



GALVESTON COUNTY, TEXAS

Comprehensive Annual Financial Report



FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2018

GALVESTON COUNTY, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended
September 30, 2018

Prepared by:

Office of County Auditor
Galveston County, Texas

Galveston County, Texas
 Comprehensive Annual Financial Report
 For the Fiscal Year Ended September 30, 2018

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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 26, 2019

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, 2018, 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, 2018, 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, 2018, 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 335,036. 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 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 55-56.

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, Commissioners 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, capital outlay and other financing uses. Budget-to-actual comparisons are provided in this report for the General Fund and all budgeted funds.

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.

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 medical facility has expanded to various mainland sites as well, and is now home to forty clinics on and off of the Island.

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. In addition to the refineries, Texas City is also home to the Port of Texas City / Texas City Terminal Railway Company, which is the fifteenth largest port in the United States and the fourth largest in Texas, with total water borne tonnage exceeding 50 million net tons and over twenty-five thousand car loads per year.

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. The Port of Galveston generated an economic impact of \$2.3 billion in their fiscal year 2017. A wide variety of exports and imports passes through its facilities. This past year, 4.3 million tons of cargo passed through the port. 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.

Tourism is an important presence in the county's economy, with more than seven million visitors each year. With nearly one million cruise passengers, two-hundred fifty-five cruise ship visits traveled through Galveston's port in their most recent fiscal year. Not only is it the number one cruise port of Texas, but it is also the fourth busiest in the U.S. and ranked twelfth in the world's top twenty cruise ports. The Island's seashore, its historic downtown and residential districts and its thriving cruise industry attract growing numbers of visitors to the many hotels, 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. These include the restored mansions of Ashton Villa, the Bishop's Palace and Moody Mansion, along with 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 300-room luxury 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". The Kemah Marina has the greatest concentration of boats of any region in Texas and claims the third largest fleet of recreational boats in the United States. In addition, Kemah is home to the Kemah Boardwalk which features a variety of waterfront restaurants, amusements, charming retail stores, festivals and seaside shows daily.

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 2017 tax year at \$36.2 billion, an increase of 7.2% from the prior tax year. The county's net taxable base value, used to calculate tax revenues for the fiscal year 2018, is \$26.1 billion, an increase of 3.7% from fiscal year 2017. The major residential subdivisions which added to the 2017 tax base were:

- Magnolia Creek,
- Tuscan Lakes,
- Sedona,
- Bay Colony,
- Lago Mar,
- Hidden Lakes,
- Mar Bella and
- Painted Meadows.

Commercial additions include:

- a remodeling of McRee Ford,
- a Valero Corner Store,
- an H-E-B supermarket,
- a Hidden Lakes Retail,
- a Kiddy Academy and
- a Balaji Resort on Galveston Island.

The gross taxable base value for the 2018 tax year is expected to increase by 0.3% to \$36.4 billion, and net taxable base value is expected to increase by 5.5% to \$27.6 billion. Future planned developments include:

- the Pinnacle Park (Cabela's area),
- the Adventure Pointe Amusement Park,
- the Catalon Lago Mar Apartments,
- a Marketplace at 96 South,
- a Speedway in Texas City and
- the Tannos Plaza 6.

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. Along with refunding debt, the county also issued non-refunding long-term debt in its current fiscal year.

The county has historically monitored conditions of the borrowing market to be able to issue debt to refund outstanding obligations when it can lower its cost of money. On December 28, 2017, the county issued new and refunding debt in the amount of \$102,105,000. Advance-refunding bonds were issued to defease \$51,360,000 of maturities of its Series 2009A Build America Bonds and \$9,215,000 of maturities of its Series 2009C-2 Build America Bonds. In addition to the advance-refunding, new debt of \$47,000,000 was also issued to fund road, flood control and building capital projects.

During its fiscal year ended September 30, 2018, the county made all of its scheduled principal and interest payments timely. At September 30, 2018, its outstanding bonded debt, including cumulative accretion, totaled \$264,241,148. During that fiscal year then ended, the county paid \$78,107,087 in principal (\$17,532,088 in recurring payments and \$60,575,000 in refunding) and \$12,528,614 in interest and paying agent fees. The county maintains an “Aaa” rating from Moody’s Investors Service, Inc., and an “AA+” rating from Fitch Ratings on its general-obligation debt.

See additional detail in Note III.F to the Financial Statements on pages 74-78 of this report.

Post-employment benefits. The county provides post-employment health- and life-insurance benefits to its retirees. At September 30, 2018, the county recognized 501 retirees, 146 of whom are eligible for full health insurance and 355 of whom receive reduced Medicare-supplement insurance. The county follows the provisions of Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pension* 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.F - H to the Financial Statements on pages 81-93 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, 2018, the county earned \$2,290,642 in interest. More information about the county’s deposits and investments can be found in Note III.A to the Financial Statements on pages 65-68 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, facilities, grant funding and engineering. Examples follow, with additional items and greater detail included in the MD&A section of this report.

Parks and Cultural Services

- construction of permanent restrooms and public showers on the Bolivar Peninsula
- improvements to Bayside Regional Park in the San Leon/Bacliff area and Walter Hall Park in League City
- reconstruction of Lobit pavilion and restroom building
- construction of new, large picnic pavilion at Fort Travis Seashore Park
- construction of new restroom facility in Jack Brooks Park at Live Oak Pavilion
- construction of new restroom facility in Carbide Park
- improvements to Rollover Pass on Bolivar Peninsula
- opening of the Galveston County Museum exhibit hall
- purchase of mowers, vehicles and buses

Information Technology

- implement time-and-attendance software to integrate with payroll and human resources modules of the county's financial software
- evaluation of cyber tools, products and services to ensure the Galveston County technology services, infrastructure and intellectual property are protected
- work with software vendors to build Application Program Interfaces to allow for integration of separate software
- implement a new system in the Galveston County Information Technology Services Department

Facilities

- retrofit outdoor lighting to LED for substantial energy savings
- upgrade the County Jail with water saving controls, on all toilet and shower fixtures
- replace air handling units at the Juvenile Justice Center
- HVAC and foundation improvements at the Texas City Courthouse
- Planning of the North County Calder Annex parking lot expansion
- Bayshore Pavilion repairs

Grant Funding

- non-disaster-related grant funding for projects involving:
 - county law enforcement,
 - criminal prosecution,
 - emergency management and
 - social services
- disaster-related grant funding received after Hurricane Ike (2008) for:
 - restoration of beaches and dunes,
 - remediation and improvements to infrastructure,
 - building of and restoring county facilities and
 - repairing rebuilding and elevating homes.

Engineering

- development of 21 road, bridge and drainage projects funded through voter approved bonds

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, 2017. This was the twenty-first 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 will submit it to the GFOA to seek a certificate.

The County of Galveston, Texas, received the GFOA's Distinguished Budget Presentation Award for its annual budget document for the fiscal year ended September 30, 2017. 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 Comptroller of the State of Texas awarded a Debt Obligation Transparency Star to the County of Galveston, Texas, for its excellence in reporting debt obligations for the fiscal year ended September 30, 2017, in addition to the Financial Transparency Star. The Transparency Star program recognizes local governments who go beyond legislative requirements by providing financial and debt information in a variety of formats. Each Transparency Star is valid for a period of one year only. The State Comptroller evaluates the County's website annually to determine Galveston County remains in compliance to maintain achievement of both the Financial and Debt Transparency Stars for each fiscal year. In addition, we plan to submit an application for Transparency Star recognition for Public Pensions.

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



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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, 2017

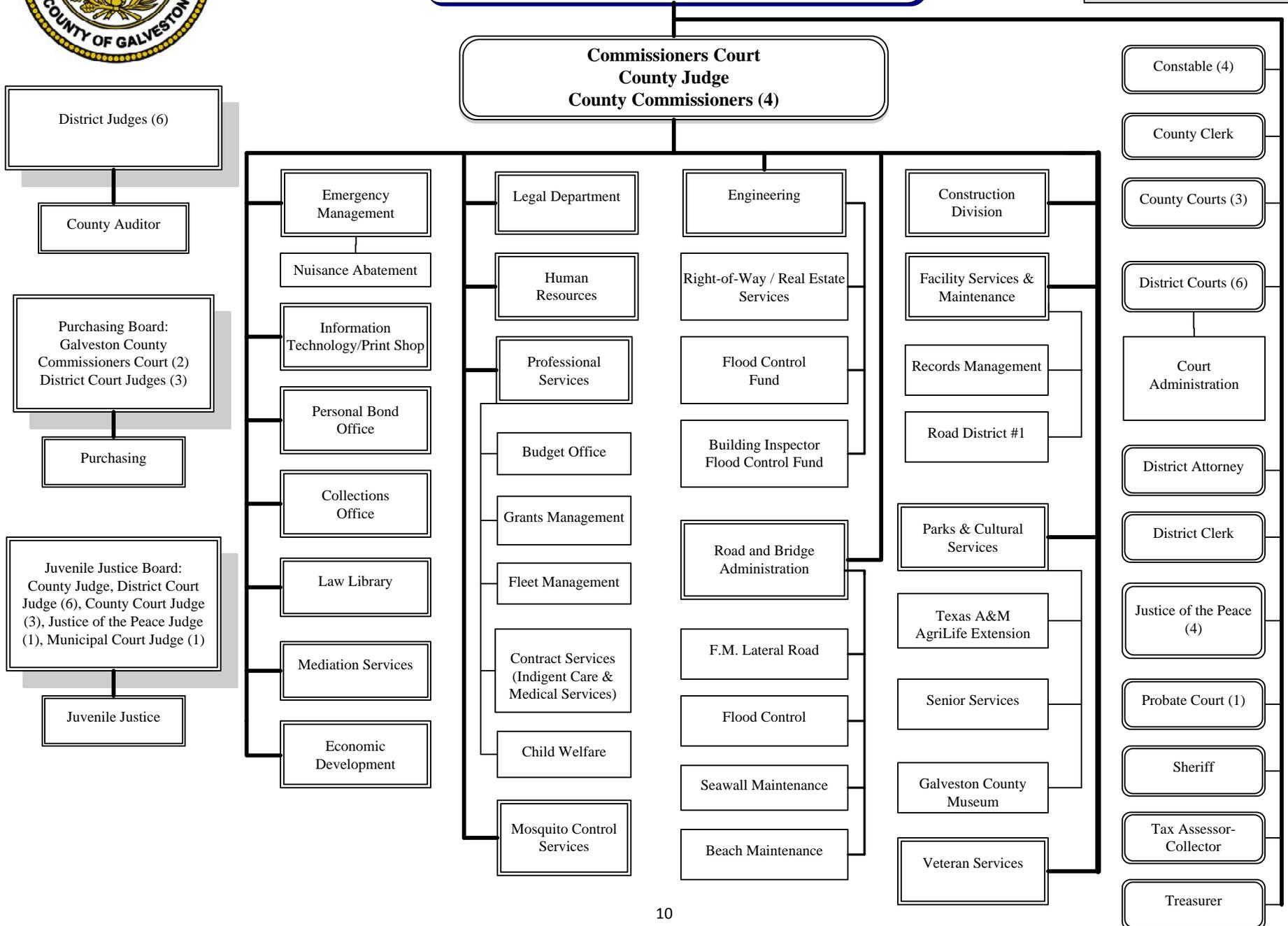
Christopher P. Morill

Executive Director/CEO



Galveston County Citizens

Galveston County Organizational Chart



GALVESTON COUNTY, TEXAS
LIST OF ELECTED AND APPOINTED OFFICIALS
September 30, 2018

County Officials

John Grady Judge, County Court-at-Law 1
 Barbara Roberts Judge, County Court-at-Law 2
 Jack Ewing Judge, County Court-at-Law 3
 Kimberly Sullivan Judge, Probate Court
 Henry Trochesset Sheriff
 Dwight Sullivan County Clerk
 Cheryl E. Johnson Tax Assessor-Collector

Allison Cox Justice of the Peace, Pct. 1
 Jim Schweitzer Justice of the Peace, Pct. 2
 Penny Pope Justice of the Peace, Pct. 3
 Kathleen McCumber Justice of the Peace, Pct. 4
 Jack Roady Criminal District Attorney
 John Kinard District Clerk
 Kevin C. Walsh Treasurer

Rick Sharp Constable, Pct. 1
 Jimmy Fullen Constable, Pct. 2
 Derrick Rose Constable, Pct. 3
 Jerry Fisher Constable, Pct. 4

District Officials

Kerry L. Neves Judge, 10th District Court
 Lonnie Cox Judge, 56th District Court
 John Ellisor Judge, 122nd District Court
 Patricia Grady Judge, 212th District Court
 Anne B. Darring Judge, 306th Family District Court
 Michelle M. Slaughter Judge, 405th District Court

Commissioners Court

Mark Henry County Judge
 Darrell Apffel County Commissioner, Precinct 1
 Joe Giusti County Commissioner, Precinct 2
 Stephen D. Holmes County Commissioner, Precinct 3
 Ken Clark County Commissioner, Precinct 4

Appointed County Officials

Rufus G. Crowder Purchasing Agent
 David Delac Budget Officer/CFO
 Randall Rice County Auditor

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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, 2018, 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.

OFFICE LOCATIONS

TEXAS | Waco | Temple | Hillsboro | Houston
NEW MEXICO | Albuquerque

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, 2018, 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.

Change in Accounting Principle

As discussed in Note I to the financial statements, in 2018 the County adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information, as presented in the table of contents, 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 the County's 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.

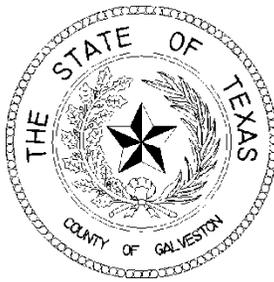
The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 26, 2019, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. 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.

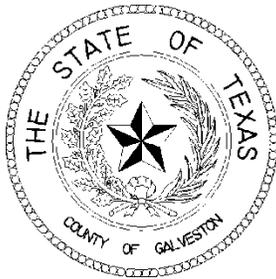
Pattillo, Brown & Hill, L.L.P.

Waco, Texas
March 26, 2019



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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 narrative overview and analysis of the financial activities of Galveston County for the fiscal year ended September 30, 2018. Please read the information presented here 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, 2018, the county's assets and deferred outflows fell short of its liabilities and deferred inflows. The net position of (\$37,194,916) is a result of a prior-period adjustment of (\$127,098,157) in net position from the September 30, 2017 ending balance; the adjustment was required to comply with the accounting standards promulgated in GASB Statement No. 75. Before the prior-period adjustment, net position had increased by \$14,085,805 to an unadjusted net position of \$89,903,239.
- Of the net position of (\$37,194,916), the county's net investment in capital assets is \$154,623,421, restricted for specific uses is \$74,101,344 and (\$265,919,681) is unrestricted.
- Of the liabilities of \$558,214,669, noncurrent liabilities due in more than one year is \$516,085,410. These long-term liabilities include net pension liability, net OPEB liability and long-term debt.
- The county's total outstanding long-term debt increased by \$23,997,913 (excluding accretion), due to sale of new debt and refunding of existing debt, as well as scheduled debt payments during the year.
- County revenues of \$207,532,906 were more than expenses of \$193,447,101, resulting in the net increase of \$14,085,805 from county operations. Program revenues, such as grant revenues and charges for services, contributed \$55,631,184, while general revenues, such as the ad valorem tax, contributed \$151,901,722.

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

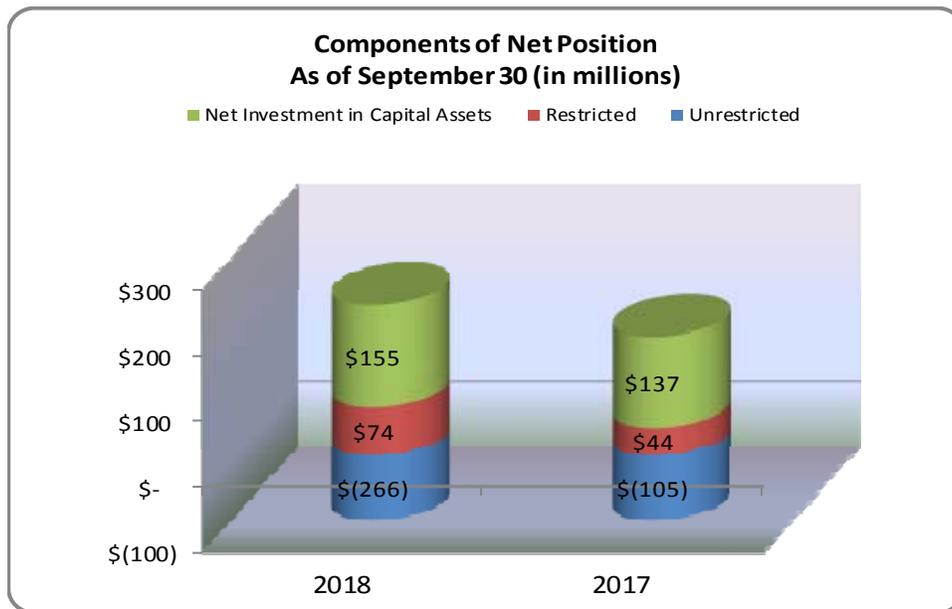
The government-wide financial statements provide readers with a broad overview of the county's finances in a manner similar to that of a private-sector business.

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

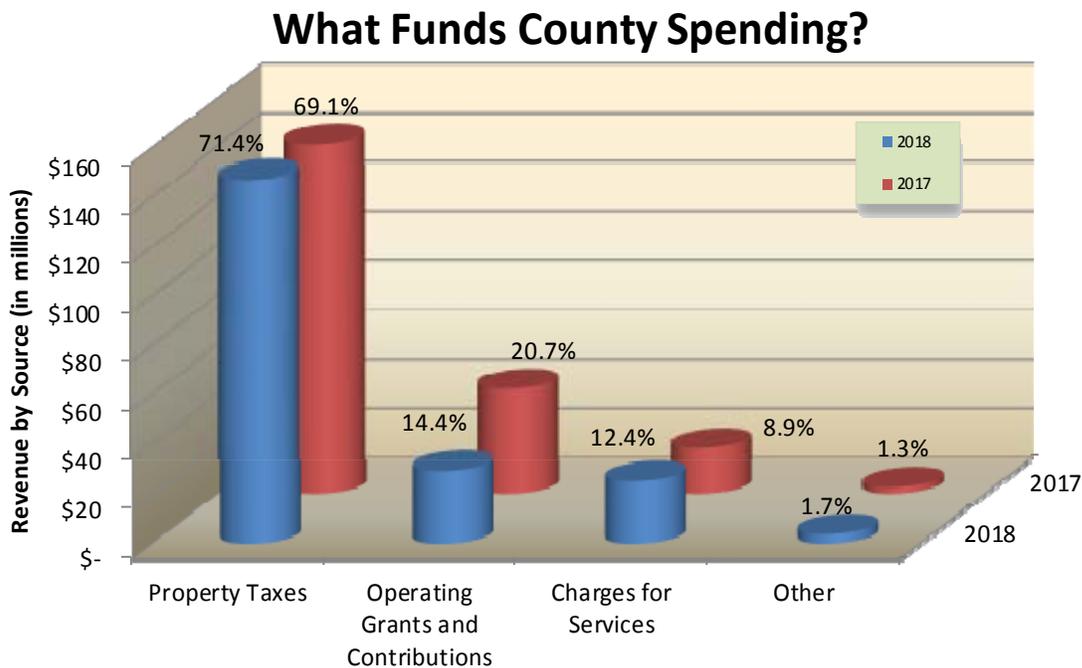


The county’s net position was greatly affected by the requirement to implement GASB Statement No. 75. The county’s assets and deferred outflows fell short of liabilities and deferred inflows by \$37,194,916 at the close of the fiscal year ended September 30, 2018. This shortfall was due to a one-time prior period adjustment of \$(127,098,157) required per the implementation of GASB Statement No. 75, which requires the net pension liability and total OPEB liability to be disclosed as a long-term liability, rather than a portion of net position.

The largest portion of the county’s net position, \$154,623,421, 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, \$74,101,344, is subject to external restrictions, such as bond covenants, grants, statutory restrictions and capital projects. The remainder, (\$265,919,681), is unrestricted. Because Galveston County incurred long-term liabilities not offset by corresponding assets, unrestricted net position is negative. In the past, the county recorded post-employment benefits on a pay-as-you-go basis; GASB Statement No. 75 now requires recording the total unpaid obligation of \$237,660,273 for post-employment benefits as of September 30, 2018. A secondary contributor to the negative position was the issuance of long-term bonds of \$102,105,000 to finance refunding of bonds and to fund new capital projects for roads and bridges, flood control and county buildings.

The county’s net position from current year activities increased by \$14,085,805 between revenues and expenditures, but with the prior period adjustment of (\$127,098,157), the overall net position decreased by \$113,012,352 (27.47%) during the fiscal year ended September 30, 2018. The positive change in net position for current year activity (not taking into consideration the prior period adjustment) indicates that, on a flow-of-economic-resources basis, current year revenues were sufficient to pay current year expenses. Compared to fiscal year 2017, underlying revenues increased by \$3,004,202 (1.47%), while underlying expenses decreased by \$3,906,464 (1.98%).



Key factors in the net change in revenues include:

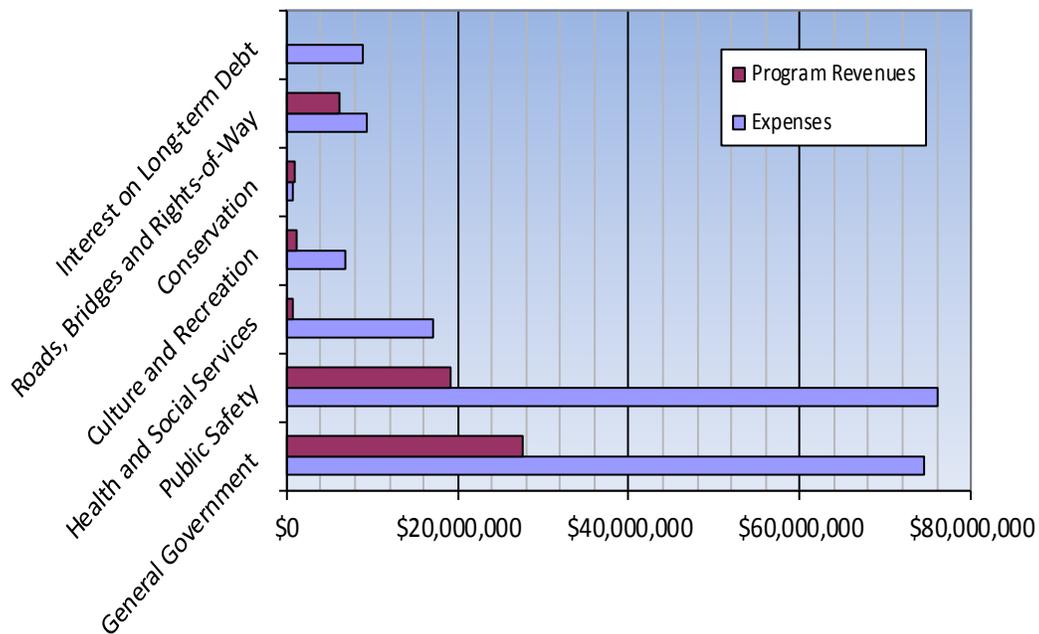
- a \$6.8 million increase in property tax general revenues due to an increase in appraised values;
- a \$7.5 million increase in charges for services due primarily to:
 - an increase in reimbursements for Sheriff’s ISD liaisons of \$0.3 million and a reclassification of the reimbursements from operating grants and contributions of \$3.8 million and
 - a \$1.1 million increase in court fines and fees
- \$1.4 million increase in unrestricted investment earnings due to the county participating in investment pools following the December 2017 bond issuance;

- a \$12.5 million decrease in operating grants and contributions due primarily to:
 - a \$3.8 million decrease due to a one-time payment received in fiscal year 2017 in the Coastal Impact Assistance Grant for the Bolivar beach dune restoration project;
 - a \$2.9 million decrease from the Community Development Block Grant Non-Housing Program;
 - a \$2.3 million decrease due to a one-time payment in fiscal year 2017 from the High Island Emergency Shelter project and
 - a \$3.5 million decrease in Sheriff’s ISD reimbursements for school liaisons due to a reclassification of this revenue from operating grants and contributions to charges for services.

Key factors in the net change in expenses include:

- a \$1.3 million increase in Roads, Bridges and Rights-of-Way due primarily to:
 - a \$0.9 million increase caused by new interlocal agreements with the Village of Tiki Island and the City of League City and
 - a \$0.4 million increase in heavy equipment purchases
- a \$1.5 million decrease in Public Safety due primarily to:
 - a \$0.8 million increase in the allocation of OPEB liability;
 - a \$1.5 million increase in salaries, mainly in the Sheriff’s Corrections, Patrol and ISD Liaison divisions and
 - a \$3.8 million decrease in Coastal Impact Assistance Grant for the Bolivar beach dune restoration project
- a \$4.5 million decrease in interest on long-term debt due to the refunding of the Limited Tax Flood Control Bonds Series 2009C-2 and the Unlimited Tax Road Bonds Series 2009A.

FY 2018 Expenses and Program Revenues Governmental Activities



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, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Current and Other Assets	\$ 233,940,171	\$ 169,290,630
Capital Assets, Net of Accumulated Depreciation	254,753,454	261,446,208
Net OPEB Asset - Retiree Life Reserve	<u>16,641</u>	<u>-</u>
Total Assets	<u>488,710,266</u>	<u>430,736,838</u>
Deferred Charge on Refunding	10,262,242	7,140,435
Deferred Outflows - Pension	8,046,124	27,154,530
Deferred Outflows - OPEB - Retiree Life Reserve	1,226,325	-
Deferred Outflows - OPEB - Retiree Health Plan	<u>20,105,117</u>	<u>-</u>
Total Deferred Outflows of Resources	<u>39,639,808</u>	<u>34,294,965</u>
Current Liabilities	42,129,259	37,403,832
Noncurrent Liabilities:		
Long-Term Debt	260,963,252	232,722,950
Net Pension Liability	11,419,774	-
Total OPEB Liability	237,660,273	-
Other Noncurrent Liabilities	<u>6,042,111</u>	<u>116,811,807</u>
Total Liabilities	<u>558,214,669</u>	<u>386,938,589</u>
Deferred Inflows - Pension	<u>7,330,321</u>	<u>2,275,778</u>
Total Deferred Inflows of Resources	<u>7,330,321</u>	<u>2,275,778</u>
Net Position:		
Net Investment in Capital Assets	154,623,421	137,224,225
Restricted	74,101,344	43,956,865
Unrestricted	<u>(265,919,681)</u>	<u>(105,363,654)</u>
Total Net Position	<u>\$ (37,194,916)</u>	<u>\$ 75,817,436</u>

COUNTY OF GALVESTON, TEXAS
Changes in Net Position
September 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Revenues:		
Program Revenues:		
Charges for Services	\$ 25,739,097	\$ 18,203,544
Operating Grants and Contributions	29,892,087	42,411,533
General Revenues:		
Property Taxes	148,072,820	141,341,005
Payments in Lieu of Taxes	1,100,893	845,821
Unrestricted Investment Earnings	2,290,306	842,215
Gain on Sale of Capital Assets	99,769	109,267
Miscellaneous	<u>337,934</u>	<u>775,319</u>
Total Revenues	<u>207,532,906</u>	<u>204,528,704</u>
Expenses:		
General Government	74,555,294	74,199,828
Public Safety	76,055,697	77,594,165
Health and Social Services	17,037,682	17,025,487
Culture and Recreation	6,813,911	6,306,544
Conservation	719,302	731,895
Roads, Bridges and Rights-of-Way	9,318,063	8,013,815
Interest on Long-term Debt	<u>8,947,152</u>	<u>13,481,832</u>
Total Expenses	<u>193,447,101</u>	<u>197,353,565</u>
Increase (Decrease) in Net Position	14,085,805	7,175,139
Net Position - Beginning	75,817,436	68,546,075
Prior Period Adjustment	<u>(127,098,157)</u>	<u>96,222</u>
Net Position - Ending	<u>\$ (37,194,916)</u>	<u>\$ 75,817,436</u>

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 Financial Highlights

- At September 30, 2018, the county’s Governmental Funds reported a combined ending fund balance of \$191,384,859, an increase of \$55,535,215 from September 30, 2017.

- \$61,486,114, or 32.1%, of the combined ending fund balance is classified as “unassigned” and available for any use.
- Additions to capital assets were \$20,721,146, with \$10,036,897 coming from transfers from construction in progress.

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. Statement No. 54 also implemented a hierarchy of five 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 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.12 to the Financial Statements on pages 62-63 of this report.

The county maintains fifty-three individual Governmental Funds. Information is presented separately in the Governmental Funds Balance Sheet and in the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances for the following five funds, all of which the county considers to be “major” funds:

- the General Fund
- the Road and Bridge Fund

- the Grant Fund
- the Unlimited Tax Road Bonds Series 2017 Capital Project 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, required Special Revenue Funds, the Grant Fund and the Debt Service Fund. Some Special Revenue Funds do not require 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 one Trust Fund (retiree life reserve) and fourteen Agency Funds. Agency funds include seizures, unclaimed property, payroll taxes and other deductions, escrow, special collections, custodial funds, inmate deposits and special committees.

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, 2018**

<u>Fund Balance Classification</u>	<u>Amount</u>	<u>Percent of Fund Balance</u>	<u>Examples of Purposes for Which Classification May Be Used</u>
Non-Spendable	\$ 921,998	0.5%	Inventories; long-term receivables; corpus of Permanent Funds
Restricted	94,469,949	49.4%	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	34,506,798	18.0%	Monies set aside by Commissioners Court for construction projects, disaster recovery, self-insurance, etc.
Unassigned	<u>61,486,114</u>	<u>32.1%</u>	Remainder of fund balance not classified elsewhere
	<u>\$ 191,384,859</u>	<u>100.0%</u>	

At September 30, 2018, the county’s Governmental Funds reported a combined ending fund balance of \$191,384,859, an increase of \$55,535,215 from September 30, 2017. A small portion of the fund balance, \$921,998, or 0.5%, is non-spendable because it is in the form of inventories. In addition, another \$94,469,949, or 49.4%, of the fund balance is unavailable because it is restricted by external constraints (e.g., debt covenants, grantor requirements and enabling legislation).

The remaining \$95,992,912, or 50.1%, of fund balance is available for new spending. Of that amount, \$34,506,798, or 18.0% 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, \$4,019,798 and
- Adopted budget utilization of fund balance, \$25,475,000.

The final \$61,486,114, or 32.1%, 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, 2018, the General Fund’s unassigned fund balance totaled \$61,575,326; total fund balance increased during the fiscal year to

\$92,067,971. 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 47.0% and 70.3%, respectively, of total expenditures for the fiscal year ended September 30, 2018.

Although revenues and expenditures increased in the same amount, revenues exceeded expenditures by \$10.7 million. Increases in revenues were due to increased property values, leading to an increase in property taxes of \$3.7 million; a new revenue source from the BP oil spill settlement of \$0.9 million; an increase in state liquor taxes of \$0.6 million; a \$0.5 million increase in road taxes; and a \$0.6 million increase in the amounts paid by school districts for resource officers. Increases in expenditures included additional funding for the employee health benefit plan of \$0.3 million; an increase in Information Technology spending of \$1.6 million; an increase in legal expenses associated with lawsuits of \$3.2 million; an increase in property tax appraisal cost of \$1.1 million; and capital outlay of \$1.6 million associated with the jail infrastructure and technology update.

As shown on the Statement of Revenues, Expenditures and Changes in Fund Balance, the net result of revenues less expenditures was an increase in fund balance of \$10,676,039. Commissioners Court has assigned a portion of fund balance to be utilized in the fiscal year 2019 adopted budget in the amount of \$25,475,000 to be used as needed for unforeseen expenditures not known at the time the budget was adopted.

Road and Bridge Fund

The Road and Bridge Fund is presented as a major fund and has a fund balance at September 30, 2018, of \$185,836. The net \$469,584 in fund balance of decreased from the prior year is mainly a result of: 1) revenues from two interlocal agreements (\$426,702) occurring in fiscal year 2017 that did not extend into 2018 and 2) an increase in fuel expenditures (\$440,232) resulting from a change in the recording of fuel for the road and bridge fleet previously reported in the General Fund-Fleet Department. The decrease from these two items was slightly offset by an increase in tax revenue of \$93,091, as well as licenses and permits of \$90,045.

Grant Fund

The Grant Fund is a major fund with a fund balance at September 30, 2018, of \$3,014,710. This fund is used to account for grant funding awarded by the federal or state government or by private foundations. The decreased \$2,586,488 from the prior year is partially due to a reduction of \$8,954,980 and \$7,512,702 in revenue and expenditure activity, respectively, largely related to the decline in post-Hurricane Ike housing, infrastructure and mitigation grants. The remaining decrease is due to a reduction of transfers in of \$1,678,024.

Unlimited Tax Road Bonds Series 2017 Capital Project Fund

The Unlimited Tax Road and Refunding Bonds Series 2017 Capital Project Fund is a major fund and has a fund balance at September 30, 2018 of \$32,426,640. This is a new fund established this year to account for \$32,000,000 in funding from bonds to construct, purchase, maintain and/or operate macadamized, graveled and paved roads and turnpikes within the county.

Debt Service Fund

The Debt Service Fund is a major fund with a fund balance at September 30, 2018, of \$8,151,295. Its fund balance increased by \$973,668 from that of the prior fiscal year. The positive net change was due to an increase of the tax levy allocated to debt service, which resulted in \$2,621,782 more in tax

revenue in the current fiscal year than in the prior year. In addition, although new debt was issued, the overall revenue was more than sufficient to cover expenditures. Scheduled debt service was paid timely during fiscal year 2018.

Changes in Fund Balance – Non-Major Funds

The aggregate fund balance of the non-major special revenue funds increased by \$2,293,479, mainly due to activity in five of those funds: the County Clerk Records Management and Preservation, Sheriff's Commissary, Galveston County Road District #1, Flood Control and Galveston County Beach and Parks.

- In the County Clerk Records Management and Preservation Fund, revenues exceeded expenditures by \$463,115. 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, which reverts to the \$5 per case filed on September 1, 2019. This fee accounts for \$831,853 of the total revenue of \$875,815.
- In the Sheriff's Commissary Fund, revenues exceeded expenditures by \$269,787. The positive net change is mainly due to jail commissary commissions exceeding expenditures by \$261,953 due to the timing of inmate funding versus payments for commissary expenditures.
- In the Galveston County Road District #1 Fund, the net change in fund balance was \$347,072. This is mainly due to revenue from tolls of \$565,818 exceeding expenditures of \$231,607.
- In the Flood Control Fund, revenues exceeded expenditures by \$316,161. This is due in part to an increase in tax revenue of \$76,847 related to increased property values, as well as a large decrease of expenditures in the current fiscal year. Expenditures for culverts decreased by \$89,006, while capital outlay expenditures decreased by \$115,958, mainly due to heavy equipment purchases that occurred in fiscal year 2017, but not in fiscal year 2018.
- In the Galveston County Beach and Parks Fund, the net change in fund balance was \$610,640. The positive net change is mainly due to three items: 1) an increase of approximately \$100,000 in Bolivar beach parking sticker revenue; 2) a net decrease in expenditures of approximately \$100,000, mainly due to a decrease in capital outlay related to Rollover Pass; and 3) a transfer in from the General Fund of \$492,203 to pay for attorney fees related to the acquisition of Rollover Pass.

The aggregate fund balance of the non-major capital project funds increased by \$12,221,461, mainly due to two new bonds issued to help fund capital projects offset by some large expenditures in two other funds.

- The Limited Tax Flood Control Series 2017 Fund was created in fiscal year 2018 to account for \$6,000,000 in bond funding for the purpose of establishing, constructing, extending, maintaining, or improving a seawall, breakwater, levee, floodway and/or drainway.
- The Limited Tax Building Bonds Series 2017 fund was also created in fiscal year 2018. This fund accounts for the \$9,000,000 in bond funding to purchase, construct, reconstruct, improve, and/or equip buildings or rooms for the housing of offices, courts, records or equipment, or for the conducting of other public business.
- In the County Capital Projects Fund, fund balance decreased by \$2,148,353 mainly due to:
 - a network upgrade of \$592,391;
 - a law enforcement system upgrade of \$1,534,225;
 - the purchase of new communication equipment for the Sheriff's Office in the amount of \$1,384,881 and

- upgrades to various county software of \$285,762.
- Expenditures were offset by a transfer in from the General Fund of \$1,933,000.
- In the Unlimited Tax Road Bonds Series 2009 Fund, expenditures of \$1,058,222 for the improvement of Calder Road and the rehabilitation of the Tiki Island Bridge was slightly offset by revenues of \$55,875, leading to a net decrease in fund balance of \$1,002,345.

General Fund Budgetary Highlights

The original adopted budget for General Fund expenditures was \$138,047,223; transfers out to other funds were budgeted at \$2,833,654. The total adopted General Fund budget, including Budgeted Reserves of \$24,750,000, was \$165,630,877. During the year, Budgeted Reserves were reduced by \$10,033,350, with \$2,871,520 used to increase transfers out to other funds to \$5,705,174. The final approved budget for expenditures was \$145,419,732. The increase in other budgeted expenditures was primarily due to:

- A net increase of \$867,340 in General Government due to an increase of \$1,113,685 for ad valorem tax refunds, offset with a decrease in contract services of \$248,345;
- An increase in Information Technology of \$623,195 mainly due to 1) an increase of \$205,000 for technology hardware; 2) a \$200,000 increase in equipment maintenance and repairs; 3) a \$90,000 increase in personal service expenditures; and 4) a \$77,000 increase for desktop refresh supplies;
- An increase of \$366,630 in the Facilities Department mainly from personal service expenditures of \$96,175 and building improvements of \$200,000 to bring various county facilities up to ADA standards;
- An increase of \$2,754,000 in the Sheriff's Office in large part for 1) personal service expenditures for corrections overtime and salary increases in various sheriff divisions in the amount of \$770,000; 2) an increase in the jail healthcare contract of \$814,000; and 3) an increase of \$870,000 related to inmate housing agreements and
- A net increase of \$1,360,000 in Capital Outlay mainly due to 1) an increase of \$1,107,000 for oversight, environmental process and an engineering contract for the Pelican Island Bridge project; 2) an increase of \$530,000 for the purchase of vehicles for various county departments; and 3) a decrease of \$391,650 in machinery and equipment and technology combined due to a reclassification of these expenditures to Information Technology as non-capital.

During the year, actual revenues were greater by \$4,661,980 and actual expenditures were \$14,470,823 less than final budgeted amounts.

The net positive variance in revenues is primarily attributable to:

- An increase of \$3,430,869 in intergovernmental revenues, mainly due to 1) \$1,913,084 higher than anticipated RTS retainage; 2) \$602,309 more revenue for state shared liquor taxes than projected; and 3) an unexpected Gulf of Mexico Energy Security Act (GOMESA) revenue sharing of \$868,810 to fund coastal restoration and conservation and
- An increase of \$1,154,538 in miscellaneous revenue, mainly due to 1) \$281,298 more than expected in jail inmate phone services contract commissions; 2) \$277,244 more than projected for sheriff liaison services to local area school districts and colleges; 3) \$194,573 increase in reimbursements from the public health district for use of our facilities; 4) \$191,413 more than expected for sheriff deputies salary reimbursements from the Gulf Coast Center; and 5) \$95,173

excess revenue than anticipated in reimbursements for sheriff deputies' overtime from Texas Department of Transportation (TxDoT) for security at the Bolivar Ferry.

The net positive variance in expenditures is primarily attributable to:

- County policy is 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 over \$1,000,000.
- In General Government, approximately \$3,000,000 in other contract services, with the majority being for potential contracts, was not spent.
- In Information Technology, costs for maintenance and repairs of equipment were around \$347,000 less than anticipated. In addition, other costs such as equipment and other rentals (\$152,000), various contract services (\$189,000) and telephone expenses (\$155,000) showed expenditures less than what was budgeted.
- In the Facilities Department, several expenditures were less than anticipated: utility costs (\$406,000), ADA compliance regulations (\$180,000) and building maintenance and repairs (\$96,000).
- In the Sheriff's Department, salary, overtime and benefit costs were approximately \$1,264,000 less than anticipated in the various divisions. Approximately \$541,000 in the Corrections, \$364,000 in the ISD's, \$175,000 for Bolivar Ferry security and \$80,000 in Criminal Investigation made up the majority of this difference.
- In the Sheriff's Department, approximately \$639,000 in other services and charges were less than budgeted. The majority of this difference was found in the Corrections division (\$478,000), Sheriff's Office Administration (\$111,000) and Warrants (\$20,000).
- In Community Services, the majority of the \$862,000 positive variance between actuals and budget can be attributed to costs being less than expected for indigent healthcare services of \$519,000 and medical transportation services of \$222,000.
- In Capital Outlay, the \$2,430,000 positive variance between actual expenditures and the budgeted amount can be attributed to planned projects which did not occur or were not completed this fiscal year. Those that didn't begin make up a total of approximately \$560,000 and include: 1) construction of a pavilion at Fort Travis Park; 2) Lobit Park improvements; and 3) construction of a restroom facility at Jack Brooks Park. In addition, there were building improvement projects that were budgeted for in total, but only were partially completed, causing a positive variance of approximately \$794,000. These projects are 1) LED replacement lighting project; 2) jail plumbing upgrades; and 3) new courthouse building elevators. In addition, improvements to the Pelican Island Bridge was \$214,000 less than budgeted due to a delay in the project.

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 and Grant Fund. Also included are schedules regarding the net pension liability and employer contributions for the county's retirement plan, as well as schedules related to OPEB liability and funding.

Capital Assets and Long-Term Debt

Capital Assets

The county's investment in capital assets at September 30, 2018, net of accumulated depreciation, totaled \$254,753,454, a decrease of \$6,692,754 (2.56%) 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 decrease in investment in capital assets occurred in part from the recording of current year depreciation for assets reported.

