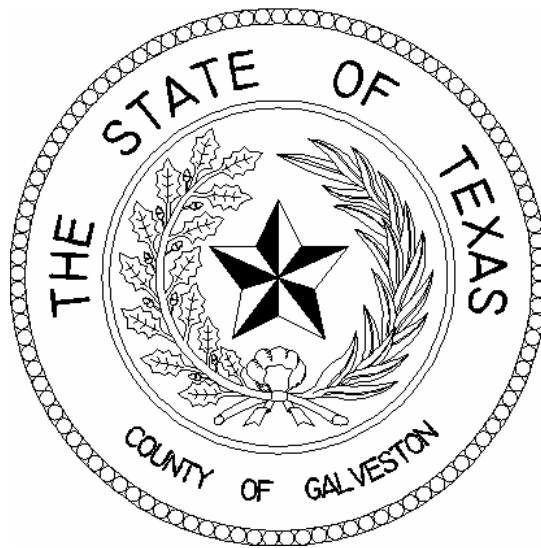


# **Galveston County, Texas**

## **COMPREHENSIVE**

### **ANNUAL FINANCIAL REPORT**



**FOR THE FISCAL YEAR ENDED**  
**SEPTEMBER 30, 2006**



GALVESTON COUNTY, TEXAS  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
For the fiscal year ended  
September 30, 2006

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



Galveston County Emergency Management Facility  
League City, Texas ■ December 2004

Galveston County Emergency Management Facility

Artist's Rendering

Galveston County, Texas  
 Comprehensive Annual Financial Report  
 For the Fiscal Year Ended September 30, 2006

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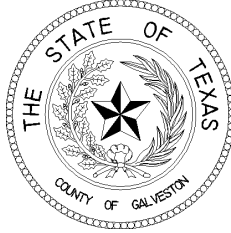
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**Cliff Billingsley, CPA**  
**County Auditor**

**THE COUNTY OF GALVESTON**  
**COUNTY AUDITOR'S OFFICE**  
P.O. Box 1418  
Galveston, TX 77553-1418

**Ron Chapa, CPA**  
**First Assistant County Auditor–**  
**Director of Internal Audit**

**Freeman Mendell**  
**First Assistant County Auditor–**  
**Director of IT Systems**

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

March 26, 2007

To the Honorable District Judges of Galveston County:

David E. Garner, 10<sup>th</sup> Judicial District  
Lonnie Cox, 56<sup>th</sup> Judicial District  
John A. Ellisor, Jr., 122<sup>nd</sup> Judicial District  
Susan E. Criss, 212<sup>th</sup> Judicial District  
Janis L. Yarbrough, 306<sup>th</sup> Family District  
Wayne J. Mallia, 405<sup>th</sup> Judicial District;

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

James D. Yarbrough, County Judge  
Patrick Doyle, Commissioner - Precinct 1  
Bryan M. Lamb, Commissioner - Precinct 2  
Stephen D. Holmes, Commissioner - Precinct 3  
Kenneth D. Clark, Commissioner - Precinct 4;

and to the Citizens of Galveston County, Texas:

The Auditor's Office of the County of Galveston, Texas (the "county"), is pleased to have prepared and to now issue this Comprehensive Annual Financial Report ("CAFR") of the county for the fiscal year ended September 30, 2006.

**FORMAL TRANSMITTAL OF THE CAFR**

**Legal requirements.** This report is issued pursuant to the requirements of *Texas Local Government Code* §114.025, which states in part:

(a) The county auditor shall make... annual reports to the commissioners court and to the district judges of the county. Each report must show:

- (1) the aggregate amounts received and disbursed from each county fund;
- (2) the condition of each account on the books;
- (3) the amount of county, district, and school funds on deposit in the county depository;
- (4) the amount of county bonded indebtedness and other indebtedness; and
- (5) any other fact of interest, information, or suggestion that the auditor considers proper or that the court or district judges require.

**Assumption of responsibility.** This report consists of the county's representations concerning its finances. Consequently, the county assumes full responsibility for the completeness and reliability of all of the information presented herein.

**Internal control.** To provide a reasonable basis for making these representations, the county has established a comprehensive internal-control framework that is designed both to protect the government's assets from loss, theft, and/or misuse, and to compile sufficient reliable information for the preparation of the county's financial statements in conformity with generally accepted accounting principles ("GAAP"). Because the cost of internal controls should not outweigh their benefits, the county's comprehensive framework of internal control has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement. The county asserts that, to the best of its knowledge and belief, this financial report is complete and reliable in all material respects.

**Independent audit.** The county's financial statements have been audited by Null-Lairson, PC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the county for the fiscal year ended September 30, 2006, are free of material misstatement. The independent audit involved: examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by the county; and evaluating the overall financial-statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the county's financial statements for the fiscal year ended September 30, 2006, 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 was part of a broader annual "Single Audit" which was federally mandated by the Single Audit Act of 1984 and the United States Office of Management and Budget's *Circular No. A-133: Audits of States, Local Governments, and Non-Profit Organizations*. The Single Audit Report, designed to meet the special needs of federal grantor agencies, includes a Schedule of Expenditures of Federal Awards. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, especially those which involve the administration of federal awards. The report therefore also includes a Schedule of Findings and Questioned Costs. The Single Audit Report is available from the Galveston County Auditor's Office, P.O. Box 1418, Galveston, TX 77553-1418.

**Reference to MD&A.** GAAP require that the county provide a narrative introduction, overview, and analysis to accompany this report's basic financial statements in the form of Management's Discussion and Analysis ("MD&A"). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The MD&A can be found immediately following the report of the independent auditors.

## PROFILE OF THE GOVERNMENT

**Basic Information.** The county is a public corporation and political subdivision, organized and existing under the constitution and laws of the State of Texas. It was established on May 15, 1838, by an article approved by the President of the Republic of Texas, Sam Houston. It is located on the upper Texas coast of the Gulf of Mexico and comprises a land area of 430 square miles and a population currently estimated to exceed 275,000. The land area includes: Galveston Island (the "Island"), thirty-two miles long and situated two miles off the coast; a portion of the nearby mainland (the "mainland"); and the Bolivar Peninsula, northeast of the Island across the entrance to Galveston Bay. The county seat is the City of

Galveston, located on the northern end of the Island and covering slightly more than forty-seven square miles.

The county has no legislative, and only restricted administrative and judicial, powers. The Galveston County, Texas, Commissioners' Court (the "Commissioners' Court") is the county's governing body. Members of the Commissioners' Court are selected by county voters, serve four-year staggered terms, and comprise the County Judge - the presiding officer - and four County Commissioners who represent the four precincts into which the county is divided. The Commissioners' Court holds only such powers as are conferred upon it by the Texas Constitution or statutes or by necessary implication therefrom.

The county provides a full range of services with regard to public safety, health and social welfare, culture and recreation, conservation, and roads, bridges, and rights-of-way, in addition to general administration.

**Component Units.** A "component unit" is an organization which is legally separate from the primary government but which is subject to significant oversight by the latter, such that to exclude the component unit's financial information from that of the primary government could mislead readers. A component unit is termed either "discretely presented" or "blended," depending upon the degree of autonomy (greater or lesser, respectively) with which it functions.

The county is financially accountable for a health district which qualifies as a discretely presented component unit and which is reported separately within the county's financial statements.

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

Additional information on both of these component units is located in Note I.A.2. to the Financial Statements on pages 54 and 55.

**Budget.** Budgets serve as the foundation of the county's financial planning and control. Annual budgets are adopted for many of the county's governmental funds, including the General Fund, a number of special revenue funds, and all debt service funds. Capital projects funds generally adopt project-length budgets. Funds which lack annual budgets are subject to other controls imposed by bond orders, grant contracts, and statute. The legal level of budgetary control is at the department level.

Budget preparation crystallizes during the third quarter of each fiscal year when departments draft requests for appropriations and submit them to the County Budget Officer. The Commissioners' Court is eventually presented a proposed county budget, holds a public hearing to discuss – and possibly alter – these tentative amounts, and finally adopts an approved budget by a majority vote at a regularly scheduled meeting. Budget-to-actual comparisons are provided in this report for many of the county's funds, whether those budgets were prepared on an annual, project-length, or other basis.

## INFORMATION USEFUL IN ASSESSING THE COUNTY'S ECONOMIC CONDITION

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the county operates.

**Local economy.** The county currently enjoys a favorable economic environment, and local indicators point to continued stability.

The region's diversified commercial, industrial, and manufacturing base adds to the relative stability of the unemployment rate. Major industries represented within, or in close proximity to, the government's boundaries include oil and gas production, petrochemical processing, maritime shipping, agriculture, fishing, the teaching and practice of medicine, banking, insurance, and cruise- and land-based tourism.

Galveston's deep-water port, located on the Island at the entrance to Galveston Bay, is among the largest dry-cargo ports in the United States. A wide variety of exports and imports passes through its facilities. The port owns and operates public wharves, both open and covered storage facilities, warehouses, and multiple freight-handling facilities, including a container terminal and a grain elevator.

The oldest medical school in the state, the Island's University of Texas Medical Branch, is one of the largest in the nation based upon student enrollment. Established in 1891, headquartered on the Island's northern end, and also a major employer, this health-science center is dedicated to a three-fold mission of scholarly teaching, state-of-the-art patient care, and innovative scientific investigation.

The mainland cities of Texas City and La Marque have long been home to important industrial corporations. Among those firms are Union Carbide, B.P.-Amoco, Marathon Ashland Petroleum, Valero Refining, Sterling Chemicals, Amoco Oil, and International Specialty Products.

Tourism is an important presence in the county's economy. The Island's seashore, its historic downtown and residential districts, and its thriving cruise industry attract growing numbers of visitors, who in turn fuel the revenue streams of hotels and motels, restaurants, shops, and museums. On the mainland, La Marque's Gulf Greyhound Park and Clear Lake City's Johnson Space Center are popular attractions.

The county profits from the availability of a wealth of year-round cultural, historical, and recreational activities. To those seeking outdoor relaxation, the Island offers the pleasures of Sea Wolf Park, R.A. Apfel Park, Stewart Beach Park, and Galveston Island State Park, as well as alcohol-free beaches stretching from 10<sup>th</sup> Street to 61<sup>st</sup> Street along the Island's famous Seawall Boulevard. The Island is also rich in culture and history, and it showcases both in numerous venues which are open to the public, including the restored mansions of Ashton Villa, the Bishop's Palace, and Moody Mansion; the Galveston Arts Center; and museums such as the Galveston County Historical Museum, the Railroad Museum, the Lone Star Flight Museum, and the Texas Seaport Museum, this last the home of the restored 1877 iron barque, *Elissa*.

Other Island attractions include the Downtown/Strand, East End, and Silk Stocking Historical Districts, which exhibit one of the nation's finest collections of restored commercial and residential Victorian architecture, and annual events such as Mardi Gras, the Oleander Festival, the Spring Homes Tour, the ARToberFEST art festival, the Grand 1894 Opera House's Grand Kids Festival, and Dickens on the Strand, which in the aggregate draw many thousands of visitors.

The Island is also home to exotic Moody Gardens. This complex houses the Moody Gardens Convention Center with its 75,000 square feet of meeting space; a luxury, 300-room hotel; the ten-story Rainforest Pyramid featuring lush African, Asian, and American rainforests; the IMAX 3-D movie theater; the Discovery Pyramid with an IMAX "RideFilm" and interactive displays; and a fifteen-story saltwater aquarium with several marine habitats, including a King Penguin exhibit.

Off the Island, the Galveston Bay/Clear Lake region is the "boating capital of Texas," harboring one of the largest fleets of pleasure craft in the United States, while the Texas City Dike, which extends five miles from the mainland into Galveston Bay, offers a beach and a fishing pier along with boat-launching, camping, and other service facilities. Across the mouth of Galveston Bay from the Island, Port Bolivar on the Bolivar Peninsula is a haven for beachcombers and fishermen.

The City of La Marque is home to the world-class Gulf Greyhound Park, a dog-racing track and one of the largest employers in the county, which opened in 1992 and includes a clubhouse with full-service dining.

