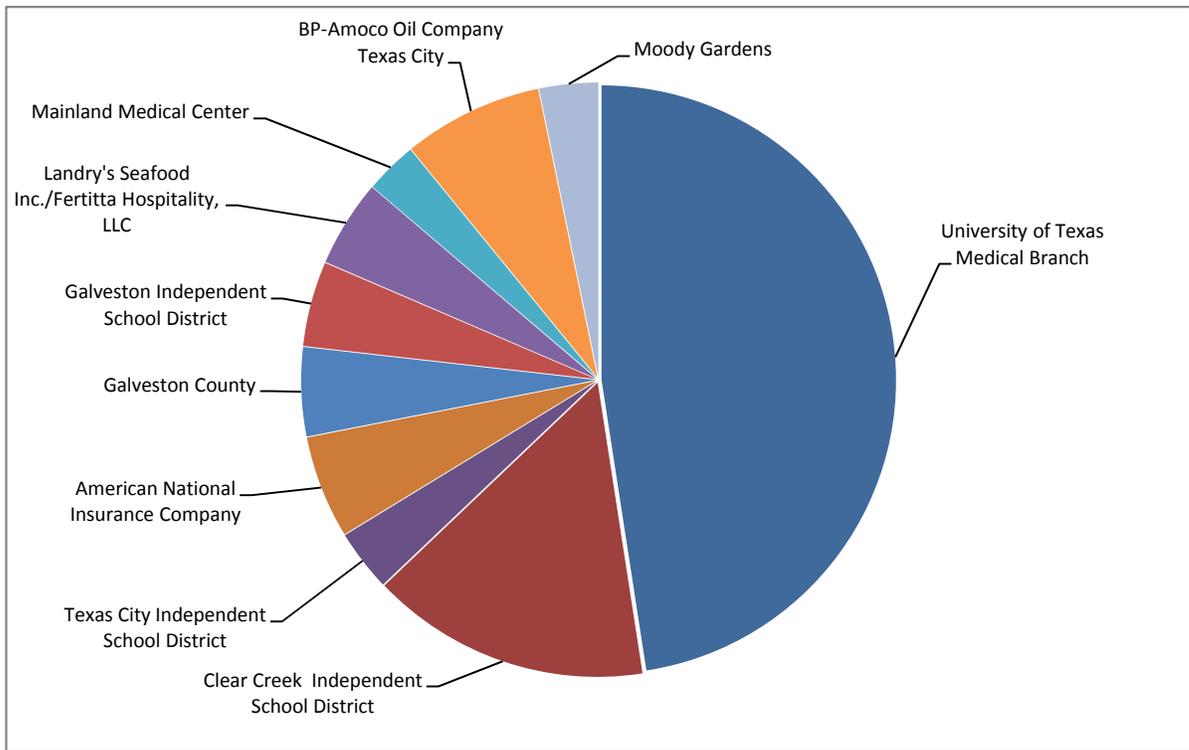
(5) Human Resources budgeted positions for 2016

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

Principal Employers 2016



Principal Employers 2007



Operating Information

GALVESTON COUNTY, TEXAS
TABLE 5.1 - COUNTY EMPLOYEES BY FUNCTION (1)
LAST TEN FISCAL YEARS

Function	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Government	551	555	481	491	483	476	479	486	484	492
Public Safety	535	556	638	665	666	644	687	687	688	783
Road and Bridges, and Rights-of-Way	51	54	56	55	49	57	61	51	74	51
Health and Social Services	74	76	60	60	59	52	52	30	27	38
Culture and Recreation	47	45	53	53	50	40	52	47	51	49
Conservation	<u>11</u>	<u>10</u>	<u>10</u>	<u>10</u>	<u>11</u>	<u>11</u>	<u>9</u>	<u>9</u>	<u>9</u>	<u>12</u>
Total	<u>1,269</u>	<u>1,296</u>	<u>1,298</u>	<u>1,334</u>	<u>1,318</u>	<u>1,280</u>	<u>1,340</u>	<u>1,310</u>	<u>1,333</u>	<u>1,425</u>