During this fiscal year, \$10,036,897 was transferred from "Construction in Progress" to various capital asset categories, including:

- Buildings (High Island Emergency Shelter and Bayside Regional Park Community Center)
- Building Improvements (ADA Compliance Project 2016 (former Walkway Access))
- Improvements Other Than Buildings (Bayside Regional Park)
- Infrastructure (San Leon Roads and Bayside Regional Park Access Road)
- Intangible Assets (Odyssey Modules)

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

- Land and Land Improvements: \$2,480,972
- Improvements Other Than Buildings: \$483,807
- Infrastructure: \$2,126,666
- Intangible Assets: \$1,827,439

COUNTY OF GALVESTON, TEXAS Capital Assets (Net of Depreciation) At September 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Land	\$ 34,363,202	\$ 34,363,202
Buildings and Improvements	120,090,168	122,712,541
Improvements Other than Buildings	13,742,709	14,087,209
Machinery and Equipment	15,240,914	14,054,284
Infrastructure	64,397,577	64,530,627
Construction in Progress	<u>6,918,884</u>	<u>11,698,345</u>
Total	<u>\$ 254,753,454</u>	<u>\$ 261,446,208</u>

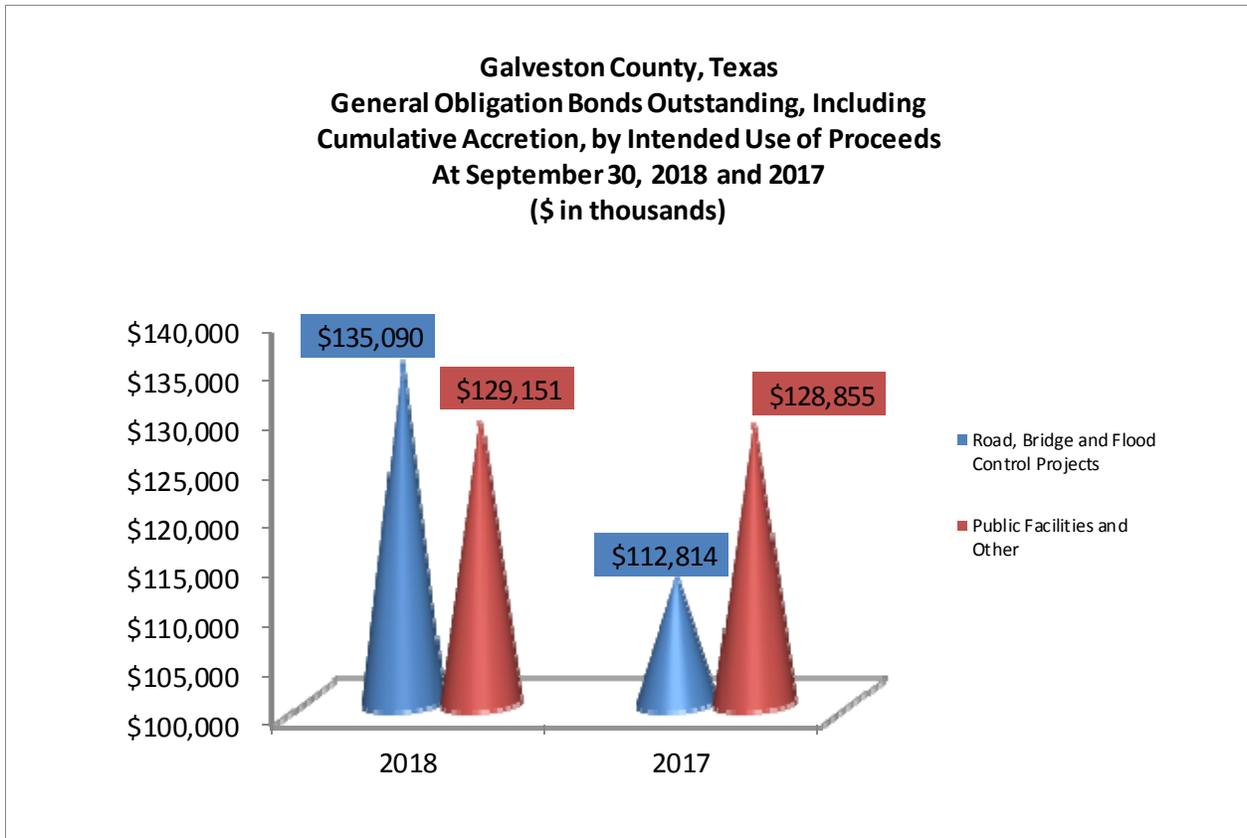
Additional information on the county's capital assets is found in Note III.D to the Financial Statements on pages 70-73 of this report.

Long-Term Debt

At September 30, 2018, the county's outstanding bonded debt, including accumulated accretion, totaled \$264,241,148, all of which is general obligation bonds. These general obligation bonds are backed by the full faith and credit of the county.

**General Obligation Bonds Outstanding, Including
Cumulative Accretion, by Intended Use of Proceeds
At September 30, 2018 and 2017**

	2018	2017
Road, Bridge and Flood Control Projects	\$ 135,090,304	\$ 112,813,580
Public Facilities and Other	129,150,844	128,855,305
Total Long-Term Debt	\$ 264,241,148	\$ 241,668,885



The county’s outstanding bonded debt increased by a net 9.34%, or \$22,572,263, during the fiscal year ended September 30, 2018. New refunding debt added \$102,105,000 of outstanding principal, which was offset by a decrease of \$78,107,087 resulting from \$60,575,000 of refunded principal and \$17,532,087 of scheduled principal payments.

Current-year accretion on capital appreciation bonds added \$2,672,263; this increase was offset by the payment of \$4,097,913, resulting in net accretion of (\$1,425,650). The county maintains an “Aaa” rating 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 \$1,700,868,300, 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 \$7,183,853,250, 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.F to the Financial Statements on pages 74-78 of this report.

Economic Factors and Next Year's Budgets and Rates

- The total ad valorem tax rate for FY2019 is \$0.531898 (all amounts expressed as a ratio to one hundred dollars of valuation).
 - 2018 Effective Tax Rate \$0.551900
 - Ad Valorem Tax Rate:
 - 2019 \$0.531898
 - 2018 \$0.551900
 - Overall Reduction \$0.020002
- The reduction in tax rate is due to an increase in the county's projected net taxable base value from \$26.1 billion in fiscal year 2018 to \$27.6 billion in fiscal year 2019.
- Property tax revenue in fiscal year 2019 is projected to be \$149.06 million, approximately \$1 million more than fiscal year 2018, primarily due to an increase in property values and to new construction in Galveston County.
- FY 2019 budget figures for the General Fund include revenues of \$149.2 million, expenditures of \$139.1 million and transfers to other funds of \$1.7 million, with an additional \$25.5 million set aside for unanticipated expenditures.
- As reported by the Bureau of Labor Statistics, the unemployment rate in Galveston County for September 2018 was 4.4%, which exceeded the September 2018 state unemployment rate of 3.7% by 0.7% and the September 2018 national unemployment rate of 3.7% by 0.7%.
- The U.S. Census Bureau estimated the county's population at July 2017, at 335,036, an increase of 43,727 from the 2010 figure of 291,309.
- The Real Estate Center at Texas A&M University reported an average of 541 housing sales per month for the county's fiscal year ended September 30, 2018, at an average median sales price of \$227,993, compared to statistics of 497 and \$227,715, respectively, for its fiscal year ended September 30, 2017.
- The U.S. Census Bureau also reported that in 2016, the most recent year of data available, there were 5,761 employer establishments operating within the county, employing 85,769 persons, with a combined annual payroll of \$3.4 billion.

County Initiatives

Parks and Cultural Services

- The county successfully transferred the home delivered meal program to Interfaith Ministries of Greater Houston. To date, the agency is currently providing for 366 clients, up from 190 as of the beginning of October, 2017. In addition, the waitlist of 230 clients as of that same date has been completely eliminated.

- Bayside Regional Park in Bacliff officially opened in January, 2018. The Bayside Community Center, located within the park, serves seniors in the north county communities of Bacliff and San Leon. In addition to a community center, the park also features a playground and maintenance yard for parks' staff.
- Installation of a shade structure at Dickinson Community Center was completed and has increased outdoor programming for the seniors who utilize the center.
- Noble Carl Park Pavilion received a new roof in June, 2018.
- Hurricane Harvey affected 3 park facilities and 1 park in September, 2017:
 - Wayne Johnson Community Center remains completely closed, with an anticipated reopening in the fall of 2019.
 - Our current seniors have been moved to Runge Community Center in Santa Fe.
 - Our rental office and director of parks is temporarily located in the Carbide Service Center.
 - Dickinson Community Center was closed for repairs and reopened in April, 2018 to the delight of our seniors. Those seniors were previously moved to Walter Hall indoor pavilion.
 - The Pioneer House reopened in May, 2018 and is currently serving as office space for staff that are displaced from Wayne Johnson.
 - Paul Hopkins Park is open to the public, but the restroom facility has been shut down since being completely flooded by Harvey. Work to repair the facility is anticipated to start in January, 2019.
- Project delays due to Hurricane Harvey to be completed in fiscal year 2019 include:
 - Reconstruction of the pavilion and restrooms at Lobit Park in League City
 - Construction of a new large picnic pavilion at Fort Travis
 - Restroom facilities construction for both Jack Brooks Park at Live Oak and Carbide Park
- Construction on the Galveston County Museum's exhibit hall, which began in fiscal year 2017, continued during fiscal year 2018, with an anticipated grand opening in fiscal year 2019.
- Future improvements to Bayside Regional Park for fiscal year 2019 include fencing, a native planting area (operated and maintained by the local Master Naturalists), an additional swing set (funded in part by a donation from the Bayshore Lions Club) and a proposed hike and bike trail (grant funded).
- Funded through the sale of beach parking passes, the county purchased three mobile restrooms for Bolivar Peninsula. Two of them were set up temporarily at Crystal Beach Road for beach patrons for the 2018 summer season while the permanent locations for all three are being constructed. The bid opening for the permanent restrooms and rinse stations at Noble Park in Crystal Beach was scheduled for October 2018, with anticipated construction to start January 2019. With the success of the program, more portolets, additional cleanings and additional litter pickups by our contractor have been added. In addition, most recently, we have begun utilizing the inmates from the Galveston County Jail to help with littler pickup, as well. The beach parking sticker program had a very successful summer season and generated over \$840,000 in revenue for the program in the current fiscal year.
- The county has been preliminarily awarded a grant through Texas Parks and Wildlife for improvements to be made to the Highway 3 boat ramp but must acquire a Corps of Engineers permit before the official award.
- Work on running electricity to the bunkers at Fort Travis is scheduled to be completed by December, 2018.

- With the acquisition of Rollover Pass on Bolivar Peninsula, multiple projects are lined up for both the gulf and bay side. The county took control of the property in the summer of 2018 and began selling beach parking stickers, providing the portolets and taking care of the trash at that location.
- The county received approval from FEMA for the following projects/equipment in September, 2018 and plans to move forward with procurement in October, 2018:
 - Bunker fencing at Fort Travis,
 - New ground hog arena rake,
 - Playground at Port Bolivar Park and
 - The purchase of four mowers, twelve vehicles and two senior buses
- In addition, FEMA alternative-project funding for park equipment awaiting approval includes four mowers and a tractor with attachment.
- Updates to Walter Hall Park in fiscal year 2019 include replacing the playground and surfacing on the South side of the park, as well as replacing parking lights with LED lights throughout the park.
- The rodeo arena at Jack Brooks Park will have a revamping of the dirt and sand, as well as a complete maintenance to the overall area in order to improve the functionality for the users.

Information Technology

- Evaluate cyber security tools, products and services to ensure the technology infrastructure, technology services and the county's intellectual property is protected.
- Provide hands-on training via classroom and / or video-recorded session to help educate each county employee and the importance of their role to protect our technology service environment.
- Work with software vendors to build Applications Program Interfaces that will allow for the integration of separate applications systems to share data, rather than requiring dependence on manual input.
- Complete the implementation of time-and-attendance software which integrates payroll and human resources modules of the county's financial software. The project's completion will mean the elimination of the required data entry and concurrent risk of error inherent in the present manual time-tracking procedures used in the various county departments.
- Complete the implementation of a new project-tracking system in the county's Information Technology Services department to aid in:
 - Work on technology projects,
 - Request for services,
 - Service interruption incidences,
 - Proactively addressing problems and
 - Implement changes to improve and strengthen the county's technology infrastructure services.
- The Refreshing Program of technology equipment services and the increase of the county's SAN storage was developed to reduce interruption of services and to accommodate growth in the county electronic information. In doing so, the county should see a decrease in interruptions to services and guarantee upgrades will improve performance. As the county continues to store more structured data and unstructured data, documents, worksheets, images and video files, the storage consumption will grow at a minimum of 30% to 40% per year, or doubling in capacity every two to three years.

Facilities

- The county continues the long-term process of replacing older fluorescent, incandescent, high-intensity discharge and other forms of lighting used in several of the county building's outdoor lighting with LED technology, thereby reducing electrical consumption and cost.
- Planning is under way to increase building and parking lot capacity of the North County Annex.
- Upgrades to the county jail are under way to improve water saving controls on all toilet and shower fixtures.
- 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.

Engineering

Earlier, we discussed the county is developing twenty-one road, bridge and drainage projects funded through voter-approved bonds. Several of the projects are within the corporate limits of the cities in the county. The projects are:

- Bayou Vista: Various streets
- Clear Lake Shores: New road
- Dickinson: California Street
- Friendswood: Friendswood Lakes Blvd.
- Galveston: 23rd Street
- Galveston: Ave S
- Galveston County: Birch Ave Bridge
- Galveston County: Highland Bayou Slope Stability
- Galveston County: Highland Bayou Jay Road Ditch
- Hitchcock: Various roads
- Jamaica Beach: Various roads
- Kemah: Bel Road
- La Marque: Various streets
- League City: Dickinson Ave
- League City: SH 96 & Walker Intersection
- League City: SH 96 & SH 3 Intersection
- League City: SH96 & I-45 Right Turn Lane
- Santa Fe: Ave L, Ave Q, Ave J, Ave T
- Texas City: Texas Ave
- Texas City: Century Blvd
- Tiki Island: Various roads

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. The county anticipates additional grants to be awarded for Hurricane Harvey with the intent to fund capital projects in the same fashion.

On September 12, 2008, Hurricane Ike struck the upper Texas Gulf Coast causing extensive damage to buildings and infrastructure within Galveston County. Grants continue to assist in the county's recovery.

- 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.
- Funding to elevate existing homes to lessen their vulnerability to future flood events has been received:
 - \$31 million from the Texas Water Development Board, to elevate 121 existing homes and
 - \$8.5M from the Flood Mitigation Assistance (FMA) program funds elevate 43 existing homes.
- FEMA has provided \$105 million for 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.
- Repairs are planned for the pavilion roofs at Bayshore and Gregory Parks at projected costs of \$105,000 and \$111,000, respectively. Funding for these repairs will be through FEMA alternate projects.

The county continues work to closeout Hurricane Ike, but awaits final approval for a major project to repurpose an existing county-owned facility for a new Medical Examiner's Office utilizing Sandy Recovery Improvement Act alternate project funds.

On August 27, 2017, Hurricane Harvey struck the Texas coast, causing widespread damage and unprecedented flooding to buildings and infrastructure within the county. With FEMA's new delivery model, recovery work has been shifted to the front end of the recovery process. Galveston County has approximately 30 Harvey-related projects estimated at \$6.4 million, including: buildings, park facilities and damaged roads.

With regard to non-disaster-related grants, Galveston County continues to pursue all current grant programs, as well as additional grants to best serve the taxpayers. Current programs include Victims Services, Veterans Treatment Court, Senior Meals and Transportation, Anti-Terrorism, Emergency Management, Law Enforcement and Prosecution Improvements. In the coming year we hope to add a new Law Enforcement training initiative from the National Rifle Association. Two major grant-related projects include:

- A three-year, \$1 million Homeland Security grant to improve response to complex coordinated terrorist attacks and
- A RESTORE grant in the amount of \$14 million to fund necessary upgrades to the Texas City Levee. This grant is expected to be awarded to the county, but the final award announcements are still pending and are anticipated to come during fiscal year 2019.

Emergency Management

Major projects beginning and / or continuing in fiscal year 2018 for Emergency Management include:

- Formation of a local Joint Information Center,
- Creation of an Integrated Continuity of Operations plan,
- Improved preparedness for mass casualty incidents through collaboration training and exercises,
- Building improved self-sufficiency for disaster response,
- Supporting Complex Coordinated Terrorist Attack gap analysis and exercises,
- Building a local incident management team to assist local jurisdictions,
- Supporting the creation of a Regional Search and Rescue Council with the United States Coast Guard (USCG),
- Creating a sustainable communication plan between the county and the USCG in conjunction with the Galveston County Sheriff's Office,
- Incorporation of 2017 National Incident Management System standards,
- Emergency Operations Center staffing by objective plan and
- Internal Emergency Operations Center activation exercise.

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, 2018

ASSETS	<u>Governmental Activities</u>
Cash and Cash Equivalents	\$ 27,061,813
Investments	153,472,842
Receivables (Net of Allowances for Uncollectibles):	
Taxes	10,521,720
Accounts and Other	41,961,798
Inventories	921,998
Capital Assets Not Being Depreciated:	
Land	34,363,202
Construction in Progress	6,918,882
Capital Assets, Net of Accumulated Depreciation:	
Infrastructure	64,397,577
Buildings and Improvements	120,090,168
Machinery and Equipment	15,240,915
Improvements Other Than Buildings	13,742,710
Net OPEB Asset - Retiree Life Reserve	<u>16,641</u>
Total Assets	<u>488,710,266</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Charge on Refunding	10,262,242
Deferred Outflows - Pension	8,046,124
Deferred Outflows - OPEB - Retiree Life Reserve	1,226,325
Deferred Outflows - OPEB - Retiree Health Plan	<u>20,105,117</u>
Total Deferred Outflows of Resources	<u>39,639,808</u>
LIABILITIES	
Accounts Payable	9,157,465
Salaries Payable	2,294,459
Accrued Interest Payable	3,052,940
Retainage Payable	470,147
Estimated Liability - Claims and Judgments	1,330,645
Due to Others	1,235,149
Deposits Payable	325,898
Unearned Revenue	68,555
Noncurrent Liabilities:	
Due within One Year	24,194,001
Due in More Than One Year	267,005,363
Net Pension Liability	11,419,774
Total OPEB Liability	<u>237,660,273</u>
Total Liabilities	<u>558,214,669</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred Inflows - Pension	<u>7,330,321</u>
Total Deferred Inflows of Resources	<u>7,330,321</u>

**GALVESTON COUNTY, TEXAS
STATEMENT OF NET POSITION
September 30, 2018**

NET POSITION	<u>Governmental Activities</u>
Net Investment In Capital Assets	154,623,421
Restricted for:	
Grants	3,014,710
Debt Service	6,801,394
Other	3,349,292
Statute - Regulation	16,442,356
Capital Projects	44,582,804
Unrestricted	<u>(266,008,893)</u>
Total Net Position	<u>\$ (37,194,916)</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, 2018

<u>Functions/Programs</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>	
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>
Governmental Activities:					
General Government	\$ 74,555,294	\$ 14,819,391	\$ 12,685,826	\$ -	\$ (47,050,077)
Public Safety	76,055,697	9,229,366	9,931,982	-	(56,894,349)
Health and Social Services	17,037,682	595	635,542	-	(16,401,545)
Culture and Recreation	6,813,911	1,052,904	123,078	-	(5,637,929)
Conservation	719,302	-	882,475	-	163,173
Roads, Bridges and Rights-of-Way	9,318,063	636,841	5,633,184	-	(3,048,038)
Interest on Long-term Debt	8,947,152	-	-	-	(8,947,152)
Total Governmental Activities	<u>\$ 193,447,101</u>	<u>\$ 25,739,097</u>	<u>\$ 29,892,087</u>	<u>\$ -</u>	<u>\$ (137,815,917)</u>
General Revenues:					
Property Taxes					148,072,820
Payments in Lieu of Taxes					1,100,893
Unrestricted Investment Earnings					2,290,306
Gain on Sale of Capital Assets					99,769
Miscellaneous					337,934
Total General Revenues					<u>151,901,722</u>
Change In Net Position					14,085,805
Net Position - Beginning					75,817,436
Prior Period Adjustment					<u>(127,098,157)</u>
Fund Balances - Beginning, as Restated					<u>(51,280,721)</u>
Net Position - Ending					<u>\$ (37,194,916)</u>

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

**GALVESTON COUNTY, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2018**

	General	Road and Bridge	Grant	Unlimited Tax Road Bonds Series 2017	Debt Service	Total Nonmajor Governmental Funds	Total Governmental Funds
ASSETS							
Cash and Cash Equivalents	\$ 10,386,644	\$ 71,138	\$ 142,478	\$ -	\$ -	\$ 14,459,954	\$ 25,060,214
Investments	66,098,890	453,862	337,354	32,426,640	-	41,385,885	140,702,631
Receivables (Net of Allowance for Uncollectibles):							
Taxes	8,441,234	129,615	-	-	1,703,039	247,832	10,521,720
Accounts and Other	10,261,009	215,281	22,334,064	-	8,947,857	48,909	41,807,120
Due from Other Funds	16,698,587	-	-	-	-	-	16,698,587
Inventory at Cost	5,645	181,261	-	-	-	735,092	921,998
Total Assets	\$ 111,892,009	\$ 1,051,157	\$ 22,813,896	\$ 32,426,640	\$ 10,650,896	\$ 56,877,672	\$ 235,712,270
LIABILITIES							
Accounts Payable	\$ 3,608,178	\$ 435,714	\$ 2,547,158	\$ -	\$ -	\$ 999,822	\$ 7,590,872
Salaries Payable	2,087,969	59,837	63,685	-	-	77,389	2,288,880
Compensated Absences Payable	17,405	-	587	-	-	-	17,992
Retainage Payable	-	-	470,147	-	-	-	470,147
Due to Others	229,639	-	702,104	-	294,960	8,446	1,235,149
Escrow Deposits	-	-	-	-	-	2,404	2,404
Deposits - Held	323,494	-	-	-	-	-	323,494
Unearned Revenue	6,508	2,586	59,461	-	-	-	68,555
Due to Other Funds	-	237,569	15,956,044	-	501,602	3,372	16,698,587
Total Liabilities	6,273,193	735,706	19,799,186	-	796,562	1,091,433	28,696,080
DEFERRED INFLOWS OF RESOURCES							
Unavailable Revenue:							
Property Taxes	8,441,234	129,615	-	-	1,703,039	247,832	10,521,720
Charges for Services, Court Fees and Fines	5,109,611	-	-	-	-	-	5,109,611
Total Deferred Inflows of Resources	13,550,845	129,615	-	-	1,703,039	247,832	15,631,331
FUND BALANCES							
Non-Spendable	5,645	181,261	-	-	-	735,092	921,998
Restricted	-	4,575	3,014,710	32,426,640	8,151,295	50,872,729	94,469,949
Assigned	30,487,000	-	-	-	-	4,019,798	34,506,798
Unassigned	61,575,326	-	-	-	-	(89,212)	61,486,114
Total Fund Balances	92,067,971	185,836	3,014,710	32,426,640	8,151,295	55,538,407	191,384,859
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 111,892,009	\$ 1,051,157	\$ 22,813,896	\$ 32,426,640	\$ 10,650,896	\$ 56,877,672	\$ 235,712,270

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, 2018

Total fund balance, governmental funds	\$ 191,384,859
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 the fund financial statement, but are reported in the governmental activities of the Statement of Net Position.	254,753,454
The net OPEB asset used in governmental activities is not a current financial resource and therefore is not reported in the fund financial statement, but is reported in the governmental activities of the Statement of Net Position.	16,641
The assets and liabilities of internal service funds are not included in the fund financial statement, but are included in the governmental activities of the Statement of Net Position.	12,023,671
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.	10,262,242
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.	8,046,124
Deferred outflows of resources for OPEB-related activities are not included in the fund financial statements, but are included in the governmental activities of the Statement of Net Position.	21,331,442
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	(235,674,208)
Accumulated accretion on capital appreciation bonds	(28,566,940)
Compensated absences	(5,601,043)
Total OPEB liability ¹	(237,660,273)
Interest on long-term debt	(3,052,940)
Premiums on issuance of debt	(19,072,103)
Net pension liability	(11,419,774)
Refund for tax settlement	(2,267,078)
Property taxes receivable have been levied and are due this year, but are not available soon enough to pay for the current period's expenditures, and therefore are deferred in the funds.	10,521,720
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, and are therefore deferred in the funds.	5,109,611
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.	<u>(7,330,321)</u>
Net position of governmental activities	<u>\$ (37,194,916)</u>

¹ With the implementation of *GASB Statement 75* in FY2018, total OPEB liability is now being recognized. 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, 2018

	<u>General</u>	<u>Road and Bridge</u>	<u>Grant</u>	<u>Unlimited Tax Road Bonds Series 2017</u>	<u>Debt Service</u>	<u>Total Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES							
Taxes	\$ 119,705,419	\$ 1,577,747	\$ -	\$ -	\$ 23,677,123	\$ 2,686,011	\$ 147,646,300
Licenses and Permits	223,328	2,828,740	-	-	-	-	3,052,068
Intergovernmental	7,930,965	469,856	13,413,997	-	6,943,048	146,631	28,904,497
Charges for Services	7,395,279	-	95,294	-	-	3,460,630	10,951,203
Fines and Forfeitures	1,390,956	-	-	-	-	235,067	1,626,023
Investment Earnings	879,872	3,167	4,956	426,640	402,829	485,013	2,202,477
Miscellaneous	8,767,831	13,213	326,742	-	-	1,138,220	10,246,006
Total Revenues	<u>146,293,650</u>	<u>4,892,723</u>	<u>13,840,989</u>	<u>426,640</u>	<u>31,023,000</u>	<u>8,151,572</u>	<u>204,628,574</u>
EXPENDITURES							
General Government	61,147,202	741,848	4,233,793	-	-	1,596,106	67,718,949
Public Safety	50,338,356	-	8,013,147	-	-	2,264,332	60,615,835
Health and Social Services	13,202,418	-	1,461,776	-	-	1,094,647	15,758,841
Culture and Recreation	2,705,294	-	74,241	-	-	535,153	3,314,688
Conservation	556,251	-	-	-	-	-	556,251
Roads, Bridges and Rights-of-Way	-	4,626,852	670,851	-	-	1,394,789	6,692,492
Debt Service:							
Principal Retirement	-	-	-	-	17,532,088	-	17,532,088
Interest and Fiscal Charges	-	-	-	-	12,528,614	-	12,528,614
Bond Issuance Costs	-	-	-	-	944,202	-	944,202
Capital Outlay	2,999,388	680,331	2,374,376	-	-	4,610,876	10,664,971
Total Expenditures	<u>130,948,909</u>	<u>6,049,031</u>	<u>16,828,184</u>	<u>-</u>	<u>31,004,904</u>	<u>11,495,903</u>	<u>196,326,931</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>15,344,741</u>	<u>(1,156,308)</u>	<u>(2,987,195)</u>	<u>426,640</u>	<u>18,096</u>	<u>(3,344,331)</u>	<u>8,301,643</u>
OTHER FINANCING SOURCES (USES)							
Transfers In	175,853	641,317	408,539	32,000,000	-	17,840,203	51,065,912
Transfers Out	(4,895,059)	-	(7,832)	-	(47,000,000)	(16,690)	(51,919,581)
Sale of Capital Assets	50,504	45,407	-	-	-	35,758	131,669
Face Value - Long Term Debt Issued	-	-	-	-	102,105,000	-	102,105,000
Premium - Long Term Debt Issued	-	-	-	-	10,593,996	-	10,593,996
Refunded Bonds - Escrow Agent	-	-	-	-	(64,743,424)	-	(64,743,424)
Total Other Financing Sources (Uses)	<u>(4,668,702)</u>	<u>686,724</u>	<u>400,707</u>	<u>32,000,000</u>	<u>955,572</u>	<u>17,859,271</u>	<u>47,233,572</u>
Net Change in Fund Balances	10,676,039	(469,584)	(2,586,488)	32,426,640	973,668	14,514,940	55,535,215
Fund Balances - Beginning	<u>81,391,932</u>	<u>655,420</u>	<u>5,601,198</u>	<u>-</u>	<u>7,177,627</u>	<u>41,023,467</u>	<u>135,849,644</u>
Fund Balances - Ending	<u>\$ 92,067,971</u>	<u>\$ 185,836</u>	<u>\$ 3,014,710</u>	<u>\$ 32,426,640</u>	<u>\$ 8,151,295</u>	<u>\$ 55,538,407</u>	<u>\$ 191,384,859</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, 2018

Net change in fund balances - total governmental funds: \$ 55,535,215

Amounts reported for Governmental Activities in the Statement of Activities are different because:

Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the Statement of Activities reports only a portion of the outlay as expense. The outlay is allocated over the assets' estimated useful lives as depreciation expense for the period. This is the amount by which depreciation of \$17,086,340 exceeded additions of \$10,664,971 to capital assets, plus a donation of \$39,276 to other revenue in the current period. (6,382,093)

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. (310,661)

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. 2,677,940

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 proceeds exceeded repayments. (30,423,484)

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 in governmental funds	(59,327)
Compensated absences	(73,565)
Amortization of deferred charges	3,159,341
Other post-employment benefits	(13,324,381)
Accretion of capital bond interest	1,425,650
Pension cost, net	(1,714,459)
Refund for Tax Settlement	1,133,539

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. 2,442,090

Change in net position of governmental activities \$ 14,085,805

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

GALVESTON COUNTY, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
September 30, 2018

	Governmental Activities Internal Service Funds
ASSETS	
Current Assets:	
Cash and Cash Equivalents	\$ 2,001,599
Investments	12,770,211
Receivables (Net of Allowances for Uncollectibles):	
Accounts and Other	154,678
Total Assets	14,926,488
 LIABILITIES	
Current Liabilities:	
Accounts Payable	1,566,593
Salaries Payable	5,579
Estimated Liability - Claims	1,330,645
Total Liabilities	2,902,817
 NET POSITION	
Unrestricted	12,023,671
Total Net Position	\$ 12,023,671

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, 2018**

	Governmental Activities <u>Internal Service Funds</u>
OPERATING REVENUES	
Charges for Services	\$ 17,619,319
Insurance Recovery - County	87,229
Reimbursements	<u>1,815,361</u>
Total Operating Revenues	<u>19,521,909</u>
OPERATING EXPENSES	
Contract Services	2,133,295
Insurance	2,632,132
Claims Paid	13,224,428
Supplies	<u>30,979</u>
Total Operating Expenses	<u>18,020,834</u>
Operating Income (Loss)	1,501,075
NONOPERATING REVENUES (EXPENSES)	
Investment Earnings	<u>87,346</u>
Income (loss) before transfers	1,588,421
TRANSFERS	
Transfer from Other Funds	1,005,000
Repayment to Other Funds	<u>(151,331)</u>
Total Transfers	<u>853,669</u>
Change in Net Position	2,442,090
Total Net Position-Beginning	<u>9,581,581</u>
Total Net Position-Ending	<u><u>\$ 12,023,671</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, 2018**

	Governmental Activities Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from External Sources	\$ 17,617,484
Payments to Suppliers	(3,981,911)
Payments to Employees	(66,047)
Payments for Claims	(13,401,823)
Other Operating Revenues	1,814,217
Net cash provided by (used for) operating activities	1,981,920
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfer from Other Funds	1,005,000
Repayment to Other Funds	(151,331)
Net cash provided by (used for) noncapital financing activities	853,669
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of Investments	(12,770,211)
Investment Earnings	87,346
Net cash provided by (used for) investing activities	(12,682,865)
Net increase (decrease) in cash and cash equivalents	(9,847,276)
Cash and Cash Equivalents October 1, 2017	11,848,875
Cash and Cash Equivalents September 30, 2018	\$ 2,001,599
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Operating income (loss)	\$ 1,501,075
Adjustments to reconcile operating income to net cash provided by (used for) operating activities:	
(Increase) Decrease in Accounts Receivable	(88,089)
Increase (Decrease) in Accounts Payable	570,157
Increase (Decrease) in Salaries Payable	(1,223)
Total adjustments	480,845
Net cash provided by (used for) operating activities	\$ 1,981,920

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, 2018 and December 31, 2017

	Agency Funds September 30, 2018	Trust Fund December 31, 2017
ASSETS		
Cash and Cash Equivalents	\$ 23,181,099	\$ -
Investments	3,507,319	9,936,309
Receivables (Net of Allowances for Uncollectibles):		
Accounts and Other	<u>14,886</u>	<u>-</u>
Total Assets	<u>\$ 26,703,304</u>	<u>\$ 9,936,309</u>
LIABILITIES		
Accounts Payable	\$ 1,009,396	\$ -
Due to Others	18,055,155	-
Due to Other Entities	6,717,368	-
Deposits Held	<u>921,385</u>	<u>9,936,309</u>
Total Liabilities	<u>\$ 26,703,304</u>	<u>\$ 9,936,309</u>

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

GALVESTON COUNTY, TEXAS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
RETIREE LIFE RESERVE FIDUCIARY FUND
For the Year Ended December 31, 2017

	December 31, 2017
Additions	
Contributions	
Employer	\$ 1,709,467
Investment Income	
Interest	273,902
Total Additions	\$ 1,983,369
Deductions	
Benefit Payments	\$ 1,222,553
OPEB Plan Administrative Expense	106,794
Total Deductions	\$ 1,329,347
Net Increase in Net Position	\$ 654,022
Net Position Restricted for OPEB	
Beginning of Year	\$ 9,282,287
End of Year	\$ 9,936,309

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 and Proprietary Funds financial statements use the *economic resources 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 five major funds, all of which are Governmental Funds:

- The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government except those 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 Unlimited Tax Road Bonds Series 2017 Fund is a capital project fund which accounts for the expenditures to construct, purchase, maintain and/or operate macadamized, graveled and paved roads and turnpikes within the County as funded by the December 2017 issuance of the Unlimited Tax Road Refunding Bond, Series 2017.
- 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-eight 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, one *Trust Fund* and fourteen *Agency Funds*. The Trust Fund is used to account for the retiree life reserve plan, which is an irrevocable trust. 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 or governments. 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.

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*.

Property taxes for the county are levied based on the taxable value on the lien date of January 1st prior to September 30th of the same year. They become due October 1st of that same year and delinquent after January 31st of the following year, with the exception of homeowners over 65, disabled persons, disabled vets and surviving spouses of disabled vets who have the option of making quarterly tax payments. Hurricane Harvey victims have also been allowed to make quarterly payments. Receivables and revenues for prior-year levies delinquent at year end and outstanding 60 days after year end are reflected on the government-wide statements based on the full accrual method of accounting and under the modified accrual method in the fund statements.

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.

Under the consumption method, the county records certain payments to vendors that are reflective of costs applicable to future accounting periods 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.

In addition to assets, the statement of financial position and / or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element,

deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense / expenditure) until then. The county has the following 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 / OPEB** – Reported in the government-wide Statement of Net Position, this deferred outflow results from pension plan and OPEB (Other Post-Employment Benefits) contributions made after the measurement date of the net pension and OPEB liability, and from the results of differences between projected and actual earnings and changes in assumptions. The deferred outflows of resources related to pensions and OPEB resulting from county contributions made subsequent to the measurement date will be recognized as a reduction of the net pension and OPEB liability in the next fiscal year. The difference 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 and OPEB through the plan.

In addition to liabilities, the statement of financial position and / or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The county has the following types of 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 and the difference between projected and actual earnings. The amounts are amortized over a closed 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, 2018, the total liability for compensated absences was \$5,619,035, of which \$17,992 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. Other post-employment benefits (OPEB)

Retiree Life Reserve (RLR): For purposes of measuring the total OPEB liability, OPEB related deferred outflows and inflows of resources, and OPEB expense, benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. To meet long-term funding needs, contributions are actuarially determined as a percentage of payroll. Information regarding the county's net OPEB asset is obtained from a report prepared by a consulting actuary, Gabriel Roeder Smith & Company.

Retiree Health Plan (RHP): For purposes of measuring the total OPEB liability, OPEB related deferred outflows and inflows of resources, and OPEB expense, benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Contributions are not required but are measured as payments by the county for benefits due and payable that are not reimbursed by plan assets. Information regarding the county's total OPEB liability is obtained from a report prepared by a consulting actuary, Gabriel Roeder Smith & Company.

9. 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.

10. 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 which pays claims as they become due. Both of these benefits are budgeted and paid from current resources.

11. 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.

12. 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. In other funds, this classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed or assigned.

At September 30, 2018, 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>Unlimited Tax Road Bonds Series 2017</u>	<u>Debt Service</u>	<u>Total Nonmajor Govern- mental Funds</u>	<u>Total Govern- mental Funds</u>
Non-Spendable:							
Inventory	\$ 5,645	\$181,261	\$ -	\$ -	\$ -	\$ 735,092	\$ 921,998
Total Non-Spendable	5,645	181,261	-	-	-	735,092	921,998
Restricted:							
Capital Projects:							
Road Construction	-	-	-	32,426,640	-	10,549,080	42,975,720
Parks Dept	-	-	-	-	-	565,847	565,847
Toll Road	-	-	-	-	-	3,769,970	3,769,970
Flood Control	-	-	-	-	-	6,630,232	6,630,232
Buildings	-	-	-	-	-	9,506,378	9,506,378
Other	-	-	-	-	-	442,114	442,114
Beach and Parks	-	-	152,721	-	-	3,980,006	4,132,727
Other-Special Revenue	-	-	-	-	-	15,429,102	15,429,102
Debt Service	-	-	-	-	8,151,295	-	8,151,295
Road and Bridge	-	4,575	-	-	-	-	4,575
Disaster Recovery	-	-	2,717,196	-	-	-	2,717,196
Hazard Mitigation	-	-	48,898	-	-	-	48,898
Social Services & Public Safety	-	-	95,894	-	-	-	95,894
Total Restricted	-	4,575	3,014,710	32,426,640	8,151,295	50,872,729	94,469,949
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	25,475,000	-	-	-	-	-	25,475,000
Construction Projects	-	-	-	-	-	4,019,798	4,019,798
Total Assigned	30,487,000	-	-	-	-	4,019,798	34,506,798
Unassigned	61,575,326	-	-	-	-	(89,212)	61,486,114
Total Fund Balances	<u>\$92,067,971</u>	<u>\$185,836</u>	<u>\$3,014,710</u>	<u>\$ 32,426,640</u>	<u>\$8,151,295</u>	<u>\$ 55,538,407</u>	<u>\$ 191,384,859</u>

13. 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.

14. Indirect expense allocation

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

15. 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.

16. Implementation of new standards

In its fiscal year ended September 30, 2018, the county implemented the following pronouncement of the Governmental Accounting Standards Board (“GASB”).

- GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. This statement establishes new accounting and financial reporting requirements for governments whose employees are provided with OPEB, as well as for certain non-employer governments that have a legal obligation to provide financial support for OPEB provided to the employees of other entities. Implementation of this GASB statement also affects the financial statements, the Notes to the Financial Statements and the Required Supplementary Information which follows the Notes.

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.

Some 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:

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

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

² Under the control of the Elections Services Officer.

³ Under the control 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, 2018, the amount of encumbrances expected to be honored in the following year upon performance by the vendor were as follows:

Major Funds:	Amount
General Fund	\$ 868,497
Road and Bridge Fund	211,802
Grant Fund	9,555,846
Unlimited Tax Road Bonds Series 2017 Fund	642,000
Nonmajor Funds	889,503
Total Encumbrances	<u>\$ 12,167,648</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, 2018, custodians are the Federal Home Loan of Dallas in Irving, Texas and Prosperity Bank of El Campo, 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, 2018, 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 and 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, 2018, the county's demand deposits were \$27,061,814 and the carrying value of all custodial cash accounts maintained by various officials totaled \$23,181,098.

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.

The county participates in two Local Government Investment Pools: Texas Class and Texas Term (which is split between Texas Daily and Texas Term). These are overseen by a governing board consisting of individuals elected from participating government entities in the pool.

Investments at September 30, 2018 were made up of holdings in local government investment pools with original maturities of six to nine months at the date of acquisition. The fair value of the county's investments totaled \$153,472,842. The county also holds investments in custodial accounts handled through the County and District Clerks, who upon court order, invest monies for minors and other persons in those individuals' names. Such custodial investments at September 30, 2018, consist of certificates of deposit with original maturities of four months or more at the date of acquisition. The fair value of these custodial accounts totaled \$3,507,319. In addition, the county also invests funds for a Retiree Life Reserve plan in the amount of \$9,936,309 to fund life insurance for employees when they retire. 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, 2018

	<u>County Accounts</u>	<u>Custodial Accounts</u>	<u>Retiree Life Reserve</u>
Deposits:			
Demand Deposits	\$ 27,061,814	\$ 23,181,098	\$ -
Investments:			
Certificates of Deposits	-	3,507,319	
Standard Life			9,936,309
Local Government Investment Pools -			
Texas Class	47,626,627		
TexasDaily	45,593,196		
TexasTerm	60,253,019		
Total Investments	<u>153,472,842</u>	<u>3,507,319</u>	<u>9,936,309</u>
Total Deposits and Investments	<u>\$ 180,534,657</u>	<u>\$ 26,688,417</u>	<u>\$ 9,936,309</u>

Credit Risk

State law and the county's investment policy limit investment in all categories to those most highly rated by nationally recognized statistical rating organizations. As of September 30, 2018, county investments had the following ratings:

<u>Investment</u>	<u>Rating</u>
Local Government Investment Pools:	
Texas Class	AAAm
TexasDaily	AAAm
TexasTerm	AAAf

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates may adversely affect the value of investments. The county's investment policy limits the maturities of investments and encourages the holding of investments to maturity. In accordance with its investment policy, the county reduces its exposure to declines in fair value 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, 2018, county exposure to interest-rate risk, as measured by portfolio weighted-average to maturity, is summarized below:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average to Maturity in Days ("WAM")</u>
Local Government Investment Pools:		
Texas Class	\$ 47,626,627	50.00
TexasDaily	45,593,196	42.00
TexasTerm	60,253,019	214.69
	<u>\$ 153,472,842</u>	
Portfolio Weighted Average to Maturity		<u>112.28</u>

Concentration of Credit Risk

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

At September 30, 2018, the composition of the county's investment portfolio was as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Percentage of Total Portfolio</u>
Local Government Investment Pools -		
Texas Class	\$ 47,626,627	31.03%
TexasDaily	45,593,196	29.71%
TexasTerm	60,253,019	39.26%
Total Investments	<u>\$ 153,472,842</u>	<u>100.00%</u>

B. Receivables

At September 30, 2018, 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, 2017):

	Taxes	Accounts and Other	Total Gross Receivables	Less Allowance for Uncollectibles	Total 2018	Total 2017
Governmental Funds:						
Major Funds:						
General Fund	\$ 8,980,036	\$ 22,982,195	\$ 31,962,231	\$ (13,259,988)	\$ 18,702,243	\$ 14,986,667
Road and Bridge	137,889	215,281	353,170	(8,274)	344,896	191,028
Grant	-	22,334,064	22,334,064	-	22,334,064	19,788,771
Debt Service	1,811,743	8,947,857	10,759,600	(108,704)	10,650,896	9,564,918
Nonmajor Funds	<u>263,658</u>	<u>47,074</u>	<u>310,732</u>	<u>(15,826)</u>	<u>294,906</u>	<u>266,309</u>
Total Governmental Funds	11,193,326	54,526,471	65,719,797	(13,392,792)	52,327,005	44,797,693
Internal Service Funds	-	-	-	-	-	66,589
Fiduciary Funds	-	<u>14,886</u>	<u>14,886</u>	-	<u>14,886</u>	<u>16,933</u>
Total Net Receivables	<u>\$ 11,193,326</u>	<u>\$ 54,541,357</u>	<u>\$ 65,734,683</u>	<u>\$ (13,392,792)</u>	<u>\$ 52,341,891</u>	<u>\$ 44,881,215</u>

C. Inter-fund Receivables, Payables and Transfers

Amounts due to/from funds of the county at September 30, 2018, are as follows (with summary comparative amounts at September 30, 2017):

Payable Reported by:	General Fund	Total 2018	Total 2017
Road and Bridge	\$ 237,569	\$ 237,569	\$ -
Grant Fund	15,956,044	15,956,044	14,445,093
Debt Service Fund	501,602	501,602	4,533,824
Nonmajor Governmental Funds	<u>3,372</u>	<u>3,372</u>	-
Total	<u>\$ 16,698,587</u>	<u>\$ 16,698,587</u>	<u>\$ 18,978,917</u>

The various payables to the General Fund from the various 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.

Normally, inter-fund balances in the fund financial statements will be liquidated in the subsequent fiscal year. The exception this year would be the transfer from the debt service funds to the capital project funds for the bond issuances approved for capital projects. Balances between individual Governmental Funds and between Governmental Funds and Internal Service Funds are eliminated in the government-wide financial statements.