Adjacent to the Clear Lake Community, about mid-way between the Island and Houston in southern Harris County, lies NASA's Johnson Space Center. This facility's Space Center Houston, a \$70 million state-of-the-art attraction designed by the Walt Disney Company, offers a "hands-on" way to experience the story of human space exploration and also provides behind-the-scene tours of the Johnson Space Center complex. Features include: a giant-screen theater; spacecraft from the Mercury, Gemini, and Apollo missions; in-person appearances by active astronauts; hands-on simulators; and daily live demonstrations.

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

*Debt administration.* Much of the county's capital investment in recent years, including the construction of the new Galveston County Justice Center, the creation and rehabilitation of park roads, parking lots, and trails, and the general maintenance of roads, has been funded by general obligation bonds and certificates of obligation.

The county also works with its financial advisor to monitor the conditions of the borrowing market so it is prepared to defease older outstanding debt when it can lower its cost of money and/or ease cash flow constraints by spreading debt service payments over a longer time period. As a general rule, the county does not issue refunding debt unless it can obtain a net present value savings of 3% or more by so doing. The level of interest rates in the past two fiscal years has caused the issuance of refunding debt to be economically unfeasible at present.

At September 30, 2006, the county's outstanding bonded debt, including cumulative accretion-to-date, totaled \$199,288,537. During that fiscal year then ended, the county paid \$6,800,000 in principal and \$8,110,266 in interest. With bond insurance, the county maintains an "AAA" rating from Fitch Ratings and an "Aaa" rating from Moody's Investors Service, Inc., for its general-obligation debt.

*Post-employment benefits.* The county provides post-employment health- and life-insurance benefits to its retirees. At September 30, 2006, the county recognized 329 retirees, 135 of whom were eligible for full health-insurance coverage and 194 of whom received reduced Medicare-supplement insurance. Under current GAAP, the county accounts for these benefits on a "pay-as-you-go" basis. However, beginning in the fiscal year ending September 30, 2009, a new pronouncement will require the county to record in its financial statements annually an expense for a portion of this future liability. The county has begun the process of contracting with an actuarial firm to perform the requisite computations to determine this liability. Additional information on the county's post-employment benefits can be found in Notes IV.G - H. to the Financial Statements on pages 78 through 80 in this report.

**Relevant financial policies.** The county deposits idle cash into temporary investment vehicles as part of its cash management program and in accordance with its formal investment policy. Temporary investments may include, among others, certificates of deposit, United States government agency securities, money market investment accounts, negotiable order of withdrawal ("N.O.W.") accounts, and local government investment pools. During the year ended September 30, 2006, the county earned \$5,139,140 in interest, \$4,388,045 of that from deposits and \$751,095 from investments. More information about the county's deposits and investments can be found in Note III.A. to the Financial Statements on pages 63 through 66 in this report.

**Major initiatives.** The county continues to experience significant residential and commercial growth.

- The new Galveston County Justice Center was completed and occupied in the spring of 2006, and it is spurring significant supporting commerce in its environs. Renovation of the now-vacant former courthouse, expected to be completed in the summer of 2007, will allow the consolidation there of numerous county employees currently officed in other downtown Galveston buildings. This consolidation will in turn enable the county to significantly decrease the expense of leased office space and to sell the Ray Holbrook Courthouse Annex, generating revenue while returning the property to the tax roll.
- The county expects to boost cash flow by leasing the former county jail (empty since staff and prisoners relocated to the new justice center in mid-2006) and to trim operating costs by implementing a fleet management system to better monitor usage of the county's many vehicles and their fuel consumption.
- The county continues to demonstrate its commitment to the health and well-being of county residents and employees. Multiple senior centers and the Health District's Texas City clinic are being renovated and upgraded, and "CareHere," a clinic system, is being implemented to provide county employees with virtually wait-free primary medical care and common prescription drugs, with no co-pays or deductible satisfaction required.
- The residential real estate boom experienced in recent years in the northern part of the county is spreading southward toward the Island, as well as onto Bolivar Peninsula. The county population, currently estimated at 276,000, is projected to reach 300,000 by the next federal census in 2010. The population of League City exceeds that of Galveston (the county's seat and historically its most populous municipality), while new housing is expected to attract some 40,000 more residents to Texas City in the coming few years.
- Capital investment in the construction and maintenance of county infrastructure continues. In various stages of progress are a number of road projects, with regard to at least two of which the county is researching the feasibility of pass-through toll financing. Completion of the new replacement causeway to connect Galveston Island and the mainland is projected for September, 2008. And, as concerns technology, installation of fiber-optic cable is planned for the Island's Broadway from 59<sup>th</sup> to 6<sup>th</sup> Streets, the first step in upgrading traffic signals to enhance vehicular flow along this major and often-congested thoroughfare.
- The county is collaborating with the Texas Department of Transportation to decrease travel time between the Bolivar Peninsula and other areas of the county. Short-term solutions planned include the construction of additional ferry landings and the implementation of a priority-boarding program to afford Bolivar residents and property owners some relief from long ferry lines during peak tourist periods. A long-term solution under consideration is the construction of a bridge to the peninsula.
- Also under consideration as a long-term solution to county residents' commuter woes is rail and bus service both to and from the Clear Lake area (a major medical, technological, and academic hub thirty miles northwest of Galveston Island and twenty miles southeast of downtown Houston), and to and from downtown Houston itself.
- Island tourism has received a significant boost to its water-focused offerings from the new Schlitterbahn Galveston Island Waterpark, which opened in phases beginning in mid-2006. Revenue results for its initial months of operation exceeded projections.
- In 2006, the Port of Galveston's operating income exceeded \$20 million for the first time since it began operating as a landlord dock some twenty years ago. The local cruise industry, a major factor in the health of county tourism now for the better part of the past decade, contributed significantly to this figure, recording a record-high 1,233,201 revenue passengers. Current cruise lines which sail regularly from the Island for four-, five-, and seven-day round trips include Carnival, Celebrity, Princess, and Royal Caribbean.



**Theme: The Galveston County Office of Emergency Management.** The theme of this year's Comprehensive Annual Financial Report is the Galveston County Office of Emergency Management (the "OEM"). Throughout these pages, photographs help to tell the story of this important county department.

*Introduction.* Under the direction of Emergency Management Coordinator John Simsen, the OEM's full-time staff of four - Mr. Simsen, Planning Coordinator Tracy Hughes, Mitigation Coordinator John Lee, Jr., and Operations Coordinator Lee Lockwood - works to ensure that those who live, work, and play in Galveston County are prepared for any large-scale emergency that might impact them.

*The OEM at Work.* The mission of the OEM is to develop, implement, and maintain a comprehensive emergency preparedness and response program for the county. To accomplish this mission, the OEM focuses efforts in broad areas such as mitigation, planning and preparedness, and response and recovery.

Mitigation is the most cost-efficient method of reducing disaster impact. As examples, mitigation with respect to hurricanes would include flood levees, beach-erosion prevention, and land-use planning. Often mitigation is a by-product of the recovery from an actual disaster. For instance, although Hurricane Rita in September, 2005, did not make landfall in Galveston County, it nonetheless caused major beachfront erosion; the beach restoration since completed will serve to mitigate future storm damage.

The OEM developed and maintains an Emergency Management Plan that complies with strict state and national guidelines and which is rated "advanced" on the State of Texas Assessment of Planning Preparedness. The OEM also participates in a Regional Unified Command via which emergency management coordinators for the thirteen-county Gulf Coast Planning Region - recognizing that emergencies often encompass regions rather than single political jurisdictions - cooperate in planning efforts. Local and regional plans are tested frequently, and OEM staff is required to participate annually in at least two exercises - a discussion-based "tabletop" exercise, and an operations-based, full-scale, real-time exercise.

Planning and preparedness is achieved not just through exercises but also through education. The OEM is committed to educating the public about the necessity to plan and prepare for emergencies, and each year the staff delivers approximately thirty presentations to schools, groups, and organizations. The OEM website, [www.gcoem.org](http://www.gcoem.org), provides preparedness information of all types as well as current county traffic and weather conditions.

*OEM Headquarters.* The OEM's state-of-the-art headquarters in League City, Texas, is a 23,500-square-foot building designed to withstand a Category 5 hurricane with sustained winds of 158 miles per hour and wind gusts of 175 miles per hour. The building, opened in mid-2005, is constructed entirely of concrete over reinforced steel. OEM operations are located on the second floor, which, at thirty-four feet above sea level, is higher than the projected greatest possible storm surge. A special coating renders the windows impact-resistant, and a generator for providing back-up energy holds fuel sufficient to power the building continuously for seven days. Dormitory-style bunkrooms on the third floor can sleep approximately twenty-four people simultaneously.

*Partner Tenants.* The county leases space in OEM headquarters to three partner tenants: the National Weather Service, the Galveston County 9-1-1 Communications District, and the Recovery Section of the Governor’s Division of Emergency Management. This consolidation of emergency-response personnel under one roof creates a synergy that fosters better mitigation of, preparation for, response to, and recovery from, all types of crises, by centralizing communications, technology, logistics, and resource management.

- The National Weather Service issues tornado, severe thunderstorm, and flash flood warnings; broadcasts short-term weather forecasts for twenty-three counties in southeast Texas; and provides backup weather coverage for other portions of the Texas coast and western Louisiana.
- The Galveston County 9-1-1 Communications District manages the radio system that enables communication among the various “first responders” (e.g., police, fire, and emergency medical service personnel).
- The Recovery Section of the Governor’s Division of Emergency Management provides assistance to disaster-affected individuals and families. It also assists local governments, school districts, hospitals, and other public entities in repairing or reconstructing facilities that were damaged or destroyed in disasters.

*Accomplishments.* The following is a non-comprehensive list of some recent OEM accomplishments:

- Maintained the county’s emergency management program profile with the Governor’s Division of Emergency Management at the “advanced” (highest) level.
- Continued technical enhancements to the OEM facility, including improved communications and audio/visual links to regional emergency management entities.
- Hosted the Galveston County segment of a statewide hurricane exercise to test local jurisdictional emergency preparedness.
- Completed revisions to the Regional Mitigation Action Plan.
- Completed various FEMA projects associated with Hurricane Rita (declared a federal disaster in September, 2005), and began major sand-sock repair projects on Bolivar Peninsula and west Galveston Island in the fall of 2006.
- Positioned the county to receive funding through the second round of federal Coastal Impact Assistance Program grants in fiscal years 2007 and 2008. The county will receive a base allotment of more than \$1 million and will be eligible for additional funding from a state allotment.
- Completed construction in May, 2006, of a handicapped-accessible dune walkover ramp on Bolivar Peninsula, funded with first-round Coastal Impact Assistance Program funds. This ramp provides the principal beach access for disabled individuals on the peninsula.
- Administered the 2005 homeland security grants, which provided approximately \$1 million to upgrade the county’s “800”-number trunk radio infrastructure, as well as \$200,000 to three of the county’s municipalities for various projects. Additionally, positioned the county to receive approximately \$200,000 in 2006 homeland security funding.
- Assisted all county jurisdictions to enter into agreements with the state concerning radio interoperability among all emergency-response agencies.
- Helped establish in May, 2006, the new Unified Area Coordinating Committee, a regional group charged with managing large-scale incidents such as hurricane evacuations.
- Provided classroom instruction in the National Incident Management System for more than 200 county employees and first responders from local jurisdictions to help meet federal training requirements.
- Updated the county’s Emergency Management Plan, along with 18 annexes thereto, to ensure compliance with National Incident Management System requirements.
- Provided support to the Galveston County Local Emergency Planning Committee and the Wally Wise-Guy Shelter-in-Place Program to educate school-age children on hazardous material incident preparedness.

- Hosted meetings for Commissioners' Court, elected officials, and county departments which culminated in a tabletop exercise on hurricane planning in August, 2006.

*Recognition.* The county recognizes Tracy Hughes, OEM Planning Coordinator, for providing the information presented in this section, and various county-employee "volunteer photographers," including the staff of the OEM and recently retired Senior Finance Manager Bob Richardson, for providing the pictures reproduced throughout this report.

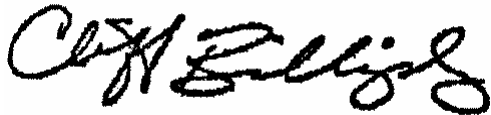
## AWARDS AND ACKNOWLEDGEMENTS

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, 2005. This was the ninth consecutive year that the government has received this prestigious award. In order to be awarded a Certificate of Achievement, the government had to publish an easily readable and efficiently organized CAFR that satisfied both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

In addition, the county received the GFOA's Distinguished Budget Presentation Award for its annual budget document for the fiscal year beginning October 1, 2005. In order 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 government has received this award for four consecutive years, and it has submitted its most recent budget document for like consideration.