(1) Source: Galveston County Budget Office/Human Resources

GALVESTON COUNTY, TEXAS
TABLE 5.2 - OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Function /Program										
General Government										
<i>Tax Assessor- Collector</i>										
Employees	53	53	52	52	50	50	51	52	52	52
Ad-Valorem Accounts	181,952	189,520	187,473	189,114	189,495	190,051	192,450	190,815	192,387	193,692
Vehicle Registration/Licenses	251,750	259,329	257,566	258,471	262,687	261,515	277,521	279,003	290,458	293,964
Entities for which we collect	32	35	35	36	36	37	37	40	40	39
Number of Registered Voters	179,172	191,052	163,852	182,813	177,347	185,379	182,503	193,054	188,134	207,701
Beer and Wine Permits	2,063	2,254	899	705	748	883	670	612	1,537	854
Special Inventory Tax Accounts	106	141	144	129	129	133	152	166	178	182
Coin Operated Machines	396	771	7,622	1,591	3,980	3,634	3,048	3,134	2,526	2,034
<i>County Clerk (2)</i>										
Employees	59	60	60	60	51	52	52	56	56	52
Record Property/Govt	83,986	78,917	68,733	64,677	66,039	71,149	63,272	73,112	77,212	76,388
Marriage License	2,411	2,260	1,940	2,077	2,048	2,174	2,223	2,111	2,093	2,419
Assumed Names (Business Names)	2,984	2,758	3,385	3,065	2,839	2,763	2,783	2,618	2,655	2,882
Number of Criminal Cases Filed	13,857	14,137	15,271	15,493	11,042	11,135	9,931	10,372	9,166	8,586
Number of Civil Suits Filed	2,229	1,730	1,798	2,211	2,310	2,427	2,485	2,071	2,359	2,127
Number of Probate Cases Filed	1,415	810	748	839	866	969	873	954	1,021	1,003
Probate Mental Health Cases filed	466	355	243	398	353	237	140	189	228	227
Elections Held	13	29	20	23	16	22	14	7	9	7
<i>District Clerk (2)</i>										
Number of Employees	47	48	49	46	63	50	50	52	52	53
Civil Cases	7,327	5,776	5,695	4,375	5,726	3,072	2,370	1,412	1,386	1,528
Criminal Cases	4,544	4,566	3,908	4,016	7,898	3,944	4,471	4,760	4,619	2,688
Tax Cases Processed	1,235	839	727	1,072	3,095	1,016	990	711	1,066	556
CPS Cases Processed	157	102	101	117	206	84	86	135	141	111
Juvenile Cases	1,099	919	362	380	857	659	521	690	826	419
Jurors Summoned	55,300	52,900	63,600	59,050	49,600	56,800	54,419	53,266	56,000	56,953

GALVESTON COUNTY, TEXAS
TABLE 5.2 - OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS

(continued)