Transfers among the Governmental and Internal Service Funds for the year ended September 30, 2018, are as follows (with summary comparative amounts for the year ended September 30, 2017):

Transfers Out	Transfers In						Total 2018	Total 2017
	General Fund	Road and Bridge	Grant Fund	Unlimited Tax Road Bonds Series 2017	Nonmajor Govern- mental Funds	Internal Service Funds		
General Fund	\$ -	\$ 641,317	\$ 408,539	\$ -	\$ 2,840,203	\$ 1,005,000	\$ 4,895,059	\$ 4,203,566
Grant Fund	7,832	-	-	-	-	-	7,832	144,892
Debt Service	-	-	-	32,000,000	15,000,000	-	47,000,000	-
Nonmajor Governmental Funds	16,690	-	-	-	-	-	16,690	360,995
Internal Service Funds	<u>151,331</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>151,331</u>	<u>50,800</u>
Total Transfers Out	<u>\$ 175,853</u>	<u>\$ 641,317</u>	<u>\$ 408,539</u>	<u>\$ 32,000,000</u>	<u>\$ 17,840,203</u>	<u>\$ 1,005,000</u>	<u>\$ 52,070,912</u>	<u>\$ 4,760,253</u>

Transfers are used to: 1) partially fund operations of Internal Service Funds and Special Revenue Funds; 2) appropriately report bond issuance that is to be set aside for capital projects and 3) 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.

D. Capital Assets

Primary Government

Capital-asset activity for the year ended September 30, 2018, which related solely to governmental activities, was as follows:

	Beginning Balance, 10/1/2017	Additions	Deletions	Ending Balance, 9/30/2018
Governmental Activities -				
Capital Assets Not Being Depreciated:				
Land	\$ 34,363,202	\$ -	\$ -	\$ 34,363,202
Construction in Progress	11,698,345	5,257,436	(10,036,897)	6,918,884
Total Capital Assets Not Being Depreciated	46,061,547	5,257,436	(10,036,897)	41,282,086
Capital Assets Being Depreciated:				
Buildings and Improvements	242,198,020	6,418,173	-	248,616,193
Improvements Other Than Buildings	16,777,915	611,210	(236,648)	17,152,477
Machinery and Equipment	49,016,180	5,318,983	(1,386,412)	52,948,751
Infrastructure	165,786,469	3,115,344	-	168,901,813
Total Capital Assets Being Depreciated	473,778,584	15,463,710	(1,623,060)	487,619,234
Less Accumulated Depreciation for:				
Buildings and Improvements	(119,485,479)	(9,040,546)	-	(128,526,025)
Improvements Other Than Buildings	(2,690,706)	(768,364)	49,302	(3,409,768)
Machinery and Equipment	(34,961,896)	(4,029,037)	1,283,096	(37,707,837)
Infrastructure	(101,255,842)	(3,248,394)	-	(104,504,236)
Total Accumulated Depreciation	(258,393,923)	(17,086,341)	1,332,398	(274,147,866)
Total Capital Assets Being Depreciated, Net	215,384,661	(1,622,631)	(290,662)	213,471,368
Governmental Activities Capital Assets, Net	\$ 261,446,208	\$ 3,634,805	\$(10,327,559)	\$ 254,753,454

Depreciation expense for the primary government for the year ended September 30, 2018, which is related solely to governmental activities, was charged to functions/programs as follows:

	2018	2017
General Government	\$ 7,256,974	\$ 7,022,073
Public Safety	6,657,343	6,688,890
Roads, Bridges, and Rights-of-Way	1,847,009	1,771,419
Health and Social Services	160,021	136,717
Culture and Recreation	1,083,570	937,514
Conservation	81,424	80,797
Total Depreciation Expense	\$ 17,086,341	\$ 16,637,410

Capital projects of the primary government in progress at September 30, 2018, included building construction and renovations, park improvements, infrastructure improvements and software upgrades.

At that date, construction-in-progress commitments with contractors comprised the following:

Project	Amount		Remaining Commitment
	Authorized	Spent to Date	
Rollover Pass	\$ 4,303,078	\$ 2,184,405	\$ 2,118,673
I-45/Santa Fe ROW Acquisition	390,750	159,942	230,808
Gum Bayou Channel Project	215,488	136,625	78,863
LED Lighting	332,000	126,516	205,484
County Jail Plumbing Upgrade	400,000	82,086	317,914
Bolivar Culverts	1,271,900	127,378	1,144,522
Pocket Park#2 Improvements	321,891	233,756	88,135
Pelican Island Bridge	2,208,261	1,854,899	353,362
Bacliff 10th St. Reconstruction	586,253	36,837	549,416
Bacliff 9th & 11th Ave Drainage	738,830	66,196	672,634
Bacliff Vaillas Drainage	563,106	41,356	521,750
Seawall Riprap Restoration	2,416,383	41,449	2,374,934
Intellidact, Court Redaction Software	225,000	93,506	131,494
Data to Image Mapping	40,000	11,000	29,000
Time and Attendance Software	185,000	80,283	104,717
Integrated Security Justice Center Jail	1,737,798	1,534,225	203,573
FASTER Fleet Management Software	158,955	103,342	55,613
OneSolution Job Ledger	37,000	4,656	32,344
OneSolution SQL Migration	27,516	427	27,089
Total	<u>\$ 16,159,209</u>	<u>\$ 6,918,884</u>	<u>\$ 9,240,325</u>

The projects listed above are funded as follows:

Grants

- I-45/Santa Fe ROW Acquisition
- Gum Bayou Channel Project
- Bolivar Culverts
- Pocket Park#2 Improvements
- Bacliff 9th & 11th Ave Drainage
- Bacliff Villas Drainage
- Seawall Riprap Restoration

County Operating Funds

- Rollover Pass
- LED Lighting
- County Jail Plumbing Upgrade
- Pelican Island Bridge
- Intellidact, Court Redaction Software
- Data to Image Mapping
- Time and Attendance Software
- One Solution Job Ledger
- Integrated Security Justice Center Jail
- Faster Fleet Management Software
- One Solution SQL Migration

Due to Hurricane Harvey, several of the county's assets have been deemed idle and are therefore temporarily impaired. Although repairs have begun, there are still several parks, facilities and roads that are in need of additional maintenance to bring them back to their pre-disaster condition. As of the end of the fiscal year, the estimates for the repairs, broken out by asset type, are as follows 1) \$175,520 in parks; 2) \$970,500 in facilities; and 3) \$3,925,000 in roads. As of September 30, 2018 no insurance proceeds have been received for any of the damages to help offset the incurred and anticipated incurred expenses.

E. 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, 2018, the average monthly photocopier expense was \$33,500, for a total of \$401,999. The expired copier contract has been converted to a month-to-month while the county is reviewing proposals for a new multi-year contract.

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 \$1,988,407 for the year ended September 30, 2018. Buildings with lease arrangements (in whole or a portion thereof) are carried at a cost of \$53,384,375 with accumulated depreciation of \$14,509,073.

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

<u>Fiscal Year</u>	<u>Contractual Future Rental Revenues</u>
2019	\$ 1,956,640
2020	1,949,840
2021	1,926,638
2022	1,918,904
2023	<u>1,918,904</u>
Total	<u>\$ 9,670,924</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 \$567,635 for the year ended September 30, 2018.

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

<u>Fiscal Year</u>	<u>Contractual Future Rental Obligations</u>
2019	\$ 494,688
2020	440,265
2021	440,265
2022	440,265
2023	<u>440,265</u>
Total	<u>\$ 2,255,750</u>

F. 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, interest on the debt service on three other bond series is partially 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, 2016, 2017 and 2018 equaled 32.48%, 32.45%, 32.62%, 32.69% and 32.83%, respectively.

The rebate percentage for future years' interest payments is not yet known. In the fiscal year ended September 30, 2018, the county received \$1,118,782 in such BABs subsidies, but future years' subsidies are expected to be significantly less due to the refunding of two of the three BABs in December, 2017.

Advanced Refunding -

On December 28, 2017, the county issued refunding and new debt totaling \$102,105,000, with \$10,582,624 in issuance premiums in three series. The three series are as follows:

- Unlimited Tax Road and Refunding Bonds, Series 2017 of \$78,805,000 with maturities dated from February 1, 2019 through February 1, 2038, at interest rates of 4.0% through 5.0%. The new obligations refunded all of the principal and interest remaining on the Unlimited Tax Road Bonds Series 2009A, which totaled \$73,219,060. The maturities of the refunded bonds extend from February 1, 2019 through February 1, 2029, at interest rates of 4.508% through 6.205%. The net proceeds of \$54,846,217 (including an \$8,747,412 premium) were deposited into an irrevocable trust with an escrow agent to provide funds for future debt service payments on the refunded bonds. An additional portion of the proceeds, \$32,008,757 (which included an \$8,757 premium), was transferred to the county to fund new capital projects. As a result, the Unlimited Tax Road and Refunding Bonds, Series 2017 are considered defeased and the liability for those bonds has been removed from the statement of net position.

The reacquisition price exceeded the net carrying amount of the old debt by \$3,486,217. This amount is the unamortized discount for the refunded bond being amortized over the remaining life of the refunded debt. The Unlimited Tax Road Bonds Series 2009A were advance refunded to reduce the county's total debt service payments over twelve years by \$3,098,337 and to obtain an economic gain (difference between the net present values of the debt service payments on the old and new debt) of \$2,792,867.

- Limited Tax Flood Control and Refunding Bonds, Series 2017 of \$14,465,000 with maturities dated from February 1, 2019 through February 1, 2038, at interest rates of 2.0% through 4.0%. The new obligations refunded all of the principal and interest remaining on the Limited Tax Flood Control Bonds Series 2009C-2, which totaled \$13,509,946. The maturities of the refunded

bonds extend from February 1, 2019 through February 1, 2029, at interest rates of 6.205%. The net proceeds of \$9,897,207 (including a \$1,571,356 premium) were deposited into an irrevocable trust with an escrow agent to provide funds for future debt service payments on the refunded bonds. An additional portion of the proceeds, \$6,001,592 (which included a \$1,592 premium), was transferred to the county to fund new capital projects. As a result, the Limited Tax Flood Control Bonds Series 2009C-2 are considered defeased and the liability for those bonds has been removed from the statement of net position.

The reacquisition price exceeded the net carrying amount of the old debt by \$682,207. This amount is the unamortized discount for the refunded bond amortized over the remaining life of the refunded debt. The Limited Tax Flood Control Bonds Series 2009C-2 were advance refunded to reduce the county's total debt service payments over twelve years by \$648,622 and to obtain an economic gain (difference between the net present values of the debt service payments on the old and new debt) of \$584,862.

- Limited Tax County Building Bonds Series 2017A of \$8,835,000 with maturities dated from February 1, 2019 through February 1, 2038, at interest rates of 2.0% through 4.0%. The net proceeds of \$9,001,024 (including a \$263,857 original premium plus an additional premium of \$1,023) was transferred to the county to fund new capital projects.

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

Purpose	Interest Rates	Total	Amount of Total That Is:	
			Capital-Related	Non-Capital Related
Governmental Activities	2.0% - 5.905%	\$ 96,284,208	\$ 49,947,629	\$ 46,336,579
Governmental Activities - Refunding	2.0% - 5.0%	139,390,000	60,680,000	78,710,000
Total General Obligation Bonds		<u><u>\$ 235,674,208</u></u>	<u><u>\$ 110,627,629</u></u>	<u><u>\$ 125,046,579</u></u>

Annual debt service requirements to maturity for general obligation bonds, all issued for governmental activities, are as follows:

Year Ending September 30,	Principal ⁽¹⁾	Interest ⁽¹⁾
2019	\$ 18,040,489	\$ 13,807,725
2020	18,494,273	13,363,426
2021	19,035,965	12,820,846
2022	19,586,822	12,233,039
2023	15,881,620	11,690,586
2024	15,410,406	11,219,085
2025	15,450,544	10,756,554
2026	16,044,091	10,264,331
2027	22,570,000	3,794,971
2028	23,825,000	2,672,631
2029	11,175,000	1,837,435
2030	3,785,000	1,489,725
2031	3,950,000	1,321,900
2032	4,115,000	1,160,600
2033	4,280,000	996,875
2034	4,450,000	830,750
2035	4,620,000	658,100
2036	4,800,000	478,725
2037	4,985,000	292,300
2038	5,175,000	98,650
Total	<u>\$ 235,674,208</u>	<u>\$ 111,788,253</u>

(1) Columns may not foot due to rounding.

Changes in Long-term Liabilities

Long-term liability activity for the year ended September 30, 2018, was as follows:

	Beginning Balance, <u>10/1/2017</u>	<u>Additions</u>	<u>Reductions</u>	Ending Balance, <u>9/30/2018</u>	<u>Due Within One Year</u>
Bonds Payable:					
General Obligation Bonds	\$ 211,676,295	\$ 102,105,000	\$ 78,107,087	\$ 235,674,208	\$ 18,040,488
Accumulated Accretion	29,992,590	2,672,263	4,097,913	28,566,940	4,309,511
Issuance Premiums (Discounts)	<u>12,684,066</u>	<u>10,593,996</u>	<u>4,205,959</u>	<u>19,072,103</u>	<u>-</u>
Total Bonds Payable	254,352,951	115,371,259	86,410,959	283,313,251	22,349,999
Compensated Absences	5,529,529	763,601	674,095	5,619,035	710,463
Tax Settlement	<u>3,400,617</u>	<u>-</u>	<u>1,133,539</u>	<u>2,267,078</u>	<u>1,133,539</u>
Governmental Activity					
Total Long-term Liabilities	<u>\$ 263,283,097</u>	<u>\$ 116,134,860</u>	<u>\$ 88,218,593</u>	<u>\$ 291,199,364</u>	<u>\$ 24,194,001</u>

A compensated absences payable of \$17,992 is reflected in the Governmental Funds Balance Sheet. The payment was due and payable by September 30, 2018. 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. In prior years, the net OPEB obligation has been typically liquidated by the General Fund.

G. 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, 2018, the various components of unavailable revenues reported in the Governmental Funds were as follows (with summary comparative amounts at September 30, 2017):

	Delinquent Property Tax Receivable	Delinquent Court Collections	Total 2018	Total 2017
Major Funds:				
General Fund	\$ 8,441,234	\$ 5,109,611	\$ 13,550,845	\$ 10,951,328
Road and Bridge	129,615	-	129,615	127,914
Debt Service Fund	1,703,039	-	1,703,039	1,625,799
Nonmajor Governmental Funds	<u>247,832</u>	<u>-</u>	<u>247,832</u>	<u>248,350</u>
Total Deferred Inflows	<u>\$ 10,521,720</u>	<u>\$ 5,109,611</u>	<u>\$ 15,631,331</u>	<u>\$ 12,953,391</u>

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 legal department handles claims involving litigation. The county:

- Self-insures for vehicular damage claims.
- Purchases "all other perils" insurance for its facilities, currently for \$289,889,116 in coverage, with an annual premium of \$164,097 and a deductible of \$50,000.
- Purchases windstorm and hail insurance for fifty-six properties. The insured value is \$99,063,839; the annual premium for the most recent policy year was \$1,075,571, and the deductible is 5% of the insured value of the building(s) damaged.

- Purchases flood insurance for fifty-one properties with a total insured value of \$30,182,300, for an annual premium of \$231,617, and with deductibles of \$5,000 per building and (if included) \$5,000 contents per building.
- Purchases employee crime and fidelity insurance 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, 2018, are reported in compliance with GASB Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, 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 Statement No. 10, as amended by GASB Statement No. 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 \$300,000 per employee and covered dependent, to a maximum of \$16,533,505 in aggregate claims. A stop-loss policy pays claims in excess of the individual \$300,000 limit. An additional stop-loss policy is in force for aggregate coverage for claims in excess of the annual attachment point, up to a maximum of \$1,000,000.

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 Statement No. 10 (as amended by GASB Statement No. 62) estimate of liability is based on county-specific experience of claims incurred but not reported ("IBNR"). Because the county accrues any known claims that have been incurred but not yet paid in the current fiscal year, the incurred claims amount will be the same as the claim payments. Liability activity during the past two fiscal years is as follows:

	Year Ended 09/30/2018	Year Ended 09/30/2017
Unpaid Claims, Beginning of Fiscal Year	\$ 1,330,645	\$ 1,330,645
Incurred (including IBNR) Claims	13,224,428	13,635,556
Claim Payments	<u>(13,224,428)</u>	<u>(13,635,556)</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, 2018, 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 \$16,934,713.

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 a compliance specialist to perform annual arbitrage calculations required under Section 148(f) of the *Code*. The most recent calculations were made through December 31, 2018, in which it was 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, 2018, and 2017, consisted of the following:

	<u>2018</u>	<u>2017</u>
American United Life Accounts	\$ 91,296,681	\$ 85,670,534
Lincoln National Account	641,326	832,587
N.A.C.O. Account	<u>5,381,522</u>	<u>4,751,289</u>
	<u>\$ 97,319,529</u>	<u>\$ 91,254,410</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 735 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, 2018, the employer contribution rate was 14%. However, due to forfeitures from separating, non-vested employees, the actual percentage rate paid by the county was 11.21%. 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, 2017. All other actuarial assumptions that determined the total pension liability as of December 31, 2017, were based on the results of an actuarial experience study for the period January 1, 2013, through December 31, 2016, 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, 2017
Actuarial Cost Method	Entry Age Normal ⁽¹⁾
Asset Valuation Method:	
Smoothing Period	5 years
Recognition Method	Non-Asymptotic
Corridor	None
Inflation	2.75%
Salary Increases	4.85% average over career, including inflation
Investment Rate of Return	8.0% net of administrative and investment expenses, including inflation
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.

⁽¹⁾ Individual entry age normal cost method, as required by GASB Statement No. 68, used for GASB calculations.

Note that a slightly different version of the entry age normal cost method is used for the funding actuarial valuation.

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 assumed long-term investment return of 8.0% is net after investment and administrative expenses. It is assumed returns will equal the nominal rate of 8.0% for calculating the actuarial accrued liability and the normal cost contribution rate for the retirement plan of the county.

Best estimates of geometric real rates of return for each major asset class included in the TCDRS target asset allocation as of December 31, 2017, are summarized below:

Asset Class	Benchmark	Target Allocation	Geometric Real Rate of Return (Expected Minus 1.95% Inflation)
US Equities	Dow Jones U.S. Total Stock Market Index	11.50%	4.55%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index	16.00%	7.55%
Global Equities	MSCI World (net) Index	1.50%	4.85%
International Equities - Developed	MSCI World Ex USA (net)	11.00%	4.55%
International Equities - Emerging	MSCI World Ex USA (net)	8.00%	5.55%
Investment-Grade Bonds	Barclays Capital Aggregate Bond Index	3.00%	0.75%
Strategic Credit	FTSE High-Yield Cash-Pay Capped Index	8.00%	4.12%
Direct Lending	S&P/LSTA Leveraged Loan Index	10.00%	8.06%
Distressed Debt	Cambridge Associates Distressed Security Index	2.00%	6.30%
REIT Equities	67% FTSE NAREIT Equity REITs Index + 33% S&P Global REIT Global (net) Index	2.00%	4.05%
Master Limited Partnerships (MLPs)	Alerian MLP Index	3.00%	6.00%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index	6.00%	6.25%
Hedge Funds	Hedge Fund Research, Inc. (HFRI) Fund of Funds Composite Index	18.00%	4.10%

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	\$ 448,562,488	\$ 399,570,319	\$ 358,194,344
Fiduciary net position	388,150,545	388,150,545	388,150,545
Net pension liability/(asset)	<u>\$ 60,411,943</u>	<u>\$ 11,419,774</u>	<u>\$ (29,956,201)</u>

*Changes in Net Pension Liability**

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at December 31, 2016	\$ 381,933,183	\$ 348,064,920	\$ 33,868,264
Changes for the year:			
Service cost	8,527,699	-	8,527,699
Interest on total pension liability	30,746,745	-	30,746,745
Effect of plan changes	-	-	-
Effect of economic/demographic gains or losses	(580,626)	-	(580,626)
Effect of assumptions changes or inputs	1,117,910	-	1,117,910
Refund of contributions	(746,433)	(746,433)	-
Benefit payments	(21,428,160)	(21,428,160)	-
Administrative expenses	-	(258,132)	258,132
Member contributions	-	4,556,075	(4,556,075)
Net investment income	-	50,641,917	(50,641,917)
Employer contributions	-	7,458,946	(7,458,946)
Other	-	(138,588)	138,588
Balances as of December 31, 2017	<u>\$ 399,570,319</u>	<u>\$ 388,150,545</u>	<u>\$ 11,419,774</u>

**Amounts may not foot due to rounding*

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

For the year ended September 30, 2018, the county recognized pension expense of \$9,419,542.

At September 30, 2018, the county reported deferred inflows of resources and deferred outflows of resources related to pensions from the following sources:

	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	\$ 1,966,514	\$ -
Change of assumptions	-	2,164,930
Net difference between projected and actual earnings	5,363,807	-
Contributions made subsequent to measurement date	-	5,881,194
Total	<u>\$ 7,330,321</u>	<u>\$ 8,046,124</u>

An amount of \$5,881,194 is reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the fiscal year ending September 30, 2019.

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>
2019	\$ 2,078,504
2020	1,291,800
2021	(4,069,579)
2022	(4,466,116)
2023	-
Thereafter	-
Total	<u>\$ (5,165,391)</u>

G. Other Post-Employment Benefits (“OPEB”) - Retiree Life Reserve

Plan Description

The county voluntarily participates in a single-employer other postemployment benefit (OPEB) plan administered by Standard Insurance Company. The plan is a life insurance plan known as the Retiree Life Reserve (RLR). This benefit is a part of The Alternate Plan for Galveston County employees which includes a package of benefits in lieu of Social Security. The Alternate Plan is reviewed annually by Commissioners Court with the approved benefits and contribution rates becoming effective January 1st of each calendar year. Payments from this fund are life insurance benefits and are paid in a lump sum payment to the designated beneficiaries upon the receipt of an approved application for payment. The RLR includes coverage for retired members who have met the plan’s requirements. Because assets are set aside in a qualifying trust, the plan qualifies as an OPEB Trust in accordance with paragraph 3 of GASB Statement No. 74.

Plan Benefits

The RLR provides a paid up life insurance policy to county employees who retire under one of the following provisions:

- At any age, with thirty or more years of service;
- At age sixty or greater, with eight or more years of service or
- When the sum of one’s age and years of service equals 75 or greater

For those employees working 2,080 hours per year, the benefit is \$50,000 and for those employees working 1,040, but less than 2,080 hours per year the benefit is \$25,000.

The number of employees currently covered by the benefit terms is as follows:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	-
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	-
Active Plan Members	<u>1,197</u>
Total Plan Members	<u><u>1,197</u></u>

The employees contribute to the RLR at a rate greater than determined by an annual actuarial valuation. The actual contribution rates were 2.32% and 2.42% for 2018 and 2017, respectively. The actuarially

determined contribution rates were 1.50% for 2018 and 1.50% for 2017, all of which was for retirees only portion for each year, as a percentage of annual covered payroll. The rate is equal to the normal cost as a function of covered payroll, rounded up to the next 0.25%. The funding policy for the RLR program is to prefund retiree life insurance during employees' entire careers. The county's contributions to the RLR for the years ended September 30, 2018 and 2017 were \$1,508,239 and \$1,663,456, respectively, representing contributions for both active and retiree coverage, which equaled the required contributions each year.

Net OPEB Liability / (Asset)

The county's net OPEB asset of (\$16,641) was measured as of December 31, 2017 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs

The net OPEB asset in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions:

Actuarial Cost Method	Individual Entry Age Normal
Discount Rate	4.00%
Inflation	2.5% per annum
Salary Increases	0.50% to 5.00%, not including wage inflation of 3.25%

Salary increases were based on a service-related table.

For healthy retirees, the gender-distinct RP-2014 Healthy Annuitant Mortality Tables are used with male rates multiplied by 130% and female rates multiplied by 110%. Those rates are projected on a fully generational basis based on 110% of the ultimate rates of Scale MP-2014.

The actuarial assumptions used in the December 31, 2017 valuation were based on the results of an actuarial experience study for the four-year period ending December 31, 2016, as conducted for TCDRS.

Discount Rate

A single discount rate of 4.00% was used to measure the total OPEB liability as of December 31, 2017. This single discount rate was based on the expected rate of return on plan investments of 4.00% and a municipal bond rate of 3.31% (based on Fidelity Index's "20-Year Municipal GO AA Index" as of December 31, 2017). Based on the stated assumptions and the employer's funding policy, the plan's Fiduciary Net Position and the future contributions are sufficient to finance the future benefit payments for current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Investments

Assets for the RLR plan are 100% invested in Standard Insurance Company's Guaranteed Long Term Fund. This fund is an interest bearing account with the goal of conservation of principle. Assets for the RLR plan are invested in this fund as part of Standard Insurance Company's general assets. All participants in the long term fund earn the same interest rate, which is a weighted average of the interest rates of all plan assets. Interest is accrued daily and compounded quarterly.

The long-term expected future rate of return, including inflation, is 4.0% which is comprised of a real rate of return equal to 1.5% plus inflation of 2.5%.

Schedule of Changes in Total OPEB Liability / (Asset)

	Total OPEB Liability / (Asset)	Plan Fiduciary Net Position	Net OPEB Liability / (Asset)
Beginning balance, 12/31/2016	\$ 10,104,466	\$ 9,282,287	\$ 822,179
Service cost	645,125	-	645,125
Interest on total OPEB liability	392,630	-	392,630
Changes of benefit terms	-	-	-
Difference between expected / actual experience	-	-	-
Changes of assumptions	-	-	-
Employer contributions	-	1,709,467	(1,709,467)
Net investment income	-	273,902	(273,902)
Benefit payments	(1,222,553)	(1,222,553)	-
Administrative expense	-	(106,794)	106,794
Other	-	-	-
Net changes	<u>(184,798)</u>	<u>654,022</u>	<u>(838,820)</u>
Ending balance, 12/31/2017	<u>\$ 9,919,668</u>	<u>\$ 9,936,309</u>	<u>\$ (16,641)</u>

Discount Rate Sensitivity Analysis

The following schedule presents the RLR's net OPEB asset, calculated using a single discount rate of 4.00%, as well as the impact on the RLR's net OPEB asset if the discount rate was 1% less than and 1% greater than the discount rate used:

	At Current Discount Rate Minus 1%: 3.00%	At Current Discount Rate: 4.00%	At Current Discount Rate Plus 1%: 5.00%
Total OPEB Liability	\$ 430,967	\$ (16,641)	\$ (452,137)

OPEB Expense and Deferred Outflows of Resources Related to OPEB

For the year ended September 30, 2018, the county recognized OPEB expense of \$786,653. There were no changes of benefit terms that affected measurement of the net OPEB asset during the measurement period.

At September 30, 2018, the county reported deferred outflows of resources related to other post-employment benefits from the following sources:

	<u>Deferred Outflows of Resources</u>
Difference between expected and actual experience, assets	\$ 83,994
Contributions subsequent to measurement date	<u>1,142,331</u>
Total	<u>\$ 1,226,325</u>

Deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date, in the amount of \$1,142,331 will be recognized as an addition of the net OPEB asset for the year ending September 30, 2019. Other amounts reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ending September 30</u>	<u>Net Deferred Outflows/(Inflows)</u>
2019	\$ 20,998
2020	20,998
2021	20,998
2022	21,000
2023	-
Thereafter	-
Total	<u>\$ 83,994</u>

H. Other Post-Employment Benefits (“OPEB”) - Retiree Health Plan

Plan Description

The county offers its retired employees health insurance benefits through a single-employer, defined-benefit OPEB plan under county policy, known as the Retiree Health Plan (RHP). The plan offers life, major medical, prescription drug, dental and vision insurance. This plan is administered by the Commissioners Court who has the authority to establish and amend the benefit terms and financing arrangements as stated in Texas Local Government Code §157.101. The county reviews the plan annually with the approved benefits and contribution rates becoming effective January 1st of each calendar year. No assets are accumulated in a trust that meets the criteria in paragraph 4 of the GASB Statement No. 75.

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 such data about retiree benefits discretely from that presented for active employees.

Plan Benefits and Contributions

Employees may retire from the county when they meet any of the following eligibility criteria of the Texas County and District Retirement System (TCDRS):

- At any age, with thirty or more years of service;
- At age sixty or greater, with eight or more years of service or
- When the sum of one’s age and years of service equals 75 or greater

Retirees not Medicare-eligible may participate in one of the three options for major medical coverage available to active employees: the Base Plan, the Buy-Up Plan or the High Deductible Health Plan. The premiums, whether for coverage for the retiree only or for the retiree and dependent(s), are the same as those for active employees. The county subsidizes part of the cost of this benefit.

When retirees become Medicare-eligible, the county converts their major medical coverage to Medicare-supplement coverage, with the county’s insurance becoming secondary. The coverage is provided at no cost to the retirees; premiums apply for coverage of a retiree’s dependent(s). The county subsidizes part of the costs of this benefit. Retirees are responsible for their portions of the premiums for Medicare Parts A and B.

The premium for major medical coverage for the surviving spouse of a retiree is the same as the “retiree only” premium.

The number of employees currently covered by the benefit terms is as follows:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	492
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	-
Active Plan Members	<u>1,197</u>
Total Plan Members	<u><u>1,689</u></u>

The county’s contributions to the RHP for the years ended September 30, 2018 and 2017 were \$7,462,215 and \$7,433,755, respectively.

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.

Significant methods and assumptions used for the RHP were as follows:

Valuation Date	December 31, 2017
Actuarial Cost Method	Individual Entry-Age
Discount Rate	3.31%
Inflation	2.50%
Salary Increases	0.50% to 5.00%, not including wage inflation of 3.25%
Demographic Assumptions	Based on the experience study covering the four-year period ending December 31, 2016 as conducted for TCDRS
Mortality	For healthy retirees, the gender-distinct RP-2014 Healthy Annuitant Mortality Tables are used with male rates multiplied by 130% and female rates multiplied by 110%. Those rates are projected on a fully generational basis based on 110% of the ultimate rates of Scale MP-2014.
Health Care Trend Rates	Initial rate of 7.30% declining to an ultimate rate of 5.00% after 12 years. Ultimate trend rate includes a 0.75% adjustment for the excise tax.
Participation Rates	75% for members who retire before age 65; 80% for members who retire after age 65
Discount Rate	The discount rate changed from 3.81% as of December 31, 2016 to 3.31% as of December 31, 2017.

Projections of health benefits are based on the plan as understood by the county and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the county and its employees to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

Discount Rate

For plans that do not have formal assets, the discount rate should equal the tax exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date. A single discount rate of 3.31% was used to measure the total OPEB liability. The source of the municipal bond rate was fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-year Municipal GO AA Index" as of December 31, 2017. The discount rate was 3.81% as of the prior measurement date.

Changes in the Total OPEB Liability

The county's total OPEB liability of \$237,660,273 was measured as of December 31, 2017 and was determined by an actuarial valuation as of December 31, 2017.

Galveston County, Texas
Schedule of Changes in Total OPEB Liability and Related Ratios
Retiree Health Care Plan for the Employees of Galveston County, Texas
For the Fiscal Year Ended September 30, 2018

	Total OPEB Liability
Beginning balance, 12/31/2016	\$ 207,553,458
Changes for the year:	
Service cost	\$ 8,401,524
Interest on total OPEB liability	7,961,598
Changes in assumptions and other inputs	19,320,487
Benefit payments/refunds of contributions	(5,576,794)
Net changes	30,106,815
Ending balance, 12/31/2017	\$ 237,660,273

Changes in assumptions and other inputs reflect a change in the discount rate from 3.81% to 3.31% as of December 31, 2017.

Discount Rate Sensitivity Analysis

The following schedule presents the total OPEB liability, calculated using a single discount rate of 3.31%, as well as the impact on the total OPEB liability if the discount rate was 1% less than, and 1% greater than, the discount rate used:

	At Current Discount Rate Minus 1%: 2.31%	At Current Discount Rate: 3.31%	At Current Discount Rate Plus 1%: 4.31%
Total OPEB liability	\$ 284,185,225	\$ 237,660,273	\$ 201,184,315

Healthcare Cost Trend Rate Sensitivity Analysis

The following schedule shows the impact of the total OPEB liability if the Healthcare Cost Trend Rate used was less 1% less than and 1% greater than what was used in measuring the total OPEB liability:

	At Current Healthcare Trend Rate Minus 1%	At Current Healthcare Trend Rate	At Current Healthcare Trend Rate Plus 1%
Total OPEB liability	\$ 196,911,806	\$ 237,660,273	\$ 291,585,806

OPEB Expense and Deferred Outflows of Resources Related to OPEB

For the year ended September 30, 2018, the county recognized OPEB expense of \$19,040,684. At September 30, 2018, the county reported deferred outflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>
Changes in assumptions	\$ 16,642,925
Contributions made subsequent to measurement date	<u>3,462,192</u>
Total	<u>\$ 20,105,117</u>

Deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date, in the amount of \$3,462,192, are due to benefit payments the county paid with its own assets and will be recognized as a reduction of the total OPEB liability for the year ending September 30, 2019. Other amounts of the reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ending September 30</u>	<u>Net Deferred Outflows/(Inflows)</u>
2019	\$ 2,677,562
2020	2,677,562
2021	2,677,562
2022	2,677,562
2023	2,677,562
Thereafter	<u>3,255,115</u>
Total	<u>\$ 16,642,925</u>

I. 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 five payments thus far: one of \$700,000 in August 2014, one of \$200,000 in December 2015, one of \$160,000 in September 2016, one of \$255,000 in September 2017 and one of \$400,000 in September 2018.

A large county ad valorem taxpayer filed lawsuits challenging the appraised value of the taxpayer’s properties in Texas City, including a refinery, for tax years 2013 through 2016. The lawsuit concerning the 2013 tax year was tried before a jury, resulting in a judgment in favor of the taxpayer. The court of appeals reversed, and the taxpayer filed a petition for review in the Texas Supreme Court. After the Texas Supreme Court issued a ruling in favor of the taxpayer, Galveston County, the Appraisal District and other taxing entities settled four lawsuits filed by the taxpayer. The settlement agreement fixed the

appraised value of the taxpayer's taxable properties to \$487,093,074 as of January 1, 2013; \$445,508,645 as of January 1, 2014; \$427,763,127 as of January 1, 2015 and \$435,934,800 as of January 1, 2016. Based on the agreed appraised values, the taxpayer is entitled to a refund from Galveston County in the amount of \$3,365,752 and Galveston County Road and Flood District in the amount of \$34,866. The settlement agreement allows Galveston County and Galveston County Road and Flood District to make the refund by three annual payments in the amount of \$1,121,917 and \$11,622, respectively, each payable on or before January 15, 2018, January 15, 2019 and January 15, 2020. The taxpayer released any claim for interest on the refunded amounts other than claims for interest arising out of any failure to timely pay the refunds according to the schedule described above. The County and the District have timely paid the January 2018 and 2019 payments, as of the date of the preparation of this report, and intend to do the same for the January 2020 payment.

The county is also defending three other civil rights cases. The first one involves the death of a Galveston County Jail inmate who allegedly suffered a medical condition while incarcerated and later died from complications. The liability aspect of the case is complicated by the fact the inmate had a previously undiagnosed illness that could have led to his death. This case is currently being litigated, but is not anticipated to go to trial until late 2019 at the earliest. Discovery is proceeding, but the county is unable to estimate potential damages at this time. The county disputes liability for damages and intends to vigorously defend the case. A finding of liability could possibly expose the county to a significant damages' award.

Another civil case the county is facing involves a jail inmate that has alleged the Sheriff allows excessive force to occur in the jail and that he was denied medical care allegedly sustained during transfer by a City of Galveston officer. A motion for summary judgement was filed in July, 2018, and the county is currently awaiting the Court's decision. The damages are not substantial in this case, and even if the county is found liable, it is highly unlikely that the total damages would exceed \$100,000.

The third civil case the county is defending involves a suit filed alleging a district judge violated various constitutional rights by removing the plaintiff from cases and refusing to appoint him to other cases. This suit seeks declaratory relief, but the plaintiff would be eligible for attorney fees if he prevails. It is too early to estimate the potential liability to the county in this case. If the plaintiff is successful in his claims for declaratory relief, there is a possibility that the trial court could award attorneys' fees in an amount that equals or exceeds \$100,000. Galveston County is defending two suits involving automobile accidents between a county employee and civilian. There is a potential that the county's damage cap under the Tort Claims Act of \$100,000 could be reached in each case.

J. Prior-Period Adjustments

During fiscal year 2018, the county adopted GASB Statement No. 75, *Accounting and Reporting for Post-Employment Benefits Other Than Pensions*. With GASB Statement 75, the county must assume its total OPEB liability in connection with the Retiree Health insurance Plan and the Retiree Lives Reserve. Adoption of GASB Statement No. 75 required a prior period adjustment to report the effect of the standard retroactively. As such, beginning net position was restated by \$127,098,157 in the governmental activities.

Government-Wide Noncurrent Liabilities

Beginning Net Position, as Previously Reported	\$ 75,817,436
Effect of Implementation of <i>GASB Statement No. 75</i>	<u>(127,098,157)</u>
Beginning Net Position, as Restated	<u>\$ (51,280,721)</u>

K. Subsequent Events

As this report was being prepared, Galveston County was in the process of issuing two new bonds totaling \$30,280,000 to fund various road capital projects (\$22,080,000) and building capital projects (\$8,200,000). The bonds will mature on February 1, 2039.