The preparation of this report would not have been possible without the efficient and dedicated service of the entire staff of the Galveston County, Texas, Auditor's Office. I wish to express my appreciation to all members of the department who assisted with and contributed to the preparation of this report. I acknowledge the County Judge and Commissioners for their efforts in planning and conducting the operations of the county in a responsible and progressive manner. I especially thank the District Judges for their support and guidance in matters relating to the discharge of my duties as County Auditor.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Cliff Billingsley". The signature is written in a cursive, flowing style.

Cliff Billingsley, CPA  
County Auditor

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Galveston County  
Texas

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
September 30, 2005

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

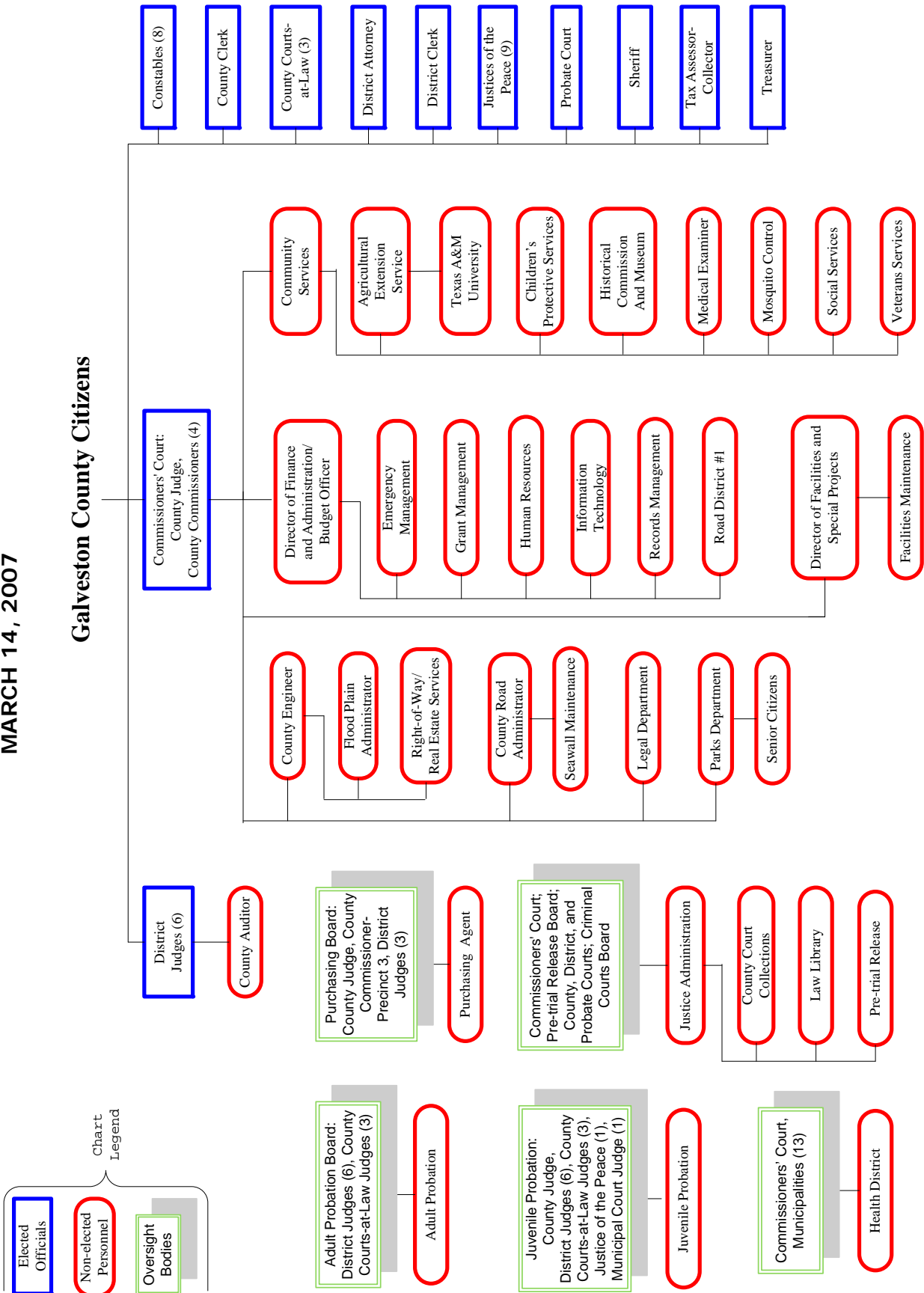


President

Executive Director

# GALVESTON COUNTY, TEXAS ORGANIZATIONAL CHART MARCH 14, 2007

## Galveston County Citizens

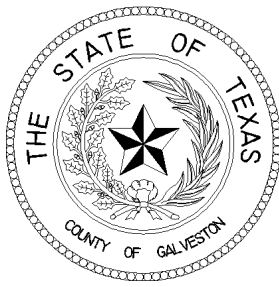


**GALVESTON COUNTY, TEXAS**  
**LIST OF ELECTED AND APPOINTED OFFICIALS**  
**September 30, 2006**

<i>David E. Garner</i>	<i>Judge, 10th District Court</i>
<i>Lonnie Cox</i>	<i>Judge, 56th District Court</i>
<i>John Ellisor</i>	<i>Judge, 122nd District Court</i>
<i>Susan E. Criss</i>	<i>Judge, 212th District Court</i>
<i>Janis L. Yarbrough</i>	<i>Judge, 306th Family District Court</i>
<i>Wayne J. Mallia</i>	<i>Judge, 405th District Court</i>
<i>James D. Yarbrough</i>	<i>County Judge</i>
<i>Patrick Doyle</i>	<i>County Commissioner, Precinct 1</i>
<i>Edward A. Janek</i>	<i>County Commissioner, Precinct 2</i>
<i>Stephen D. Holmes</i>	<i>County Commissioner, Precinct 3</i>
<i>Kenneth D. Clark</i>	<i>County Commissioner, Precinct 4</i>
<i>Cliff Billingsley</i>	<i>County Auditor</i>
<i>Mary Ann Daigle</i>	<i>County Clerk</i>
<i>Mary Nell Crapitto</i>	<i>Judge, County Court-at-Law 1</i>
<i>C.G. "Trey" Dibrell III</i>	<i>Judge, County Court-at-Law 2</i>
<i>Roy Quintanilla</i>	<i>Judge, County Court-at-Law 3</i>
<i>Kurt Sistrunk</i>	<i>Criminal District Attorney</i>
<i>Latonia D. Wilson</i>	<i>District Clerk</i>
<i>Gladys B. Burwell</i>	<i>Judge, Probate Court</i>
<i>Bruce A. Hughes</i>	<i>Purchasing Agent</i>
<i>Marley E. "Gean" Leonard, Jr.</i>	<i>Sheriff</i>
<i>Cheryl E. Johnson</i>	<i>Tax Assessor-Collector</i>
<i>Kevin C. Walsh</i>	<i>Treasurer</i>



Galveston County Emergency Management Facility



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11 Greenway Plaza, Suite 1515  
Houston, TX 77046  
(713) 621-1515  
Fax: (713) 621-1570



2117 Post Office Street  
Galveston, TX 77550  
(409) 762.8380  
Fax: (409) 762-1749

### ***Independent Auditors' Report***

To the Honorable James D. Yarbrough, County Judge  
and Members of the Commissioners Court  
Galveston County, Texas

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Galveston County, Texas (the "County"), as of and for the year ended September 30, 2006, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the Galveston County, Texas, as of September 30, 2006, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

To the Honorable James D. Yarbrough, County Judge  
and Members of the Commissioners Court  
Galveston County, Texas  
Page 2 of 2

In accordance with *Government Auditing Standards*, we have issued our report dated March 15, 2007, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions or laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report, which has been issued separately from this document, is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis on pages 27 through 35, budgetary comparison information on pages 84 through 86 and Required Pension System Supplementary Information on page 87 are not required parts of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory section, combining and individual fund statements and schedules and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

*Nell Garrison, P. C.*

March 15, 2007  
Houston, Texas

## MANAGEMENT'S DISCUSSION AND ANALYSIS

The County of Galveston, Texas (the "county"), presents the following Management's Discussion and Analysis (the "MD&A") of its financial activities for the fiscal year ended September 30, 2006. Please read this narrative in conjunction with the Letter of Transmittal in the preceding Introductory Section and with the Basic Financial Statements which immediately follow it.

### Financial Highlights

- The county's assets of \$367,839,867 exceeded its liabilities of \$227,047,307 at September 30, 2006, by \$140,792,560 ("net assets").
- Of these net assets of \$140,792,560, \$31,153,795 is available for use to meet the county's ongoing obligations ("unrestricted net assets").
- Of the liabilities of \$227,047,307, \$197,880,511 will not be extinguished in the current year ("long-term liabilities"). These long-term liabilities are primarily debt instruments. The county issued no new long-term debt in the fiscal year ended September 30, 2006.
- The county's revenues of \$140,423,668 exceeded its expenses of \$127,299,627 by \$13,124,041 in this same fiscal year.
- Of these revenues of \$140,423,668, program revenues, such as grant revenues and charges for services, contributed \$35,586,906, while general revenues, such as ad-valorem taxes, contributed \$104,836,762.

### Overview of the Financial Statements

This MD&A introduces the county's Basic Financial Statements, which comprise three components:

- government-wide financial statements;
- fund financial statements; and
- notes to the financial statements.

This report also contains other information supplemental to the Basic Financial Statements.

### Government-wide Financial Statements

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

The *Statement of Net Assets* presents information on all of the county's assets and liabilities, with the difference between the two reported as "net assets." Over time, increases or decreases in net assets might indicate whether the financial position of the county is improving or deteriorating.

The *Statement of Activities* presents information showing how the county's net assets changed during the most recent fiscal year. All changes in net assets are reported upon the occurrence of the underlying events giving rise to those changes, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items from which cash flows will not result until future fiscal periods (for example, uncollected taxes, and vacation leave which employees have earned but not used).

Both of the government-wide financial statements are designed to distinguish functions of the county that are principally supported by taxes and intergovernmental revenues ("governmental activities") from other functions that are intended to recover all or a significant portion of their costs through user fees and charges ("business-type activities"). The governmental activities of the county are divided into the categories of general government, public safety, health and social services, culture and recreation, conservation, and roads, bridges, and rights-of-way. The county currently engages in no business-type activities.

The government-wide financial statements include information not only for the county itself (the “primary government”), but also for the Galveston County Health District, a legally separate entity for which the county is financially accountable (a “component unit”). The financial information for this component unit is presented separately from the financial information for the primary government. Complete financial statements of the component unit can be obtained from their administrative office. The address for, and other information about, the Galveston County Health District are presented in Note I.A.2. to the Financial Statements on pages 54 and 55.

### Fund Financial Statements

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

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

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

The county maintains eighty-seven individual Governmental Funds. Information is presented separately in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the county’s four “major” funds: the General Fund, and the Limited Tax Criminal Justice Bonds 2003A, the Combination Tax/Revenue Certificates of Obligation Series 2003C, and the Unlimited Tax Road Bonds 2003B Capital Projects Funds. Data from the other Governmental Funds are combined into a single, aggregated presentation. Individual data for each of these nonmajor Governmental Funds is provided in the form of “combining statements” and “individual schedules” elsewhere in this report.

Comparison schedules for all Governmental Funds with budgets, except for grant Special Revenue Funds, are presented in this report to demonstrate budgetary compliance, whether those budgets were prepared on an annual, project-length, or other basis.

*Proprietary Funds* include Enterprise Funds and Internal Service Funds. *Enterprise Funds* would be used to report the same functions that would be presented as business-type activities in the government-wide financial statements, but, as previously noted, the county currently engages in no business-type activities and thus maintains no Enterprise Funds. *Internal Service Funds* are an accounting device used to accumulate, and to allocate among the county’s various functions, the costs of services generally provided within the reporting entity rather than to outside users. The county uses three Internal Service Funds, one each to account for activity related to: group health insurance; general casualty, liability, and

unemployment insurance; and workers' compensation insurance. Because these services predominantly benefit governmental functions, they have been included within governmental activities in the government-wide financial statements. The Internal Service Funds are combined into a single, aggregated presentation in the Proprietary Fund financial statements. Individual fund data is provided in the form of "combining statements" elsewhere in this report.