Function / Program	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Government										
<i>Human Resources</i>										
Applications Accepted	1,555	1,348	1,168	1,745	1,905	2,340	2,993	6,254	5,348	6,116
Positions Filled	335	484	258	219	270	253	264	228	234	219
<i>Justice of the Peace (9 precincts) (2)(4)</i>										
<i>Precinct #1 (Formerly 5 & 7)</i>										
Number of Employees	9	10	10	10	9	10	10	9	9	7
Civil Cases Filed	1,517	1,922	1,862	1,669	1,637	3,801	5,515	2,108	382	1,511
Civil Cases Disposed	1,422	1,786	1,646	1,738	1,795	2,017	1,894	2,087	393	1,483
Civil Cases Appealed	3	-	0	1	2	2	2	3	-	2
Criminal Cases Filed	9,456	8,724	8,596	7,899	7,394	5,814	7,895	9,468	1,793	3,422
Criminal Cases Disposed	9,201	7,272	9,015	8,130	6,195	6,302	7,227	6,942	1,443	4,121
Criminal Cases Appealed	13	47	49	21	37	13	47	35	5	23
<i>Precinct #2 (Formerly 1 & 4)</i>										
Number of Employees	10	8	9	9	10	10	10	8	11	7
Civil Cases Filed	1,190	1,888	1,310	1,133	906	1,979	2,719	1,160	2,109	1,404
Civil Cases Disposed	967	1,545	1,266	1,177	891	967	871	1,223	2,056	1,654
Civil Cases Appealed	11	12	13	14	22	6	31	19	26	18
Criminal Cases Filed	7,447	7,638	5,623	5,701	6,108	4,205	5,728	5,293	8,256	5,771
Criminal Cases Disposed	7,766	6,212	5,181	6,977	5,832	5,496	4,843	9,704	8,655	9,840
Criminal Cases Appealed	37	38	38	70	61	68	82	41	97	45

GALVESTON COUNTY, TEXAS
TABLE 5.2 - OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS

(continued)

Function /Program	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Government										
<i>Precinct #3 (Formerly 2,3 & 6)</i>										
Number of Employees	13	13	13	13	13	13	13	10	15	8
Civil Cases Filed (6)	1,220	1,128	962	783	623	4,920	3,640	1,009	2,112	987
Civil Cases Disposed	616	797	915	828	709	703	884	1,512	2,006	967
Civil Cases Appealed	18	24	13	13	13	14	23	22	26	12
Criminal Cases Filed	14,202	13,368	8,502	7,202	6,098	4,028	4,148	3,908	6,545	2,187
Criminal Cases Disposed	16,108	15,289	12,847	8,616	7,479	5,772	4,451	4,595	18,751	13,044
Criminal Cases Appealed	157	125	46	88	84	65	30	34	55	9
<i>Precinct #4 (Formerly 8-1 & 8-2)</i>										
Number of Employees	9	9	9	9	10	10	10	8	8	7
Civil Cases Filed	944	1,239	1,112	940	818	969	872	999	249	943
Civil Cases Disposed	25	831	905	937	780	847	805	1,030	267	804
Civil Cases Appealed	2	3	4	13	14	18	23	17	5	15
Criminal Cases Filed	6,448	5,535	4,896	5,515	4,116	4,782	6,545	5,984	1,046	4,039
Criminal Cases Disposed	1,001	6,574	4,924	5,951	4,393	5,209	5,088	4,701	1,056	4,583
Criminal Cases Appealed	1	44	53	46	56	55	50	57	8	83
Public Safety										
<i>Sheriff</i>										
Number of Employees	395	395	413	429	459	579	460	460	489	491
Daily average in County Jail	1,041	1,066	931	980	939	903	878	878	923	1,015
Number of persons booked	21,898	19,476	19,360	19,098	18,226	18,514	19,621	19,621	17,188	17,032
Number of Civil Processes	5,970	7,137	6,529	6,926	7,085	4,345	4,461	4,461	5,193	3,727

GALVESTON COUNTY, TEXAS
TABLE 5.2 - OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS

Function /Program	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Road, Bridges & Right-of-Way										
<i>County Maintained Roads - Road and Bridge</i>										
Precinct #1	211.57 mi	199.2 mi	199.2 mi	208.0 mi	203.3 mi	211.8 mi	211.7 mi	211.7 mi	211.3 mi	209 mi
Precinct #2	118.35 mi	104.4 mi	104.4 mi	105.0 mi	104.8 mi	104.8 mi	104.8 mi	104.8 mi	104.1 mi	108 mi
Precinct #3	21.02 mi	20.5 mi	20.5 mi	20.0 mi	21.3 mi	15.3 mi	15.3 mi	14.5 mi	14.5 mi	13.5 mi
Precinct #4	6.06 mi	5.10 mi	5.10 mi	5.0 mi	7.3 mi	3.8 mi	3.8 mi	3.8 mi	3.8 mi	2.7 mi
Health and Social Services										
<i>Community Services</i>										
Community Clinics	2	2	2	2	2	2	2	2	2	2
Employees' CareHere! Clinics	2	2	2	2	2	2	2	3	3	3
Culture and Recreation										
<i>County Parks Department (5)</i>										
Park Permits Approved	623	986	965	904	850	539	411	800	966	1,045
Festival & Special Events Hosted	25	11	11	12	12	17	21	22	31	46
Vehicle Permits Sold	22,059	30,880	14,985	24,859	30,895	32,005	40,487	40,581	44,581	59,614
Disc Golf Permits Sold	1,606	2,192	1,496	1,409	1,981	2,045	4,972	4,825	5,151	7,847