Required Supplementary Information

Galveston County, Texas
Notes to the Required Supplementary Information – Budgetary Schedules
For the Year Ended September 30, 2018

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 REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended September 30, 2018
With Comparative Actual Amounts for the Year Ended September 30, 2017

	Original Budget	Final Budget	Actual	Variance, Actual from Final Budget Positive (Negative)	Prior Year Actual
REVENUES					
Taxes	\$ 119,902,381	\$ 119,902,381	\$ 119,705,419	\$ (196,962)	\$ 116,026,502
Licenses and Permits	212,000	212,000	223,328	11,328	1,878
Intergovernmental	4,431,486	4,500,096	7,930,965	3,430,869	11,316,350
Charges for Services	7,246,000	7,246,000	7,395,279	149,279	7,359,571
Fines and Forfeitures	1,684,800	1,684,800	1,390,956	(293,844)	1,701,620
Investment Earnings	473,100	473,100	879,872	406,772	474,187
Miscellaneous	7,509,393	7,613,293	8,767,831	1,154,538	2,916,618
Total Revenues	141,459,160	141,631,670	146,293,650	4,661,980	139,796,726
EXPENDITURES					
General Government					
General Government					
Personal Services	6,340,816	6,361,053	6,336,889	24,164	5,769,592
Supplies	27,900	27,900	-	27,900	563
Other Services and Charges	6,137,650	7,004,987	3,972,729	3,032,258	2,222,117
Total General Government	12,506,366	13,393,940	10,309,618	3,084,322	7,992,272
County Judge					
Personal Services	441,642	442,201	441,002	1,199	431,689
Supplies	4,600	4,600	3,770	830	3,774
Other Services and Charges	5,000	5,000	971	4,029	1,108
Total County Judge	451,242	451,801	445,743	6,058	436,571
Commissioners Court					
Personal Services	850,132	850,132	832,780	17,352	782,717
Supplies	4,100	4,100	511	3,589	808
Other Services and Charges	5,900	5,900	866	5,034	621
Total Commissioners Court	860,132	860,132	834,157	25,975	784,146
County Clerk					
Personal Services	3,109,034	3,171,131	3,001,601	169,530	2,965,027
Supplies	39,500	39,500	25,236	14,264	29,868
Other Services and Charges	758,820	798,820	725,731	73,089	697,499
Total County Clerk	3,907,354	4,009,451	3,752,568	256,883	3,692,394
Veterans Services					
Personal Services	165,324	165,324	163,274	2,050	151,468
Supplies	1,900	1,900	1,609	291	1,006
Other Services and Charges	4,300	4,300	2,590	1,710	2,020
Total Veterans Services	171,524	171,524	167,473	4,051	154,494

GALVESTON COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended September 30, 2018
With Comparative Actual Amounts for the Year Ended September 30, 2017

	<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>
Veterans Treatment Court Program					
Supplies	3,000	3,000	406	2,594	417
Other Services and Charges	27,000	31,746	28,593	3,153	400
Total Veterans Treatment Court Program	<u>30,000</u>	<u>34,746</u>	<u>28,999</u>	<u>5,747</u>	<u>817</u>
Economic Development Office					
Personal Services	238,525	238,525	46,119	192,406	208,882
Supplies	2,352	2,352	115	2,237	567
Other Services and Charges	127,078	154,578	78,684	75,894	105,265
Total Economic Development Office	<u>367,955</u>	<u>395,455</u>	<u>124,918</u>	<u>270,537</u>	<u>314,714</u>
10th District Court					
Personal Services	205,852	205,852	199,125	6,727	187,015
Supplies	1,500	1,500	987	513	394
Other Services and Charges	2,870	2,870	1,099	1,771	560
Total 10th District Court	<u>210,222</u>	<u>210,222</u>	<u>201,211</u>	<u>9,011</u>	<u>187,969</u>
56th District Court					
Personal Services	208,831	208,831	208,623	208	196,449
Supplies	1,500	1,500	311	1,189	508
Other Services and Charges	2,700	2,700	535	2,165	270
Total 56th District Court	<u>213,031</u>	<u>213,031</u>	<u>209,469</u>	<u>3,562</u>	<u>197,227</u>
122nd District Court					
Personal Services	204,622	204,622	198,433	6,189	188,671
Supplies	1,500	1,500	1,006	494	577
Other Services and Charges	2,870	2,870	790	2,080	1,285
Total 122nd District Court	<u>208,992</u>	<u>208,992</u>	<u>200,229</u>	<u>8,763</u>	<u>190,533</u>
212th District Court					
Personal Services	205,852	205,852	198,329	7,523	177,919
Supplies	1,500	1,156	1,141	15	1,974
Other Services and Charges	2,280	2,624	2,514	110	2,155
Total 212th District Court	<u>209,632</u>	<u>209,632</u>	<u>201,984</u>	<u>7,648</u>	<u>182,048</u>
306th District Court					
Personal Services	237,053	237,053	230,299	6,754	217,949
Supplies	1,500	1,500	1,383	117	1,403
Other Services and Charges	3,785	3,785	1,917	1,868	490
Total 306th District Court	<u>242,338</u>	<u>242,338</u>	<u>233,599</u>	<u>8,739</u>	<u>219,842</u>
405th District Court					
Personal Services	222,338	222,338	194,661	27,677	190,643
Supplies	1,500	1,500	1,380	120	784
Other Services and Charges	4,593	4,593	270	4,323	270
Total 405th District Court	<u>228,431</u>	<u>228,431</u>	<u>196,311</u>	<u>32,120</u>	<u>191,697</u>

GALVESTON COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended September 30, 2018
With Comparative Actual Amounts for the Year Ended September 30, 2017

	<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>
District Court Administration Office					
Personal Services	380,899	380,899	314,090	66,809	380,787
Supplies	9,000	11,000	10,955	45	12,598
Other Services and Charges	<u>2,704,500</u>	<u>876,500</u>	<u>832,407</u>	<u>44,093</u>	<u>3,124,127</u>
Total District Court Administration Office	<u>3,094,399</u>	<u>1,268,399</u>	<u>1,157,452</u>	<u>110,947</u>	<u>3,517,512</u>
County Court #1					
Personal Services	428,445	428,445	428,112	333	415,073
Supplies	2,100	2,100	1,329	771	341
Other Services and Charges	<u>4,600</u>	<u>4,600</u>	<u>1,568</u>	<u>3,032</u>	<u>1,651</u>
Total County Court #1	<u>435,145</u>	<u>435,145</u>	<u>431,009</u>	<u>4,136</u>	<u>417,065</u>
County Court #2					
Personal Services	409,122	409,122	408,794	328	397,352
Supplies	1,500	1,500	805	695	716
Other Services and Charges	<u>4,900</u>	<u>4,900</u>	<u>3,582</u>	<u>1,318</u>	<u>384</u>
Total County Court #2	<u>415,522</u>	<u>415,522</u>	<u>413,181</u>	<u>2,341</u>	<u>398,452</u>
County Court #3					
Personal Services	415,226	415,226	414,919	307	398,880
Supplies	2,100	2,100	1,455	645	1,199
Other Services and Charges	<u>4,900</u>	<u>4,900</u>	<u>2,408</u>	<u>2,492</u>	<u>1,124</u>
Total County Court #3	<u>422,226</u>	<u>422,226</u>	<u>418,782</u>	<u>3,444</u>	<u>401,203</u>
Probate Court					
Personal Services	597,015	597,015	596,333	682	574,437
Supplies	3,600	3,600	3,276	324	3,600
Other Services and Charges	<u>130,425</u>	<u>130,425</u>	<u>85,805</u>	<u>44,620</u>	<u>128,748</u>
Total Probate Court	<u>731,040</u>	<u>731,040</u>	<u>685,414</u>	<u>45,626</u>	<u>706,785</u>
County Court Administration					
Personal Services	160,291	164,498	159,139	5,359	-
Supplies	5,500	5,500	3,141	2,359	-
Other Services and Charges	<u>788,300</u>	<u>245,300</u>	<u>181,198</u>	<u>64,102</u>	-
Total County Court Administration	<u>954,091</u>	<u>415,298</u>	<u>343,478</u>	<u>71,820</u>	-
Justice Court Precinct #1					
Personal Services	424,456	424,456	411,172	13,284	408,635
Supplies	7,125	7,125	7,120	5	7,611
Other Services and Charges	<u>5,700</u>	<u>5,700</u>	<u>550</u>	<u>5,150</u>	<u>2,519</u>
Total Justice Court Precinct #1	<u>437,281</u>	<u>437,281</u>	<u>418,842</u>	<u>18,439</u>	<u>418,765</u>
Justice Court Precinct #2					
Personal Services	439,798	439,798	419,466	20,332	429,424
Supplies	10,000	10,000	9,639	361	11,156
Other Services and Charges	<u>7,200</u>	<u>7,200</u>	<u>4,494</u>	<u>2,706</u>	<u>5,467</u>
Total Justice Court Precinct #2	<u>456,998</u>	<u>456,998</u>	<u>433,599</u>	<u>23,399</u>	<u>446,047</u>

GALVESTON COUNTY, TEXAS
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BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended September 30, 2018
With Comparative Actual Amounts for the Year Ended September 30, 2017

	Original Budget	Final Budget	Actual	Variance, Actual from Final Budget Positive (Negative)	Prior Year Actual
Justice Court Precinct #3					
Personal Services	503,657	503,657	490,630	13,027	491,865
Supplies	12,000	12,000	5,795	6,205	6,514
Other Services and Charges	7,978	7,978	791	7,187	5,104
Total Justice Court Precinct #3	<u>523,635</u>	<u>523,635</u>	<u>497,216</u>	<u>26,419</u>	<u>503,483</u>
Justice Court Precinct #4					
Personal Services	426,951	426,951	423,031	3,920	416,508
Supplies	7,125	7,125	4,015	3,110	4,872
Other Services and Charges	4,650	4,650	1,571	3,079	4,163
Total Justice Court Precinct #4	<u>438,726</u>	<u>438,726</u>	<u>428,617</u>	<u>10,109</u>	<u>425,543</u>
Indigent Defense					
Other Services And Charges	-	2,634,000	2,628,826	5,174	-
Total Indigent Defense	<u>-</u>	<u>2,634,000</u>	<u>2,628,826</u>	<u>5,174</u>	<u>-</u>
District Clerk					
Personal Services	2,928,886	3,003,838	3,003,837	1	2,921,920
Supplies	92,627	92,627	73,438	19,189	104,172
Other Services and Charges	475,955	475,955	407,662	68,293	348,662
Total District Clerk	<u>3,497,468</u>	<u>3,572,420</u>	<u>3,484,937</u>	<u>87,483</u>	<u>3,374,754</u>
District Attorney					
Personal Services	6,243,432	6,283,294	6,225,307	57,987	6,104,944
Supplies	63,600	93,000	79,058	13,942	56,938
Other Services and Charges	282,745	435,805	309,926	125,879	147,111
Total District Attorney	<u>6,589,777</u>	<u>6,812,099</u>	<u>6,614,291</u>	<u>197,808</u>	<u>6,308,993</u>
Collections Office					
Personal Services	372,766	375,402	372,441	2,961	350,812
Supplies	10,348	10,348	6,139	4,209	5,270
Other Services and Charges	3,150	3,150	795	2,355	967
Total Collections Office	<u>386,264</u>	<u>388,900</u>	<u>379,375</u>	<u>9,525</u>	<u>357,049</u>
Personal Bond Office					
Personal Services	237,182	508,026	294,827	213,199	177,788
Supplies	4,660	12,420	3,863	8,557	456
Other Services and Charges	3,800	3,800	95	3,705	699
Total Personal Bond Office	<u>245,642</u>	<u>524,246</u>	<u>298,785</u>	<u>225,461</u>	<u>178,943</u>
County Auditor					
Personal Services	2,477,201	2,477,201	2,267,583	209,618	2,356,580
Supplies	11,250	11,250	3,913	7,337	4,812
Other Services and Charges	53,537	53,537	43,591	9,946	44,602
Total County Auditor	<u>2,541,988</u>	<u>2,541,988</u>	<u>2,315,087</u>	<u>226,901</u>	<u>2,405,994</u>

(Continued)

GALVESTON COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended September 30, 2018
With Comparative Actual Amounts for the Year Ended September 30, 2017

	<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>
Professional Services					
Personal Services	749,912	704,426	511,566	192,860	646,525
Supplies	3,500	3,500	1,613	1,887	1,879
Other Services and Charges	10,000	10,000	3,368	6,632	13,105
Total Professional Services	<u>763,412</u>	<u>717,926</u>	<u>516,547</u>	<u>201,379</u>	<u>661,509</u>
County Tax Assessor-Collector					
Personal Services	2,690,131	2,690,805	2,670,594	20,211	2,681,142
Supplies	30,995	30,995	30,331	664	28,880
Other Services and Charges	60,975	60,975	53,097	7,878	53,364
Total County Tax Assessor-Collector	<u>2,782,101</u>	<u>2,782,775</u>	<u>2,754,022</u>	<u>28,753</u>	<u>2,763,386</u>
County Treasurer					
Personal Services	624,703	623,947	595,175	28,772	584,106
Supplies	27,000	27,000	19,393	7,607	7,642
Other Services and Charges	40,000	40,000	20,161	19,839	17,873
Total County Treasurer	<u>691,703</u>	<u>690,947</u>	<u>634,729</u>	<u>56,218</u>	<u>609,621</u>
Purchasing Agent					
Personal Services	632,231	632,231	618,580	13,651	600,272
Supplies	7,880	7,880	6,760	1,120	5,088
Other Services and Charges	27,025	27,025	15,448	11,577	18,967
Total Purchasing Agent	<u>667,136</u>	<u>667,136</u>	<u>640,788</u>	<u>26,348</u>	<u>624,327</u>
Legal Department					
Personal Services	1,022,954	1,030,946	906,125	124,821	891,714
Supplies	22,000	22,000	21,272	728	9,049
Other Services and Charges	536,500	536,500	501,332	35,168	348,877
Total Legal Department	<u>1,581,454</u>	<u>1,589,446</u>	<u>1,428,729</u>	<u>160,717</u>	<u>1,249,640</u>
Human Resources					
Personal Services	464,023	474,255	358,411	115,844	316,391
Supplies	12,540	12,315	3,583	8,732	2,121
Other Services and Charges	98,000	101,725	26,412	75,313	56,692
Total Human Resources	<u>574,563</u>	<u>588,295</u>	<u>388,406</u>	<u>199,889</u>	<u>375,204</u>
Information Technology					
Personal Services	3,350,753	3,440,624	3,434,065	6,559	3,183,176
Supplies	1,215,266	1,376,882	1,344,385	32,497	526,111
Other Services and Charges	4,114,735	4,486,441	3,710,515	775,926	3,157,888
Total Information Technology	<u>8,680,754</u>	<u>9,303,947</u>	<u>8,488,965</u>	<u>814,982</u>	<u>6,867,175</u>
Facilities Services					
Personal Services	1,106,814	1,224,755	1,096,047	128,708	1,070,781
Supplies	23,500	20,500	11,704	8,796	309,334
Other Services and Charges	5,640,800	5,892,489	5,195,645	696,844	4,885,926
Total Facilities Services	<u>6,771,114</u>	<u>7,137,744</u>	<u>6,303,396</u>	<u>834,348</u>	<u>6,266,041</u>

GALVESTON COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended September 30, 2018
With Comparative Actual Amounts for the Year Ended September 30, 2017

	Original Budget	Final Budget	Actual	Variance, Actual from Final Budget Positive (Negative)	Prior Year Actual
County Architect					
Personal Services	131,543	131,543	368	131,175	119,913
Other Services and Charges	2,000	2,000	-	2,000	732
Total County Architect	<u>133,543</u>	<u>133,543</u>	<u>368</u>	<u>133,175</u>	<u>120,645</u>
Fleet Management					
Personal Services	770,106	772,789	696,238	76,551	745,001
Supplies	649,100	647,120	576,381	70,739	434,653
Other Services and Charges	268,100	268,641	239,037	29,604	195,135
Total Fleet Management	<u>1,687,306</u>	<u>1,688,550</u>	<u>1,511,656</u>	<u>176,894</u>	<u>1,374,789</u>
County Engineer					
Personal Services	543,760	570,614	559,799	10,815	527,556
Supplies	6,900	6,900	4,224	2,676	6,027
Other Services and Charges	326,665	326,665	60,403	266,262	62,786
Total County Engineer	<u>877,325</u>	<u>904,179</u>	<u>624,426</u>	<u>279,753</u>	<u>596,369</u>
Total General Government	<u>65,987,832</u>	<u>68,852,106</u>	<u>61,147,202</u>	<u>7,704,904</u>	<u>55,914,018</u>
Public Safety					
Sheriff's Office					
Personal Services	35,429,916	36,199,899	34,935,090	1,264,809	32,782,267
Supplies	617,304	677,926	594,104	83,822	479,545
Other Services and Charges	5,690,556	7,613,715	6,975,061	638,654	6,004,157
Total Sheriff's Office	<u>41,737,776</u>	<u>44,491,540</u>	<u>42,504,255</u>	<u>1,987,285</u>	<u>39,265,969</u>
Constable Precinct #2B					
Personal Services	-	-	-	-	27,398
Total Constable Precinct #2B	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>27,398</u>
Constable Precinct #3B					
Personal Services	-	-	-	-	27,175
Total Constable Precinct #3B	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>27,175</u>
Constable Precinct #3					
Personal Services	711,194	711,194	708,344	2,850	593,145
Supplies	16,000	17,500	9,512	7,988	14,251
Other Services and Charges	6,000	6,000	5,448	552	2,154
Total Constable Precinct #3	<u>733,194</u>	<u>734,694</u>	<u>723,304</u>	<u>11,390</u>	<u>609,550</u>
Constable Precinct #2					
Personal Services	585,350	585,350	579,910	5,440	494,881
Supplies	9,920	9,920	3,346	6,574	5,980
Other Services and Charges	3,867	3,867	571	3,296	1,914
Total Constable Precinct #2	<u>599,137</u>	<u>599,137</u>	<u>583,827</u>	<u>15,310</u>	<u>502,775</u>
Constable Precinct #1B					
Personal Services	-	-	-	-	28,002
Total Constable Precinct #1B	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>28,002</u>

GALVESTON COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended September 30, 2018
With Comparative Actual Amounts for the Year Ended September 30, 2017

	Original Budget	Final Budget	Actual	Variance, Actual from Final Budget Positive (Negative)	Prior Year Actual
Constable Precinct #1					
Personal Services	615,915	618,545	615,554	2,991	577,415
Supplies	5,200	5,200	5,037	163	7,152
Other Services and Charges	1,800	1,800	1,385	415	1,633
Total Constable Precinct #1	<u>622,915</u>	<u>625,545</u>	<u>621,976</u>	<u>3,569</u>	<u>586,200</u>
Constable Precinct #4					
Personal Services	634,672	634,672	630,123	4,549	611,567
Supplies	6,895	6,895	6,467	428	7,351
Other Services and Charges	1,775	1,775	743	1,032	1,577
Total Constable Precinct #4	<u>643,342</u>	<u>643,342</u>	<u>637,333</u>	<u>6,009</u>	<u>620,495</u>
Drug Court Program					
Personal Services	-	1,787	1,787	-	1,391
Other Services and Charges	36,400	52,300	47,313	4,987	24,278
Total Drug Court Program	<u>36,400</u>	<u>54,087</u>	<u>49,100</u>	<u>4,987</u>	<u>25,669</u>
Juvenile Justice					
Personal Services	3,462,245	3,482,318	3,302,777	179,541	3,322,321
Supplies	91,480	98,980	70,711	28,269	77,107
Other Services and Charges	1,236,473	1,248,473	976,502	271,971	960,509
Total Juvenile Justice	<u>4,790,198</u>	<u>4,829,771</u>	<u>4,349,990</u>	<u>479,781</u>	<u>4,359,937</u>
Emergency Management					
Personal Services	338,727	405,646	297,835	107,811	326,964
Supplies	30,840	30,840	8,737	22,103	28,234
Other Services and Charges	498,900	498,900	438,310	60,590	461,717
Total Emergency Management	<u>868,467</u>	<u>935,386</u>	<u>744,882</u>	<u>190,504</u>	<u>816,915</u>
Nuisance Abatement					
Personal Services	140,495	141,312	88,848	52,464	67,816
Supplies	6,249	6,249	3,156	3,093	1,587
Other Services and Charges	218,450	218,450	31,685	186,765	79,994
Total Nuisance Abatement	<u>365,194</u>	<u>366,011</u>	<u>123,689</u>	<u>242,322</u>	<u>149,397</u>
Total Public Safety	<u>50,396,623</u>	<u>53,279,513</u>	<u>50,338,356</u>	<u>2,941,157</u>	<u>47,019,482</u>
Health And Social Services					
Health Administration & Sanitation					
Other Services and Charges	7,125,079	7,125,079	7,125,079	-	7,081,813
Total Health Administration & Sanitation	<u>7,125,079</u>	<u>7,125,079</u>	<u>7,125,079</u>	<u>-</u>	<u>7,081,813</u>
Community Services					
Personal Services	241,291	277,072	215,095	61,977	212,560
Supplies	1,500	1,500	49	1,451	667
Other Services and Charges	5,968,733	6,074,733	5,212,254	862,479	5,778,126
Total Community Services	<u>6,211,524</u>	<u>6,353,305</u>	<u>5,427,398</u>	<u>925,907</u>	<u>5,991,353</u>

GALVESTON COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended September 30, 2018
With Comparative Actual Amounts for the Year Ended September 30, 2017

	Original Budget	Final Budget	Actual	Variance, Actual from Final Budget Positive (Negative)	Prior Year Actual
Child Welfare					
Personal Services	48,716	48,716	48,682	34	47,661
Supplies	61,500	61,500	34,377	27,123	29,772
Other Services and Charges	155,789	156,059	142,792	13,267	141,065
Total Child Welfare	<u>266,005</u>	<u>266,275</u>	<u>225,851</u>	<u>40,424</u>	<u>218,498</u>
Senior Citizens					
Personal Services	494,836	494,836	304,190	190,646	332,279
Supplies	41,940	41,940	25,083	16,857	23,301
Other Services and Charges	110,470	160,470	94,817	65,653	16,560
Total Senior Citizens	<u>647,246</u>	<u>697,246</u>	<u>424,090</u>	<u>273,156</u>	<u>372,140</u>
Total Health And Social Services	<u>14,249,854</u>	<u>14,441,905</u>	<u>13,202,418</u>	<u>1,239,487</u>	<u>13,663,804</u>
Culture And Recreation					
Galveston County Museum					
Personal Services	103,763	103,763	102,376	1,387	101,023
Supplies	23,700	23,700	18,125	5,575	13,161
Other Services and Charges	58,190	83,190	77,896	5,294	57,912
Total Galveston County Museum	<u>185,653</u>	<u>210,653</u>	<u>198,397</u>	<u>12,256</u>	<u>172,096</u>
Beach And Parks Department					
Personal Services	1,800,678	1,845,907	1,845,905	2	1,756,623
Supplies	80,350	82,850	74,319	8,531	185,399
Other Services and Charges	288,730	289,330	242,713	46,617	261,687
Total Beach And Parks Department	<u>2,169,758</u>	<u>2,218,087</u>	<u>2,162,937</u>	<u>55,150</u>	<u>2,203,709</u>
Beach Maintenance-Road & Bridge					
Personal Services	131,814	131,814	126,669	5,145	125,507
Supplies	13,600	13,600	11,075	2,525	7,713
Other Services and Charges	256,910	256,910	206,216	50,694	255,816
Total Beach Maintenance-Road & Bridge	<u>402,324</u>	<u>402,324</u>	<u>343,960</u>	<u>58,364</u>	<u>389,036</u>
Total Culture And Recreation	<u>2,757,735</u>	<u>2,831,064</u>	<u>2,705,294</u>	<u>125,770</u>	<u>2,764,841</u>
Conservation					
County Extension Service					
Personal Services	511,876	511,876	499,612	12,264	484,067
Supplies	48,143	48,143	38,640	9,503	31,118
Other Services and Charges	24,950	24,950	17,999	6,951	14,593
Total County Extension Service	<u>584,969</u>	<u>584,969</u>	<u>556,251</u>	<u>28,718</u>	<u>529,778</u>

GALVESTON COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended September 30, 2018
With Comparative Actual Amounts for the Year Ended September 30, 2017

	<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>
Capital Outlay					
Buildings and Improvement	1,002,200	1,115,135	321,329	793,806	210,969
Improvements Other Than Buildings	972,000	2,081,344	860,848	1,220,496	1,181,485
Machinery and Equipment	610,494	415,494	395,541	19,953	944,786
Vehicles	663,000	1,192,335	1,060,866	131,469	859,082
Technology	822,516	625,867	360,804	265,063	108,256
Total Capital Outlay	<u>4,070,210</u>	<u>5,430,175</u>	<u>2,999,388</u>	<u>2,430,787</u>	<u>3,304,578</u>
Total Expenditures	<u>138,047,223</u>	<u>145,419,732</u>	<u>130,948,909</u>	<u>14,470,823</u>	<u>123,196,501</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>3,411,937</u>	<u>(3,788,062)</u>	<u>15,344,741</u>	<u>19,132,803</u>	<u>16,600,225</u>
OTHER FINANCING SOURCES (USES)					
Transfers In	-	173,491	175,853	2,362	221,527
Transfers Out	(2,833,654)	(5,705,174)	(4,895,059)	810,115	(4,203,566)
Sale of Capital Assets	100,000	100,000	50,504	(49,496)	105,713
Budgeted Contingencies Used	(24,750,000)	(14,716,650)	-	14,716,650	-
Total Other Financing Sources (Uses)	<u>(27,483,654)</u>	<u>(20,148,333)</u>	<u>(4,668,702)</u>	<u>15,479,631</u>	<u>(3,876,326)</u>
Net Change in Fund Balance	<u>(24,071,717)</u>	<u>(23,936,395)</u>	<u>10,676,039</u>	<u>34,612,434</u>	<u>12,723,899</u>
Fund Balance-Beginning	<u>81,391,932</u>	<u>81,391,932</u>	<u>81,391,932</u>	<u>-</u>	<u>68,668,033</u>
Fund Balance-Ending	<u>\$ 57,320,215</u>	<u>\$ 57,455,537</u>	<u>\$ 92,067,971</u>	<u>\$ 34,612,434</u>	<u>\$ 81,391,932</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, 2018

With Comparative Actual Amounts for the Year Ended September 30, 2017

	<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	\$ 1,592,813	\$ 1,592,813	\$ 1,577,747	\$ (15,066)	\$ 1,484,656
Licenses and Permits	2,700,000	2,700,000	2,828,740	128,740	2,738,695
Intergovernmental	866,000	866,000	469,856	(396,144)	778,980
Investment Earnings	4,400	4,400	3,167	(1,233)	4,188
Miscellaneous	500	500	13,213	12,713	932
Total Revenues	<u>5,163,713</u>	<u>5,163,713</u>	<u>4,892,723</u>	<u>(270,990)</u>	<u>5,007,451</u>
EXPENDITURES					
Current:					
General Government					
Supplies	685,000	685,000	452,898	232,102	15,673
Other Services and Charges	300,000	300,000	288,950	11,050	271,582
Total General Government	<u>985,000</u>	<u>985,000</u>	<u>741,848</u>	<u>243,152</u>	<u>287,255</u>
Roads, Bridges and Rights-Of-Way					
Personal Services	2,358,459	2,467,314	2,452,282	15,032	2,401,200
Supplies	2,182,980	2,199,443	2,094,680	104,763	2,192,226
Other Services and Charges	100,360	100,360	79,890	20,470	141,534
Total Roads, Bridges and Rights-Of-Way	<u>4,641,799</u>	<u>4,767,117</u>	<u>4,626,852</u>	<u>140,265</u>	<u>4,734,960</u>
Capital Outlay	849,000	909,739	680,331	229,408	518,334
Total Expenditures	<u>6,475,799</u>	<u>6,661,856</u>	<u>6,049,031</u>	<u>612,825</u>	<u>5,540,549</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>(1,312,086)</u>	<u>(1,498,143)</u>	<u>(1,156,308)</u>	<u>341,835</u>	<u>(533,098)</u>
Other Financing Sources (Uses)					
Transfers In	-	641,317	641,317	-	122,820
Sale of Capital Assets	-	-	45,407	45,407	80,384
Total Other Financing Sources (Uses)	<u>-</u>	<u>641,317</u>	<u>686,724</u>	<u>45,407</u>	<u>203,204</u>
Net Change in Fund Balance	<u>(1,312,086)</u>	<u>(856,826)</u>	<u>(469,584)</u>	<u>387,242</u>	<u>(329,894)</u>
Fund Balance-Beginning	<u>655,420</u>	<u>655,420</u>	<u>655,420</u>	<u>-</u>	<u>985,314</u>
Fund Balance-Ending	<u>\$ (656,666)</u>	<u>\$ (201,406)</u>	<u>\$ 185,836</u>	<u>\$ 387,242</u>	<u>\$ 655,420</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, 2018
With Comparative Actual Amounts for the Year Ended September 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>	<u>Prior Year Actual</u>
REVENUES					
Intergovernmental	\$ 78,248,084	\$ 78,248,084	\$ 13,413,997	\$ (64,834,087)	\$ 22,270,076
Charges for Services	897,761	897,761	95,294	(802,467)	16,636
Investment Earnings	-	-	4,956	4,956	6,394
Miscellaneous	942,569	942,569	326,742	(615,827)	502,863
Total Revenues	<u>80,088,414</u>	<u>80,088,414</u>	<u>13,840,989</u>	<u>(66,247,425)</u>	<u>22,795,969</u>
EXPENDITURES					
Current:					
General Government					
Personal Services	913,739	913,739	482,779	430,960	625,617
Supplies	83,728	83,728	40,643	43,085	48,589
Other Services and Charges	8,432,430	8,432,430	3,710,371	4,722,059	2,397,573
Total General Government	<u>9,429,897</u>	<u>9,429,897</u>	<u>4,233,793</u>	<u>5,196,104</u>	<u>3,071,779</u>
Public Safety					
Personal Services	3,491,163	3,491,163	1,565,994	1,925,169	2,377,285
Supplies	746,582	746,582	285,751	460,831	256,036
Other Services and Charges	34,281,715	34,281,715	6,161,402	28,120,313	9,946,876
Total Public Safety	<u>38,519,460</u>	<u>38,519,460</u>	<u>8,013,147</u>	<u>30,506,313</u>	<u>12,580,197</u>
Health and Social Services					
Personal Services	321,119	321,119	291,336	29,783	412,666
Supplies	162,557	162,557	146,898	15,659	289,928
Other Services and Charges	2,134,665	2,134,665	1,023,542	1,111,123	368,304
Total Health and Social Services	<u>2,618,341</u>	<u>2,618,341</u>	<u>1,461,776</u>	<u>1,156,565</u>	<u>1,070,898</u>
Culture and Recreation					
Personal Services	1	1	-	1	12,161
Supplies	-	-	19,131	(19,131)	2,600
Other Services and Charges	30,627	30,627	55,110	(24,483)	7,916
Total Culture and Recreation	<u>30,628</u>	<u>30,628</u>	<u>74,241</u>	<u>(43,613)</u>	<u>22,677</u>
Roads, Bridges and Rights-of-Way					
Personal Services	2	2	1,545	(1,543)	-
Other Services and Charges	1,340,232	1,340,232	669,306	670,926	-
Total Roads, Bridges and Rights-of-Way	<u>1,340,234</u>	<u>1,340,234</u>	<u>670,851</u>	<u>669,383</u>	<u>-</u>
Capital Outlay	<u>32,044,870</u>	<u>32,044,870</u>	<u>2,374,376</u>	<u>29,670,494</u>	<u>7,595,335</u>
Total Expenditures	<u>83,983,430</u>	<u>83,983,430</u>	<u>16,828,184</u>	<u>67,155,246</u>	<u>24,340,886</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>(3,895,016)</u>	<u>(3,895,016)</u>	<u>(2,987,195)</u>	<u>907,821</u>	<u>(1,544,917)</u>

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

**For the Year Ended September 30, 2018
With Comparative Actual Amounts for the Year Ended September 30, 2017**

	<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	5,060,095	5,060,095	408,539	(4,651,556)	2,086,563
Transfers Out	(7,832)	(7,832)	(7,832)	-	(144,892)
Sale of Capital Assets	-	-	-	-	38,850
Total Other Financing Sources (Uses)	<u>5,052,263</u>	<u>5,052,263</u>	<u>400,707</u>	<u>(4,651,556)</u>	<u>1,980,521</u>
Net Change in Fund Balance	1,157,247	1,157,247	(2,586,488)	(3,743,735)	435,604
Fund Balance-Beginning	5,601,198	5,601,198	5,601,198	-	5,069,372
Prior Period Adjustments	-	-	-	-	96,222
Fund Balances - Beginning, as Restated	<u>5,601,198</u>	<u>5,601,198</u>	<u>5,601,198</u>	<u>-</u>	<u>5,165,594</u>
Fund Balance-Ending	<u>\$ 6,758,445</u>	<u>\$ 6,758,445</u>	<u>\$ 3,014,710</u>	<u>\$ (3,743,735)</u>	<u>\$ 5,601,198</u>

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 Four Calendar Years*

	Year Ended December 31, 2017	Year Ended December 31, 2016	Year Ended December 31, 2015	Year Ended December 31, 2014
Total Pension Liability				
Service cost	\$ 8,527,699	\$ 8,514,565	\$ 8,033,265	\$ 7,971,478
Interest on total pension liability	30,746,745	29,143,719	28,029,902	26,719,008
Effect of plan changes	-	-	(1,570,636)	-
Effect of assumption changes or inputs	1,117,910	-	3,176,506	-
Effect of economic/demographic (gains) or losses	(580,625)	(558,220)	(2,943,467)	(227,582)
Benefit payments/refunds of contributions	(22,174,593)	(21,170,801)	(19,704,571)	(18,511,860)
Net change in total pension liability	17,637,136	15,929,263	15,020,999	15,951,044
Total pension liability, beginning	381,933,183	366,003,920	350,982,921	335,031,877
Total pension liability, ending (a)	<u>\$ 399,570,319</u>	<u>\$ 381,933,183</u>	<u>\$ 366,003,920</u>	<u>\$ 350,982,921</u>
Fiduciary Net Position				
Employer contributions	\$ 7,458,946	\$ 6,879,586	\$ 6,534,101	\$ 6,419,135
Member contributions	4,556,075	4,295,905	4,072,510	3,997,855
Investment income net of investment expenses	50,641,917	24,668,039	414,224	22,444,380
Benefit payments/refunds of contributions	(22,174,593)	(21,170,801)	(19,704,571)	(18,511,860)
Administrative expenses	(258,132)	(268,351)	(243,373)	(258,882)
Other	(138,588)	(770,360)	(34,899)	(117,593)
Net change in fiduciary net position	40,085,625	13,634,018	(8,962,008)	13,973,035
Fiduciary net position, beginning	348,064,920	334,430,902	343,392,910	329,419,875
Fiduciary net position, ending (b)	<u>\$ 388,150,545</u>	<u>\$ 348,064,920</u>	<u>\$ 334,430,902</u>	<u>\$ 343,392,910</u>
Net pension liability / (asset), ending = (a) - (b)	<u>\$ 11,419,774</u>	<u>\$ 33,868,263</u>	<u>\$ 31,573,018</u>	<u>\$ 7,590,011</u>
Fiduciary net position as a % of total pension liability	97.14%	91.13%	91.37%	97.84%
Pensionable covered payroll	\$ 65,086,791	\$ 61,370,078	\$ 58,080,901	\$ 57,112,219
Net pension liability as a % of covered payroll	17.55%	55.19%	54.36%	13.29%

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
Fiscal Year Ending September 30, 2018

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	11.04%
2015	6,736,606	6,736,606	-	59,944,754	11.24%
2016	6,788,319	6,788,319	-	60,509,533	11.22%
2017	7,302,610	7,302,610	-	64,057,982	11.40%
2018	7,705,135	7,705,135	-	65,462,420	11.77%

⁽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.

Galveston County, Texas
Notes to the Required Supplementary Information
General Employees' Retirement Plan for the Employees of Galveston County, Texas
For the Fiscal Year Ended September 30, 2018

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	13.1 years (based on contribution rate calculated in 12/31/2017 valuation)
Asset Valuation Method	5-year smoothed market
Inflation	2.8%
Salary Increases	Varies by age and service. 4.9% average over career including inflation.
Investment Rate of Return	8.00%, net of administrative and 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	130% of the RP-2014 Health Annuitant Mortality Table for males and 110% of the RP-2014 Health Annuitant Mortality Table for females, both projected with 110% of the MP-2014 Ultimate scale after 2014
Changes in Assumptions and Methods Reflected in the Schedule of Employer Contributions*	2015: New inflation, mortality and other assumptions were reflected. 2017: New mortality assumptions were reflected.
Changes in Plan Provisions Reflected in the Schedule*	2015: No changes in plan provisions were reflected in the Schedule. 2016: No changes in plan provisions were reflected in the Schedule. 2017: New Annuity Purchase Rates were reflected for benefits earned after 2017

**Only changes that affect the benefit amount and are effective 2015 and later are shown in the notes to schedule.*

Galveston County, Texas
Schedule of Changes in Net OPEB Liability/(Asset) and Related Ratios
Retiree Life Reserve for the Employees of Galveston County, Texas
For the Fiscal Year Ended September 30, 2018**

	<u>Year Ended December 31, 2017</u>
Total OPEB Liability	
Service cost	\$ 645,125
Interest on total OPEB liability	392,630
Benefit payments	<u>(1,222,553)</u>
Net change in total OPEB liability	(184,798)
Total OPEB liability, beginning	<u>10,104,466</u>
Total OPEB liability, ending (a)	<u><u>\$ 9,919,668</u></u>
 Plan Fiduciary Net Position	
Employer contributions	\$ 1,709,467
OPEB plan net investment income	273,902
Benefit payments	(1,222,553)
OPEB plan administrative expense	<u>(106,794)</u>
Net change in plan fiduciary net position	654,022
Plan fiduciary net position - beginning	<u>9,282,287</u>
Plan fiduciary net position - ending (b)	<u><u>\$ 9,936,309</u></u>
Net OPEB liability/(asset)-ending (a) - (b)	<u><u>\$ (16,641)</u></u>
 Plan fiduciary net position as a percentage of total OPEB liability	
	100.17%
Covered-employee payroll	\$ 65,091,251
 Net OPEB liability/(asset) as a percentage of covered-employee payroll	
	(0.03)%

**Presented based on the Plan reporting year.*

***The schedule is intended to show information for 10 years. The county adopted GASB Statement 75 effective October 1, 2017. Additional years' information will be displayed as it becomes available.*

Galveston County, Texas
Schedule of OPEB Contributions
Retiree Life Reserve for the Employees of Galveston County, Texas
For the Fiscal Year Ended September 30, 2018*

<u>FY Ending September 30,</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Actual Contribution as a % of Covered Payroll</u>
2018	\$ 647,571	\$ 1,508,239	\$ (860,668)	\$ 65,091,251	2.32%

**This schedule is intended to show information for 10 years. Information prior to 2018 is not available. Therefore, additional years will be reflected as they become available.*

Valuation Date	January 1, 2018
Actuarial Cost Method	Aggregate Funding Method
Amortization Method	Level Percentage of Payroll
Asset Valuation	Market Value
Investment Rate of Return	4.00%
Salary Increases	3.00%
Retirement Age	Age 60 with 8 years of credited service
Mortality	RP-2000 (sex distinct) table (previously 83 GAM)
Terminations	WP-70, as published in the Advanced Pension Tables
Other Information:	There were no benefit changes during the year.

Galveston County, Texas
Schedule of Investment Returns
Retiree Life Reserve for the Employees of Galveston County, Texas
For the Fiscal Year Ended September 30, 2018*

Annual money-weighted rate of return, net of investment expense	<u>2018</u> 3.10%
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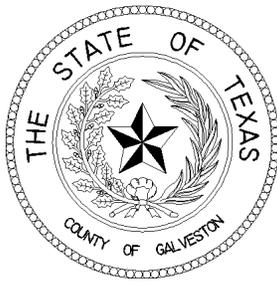
**This schedule is required to show information for 10 years. Information prior to 2018 is not available. Therefore, additional years will be reflected as they become available.*

Galveston County, Texas
Schedule of Changes in Total OPEB Liability and Related Ratios
Retiree Health Care Plan for the Employees of Galveston County, Texas
For the Fiscal Year Ended September 30, 2018**

	Year Ended December 31, 2017
Total OPEB Liability	
Service cost	\$ 8,401,524
Interest on total OPEB liability	7,961,598
Changes of assumptions	19,320,487
Benefit payments/refunds of contributions	<u>(5,576,794)</u>
Net change in total OPEB liability	30,106,815
Total OPEB liability, beginning	<u>207,553,458</u>
Total OPEB liability, ending	<u><u>\$ 237,660,273</u></u>
 Covered-employee payroll	 \$ 65,091,251
 Total OPEB liability as a percentage of covered-employee payroll	 365.12%

**Presented based on the Plan reporting year.*

***The schedule is intended to show information for 10 years. The county adopted GASB Statement 75 effective October 1, 2017. Additional years' information will be displayed as it becomes available.*



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Combining and Individual Fund Statements and Schedules

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

For the Year Ended September 30, 2018

With Comparative Actual Amounts for the Year Ended September 30, 2017

	2018			Variance with Final Budget- Positive (Negative)	2017 Actual
	Original Budget	Final Budget	Actual		
REVENUES					
Taxes	\$ 23,933,510	\$ 23,933,510	\$ 23,677,123	\$ (256,387)	\$ 21,055,341
Intergovernmental	7,904,597	7,904,597	6,943,048	(961,549)	6,146,374
Investment Earnings	125,000	125,000	402,829	277,829	154,734
Total Revenues	<u>31,963,107</u>	<u>31,963,107</u>	<u>31,023,000</u>	<u>(940,107)</u>	<u>27,356,449</u>
EXPENDITURES					
Debt Service:					
Principal Retirement	17,532,088	17,532,088	17,532,088	-	17,767,139
Interest and Fiscal Charges	13,691,557	16,905,227	12,528,614	4,376,613	14,088,170
Bond Issuance Cost	-	944,202	944,202	-	524,298
Total Expenditures	<u>31,223,645</u>	<u>35,381,517</u>	<u>31,004,904</u>	<u>4,376,613</u>	<u>32,379,607</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>739,462</u>	<u>(3,418,410)</u>	<u>18,096</u>	<u>3,436,506</u>	<u>(5,023,158)</u>
OTHER FINANCING SOURCES (USES)					
Transfers Out	-	(47,000,000)	(47,000,000)	-	-
Face Value - Long Term Debt Issued	-	102,105,000	102,105,000	-	62,835,000
Premium - Long Term Debt Issued	-	10,594,000	10,593,996	(4)	9,811,578
Refunded Bonds - Escrow Agent	-	(63,915,000)	(64,743,424)	(828,424)	(72,020,000)
Total other financing sources (uses)	<u>-</u>	<u>1,784,000</u>	<u>955,572</u>	<u>(828,428)</u>	<u>626,578</u>
Net change in fund balances	739,462	(1,634,410)	973,668	2,608,078	(4,396,580)
Fund Balance-Beginning	<u>7,177,627</u>	<u>7,177,627</u>	<u>7,177,627</u>	<u>-</u>	<u>11,574,207</u>
Fund Balance-Ending	<u>\$ 7,917,089</u>	<u>\$ 5,543,217</u>	<u>\$ 8,151,295</u>	<u>\$ 2,608,078</u>	<u>\$ 7,177,627</u>

GALVESTON COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE -
BUDGET (PROJECT-LENGTH) AND ACTUAL
UNLIMITED TAX ROAD BONDS SERIES 2017
From Inception and for the Year Ended September 30, 2018
With Comparative Amounts for the Year Ended September 30, 2017

	Total Project Authorized	2018		2017 Actual	
		Reported in Prior Years	Actual		Total
REVENUES					
Investment Earnings	\$ 426,640	\$ -	\$ 426,640	\$ 426,640	\$ -
EXPENDITURES	-	-	-	-	-
Excess (Deficiency) of Revenues over (under) Expenditures	426,640	-	426,640	426,640	-
OTHER FINANCING SOURCES (USES)					
Transfers In	32,000,000	-	32,000,000	32,000,000	-
Net Change in Fund Balance	<u>\$ 32,426,640</u>	<u>\$ -</u>	32,426,640	<u>\$ 32,426,640</u>	-
Fund Balance-Beginning			-		-
Fund Balance-Ending			<u>\$ 32,426,640</u>		<u>\$ -</u>

**GALVESTON COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2018**

	Special Revenue	Capital Projects	Total Nonmajor Governmental Funds
ASSETS			
Cash and Cash Equivalents	\$ 4,016,452	\$ 10,443,502	\$ 14,459,954
Investments	15,652,654	25,733,231	41,385,885
Receivables (Net of Allowances for Uncollectibles):			
Taxes	247,832	-	247,832
Accounts and Other	48,909	-	48,909
Inventory at Cost	735,092	-	735,092
Total Assets	\$ 20,700,939	\$ 36,176,733	\$ 56,877,672
LIABILITIES			
Accounts Payable	\$ 314,954	\$ 684,868	\$ 999,822
Salaries Payable	77,389	-	77,389
Due to Others	-	8,446	8,446
Escrow Deposits	2,404	-	2,404
Due To Other Funds	3,372	-	3,372
Total Liabilities	398,119	693,314	1,091,433
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue - Property Taxes	247,832	-	247,832
Total Deferred Inflows of Resources	247,832	-	247,832
FUND BALANCES			
Non-Spendable	735,092	-	735,092
Restricted	19,409,108	31,463,621	50,872,729
Assigned	-	4,019,798	4,019,798
Unassigned	(89,212)	-	(89,212)
Total Fund Balances	20,054,988	35,483,419	55,538,407
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 20,700,939	\$ 36,176,733	\$ 56,877,672

GALVESTON COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2018

	Special Revenue	Capital Projects	Total Nonmajor Governmental Funds
REVENUES			
Taxes	\$ 2,686,011	\$ -	\$ 2,686,011
Intergovernmental	146,631	-	146,631
Charges for Services	3,460,630	-	3,460,630
Fines and Forfeitures	235,067	-	235,067
Investment Earnings	138,061	346,952	485,013
Miscellaneous	1,138,220	-	1,138,220
Total Revenues	<u>7,804,620</u>	<u>346,952</u>	<u>8,151,572</u>
EXPENDITURES			
General Government	1,329,699	266,407	1,596,106
Public Safety	2,264,332	-	2,264,332
Health and Social Services	1,094,647	-	1,094,647
Culture and Recreation	535,153	-	535,153
Roads, Bridges and Rights-of-Way	336,569	1,058,220	1,394,789
Capital Outlay	549,150	4,061,726	4,610,876
Total Expenditures	<u>6,109,550</u>	<u>5,386,353</u>	<u>11,495,903</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>1,695,070</u>	<u>(5,039,401)</u>	<u>(3,344,331)</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	592,203	17,248,000	17,840,203
Transfers Out	(16,690)	-	(16,690)
Sale of Capital Assets	22,896	12,862	35,758
Total Other Financing Sources (Uses)	<u>598,409</u>	<u>17,260,862</u>	<u>17,859,271</u>
Net Change in Fund Balances	2,293,479	12,221,461	14,514,940
Fund Balances - Beginning	<u>17,761,509</u>	<u>23,261,958</u>	<u>41,023,467</u>
Fund Balances - Ending	<u>\$ 20,054,988</u>	<u>\$ 35,483,419</u>	<u>\$ 55,538,407</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 - 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.

COUNTY AND DISTRICT COURT TECHNOLOGY – Under the *Code of Criminal Procedure* Chapter 102, §102.0169, a defendant convicted in a county court, statutory county court or district court shall pay a county and district court technology fee of \$4.00 as a cost of court. These fees are to be deposited into a fund known as the County and District Court Technology Fund which shall be under the direction of the Commissioners Court. The fund designated by this article must be used to finance the cost of continuing education and training for court judges or clerks regarding technological enhancements for their respective courts or the purchase and maintenance of technological enhancements for a county court, statutory county court or district court.

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.

ALTERNATIVE DISPUTE RESOLUTION - The Alternative Dispute Resolution Fund, 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 - 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.

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.

CONSTABLE 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.

GALVESTON COUNTY 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.

GALVESTON COUNTY 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.