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

#### Notes to the Financial Statements

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

#### Other Information

In addition to the Basic Financial Statements, this report also presents certain Required Supplementary Information ("R.S.I.") about the budgetary compliance of the county's General Fund as well as a schedule of funding progress for the county's retirement plan.

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

As noted earlier, net assets can serve over time as a useful indicator of a government's financial position. In the case of the county, assets exceeded liabilities by \$140,792,560 at the close of the fiscal year ended September 30, 2006.

By far the largest portion of the county's net assets (73.60%) comprises capital assets (for example, land, infrastructure, and buildings), net of the outstanding debt issued to finance their acquisition. The county uses these capital assets to provide services to citizens, and consequently the assets are not available for future spending. Although, as mentioned, the county's investment in capital assets is reported net of related debt, it should be noted that the resources to re-pay this debt must be provided from other sources, since the capital assets themselves cannot be used to do so.

The usage of another 4.27% of the county's net assets is subject to external restrictions. The remaining balance (\$31,153,795) is unrestricted and available to meet the government's ongoing obligations to citizens and creditors.

The county's net assets increased by \$13,124,041 during the fiscal year ended September 30, 2006, largely through growth in its capital assets. A large portion of the increase was due to the Commissioners' Court commitment to finalize the completion of the county's new Justice Center in the spring of 2006. Also contributing were the initial renovations of the former county courthouse; when these are completed in 2007, the structure will house a number of non-judiciary-related county departments. Finally, significant renovations and improvements to beach, park, road and bridge, and flood-control facilities contributed to this growth in net assets.

Since the county presently engages in no business-type activities, governmental activities account for all of the changes in net assets at the government-wide reporting level.

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

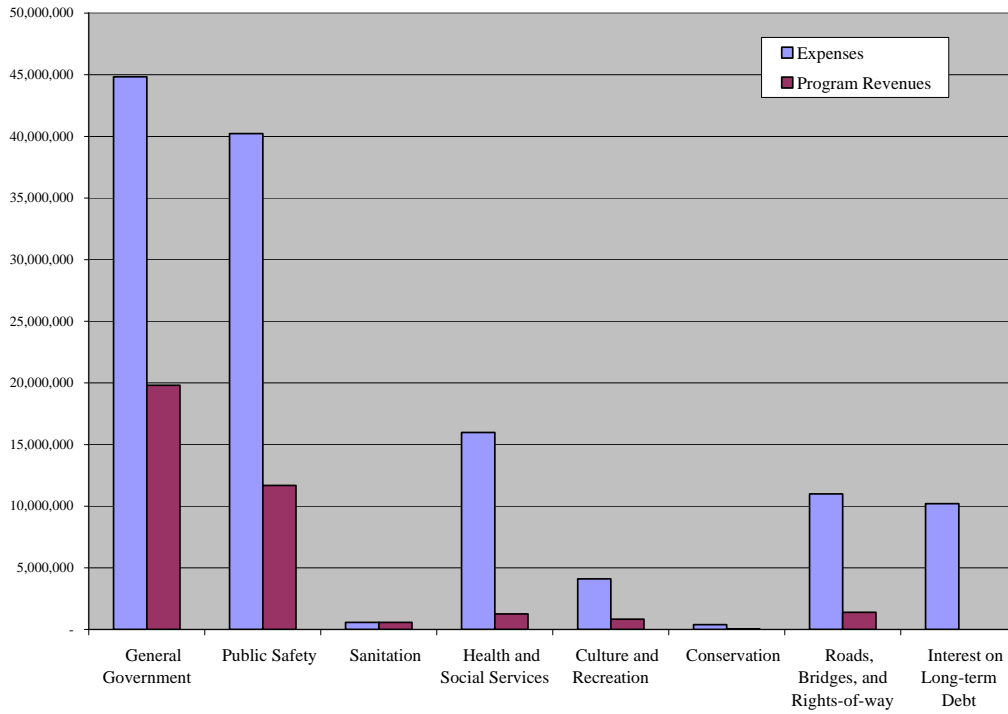
	<u>2006</u>	<u>2005</u>
Current and Other Assets	\$ 111,898,891	\$ 131,973,806
Capital Assets	255,940,976	231,598,882
Total Assets	<u>367,839,867</u>	<u>363,572,688</u>
Long-Term Liabilities Outstanding	197,880,511	204,651,742
Other Liabilities	29,166,796	30,573,925
Total Liabilities	<u>227,047,307</u>	<u>235,225,667</u>
Net Assets:		
Invested in Capital Assets, Net of Related Debt	103,625,189	97,944,153
Restricted	6,013,576	4,707,534
Unrestricted	31,153,795	25,695,334
Total Net Assets	<u>\$ 140,792,560</u>	<u>\$ 128,347,021</u>

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

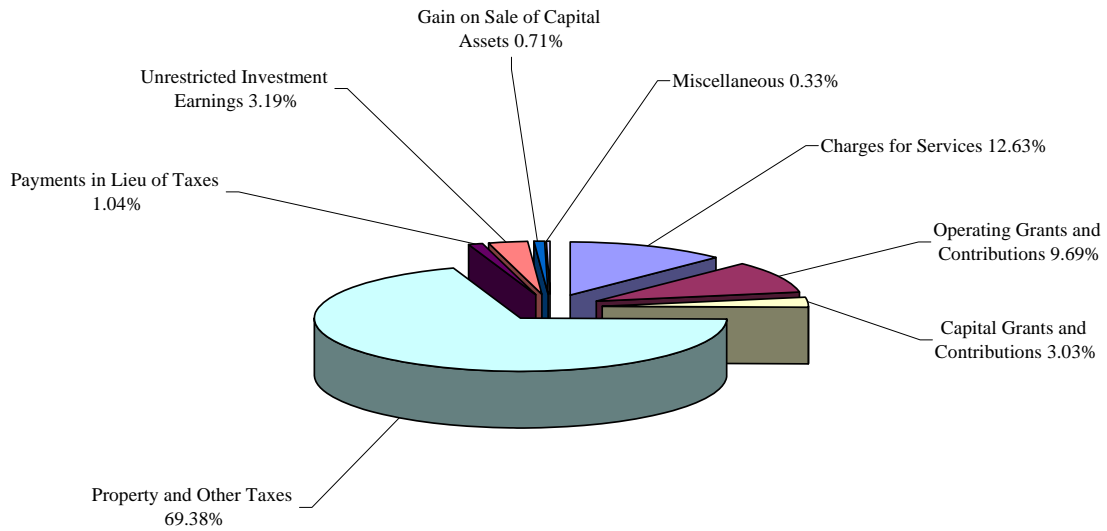
	<u>2006</u>	<u>2005</u>
Revenues:		
Program Revenues:		
Charges for Services	\$ 17,722,310	\$ 15,550,866
Operating Grants and Contributions	13,613,612	14,215,909
Capital Grants and Contributions	4,250,984	3,574,715
General Revenues:		
Property and Other Taxes	97,430,002	89,845,882
Payments in Lieu of Taxes	1,466,868	875,059
Unrestricted Investment Earnings	4,479,539	4,412,730
Gain on Sale of Assets	1,000,000	610,425
Miscellaneous	460,353	406,056
Total Revenues	<u>140,423,668</u>	<u>129,491,642</u>
Expenses:		
General Government	44,829,831	38,234,702
Public Safety	40,232,630	39,716,042
Sanitation	574,720	17,820
Health and Social Services	15,986,573	15,798,540
Culture and Recreation	4,100,806	4,347,126
Conservation	391,525	402,540
Roads, Bridges, and Rights-of-way	10,984,981	9,551,590
Interest on Long-term Debt	10,198,561	10,268,849
Total Expenses	<u>127,299,627</u>	<u>118,337,209</u>
Increase (Decrease) in Net Assets	13,124,041	11,154,433
Net Assets, 10/1/05	128,347,021	117,192,588
Prior Period Adjustments	(678,502)	-
Net Assets, 9/30/06	<u>\$ 140,792,560</u>	<u>\$ 128,347,021</u>



**Expenses and Program Revenues - Governmental Activities**



**Revenues by Source - Governmental Activities**



## **Financial Analysis of the Government's Funds**

The focus of the county's Governmental Funds is to provide information on near-term inflows and outflows and on resource balances available for spending. Such information is useful in assessing the county's financing requirements. In particular, unreserved fund balance might serve as a useful measure of the county's net resources available for spending at fiscal year-end.

At September 30, 2006, the county's Governmental Funds reported a combined ending fund balance of \$73,639,237, a decrease of \$17,965,975 from September 30, 2005. Approximately 85% (\$62,950,140) of the fund balance constitutes unreserved fund balance, which is available for spending at the government's discretion. The remainder of fund balance is reserved - i.e., not available for new spending because it has already been committed to pay for:

- encumbrances of the current year (\$5,791,003);
- debt service (\$4,397,599);
- inventories and prepaid items (\$499,104); and
- other restricted purposes (\$1,391).

The General Fund is the county's chief operating fund. At September 30, 2006, the General Fund's unreserved fund balance totaled \$25,006,075; its total fund balance increased during the year then ended by \$6,473,527, to \$25,621,697. As a measure of the General Fund's liquidity, it might be useful to compare both the unreserved and total fund balances to total fund expenditures. The General Fund's unreserved fund balance and total fund balance represent 30.0% and 30.7%, respectively, of its total expenditures for the fiscal year ended September 30, 2006.

Key factors in the increase of the General Fund's fund balance are the following:

- an increase in the appraised value of a foreign trade zone, which doubled county property tax;
- greater interest yields on investments;
- a decrease in payroll expenditures due to departmental adherence to a county policy of leaving vacated positions unfilled for seven payroll periods (fourteen weeks) unless an exemption is requested of, and approved by, the Commissioners' Court;
- statutory increases in various fees charged; and
- the overall effort of county departments to decrease operating expenditures.

The Limited Tax Criminal Justice Center Bonds 2003A Capital Projects Fund has a fund balance of \$385,318. This fund was created in the fiscal year ended September 30, 2003, to account for the financial resources used to build, improve, and equip a complex to house court facilities, a detention center, and law enforcement personnel, and to pay the costs associated with the issuance of related long-term debt.

The Combination Tax/Revenue Certificates of Obligation Series 2003C Capital Projects Fund has a fund balance of \$7,769,756. This fund was created in the fiscal year ended September 30, 2003, to account for the financial resources used: to purchase, among other items, materials, supplies, equipment, machinery, buildings, land, and rights-of-way for authorized needs and purposes; to construct public works; and to pay the costs associated with the issuance of the certificates.

The Combination Unlimited Tax Road Bonds 2003B Fund Capital Projects fund has a fund balance of \$10,037,706. This fund was created in the fiscal year ended September 30, 2003, to account for the financial resources used to build and improve roads within the county, and to pay the costs associated with the issuance of the Road Bonds.

### **General Fund Budgetary Highlights**

The final amended General Fund budget of \$89,081,992 was \$1,781,292 greater than the original budget of \$87,300,700. Reasons for the budget increase included the following:

- unexpected capital-outlay expenditures associated with the opening of the new Galveston County Justice Center;
- the buyout of a land lease, which will result in property improvements, park-land conversion, and excess acreage available for re-sale;
- a rise in windstorm insurance premiums for our county buildings;
- an increase in fuel costs; and
- an increase in electric, telephone, and other utility expenses.

The majority of these increases drew upon unreserved fund balance.

During the year, actual revenues were greater, and actual expenditures were less, than final budgeted amounts, by \$3,003,605 and \$5,746,527, respectively. The positive variance in revenues is attributable in part to:

- an increase in the statutory filing fees of the County Clerk's office;
- an increase in the Tax Office's Certificate of Title fees due to fees now being predicated on the market value, rather than on the purchase price, of the vehicle sold; and
- an increase in our portion of the state's pro rata share of the Tobacco Settlement earnings.