(1) Sources: Various county departments

(2) Texas State Courts Website: www.courts.state.tx.us/courts/jp.asp

(3) The figures provided by the Constables Precinct 1A - 4A were the total count for various cases/warrants processed and/or served.

(4) As a result of the renumbering of Justice Precincts, the new precincts include the historical information from their counterparts.

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

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

(7) For 2013, the number of civil cases served, or attempted to be served, for January 2013 thru September 2013

GALVESTON COUNTY, TEXAS
TABLE 5.3 - CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS

Function	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Government										
Number of buildings	20	18	17	18	18	17	18	18	18	18
Number of courtrooms	21	21	21	21	21	21	21	21	20	20
Public Safety										
Jail capacity/number of beds (2)	1,187	1,187	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	4	4
Sheriff's Department vehicles	120	128	128	130	132	141	113	121	155	173
Boats / seacrafts	5	5	5	5	5	5	7	7	7	8
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	5	3	3	3	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	4	4
Roads, Bridges, & R.O.W.										
Miles of county roads	357	329	329	338	337	336	334	334	334	333
Bridges	22	22	22	22	22	22	22	22	22	22
Motor Vehicles	46	42	42	43	40	39	37	37	34	27
Heavy and General Equipment	79	77	77	77	74	77	71	71	65	58
Health and Social Services										
Clinics	3	4	4	4	4	3	2	2	3	3
Animal Shelter	1	1	1	1	1	1	1	1	1	1
Mosquito Control vehicles	19	19	19	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	8	8	8	13
Senior Citizens centers	4	6	6	6	6	3	3	3	3	3
Senior Citizens vehicles	7	9	9	9	9	10	9	10	15	15

GALVESTON COUNTY, TEXAS
TABLE 5.3 - CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Culture and Recreation										
Museum	1	1	1	1	1	1	-	-	-	-
Parks	26	26	26	26	26	23	23	23	23	23
Park acreage	1,255	1,266	1,266	1,321	1,321	1,385	1,385	1,385	1,385	1,385
Park buildings	31	31	31	31	32	19	20	20	11	11
Community centers	4	6	6	6	6	3	3	3	3	3
Athletic fields & courts	41	41	41	41	41	52	52	47	47	47
Boat launches	11	11	11	11	11	11	10	10	10	10
Campground sites	9	9	9	9	9	9	9	9	9	9
Trails (feet) (1)	751	31,680	31,680	31,680	31,680	31,680	31,680	31,680	31,680	31,680
Equestrian trails (feet) (1)	NA	12,576	12,576	12,576	12,576	12,576	12,576	12,576	12,576	12,576
Vehicles	34	30	30	25	30	29	25	27	27	26
Parks Heavy & General Equipment	40	47	47	47	52	50	55	54	62	68
Beach maintenance equipment	6	7	7	8	9	17	20	22	20	12
Conservation										
Extension service vehicles	6	6	6	7	7	6	5	5	5	5

(1) Source: Parks Department. Prior to FY 2008, trails data was only for hiking. Starting FY 2008, trails data was updated to include hiking, biking and walking.

(2) Source: Texas Commission on Jail Standards website