MUSEUM AND HISTORICAL COMMUNITY - 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, 2018
With Comparative Totals at September 30, 2017**

(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	Tax Assessor- Collector Special Inventory Tax Escrow
ASSETS							
Cash and Cash Equivalents	\$ 64,843	\$ 416,963	\$ 68,420	\$ 6,805	\$ 34,794	\$ 344	\$ 12,673
Investments	413,704	2,660,241	436,526	43,422	221,992	2,199	80,849
Receivables (Net of Allowances for Uncollectibles):							
Taxes	-	-	-	-	-	-	-
Accounts and Other	393	1,415	23,339	-	385	1,810	808
Inventory at Cost	-	-	-	-	-	-	-
Total Assets	<u>\$ 478,940</u>	<u>\$ 3,078,619</u>	<u>\$ 528,285</u>	<u>\$ 50,227</u>	<u>\$ 257,171</u>	<u>\$ 4,353</u>	<u>\$ 94,330</u>
LIABILITIES							
Accounts Payable	\$ -	\$ 24,050	\$ 1,050	\$ -	\$ -	\$ -	\$ -
Salaries Payable	1,441	5,738	1,013	-	-	980	-
Due to Others	-	-	-	-	-	-	-
Escrow Deposits	-	-	-	-	-	-	-
Due To Other Funds	-	-	-	-	-	3,372	-
Total Liabilities	<u>1,441</u>	<u>29,788</u>	<u>2,063</u>	<u>-</u>	<u>-</u>	<u>4,352</u>	<u>-</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	477,499	3,048,831	526,222	50,227	257,171	1	94,330
Unassigned	-	-	-	-	-	-	-
Total Fund Balances	<u>477,499</u>	<u>3,048,831</u>	<u>526,222</u>	<u>50,227</u>	<u>257,171</u>	<u>1</u>	<u>94,330</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 478,940</u>	<u>\$ 3,078,619</u>	<u>\$ 528,285</u>	<u>\$ 50,227</u>	<u>\$ 257,171</u>	<u>\$ 4,353</u>	<u>\$ 94,330</u>

**GALVESTON COUNTY, TEXAS
COMBINING BALANCE SHEET
ALL NONMAJOR SPECIAL REVENUE FUNDS
September 30, 2018
With Comparative Totals at September 30, 2017**

(Continued)

	County And District Court Technology	Donations To Galveston County	District Attorney Forfeitures After 10/89	District Attorney Check Collection Fees	Courthouse Security	Justice Court Building Security	Appellate Judicial
ASSETS							
Cash and Cash Equivalents	\$ 10,129	\$ 4,694	\$ 19,924	\$ 7,257	\$ 8,816	\$ 7,884	\$ 18,679
Investments	64,627	29,946	127,117	-	56,248	50,302	119,172
Receivables (Net of Allowances for Uncollectibles):							
Taxes	-	-	-	-	-	-	-
Accounts and Other	20	-	-	-	520	7	301
Inventory at Cost	-	-	-	-	-	-	-
Total Assets	<u>\$ 74,776</u>	<u>\$ 34,640</u>	<u>\$ 147,041</u>	<u>\$ 7,257</u>	<u>\$ 65,584</u>	<u>\$ 58,193</u>	<u>\$ 138,152</u>
LIABILITIES							
Accounts Payable	\$ -	\$ -	\$ 3,044	\$ -	\$ -	\$ -	\$ -
Salaries Payable	-	-	-	-	6,000	-	-
Due to Others	-	-	-	-	-	-	-
Escrow Deposits	-	-	-	-	-	-	-
Due To Other Funds	-	-	-	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>3,044</u>	<u>-</u>	<u>6,000</u>	<u>-</u>	<u>-</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	74,776	34,640	143,997	7,257	59,584	58,193	138,152
Unassigned	-	-	-	-	-	-	-
Total Fund Balances	<u>74,776</u>	<u>34,640</u>	<u>143,997</u>	<u>7,257</u>	<u>59,584</u>	<u>58,193</u>	<u>138,152</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 74,776</u>	<u>\$ 34,640</u>	<u>\$ 147,041</u>	<u>\$ 7,257</u>	<u>\$ 65,584</u>	<u>\$ 58,193</u>	<u>\$ 138,152</u>

**GALVESTON COUNTY, TEXAS
COMBINING BALANCE SHEET
ALL NONMAJOR SPECIAL REVENUE FUNDS
September 30, 2018
With Comparative Totals at September 30, 2017**

(Continued)

	<u>Law Library</u>	<u>Alternative Dispute Resolution</u>	<u>Justice Court Technology</u>	<u>Probate Court Contributions</u>	<u>Supplemental Court-initiated Guardianship Fee</u>	<u>Pretrial Intervention Program</u>	<u>Court Reporter Services</u>
ASSETS							
Cash and Cash Equivalents	\$ 24,857	\$ 136,849	\$ 28,814	\$ 48,966	\$ 19,592	\$ 18,385	\$ 40,623
Investments	158,586	873,102	183,833	312,405	125,002	117,293	259,175
Receivables (Net of Allowances for Uncollectibles):							
Taxes	-	-	-	-	-	-	-
Accounts and Other	1,400	803	26	-	420	-	753
Inventory at Cost	-	-	-	-	-	-	-
Total Assets	<u>\$ 184,843</u>	<u>\$ 1,010,754</u>	<u>\$ 212,673</u>	<u>\$ 361,371</u>	<u>\$ 145,014</u>	<u>\$ 135,678</u>	<u>\$ 300,551</u>
LIABILITIES							
Accounts Payable	\$ 13,025	\$ 15,300	\$ -	\$ 2,171	\$ 5,569	\$ -	\$ -
Salaries Payable	-	-	-	-	-	-	-
Due to Others	-	-	-	-	-	-	-
Escrow Deposits	-	-	-	-	-	-	-
Due To Other Funds	-	-	-	-	-	-	-
Total Liabilities	<u>13,025</u>	<u>15,300</u>	<u>-</u>	<u>2,171</u>	<u>5,569</u>	<u>-</u>	<u>-</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	171,818	995,454	212,673	359,200	139,445	135,678	300,551
Unassigned	-	-	-	-	-	-	-
Total Fund Balances	<u>171,818</u>	<u>995,454</u>	<u>212,673</u>	<u>359,200</u>	<u>139,445</u>	<u>135,678</u>	<u>300,551</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 184,843</u>	<u>\$ 1,010,754</u>	<u>\$ 212,673</u>	<u>\$ 361,371</u>	<u>\$ 145,014</u>	<u>\$ 135,678</u>	<u>\$ 300,551</u>

GALVESTON COUNTY, TEXAS
 COMBINING BALANCE SHEET
 ALL NONMAJOR SPECIAL REVENUE FUNDS
 September 30, 2018
 With Comparative Totals at September 30, 2017

(Continued)

	Sheriff's Commissary	Sheriff Forfeitures Post-10/89	Law Enforcement Continued Education	Constable Forfeitures	Emergency Management	Farm-to- Market Lateral Road
ASSETS						
Cash and Cash Equivalents	\$ 1,417,614	\$ 78,294	\$ 21,561	\$ 2,163	\$ 107,527	\$ 190,266
Investments	-	497,400	137,563	13,797	686,025	1,213,902
Receivables (Net of Allowances for Uncollectibles):						
Taxes	-	-	-	-	-	3,754
Accounts and Other	-	112	-	-	-	4,125
Inventory at Cost	-	-	-	-	-	-
Total Assets	<u>\$ 1,417,614</u>	<u>\$ 575,806</u>	<u>\$ 159,124</u>	<u>\$ 15,960</u>	<u>\$ 793,552</u>	<u>\$ 1,412,047</u>
LIABILITIES						
Accounts Payable	\$ -	\$ 76	\$ -	\$ -	\$ -	\$ -
Salaries Payable	-	-	-	-	-	2,581
Due to Others	-	-	-	-	-	-
Escrow Deposits	-	-	-	-	-	-
Due To Other Funds	-	-	-	-	-	-
Total Liabilities	<u>-</u>	<u>76</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,581</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable Revenue - Property Taxes	-	-	-	-	-	3,754
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,754</u>
FUND BALANCES						
Non-Spendable	-	-	-	-	-	-
Restricted	1,417,614	575,730	159,124	15,960	793,552	1,405,712
Unassigned	-	-	-	-	-	-
Total Fund Balances	<u>1,417,614</u>	<u>575,730</u>	<u>159,124</u>	<u>15,960</u>	<u>793,552</u>	<u>1,405,712</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 1,417,614</u>	<u>\$ 575,806</u>	<u>\$ 159,124</u>	<u>\$ 15,960</u>	<u>\$ 793,552</u>	<u>\$ 1,412,047</u>

GALVESTON COUNTY, TEXAS
COMBINING BALANCE SHEET
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	Galveston County Road District #1	Flood Control	Mosquito Control District	Galveston County Beach And Parks	Museum And Historical Community	<u>TOTALS</u>	
						2018	2017
ASSETS							
Cash and Cash Equivalents	\$ 273,368	\$ 275,262	\$ 3,695	\$ 640,046	\$ 6,345	\$ 4,016,452	\$ 17,469,979
Investments	1,742,821	1,613,244	23,573	3,388,588	-	15,652,654	-
Receivables (Net of Allowances for Uncollectibles):							
Taxes	-	147,565	96,513	-	-	247,832	248,350
Accounts and Other	5,000	6,021	366	885	-	48,909	27,414
Inventory at Cost	-	79,328	655,764	-	-	735,092	604,728
Total Assets	<u>\$ 2,021,189</u>	<u>\$ 2,121,420</u>	<u>\$ 779,911</u>	<u>\$ 4,029,519</u>	<u>\$ 6,345</u>	<u>\$ 20,700,939</u>	<u>\$ 18,350,471</u>
LIABILITIES							
Accounts Payable	\$ 704	\$ 108,546	\$ 101,224	\$ 40,195	\$ -	\$ 314,954	\$ 258,278
Salaries Payable	5,237	29,459	15,622	9,318	-	77,389	79,933
Due to Others	-	-	-	-	-	-	1
Escrow Deposits	-	2,404	-	-	-	2,404	2,400
Due To Other Funds	-	-	-	-	-	3,372	-
Total Liabilities	<u>5,941</u>	<u>140,409</u>	<u>116,846</u>	<u>49,513</u>	<u>-</u>	<u>398,119</u>	<u>340,612</u>
DEFERRED INFLOWS OF RESOURCES							
Unavailable Revenue - Property Taxes	-	147,565	96,513	-	-	247,832	248,350
Total Deferred Inflows of Resources	<u>-</u>	<u>147,565</u>	<u>96,513</u>	<u>-</u>	<u>-</u>	<u>247,832</u>	<u>248,350</u>
FUND BALANCES							
Non-Spendable	-	79,328	655,764	-	-	735,092	604,728
Restricted	2,015,248	1,754,118	-	3,980,006	6,345	19,409,108	17,156,781
Unassigned	-	-	(89,212)	-	-	(89,212)	-
Total Fund Balances	<u>2,015,248</u>	<u>1,833,446</u>	<u>566,552</u>	<u>3,980,006</u>	<u>6,345</u>	<u>20,054,988</u>	<u>17,761,509</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 2,021,189</u>	<u>\$ 2,121,420</u>	<u>\$ 779,911</u>	<u>\$ 4,029,519</u>	<u>\$ 6,345</u>	<u>\$ 20,700,939</u>	<u>\$ 18,350,471</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, 2018
With Comparative Totals for the Year Ended September 30, 2017

(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	Tax Assessor- Collector Special Inventory Tax Escrow
REVENUES							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 29,238
Intergovernmental	-	-	-	3,076	-	43,901	-
Charges for Services	93,553	856,264	164,117	-	57,038	-	-
Fines and Forfeitures	-	-	-	-	-	-	-
Investment Earnings	3,431	19,551	3,829	336	1,616	26	8,268
Miscellaneous	672	-	-	-	-	-	-
Total Revenues	<u>97,656</u>	<u>875,815</u>	<u>167,946</u>	<u>3,412</u>	<u>58,654</u>	<u>43,927</u>	<u>37,506</u>
EXPENDITURES							
General Government	55,171	309,330	291,117	-	-	43,927	27,429
Public Safety	-	-	-	-	-	-	-
Health and Social Services	-	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-	-
Roads, Bridges and Rights-of-Way	-	-	-	-	-	-	-
Capital Outlay	-	103,370	-	-	-	-	-
Total Expenditures	<u>55,171</u>	<u>412,700</u>	<u>291,117</u>	<u>-</u>	<u>-</u>	<u>43,927</u>	<u>27,429</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>42,485</u>	<u>463,115</u>	<u>(123,171)</u>	<u>3,412</u>	<u>58,654</u>	<u>-</u>	<u>10,077</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	42,485	463,115	(123,171)	3,412	58,654	-	10,077
Fund Balances - Beginning	435,014	2,585,716	649,393	46,815	198,517	1	84,253
Fund Balances - Ending	<u>\$ 477,499</u>	<u>\$ 3,048,831</u>	<u>\$ 526,222</u>	<u>\$ 50,227</u>	<u>\$ 257,171</u>	<u>\$ 1</u>	<u>\$ 94,330</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, 2018
With Comparative Totals for the Year Ended September 30, 2017

(Continued)

	County And District Court Technology	Donations To Galveston County	District Attorney Forfeitures After 10/89	District Attorney Check Collection Fees	Courthouse Security	Justice Court Building Security	Appellate Judicial
REVENUES							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-	-
Charges for Services	9,075	-	-	-	154,451	7,978	-
Fines and Forfeitures	-	-	92,685	-	-	-	33,402
Investment Earnings	492	253	771	-	319	380	862
Miscellaneous	-	-	-	-	-	-	-
Total Revenues	<u>9,567</u>	<u>253</u>	<u>93,456</u>	<u>-</u>	<u>154,770</u>	<u>8,358</u>	<u>34,264</u>
EXPENDITURES							
General Government	-	-	85,164	-	-	-	-
Public Safety	-	-	-	-	242,918	-	-
Health and Social Services	-	8,589	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-	-
Roads, Bridges and Rights-of-Way	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-
Total Expenditures	<u>-</u>	<u>8,589</u>	<u>85,164</u>	<u>-</u>	<u>242,918</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>9,567</u>	<u>(8,336)</u>	<u>8,292</u>	<u>-</u>	<u>(88,148)</u>	<u>8,358</u>	<u>34,264</u>
OTHER FINANCING SOURCES (USES)							
Transfers In	-	-	-	-	100,000	-	-
Transfers Out	-	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>100,000</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	9,567	(8,336)	8,292	-	11,852	8,358	34,264
Fund Balances - Beginning	65,209	42,976	135,705	7,257	47,732	49,835	103,888
Fund Balances - Ending	<u>\$ 74,776</u>	<u>\$ 34,640</u>	<u>\$ 143,997</u>	<u>\$ 7,257</u>	<u>\$ 59,584</u>	<u>\$ 58,193</u>	<u>\$ 138,152</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, 2018
With Comparative Totals for the Year Ended September 30, 2017

(Continued)

	Alternative Dispute Resolution	Justice Court Technology	Probate Court Contributions	Supplemental Court-initiated Guardianship Fee	Pretrial Intervention Program	Court Reporter Services
	Law Library					
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	40,000	-	-
Charges for Services	207,579	112,059	31,922	-	21,879	99,213
Fines and Forfeitures	-	500	-	-	-	-
Investment Earnings	313	7,112	1,378	2,493	982	1,807
Miscellaneous	1,050	-	-	-	-	-
Total Revenues	<u>208,942</u>	<u>119,671</u>	<u>33,300</u>	<u>42,493</u>	<u>22,861</u>	<u>101,020</u>
EXPENDITURES						
General Government	165,915	179,213	-	24,038	25,784	-
Public Safety	-	-	-	-	-	-
Health and Social Services	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-
Roads, Bridges and Rights-of-Way	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Total Expenditures	<u>165,915</u>	<u>179,213</u>	<u>-</u>	<u>24,038</u>	<u>25,784</u>	<u>-</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>43,027</u>	<u>(59,542)</u>	<u>33,300</u>	<u>18,455</u>	<u>(2,923)</u>	<u>101,020</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>
Net Change in Fund Balances	43,027	(59,542)	33,300	18,455	(2,923)	101,020
Fund Balances - Beginning	128,791	1,054,996	179,373	340,745	142,368	199,531
Fund Balances - Ending	<u>\$ 171,818</u>	<u>\$ 995,454</u>	<u>\$ 212,673</u>	<u>\$ 359,200</u>	<u>\$ 139,445</u>	<u>\$ 300,551</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, 2018
With Comparative Totals for the Year Ended September 30, 2017

(Continued)

	Sheriff's Commissary	Sheriff Forfeitures Post-10/89	Law Enforcement Continued Education	Constable Forfeitures	Emergency Management	Farm-to- Market Lateral Road
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 198
Intergovernmental	-	-	34,423	-	-	25,231
Charges for Services	-	-	-	-	-	-
Fines and Forfeitures	-	96,051	-	12,429	-	-
Investment Earnings	7,834	3,622	1,149	24	5,514	9,934
Miscellaneous	653,083	1,094	-	-	500	60,370
Total Revenues	<u>660,917</u>	<u>100,767</u>	<u>35,572</u>	<u>12,453</u>	<u>6,014</u>	<u>95,733</u>
EXPENDITURES						
General Government	-	-	-	-	-	-
Public Safety	391,130	20,960	31,729	-	-	-
Health and Social Services	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-
Roads, Bridges and Rights-of-Way	-	-	-	-	-	104,962
Capital Outlay	-	11,358	-	-	-	-
Total Expenditures	<u>391,130</u>	<u>32,318</u>	<u>31,729</u>	<u>-</u>	<u>-</u>	<u>104,962</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>269,787</u>	<u>68,449</u>	<u>3,843</u>	<u>12,453</u>	<u>6,014</u>	<u>(9,229)</u>
OTHER FINANCING SOURCES (USES)						
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	(16,690)	-
Sale of Capital Assets	-	5,135	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>5,135</u>	<u>-</u>	<u>-</u>	<u>(16,690)</u>	<u>-</u>
Net Change in Fund Balances	269,787	73,584	3,843	12,453	(10,676)	(9,229)
Fund Balances - Beginning	<u>1,147,827</u>	<u>502,146</u>	<u>155,281</u>	<u>3,507</u>	<u>804,228</u>	<u>1,414,941</u>
Fund Balances - Ending	<u>\$ 1,417,614</u>	<u>\$ 575,730</u>	<u>\$ 159,124</u>	<u>\$ 15,960</u>	<u>\$ 793,552</u>	<u>\$ 1,405,712</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, 2018
With Comparative Totals for the Year Ended September 30, 2017

	Galveston County Road District #1	Flood Control	Mosquito Control District	Galveston County Beach And Parks	Museum And Historical Community	TOTALS	
						2018	2017
REVENUES							
Taxes	\$ 1	\$ 1,567,847	\$ 1,088,727	\$ -	\$ -	\$ 2,686,011	\$ 2,525,271
Intergovernmental	-	-	-	-	-	146,631	175,074
Charges for Services	565,818	176,341	-	860,509	-	3,460,630	3,420,481
Fines and Forfeitures	-	-	-	-	-	235,067	295,051
Investment Earnings	12,860	14,540	2,274	25,272	-	138,061	63,825
Miscellaneous	-	420,626	325	500	-	1,138,220	1,394,809
Total Revenues	<u>578,679</u>	<u>2,179,354</u>	<u>1,091,326</u>	<u>886,281</u>	<u>-</u>	<u>7,804,620</u>	<u>7,874,511</u>
EXPENDITURES							
General Government	-	122,611	-	-	-	1,329,699	1,072,535
Public Safety	-	1,577,595	-	-	-	2,264,332	2,366,537
Health and Social Services	-	-	1,086,058	-	-	1,094,647	988,844
Culture and Recreation	-	-	-	535,153	-	535,153	354,028
Roads, Bridges and Rights-of-Way	231,607	-	-	-	-	336,569	333,340
Capital Outlay	-	166,282	22,253	245,887	-	549,150	960,090
Total Expenditures	<u>231,607</u>	<u>1,866,488</u>	<u>1,108,311</u>	<u>781,040</u>	<u>-</u>	<u>6,109,550</u>	<u>6,075,374</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>347,072</u>	<u>312,866</u>	<u>(16,985)</u>	<u>105,241</u>	<u>-</u>	<u>1,695,070</u>	<u>1,799,137</u>
OTHER FINANCING SOURCES (USES)							
Transfers In	-	-	-	492,203	-	592,203	58,524
Transfers Out	-	-	-	-	-	(16,690)	(82,923)
Sale of Capital Assets	-	3,295	1,270	13,196	-	22,896	40,972
Total Other Financing Sources (Uses)	<u>-</u>	<u>3,295</u>	<u>1,270</u>	<u>505,399</u>	<u>-</u>	<u>598,409</u>	<u>16,573</u>
Net Change in Fund Balances	347,072	316,161	(15,715)	610,640	-	2,293,479	1,815,710
Fund Balances - Beginning	1,668,176	1,517,285	582,267	3,369,366	6,345	17,761,509	15,945,799
Fund Balances - Ending	<u>\$ 2,015,248</u>	<u>\$ 1,833,446</u>	<u>\$ 566,552</u>	<u>\$ 3,980,006</u>	<u>\$ 6,345</u>	<u>\$ 20,054,988</u>	<u>\$ 17,761,509</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, 2018
With Comparative Actual Amounts for the Year Ended September 30, 2017

	2018		Variance with Final Budget - Positive (Negative)	2017 Actual
	Final Budget	Actual		
REVENUES				
Charges for Services	\$ 95,000	\$ 93,553	\$ (1,447)	\$ 87,154
Investment Earnings	1,000	3,431	2,431	1,165
Miscellaneous	<u>2,800</u>	<u>672</u>	<u>(2,128)</u>	<u>1,996</u>
Total Revenues	<u>98,800</u>	<u>97,656</u>	<u>(1,144)</u>	<u>90,315</u>
EXPENDITURES				
General Government:				
Current:				
Personal Services	55,822	55,171	651	53,418
Supplies	<u>3,000</u>	<u>-</u>	<u>3,000</u>	<u>-</u>
Total Expenditures	<u>58,822</u>	<u>55,171</u>	<u>3,651</u>	<u>53,418</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>39,978</u>	<u>42,485</u>	<u>2,507</u>	<u>36,897</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	(160,022)	42,485	202,507	36,897
Fund Balance - Beginning	<u>435,014</u>	<u>435,014</u>	<u>-</u>	<u>398,117</u>
Fund Balance - Ending	<u>\$ 274,992</u>	<u>\$ 477,499</u>	<u>\$ 202,507</u>	<u>\$435,014</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, 2018
With Comparative Actual Amounts for the Year Ended September 30, 2017

	2018		Variance with Final Budget - Positive (Negative)	2017 Actual
	Final Budget	Actual		
REVENUES				
Charges for Services	\$ 778,700	\$ 856,264	\$ 77,564	\$ 826,711
Investment Earnings	5,500	19,551	14,051	6,719
Total Revenues	784,200	875,815	91,615	833,430
EXPENDITURES				
General Government:				
Current:				
Personal Services	228,394	228,261	133	222,755
Supplies	23,300	12,437	10,863	14,021
Other Services and Charges	268,900	68,632	200,268	79,756
Total General Government	520,594	309,330	211,264	316,532
Capital Outlay	438,800	103,370	335,430	51,041
Total Expenditures	959,394	412,700	546,694	367,573
Excess (Deficiency) of Revenues over (under) Expenditures	(175,194)	463,115	638,309	465,857
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	-	-	(50,495)
Sale of Capital Assets	-	-	-	25
Budgeted Contingencies Used	(250,000)	-	250,000	-
Total Other Financing Sources (Uses)	(250,000)	-	250,000	(50,470)
Net Change in Fund Balance	(425,194)	463,115	888,309	415,387
Fund Balance - Beginning	2,585,716	2,585,716	-	2,170,329
Fund Balance - Ending	\$ 2,160,522	\$ 3,048,831	\$ 888,309	\$2,585,716

GALVESTON COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET (NON-GAAP) AND ACTUAL
ELECTION SERVICES CONTRACT SPECIAL REVENUE FUND
For the Year Ended September 30, 2018
With Comparative Actual Amounts for the Year Ended September 30, 2017

	2018		Variance with Final Budget - Positive (Negative)	2017 Actual
	Final Budget	Actual		
REVENUES				
Charges for Services	\$ 285,000	\$ 164,117	\$ (120,883)	\$246,148
Investment Earnings	<u>1,400</u>	<u>3,829</u>	<u>2,429</u>	<u>1,704</u>
Total Revenues	<u>286,400</u>	<u>167,946</u>	<u>(118,454)</u>	<u>247,852</u>
EXPENDITURES				
General Government:				
Current:				
Personal Services	173,546	104,427	69,119	91,048
Supplies	244,200	181,868	62,332	1,906
Other Services and Charges	<u>86,500</u>	<u>4,822</u>	<u>81,678</u>	<u>23,466</u>
Total General Government	504,246	291,117	213,129	116,420
Capital Outlay	<u>5,000</u>	<u>-</u>	<u>5,000</u>	<u>-</u>
Total Expenditures	<u>509,246</u>	<u>291,117</u>	<u>218,129</u>	<u>116,420</u>
Excess (Deficiency) of Revenues over (under) Expenditures	(222,846)	(123,171)	99,675	131,432
Fund Balance - Beginning	<u>649,393</u>	<u>649,393</u>	<u>-</u>	<u>517,961</u>
Fund Balance - Ending	<u><u>\$ 426,547</u></u>	<u><u>\$ 526,222</u></u>	<u><u>\$ 99,675</u></u>	<u><u>\$649,393</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, 2018
With Comparative Actual Amounts for the Year Ended September 30, 2017

	2018		Variance with Final Budget - Positive (Negative)	2017 Actual
	Final Budget	Actual		
REVENUES				
Intergovernmental	\$ 3,200	\$ 3,076	\$ (124)	\$ 2,444
Investment Earnings	125	336	211	143
Total Revenues	<u>3,325</u>	<u>3,412</u>	<u>87</u>	<u>2,587</u>
EXPENDITURES				
General Government:				
Current:				
Personal Services	48,716	-	48,716	21,278
Excess (Deficiency) of Revenues over (under) Expenditures	(45,391)	3,412	48,803	(18,691)
Fund Balance - Beginning	<u>46,815</u>	<u>46,815</u>	<u>-</u>	<u>65,506</u>
Fund Balance - Ending	<u><u>\$ 1,424</u></u>	<u><u>\$ 50,227</u></u>	<u><u>\$ 48,803</u></u>	<u><u>\$46,815</u></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, 2018
With Comparative Actual Amounts for the Year Ended September 30, 2017

	2018		Variance with Final Budget - Positive (Negative)	2017 Actual
	Final Budget	Actual		
REVENUES				
Charges for Services	\$ 55,000	\$ 57,038	\$ 2,038	\$ 54,092
Investment Earnings	300	1,616	1,316	494
Total Revenues	<u>55,300</u>	<u>58,654</u>	<u>3,354</u>	<u>54,586</u>
EXPENDITURES				
	-	-	-	-
Excess (Deficiency) of Revenues over (under) Expenditures	<u>55,300</u>	<u>58,654</u>	<u>3,354</u>	<u>54,586</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	-	-	(6,592)
Budgeted Contingencies Used	(25,000)	-	25,000	-
Total Other Financing Sources (Uses)	(25,000)	-	25,000	(6,592)
Net Change in Fund Balance	30,300	58,654	28,354	47,994
Fund Balance - Beginning	<u>198,517</u>	<u>198,517</u>	<u>-</u>	<u>150,523</u>
Fund Balance - Ending	<u><u>\$ 228,817</u></u>	<u><u>\$ 257,171</u></u>	<u><u>\$ 28,354</u></u>	<u><u>\$198,517</u></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, 2018
With Comparative Actual Amounts for the Year Ended September 30, 2017

	2018		Variance with Final Budget - Positive (Negative)	2017 Actual
	Final Budget	Actual		
REVENUES				
Intergovernmental	\$ 33,000	\$ 43,901	\$ 10,901	\$26,085
Investment Earnings	20	26	6	19
Total Revenues	<u>33,020</u>	<u>43,927</u>	<u>10,907</u>	<u>26,104</u>
EXPENDITURES				
General Government:				
Current:				
Personal Services	47,157	40,988	6,169	23,800
Supplies	10,500	2,939	7,561	2,128
Other Services and Charges	5,410	-	5,410	177
Total Expenditures	<u>63,067</u>	<u>43,927</u>	<u>19,140</u>	<u>26,105</u>
Excess (Deficiency) of Revenues over (under) Expenditures	(30,047)	-	30,047	(1)
Fund Balance - Beginning	<u>1</u>	<u>1</u>	<u>-</u>	<u>2</u>
Fund Balance - Ending	<u>\$ (30,046)</u>	<u>\$ 1</u>	<u>\$ 30,047</u>	<u>\$ 1</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, 2018
With Comparative Actual Amounts for the Year Ended September 30, 2017

	2018		Variance with Final Budget - Positive (Negative)	2017 Actual
	Final Budget	Actual		
REVENUES				
Taxes	\$ 13,000	\$ 29,238	\$ 16,238	\$ 6,406
Investment Earnings	<u>8,100</u>	<u>8,268</u>	<u>168</u>	<u>6,191</u>
Total Revenues	<u>21,100</u>	<u>37,506</u>	<u>16,406</u>	<u>12,597</u>
EXPENDITURES				
General Government:				
Current:				
Other Services and Charges	<u>31,658</u>	<u>27,429</u>	<u>4,229</u>	<u>7,448</u>
Excess (Deficiency) of Revenues over (under) Expenditures	(10,558)	10,077	20,635	5,149
Fund Balance - Beginning	<u>84,253</u>	<u>84,253</u>	<u>-</u>	<u>79,104</u>
Fund Balance - Ending	<u><u>\$ 73,695</u></u>	<u><u>\$ 94,330</u></u>	<u><u>\$ 20,635</u></u>	<u><u>\$84,253</u></u>

GALVESTON COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
COUNTY AND DISTRICT COURT TECHNOLOGY SPECIAL REVENUE FUND
For the Year Ended September 30, 2018
With Comparative Actual Amounts for the Year Ended September 30, 2017

	2018		Variance with Final Budget - Positive (Negative)	2017 Actual
	Final Budget	Actual		
REVENUES				
Charges for Services	\$ 8,800	\$ 9,075	\$ 275	\$ 8,051
Investment Earnings	-	492	492	71
Total Revenues	<u>8,800</u>	<u>9,567</u>	<u>767</u>	<u>8,122</u>
EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>8,800</u>	<u>9,567</u>	<u>767</u>	<u>8,122</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	57,087
Net Change in Fund Balance	8,800	9,567	767	65,209
Fund Balance - Beginning	<u>65,209</u>	<u>65,209</u>	<u>-</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 74,009</u>	<u>\$ 74,776</u>	<u>\$ 767</u>	<u>\$65,209</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, 2018
With Comparative Actual Amounts for the Year Ended September 30, 2017

	2018		Variance with Final Budget - Positive (Negative)	2017 Actual
	Final Budget	Actual		
REVENUES				
Investment Earnings	\$ 55	\$ 253	\$ 198	\$ 108
Miscellaneous	<u>32,500</u>	<u>-</u>	<u>(32,500)</u>	<u>31,496</u>
Total Revenues	<u>32,555</u>	<u>253</u>	<u>(32,302)</u>	<u>31,604</u>
EXPENDITURES				
Health and Social Services:				
Current:				
Supplies	-	-	-	500
Other Services and Charges	<u>20,000</u>	<u>8,589</u>	<u>11,411</u>	<u>7,245</u>
Total Expenditures	<u>20,000</u>	<u>8,589</u>	<u>11,411</u>	<u>7,745</u>
Excess (Deficiency) of Revenues over (under) Expenditures	12,555	(8,336)	(20,891)	23,859
Fund Balance - Beginning	<u>42,976</u>	<u>42,976</u>	<u>-</u>	<u>19,117</u>
Fund Balance - Ending	<u><u>\$ 55,531</u></u>	<u><u>\$ 34,640</u></u>	<u><u>\$ (20,891)</u></u>	<u><u>\$42,976</u></u>

GALVESTON COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET (NON-GAAP) AND ACTUAL
DISTRICT ATTORNEY FORFEITURES AFTER 10/89 SPECIAL REVENUE FUND
For the Year Ended September 30, 2018
With Comparative Actual Amounts for the Year Ended September 30, 2017

	2018		Variance with Final Budget - Positive (Negative)	2017 Actual
	Final Budget	Actual		
REVENUES				
Fines and Forfeitures	\$ 70,000	\$ 92,685	\$ 22,685	\$ 82,412
Investment Earnings	500	771	271	537
Miscellaneous	-	-	-	22,737
Total Revenues	<u>70,500</u>	<u>93,456</u>	<u>22,956</u>	<u>105,686</u>
EXPENDITURES				
General Government:				
Current:				
Supplies	30,000	11,028	18,972	95
Other Services and Charges	118,925	74,136	44,789	96,146
Total Expenditures	<u>148,925</u>	<u>85,164</u>	<u>63,761</u>	<u>96,241</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>(78,425)</u>	<u>8,292</u>	<u>86,717</u>	<u>9,445</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	-	-	(25,836)
Sale of Capital Assets	-	-	-	2,019
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(23,817)</u>
Net Change in Fund Balance	(78,425)	8,292	86,717	(14,372)
Fund Balance - Beginning	<u>135,705</u>	<u>135,705</u>	<u>-</u>	<u>150,077</u>
Fund Balance - Ending	<u>\$ 57,280</u>	<u>\$ 143,997</u>	<u>\$ 86,717</u>	<u>\$135,705</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, 2018
With Comparative Actual Amounts for the Year Ended September 30, 2017

	2018		Variance with Final Budget - Positive (Negative)	2017 Actual
	Final Budget	Actual		
REVENUES				
Charges for Services	\$ -	\$ -	\$ -	\$ 60
EXPENDITURES	-	-	-	-
Excess (Deficiency) of Revenues over (under) Expenditures	-	-	-	60
Fund Balance - Beginning	7,257	7,257	-	7,197
Fund Balance - Ending	<u>\$ 7,257</u>	<u>\$ 7,257</u>	<u>\$ -</u>	<u>\$7,257</u>

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, 2018
With Comparative Actual Amounts for the Year Ended September 30, 2017

	2018		Variance with Final Budget - Positive (Negative)	2017 Actual
	Final Budget	Actual		
REVENUES				
Charges for Services	\$ 151,900	\$ 154,451	\$ 2,551	\$150,699
Investment Earnings	<u>200</u>	<u>319</u>	<u>119</u>	<u>220</u>
Total Revenues	<u>152,100</u>	<u>154,770</u>	<u>2,670</u>	<u>150,919</u>
EXPENDITURES				
Public Safety:				
Current:				
Personal Services	<u>328,948</u>	<u>242,918</u>	<u>86,030</u>	<u>218,794</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>(176,848)</u>	<u>(88,148)</u>	<u>88,700</u>	<u>(67,875)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	<u>100,000</u>	<u>100,000</u>	<u>-</u>	<u>1,437</u>
Net Change in Fund Balance	<u>(76,848)</u>	<u>11,852</u>	<u>88,700</u>	<u>(66,438)</u>
Fund Balance - Beginning	<u>47,732</u>	<u>47,732</u>	<u>-</u>	<u>114,170</u>
Fund Balance - Ending	<u>\$ (29,116)</u>	<u>\$ 59,584</u>	<u>\$ 88,700</u>	<u>\$ 47,732</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, 2018
With Comparative Actual Amounts for the Year Ended September 30, 2017

	2018		Variance with Final Budget - Positive (Negative)	2017 Actual
	Final Budget	Actual		
REVENUES				
Charges for Services	\$ 8,800	\$ 7,978	\$ (822)	\$ 8,075
Investment Earnings	100	380	280	132
Total Revenues	8,900	8,358	(542)	8,207
EXPENDITURES				
Public Safety:				
Current:				
Supplies	-	-	-	2,400
Excess (Deficiency) of Revenues over (under) Expenditures	8,900	8,358	(542)	5,807
Fund Balance - Beginning	49,835	49,835	-	44,028
Fund Balance - Ending	\$ 58,735	\$ 58,193	\$ (542)	\$49,835

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, 2018
With Comparative Actual Amounts for the Year Ended September 30, 2017

	2018		Variance with Final Budget - Positive (Negative)	2017 Actual
	Final Budget	Actual		
REVENUES				
Fines and Forfeitures	\$ 36,000	\$ 33,402	\$ (2,598)	\$ 34,351
Investment Earnings	200	862	662	247
Total Revenues	<u>36,200</u>	<u>34,264</u>	<u>(1,936)</u>	<u>34,598</u>
EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues over (under) Expenditures	36,200	34,264	(1,936)	34,598
Fund Balance - Beginning	<u>103,888</u>	<u>103,888</u>	<u>-</u>	<u>69,290</u>
Fund Balance - Ending	<u>\$ 140,088</u>	<u>\$ 138,152</u>	<u>\$ (1,936)</u>	<u>\$103,888</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, 2018
With Comparative Actual Amounts for the Year Ended September 30, 2017

	2018		Variance with Final Budget - Positive (Negative)	2017 Actual
	Final Budget	Actual		
REVENUES				
Charges for Services	\$ 230,300	\$ 207,579	\$ (22,721)	\$212,889
Investment Earnings	250	313	63	338
Miscellaneous	-	1,050	1,050	-
Total Revenues	<u>230,550</u>	<u>208,942</u>	<u>(21,608)</u>	<u>213,227</u>
EXPENDITURES				
General Government:				
Current:				
Supplies	176,000	165,915	10,085	162,504
Other Services and Charges	2,000	-	2,000	-
Total Expenditures	<u>178,000</u>	<u>165,915</u>	<u>12,085</u>	<u>162,504</u>
Excess (Deficiency) of Revenues over (under) Expenditures	52,550	43,027	(9,523)	50,723
Fund Balance - Beginning	<u>128,791</u>	<u>128,791</u>	-	<u>78,068</u>
Fund Balance - Ending	<u><u>\$ 181,341</u></u>	<u><u>\$ 171,818</u></u>	<u><u>\$ (9,523)</u></u>	<u><u>\$128,791</u></u>

GALVESTON COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
ALTERNATIVE DISPUTE RESOLUTION SPECIAL REVENUE FUND
For the Year Ended September 30, 2018
With Comparative Actual Amounts for the Year Ended September 30, 2017

	2018		Variance with Final Budget - Positive (Negative)	2017 Actual
	Final Budget	Actual		
REVENUES				
Charges for Services	\$ 118,200	\$ 112,059	\$ (6,141)	\$ 112,037
Fines and Forfeitures	-	500	500	-
Investment Earnings	3,600	7,112	3,512	3,739
Total Revenues	<u>121,800</u>	<u>119,671</u>	<u>(2,129)</u>	<u>115,776</u>
EXPENDITURES				
General Government:				
Current:				
Other Services and Charges	<u>184,000</u>	<u>179,213</u>	<u>4,787</u>	<u>117,086</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>(62,200)</u>	<u>(59,542)</u>	<u>2,658</u>	<u>(1,310)</u>
OTHER FINANCING SOURCES (USES)				
Budgeted Contingencies Used	<u>(434,000)</u>	<u>-</u>	<u>434,000</u>	<u>-</u>
Net Change in Fund Balance	<u>(496,200)</u>	<u>(59,542)</u>	<u>436,658</u>	<u>(1,310)</u>
Fund Balance - Beginning	<u>1,054,996</u>	<u>1,054,996</u>	<u>-</u>	<u>1,056,306</u>
Fund Balance - Ending	<u><u>\$ 558,796</u></u>	<u><u>\$ 995,454</u></u>	<u><u>\$ 436,658</u></u>	<u><u>\$1,054,996</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, 2018
With Comparative Actual Amounts for the Year Ended September 30, 2017

	2018		Variance with Final Budget - Positive (Negative)	2017 Actual
	Final Budget	Actual		
REVENUES				
Charges for Services	\$ 35,300	\$ 31,922	\$ (3,378)	\$ -
Fines and Forfeitures	-	-	-	32,456
Investment Earnings	400	1,378	978	454
Total Revenues	<u>35,700</u>	<u>33,300</u>	<u>(2,400)</u>	<u>32,910</u>
EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues over (under) Expenditures	35,700	33,300	(2,400)	32,910
Fund Balance - Beginning	<u>179,373</u>	<u>179,373</u>	<u>-</u>	<u>146,463</u>
Fund Balance - Ending	<u><u>\$ 215,073</u></u>	<u><u>\$ 212,673</u></u>	<u><u>\$ (2,400)</u></u>	<u><u>\$179,373</u></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, 2018
With Comparative Actual Amounts for the Year Ended September 30, 2017

	2018		Variance with Final Budget - Positive (Negative)	2017 Actual
	Final Budget	Actual		
REVENUES				
Intergovernmental	\$ 40,000	\$ 40,000	\$ -	\$ 40,000
Investment Earnings	750	2,493	1,743	936
Total Revenues	<u>40,750</u>	<u>42,493</u>	<u>1,743</u>	<u>40,936</u>
EXPENDITURES				
General Government:				
Current:				
Supplies	4,000	1,993	2,007	3,619
Other Services and Charges	25,500	22,045	3,455	10,088
Total Expenditures	<u>29,500</u>	<u>24,038</u>	<u>5,462</u>	<u>13,707</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>11,250</u>	<u>18,455</u>	<u>7,205</u>	<u>27,229</u>
OTHER FINANCING SOURCES (USES)				
Budgeted Contingencies Used	(200,000)	-	200,000	-
Net Change in Fund Balance	(188,750)	18,455	207,205	27,229
Fund Balance - Beginning	<u>340,745</u>	<u>340,745</u>	<u>-</u>	<u>313,516</u>
Fund Balance - Ending	<u>\$ 151,995</u>	<u>\$ 359,200</u>	<u>\$ 207,205</u>	<u>\$340,745</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, 2018
With Comparative Actual Amounts for the Year Ended September 30, 2017

	2018		Variance with Final Budget - Positive (Negative)	2017 Actual
	Final Budget	Actual		
REVENUES				
Charges for Services	\$ 22,000	\$ 21,879	\$ (121)	\$ 22,846
Investment Earnings	350	982	632	395
Total Revenues	<u>22,350</u>	<u>22,861</u>	<u>511</u>	<u>23,241</u>
EXPENDITURES				
General Government:				
Current:				
Other Services and Charges	30,000	25,784	4,216	24,892
Excess (Deficiency) of Revenues over (under) Expenditures	(7,650)	(2,923)	4,727	(1,651)
Fund Balance - Beginning	<u>142,368</u>	<u>142,368</u>	<u>-</u>	<u>144,019</u>
Fund Balance - Ending	<u>\$ 134,718</u>	<u>\$ 139,445</u>	<u>\$ 4,727</u>	<u>\$142,368</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, 2018
With Comparative Actual Amounts for the Year Ended September 30, 2017

	2018		Variance with Final Budget - Positive (Negative)	2017 Actual
	Final Budget	Actual		
REVENUES				
Charges for Services	\$ 28,000	\$ 42,834	\$ 14,834	\$31,019
Investment Earnings	200	819	619	216
Total Revenues	<u>28,200</u>	<u>43,653</u>	<u>15,453</u>	<u>31,235</u>
EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues over (under) Expenditures	28,200	43,653	15,453	31,235
Fund Balance - Beginning	<u>92,025</u>	<u>92,025</u>	<u>-</u>	<u>60,790</u>
Fund Balance - Ending	<u>\$ 120,225</u>	<u>\$ 135,678</u>	<u>\$ 15,453</u>	<u>\$92,025</u>

GALVESTON COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
COURT REPORTER SERVICES SPECIAL REVENUE FUND
For the Year Ended September 30, 2018
With Comparative Actual Amounts for the Year Ended September 30, 2017

	2018		Variance with Final Budget - Positive (Negative)	2017 Actual
	Final Budget	Actual		
REVENUES				
Charges for Services	\$ 105,000	\$ 99,213	\$ (5,787)	\$102,176
Investment Earnings	<u>500</u>	<u>1,807</u>	<u>1,307</u>	<u>524</u>
Total Revenues	<u>105,500</u>	<u>101,020</u>	<u>(4,480)</u>	<u>102,700</u>
EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues over (under) Expenditures	105,500	101,020	(4,480)	102,700
Fund Balance - Beginning	<u>199,531</u>	<u>199,531</u>	<u>-</u>	<u>96,831</u>
Fund Balance - Ending	<u>\$ 305,031</u>	<u>\$ 300,551</u>	<u>\$ (4,480)</u>	<u>\$199,531</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, 2018
With Comparative Actual Amounts for the Year Ended September 30, 2017