The positive variance in expenditures is attributable in part to:

- a county policy of leaving vacated positions unfilled for seven payroll periods (fourteen weeks) unless an exemption is requested of, and approved by, the Commissioners' Court; and
- overall efforts of county departments to decrease operating expenditures by limiting overtime, being watchful of purchases of supplies, exercising prudent decision-making with regard to travel and training, etc.

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

#### Capital Assets

The county's investment in capital assets at September 30, 2006, net of accumulated depreciation, totaled \$255,940,976, an increase of \$ \$24,342,094 (10.5%). Capital assets are classified as land, infrastructure, buildings and improvements, machinery and equipment, improvements other than buildings, and construction in progress.

During the fiscal year ended September 30, 2006, improvements to various county buildings, including renovation of the old county courthouse, continued. At September 30, 2006, construction in progress related to buildings and infrastructure totaled \$6,339,036 and \$710,816 respectively. Several projects, classified as construction in progress at September 30, 2005, were completed in the fiscal year ended September 30, 2006, including the new Galveston County Justice Center, the San Luis Pass Bridge toll booth, and improvements at Bayshore and Walter Hall Parks. These completed projects were transferred from construction in progress to the buildings-and-improvements and improvements-other-than-buildings asset classes during the fiscal year ended September 30, 2006.

**COUNTY OF GALVESTON, TEXAS**  
**Capital Assets (Net of Depreciation)**  
**At September 30, 2006 and 2005**

	<u>2006</u>	<u>2005</u>
Land	\$ 22,063,116	\$ 22,102,031
Infrastructure	71,345,598	74,371,791
Buildings and Improvements	140,905,076	32,245,207
Machinery and Equipment	13,110,099	7,570,417
Improvements Other than Buildings	1,467,234	195,438
Construction in Progress	7,049,853	95,113,998
Total	\$ 255,940,976	\$ 231,598,882

Additional information on the county's capital assets is found in Note III.C. to the Financial Statements on pages 67 and 68 of this report.

Debt Administration

At September 30, 2006, the county's outstanding bonded debt with cumulative accretion-to-date totaled \$199,288,537, comprising \$54,150,000 in certificates of obligation and \$145,138,537 in general obligation bonds, all of which is backed by the full faith and credit of the government.

**GALVESTON COUNTY, TEXAS**  
**Bonded Debt Outstanding with Cumulative Accretion-to-Date**  
**At September 30, 2006 and 2005**

	<u>2006</u>	<u>2005</u>
Certificates of Obligation	\$ 54,150,000	\$ 54,860,000
General Obligation Bonds	145,138,537	149,470,898
Total	\$ 199,288,537	\$ 204,330,898

The county's outstanding bonded debt decreased slightly, by 2.5% (\$5,042,361), during the fiscal year ended September 30, 2006. No new bonded debt was issued during that period. With bond insurance, the county maintains an "AAA" rating from Fitch Ratings and an "Aaa" rating from Moody's Investors Service, Inc., on its general-obligation debt.

State statute limits the amount of general obligation debt a governmental entity may issue to five percent of the assessed valuation of all taxable property. The current applicable limit for the county is \$1,091,754,000, which significantly exceeds the amount of the county's outstanding general-obligation debt. In addition, Article III §52 of the Texas Constitution limits the amount of unlimited tax road bonds a governmental entity may issue to twenty-five percent of the assessed valuation of all taxable real property. The current applicable limit for the county is \$4,872,922,750, which also significantly exceeds the amount of the county's outstanding unlimited tax road bonds, including the cumulative accretion-to-date on capital-appreciation series.

Additional information concerning the county's long-term debt can be found in Note III.F. to the Financial Statements on pages 72 through 75 of this report.

**Next Year's Budgets and Rates**

During the fiscal year ended September 30, 2006, the General Fund's unreserved fund balance increased to \$25,006,075. The county has appropriated \$3,046,114 of the General Fund unreserved fund balance in its expenditure budget for the fiscal year ending September 30, 2007. The county has also designated \$7,408,509 of the unreserved fund balance for debt service, self-insurance, disaster protection, and other contingencies.

The Budget Office endeavored to achieve a budget rate for fiscal year 2007 equal to the effective tax rate while focusing on (in order of priority): safety, health, and welfare concerns; improved efficiency and effectiveness of operations; and maintenance of current programs. An increase in projected expenditures for property insurance, utilities and fuel, and jail inmates totaling \$5.9 million more than in the prior fiscal year precluded the county from attaining the effective tax-rate goal, but the county nonetheless decreased the tax rate by three cents per hundred dollars of assessed valuation, from \$ 0.62875 to \$ 0.59875.

Finally, per an agreement with a major industrial real property owner, an overpayment of 2002 ad-valorem tax was refunded by the county in three annual installments commencing in December, 2004. All of these payments were funded by tax revenues. The first payment of \$1,185,207 was made on December 6, 2004. The second payment of \$1,111,886 was made on December 8, 2005. The third payment of \$1,111,886 was made on October 30, 2006.

**Requests for Information**

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



County Judge James Yarbrough Dedicates the  
Newly Completed Emergency Management Facility  
May 25, 2005

# Basic Financial Statements

**GALVESTON COUNTY, TEXAS**  
**STATEMENT OF NET ASSETS**  
**September 30, 2006**

	<b>Primary Government Governmental Activities</b>	<b>Component Unit Galveston County Health District</b>
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 86,472,329	\$ 3,453,722
Receivables (Net of Allowances for Uncollectibles):		
Interest	573	-
Taxes	12,897,044	-
Accounts and Other	8,067,111	2,820,869
Inventories	392,328	83,423
Prepaid Expenses	422,126	22,359
Deferred Charges	3,503,241	-
Restricted Assets:		
Cash and Cash Equivalents	144,139	-
Capital Assets (Net of Accumulated Depreciation):		
Land	22,063,116	-
Infrastructure	71,345,598	-
Buildings and Improvements	140,905,076	95,562
Machinery and Equipment	13,110,099	284,437
Improvements Other Than Buildings	1,467,234	688,931
Construction in Progress	7,049,853	-
<b>Total assets</b>	<b>367,839,867</b>	<b>7,449,303</b>
<b>LIABILITIES</b>		
Accounts Payable	6,904,395	652,211
Salaries Payable	1,587,606	-
Accrued Interest Payable	1,322,535	-
Retainage Payable	4,689,853	-
Estimated Liability - Claims and Judgements	2,023,000	-
Due to Others	294,446	205,644
Payable from Restricted Assets:		
Escrow Deposits	142,748	-
Unearned Revenues	2,011,066	1,761,957
Long-term liabilities:		
Due within one year	10,191,147	155,939
Due in more than one year	197,880,511	676,183
<b>Total liabilities</b>	<b>227,047,307</b>	<b>3,451,934</b>
<b>NET ASSETS</b>		
Invested in capital assets, net of related debt	103,625,189	707,839
Restricted for:		
Grants	565,311	-
Debt Service	5,448,265	-
Clinic Operations	-	1,254,905
Unrestricted	31,153,795	2,034,625
<b>Total net assets</b>	<b>\$ 140,792,560</b>	<b>\$ 3,997,369</b>

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



**GALVESTON COUNTY, TEXAS**  
**STATEMENT OF ACTIVITIES**  
**For the Year Ended September 30, 2006**

Functions/Programs	Net (Expense) Revenue and Changes in Net Assets			Component Unit Galveston County Health District
	Primary Government	Primary Government	Component Unit	
Primary Government:	Expenses	Charges for Services	Program Revenues Operating Grants and Contributions	Governmental Activities
Governmental Activities				
General Government	\$ 44,829,831	\$ 15,155,542	\$ 2,786,535	\$ (25,013,577)
Public Safety	40,232,630	1,750,340	8,486,914	(28,550,536)
Sanitation	574,720	-	-	-
Health and Social Services	15,986,573	6,448	1,257,310	(14,722,815)
Culture and Recreation	4,100,806	130,531	341,678	(3,271,350)
Conservation	391,525	-	27,277	(364,248)
Roads, Bridges, and Rights-of-way	10,984,981	679,449	713,898	(9,591,634)
Interest on Long-term Debt	10,198,561	-	-	(10,198,561)
<b>Total governmental activities</b>	<b>\$ 127,299,627</b>	<b>\$ 17,722,310</b>	<b>\$ 13,613,612</b>	<b>\$ (91,712,721)</b>
<b>Component Unit:</b>				
Galveston County Health District	\$ 19,024,699	\$ 6,540,726	\$ 6,174,859	\$ (6,309,114)
<b>General revenues:</b>				
Taxes:				
Property taxes, levied for general purposes				81,610,097
Property taxes, levied for debt service				15,819,905
Payments in lieu of taxes				1,466,868
Grants and contributions not restricted to specific programs				-
Unrestricted investment earnings				4,479,539
Gain on sale of capital assets				1,000,000
Miscellaneous				460,353
Total general revenues, special items, and transfers				104,836,762
Change in net assets				13,124,041
<b>Net assets - beginning</b>				128,347,021
Prior period adjustments				(678,502)
<b>Net assets - ending</b>				<b>\$ 140,792,560</b>

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

**GALVESTON COUNTY, TEXAS**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**September 30, 2006**

	General	Limited Tax Criminal Justice Bonds 2003A	Combination Tax/Revenue Certificates of Obligation Series 2003C
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 15,943,475	\$ 3,263,621	\$ 10,403,936
Investments	9,965,930	-	-
Receivables (Net of Allowances for Uncollectibles):			
Interest	421	-	-
Taxes	10,531,669	-	-
Accounts and Other	2,946,910	-	-
Due from Other Funds	2,167,367	-	-
Inventory at Cost	-	-	-
Prepaid Expenditures	106,776	-	-
Restricted Assets:			
Cash and Cash Equivalents	114,328	-	-
	<b>\$ 41,776,876</b>	<b>\$ 3,263,621</b>	<b>\$ 10,403,936</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Accounts Payable	\$ 3,834,344	\$ 119,789	\$ 1,219,832
Salaries Payable	1,267,995	-	-
Compensated Absences Payable	11,400	-	-
Capital Lease Payable	275,684	-	-
Retainage Payable	5,733	2,758,514	1,414,348
Due to Others	70,293	-	-
Liabilities Payable from Restricted Assets:			
Escrow Deposits	-	-	-
Deposits - Held	114,328	-	-
Due to Other Funds	43,731	-	-
Deferred Revenues	10,531,671	-	-
	<b>16,155,179</b>	<b>2,878,303</b>	<b>2,634,180</b>
<b>Fund Balances:</b>			
Reserved for:			
Restricted Assets	-	-	-
Encumbrances	508,846	208,445	1,253,445
Inventory	-	-	-
Prepaid Items	106,776	-	-
Debt Service	-	-	-
Unreserved, Reported in:			
General Fund	25,006,075	-	-
Special Revenue Funds	-	-	-
Capital Projects Funds	-	176,873	6,516,311
	<b>25,621,697</b>	<b>385,318</b>	<b>7,769,756</b>
<b>Total liabilities and fund balances</b>	<b>\$ 41,776,876</b>	<b>\$ 3,263,621</b>	<b>\$ 10,403,936</b>

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

Unlimited Tax Road Bonds Series 2003B	Other Governmental Funds	Total Governmental Funds
\$ 10,044,580	\$ 31,197,465	\$ 70,853,077
-	-	9,965,930
-	152	573
-	2,365,375	12,897,044
-	5,102,671	8,049,581
-	43,731	2,211,098
-	392,328	392,328
-	-	106,776
-	29,811	144,139
<b>\$ 10,044,580</b>	<b>\$ 39,131,533</b>	<b>\$ 104,620,546</b>
\$ 6,874	\$ 1,675,170	\$ 6,856,009
-	314,948	1,582,943
-	1,192	12,592
-	-	275,684
-	511,258	4,689,853
-	231,977	302,270
-	24,802	24,802
-	3,618	117,946
-	2,167,367	2,211,098
-	4,376,441	14,908,112
6,874	9,306,773	30,981,309
-	1,391	1,391
17,464	3,802,803	5,791,003
-	392,328	392,328
-	-	106,776
-	4,397,599	4,397,599
-	-	25,006,075
-	18,466,919	18,466,919
10,020,242	2,763,720	19,477,146
10,037,706	29,824,760	73,639,237
<b>\$ 10,044,580</b>	<b>\$ 39,131,533</b>	<b>\$ 104,620,546</b>



## Galveston County Emergency Management Facility

Inside the Emergency Operations Center  
On the Day of the Building Dedication  
May 25, 2005

**GALVESTON COUNTY, TEXAS**  
**RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF NET ASSETS**  
**September 30, 2006**

Total fund balance, governmental funds	\$	73,639,237
<p>Amounts reported for governmental activities in the Statement of Net Assets are different because:</p>		
<p>Capital assets used in governmental activities are not current financial resources and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Assets.</p>		255,940,976
<p>Bond issuance costs are not financial resources and therefore are not reported as assets in governmental funds. These costs are to be amortized over the life of the bonds.</p>		1,808,624
<p>The assets and liabilities of certain internal service funds are not included in the fund financial statement, but are included in the governmental activities of the Statement of Net Assets.</p>		3,910,153
<p>Some liabilities are not due and payable in the current period and are not included in the fund financial statement, but are reported in the governmental activities of the Statement of Net Assets. These are as follows:</p>		
Bonds payable		(191,128,422)
Accumulated accretion on capital appreciation bonds		(8,160,115)
Capital leases payable		(916,845)
Compensated absences payable		(3,242,476)
Claims and judgements payable		(1,111,886)
Interest on long-term debt		(1,314,711)
Premiums on issuance of debt		(3,223,638)
Deferred loss on refunding		1,694,619
<p>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.</p>		12,897,044
Net assets of governmental activities in the Statement of Net Assets	\$	140,792,560

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

**GALVESTON COUNTY, TEXAS**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**For the Year Ended September 30, 2006**

	<u>General</u>	<u>Limited Tax Criminal Justice Bonds 2003A</u>	<u>Combination Tax/Revenue Certificates of Obligation Series 2003C</u>
<b>REVENUES</b>			
Taxes	\$ 76,911,309	\$ -	\$ -
Licenses and Permits	25,153	-	-
Intergovernmental	3,098,136	68,112	-
Charges for Services	7,182,859	-	-
Fines and Forfeitures	1,971,343	-	-
Investment Earnings	2,696,744	145,153	710,424
Miscellaneous	4,378,740	-	-
<b>Total revenues</b>	<u>96,264,284</u>	<u>213,265</u>	<u>710,424</u>
<b>EXPENDITURES</b>			
Current:			
General Government	40,977,138	210,585	38,940
Public Safety	22,533,758	-	-
Sanitation	-	-	-
Health and Social Services	13,109,328	-	-
Culture and Recreation	2,042,167	-	-
Conservation	366,442	-	-
Roads, Bridges and Rights-of-Way	-	-	-
Debt Service:			
Principal	571,622	-	-
Interest and Fiscal Charges	62,774	-	-
Refund of Prior Year Tax Revenue	-	-	-
Capital Outlay	3,672,236	5,056,394	15,092,152
<b>Total expenditures</b>	<u>83,335,465</u>	<u>5,266,979</u>	<u>15,131,092</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>12,928,819</u>	<u>(5,053,714)</u>	<u>(14,420,668)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	263,950	-	-
Transfers Out	(8,076,163)	-	-
Sale of Capital Assets	1,356,921	-	-
<b>Total other financing sources (uses)</b>	<u>(6,455,292)</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balances</b>	6,473,527	(5,053,714)	(14,420,668)
<b>Fund balances-beginning</b>	<u>19,148,170</u>	<u>5,439,032</u>	<u>22,190,424</u>
<b>Fund balances-ending</b>	<u>\$ 25,621,697</u>	<u>\$ 385,318</u>	<u>\$ 7,769,756</u>

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

<b>Unlimited Tax Road Bonds Series 2003B</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ -	\$ 20,502,542	\$ 97,413,851
-	2,299,686	2,324,839
-	13,150,733	16,316,981
-	2,635,589	9,818,448
-	791,857	2,763,200
400,049	1,180,007	5,132,377
-	1,520,306	5,899,046
<u>400,049</u>	<u>42,080,720</u>	<u>139,668,742</u>
-	1,428,287	42,654,950
-	12,697,683	35,231,441
-	574,720	574,720
-	2,027,268	15,136,596
-	293,626	2,335,793
-	-	366,442
-	4,410,273	4,410,273
-	6,800,000	7,371,622
-	8,115,039	8,177,813
-	159,154	159,154
138,719	16,607,251	40,566,752
<u>138,719</u>	<u>53,113,301</u>	<u>156,985,556</u>
<u>261,330</u>	<u>(11,032,581)</u>	<u>(17,316,814)</u>
-	7,819,449	8,083,399
-	(2,635,068)	(10,711,231)
-	621,750	1,978,671
<u>-</u>	<u>5,806,131</u>	<u>(649,161)</u>
261,330	(5,226,450)	(17,965,975)
<u>9,776,376</u>	<u>35,051,210</u>	<u>91,605,212</u>
<u><b>\$ 10,037,706</b></u>	<u><b>\$ 29,824,760</b></u>	<u><b>\$ 73,639,237</b></u>



Galveston County Emergency Management Facility

200'-Antenna Tower Behind Building



**GALVESTON COUNTY, TEXAS**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**For the Year Ended September 30, 2006**

Net change in fund balances - total governmental funds: \$ (17,965,975)

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

Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the Statement of Activities reports only a portion of the outlay as expense. The outlay is allocated over the assets' estimated useful lives as depreciation expense for the period. This is the amount by which capital outlay of \$34,358,284 exceeded depreciation of \$9,916,082 in the current period. 24,442,202

Governmental funds report the entire net sales price (proceeds) from sale of an asset as revenue because it provides current financial resources. In contrast, the Statement of Activities reports only the gain on the sale of the assets. Thus, the change in the net assets differs from the change in fund balance by the cost of the asset sold. (100,111)

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. 19,269

Governmental funds report bond proceeds as current financial resources. In contrast, the Statement of Activities treats such issuance of debt as a liability. Governmental funds report repayment of bond principal as an expenditure. In contrast, the Statement of Activities treats such repayments as a reduction in long-term liabilities. This is the amount by which repayments exceeded proceeds. 8,483,508

Some expenses reported in the statement of activities do not require the use of current financial resources and these are not reported as expenditures in governmental funds:

Accrued interest not reflected on governmental funds	44,291
Compensated absences	(469,509)
Amortization of deferred charges	(370,175)
Accretion of capital bond interest	(1,757,639)

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. 798,180

Change in net assets of governmental activities	\$	13,124,041
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The notes to the financial statements are an integral part of the statement.

**GALVESTON COUNTY, TEXAS**  
**STATEMENT OF NET ASSETS**  
**PROPRIETARY FUNDS**  
**September 30, 2006**

	<b>Governmental Activities - Internal Service Funds</b>
<b>ASSETS</b>	
Current Assets:	
Cash and Cash Equivalents	\$ 5,653,322
Receivables (Net of Allowances for Uncollectibles):	
Accounts and Other	17,530
Prepaid Items	315,350
<b>Total current assets</b>	<b>5,986,202</b>
 <b>LIABILITIES</b>	
Current Liabilities:	
Accounts Payable	48,386
Salaries Payable	4,663
Estimated Liability - Claims	2,023,000
<b>Total current liabilities</b>	<b>2,076,049</b>
 <b>NET ASSETS</b>	
Unrestricted	<b>\$ 3,910,153</b>

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

**GALVESTON COUNTY, TEXAS**  
**STATEMENT OF REVENUES, EXPENSES, AND**  
**CHANGES IN FUND NET ASSETS**  
**PROPRIETARY FUNDS**  
**For the Year Ended September 30, 2006**

	<b>Governmental Activities - Internal Service Funds</b>
<b>OPERATING REVENUES</b>	
Charges for Services	\$ 7,750,307
Insurance Recovery - County	11,795
Reimbursements	531,749
Miscellaneous	38,659
<b>Total operating revenues</b>	<b>8,332,510</b>
<b>OPERATING EXPENSES</b>	
Personal Services	108,097
Contract Services	487,723
Insurance	2,498,155
Claims Paid	7,071,191
Supplies	3,759
<b>Total operating expenses</b>	<b>10,168,925</b>
<b>Operating income (loss)</b>	<b>(1,836,415)</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>	
Investment Earnings	6,763
<b>Income (loss) before transfers</b>	<b>(1,829,652)</b>
Transfers In	2,627,832
<b>Change in net assets</b>	<b>798,180</b>
<b>Total net assets-beginning</b>	<b>3,111,973</b>
<b>Total net assets-ending</b>	<b>\$ 3,910,153</b>

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

**GALVESTON COUNTY, TEXAS  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
For the Year Ended September 30, 2006**

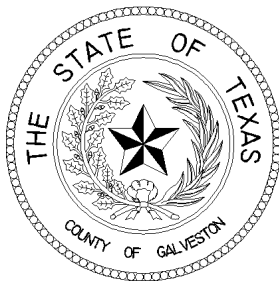
	<b>Governmental Activities - Internal Service Funds</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from Users	\$ 7,993,551
Payments to Suppliers	(3,534,681)
Payments to Employees	(107,691)
Payments for Claims	(6,687,509)
Other Operating Revenues	454,855
<b>Net cash provided (used) by operating activities</b>	<b>(1,881,475)</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Transfers in	2,627,832
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Investment Earnings	6,763
<b>Net increase in cash and cash equivalents</b>	753,120
<b>Cash and Cash Equivalents, October 1, 2005</b>	<b>4,900,202</b>
<b>Cash and Cash Equivalents, September 30, 2006</b>	<b>\$ 5,653,322</b>
<b>Reconciliation of operating income to net cash provided (used) by operating activities:</b>	
<b>Operating income (loss)</b>	<b>\$ (1,836,415)</b>
<b>Adjustments to reconcile operating income to net cash provided (used) by operating activities:</b>	
(Increase) Decrease in Accounts Receivable	130,294
(Increase) Decrease in Interest Receivable	4,880
(Increase) Decrease in Prepaid Items	(198,352)
Increase (Decrease) in Accounts Payable	17,960
Increase (Decrease) in Salaries Payable	158
<b>Total adjustments</b>	<b>(45,060)</b>
<b>Net cash provided (used) by operating activities</b>	<b>\$ (1,881,475)</b>

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

**GALVESTON COUNTY, TEXAS**  
**STATEMENT OF FIDUCIARY NET ASSETS**  
**FIDUCIARY FUNDS**  
**September 30, 2006**

	<b>AGENCY FUNDS</b>
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 23,742,998
Receivables (Net of Allowances for Uncollectibles):	
Accounts and Other	37,809
Restricted Assets:	
Guardianship Assets	1,669,094
<b>Total assets</b>	<b>\$ 25,449,901</b>
<b>LIABILITIES</b>	
Accounts Payable	\$ 206,182
Due to Others	17,277,745
Due to Other Entities	4,949,214
Deposits Held	1,347,666
Deposits Held for Restricted Assets	1,669,094
<b>Total liabilities</b>	<b>\$ 25,449,901</b>

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



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Galveston County, Texas  
Notes to the Financial Statements  
September 30, 2006

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## I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### A. Reporting Entity

#### 1. Primary government

Galveston County, Texas (the “county”), is a public corporation and political subdivision organized and existing under the constitution and laws of the State of Texas. It was established on May 15, 1838, by an article approved by the President of the Republic of Texas, Sam Houston. It is located on the upper Texas coast of the Gulf of Mexico and comprises a land area of 430 square miles. The county is governed by an elected Commissioners’ Court composed of the County Judge and four County Commissioners. It provides services with regard to public safety, health and social welfare, culture and recreation, conservation, and the construction, improvement, maintenance, and acquisition of roads, bridges, and rights-of-way, in addition to general administration.

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 (the “GASB”) and other authoritative sources identified in *Statement on Auditing Standards No. 69: The Meaning of “Present Fairly in Conformity with Generally Accepted Accounting Principles” in the Independent Auditor’s Report* of the American Institute of Certified Public Accountants.

#### 2. Component units

The accompanying financial statements present information for the government as well as its *component units*. A component unit is an organization which is legally separate from the primary government but which is subject to fiscal, and sometimes other, oversight by that government which is so significant that to exclude the component unit’s financial information from that of the primary government could mislead readers. Three specific tests are applied to determine whether a legally separate organization is a component unit of a government. These tests look at:

- the method of appointment of the organization’s governing board;
- the degree of the organization’s fiscal dependence upon the primary government; and
- the extent to which the exclusion of the organization’s data from that of the primary government could contribute to unclear financial reporting.