	2018		Variance with Final Budget - Positive (Negative)	2017 Actual
	Final Budget	Actual		
REVENUES				
Investment Earnings	\$ 4,200	\$ 7,834	\$ 3,634	\$ 5,364
Miscellaneous	<u>600,000</u>	<u>653,083</u>	<u>53,083</u>	<u>802,659</u>
Total Revenues	<u>604,200</u>	<u>660,917</u>	<u>56,717</u>	<u>808,023</u>
EXPENDITURES				
Public Safety:				
Current:				
Other Services and Charges	<u>460,000</u>	<u>391,130</u>	<u>68,870</u>	<u>403,497</u>
Excess (Deficiency) of Revenues over (under) Expenditures	144,200	269,787	125,587	404,526
Fund Balance - Beginning	<u>1,147,827</u>	<u>1,147,827</u>	<u>-</u>	<u>743,301</u>
Fund Balance - Ending	<u>\$ 1,292,027</u>	<u>\$ 1,417,614</u>	<u>\$ 125,587</u>	<u>\$1,147,827</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, 2018
With Comparative Actual Amounts for the Year Ended September 30, 2017

	2018		Variance with Final Budget - Positive (Negative)	2017 Actual
	Final Budget	Actual		
REVENUES				
Fines and Forfeitures	\$ 55,000	\$ 96,051	\$ 41,051	\$145,832
Investment Earnings	1,600	3,622	2,022	1,560
Miscellaneous	2,000	1,094	(906)	13,450
Total Revenues	<u>58,600</u>	<u>100,767</u>	<u>42,167</u>	<u>160,842</u>
EXPENDITURES				
Public Safety:				
Current:				
Supplies	40,000	15,140	24,860	51,452
Other Services and Charges	50,000	5,820	44,180	1,590
Total Public Safety	90,000	20,960	69,040	53,042
Capital Outlay	60,000	11,358	48,642	12,128
Total Expenditures	<u>150,000</u>	<u>32,318</u>	<u>117,682</u>	<u>65,170</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>(91,400)</u>	<u>68,449</u>	<u>159,849</u>	<u>95,672</u>
OTHER FINANCING SOURCES (USES)				
Sale of Capital Assets	-	5,135	5,135	11,475
Net Change in Fund Balance	(91,400)	73,584	164,984	107,147
Fund Balance - Beginning	<u>502,146</u>	<u>502,146</u>	<u>-</u>	<u>394,999</u>
Fund Balance - Ending	<u>\$ 410,746</u>	<u>\$ 575,730</u>	<u>\$ 164,984</u>	<u>\$502,146</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, 2018
With Comparative Actual Amounts for the Year Ended September 30, 2017

	2018		Variance with Final Budget - Positive (Negative)	2017 Actual
	Final Budget	Actual		
REVENUES				
Intergovernmental	\$ 34,427	\$ 34,423	\$ (4)	\$ 30,302
Investment Earnings	571	1,149	578	429
Total Revenues	34,998	35,572	574	30,731
EXPENDITURES				
Public Safety:				
Current:				
Other Services and Charges	189,705	31,729	157,976	21,314
Excess (Deficiency) of Revenues over (under) Expenditures	(154,707)	3,843	158,550	9,417
Fund Balance - Beginning	155,281	155,281	-	145,864
Fund Balance - Ending	\$ 574	\$ 159,124	\$ 158,550	\$155,281

GALVESTON COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET (NON-GAAP) AND ACTUAL
CONSTABLE FORFEITURES SPECIAL REVENUE FUND
For the Year Ended September 30, 2018
With Comparative Actual Amounts for the Year Ended September 30, 2017

	2018		Variance with Final Budget - Positive (Negative)	2017 Actual
	Final Budget	Actual		
REVENUES				
Fines and Forfeitures	\$ -	\$ 12,429	\$ 12,429	\$ -
Investment Earnings	-	24	24	12
Total Revenues	-	12,453	12,453	12
EXPENDITURES	-	-	-	-
Excess (Deficiency) of Revenues over (under) Expenditures	-	12,453	12,453	12
Fund Balance - Beginning	3,507	3,507	-	3,495
Fund Balance - Ending	<u>\$ 3,507</u>	<u>\$ 15,960</u>	<u>\$ 12,453</u>	<u>\$3,507</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, 2018
With Comparative Actual Amounts for the Year Ended September 30, 2017

	2018		Variance with Final Budget - Positive (Negative)	2017 Actual
	Final Budget	Actual		
REVENUES				
Intergovernmental	\$ 2,600	\$ -	\$ (2,600)	\$ 3,540
Investment Earnings	1,800	5,514	3,714	2,190
Miscellaneous	1,000	500	(500)	-
Total Revenues	<u>5,400</u>	<u>6,014</u>	<u>614</u>	<u>5,730</u>
EXPENDITURES				
Public Safety:				
Current:				
Supplies	9,510	-	9,510	-
Other Services and Charges	-	-	-	4,875
Total Public Safety	9,510	-	9,510	4,875
Total Expenditures	<u>9,510</u>	<u>-</u>	<u>9,510</u>	<u>4,875</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>(4,110)</u>	<u>6,014</u>	<u>10,124</u>	<u>855</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	(16,690)	(16,690)	-	-
Budgeted Contingencies Used	(583,310)	-	583,310	-
Total Other Financing Sources (Uses)	<u>(600,000)</u>	<u>(16,690)</u>	<u>583,310</u>	<u>-</u>
Net Change in Fund Balance	(604,110)	(10,676)	593,434	855
Fund Balance - Beginning	<u>804,228</u>	<u>804,228</u>	<u>-</u>	<u>803,373</u>
Fund Balance - Ending	<u><u>\$ 200,118</u></u>	<u><u>\$ 793,552</u></u>	<u><u>\$ 593,434</u></u>	<u><u>\$804,228</u></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, 2018
With Comparative Actual Amounts for the Year Ended September 30, 2017

	2018		Variance with Final Budget - Positive (Negative)	2017 Actual
	Final Budget	Actual		
REVENUES				
Taxes	\$ 150	\$ 198	\$ 48	\$ 159
Intergovernmental	36,500	25,231	(11,269)	72,703
Investment Earnings	5,000	9,934	4,934	5,035
Miscellaneous	303,800	60,370	(243,430)	210,110
Total Revenues	345,450	95,733	(249,717)	288,007
EXPENDITURES				
Roads, Bridges and Rights-of-Way:				
Current:				
Personal Services	101,127	101,070	57	99,800
Supplies	3,000	728	2,272	652
Other Services and Charges	30,825	3,164	27,661	6,014
Total Roads, Bridges and Rights-of-Way	134,952	104,962	29,990	106,466
Capital Outlay	40,000	-	40,000	750
Total Expenditures	174,952	104,962	69,990	107,216
Excess (Deficiency) of Revenues over (under) Expenditures	170,498	(9,229)	(179,727)	180,791
OTHER FINANCING SOURCES (USES)				
Sale of Capital Assets	-	-	-	3,600
Budgeted Contingencies Used	(750,000)	-	750,000	-
Total Other Financing Sources (Uses)	(750,000)	-	750,000	3,600
Net Change in Fund Balance	(579,502)	(9,229)	570,273	184,391
Fund Balance - Beginning	1,414,941	1,414,941	-	1,230,550
Fund Balance - Ending	\$ 835,439	\$ 1,405,712	\$ 570,273	\$1,414,941

GALVESTON COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GALVESTON COUNTY ROAD DISTRICT #1 SPECIAL REVENUE FUND
For the Year Ended September 30, 2018
With Comparative Actual Amounts for the Year Ended September 30, 2017

	2018		Variance with Final Budget - Positive (Negative)	2017 Actual
	Final Budget	Actual		
REVENUES				
Taxes	\$ -	\$ 1	\$ 1	\$ -
Charges for Services	530,000	565,818	35,818	565,844
Investment Earnings	5,000	12,860	7,860	5,220
Total Revenues	535,000	578,679	43,679	571,064
EXPENDITURES				
Roads, Bridges and Rights-of-Way:				
Current:				
Personal Services	228,337	226,156	2,181	223,550
Supplies	2,000	1,501	499	1,164
Other Services and Charges	5,000	3,950	1,050	2,160
Total Roads, Bridges and Rights-of-Way	235,337	231,607	3,730	226,874
Total Expenditures	235,337	231,607	3,730	226,874
Excess (Deficiency) of Revenues over (under) Expenditures	299,663	347,072	47,409	344,190
OTHER FINANCING SOURCES (USES)				
Budgeted Contingencies Used	(350,000)	-	350,000	-
Net Change in Fund Balance	(50,337)	347,072	397,409	344,190
Fund Balance - Beginning	1,668,176	1,668,176	-	1,323,986
Fund Balance - Ending	\$ 1,617,839	\$ 2,015,248	\$ 397,409	\$1,668,176

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, 2018
With Comparative Actual Amounts for the Year Ended September 30, 2017

	2018		Variance with Final Budget - Positive (Negative)	2017 Actual
	Final Budget	Actual		
REVENUES				
Taxes	\$ 1,543,875	\$ 1,567,847	\$ 23,972	\$1,493,448
Charges for Services	195,000	176,341	(18,659)	224,478
Investment Earnings	7,500	14,540	7,040	6,683
Miscellaneous	268,060	420,626	152,566	308,771
Total Revenues	<u>2,014,435</u>	<u>2,179,354</u>	<u>164,919</u>	<u>2,033,380</u>
EXPENDITURES				
General Government:				
Current:				
Other Services and Charges	229,100	122,611	106,489	116,904
Public Safety:				
Current:				
Personal Services	1,342,420	1,188,933	153,487	1,194,123
Supplies	229,420	134,174	95,246	241,563
Other Services and Charges	373,911	254,488	119,423	226,929
Total Public Safety	<u>1,945,751</u>	<u>1,577,595</u>	<u>368,156</u>	<u>1,662,615</u>
Capital Outlay	655,400	166,282	489,118	282,240
Total Expenditures	<u>2,830,251</u>	<u>1,866,488</u>	<u>963,763</u>	<u>2,061,759</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>(815,816)</u>	<u>312,866</u>	<u>1,128,682</u>	<u>(28,379)</u>
OTHER FINANCING SOURCES (USES)				
Sale of Capital Assets	12,000	3,295	(8,705)	11,649
Budgeted Contingencies Used	(471,745)	-	471,745	-
Total Other Financing Sources (Uses)	<u>(459,745)</u>	<u>3,295</u>	<u>463,040</u>	<u>11,649</u>
Net Change in Fund Balance	(1,275,561)	316,161	1,591,722	(16,730)
Fund Balance - Beginning	<u>1,517,285</u>	<u>1,517,285</u>	<u>-</u>	<u>1,534,015</u>
Fund Balance - Ending	<u>\$ 241,724</u>	<u>\$ 1,833,446</u>	<u>\$ 1,591,722</u>	<u>\$1,517,285</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, 2018
With Comparative Actual Amounts for the Year Ended September 30, 2017

	2018		Variance with Final Budget - Positive (Negative)	2017 Actual
	Final Budget	Actual		
REVENUES				
Taxes	\$ 1,097,575	\$ 1,088,727	\$ (8,848)	\$1,025,258
Investment Earnings	2,500	2,274	(226)	1,835
Miscellaneous	-	325	325	3,590
Total Revenues	<u>1,100,075</u>	<u>1,091,326</u>	<u>(8,749)</u>	<u>1,030,683</u>
EXPENDITURES				
Health and Social Services:				
Current:				
Personal Services	652,741	630,706	22,035	612,995
Supplies	553,000	390,917	162,083	293,651
Other Services and Charges	101,813	64,435	37,378	74,453
Total Health and Social Services	1,307,554	1,086,058	221,496	981,099
Capital Outlay	78,253	22,253	56,000	89,339
Total Expenditures	<u>1,385,807</u>	<u>1,108,311</u>	<u>277,496</u>	<u>1,070,438</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>(285,732)</u>	<u>(16,985)</u>	<u>268,747</u>	<u>(39,755)</u>
OTHER FINANCING SOURCES (USES)				
Sale of Capital Assets	-	1,270	1,270	-
Budgeted Contingencies Used	(256,014)	-	256,014	-
Total Other Financing Sources (Uses)	<u>(256,014)</u>	<u>1,270</u>	<u>257,284</u>	<u>-</u>
Net Change in Fund Balance	(541,746)	(15,715)	526,031	(39,755)
Fund Balance - Beginning	<u>582,267</u>	<u>582,267</u>	<u>-</u>	<u>622,022</u>
Fund Balance - Ending	<u>\$ 40,521</u>	<u>\$ 566,552</u>	<u>\$ 526,031</u>	<u>\$ 582,267</u>

GALVESTON COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GALVESTON COUNTY BEACH AND PARKS SPECIAL REVENUE FUND
For the Year Ended September 30, 2018
With Comparative Actual Amounts for the Year Ended September 30, 2017

	2018		Variance with Final Budget - Positive (Negative)	2017 Actual
	Final Budget	Actual		
REVENUES				
Charges for Services	\$ 911,000	\$ 860,509	\$ (50,491)	\$ 768,202
Investment Earnings	12,000	25,272	13,272	11,145
Miscellaneous	500	500	-	-
Total Revenues	923,500	886,281	(37,219)	779,347
EXPENDITURES				
Culture and Recreation:				
Current:				
Personal Services	478,374	300,057	178,317	259,626
Supplies	29,100	15,260	13,840	18,360
Other Services and Charges	315,955	219,836	96,119	76,042
Total Culture and Recreation	823,429	535,153	288,276	354,028
Capital Outlay	1,557,518	245,887	1,311,631	524,592
Total Expenditures	2,380,947	781,040	1,599,907	878,620
Excess (Deficiency) of Revenues over (under) Expenditures	(1,457,447)	105,241	1,562,688	(99,273)
OTHER FINANCING SOURCES (USES)				
Transfers In	492,203	492,203	-	-
Sale of Capital Assets	-	13,196	13,196	12,204
Budgeted Contingencies Used	(232,430)	-	232,430	-
Total Other Financing Sources (Uses)	259,773	505,399	245,626	12,204
Net Change in Fund Balance	(1,197,674)	610,640	1,808,314	(87,069)
Fund Balance - Beginning	3,369,366	3,369,366	-	3,456,435
Fund Balance - Ending	\$ 2,171,692	\$ 3,980,006	\$ 1,808,314	\$3,369,366

GALVESTON COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
MUSEUM AND HISTORICAL COMMUNITY SPECIAL REVENUE FUND
For the Year Ended September 30, 2018
With Comparative Actual Amounts for the Year Ended September 30, 2017

	2018		Variance with Final Budget - Positive (Negative)	2017 Actual
	Final Budget	Actual		
REVENUES	\$ -	\$ -	\$ -	\$ -
EXPENDITURES	-	-	-	-
Fund Balance - Beginning	6,345	6,345	-	6,345
Fund Balance - Ending	<u>\$ 6,345</u>	<u>\$ 6,345</u>	<u>\$ -</u>	<u>\$6,345</u>

NONMAJOR
CAPITAL PROJECT FUNDS

LIMITED TAX FLOOD CONTROL BONDS SERIES 2017 – This fund was created to account for proceeds of \$6,000,000 from a December 28, 2017 bond issuance to be used to establish, construct, extend, maintain or improve a seawall, breakwater, levee, floodway and/or drainway within the county.

LIMITED TAX COUNTY BUILDING BONDS SERIES 2017A – This fund was created to account for proceeds of \$9,000,000 from a December 28, 2017 bond issuance to be used to purchase, construct, reconstruct, improve and/or equip county buildings or rooms for the housing of offices, courts, records or equipment, or for the conducting of other public business.

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

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.

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.



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**GALVESTON COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
September 30, 2018
With Comparative Totals at September 30, 2017**

(Continued)

	Limited Tax Flood Control Series 2017	Limited Tax Building Bonds Series 2017A	County Capital Projects Fund	Capital Replenishment Fund
ASSETS				
Cash and Cash Equivalents	\$ -	\$ -	\$ 248,802	\$ 268,681
Investments	6,100,788	9,099,200	1,587,371	1,714,200
Total Assets	\$ 6,100,788	\$ 9,099,200	\$ 1,836,173	\$ 1,982,881
LIABILITIES				
Accounts Payable	\$ -	\$ -	\$ 54,380	\$ -
Retainage Payable	-	-	-	-
Due to Others	-	-	-	-
Total Liabilities	-	-	54,380	-
FUND BALANCES				
Restricted	6,100,788	9,099,200	-	-
Assigned	-	-	1,781,793	1,982,881
Total Fund Balances	6,100,788	9,099,200	1,781,793	1,982,881
Total Liabilities and Fund Balances	\$ 6,100,788	\$ 9,099,200	\$ 1,836,173	\$ 1,982,881

(Continued)

Limited Tax County Building Bonds Series 2009B	Combination Tax And Revenue Certificates Of Obligation Series 2003C	Limited Tax Criminal Justice Center Bonds Series 2003A	Parks Department Capital Projects Fund	Road Bonds Series 1987
\$ 106,272	\$ 17,026	\$ 2,889	\$ 76,673	\$ 4,711
279,579	108,626	18,438	489,174	30,055
<u>\$ 385,851</u>	<u>\$ 125,652</u>	<u>\$ 21,327</u>	<u>\$ 565,847</u>	<u>\$ 34,766</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
385,851	125,652	21,327	565,847	34,766
-	-	-	-	-
<u>385,851</u>	<u>125,652</u>	<u>21,327</u>	<u>565,847</u>	<u>34,766</u>
<u>\$ 385,851</u>	<u>\$ 125,652</u>	<u>\$ 21,327</u>	<u>\$ 565,847</u>	<u>\$ 34,766</u>

**GALVESTON COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
September 30, 2018
With Comparative Totals at September 30, 2017**

(Continued)

	Unlimited Tax Road Bonds Series 2003B	Unlimited Tax Road Bonds Series 2001	Pass-through Toll Revenue And Limited Tax Bonds Series 2007	Unlimited Tax Road Bonds Series 2009A
ASSETS				
Cash and Cash Equivalents	\$ 1,909,308	\$ 305,423	\$ 3,730,246	\$ 2,897,016
Investments	12,907	1,069,942	39,724	4,958,652
Total Assets	\$ 1,922,215	\$ 1,375,365	\$ 3,769,970	\$ 7,855,668
LIABILITIES				
Accounts Payable	\$ -	\$ -	\$ -	\$ 630,488
Retainage Payable	-	-	-	-
Due to Others	-	-	-	8,446
Total Liabilities	-	-	-	638,934
FUND BALANCES				
Restricted	1,922,215	1,375,365	3,769,970	7,216,734
Assigned	-	-	-	-
Total Fund Balances	1,922,215	1,375,365	3,769,970	7,216,734
Total Liabilities and Fund Balances	\$ 1,922,215	\$ 1,375,365	\$ 3,769,970	\$ 7,855,668

County Road And Bridge Projects	Limited Tax Flood Control Series 2009C	Certificates Of Obligation Series 2008	TOTALS	
			2018	2017
\$ 34,569	\$ 529,350	\$ 312,536	\$ 10,443,502	\$ 24,160,232
220,555	94	3,926	25,733,231	-
\$ 255,124	\$ 529,444	\$ 316,462	\$ 36,176,733	\$ 24,160,232
\$ -	\$ -	\$ -	\$ 684,868	\$ 148,430
-	-	-	-	108,378
-	-	-	8,446	641,466
-	-	-	693,314	898,274
-	529,444	316,462	31,463,621	17,305,086
255,124	-	-	4,019,798	5,956,872
255,124	529,444	316,462	35,483,419	23,261,958
\$ 255,124	\$ 529,444	\$ 316,462	\$ 36,176,733	\$ 24,160,232

GALVESTON COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
For the Year Ended September 30, 2018
With Comparative Totals for the Year Ended September 30, 2017

(Continued)

	Limited Tax Flood Control Series 2017	Limited Tax Building Bonds Series 2017A	County Capital Projects Fund	Capital Replenishment Fund
REVENUES				
Investment Earnings	\$ 100,788	\$ 99,200	\$ 17,809	\$ 12,881
Miscellaneous	-	-	-	-
Total Revenues	<u>100,788</u>	<u>99,200</u>	<u>17,809</u>	<u>12,881</u>
EXPENDITURES				
General Government	-	-	266,407	-
Roads, Bridges and Rights-of-Way	-	-	-	-
Capital Outlay	-	-	3,832,755	118,353
Total Expenditures	<u>-</u>	<u>-</u>	<u>4,099,162</u>	<u>118,353</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>100,788</u>	<u>99,200</u>	<u>(4,081,353)</u>	<u>(105,472)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	6,000,000	9,000,000	1,933,000	315,000
Transfers Out	-	-	-	-
Sale of Capital Asset	-	-	-	-
Total Other Financing Sources (Uses)	<u>6,000,000</u>	<u>9,000,000</u>	<u>1,933,000</u>	<u>315,000</u>
Net Change in Fund Balances	6,100,788	9,099,200	(2,148,353)	209,528
Fund Balances-Beginning	<u>-</u>	<u>-</u>	<u>3,930,146</u>	<u>1,773,353</u>
Fund Balances-Ending	<u><u>\$ 6,100,788</u></u>	<u><u>\$ 9,099,200</u></u>	<u><u>\$ 1,781,793</u></u>	<u><u>\$ 1,982,881</u></u>

(Continued)

Limited Tax County Building Bonds Series 2009B	Combination Tax And Revenue Certificates Of Obligation Series 2003C	Limited Tax Criminal Justice Center Bonds Series 2003A	Parks Department Capital Projects Fund	Road Bonds Series 1987
\$ 2,605	\$ 862	\$ 74	\$ 4,116	\$ 239
-	-	-	-	-
<u>2,605</u>	<u>862</u>	<u>74</u>	<u>4,116</u>	<u>239</u>
-	-	-	-	-
-	-	-	110,618	-
-	-	-	<u>110,618</u>	-
<u>2,605</u>	<u>862</u>	<u>74</u>	<u>(106,502)</u>	<u>239</u>
-	-	-	-	-
-	-	-	-	-
-	-	12,862	-	-
-	-	<u>12,862</u>	-	-
2,605	862	12,936	(106,502)	239
<u>383,246</u>	<u>124,790</u>	<u>8,391</u>	<u>672,349</u>	<u>34,527</u>
<u>\$ 385,851</u>	<u>\$ 125,652</u>	<u>\$ 21,327</u>	<u>\$ 565,847</u>	<u>\$ 34,766</u>

GALVESTON COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
For the Year Ended September 30, 2018
With Comparative Totals for the Year Ended September 30, 2017

(Continued)

	Unlimited Tax Road Bonds Series 2003B	Unlimited Tax Road Bonds Series 2001	Pass-through Toll Revenue And Limited Tax Bonds Series 2007	Unlimited Tax Road Bonds Series 2009A
REVENUES				
Investment Earnings	\$ 12,168	\$ 9,356	\$ 23,874	\$ 55,875
Miscellaneous	-	-	-	-
Total Revenues	<u>12,168</u>	<u>9,356</u>	<u>23,874</u>	<u>55,875</u>
EXPENDITURES				
General Government	-	-	-	-
Roads, Bridges and Rights-of-Way	-	-	-	1,058,220
Capital Outlay	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,058,220</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>12,168</u>	<u>9,356</u>	<u>23,874</u>	<u>(1,002,345)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Sale of Capital Asset	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	12,168	9,356	23,874	(1,002,345)
Fund Balances-Beginning	<u>1,910,047</u>	<u>1,366,009</u>	<u>3,746,096</u>	<u>8,219,079</u>
Fund Balances-Ending	<u>\$ 1,922,215</u>	<u>\$ 1,375,365</u>	<u>\$ 3,769,970</u>	<u>\$ 7,216,734</u>

County Road And Bridge Projects	Limited Tax Flood Control Series 2009C	Certificates Of Obligation Series 2008	TOTALS	
			2018	2017
\$ 1,751	\$ 3,350	\$ 2,004	\$ 346,952	\$ 109,221
-	-	-	-	21,900
<u>1,751</u>	<u>3,350</u>	<u>2,004</u>	<u>346,952</u>	<u>131,121</u>
-	-	-	266,407	45,474
-	-	-	1,058,220	79,343
-	-	-	4,061,726	3,289,018
-	-	-	<u>5,386,353</u>	<u>3,413,835</u>
<u>1,751</u>	<u>3,350</u>	<u>2,004</u>	<u>(5,039,401)</u>	<u>(3,282,714)</u>
-	-	-	17,248,000	1,280,252
-	-	-	-	(278,072)
-	-	-	12,862	-
-	-	-	<u>17,260,862</u>	<u>1,002,180</u>
1,751	3,350	2,004	12,221,461	(2,280,534)
<u>253,373</u>	<u>526,094</u>	<u>314,458</u>	<u>23,261,958</u>	<u>25,542,492</u>
<u>\$ 255,124</u>	<u>\$ 529,444</u>	<u>\$ 316,462</u>	<u>\$ 35,483,419</u>	<u>\$ 23,261,958</u>

GALVESTON COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE -
BUDGET (PROJECT-LENGTH) AND ACTUAL
LIMITED TAX FLOOD CONTROL BONDS SERIES 2017
From Inception and for the Year Ended September 30, 2018
With Comparative Amounts for the Year Ended September 30, 2017

	Total Project Authorized	2018		2017 Actual	
		Reported in Prior Years	Actual		Total
REVENUES					
Investment Earnings	\$ 100,788	\$ -	\$ 100,788	\$ 100,788	\$ -
EXPENDITURES	-	-	-	-	-
Excess (Deficiency) of Revenues over (under) Expenditures	100,788	-	100,788	100,788	-
OTHER FINANCING SOURCES (USES)					
Transfers In	6,000,000	-	6,000,000	6,000,000	-
Net Change in Fund Balance	<u>\$ 6,100,788</u>	<u>\$ -</u>	6,100,788	<u>\$ 6,100,788</u>	-
Fund Balance-Beginning			-		-
Fund Balance-Ending			<u>\$ 6,100,788</u>		<u>\$ -</u>

GALVESTON COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE -
BUDGET (PROJECT-LENGTH) AND ACTUAL
LIMITED TAX BUILDING BONDS SERIES 2017A
From Inception and for the Year Ended September 30, 2018
With Comparative Amounts for the Year Ended September 30, 2017

	Total Project Authorized	2018		2017 Actual	
		Reported in Prior Years	Actual		Total
REVENUES					
Investment Earnings	\$ 99,200	\$ -	\$ 99,200	\$ 99,200	\$ -
EXPENDITURES	-	-	-	-	-
Excess (Deficiency) of Revenues over (under) Expenditures	99,200	-	99,200	99,200	-
OTHER FINANCING SOURCES (USES)					
Transfers In	9,000,000	-	9,000,000	9,000,000	-
Net Change in Fund Balance	<u>\$ 9,099,200</u>	<u>\$ -</u>	9,099,200	<u>\$ 9,099,200</u>	-
Fund Balance-Beginning			-		-
Fund Balance-Ending			<u>\$ 9,099,200</u>		<u>\$ -</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, 2018
With Comparative Amounts for the Year Ended September 30, 2017

	Total Project Authorized	2018		2017 Actual	
		Reported in Prior Years	Actual		Total
REVENUES					
Intergovernmental	\$ 3,424,731	\$ 3,424,731	\$ -	\$ 3,424,731	\$ -
Investment Earnings	44,645	26,836	17,809	44,645	13,747
Miscellaneous	216,250	216,250	-	216,250	18,032
Total Revenues	<u>3,685,626</u>	<u>3,667,817</u>	<u>17,809</u>	<u>3,685,626</u>	<u>31,779</u>
EXPENDITURES					
General Government:					
Administration Costs	2,510,004	2,134,631	266,407	2,401,038	38,027
Capital Outlay:					
IT Capital Projects	7,872,122	4,965,284	2,342,513	7,307,797	416,090
Law Enforcement Infrastructure	1,737,798	-	1,384,881	1,384,881	-
Jury Wheel	160,000	-	105,361	105,361	-
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>15,692,207</u>	<u>10,509,767</u>	<u>4,099,162</u>	<u>14,608,929</u>	<u>454,117</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>(12,006,581)</u>	<u>(6,841,950)</u>	<u>(4,081,353)</u>	<u>(10,923,303)</u>	<u>(422,338)</u>
OTHER FINANCING SOURCES (USES)					
Transfers In	15,831,555	13,898,555	1,933,000	15,831,555	455,252
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>12,705,096</u>	<u>10,772,096</u>	<u>1,933,000</u>	<u>12,705,096</u>	<u>455,252</u>
Net Change in Fund Balance	<u>\$ 698,515</u>	<u>\$ 3,930,146</u>	<u>(2,148,353)</u>	<u>\$ 1,781,793</u>	<u>32,914</u>
Fund Balance-Beginning			<u>3,930,146</u>		<u>3,897,232</u>
Fund Balance-Ending			<u>\$ 1,781,793</u>		<u>\$3,930,146</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, 2018
With Comparative Amounts for the Year Ended September 30, 2017

	Total Project Authorized	2018		2017 Actual	
		Reported in Prior Years	Actual		Total
REVENUES					
Investment Earnings	\$ 22,980	\$ 10,099	\$ 12,881	\$ 22,980	\$ 5,705
EXPENDITURES					
Culture and Recreation:					
Administration Costs	14,100	14,100	-	14,100	-
Capital Outlay:					
Parks Capital Projects	105,900	100,022	-	100,022	-
Facilities Capital Projects	142,624	22,624	118,353	140,977	-
Total Expenditures	262,624	136,746	118,353	255,099	-
Excess (Deficiency) of Revenues over (under) Expenditures	(239,644)	(126,647)	(105,472)	(232,119)	5,705
OTHER FINANCING SOURCES (USES)					
Transfers In	2,215,000	1,900,000	315,000	2,215,000	315,000
Net Change in Fund Balance	\$ 1,975,356	\$ 1,773,353	209,528	\$ 1,982,881	320,705
Fund Balance-Beginning			1,773,353		1,452,648
Fund Balance-Ending			\$ 1,982,881		\$ 1,773,353

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, 2018
With Comparative Amounts for the Year Ended September 30, 2017

	Total Project Authorized	2018		2017 Actual	
		Reported in Prior Years	Actual		Total
REVENUES					
Investment Earnings	\$ 269,444	\$ 266,839	\$ 2,605	\$ 269,444	\$ 3,790
Miscellaneous	177,270	177,270	-	177,270	3,868
Total Revenues	<u>446,714</u>	<u>444,109</u>	<u>2,605</u>	<u>446,714</u>	<u>7,658</u>
EXPENDITURES					
General Government:					
Administration Costs	1,076,490	1,085,641	-	1,085,641	7,447
Capital Outlay:					
Administration Costs	700,000	675,553	-	675,553	675,553
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	-
North County Annex	156,621	110,273	-	110,273	-
Animal Resource Center	5,540,600	5,514,361	-	5,514,361	-
Llewellyn Bldg	180,000	180,000	-	180,000	-
823 Grand Bacliff	324,913	309,328	-	309,328	-
Bond Issuance Costs	679,393	679,393	-	679,393	-
Total Expenditures	<u>45,549,016</u>	<u>43,516,802</u>	<u>-</u>	<u>43,516,802</u>	<u>683,000</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>(45,102,302)</u>	<u>(43,072,693)</u>	<u>2,605</u>	<u>(43,070,088)</u>	<u>(675,342)</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>\$ (1,646,363)</u>	<u>\$ 383,246</u>	<u>2,605</u>	<u>\$ 385,851</u>	<u>(675,342)</u>
Fund Balance-Beginning			<u>383,246</u>		<u>1,058,588</u>
Fund Balance-Ending			<u>\$ 385,851</u>		<u>\$ 383,246</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, 2018
With Comparative Amounts for the Year Ended September 30, 2017

	Total Project Authorized	2018		2017 Actual	
		Reported in Prior Years	Actual		Total
REVENUES					
Investment Earnings	\$ 3,328,259	\$ 3,327,397	\$ 862	\$ 3,328,259	\$ 440
Miscellaneous	25,629	25,629	-	25,629	-
Total Revenues	<u>3,353,888</u>	<u>3,353,026</u>	<u>862</u>	<u>3,353,888</u>	<u>440</u>
EXPENDITURES					
General Government:					
Administration Costs	882,533	882,553	-	882,553	-
Capital Outlay:					
Information Tech	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 Capital Projects	710,018	710,018	-	710,018	-
Parks Capital 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>-</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>(45,481,706)</u>	<u>(45,300,095)</u>	<u>862</u>	<u>(45,299,233)</u>	<u>440</u>
OTHER FINANCING SOURCES (USES)					
Transfers In	4,675,110	4,675,110	-	4,675,110	-
Face Value - Long Term Debt Issued	40,890,000	40,890,000	-	40,890,000	-
Premium - Long Term Debt Issued	265,643	265,643	-	265,643	-
Discount - Long Term Debt Issued	(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>\$ (56,821)</u>	<u>\$ 124,790</u>	<u>862</u>	<u>\$ 125,652</u>	<u>440</u>
Fund Balance-Beginning			<u>124,790</u>		<u>124,350</u>
Fund Balance-Ending			<u>\$ 125,652</u>		<u>\$ 124,790</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, 2018
With Comparative Amounts for the Year Ended September 30, 2017

	Total Project Authorized	2018		2017 Actual	
		Reported in Prior Years	Actual		Total
REVENUES					
Intergovernmental	\$ 668,187	\$ 468,179	\$ -	\$ 468,179	\$ -
Investment Earnings	2,706,027	2,705,953	74	2,706,027	30
Total Revenues	<u>3,374,214</u>	<u>3,174,132</u>	<u>74</u>	<u>3,174,206</u>	<u>30</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>(60,684,730)</u>	<u>(60,882,712)</u>	<u>74</u>	<u>(60,882,638)</u>	<u>30</u>
OTHER FINANCING SOURCES (USES)					
Transfers Out	(75,195)	(75,195)	-	(75,195)	-
Sale of Capital Asset	2,899,024	2,886,162	12,862	2,899,024	-
Face Value - Long Term Debt Issued	57,245,000	57,245,000	-	57,245,000	-
Premium - Long Term Debt Issued	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>60,903,965</u>	<u>60,891,103</u>	<u>12,862</u>	<u>60,903,965</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ 219,235</u>	<u>\$ 8,391</u>	12,936	<u>\$ 21,327</u>	30
Fund Balance-Beginning			8,391		8,361
Fund Balance-Ending			<u>\$ 21,327</u>		<u>\$ 8,391</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, 2018
With Comparative Amounts for the Year Ended September 30, 2017

	Total Project Authorized	2018		2017 Actual	
		Reported in Prior Years	Actual		Total
REVENUES					
Investment Earnings	\$ 21,441	\$ 17,325	\$ 4,116	\$ 21,441	\$ 7,986
EXPENDITURES					
Capital Outlay:					
Bayside Regional Park	4,219,608	3,969,964	110,618	4,080,582	2,197,375
Excess (Deficiency) of Revenues over (under) Expenditures	<u>(4,198,167)</u>	<u>(3,952,639)</u>	<u>(106,502)</u>	<u>(4,059,141)</u>	<u>(2,189,389)</u>
OTHER FINANCING SOURCES (USES)					
Transfers In	4,747,808	4,747,808	-	4,747,808	510,000
Transfers Out	<u>(122,820)</u>	<u>(122,820)</u>	<u>-</u>	<u>(122,820)</u>	<u>(122,820)</u>
Total Other Financing Sources (Uses)	<u>4,624,988</u>	<u>4,624,988</u>	<u>-</u>	<u>4,624,988</u>	<u>387,180</u>
Net Change in Fund Balance	<u>\$ 426,821</u>	<u>\$ 672,349</u>	(106,502)	<u>\$ 565,847</u>	(1,802,209)
Fund Balance-Beginning			672,349		2,474,558
Fund Balance-Ending			<u>\$ 565,847</u>		<u>\$ 672,349</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, 2018
With Comparative Amounts for the Year Ended September 30, 2017

	Total Project Authorized	2018		2017 Actual	
		Reported in Prior Years	Actual		Total
REVENUES					
Intergovernmental	\$ 1,360,155	\$ 1,360,155	\$ -	\$ 1,360,155	\$ -
Investment Earnings	4,046,108	4,045,869	239	4,046,108	121
Miscellaneous	<u>5,511</u>	<u>5,511</u>	<u>-</u>	<u>5,511</u>	<u>-</u>
Total Revenues	<u>5,411,774</u>	<u>5,411,535</u>	<u>239</u>	<u>5,411,774</u>	<u>121</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	<u>1,967,983</u>	<u>1,920,783</u>	<u>-</u>	<u>1,920,783</u>	<u>-</u>
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>(15,421,771)</u>	<u>(15,390,982)</u>	<u>239</u>	<u>(15,390,743)</u>	<u>121</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	<u>13,000,000</u>	<u>13,000,000</u>	<u>-</u>	<u>13,000,000</u>	<u>-</u>
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>\$ 3,738</u>	<u>\$ 34,527</u>	239	<u>\$ 34,766</u>	121
Fund Balance-Beginning			<u>34,527</u>		<u>34,406</u>
Fund Balance-Ending			<u>\$ 34,766</u>		<u>\$ 34,527</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, 2018
With Comparative Amounts for the Year Ended September 30, 2017

	Total Project Authorized	2018		2017 Actual	
		Reported in Prior Years	Actual		Total
REVENUES					
Intergovernmental	\$ 3,414,614	\$ 3,414,614	\$ -	\$ 3,414,614	\$ -
Investment Earnings	<u>2,126,211</u>	<u>2,114,043</u>	<u>12,168</u>	<u>2,126,211</u>	<u>9,496</u>
Total Revenues	<u>5,540,825</u>	<u>5,528,657</u>	<u>12,168</u>	<u>5,540,825</u>	<u>9,496</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 Road	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 Road	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	<u>154,363</u>	<u>154,363</u>	<u>-</u>	<u>154,363</u>	<u>-</u>
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>(6,482,351)</u>	<u>(4,695,968)</u>	<u>12,168</u>	<u>(4,683,800)</u>	<u>9,496</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	<u>(76,663)</u>	<u>(76,663)</u>	<u>-</u>	<u>(76,663)</u>	<u>-</u>
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>\$ 123,664</u>	<u>\$ 1,910,047</u>	12,168	<u>\$ 1,922,215</u>	9,496
Fund Balance-Beginning			1,910,047		1,900,551
Fund Balance-Ending			<u>\$ 1,922,215</u>		<u>\$1,910,047</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, 2018
With Comparative Amounts for the Year Ended September 30, 2017

	2018					2017
	Total	Reported			Actual	
	Project	in Prior	Actual	Total		
	Authorized	Years				
REVENUES						
Investment Earnings	\$ 3,458,006	\$ 3,448,650	\$ 9,356	\$ 3,458,006	\$ 5,014	
Miscellaneous	<u>825,323</u>	<u>825,323</u>	<u>-</u>	<u>825,323</u>	<u>-</u>	
Total Revenues	<u>4,283,329</u>	<u>4,273,973</u>	<u>9,356</u>	<u>4,283,329</u>	<u>5,014</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 Road	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	<u>(26,422,283)</u>	<u>(25,137,686)</u>	<u>9,356</u>	<u>(25,128,330)</u>	<u>5,014</u>	
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>\$ 81,412</u>	<u>\$ 1,366,009</u>	<u>9,356</u>	<u>\$ 1,375,365</u>	<u>5,014</u>	
Fund Balances-Beginning			<u>1,366,009</u>		<u>1,360,995</u>	
Fund Balances-Ending			<u>\$ 1,375,365</u>		<u>\$ 1,366,009</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, 2018
With Comparative Amounts for the Year Ended September 30, 2017

	Total Project Authorized	2018		2017 Actual	
		Reported in Prior Years	Actual		Total
REVENUES					
Intergovernmental	\$ 1,085,386	\$ 1,085,386	\$ -	\$ 1,085,386	\$ -
Investment Earnings	<u>3,203,746</u>	<u>3,179,872</u>	<u>23,874</u>	<u>3,203,746</u>	<u>18,600</u>
Total Revenues	<u>4,289,132</u>	<u>4,265,258</u>	<u>23,874</u>	<u>4,289,132</u>	<u>18,600</u>
EXPENDITURES					
Roads, Bridges and Rights-of-Way:					
FM 646 Pass Thru Toll Road	44,058,697	40,494,061	-	40,494,061	-
Capital Outlay:					
FM 646 Pass Thru Toll Road	25,100	25,101	-	25,101	-
Bond Issuance Costs	<u>672,492</u>	<u>672,492</u>	<u>-</u>	<u>672,492</u>	<u>-</u>
Total Expenditures	<u>44,756,289</u>	<u>41,191,654</u>	<u>-</u>	<u>41,191,654</u>	<u>-</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>(40,467,157)</u>	<u>(36,926,396)</u>	<u>23,874</u>	<u>(36,902,522)</u>	<u>18,600</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	<u>(758,717)</u>	<u>(758,717)</u>	<u>-</u>	<u>(758,717)</u>	<u>-</u>
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>\$ 205,335</u>	<u>\$ 3,746,096</u>	23,874	<u>\$ 3,769,970</u>	18,600
Fund Balance-Beginning			<u>3,746,096</u>		<u>3,727,496</u>
Fund Balance-Ending			<u>\$ 3,769,970</u>		<u>\$3,746,096</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, 2018
With Comparative Amounts for the Year Ended September 30, 2017

	Total Project Authorized	2018		2017 Actual	
		Reported in Prior Years	Actual		Total
REVENUES					
Intergovernmental	\$ 1,714,605	\$ 1,714,605	\$ -	\$ 1,714,605	\$ -
Investment Earnings	688,127	632,252	55,875	688,127	36,642
Miscellaneous	66,366	66,366	-	66,366	-
Total Revenues	<u>2,469,098</u>	<u>2,413,223</u>	<u>55,875</u>	<u>2,469,098</u>	<u>36,642</u>
EXPENDITURES					
Roads, Bridges and Rights-of-Way:					
Non-County-Owned Roads	55,425,485	51,916,659	1,058,220	52,974,879	72,323
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>69,944,634</u>	<u>66,453,326</u>	<u>1,058,220</u>	<u>67,511,546</u>	<u>72,323</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>(67,475,536)</u>	<u>(64,040,103)</u>	<u>(1,002,345)</u>	<u>(65,042,448)</u>	<u>(35,681)</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>\$ 4,783,646</u>	<u>\$ 8,219,079</u>	<u>(1,002,345)</u>	<u>\$ 7,216,734</u>	<u>(35,681)</u>
Fund Balance-Beginning			<u>8,219,079</u>		<u>8,254,760</u>
Fund Balance-Ending			<u>\$ 7,216,734</u>		<u>\$8,219,079</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, 2018
With Comparative Amounts for the Year Ended September 30, 2017

	Total Project Authorized	2018		2017 Actual	
		Reported in Prior Years	Actual		Total
REVENUES					
Charges for Services	\$ 150,000	\$ 315,808	\$ -	\$ 315,808	\$ -
Investment Earnings	32,518	30,767	1,751	32,518	915
Total Revenues	<u>182,518</u>	<u>346,575</u>	<u>1,751</u>	<u>348,326</u>	<u>915</u>
EXPENDITURES					
Roads, Bridges and Rights-of-Way:					
Administration Costs	33,206	33,206	-	33,206	7,020
Capital Outlay:					
Grand Cay	151,008	59,996	-	59,996	-
FM 646 Pass Thru Toll Road	8,200	-	-	-	-
Total Expenditures	<u>192,414</u>	<u>93,202</u>	<u>-</u>	<u>93,202</u>	<u>7,020</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (9,896)	\$ 253,373	1,751	\$ 255,124	(6,105)
Net Change in Fund Balance	<u>\$ (9,896)</u>	<u>\$ 253,373</u>	1,751	<u>\$ 255,124</u>	(6,105)
Fund Balance-Beginning			253,373		259,478
Fund Balance-Ending			<u>\$ 255,124</u>		<u>\$ 253,373</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, 2018
With Comparative Amounts for the Year Ended September 30, 2017

	Total Project Authorized	2018		2017 Actual	
		Reported in Prior Years	Actual		Total
REVENUES					
Investment Earnings	\$ 378,908	\$ 375,558	\$ 3,350	\$ 378,908	\$ 5,048
Miscellaneous	<u>272</u>	<u>271</u>	<u>-</u>	<u>271</u>	<u>-</u>
Total Revenues	<u>379,180</u>	<u>375,829</u>	<u>3,350</u>	<u>379,179</u>	<u>5,048</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	<u>204,571</u>	<u>204,571</u>	<u>-</u>	<u>204,571</u>	<u>-</u>
Total Expenditures	<u>14,428,571</u>	<u>14,243,897</u>	<u>-</u>	<u>14,243,897</u>	<u>-</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>(14,049,391)</u>	<u>(13,868,068)</u>	<u>3,350</u>	<u>(13,864,718)</u>	<u>5,048</u>
OTHER FINANCING SOURCES (USES)					
Face Value - Long Term Debt Issued	14,318,381	14,318,381	-	14,318,381	-
Premium - Long Term Debt Issued	<u>75,781</u>	<u>75,781</u>	<u>-</u>	<u>75,781</u>	<u>-</u>
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>\$ 344,771</u>	<u>\$ 526,094</u>	3,350	<u>\$ 529,444</u>	5,048
Fund Balance-Beginning			<u>526,094</u>		<u>521,046</u>
Fund Balance-Ending			<u>\$ 529,444</u>		<u>\$ 526,094</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, 2018
With Comparative Amounts for the Year Ended September 30, 2017

	Total Project Authorized	2018		2017 Actual	
		Reported in Prior Years	Actual		Total
REVENUES					
Investment Earnings	\$ 261,276	\$ 259,272	\$ 2,004	\$ 261,276	\$ 1,561
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	-
Bond Issuance Costs	53,000	53,000	-	53,000	-
Total Expenditures	5,280,557	5,244,614	-	5,244,614	-
Excess (Deficiency) of Revenues over (under) Expenditures	(5,019,281)	(4,985,342)	2,004	(4,983,338)	1,561
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	\$ 280,519	\$ 314,458	2,004	\$ 316,462	1,561
Fund Balance-Beginning			314,458		312,897
Fund Balance-Ending			\$ 316,462		\$314,458



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Proprietary Funds

PROPRIETARY FUNDS

Proprietary Funds comprise two fund subtypes: Enterprise Funds and Internal Service Funds.

Enterprise 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 and therefore maintains no Enterprise Funds.

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. The county maintains the following Internal Service Funds:

EMPLOYEE BENEFITS - The Employee Benefits Fund accounts for the administration of the health insurance benefits that are provided to 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, 2018

	Employee Benefits	Workers' Compensation	Unemployment	Self- Insurance Reserve	Total
ASSETS					
Cash and Cash Equivalents	\$ 502,633	\$ 255,031	\$ 123,389	\$ 1,120,546	\$ 2,001,599
Investments	3,206,775	1,627,081	787,227	7,149,128	12,770,211
Receivables (Net of Allowances for Uncollectibles):					
Accounts and Other	154,677	-	-	1	154,678
Total Assets	<u>3,864,085</u>	<u>1,882,112</u>	<u>910,616</u>	<u>8,269,675</u>	<u>14,926,488</u>
LIABILITIES					
Accounts Payable	1,533,496	33,097	-	-	1,566,593
Salaries Payable	-	1,256	4,323	-	5,579
Estimated Liability - Claims	883,745	446,900	-	-	1,330,645
Total Liabilities	<u>2,417,241</u>	<u>481,253</u>	<u>4,323</u>	<u>-</u>	<u>2,902,817</u>
NET POSITION					
Unrestricted	1,446,844	1,400,859	906,293	8,269,675	12,023,671
Total Net Position	<u>\$ 1,446,844</u>	<u>\$ 1,400,859</u>	<u>\$ 906,293</u>	<u>\$ 8,269,675</u>	<u>\$ 12,023,671</u>

GALVESTON COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
For the Year Ended September 30, 2018

	<u>Employee Benefits</u>	<u>Workers' Compensation</u>	<u>Unemployment</u>	<u>Self- Insurance Reserve</u>	<u>Total</u>
OPERATING REVENUES					
Charges for Services	\$ 13,278,635	\$ 850,975	\$ 225,209	\$ 3,264,500	\$ 17,619,319
Insurance Recovery - County	-	-	-	87,229	87,229
Reimbursements	<u>1,569,723</u>	<u>37,143</u>	<u>208,495</u>	<u>-</u>	<u>1,815,361</u>
Total Operating Revenues	<u>14,848,358</u>	<u>888,118</u>	<u>433,704</u>	<u>3,351,729</u>	<u>19,521,909</u>
OPERATING EXPENSES					
Contract Services	\$ 2,083,142	\$ 50,153	\$ -	\$ -	\$ 2,133,295
Insurance	798,560	66,943	177,395	1,589,234	2,632,132
Claims Paid	13,026,215	198,213	-	-	13,224,428
Supplies	<u>30,979</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>30,979</u>
Total Operating Expenses	<u>15,938,896</u>	<u>315,309</u>	<u>177,395</u>	<u>1,589,234</u>	<u>18,020,834</u>
Operating Income (Loss)	(1,090,538)	572,809	256,309	1,762,495	1,501,075
NON-OPERATING REVENUES					
Investment Earnings	<u>21,643</u>	<u>11,309</u>	<u>5,353</u>	<u>49,041</u>	<u>87,346</u>
Income (loss) before transfers	(1,068,895)	584,118	261,662	1,811,536	1,588,421
TRANSFERS					
Transfer from Other Funds	1,000,000	5,000	-	-	1,005,000
Repayment to Other Funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>(151,331)</u>	<u>(151,331)</u>
Total Transfers	<u>1,000,000</u>	<u>5,000</u>	<u>-</u>	<u>(151,331)</u>	<u>853,669</u>
Change in Net Position	(68,895)	589,118	261,662	1,660,205	2,442,090
Total Net Position - Beginning	<u>1,515,739</u>	<u>811,741</u>	<u>644,631</u>	<u>6,609,470</u>	<u>9,581,581</u>
Total Net Position - Ending	<u><u>\$ 1,446,844</u></u>	<u><u>\$ 1,400,859</u></u>	<u><u>\$ 906,293</u></u>	<u><u>\$ 8,269,675</u></u>	<u><u>\$ 12,023,671</u></u>

GALVESTON COUNTY, TEXAS
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended September 30, 2018

	<u>Employee Benefits</u>	<u>Workers' Compensation</u>	<u>Unemployment</u>	<u>Self- Insurance Reserve</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES:					
Receipts from Outside Sources	\$ 13,175,414	\$ 850,000	\$ 225,209	\$ 3,366,861	\$ 17,617,484
Payments to Suppliers	(2,349,865)	(42,634)	-	(1,589,412)	(3,981,911)
Payments to Employees	-	(64,928)	(1,119)	-	(66,047)
Payments for Claims	(13,026,215)	(198,213)	(177,395)	-	(13,401,823)
Other Operating Revenues	<u>1,569,723</u>	<u>35,999</u>	<u>208,495</u>	<u>-</u>	<u>1,814,217</u>
Net Cash Provided by (Used for) Operating Activities	(630,943)	580,224	255,190	1,777,449	1,981,920
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Transfer from Other Funds	1,000,000	5,000	-	-	1,005,000
Repayment to Other Funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>(151,331)</u>	<u>(151,331)</u>
Net Cash Provided by (Used for) Noncapital Financing Activities	1,000,000	5,000	-	(151,331)	853,669
CASH FLOWS FROM INVESTING ACTIVITIES:					
Purchase of Investments	(3,206,775)	(1,627,081)	(787,227)	(7,149,128)	(12,770,211)
Investment Earnings	<u>21,643</u>	<u>11,309</u>	<u>5,353</u>	<u>49,041</u>	<u>87,346</u>
Net Cash Provided by (Used for) Investing Activities	(3,185,132)	(1,615,772)	(781,874)	(7,100,087)	(12,682,865)
Net Increase (Decrease) in Cash and Cash Equivalents	(2,816,075)	(1,030,548)	(526,684)	(5,473,969)	(9,847,276)
Cash and Cash Equivalents October 1, 2017	3,318,708	1,285,579	650,073	6,594,515	11,848,875
Cash and Cash Equivalents September 30, 2018	<u>\$ 502,633</u>	<u>\$ 255,031</u>	<u>\$ 123,389</u>	<u>\$ 1,120,546</u>	<u>\$ 2,001,599</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:					
Operating Income (Loss)	\$ (1,090,538)	\$ 572,809	\$ 256,309	\$ 1,762,495	\$ 1,501,075
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:					
(Increase) Decrease in Accounts Receivable	(103,221)	-	-	15,132	(88,089)
Increase (Decrease) in Accounts Payable	562,816	7,519	-	(178)	570,157
Increase (Decrease) in Salaries Payable	<u>-</u>	<u>(104)</u>	<u>(1,119)</u>	<u>-</u>	<u>(1,223)</u>
Total Adjustments	459,595	7,415	(1,119)	14,954	480,845
Net Cash Provided by (Used for) Operating Activities	<u>\$ (630,943)</u>	<u>\$ 580,224</u>	<u>\$ 255,190</u>	<u>\$ 1,777,449</u>	<u>\$ 1,981,920</u>

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.

Trust Funds

Trust Funds report funds that are in an irrevocable trust and therefore cannot be modified, amended or terminated without the permission of the government's beneficiaries. The government, having transferred assets into the trust, effectively removes all of their rights of ownership to the assets and the trust.

AGENCY FUNDS

DA SEIZED FUNDS – To account for 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 – To account for 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 – To account for 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 – To account for monies seized by task force prior to the enactment of *Code of Criminal Procedure* Chapter 59.06 and held until court order determines their disposition.

UNCLAIMED PROPERTY - To account for unclaimed property valued at less than one hundred dollars and presumed abandoned as defined by Chapters 72 and 75 of the *Texas Property Code*.

PAYROLL – To account for the funding and payment of the liabilities associated with county employee compensation, such as salaries, payroll and Medicare taxes, pension and Alternate Plan contributions, etc.

ESCROW - To account for monies held in trust by the county or over which the Commissioners Court has general oversight responsibility.

BOND ESCROW - To account for monies received from the escrow agents of refunded bonds to be paid to the holders thereof by the County Treasurer as paying agent.

TAX ASSESSOR-COLLECTOR UNDISTRIBUTED COLLECTIONS – To account for tax payments collected by the County Tax Assessor-Collector for other entities until their distribution.

COUNTY CLERK TRUST – To account for registry funds remanded to the custody of the County Clerk until a court order determines their disposition.

DISTRICT CLERK TRUST – To account for registry funds remanded to the custody of the District Clerk until a court order determines their disposition.

INMATE DEPOSITS – To account for county jail inmates' monies until they request payment or the monies are returned to them upon their release.

CHILDREN’S PROTECTIVE SERVICES ESCROW – To account for Social Security and child-support monies due to children who are under the supervision of Children’s Protective Services.

DICKINSON BAYOU STEERING COMMITTEE – To account for dues paid by members of the Dickinson Bayou Steering Committee, to be used for meals and other expenses of that committee, which are held in trust by the county.

(Continued)

GALVESTON COUNTY, TEXAS
 COMBINING STATEMENT OF ASSETS AND LIABILITIES
 AGENCY FUNDS
 September 30, 2018
 With Comparative Amounts as of September 30, 2017

	DA Seized Funds	Sheriff Seized Funds	Criminal Investigative Division Seizures Post-10/89	Task-force Seizures Pre-10/89	Unclaimed Property	Payroll
ASSETS						
Cash and Cash Equivalents	\$ 120,166	\$ 220,429	\$ 6,000	\$ 14,554	\$ 237,333	\$ 999,908
Investments	-	-	-	-	-	-
Receivables (Net of Allowances for Uncollectibles):						
Accounts and Other	-	-	-	-	-	3,570
Total Assets	<u>\$ 120,166</u>	<u>\$ 220,429</u>	<u>\$ 6,000</u>	<u>\$ 14,554</u>	<u>\$ 237,333</u>	<u>\$ 1,003,478</u>
LIABILITIES						
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,002,389
Due to Others	120,166	220,429	6,000	14,554	224,453	-
Due to Other Entities	-	-	-	-	12,880	1,089
Deposits Held	-	-	-	-	-	-
Total Liabilities	<u>\$ 120,166</u>	<u>\$ 220,429</u>	<u>\$ 6,000</u>	<u>\$ 14,554</u>	<u>\$ 237,333</u>	<u>\$ 1,003,478</u>

(Continued)

GALVESTON COUNTY, TEXAS
COMBINING STATEMENT OF ASSETS AND LIABILITIES
AGENCY FUNDS
September 30, 2018
With Comparative Amounts as of September 30, 2017

	<u>Escrow</u>	<u>Bond Escrow</u>	<u>Tax Assessor- Collector Undistributed Collections</u>	<u>County Clerk Trust</u>	<u>District Clerk Trust</u>	<u>Inmate Deposits</u>
ASSETS						
Cash and Cash Equivalents	\$ 920,222	\$ 5,311	\$ 6,650,350	\$ 10,915,302	\$ 2,820,560	\$ 207,692
Investments	-	-	-	1,907,981	1,599,338	-
Receivables (Net of Allowances for Uncollectibles):						
Accounts and Other	<u>11,316</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 931,538</u>	<u>\$ 5,311</u>	<u>\$ 6,650,350</u>	<u>\$ 12,823,283</u>	<u>\$ 4,419,898</u>	<u>\$ 207,692</u>
LIABILITIES						
Accounts Payable	\$ 7,007	\$ -	\$ -	\$ -	\$ -	\$ -
Due to Others	13,369	5,311	-	12,823,283	4,419,898	207,692
Due to Other Entities	-	-	6,650,350	-	-	-
Deposits Held	<u>911,162</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>\$ 931,538</u>	<u>\$ 5,311</u>	<u>\$ 6,650,350</u>	<u>\$ 12,823,283</u>	<u>\$ 4,419,898</u>	<u>\$ 207,692</u>

GALVESTON COUNTY, TEXAS
COMBINING STATEMENT OF ASSETS AND LIABILITIES
AGENCY FUNDS
September 30, 2018
With Comparative Amounts as of September 30, 2017

	Children's Protective Services - Escrow	Dickinson Bayou Steering Committee	TOTALS	
			2018	2017
ASSETS				
Cash and Cash Equivalents	\$ 10,223	\$ 53,049	\$ 23,181,099	\$ 17,114,641
Investments	-	-	3,507,319	3,626,199
Receivables (Net of Allowances for Uncollectibles):				
Accounts and Other	-	-	14,886	16,933
Total Assets	\$ 10,223	\$ 53,049	\$ 26,703,304	\$ 20,757,773
LIABILITIES				
Accounts Payable	\$ -	\$ -	\$ 1,009,396	\$ 1,114,745
Due to Others	-	-	18,055,155	12,960,996
Due to Other Entities	-	53,049	6,717,368	5,834,607
Deposits Held	10,223	-	921,385	847,425
Total Liabilities	\$ 10,223	\$ 53,049	\$ 26,703,304	\$ 20,757,773

GALVESTON COUNTY, TEXAS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
For the Year Ended September 30, 2018

	<u>Balance</u> <u>10/1/2017</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>9/30/2018</u>
<u>DA SEIZED FUNDS</u>				
ASSETS				
Cash and Cash Equivalents	\$ 83,843	\$ 133,638	\$ 97,315	\$ 120,166
Total Assets	<u>\$ 83,843</u>	<u>\$ 133,638</u>	<u>\$ 97,315</u>	<u>\$ 120,166</u>
LIABILITIES				
Due to Others	\$ 83,843	\$ 148,327	\$ 112,004	\$ 120,166
Total Liabilities	<u>\$ 83,843</u>	<u>\$ 148,327</u>	<u>\$ 112,004</u>	<u>\$ 120,166</u>
<u>SHERIFF SEIZED FUNDS</u>				
ASSETS				
Cash and Cash Equivalents	\$ 186,204	\$ 47,338	\$ 13,113	\$ 220,429
Total Assets	<u>\$ 186,204</u>	<u>\$ 47,338</u>	<u>\$ 13,113</u>	<u>\$ 220,429</u>
LIABILITIES				
Due to Others	\$ 186,204	\$ 48,895	\$ 14,670	\$ 220,429
Total Liabilities	<u>\$ 186,204</u>	<u>\$ 48,895</u>	<u>\$ 14,670</u>	<u>\$ 220,429</u>
<u>CRIMINAL INVESTIGATIVE DIVISION SEIZURES POST-10/89</u>				
ASSETS				
Cash and Cash Equivalents	\$ 5,958	\$ 42	\$ -	\$ 6,000
Total Assets	<u>\$ 5,958</u>	<u>\$ 42</u>	<u>\$ -</u>	<u>\$ 6,000</u>
LIABILITIES				
Due to Others	\$ 5,958	\$ 42	\$ -	\$ 6,000
Total Liabilities	<u>\$ 5,958</u>	<u>\$ 42</u>	<u>\$ -</u>	<u>\$ 6,000</u>
<u>TASK-FORCE SEIZURES PRE-10/89</u>				
ASSETS				
Cash and Cash Equivalents	\$ 14,454	\$ 100	\$ -	\$ 14,554
Total Assets	<u>\$ 14,454</u>	<u>\$ 100</u>	<u>\$ -</u>	<u>\$ 14,554</u>
LIABILITIES				
Due to Others	\$ 14,454	\$ 100	\$ -	\$ 14,554
Total Liabilities	<u>\$ 14,454</u>	<u>\$ 100</u>	<u>\$ -</u>	<u>\$ 14,554</u>

GALVESTON COUNTY, TEXAS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
For the Year Ended September 30, 2018

	<u>Balance</u> <u>10/1/2017</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>9/30/2018</u>
<u>UNCLAIMED PROPERTY</u>				
ASSETS				
Cash and Cash Equivalents	\$ 239,115	\$ 14,802	\$ 16,584	\$ 237,333
Total Assets	<u>\$ 239,115</u>	<u>\$ 14,802</u>	<u>\$ 16,584</u>	<u>\$ 237,333</u>
LIABILITIES				
Due to Others	\$ 225,635	\$ 5,740	\$ 6,922	\$ 224,453
Due to Other Entities	13,480	6,501	7,101	12,880
Total Liabilities	<u>\$ 239,115</u>	<u>\$ 12,241</u>	<u>\$ 14,023</u>	<u>\$ 237,333</u>
<u>PAYROLL</u>				
ASSETS				
Cash and Cash Equivalents	\$ 1,104,252	\$ 183,564,208	\$ 183,668,552	\$ 999,908
Receivables (Net of Allowances for Uncollectibles):				
Accounts and Other	3,570	-	-	3,570
Total Assets	<u>\$ 1,107,822</u>	<u>\$ 183,564,208</u>	<u>\$ 183,668,552</u>	<u>\$ 1,003,478</u>
LIABILITIES				
Accounts Payable	\$ 1,107,162	\$ 24,531,466	\$ 24,636,239	\$ 1,002,389
Due to Other Entities	660	32,030,248	32,029,819	1,089
Total Liabilities	<u>\$ 1,107,822</u>	<u>\$ 56,561,714</u>	<u>\$ 56,666,058</u>	<u>\$ 1,003,478</u>
<u>ESCROW</u>				
ASSETS				
Cash and Cash Equivalents	\$ 846,140	\$ 3,260,718	\$ 3,186,636	\$ 920,222
Receivables (Net of Allowances for Uncollectibles):				
Accounts and Other	13,363	14,244	16,291	11,316
Total Assets	<u>\$ 859,503</u>	<u>\$ 3,274,962</u>	<u>\$ 3,202,927</u>	<u>\$ 931,538</u>
LIABILITIES				
Accounts Payable	\$ 7,297	\$ 93,434	\$ 93,724	\$ 7,007
Due to Others	15,004	1,622	3,257	13,369
Deposits Held	837,202	3,179,906	3,105,946	911,162
Deposits Held for Restricted Assets	-	-	-	-
Total Liabilities	<u>\$ 859,503</u>	<u>\$ 3,274,962</u>	<u>\$ 3,202,927</u>	<u>\$ 931,538</u>

GALVESTON COUNTY, TEXAS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
For the Year Ended September 30, 2018

	<u>Balance</u> <u>10/1/2017</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>9/30/2018</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	\$ 5,771,948	\$ 666,556,528	\$ 665,678,126	\$ 6,650,350
Total Assets	<u>\$ 5,771,948</u>	<u>\$ 666,556,528</u>	<u>\$ 665,678,126</u>	<u>\$ 6,650,350</u>
LIABILITIES				
Due to Other Entities	\$ 5,771,948	\$ 666,556,528	\$ 665,678,126	\$ 6,650,350
Total Liabilities	<u>\$ 5,771,948</u>	<u>\$ 666,556,528</u>	<u>\$ 665,678,126</u>	<u>\$ 6,650,350</u>
<u>COUNTY CLERK TRUST</u>				
ASSETS				
Cash and Cash Equivalents	\$ 5,281,980	\$ 71,529,146	\$ 65,895,824	\$ 10,915,302
Investments	2,129,250	347,791	569,060	1,907,981
Total Assets	<u>\$ 7,411,230</u>	<u>\$ 71,876,937</u>	<u>\$ 66,464,884</u>	<u>\$ 12,823,283</u>
LIABILITIES				
Due to Others	\$ 7,411,230	\$ 71,876,937	\$ 66,464,884	\$ 12,823,283
Total Liabilities	<u>\$ 7,411,230</u>	<u>\$ 71,876,937</u>	<u>\$ 66,464,884</u>	<u>\$ 12,823,283</u>
<u>DISTRICT CLERK TRUST</u>				
ASSETS				
Cash and Cash Equivalents	\$ 3,411,201	\$ 3,792,206	\$ 4,382,847	\$ 2,820,560
Investments	1,496,949	335,166	232,777	1,599,338
Total Assets	<u>\$ 4,908,150</u>	<u>\$ 4,127,372</u>	<u>\$ 4,615,624</u>	<u>\$ 4,419,898</u>
LIABILITIES				
Due to Others	\$ 4,908,150	\$ 4,127,372	\$ 4,615,624	\$ 4,419,898
Total Liabilities	<u>\$ 4,908,150</u>	<u>\$ 4,127,372</u>	<u>\$ 4,615,624</u>	<u>\$ 4,419,898</u>

GALVESTON COUNTY, TEXAS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
For the Year Ended September 30, 2018

	<u>Balance</u> <u>10/1/2017</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>9/30/2018</u>
<u>INMATE DEPOSITS</u>				
ASSETS				
Cash and Cash Equivalents	\$ 105,207	\$ 4,471,707	\$ 4,369,222	\$ 207,692
Total Assets	<u>\$ 105,207</u>	<u>\$ 4,471,707</u>	<u>\$ 4,369,222</u>	<u>\$ 207,692</u>
LIABILITIES				
Due to Others	\$ 105,207	\$ 4,471,707	\$ 4,369,222	\$ 207,692
Total Liabilities	<u>\$ 105,207</u>	<u>\$ 4,471,707</u>	<u>\$ 4,369,222</u>	<u>\$ 207,692</u>
<u>CHILDREN'S PROTECTIVE SERVICES - ESCROW</u>				
ASSETS				
Cash and Cash Equivalents	\$ 10,223	\$ -	\$ -	\$ 10,223
Total Assets	<u>\$ 10,223</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,223</u>
LIABILITIES				
Deposits Held	\$ 10,223	\$ -	\$ -	\$ 10,223
Total Liabilities	<u>\$ 10,223</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,223</u>
<u>DICKINSON BAYOU STEERING COMMITTEE</u>				
ASSETS				
Cash and Cash Equivalents	\$ 48,805	\$ 6,123	\$ 1,879	\$ 53,049
Total Assets	<u>\$ 48,805</u>	<u>\$ 6,123</u>	<u>\$ 1,879</u>	<u>\$ 53,049</u>
LIABILITIES				
Accounts Payable	\$ 286	\$ 1,592	\$ 1,878	\$ -
Due to Other Entities	48,519	6,122	1,592	53,049
Total Liabilities	<u>\$ 48,805</u>	<u>\$ 7,714</u>	<u>\$ 3,470</u>	<u>\$ 53,049</u>

GALVESTON COUNTY, TEXAS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
For the Year Ended September 30, 2018

	<u>Balance</u> <u>10/1/2017</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>9/30/2018</u>
<u>TOTALS - ALL AGENCY FUNDS</u>				
ASSETS				
Cash and Cash Equivalents	\$ 17,114,641	\$ 933,376,556	\$ 927,310,098	\$ 23,181,099
Investments	3,626,199	682,957	801,837	3,507,319
Receivables (Net of Allowances for Uncollectibles):				
Accounts and Other	<u>16,933</u>	<u>14,244</u>	<u>16,291</u>	<u>14,886</u>
Total Assets	<u>\$ 20,757,773</u>	<u>\$ 934,073,757</u>	<u>\$ 928,128,226</u>	<u>\$ 26,703,304</u>
LIABILITIES				
Accounts Payable	\$ 1,114,745	\$ 24,626,492	\$ 24,731,841	\$ 1,009,396
Due to Others	12,960,996	80,680,742	75,586,583	18,055,155
Due to Other Entities	5,834,607	698,599,399	697,716,638	6,717,368
Deposits Held	<u>847,425</u>	<u>3,179,906</u>	<u>3,105,946</u>	<u>921,385</u>
Total Liabilities	<u>\$ 20,757,773</u>	<u>\$ 807,086,539</u>	<u>\$ 801,141,008</u>	<u>\$ 26,703,304</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 say about the county's overall financial health.

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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)

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Net Position - Governmental Activities										
Net Investment In Capital Assets	\$ 154,623	\$ 137,224	\$ 130,815	\$ 125,612	\$ 127,529	\$ 131,464	\$ 107,571	\$ 102,410	\$ 97,415	\$ 62,797
Restricted for:										
Grants	3,015	5,601	5,069	6,284	7,291	8,472	2,557	787	329	1,832
Debt Service	6,801	5,810	10,198	11,614	10,958	9,625	9,473	9,921	7,864	15,645
Other Projects	3,349	793	3,327	-	1	7,194	162	260	-	-
Statute - Regulation	16,442	17,157	13,311	-	-	-	-	-	-	-
Capital Projects	44,583	14,596	16,388	-	-	-	2,020	2,915	1,709	2,346
Unrestricted	<u>(266,009)</u>	<u>(105,364)</u>	<u>(110,563)</u>	<u>(91,795)</u>	<u>(96,376)</u>	<u>(102,707)</u>	<u>(58,349)</u>	<u>(39,371)</u>	<u>(8,592)</u>	<u>45,726</u>
Total Net Position-Governmental Activities (1)	<u>\$ (37,194)</u>	<u>\$ 75,817</u>	<u>\$ 68,546</u>	<u>\$ 51,715</u>	<u>\$ 49,403</u>	<u>\$ 54,047</u>	<u>\$ 63,434</u>	<u>\$ 76,922</u>	<u>\$ 98,725</u>	<u>\$ 128,346</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)

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Expenses										
Governmental Activities:										
General Government	\$ 74,555	\$ 74,200	\$ 73,577	\$ 95,141	\$ 104,795	\$ 63,158	\$ 96,351	\$ 100,079	\$ 63,394	\$ 59,080
Public Safety	76,056	77,594	68,332	69,979	68,035	59,173	66,696	106,660	122,790	134,746
Health and Social Services	17,038	17,025	15,875	15,418	17,368	20,173	19,154	17,038	18,757	17,455
Culture and Recreation	6,813	6,306	5,344	5,072	5,719	5,861	6,674	6,181	6,522	6,265
Conservation	719	732	429	585	604	614	535	492	546	535
Roads, Bridges and Rights-of-Way	9,318	8,014	15,645	8,223	9,309	25,108	47,984	87,814	40,488	24,297
Interest on Long-term Debt	8,947	13,482	15,060	14,311	14,978	16,047	16,238	17,997	18,345	11,662
Total Governmental Activities Expenses (2)	193,447	197,353	194,261	208,728	220,806	190,135	253,631	336,261	270,842	254,040
Program Revenues										
Governmental Activities:										
Charges for Services:										
General Government	14,819	12,946	14,393	14,400	14,001	13,793	14,808	14,121	16,864	16,452
Public Safety	9,229	3,701	2,174	2,244	1,943	1,854	2,002	1,884	1,636	1,576
Health and Social Services	1	32	7	11	-	-	-	-	-	5
Culture and Recreation	1,053	920	841	651	563	617	484	476	419	321
Roads, Bridges and Rights-of-Way	637	604	594	585	551	556	591	553	587	421
Operating Grants and Contributions	29,892	42,412	57,227	69,968	75,184	35,776	95,036	171,373	100,735	89,943
Capital Grants and Contributions	-	-	-	-	-	-	-	203	73	734
Total Governmental Activities Program Revenues (2)	55,631	60,615	75,236	87,859	92,242	52,596	112,921	188,610	120,314	109,452
Net (Expense) Revenue-Governmental Activities	(137,815)	(136,738)	(119,025)	(120,869)	(128,565)	(137,539)	(140,710)	(147,651)	(150,528)	(144,588)
Total Primary Government Net Expense	\$ (137,815)	\$ (136,738)	\$ (119,025)	\$ (120,869)	\$ (128,565)	\$ (137,539)	\$ (140,710)	\$ (147,651)	\$ (150,528)	\$ (144,588)

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

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes	148,073	141,341	133,944	128,533	123,794	123,648	121,549	119,397	116,653	110,253
Payments in Lieu of Taxes	1,101	846	744	939	2,163	2,076	1,994	2,101	1,764	1,337
Unrestricted Grants and Contributions	-	-	-	-	-	-	86	-	-	-
Unrestricted Investment Earnings	2,290	842	796	967	1,085	1,088	1,022	2,009	2,426	4,152
Gain on Sale of Capital Assets	100	109	6	59	6	90	486	-	-	-
Miscellaneous	338	775	366	154	103	284	332	424	62	101
Extraordinary Item - TWIA Case Settlement (1)	-	-	-	-	-	-	2,369	-	-	-
Total Governmental Activities (2)	<u>151,902</u>	<u>143,913</u>	<u>135,856</u>	<u>130,653</u>	<u>127,151</u>	<u>127,185</u>	<u>127,838</u>	<u>123,931</u>	<u>120,905</u>	<u>115,843</u>
Change in Net Position-Governmental Activities (2)	<u>\$ 14,087</u>	<u>\$ 7,175</u>	<u>\$ 16,831</u>	<u>\$ 9,784</u>	<u>\$ (1,414)</u>	<u>\$ (10,354)</u>	<u>\$ (12,872)</u>	<u>\$ (23,720)</u>	<u>\$ (29,623)</u>	<u>\$ (28,745)</u>

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

(2) 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
2018	\$ 124,326	\$ 23,747	\$ 148,073
2017	120,285	21,056	141,341
2016	110,591	23,353	133,944
2015	103,736	24,797	128,533
2014	98,702	25,092	123,794
2013	98,384	25,264	123,648
2012	94,931	26,618	121,549
2011	91,863	27,534	119,397
2010	100,219	16,434	116,653
2009	95,032	15,221	110,253

GALVESTON COUNTY, TEXAS
TABLE 1.4 - FUND BALANCES OF GOVERNMENTAL FUNDS (1)
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)
(amounts expressed in thousands)

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
<i>General Fund</i>										
Non-spendable										
Prepaid Items	\$ 6	\$ 8	\$ 88	\$ -	\$ 1	\$ -	\$ -	\$ 267	\$ -	\$ -
Assigned										
Beach and Parks	12	12	12	12	-	-	-	-	-	-
Self-insurance	1,500	1,500	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	1,000	1,000	-	-
Disaster Protection	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	-	-
Indigent Defense	-	-	-	-	-	-	-	951	-	-
Adopted Budget Utilization of Fund										
Balance	25,475	24,750	24,835	29,149	19,986	17,667	-	-	-	-
Unassigned	61,575	51,622	38,733	25,583	16,599	23,169	38,191	26,645	-	-
Reserved	-	-	-	-	-	-	-	-	289	629
Unreserved	-	-	-	-	-	-	-	-	30,092	29,232
Total General Fund (2)	\$ 92,068	\$ 81,392	\$ 68,668	\$ 59,744	\$ 41,586	\$ 45,836	\$ 43,191	\$ 32,863	\$ 30,381	\$ 29,861
<i>All Other Governmental Funds</i>										
Non-spendable										
Inventory	\$ 916	\$ 843	\$ 673	\$ 885	\$ 740	\$ 802	\$ 587	\$ 791	\$ -	\$ -
Prepaid Items	-	-	-	-	-	6	-	4	-	-
Restricted										
General Government	7,892	6,739	7,450	9,112	32,192	5,195	4,467	4,325	-	-
Public Safety	6,269	7,774	6,721	5,934	17,717	12,069	9,911	10,382	-	-
Health and Social Services	297	291	443	301	5,314	8,442	8,736	11,668	-	-
Culture and Recreation	4,000	4,048	3,480	2,369	919	1,826	1,425	1,089	-	-
Roads, Bridges and Rights-of-Way	35,972	20,787	3,234	3,372	2,009	4,741	4,269	4,822	-	-
Debt Service	8,151	7,178	11,574	11,827	12,222	10,626	10,342	11,042	-	-
County Building Projects	31,889	831	19,778	28,000	4,095	35,177	49,233	86,822	-	-
Assigned										
Other Construction Projects	4,020	5,957	5,764	5,287	2,468	1,970	7,737	3,175	-	-
Unassigned	(89)	-	-	-	-	-	(354)	-	-	-
Reserved	-	-	-	-	-	-	-	-	48,020	25,697
Unreserved, reported in:										
Special Revenue Funds	-	-	-	-	-	-	-	-	37,979	29,075
Capital Projects Funds	-	-	-	-	-	-	-	-	99,688	161,394
Total All Other Governmental Funds (2)	\$ 99,317	\$ 54,448	\$ 59,117	\$ 67,088	\$ 77,676	\$ 80,854	\$ 96,353	\$ 134,120	\$ 185,687	\$ 216,166

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

(2) 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)

REVENUES	2018	2017	2016	2015	2014
Taxes	\$ 147,646	\$ 141,092	\$ 133,954	\$ 128,927	\$ 123,944
Licenses and Permits	3,052	2,741	2,869	2,659	2,740
Intergovernmental (1)	28,904	40,687	54,616	68,491	73,863
Charges for Services	10,951	10,797	11,378	11,142	10,033
Fines and Forfeitures	1,626	1,997	2,152	2,433	3,024
Investment Earnings	2,202	813	797	973	1,131
Miscellaneous	10,246	4,837	4,784	3,944	5,559
Total Revenues (3)	<u>204,629</u>	<u>202,962</u>	<u>210,550</u>	<u>218,569</u>	<u>220,292</u>
EXPENDITURES					
General Government	67,719	60,385	68,720	90,906	98,709
Public Safety	60,616	61,972	59,802	55,547	53,964
Sanitation	-	-	-	-	-
Health and Social Services	15,759	15,724	14,916	14,408	16,257
Culture and Recreation	3,315	3,142	2,901	2,656	2,811
Conservation	556	530	486	470	455
Roads, Bridges and Rights-of-Way	6,692	5,148	13,086	5,857	6,146
Debt Service:					
Principal	17,532	17,767	20,960	20,075	24,300
Interest and Fiscal Charges	12,529	14,088	10,806	11,667	13,086
Bond Issuance Costs	944	524	-	-	-
Capital Outlay	10,665	15,667	17,881	7,501	12,234
Total Expenditures (3)	<u>196,327</u>	<u>194,947</u>	<u>209,559</u>	<u>209,087</u>	<u>227,962</u>
Excess (Deficiency) of Revenues over (under) Expenditures (3)	<u>8,302</u>	<u>8,015</u>	<u>991</u>	<u>9,481</u>	<u>(7,670)</u>
OTHER FINANCING SOURCES (USES)					
Transfers In	51,066	3,770	2,560	7,171	11,312
Transfers Out	(51,920)	(4,709)	(2,714)	(7,171)	(11,312)
Sale of Capital Assets	132	266	117	183	85
Insurance Recovery Proceeds (2)	-	-	-	-	-
Face Value - Long Term Debt Issued	102,105	62,835	-	-	-
Premium - Long Term Debt Issued	10,594	9,812	-	-	-
Discount - Long Term Debt Issued	-	-	-	-	-
Refunded Bonds - Escrow Agent Payments	(64,743)	(72,020)	-	-	-
Total Other Financing Sources (Uses) (3)	<u>47,234</u>	<u>(47)</u>	<u>(38)</u>	<u>183</u>	<u>85</u>
Extraordinary Item - Texas Windstorm Case Settlement	-	-	-	-	-
Net Change in Fund Balances (3)	<u>\$ 55,535</u>	<u>\$ 7,968</u>	<u>\$ 953</u>	<u>\$ 9,664</u>	<u>\$ (7,585)</u>
Debt Service as a Percentage of Noncapital Expenditures	16.7%	18.1%	16.6%	15.7%	17.3%

(1) The increases in intergovernmental revenues in fiscal years 2009-2011 were due to receipts 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)

2013	2012	2011	2010	2009
\$ 124,352	\$ 121,711	\$ 119,442	\$ 118,121	\$ 113,260
2,606	2,575	2,372	2,426	2,504
34,666	93,437	168,880	99,644	90,604
9,820	10,504	9,756	10,231	9,027
2,893	2,911	3,034	3,327	3,365
1,218	1,118	2,136	2,526	4,624
6,316	4,883	6,067	6,995	5,289
<u>181,871</u>	<u>237,139</u>	<u>311,687</u>	<u>243,270</u>	<u>228,675</u>
53,170	91,382	96,145	60,315	52,430
48,776	48,731	95,316	108,755	123,765
-	-	2	98	7
18,852	17,823	16,004	17,341	16,093
2,759	2,381	2,940	3,174	2,988
472	432	450	454	437
22,311	51,635	84,543	37,972	21,308
20,830	16,960	15,620	10,410	9,685
13,258	14,496	14,820	14,202	8,982
-	669	-	-	2,014
11,744	22,807	34,196	17,438	7,925
<u>192,172</u>	<u>267,316</u>	<u>360,036</u>	<u>270,159</u>	<u>245,634</u>
<u>(10,301)</u>	<u>(30,177)</u>	<u>(48,349)</u>	<u>(26,889)</u>	<u>(16,960)</u>
19,744	6,655	21,698	21,912	31,934
(23,104)	(9,876)	(24,447)	(25,129)	(35,447)
218	3,555	125	146	86
-	-	-	-	231
-	52,650	-	-	140,000
-	-	-	-	76
-	6,495	-	-	-
-	(58,451)	-	-	-
<u>(3,142)</u>	<u>1,028</u>	<u>(2,624)</u>	<u>(3,071)</u>	<u>136,879</u>
-	2,369	696	-	-
<u>\$ (13,443)</u>	<u>\$ (26,780)</u>	<u>\$ (50,277)</u>	<u>\$ (29,960)</u>	<u>\$ 119,919</u>
18.9%	13.1%	9.3%	9.7%	8.7%

Revenue Capacity

GALVESTON COUNTY, TEXAS
TABLE 2.1 - ESTIMATED MARKET VALUE AND ASSESSED TAXABLE VALUE OF PROPERTY (1)
LAST TEN FISCAL YEARS
(amounts expressed in thousands)

Fiscal Year	Real Property			Personal Property	Utilities Pipelines, and Boats	Total	Tax Rate (2)
	Residential Property	Commercial and Industrial Property	Other Property				
2017-18	\$ 26,031,016	\$ 4,702,538	\$ 484,333	\$ 2,045,337	\$ 754,142	\$ 34,017,366	\$ 0.5519
2016-17	23,397,810	4,873,131	464,472	1,973,315	691,739	31,400,467	0.5520
2015-16	21,478,627	4,953,958	487,918	2,333,462	645,749	29,899,714	0.5670
2014-15	18,686,405	5,038,663	333,560	2,641,770	597,311	27,297,709	0.5848
2013-14	17,776,170	5,041,174	310,272	2,712,504	559,233	26,399,353	0.5898
2012-13	17,329,409	5,419,783	317,224	2,508,533	528,636	26,103,585	0.6088
2011-12	16,713,893	5,329,897	324,910	2,361,728	514,614	25,245,042	0.6218
2010-11	16,376,920	5,173,385	325,967	2,277,406	484,879	24,638,557	0.6288
2009-10	15,372,187	5,706,544	337,362	1,957,107	485,787	23,858,987	0.6300
2008-09	16,268,734	5,671,747	487,060	2,483,647	493,932	25,405,120	0.5700

(1) Source: Galveston Central Appraisal District.
(2) Tax rates are reported in dollars per \$100 value.