#### *Blended Component Units*

A component unit is called *blended* if its operations are so intertwined with those of the primary government that it functions, for all practical purposes, as an integral part of that primary government. No distinction is made between the data of the primary government and that of a blended component unit.

The county has determined that the Galveston County Road District #1 (“Road District #1”) qualifies for classification as a blended component unit and thus reports its financial data in the Road District #1 Special Revenue Fund. Road District #1 was created and defined under Article III, Section 52, of the Texas Constitution to construct, maintain, and operate macadamized, gravel, and paved roads and turnpikes. The Commissioners’ Court is the statutory governing body of Road District #1 and is authorized to act on its behalf to issue debt, set tax rates, and assess tolls. The county maintains all of the accounting records for Road District #1; separate financial statements are not issued.



### *Discretely Presented Component Units*

Alternatively, a component unit is labeled *discretely presented* when it operates with a greater degree of autonomy in relation to the primary government. The data of such a component unit is presented together with, but distinguishable from, the data of the primary government.

The Galveston County Health District (the “Health District”) qualifies for classification as a discretely presented component unit, and its financial data is reported in a single column in the government-wide financial statements. The structure and operation of the Health District is governed by the *Health and Safety Code*, Subtitle F, Chapter 121, “Local Public Health Reorganization Act.” The Health District was formed by contractual arrangement among the county and the cities within the county. The contract provides for an administrative board, the Galveston County Board of Health, that sets policy and associated operating budgets for the public-health, pollution-control, rabies-control, and ambulance services that the Health District offers. The county partially subsidizes the cost of these services. The thirteen-member Galveston County Board of Health is nominated by the Commissioners’ Court and approved by a majority of the constituent entities of the Health District. Complete financial statements for the Health District may be obtained from its administrative office at 1207 Oak Street, La Marque, TX 77568.

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

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

In the Statement of Net Assets, activities of the primary government may be classified either as *governmental activities* or *business-type activities*. Governmental activities, which are normally supported by taxes and inter-governmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The county presently accounts for no business-type activities.

The Statement of Activities demonstrates the degree to which the *direct expenses* of a given function or segment are offset by *program revenues*. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include:

- charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and
- operating and capital grants and contributions that are restricted to use in meeting the operational or capital requirements of a particular function or segment.

Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for *Governmental Funds*, *Proprietary Funds*, and *Fiduciary Funds*, although the last are excluded from the government-wide financial statements. Major individual funds are reported as separate columns in the fund financial statements.

### **C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide, Proprietary Fund, and Fiduciary Fund financial statements are reported using 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 three Internal Service Funds, the operating revenues of which consist of charges to county employees and retirees for medical insurance, and reimbursements for claims from workers' compensation insurance. Operating expenses for these Internal Service Funds include the cost of services and administrative expenses.

Governmental Fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *measurable* if the transaction amounts can be determined and are considered to be *available* if they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this latter purpose, the government considers revenues to be available if they are collected within sixty days of the end of the fiscal period. Expenditures are generally recorded when a liability is incurred, as with accrual accounting. However, non-matured interest on general long-term debt is recorded when due, as are compensated absences and claims and judgments.

Property and franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recorded as revenue of the period. Sales taxes collected and held by the state at year-end on behalf of the county are also recorded as revenue. Entitlements and shared revenue are recorded at the time of receipt or earlier if the accrual criteria are met. Operating grants are recorded as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met. All other revenue items are considered to be measurable and available only when cash is received by the government.

The government reports the following four major funds, all of which are Governmental Funds:

- The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government except those required to be accounted for in another fund. The principal sources of General Fund revenues are property taxes, charges for services, and fines and forfeitures. General Fund expenditures provide services with regard to public safety, health and social services, culture and recreation, conservation, and capital outlay, in addition to general governmental administration.
- The Limited Tax Criminal Justice Bonds Series 2003A Fund is a Capital Projects fund that accounts for the financial resources used:
  - to build, improve, and equip a complex housing court facilities, a detention center, and law enforcement personnel, and
  - to pay the costs associated with the issuance of related long-term debt.

- The Combination Tax/Revenue Certificates of Obligation Series 2003C Fund is a Capital Projects fund that accounts for the financial resources used:
  - to purchase, among other things, materials, supplies, equipment, machinery, buildings, land and rights-of-way for authorized needs and purposes and the construction of public works, and
  - to pay the costs associated with the issuance of related long-term debt.
- The Combination Unlimited Tax Road Bonds 2003B Fund is a Capital Projects fund that accounts for the financial resources used:
  - build and improve roads within the county, and
  - to pay the costs associated with the issuance of the Road Bonds.

The government reports eighty-three other Governmental Funds as nonmajor funds in the *Special Revenue*, *Debt Service*, and *Capital Projects* fund types.

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

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

- Adult Probation Undistributed Collections – court costs, fees, fines, and restitution collected and held by the Adult Probation Department until distribution
- Appellate Judicial System Fees – court-cost fees collected to defray the operating costs of the Fourteenth District Court of Appeals
- Bond Escrow – money received from escrow agents of refunded bonds and paid to bondholders by the County Treasurer as paying agent
- Children's Protective Services – Social Security and child support payments due to minors under the supervision of Children's Protective Services
- County Clerk Trust – registry funds in the custody of the County Clerk until court order determines their disposition
- District Clerk Trust – registry funds in the custody of the District Clerk until court order determines their disposition
- Escrow – funds held in trust by the county or over which Commissioners' Court might exercise general oversight
- Inmate Deposits – personal funds used by inmates while in jail and withdrawn upon release
- Officers' Undistributed Fees – fees, fines, and court costs collected by county officers and held until distribution
- Payroll – a clearing fund for the county's biweekly payroll expenses
- Tax Assessor-Collector Undistributed Collections – tax receipts awaiting distribution at fiscal year-end

## D. Assets, Liabilities, and Net Assets or Equity

### 1. Deposits and investments

The county's cash and cash equivalents are considered to comprise cash on hand, demand deposits, and certificates of deposit.

State statutes authorize the county to invest in United States Treasury, agency, and instrumentality obligations; certificates of deposit; repurchase agreements; brokers' acceptances; commercial paper; mutual funds; guaranteed investment contracts; and local government investment pools.

Investments are stated at cost, amortized cost, or fair value.

Investment earnings of \$1,469,425 associated with other funds were reported as revenue in the General Fund.

Cash reported by the Health District consists of demand deposits held by financial institutions. These deposits are collateralized with securities held in the county's name. The Health District recognized no investments at year-end.

### 2. Receivables and payables

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

Activity between funds, and between the primary government and its discretely presented component unit, that is representative of lending/borrowing arrangements and for which balances were outstanding at fiscal year-end are labeled either "due to/from other funds/primary government/component unit" (i.e., the current portion of intra-reporting-entity loans) or "advances to/from other funds/primary government/component unit" (i.e., the non-current portion of intra-reporting-entity loans). All other outstanding balances between funds, and between the primary government and its discretely presented component unit, are reported as "due to/from other funds/primary government/component unit."

#### Ad-valorem property tax receivables

The county sets its tax rate and those of the Farm-to-Market Lateral Road and Flood Control operations. All ad-valorem property tax receivables are shown net of allowances for estimated uncollectible accounts. The allowances are set at 3.5% and 6% of the current and delinquent receivables, respectively, outstanding at fiscal year-end. The allowance percentages for interest and penalties receivable depend upon the ages of the individual accounts and vary from 6% to 100%. Ad-valorem property tax values are assessed at 100% of appraised market values as required by the state *Property Tax Code*. A summary of the timing of annual ad-valorem property tax activity follows ("dd" means that the day of the month can vary; "y1" and "y2" refer to the earlier and later, respectively, of two consecutive calendar years):

01/01/y1	– property values are assessed
07/25/y1	– the certified tax roll is received from the Galveston County Central Appraisal District
08/01/y1 - 09/30/y1	– tax rates are formally adopted within this two-month time
10/01/y1	– taxes are levied, and tax bills are mailed as soon as practicable thereafter
01/01/y2	– tax liens are placed on property to ensure eventual payment
02/01/y2	– current taxes billed the prior October, if still unpaid, become delinquent, and penalties and interest begin to accrue
05/dd/y2	– reminders of current-year unpaid taxes are mailed to property owners
08/01/y2	– current taxes still unpaid are removed from the current tax roll and added to the cumulative amount of all prior years' unpaid taxes on the delinquent tax roll.

### 3. Inventories and prepaid items

All inventories are valued at cost using the “first-in/first-out” method. Inventories of Governmental Funds are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

### 4. Restricted assets

The use of certain assets of the General Fund (\$114,328), and of the Child Welfare (\$3,618), Flood Control (\$1,391), and Emergency Management (\$24,802) Special Revenue Funds, is restricted by contract. Certain assets shown on the balance sheet of the Agency Funds (\$1,669,094) are restricted by law as they are under the supervision of the Probate Court Judge.

### 5. Capital assets

The county considers an asset to be a *capital asset* if it has an initial cost of at least \$5,000 and an *estimated useful life* that is longer than one year. Capital assets include land, buildings and improvements, machinery and equipment, improvements other than buildings, and construction in progress. Capital assets also include *infrastructure* – public-domain, long-lived, immovable assets such as roads, bridges, park trails, the Galveston seawall, dams, and levees. The county applies the same capitalization criteria to infrastructure as it applies to other assets.

Capital assets are reported in the government-wide financial statements. They are recorded:

- if purchased or constructed, at historical cost or estimated historical cost;
- if donated, at estimated fair market value at the donation date.

The cost of on-going construction is capitalized as work progresses. The costs of normal maintenance and repairs that do not add to asset values or materially extend asset lives are not capitalized. Interest expense incurred on borrowings during the construction of capital assets is not capitalized.

The depreciable capital assets of both the primary government and the Galveston County Health District, a discretely presented component unit, are *depreciated*, using the *straight-line method* and assuming no *salvage value*, over the following estimated useful lives.

Primary Government:	<u>Years</u>	Health District:	<u>Years</u>
Dams and levees	60	Buildings and improvements	15
Bridges	50	Equipment	3 to 10
Buildings and improvements	40	Vehicles	8
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 and vehicles	5		

**6. Compensated absences**

The county permits employees to accumulate earned but unused vacation and sick leave in amounts, and to limits, in accordance with policy adopted by the Commissioners’ Court. A liability for these amounts is accrued when incurred in the government-wide financial statements but is reported in Governmental Funds only if it has matured – for example, as a result of employee resignations and retirements.

*Vacation Leave*

An employee accrues vacation leave beginning on the six-month anniversary of date of employment, at rates which differ with tenure, until, at twenty-five years of service, two hundred hours (five weeks) of vacation leave are awarded each year. An employee may accumulate up to 150% of the annual vacation accrual; any excess is forfeited at the next anniversary date. Half-time employees accrue vacation leave at one-half the rate of full-time employees. Upon termination, employees are paid for earned but unused vacation leave, presently up to a maximum of three hundred hours, according to policy adopted by the Commissioners’ Court.

*Sick Leave*

An employee accrues sick leave beginning on the six-month anniversary of date of employment, at rates which differ according to tenure, to a maximum of 720 hours; any excess is forfeited at the next anniversary date. Half-time employees accrue sick leave at one-half the rate of full-time employees. Employees are not paid for earned but unused sick leave at termination unless they qualify to retire, in which case they are paid for one-half of their accumulated balances, presently to a maximum of 360 hours, according to policy adopted by the Commissioners’ Court.

At September 30, 2006 and 2005, the liabilities for compensated absences comprised the following:

	<u>2006</u>	<u>2005</u>
Earned, Unused Vacation Leave	\$ 2,746,754	\$ 2,372,030
Earned, Unused Sick Leave	508,314	435,523
Total	<u>\$ 3,255,068</u>	<u>\$ 2,807,553</u>

**7. Long-term obligations**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Governmental Activities column in the Statement of Net Assets. Bond premiums, discounts, and issuance costs are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of any applicable bond premium or discount.

In the Governmental Fund financial statements, bond premiums, discounts, and issuance costs are recognized in the current period. The face amount of debt issued and any related premiums are reported as other financing sources, while any related discounts are reported as other financing uses. Issuance costs, whether withheld from gross proceeds or separately disbursed, are reported as current-period expenditures.