GALVESTON COUNTY, TEXAS
TABLE 2.2 - PROPERTY TAX RATES
DIRECT AND ALL OVERLAPPING GOVERNMENTS (1)(2)
LAST TEN FISCAL YEARS

Taxing Jurisdiction	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Galveston County Direct Rates										
Maintenance & Operations	\$ 0.459075	\$ 0.464209	\$ 0.464731	\$ 0.469178	\$ 0.466788	\$ 0.479419	\$ 0.480819	\$ 0.479336	\$ 0.532964	\$ 0.482075
Debt Service	0.061023	0.057963	0.068392	0.077775	0.084678	0.085536	0.092421	0.099218	0.069576	0.068202
Special Road Levy	0.026049	0.024076	0.028124	0.031891	0.032234	0.034960	0.039705	0.041196	0.016060	0.008323
Farm to Market Lateral Road/Flood	<u>0.005753</u>	<u>0.005753</u>	<u>0.005757</u>	<u>0.005956</u>	<u>0.006100</u>	<u>0.008855</u>	<u>0.008855</u>	<u>0.009000</u>	<u>0.011400</u>	<u>0.011400</u>
Total Direct Rate	\$ 0.551900	\$ 0.552000	\$ 0.567004	\$ 0.584800	\$ 0.589800	\$ 0.608770	\$ 0.621800	\$ 0.628750	\$ 0.630000	\$ 0.570000
Cities										
Galveston	0.561000	0.526000	0.529000	0.533890	0.554000	0.554001	0.554001	0.554000	0.554000	0.494000
Friendswood	0.527349	0.546000	0.568700	0.519400	0.519400	0.597000	0.590200	0.585100	0.579700	0.579700
Hitchcock	0.500000	0.413202	0.413202	0.413202	0.413202	0.396105	0.396491	0.472295	0.473230	0.473230
Jamaica Beach	0.193754	0.198590	0.225678	0.266334	0.264380	0.281307	0.287100	0.289500	0.322800	0.251100
La Marque	0.490764	0.490764	0.490764	0.490764	0.514360	0.514360	0.514360	0.514360	0.514360	0.514360
League City	0.565000	0.570000	0.573500	0.597000	0.597000	0.597000	0.610000	0.616000	0.630000	0.630000
Texas City	0.577179	0.497183	0.449210	0.438000	0.453000	0.425000	0.425000	0.425000	0.425000	0.425000
Tiki Island	0.319150	0.333170	0.282210	0.295986	0.293966	0.278301	0.238174	0.213783	0.204667	0.166307
Bayou Vista	0.385000	0.385000	0.355000	0.355000	0.366683	0.374455	0.376833	0.379495	0.417222	0.352400
Clear Lake Shores	-	-	-	-	-	-	-	-	-	-
Dickinson	0.408610	0.408610	0.408610	0.408610	0.408610	0.408600	0.408610	0.408600	0.408600	0.408600
Kemah	0.193000	0.219214	0.254011	0.265545	0.246488	0.249999	0.250000	0.250000	0.280293	0.265247
Santa Fe	0.326200	0.326200	0.345000	0.358900	0.370200	0.314700	0.311400	0.311400	0.311400	0.311400
School and Junior College Districts										
Galveston	1.155000	1.155000	1.155000	1.155000	1.116500	1.165000	1.165000	1.165000	1.165000	1.165000
Friendswood	1.367000	1.387000	1.367000	1.367000	1.367000	1.367000	1.367000	1.367000	1.367000	1.367000
Hitchcock	1.520000	1.540000	1.540000	1.540000	1.540000	1.540000	1.540000	1.500000	1.440050	1.410050
La Marque (3)	-	-	1.220000	1.220000	1.220000	1.220000	1.240000	1.240000	1.240000	1.240000
Texas City	1.434900	1.440500	1.429800	1.262600	1.290900	1.269200	1.295300	1.288600	1.216000	1.184931
Clear Creek	1.400000	1.400000	1.400000	1.400000	1.400000	1.360000	1.360000	1.360000	1.360000	1.360000
Dickinson	1.520000	1.540000	1.540000	1.540000	1.540000	1.540000	1.540000	1.540000	1.504000	1.500000
High Island	1.270000	1.320000	1.270000	1.320000	1.370000	1.420000	1.470000	1.490000	1.600000	1.305690
Santa Fe	1.402300	1.402300	1.416700	1.435800	1.449000	1.453900	1.495000	1.419200	1.330200	1.160000
College of the Mainland	0.216791	0.208376	0.202307	0.205085	0.221210	0.225970	0.232020	0.233890	0.221640	0.221640
Galveston College	0.166188	0.170250	0.178750	0.187000	0.187000	0.189420	0.189450	0.189475	0.190000	0.170000

GALVESTON COUNTY, TEXAS
TABLE 2.2 - PROPERTY TAX RATES
DIRECT AND ALL OVERLAPPING GOVERNMENTS (1)(2)
LAST TEN FISCAL YEARS

(Continued)

Taxing Jurisdiction	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<u>Special Districts</u>										
Bacliff MUD	0.331174	0.376890	0.401964	0.433583	0.305545	0.292358	0.290974	0.291058	0.318548	0.295422
Bayview MUD	0.150000	0.150000	0.234700	0.230600	0.227600	0.232600	0.233400	0.238100	0.238100	0.236800
South Shore MUD #2	Dissolved	0.170000	0.220000	0.240000						
South Shore MUD #3	Dissolved	-	0.160000	0.160000						
South Shore MUD #6	Dissolved	Dissolved	Dissolved	0.120000	0.215000	0.290000	0.290000	0.290000	0.290000	0.290000
South Shore Harbour MUD#7	0.390000	0.450000	0.490000	0.530000	0.530000	0.550000	0.600000	0.650000	0.700000	0.750000
Tara Glen MUD	0.550000	0.560000	0.570000	0.630000	0.660000	0.660000	0.670000	0.670000	0.670000	0.670000
Flamingo Isles MUD	0.570000	0.580000	0.580000	0.600000	0.587500	0.587500	0.587500	0.587500	0.500000	0.500000
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	0.215791	0.222002	0.235237	0.252000	0.231680	0.225000	0.228742	0.236324	0.225403	0.223105
Galveston County Consolidated Drainage Dist.	0.108000	0.112000	0.115000	0.135000	0.140000	0.140000	0.140000	0.142500	0.142500	0.142500
Galveston County EMS District #1	0.082000	0.084000	0.850000	0.857000	0.857000	0.857000	0.863000	0.863000	0.863000	0.085000
Galveston County EMS District #2	0.084000	0.078877	0.085000	0.095000	0.063021	-	-	-	-	-
Galveston County Management District #1	0.900000	Pending	0.800000	Pending	0.800000	0.800000	0.800000	0.800000	0.800000	0.800000
Galveston County MUD #2	Dissolved	Dissolved	Dissolved	Dissolved	0.300000	0.270000	0.260000	0.240000	0.240000	0.240000
Galveston County MUD #3	Dissolved	Dissolved	Dissolved	0.030000	0.120000	0.120000	0.120000	0.120000	0.120000	0.130000
Galveston County MUD #6	0.420000	0.460000	0.460000	0.470000	0.439000	0.439000	0.422000	0.400000	0.400000	0.440000
Galveston County MUD #12	0.239511	0.246319	0.244265	0.283626	0.283626	0.270643	0.260488	0.243826	0.259575	0.259575
Galveston County MUD #13	Dissolved	0.295000	0.360000	0.460000	0.500000	0.540000	0.540000	0.550000	0.560000	0.585000
Galveston County MUD #14	0.690000	0.690000	0.710000	0.740000	0.740000	0.780000	0.860000	0.860000	0.870000	0.870000
Galveston County MUD #15	0.570000	0.580000	0.660000	0.720000	0.760000	0.780000	0.790000	0.790000	0.790000	0.795000
Galveston County MUD #29	Dissolved	Dissolved	Dissolved	Dissolved	Dissolved	-	0.180000	0.188500	0.188500	0.170000
Galveston County MUD #30	0.250000	0.270000	0.330000	0.350000	0.350000	0.350000	0.350000	0.350000	0.350000	0.350000
Galveston County MUD #31	0.920000	0.920000	0.940000	0.990000	1.000000	1.040000	1.090000	1.090000	1.090000	1.090000
Galveston County MUD #32	0.750000	0.750000	0.750000	0.750000	Pending	0.750000	0.750000	0.750000	0.750000	0.750000
Galveston County MUD #39	0.620000	0.680000	0.800000	0.880000	0.880000	0.880000	0.900000	0.900000	0.900000	0.900000

GALVESTON COUNTY, TEXAS
TABLE 2.2 - PROPERTY TAX RATES
DIRECT AND ALL OVERLAPPING GOVERNMENTS (1)(2)
LAST TEN FISCAL YEARS

Taxing Jurisdiction	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Special Districts (Continued)										
Galveston County MUD #43	0.770000	0.960000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000
Galveston County MUD #44	0.800000	0.800000	0.800000	0.800000	0.800000	0.800000	0.800000	0.800000	0.800000	0.800000
Galveston County MUD #45	0.950000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000
Galveston County MUD #46	0.930000	0.970000	0.980000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	-
Galveston County MUD #52	1.500000	1.500000	1.500000	Pending	1.500000	-	-	-	-	-
Galveston County MUD #54	0.540000	0.540000	0.540000	0.540000	0.540000	0.540000	1.000000	1.000000	-	-
Galveston County MUD #56	1.000000	1.000000	1.000000	Pending	-	-	-	-	-	-
Galveston County MUD #66	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	-	-
Galveston County MUD #68	0.915000	0.915000	0.950000	0.950000	0.950000	0.950000	0.900000	0.900000	0.850000	-
Galveston County Navigation District #1	0.040474	0.041673	0.452920	0.466180	0.466180	0.046618	0.046618	0.048809	0.047970	-
West Ranch Management District #1	0.500000	0.550000	0.650000	0.650000	0.650000	0.650000	0.650000	0.650000	0.650000	0.650000
Westwood Management District	1.000000	1.000000	1.000000	1.000000	-	-	-	-	-	-
Water Control Improvement Dist. #1	0.124608	0.168300	0.200500	0.201673	0.205402	0.206977	0.210377	0.213687	0.218190	-
Water Control Improvement Dist. #8	0.270000	0.248500	0.263800	0.280000	0.293700	0.295200	0.295600	0.300000	0.250700	-
Water Control Improvement Dist. #12	0.260000	0.260000	0.280000	0.300000	0.300000	0.300000	0.300000	0.300000	0.300000	-
Water Control Improvement Dist. #19	0.479576	0.489378	0.489378	0.489378	0.483978	0.483978	0.483978	0.456468	0.461816	-
San Leon MUD	0.450000	0.450000	0.450000	0.450000	0.450000	0.450000	0.450000	0.450000	0.450000	0.450000
Drainage District #1	0.089000	0.100000	0.110000	0.115000	0.120000	0.120000	0.115000	0.115000	0.124933	0.119684
Drainage District #2	0.056400	0.063021	0.063021	0.063021	0.063021	0.063021	0.063021	0.063021	0.063021	0.063021

(1) Source: Galveston Central Appraisal District

(2) Tax rates are reported in dollars per \$100 of value.

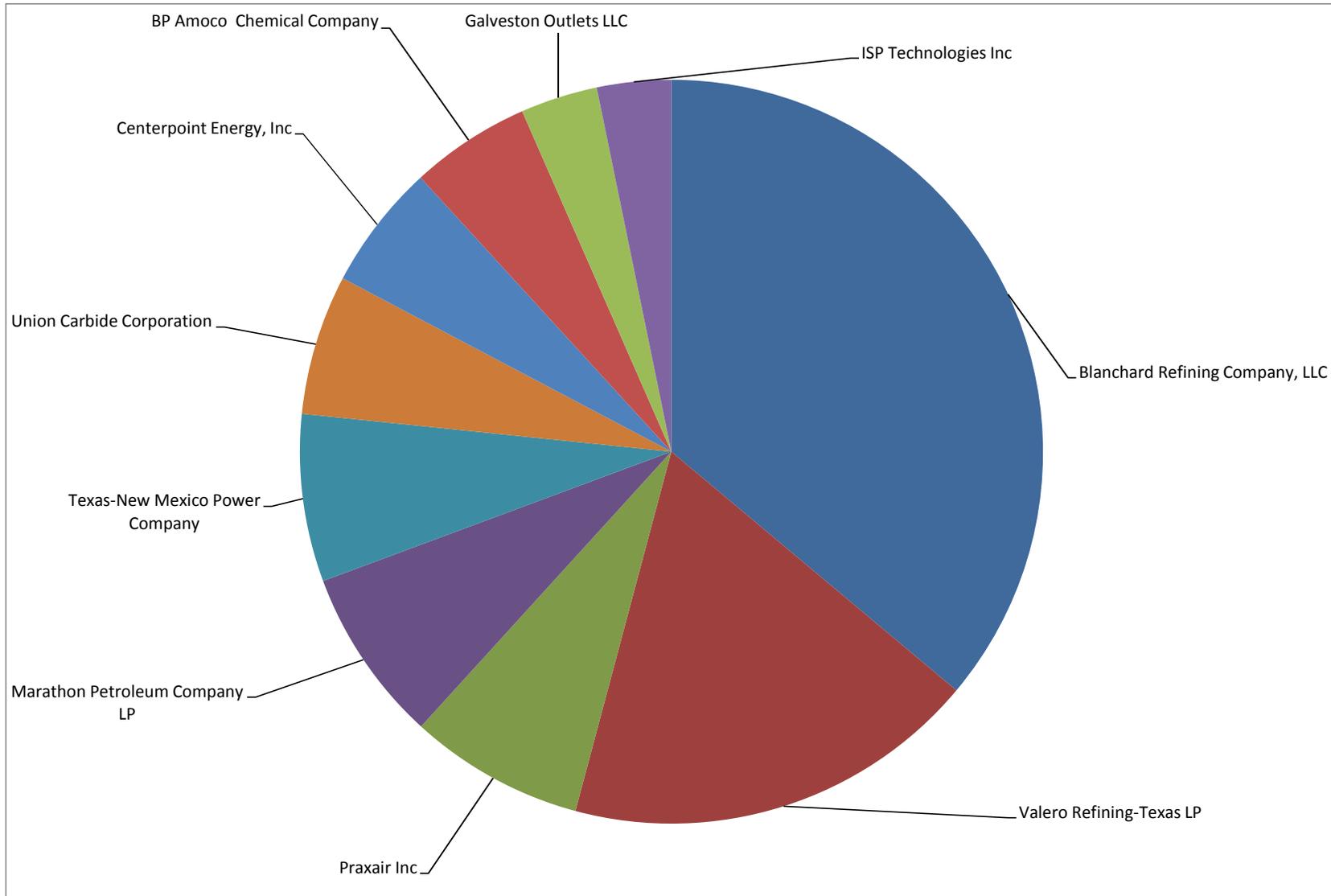
(3) Effective July 1, 2016, La Marque ISD was consolidated under Texas City ISD.

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

Taxpayer	2018			2009		
	Taxable Assessed Value	Rank	% of Total Taxable Assessed Value	Taxable Assessed Value	Rank	% of Total Taxable Assessed Value
Blanchard Refining Company, LLC	\$ 889,743	1	2.62%			
Valero Refining-Texas LP	445,689	2	1.31%	\$ 738,891	2	2.91%
Praxair Inc	187,461	3	0.55%	197,697	4	0.78%
Marathon Petroleum Company LP	186,953	4	0.55%	165,911	5	0.65%
Texas-New Mexico Power Company	179,592	5	0.53%	84,991	10	0.33%
Union Carbide Corporation	150,118	6	0.44%	346,686	3	1.36%
Centerpoint Energy, Inc	135,040	7	0.40%	93,843	8	0.37%
BP Amoco Chemical Company	128,810	8	0.38%	155,127	6	0.61%
Galveston Outlets LLC	82,507	9	0.24%			
ISP Technologies Inc	79,706	10	0.23%			
BP Products (NA) Inc.				1,789,680	1	7.04%
South Houston Green Power, LP				125,200	7	0.49%
Sterling Chemicals				88,038	9	0.35%
Totals	<u>\$ 2,465,619</u>		<u>7.25%</u>	<u>\$ 3,786,064</u>		<u>14.90%</u>

(1) Source: Galveston Central Appraisal District Top Taxpayer Report
Report shows only top ten (10) taxpayers for tax year 2017. Total assessed value = \$34,017,366

Taxable Assessed Value



GALVESTON COUNTY, TEXAS
TABLE 2.4 - PROPERTY TAX LEVIES AND COLLECTIONS (1)
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	
		Amount (2)	Percentage of Levy		Amount (3)	Percentage of Levy
2018	\$ 148,797	\$ 146,867	98.70%	\$ -	\$ 146,867	98.70%
2017	141,381	138,501	97.96%	973	139,474	98.64%
2016	135,984	134,108	98.62%	1,086	135,194	99.42%
2015	131,139	129,171	98.50%	1,447	130,618	99.60%
2014	125,555	123,805	98.61%	1,367	125,172	99.70%
2013	126,432	124,528	98.49%	1,558	126,086	99.73%
2012	122,993	121,996	99.19%	706	122,702	99.76%
2011	122,135	119,744	98.04%	2,095	121,840	99.76%
2010	121,011	118,563	97.98%	2,165	120,728	99.77%
2009	117,317	114,712	97.78%	2,337	117,049	99.77%

(1) Source: Galveston County Tax Assessor-Collector

(2) Collected from October 1 through September 30.

(3) Collection amounts include overpayments which may be, or have been, refunded to taxpayers.

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			
2017-18	\$ 283,313	\$ -	\$ -	\$ 283,313	25.82%	\$ 846
2016-17	254,353	-	-	254,353	24.45%	772
2015-16	270,900	-	-	270,900	27.09%	841
2014-15	287,665	-	-	287,665	29.60%	916
2013-14	307,441	-	-	307,441	34.14%	997
2012-13	317,319	5,000	-	322,319	34.82%	1,073
2011-12	319,793	5,000	-	324,793	36.69%	1,098
2010-11	338,288	5,000	-	343,288	40.06%	1,173
2009-10	353,908	5,000	-	358,908	44.37%	1,232
2008-09	364,318	5,000	-	369,318	45.22%	1,280

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
(amounts expressed in thousands, except per capita amount)

Fiscal Year	Population (1)	Assessed Value	Gross Original-Issue Bonded Debt (2)	Gross Refunding Bonded Debt (2)	Total Gross Bonded Debt	Accumulated Accretion	Net Issuance Premiums/ (Discounts)	Less: Net Position Restricted for Debt Service	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
2017-18	335,036	\$ 34,017,366	\$ 96,284	\$ 139,390	\$ 235,674	\$ 28,567	\$ 19,072	\$ 6,801	\$ 228,873	0.67	\$ 683
2016-17	329,431	31,400,467	118,821	92,855	211,676	29,993	12,684	5,810	205,866	0.66	625
2015-16	322,225	29,899,714	126,307	112,321	238,628	30,981	1,291	10,198	228,430	0.76	709
2014-15	314,198	27,297,709	132,199	127,389	259,588	28,077	1,773	11,614	247,974	0.91	789
2013-14	308,448	26,399,353	138,311	141,352	279,663	25,328	2,450	10,958	268,705	1.02	871
2012-13	300,484	26,103,585	145,318	153,645	298,963	22,725	3,154	9,625	289,338	1.11	963
2011-12	295,747	25,245,042	-	-	319,793	20,262	3,859	9,473	310,320	1.23	1,049
2010-11	292,607	24,638,557	-	-	338,288	18,604	(2,661)	9,921	328,367	1.33	1,122
2009-10	291,309	23,858,987	-	-	353,908	16,272	(2,584)	7,864	346,044	1.45	1,188
2008-09	288,489	25,405,120	-	-	364,318	14,069	(2,483)	15,645	348,673	1.37	1,209

(1) Source: U.S. Census Bureau

(2) Amounts not readily available for fiscal years prior to 2013.



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GALVESTON COUNTY, TEXAS
TABLE 3.3 - COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT (1)(2)
GENERAL OBLIGATION BONDS
September 30, 2018
(amounts expressed in thousands)

(Continued)

<u>Governmental Unit</u>	<u>General Obligation Bonded Debt Outstanding</u>	<u>Percentage Applicable to Government</u>	<u>Amount Applicable to Government</u>
<u>Galveston County</u>	\$ 283,313	100%	\$ 283,313
Total Direct Debt	<u>283,313</u>		<u>283,313</u>
<u>Cities</u>			
Dickinson	7,715	100%	7,715
Bayou Vista	89	100%	89
Friendswood	34,736	80.89%	28,098
Galveston	30,807	100%	30,807
La Marque	8,861	100%	8,861
League City	92,074	98.01%	90,241
Texas City	30,410	100%	30,410
Tiki Island	2,190	100%	2,190
Santa Fe	2,870	100%	2,870
Total Cities	<u>209,752</u>		<u>201,282</u>
<u>School Districts</u>			
Dickinson	312,298	100%	312,298
Friendswood	91,510	99.17%	90,750
Galveston	42,350	100%	42,350
High Island	645	100%	645
Hitchcock	32,265	100%	32,265
Santa Fe	83,519	100%	83,519
Texas City	110,196	100%	110,196
Total School Districts	<u>672,783</u>		<u>672,023</u>
<u>County-Line School Districts</u>			
Clear Creek	<u>942,950</u>	33.34%	<u>314,380</u>
<u>Other</u>			
Bacliff MUD	12,356	100%	12,356
Bay Colony West MUD	16,300	100%	16,300
Flamingo Isle MUD	3,513	100%	3,513
Galveston County FWSD #6	5,779	100%	5,779
Galveston County MUD #6	7,050	100%	7,050
Galveston County MUD #12	365	100%	365
Galveston County MUD #14	9,442	100%	9,442
Galveston County MUD #15	6,245	100%	6,245
Galveston County MUD #30	4,156	100%	4,156
Galveston County MUD #31	2,326	100%	2,326
Galveston County MUD #32	4,849	100%	4,849
Galveston County MUD #39	23,068	100%	23,068
Galveston County MUD #43	29,464	100%	29,464
Galveston County MUD #44	13,061	100%	13,061
Galveston County MUD #45	20,728	100%	20,728
Galveston County MUD #46	38,871	100%	38,871
Galveston County MUD #54	13,680	100%	13,680
Galveston County MUD #56	4,800	100%	4,800

GALVESTON COUNTY, TEXAS
TABLE 3.3 - COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT (1)(2)
GENERAL OBLIGATION BONDS
September 30, 2018
(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 #66	3,691	100%	3,691
Galveston County MUD #68	3,151	100%	3,151
College of the Mainland	15,130	100%	15,130
San Leon MUD	10,358	100%	10,358
Galveston WCID #1	1,042	100%	1,042
Galveston WCID #8	5,994	100%	5,994
Galveston WCID #12	15,392	100%	15,392
South Shore Harbor MUD #7	15,300	100%	15,300
Tara Glen MUD	790	100%	790
West Ranch Management Dist	23,090	100%	23,090
Total Others	<u>309,991</u>		<u>309,991</u>
Total Overlapping Debt	<u>\$ 2,135,476</u>		<u>\$ 1,497,674</u>
Total Direct and Overlapping Debt	<u>\$ 2,418,789</u>		<u>\$ 1,780,987</u>
Ratio of Direct and Overlapping Debt to 2018 Gross Taxable Assessed Valuation			5.24%
Per Capita Direct and Overlapping Debt (2018 estimated population = 335,036) (3)			5,316
Gross Taxable Assessed Valuation			\$ 34,017,366

(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 April 20,2018; 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) 2018 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)

(Continued)

Bonds Issued Under Texas General Laws

Assessed value of all taxable property (excluding exemptions)	\$ 34,017,366
Debt limit rate (5% of assessed value)	x 5%
Dollar amount of debt limit	<u>1,700,868</u>
Amount of debt applicable to constitutional debt limit:	
Total general bonded debt, including cumulative accretion	\$ 264,241
Less: Debt Service fund balance	<u>(8,151)</u>
Total debt applicable to limitation	<u>256,090</u>
Legal debt margin	<u>\$ 1,444,778</u>

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Debt limit	\$ 1,700,868	\$ 1,570,023	\$ 1,494,986	\$ 1,364,885	\$ 1,319,968	\$ 1,305,179	\$ 1,262,252	\$ 1,231,928	\$ 1,192,949	\$ 1,270,256
Total net debt applicable to limit	<u>256,090</u>	<u>234,491</u>	<u>258,035</u>	<u>275,839</u>	<u>293,739</u>	<u>311,347</u>	<u>329,713</u>	<u>345,850</u>	<u>360,706</u>	<u>363,007</u>
Legal debt margin	<u>\$ 1,444,778</u>	<u>\$ 1,335,532</u>	<u>\$ 1,236,951</u>	<u>\$ 1,089,046</u>	<u>\$ 1,026,229</u>	<u>\$ 993,832</u>	<u>\$ 932,539</u>	<u>\$ 886,078</u>	<u>\$ 832,243</u>	<u>\$ 907,249</u>
Total net debt applicable to the limit as a percentage of debt limit	15.06%	14.94%	17.26%	20.21%	22.25%	23.85%	26.12%	28.07%	30.24%	28.58%

Constitutional Tax Limitations:

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

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

GALVESTON COUNTY, TEXAS
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)	\$ 31,217,887
Debt limit rate	<u>X 25%</u>
Amount of Debt Limit	7,804,472
Total Road Bonds Outstanding, including cumulative accretion	<u>(98,680)</u>
Legal debt margin	<u>\$ 7,705,791</u>

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Debt limit	\$ 7,804,472	\$ 7,183,853	\$ 6,730,126	\$ 6,014,657	\$ 5,781,904	\$ 5,766,604	\$ 5,592,175	\$ 5,469,068	\$ 5,354,023	\$ 5,606,885
Less: Road bonds outstanding	<u>(98,680)</u>	<u>(78,040)</u>	<u>(81,256)</u>	<u>(85,870)</u>	<u>(93,678)</u>	<u>(93,678)</u>	<u>(100,266)</u>	<u>(107,904)</u>	<u>(111,283)</u>	<u>(111,928)</u>
Legal debt margin	<u>\$ 7,705,791</u>	<u>\$ 7,105,813</u>	<u>\$ 6,648,870</u>	<u>\$ 5,928,787</u>	<u>\$ 5,688,226</u>	<u>\$ 5,672,926</u>	<u>\$ 5,491,909</u>	<u>\$ 5,361,164</u>	<u>\$ 5,242,740</u>	<u>\$ 5,494,957</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)	Per Capita Personal Income (1)	Median Age (1)	School Enrollment (2)	Unemployment Rate (3)
2018	335,036	\$ 10,974,439	\$ 32,756	37.6	86,408	4.10%
2017	329,431	10,405,078	31,585	37.5	85,201	4.60%
2016	322,225	9,998,642	31,030	37.5	84,391	4.40%
2015	314,198	9,716,887	30,926	37.4	81,062	4.86%
2014	308,448	9,004,196	29,192	37.5	92,043	5.50%
2013	300,484	9,256,109	30,804	37.5	80,432	7.90%
2012	295,747	8,853,482	29,936	37.0	79,803	7.70%
2011	292,607	8,568,974	29,285	37.2	79,043	9.60%
2010	291,309	8,089,068	27,768	36.7	78,519	8.20%
2009	288,489	8,167,701	28,312	36.2	78,820	8.50%

- (1) Source: U.S. Census Bureau as of October 2018
(2) Source: 2013-2017 American Community Survey
(3) Source: Bureau of Labor Statistics as of November 2018

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

Employer	2018			2009		
	Number of Employees	Rank	% of Principal-Employer Employees	Number of Employees	Rank	% of Principal-Employer Employees
University of Texas Medical Branch	(2) 13,212	1	44.0%	10,750	1	44.5%
Clear Creek Independent School District	(5) 5,050	2	16.8%	3,352	2	13.9%
Marathon Petroleum Corp.	1,950	3	6.5%			
Landry's Seafood Inc./Fertitta Hospitality, LLC	1,688	4	5.6%	1,045	8	4.3%
American National Insurance Company	1,578	5	5.3%	1,611	4	6.7%
Dickinson Independent School District	(5) 1,485	6	5.0%	1,161	7	4.8%
Galveston County	(4) 1,397	7	4.7%	1,298	5	5.4%
Texas City Independent School District	(3)(5) 1,310	8	4.4%	879	9	3.6%
Walmart	1,308	9	4.4%			
Moody Gardens	1,027	10	3.4%	840	10	3.5%
BP-Amoco Oil Company Texas City				2,000	3	8.3%
Galveston Independent School District				1,200	6	5.0%
Total	<u>30,005</u>		<u>100.0%</u>	<u>24,136</u>		<u>100.0%</u>

(1) Source: Unless otherwise stated below: Texas City - La Marque Chamber of Commerce, 2017, Galveston Regional Chamber of Commerce, 2018, League City Economic Development

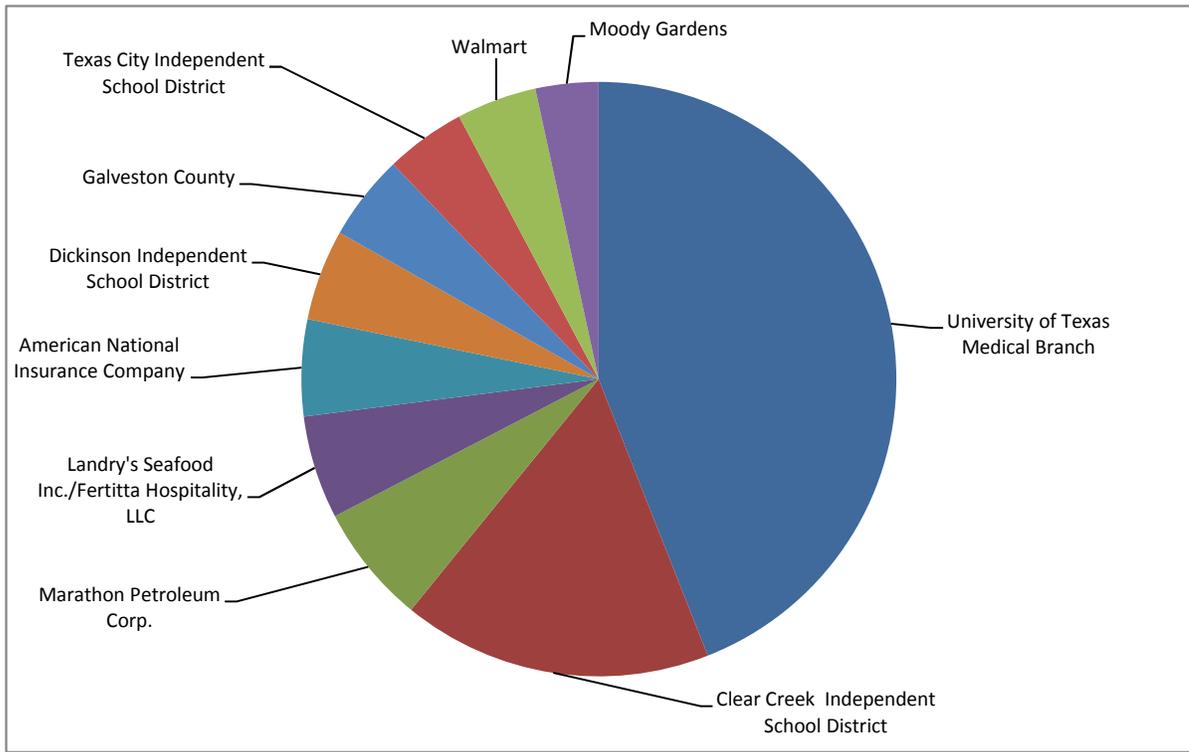
(2) University of Texas Data Reference Card for Fiscal year 2017

(3) Effective July 1, 2016, Texas City ISD annexed La Marque ISD.

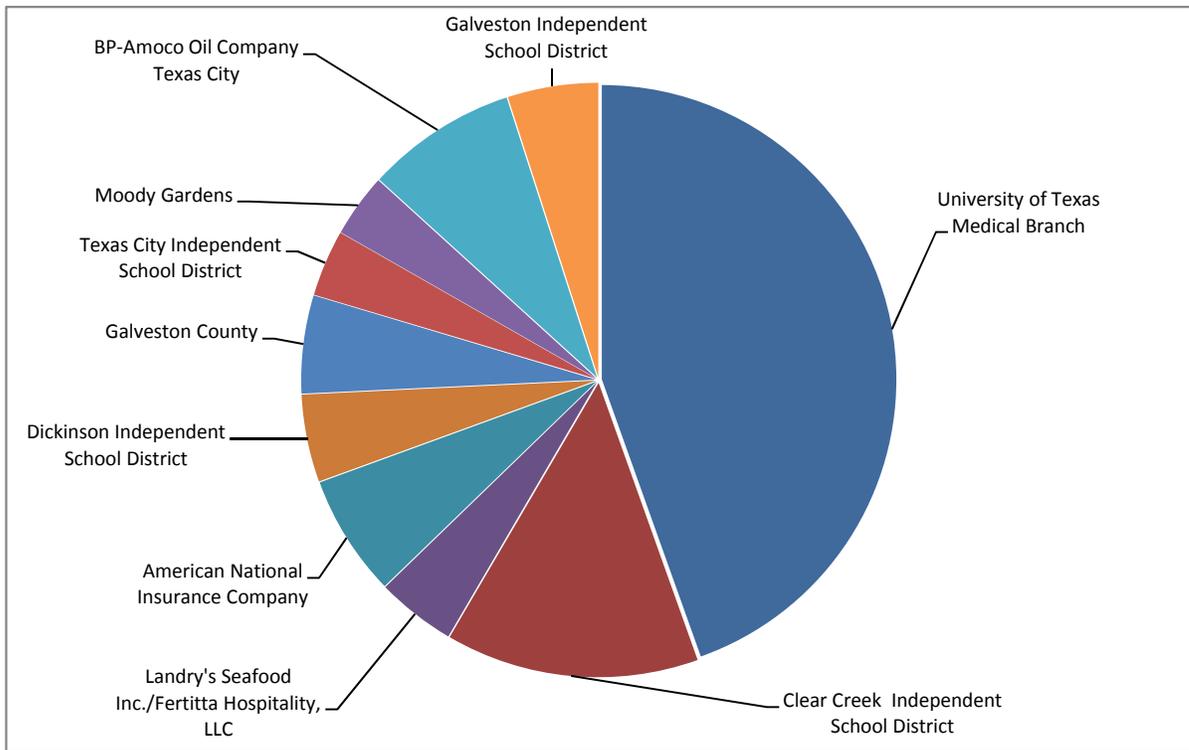
(4) Human Resources budgeted positions for 2018

(5) Source: 2017-2018 Texas Education Agency Staff Salaries and FTE Counts

Principal Employers 2018



Principal Employers 2009



Operating Information

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

Function	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
General Government	516	506	492	484	486	479	476	483	491	481
Public Safety	722	705	695	688	687	687	644	666	665	638
Road and Bridges, and Rights-of-Way	51	51	51	74	51	61	57	49	55	56
Health and Social Services	36	37	38	27	30	52	52	59	60	60
Culture and Recreation	60	58	49	51	47	52	40	50	53	53
Conservation	<u>12</u>	<u>12</u>	<u>12</u>	<u>9</u>	<u>9</u>	<u>9</u>	<u>11</u>	<u>11</u>	<u>10</u>	<u>10</u>
Total	<u>1,397</u>	<u>1,369</u>	<u>1,337</u>	<u>1,333</u>	<u>1,310</u>	<u>1,340</u>	<u>1,280</u>	<u>1,318</u>	<u>1,334</u>	<u>1,298</u>

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

GALVESTON COUNTY, TEXAS
TABLE 5.2 - OPERATING INDICATORS BY FUNCTION (1)
LAST TEN FISCAL YEARS

(Continued)

Function / Program	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
General Government										
<i>Tax Assessor- Collector</i>										
Employees	52	52	52	52	52	51	50	50	52	52
Ad-Valorem Accounts	198,000	195,085	193,692	192,387	190,815	192,450	190,051	189,495	189,114	187,473
Vehicle Registration/Licenses	346,345	365,770	293,964	290,458	279,003	277,521	261,515	262,687	258,471	257,566
Entities for which we collect	36	39	39	40	40	37	37	36	36	35
Number of Registered Voters	210,700	206,947	207,701	188,134	193,054	182,503	185,379	177,347	182,813	163,852
Beer and Wine Permits	831	728	854	1,537	612	670	883	748	705	899
Special Inventory Tax Accounts	184	205	182	178	166	152	133	129	129	144
Coin Operated Machines	2,040	3,647	2,034	2,526	3,134	3,048	3,634	3,980	1,591	7,622
TX Parks & Wildlife Boat Reg. & Titles	2,582	-	-	-	-	-	-	-	-	-
<i>County Clerk</i>										
Employees	54	57	56	56	56	52	52	51	60	60
Record Property/Govt	81,367	76,418	76,388	77,212	73,112	63,272	71,149	66,039	64,677	68,733
Marriage License	2,300	2,574	2,419	2,093	2,111	2,223	2,174	2,048	2,077	1,940
Assumed Names (Business Names)	2,730	3,049	2,882	2,655	2,618	2,783	2,763	2,839	3,065	3,385
Number of Criminal Cases Filed	5,681	7,362	8,586	9,166	10,372	9,931	11,135	11,042	15,493	15,271
Number of Civil Suits Filed	2,318	2,793	2,127	2,359	2,071	2,485	2,427	2,310	2,211	1,798
Number of Probate Cases Filed	892	1,055	1,003	1,021	954	873	969	866	839	748
Probate Mental Health Cases filed	110	231	227	228	189	140	237	353	398	243
Elections Held	30	3	7	9	7	14	22	16	23	20
<i>District Clerk</i>										
Number of Employees	54	54	53	52	52	50	50	63	46	49
Civil Cases	3,929	6,049	1,528	1,386	1,412	2,370	3,072	5,726	4,375	5,695
Criminal Cases	4,740	3,250	2,688	4,619	4,760	4,471	3,944	7,898	4,016	3,908
Tax Cases Processed	922	639	556	1,066	711	990	1,016	3,095	1,072	727
CPS Cases Processed	223	143	111	141	135	86	84	206	117	101
Juvenile Cases	609	381	419	826	690	521	659	857	380	362
Jurors Summoned	42,076	65,000	56,953	56,000	53,266	54,419	56,800	49,600	59,050	63,600

GALVESTON COUNTY, TEXAS
TABLE 5.2 - OPERATING INDICATORS BY FUNCTION (1)
LAST TEN FISCAL YEARS

(Continued)

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Function /Program										
General Government										
<i>Human Resources</i>										
Applications Accepted	3,869	4,210	6,116	5,348	6,254	2,993	2,340	1,905	1,745	1,168
Positions Filled	221	210	219	234	228	264	253	270	219	258
<i>Justice of the Peace (2)(3)</i>										
<i>Precinct #1</i>										
Number of Employees	7	7	7	9	9	10	10	9	10	10
Civil Cases Filed	1,568	1,468	1,511	382	2,108	5,515	3,801	1,637	1,669	1,862
Civil Cases Disposed	1,553	1,460	1,483	393	2,087	1,894	2,017	1,795	1,738	1,646
Civil Cases Appealed	11	4	2	-	3	2	2	2	1	0
Criminal Cases Filed	3,681	4,273	3,422	1,793	9,468	7,895	5,814	7,394	7,899	8,596
Criminal Cases Disposed	2,775	2,003	4,121	1,443	6,942	7,227	6,302	6,195	8,130	9,015
Criminal Cases Appealed	-	-	23	5	35	47	13	37	21	49
<i>Precinct #2</i>										
Number of Employees	7	7	7	11	8	10	10	10	9	9
Civil Cases Filed	1,573	1,380	1,404	2,109	1,160	2,719	1,979	906	1,133	1,310
Civil Cases Disposed	1,604	1,388	1,654	2,056	1,223	871	967	891	1,177	1,266
Civil Cases Appealed	15	19	18	26	19	31	6	22	14	13
Criminal Cases Filed	5,725	5,884	5,771	8,256	5,293	5,728	4,205	6,108	5,701	5,623
Criminal Cases Disposed	4,013	3,834	9,840	8,655	9,704	4,843	5,496	5,832	6,977	5,181
Criminal Cases Appealed	19	27	45	97	41	82	68	61	70	38

GALVESTON COUNTY, TEXAS
TABLE 5.2 - OPERATING INDICATORS BY FUNCTION (1)
LAST TEN FISCAL YEARS

(Continued)

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Function /Program										
General Government										
<i>Precinct #3</i>										
Number of Employees	8	8	8	15	10	13	13	13	13	13
Civil Cases Filed	967	929	987	2,112	1,009	3,640	4,920	623	783	962
Civil Cases Disposed	1,092	945	967	2,006	1,512	884	703	709	828	915
Civil Cases Appealed	16	21	12	26	22	23	14	13	13	13
Criminal Cases Filed	2,094	2,484	2,187	6,545	3,908	4,148	4,028	6,098	7,202	8,502
Criminal Cases Disposed	1,974	1,815	13,044	18,751	4,595	4,451	5,772	7,479	8,616	12,847
Criminal Cases Appealed	29	6	9	55	34	30	65	84	88	46
<i>Precinct #4</i>										
Number of Employees	7	7	7	8	8	10	10	10	9	9
Civil Cases Filed	1,107	1,142	943	249	999	872	969	818	940	1,112
Civil Cases Disposed	1,324	1,080	804	267	1,030	805	847	780	937	905
Civil Cases Appealed	12	14	15	5	17	23	18	14	13	4
Criminal Cases Filed	1,963	3,233	4,039	1,046	5,984	6,545	4,782	4,116	5,515	4,896
Criminal Cases Disposed	2,351	3,062	4,583	1,056	4,701	5,088	5,209	4,393	5,951	4,924
Criminal Cases Appealed	24	43	83	8	57	50	55	56	46	53
Public Safety										
<i>Sheriff</i>										
Number of Employees	484	512	503	489	460	460	579	459	429	413
Daily average in County Jail	1,129	1,126	1,015	923	878	878	903	939	980	931
Number of persons booked	16,377	17,359	17,032	17,188	19,621	19,621	18,514	18,226	19,098	19,360
Number of Civil Processes	8,820	4,029	3,727	5,193	4,461	4,461	4,345	7,085	6,926	6,529

GALVESTON COUNTY, TEXAS
TABLE 5.2 - OPERATING INDICATORS BY FUNCTION (1)
LAST TEN FISCAL YEARS

Function /Program	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Road, Bridges & Right-of-Way										
<i>County Maintained Roads</i>										
Precinct #1	212.7 mi	208.9 mi	209 mi	211.3 mi	211.7 mi	211.7 mi	211.8 mi	203.3 mi	208.0 mi	199.2 mi
Precinct #2	113.4 mi	107.8 mi	108 mi	104.1 mi	104.8 mi	104.8 mi	104.8 mi	104.8 mi	105.0 mi	104.4 mi
Precinct #3	12.4 mi	11.1 mi	13.5 mi	14.5 mi	14.5 mi	15.3 mi	15.3 mi	21.3 mi	20.0 mi	20.5 mi
Precinct #4	4.8 mi	2.7 mi	2.7 mi	3.8 mi	3.8 mi	3.8 mi	3.8 mi	7.3 mi	5.0 mi	5.10 mi
Health and Social Services										
<i>Community Services</i>										
Community Clinics	2	2	2	2	2	2	2	2	2	2
Employees' CareHere! Clinics	3	3	3	3	3	2	2	2	2	2
Culture and Recreation										
<i>County Parks Department</i>										
Park Permits Approved	552	549	1,045	966	800	411	539	850	904	965
Festival & Special Events Hosted	92	57	46	31	22	21	17	12	12	11
Vehicle Permits Sold	81,584	75,176	59,614	44,581	40,581	40,487	32,005	30,895	24,859	14,985
Golf Cart Permits Sold	9,511	8,163	7,847	5,151	4,825	4,972	2,045	1,981	1,409	1,496

(1) Source: Various county departments

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

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

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

(Continued)

Function	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
General Government										
Number of buildings	19	18	18	18	18	18	17	18	18	17
Number of courtrooms	20	20	20	20	21	21	21	21	21	21
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	4	4	4	4	3	3	3	3	3	3
Sheriff's Department vehicles	184	174	173	155	121	113	141	132	130	128
Boats / seacrafts	6	6	8	7	7	7	5	5	5	5
Training facility	1	1	1	1	1	1	1	1	1	1
Animal facility	1	1	1	1	1	1	1	1	1	1
Sheriff's Department buildings	3	3	3	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	2	1	1	1	1	1	1	1	1	1
Flood Control buildings	4	4	4	4	3	3	3	3	3	3
Roads, Bridges, & R.O.W.										
Miles of county roads	343	331	333	334	335	336	336	337	338	329
Bridges	19	18	22	22	22	22	22	22	22	22
Motor Vehicles	18	18	27	34	37	37	39	40	43	42
Heavy and General Equipment	64	66	58	65	71	71	77	74	77	77
Health and Social Services										
Clinics	3	3	3	3	2	2	3	4	4	4
Animal Shelter	1	1	1	1	1	1	1	1	1	1
Mosquito Control vehicles	19	22	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	8	8	8	13	13	13	13
Senior Citizens centers	3	3	3	3	3	3	3	6	6	6
Senior Citizens vehicles	12	13	15	15	10	9	10	9	9	9

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

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Culture and Recreation										
Museum	1	-	-	-	-	-	1	1	1	1
Parks	24	24	23	23	23	23	23	26	26	26
Park acreage	1,395	1,395	1,385	1,385	1,385	1,385	1,385	1,321	1,321	1,266
Park buildings	12	12	11	11	20	20	19	32	31	31
Community centers	3	3	3	3	3	3	3	6	6	6
Athletic fields & courts	48	48	47	47	47	52	52	41	41	41
Boat launches	10	10	10	10	10	10	11	11	11	11
Campground sites	-	9	9	9	9	9	9	9	9	9
Trails (feet) (1)	31,680	31,680	31,680	31,680	31,680	31,680	31,680	31,680	31,680	31,680
Equestrian trails (feet) (1)	12,576	12,576	12,576	12,576	12,576	12,576	12,576	12,576	12,576	12,576
Vehicles	30	25	26	27	27	25	29	30	25	30
Parks heavy & general equipment	75	66	68	62	54	55	50	52	47	47
Beach maintenance equipment	9	11	12	20	22	20	17	9	8	7
Conservation										
Extension service vehicles	5	5	5	5	5	5	6	7	7	6

(1) Source: Parks Department. Trails data includes hiking, biking and walking.

(2) Source: Texas Commission on Jail Standards website