**8. Fund equity**

In the fund financial statements, Governmental Funds report *reservations* of fund balance for amounts that are not available for appropriation or are legally restricted by external parties for use for a specific purpose. *Designations* of fund balance represent management’s tentative plans for the amounts, which are subject to change.

At September 30, 2006 and 2005, the county reported the following reservations and designations in its Governmental Funds:

Reservations:	<u>2006</u>	<u>2005</u>	Designations:	<u>2006</u>	<u>2005</u>
Restricted assets	\$ 1,391	\$ 37,214	Insecticide	\$ 30,000	\$ 30,000
Encumbrances	5,791,003	21,264,647	Special lateral roads	303,031	277,337
Inventory	392,328	349,701	Debt service	500,000	500,050
Prepaid items	106,776	273,744	Indigent Defense	426,398	-
Outstanding checks	-	3,340	Self-insurance loss	1,500,000	1,500,000
Debt service	4,397,599	3,585,732	Contingent liabilities	1,000,000	1,196,540
Total reservations	<u>\$ 10,689,097</u>	<u>\$ 25,514,378</u>	Disaster protection	3,912,100	2,262,100
			Capital projects	19,477,146	31,114,256
			Total designations	<u>\$ 27,148,675</u>	<u>\$ 36,880,283</u>

### 9. Comparative data/reclassifications

Comparative amounts for the prior year have been presented in selected sections of the accompanying financial statements in order to provide an understanding of the changes in the financial position and operations of various funds. Certain amounts presented in the prior-year data have been reclassified in order to be consistent with the current year's presentation.

### 10. Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make assumptions which result in estimates that affect:

- the reported amounts of assets and liabilities;
- the disclosures of contingent assets and liabilities; and
- the reported amounts of revenues and expenditures/expenses at the date of those financial statements and during the reporting period then ended.

Actual results could differ from such estimates.

### 11. Indirect expense allocation

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

### 12. Restricted resources

Per county policy, when both restricted and unrestricted resources are available to fund an expense, the restricted resources are applied first.

## 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, nineteen Special Revenue Funds, and all of the Debt Service Funds.

The forty-six Special Revenue Funds which do not adopt annual budgets are all thirty-two of the county's grant funds and the fourteen following funds:

Adult Probation	Probate Court Contributions
C.I.D. Seizures Post-10/89	Sheriff Seizures Post-10/89
District Attorney and Other Agency Forfeitures	Sheriff Seizures Pre-10/89
District Attorney Check Collection Fees	Sheriff's Commissary
District Attorney Contraband Post-10/89	Task Force Seizures Pre-10/89
Election Services Contract Fund	Tax Assessor-Collector Special Inventory Tax Escrow
Law Enforcement Continued Education	Unclaimed Property

All of the Capital Projects Funds adopt project-length budgets.

Effective budgetary control of those funds that do not adopt an annual budget is achieved by the restrictions imposed by bond orders, grant and construction contracts, and statute.

County department heads submit annual budget requests to the county's Budget Officer during the third quarter of the fiscal year. These budget requests may not exceed fund balances as of the first day of the fiscal year, nor exceed revenues as estimated by the County Auditor for the coming fiscal year. The Budget Officer reviews the budget requests, meets with the department heads to discuss them, and then presents a proposed budget to the Commissioners' Court. A public hearing is held, at which time the Commissioners' Court may increase or decrease the proposed budget. The final budget is adopted by a majority vote of the Commissioners' Court at a regularly scheduled meeting. Once the budget is approved, an order is adopted to levy the taxes necessary to finance the majority of the budgeted expenditures.

Legal budgetary control (i.e., the degree of detail at which expenditures may not legally exceed appropriations) rests at the department level. Within the departmental budget, expenditures are presented by line items ("object codes") which are grouped into "major classes" labeled Personal Services, Supplies, Other Services and Charges, Inter-/Intra-governmental Expenditures, Other Expenses, Capital Outlay, Debt Service, and Other Financing Uses.

In practice, budgetary control is even more strict than is required by law because the county's computerized accounting system has been configured to monitor expenditures at the above-noted major-class level. The Commissioners' Court therefore must approve many intra-departmental budget transfers. As an example, if a department attempts to issue a purchase order against its Supplies major class in an amount which exceeds that major class's remaining budgeted funds, the accounting system will block the transaction, even though sufficient surplus is present in another major class. The department would request that the Commissioners' Court amend the budgets of the two expenditure major classes, to transfer from the one to the other the necessary surplus.

Throughout the fiscal year, the Commissioners' Court may transfer existing surpluses to budgets of like kind and fund and, if deemed justified, may amend the adopted budget to provide for expenditures not therein included. Budget appropriations lapse at year-end.



*Encumbrance accounting* is employed in Governmental Funds. Encumbrances (e.g., purchase orders and contracts) outstanding at year-end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year.

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

For the year ended September 30, 2006, in the Sheriff's Commissary Special Revenue Fund, expenditures exceeded appropriations at the departmental level (the level of legal budgetary control) by \$233,113. Per Texas statute, the Sheriff's Department has exclusive control of commissary funds and is not required to file an annual budget with the Commissioners' Court.

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

There are no fund-balance deficits at September 30, 2006.

### **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 Commissioners' Court has designated Moody National Bank of Galveston the county's main depository. The county has appointed eight sub-depositories: Texas First Bank-Galveston, Texas First Bank-Texas City, Texas First Bank-Santa Fe, Texas First Bank-Dickinson, Texas First Bank-Hitchcock, Amegy Bank, Frost Bank, and First Community Bank. 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 three-year period that began October 1, 2004, and expire September 30, 2007.

The pledged securities must meet the criteria of the county's depository contracts and applicable state law. At September 30, 2006, the custodians are the Federal Reserve Bank of Dallas and Chase Securities, Inc., of Houston.

The depository is contractually required to maintain collateral of at least 110% of the amount of cash on deposit. Pledged securities must consist of

- direct obligations of the United States government, and/or
- direct obligations of a United States governmental agency or instrumentality, guaranteed by the full faith and credit of the United States government, except derivative securities.

*Deposits*

At September 30, 2006, the carrying value of the county's deposits totaled \$110,359,466, and the related balances per banks totaled \$112,519,703. Below is a schedule of these deposits:

<u>Schedule of County Deposits at September 30, 2006</u>	
<u>Cash and Cash Equivalents:</u>	
Demand Deposits	\$ 26,552,045
Time Deposits	7,633,561
Local Government Investment Pools:	
MBIA	41,170,190
Texas Local Government Investment Pool (TexPool)	<u>25,037,740</u>
Total Cash and Cash Equivalents	<u>100,393,536</u>
<u>Investments:</u>	
United States Agencies-FNMA	<u>9,965,930</u>
Total Deposits at September 30, 2006	<u><u>\$ 110,359,466</u></u>

At September 30, 2006, the carrying value of the deposits of the Galveston County Health District discretely presented component unit totaled \$3,453,722, and the related balances per banks totaled \$3,901,850. The terms of the county's depository contract apply equally to the Galveston County Health District, and the latter's deposits are therefore likewise secured by the insurance and/or pledged-securities collateral noted above.

*Custodial Credit Risk*

"Custodial credit risk" is the risk that, in the event of the financial failure of a depository, an entity will not be able to recover its deposits or collateral securities. The county would be exposed to custodial credit risk if its deposits were not covered by depository insurance and were:

- Uncollateralized;
- Collateralized with securities held by the pledging financial institution; or
- Collateralized with securities held by the pledging financial institution's trust department or agent but not in the county's name.

However, the county's deposits at September 30, 2006, were secured by depository insurance or by collateral held by a third-party custodian in the county's name and thus not exposed to custodial credit risk.

*Investments*

The Commissioners' Court controls the county's investment portfolio in accordance with state statute and the county's formal investment policy. Applicable statute includes *Texas Government Code*, Chapter 2256, "Public Funds Investment," Subchapter A, "Authorized Investments for Governmental Entities," and *Texas Local Government Code*, Subchapter E, "Depository Accounts," Section 116.112, "Investment of Funds." The county's formal investment policy limits portfolio content to: United States Treasury bills, strips, and notes; United States government agency securities and instrumentalities; certificates of deposit at approved depository banks; repurchase agreements; money-market investment accounts; negotiable-order-of-withdrawal ("N.O.W.") accounts; and local government investment pools.

Investments at September 30, 2006, consisted of United States government securities and local government investment pools, with the United States government securities having a maturity date of less than one year. Investments are presented at amortized cost in accordance with *GASB Statement 31: Accounting and Financial Reporting for Certain Investments and for External Investment Pools*.

*Credit Risk*

State law and the county’s investment policy limit investments in all categories to those rated most highly by nationally recognized statistical rating organizations. As of September 30, 2006, the county’s investments had the following ratings:

Investment Type	Rating
Local Government Investment Pools:	
Texpool	AAAm
Texas CLASS	AAA/V1+
U.S. Government Agency Securities:	
FNMA	AAA

*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 prohibits any investment for speculative gains. In accordance with its investment policy, the county reduces its exposure to declines in fair values by limiting the weighted-average maturity of its operating funds’ investment portfolio to ten months. Unless matched to a specific cash flow or specifically authorized by the Commissioners’ Court, the county will not directly invest in securities maturing more than thirty-six months from the date of purchase.

The county recognizes that investment risk can result from market price changes. Investment officers are expected to display prudence, discretion, and intelligence in the selection of securities to minimize risk. County investments are selected to ensure the preservation of capital in the overall portfolio.

At September 30, 2006, the county’s exposure to interest rate risk as measured by its portfolio’s weighted average to maturity is summarized below:

Investment Type	Fair Value	Weighted Average to Maturity in Days
FNMA Discount	\$ 9,965,930	28.50
Investment Pools	66,207,930	1.00
	<u>\$ 76,173,860</u>	
Portfolio Weighted Average to Maturity		<u>4.60</u>

*Concentration of Credit Risk*

The county’s investment policy requires the investment portfolio to be diversified in terms of investment instruments, maturity scheduling, and financial institutions in order to reduce the risk of loss resulting from over-concentration of assets in specific classes of investments, maturities, and issuers. However, the county does not limit the amount it may invest in any one issuer.

At September 30, 2006, the composition of the county's investment portfolio was as follows:

Investment Type	Fair Value	Percentage of Total Portfolio
FNMA Discount	\$ 9,965,930	13.08%
MBIA Investment Pools	41,170,190	54.05%
TexPool	25,037,740	32.87%
	\$ 76,173,860	

At September 30, 2006, the Galveston County Health District had no holdings that qualified as an investment per GASB 3 ("Deposits and Financial Institutions, Investments (including Repurchase Agreements), and Reverse Repurchase Agreements") and GASB 40 ("Deposits and Investment Risk Disclosures").

**B. Receivables**

At September 30, 2006, receivables and related allowances for uncollectible accounts of the government's individual major funds, and of its nonmajor Governmental Funds and Internal Service and Fiduciary Funds in their aggregates, are as follows (with summary comparative amounts at September 30, 2005):

	General Fund	Nonmajor Governmental Funds	Internal Service and Fiduciary Funds	Total	Total 2005
Gross Receivables:					
Interest	\$ 421	\$ 152	\$ -	\$ 573	\$ 278,612
Taxes	11,294,992	2,540,509	-	13,835,501	13,790,583
Accounts and Other	2,946,910	5,102,671	55,339	8,104,920	7,048,540
Total Gross Receivables	14,242,323	7,643,332	55,339	21,940,994	21,117,735
Less: Allowance for Uncollectibles	(763,323)	(175,134)	-	(938,457)	(912,806)
Net Receivables	\$ 13,479,000	\$ 7,468,198	\$ 55,339	\$ 21,002,537	\$ 20,204,929

Governmental Funds report *deferred revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. At September 30, 2006, the various components of deferred revenue reported in the Governmental Funds were as follows (with summary comparative amounts at September 30, 2005):

	General Fund	Special Revenue Funds	Debt Service Funds	Total 2006	Total 2005
Delinquent Property Taxes Receivable	\$ 10,531,669	\$ 683,545	\$ 1,681,830	\$ 12,897,044	\$ 12,877,775
Grants	-	2,001,543	-	2,001,543	945,654
Other	-	9,522	-	9,522	38,445
Total Deferred Revenue	\$ 10,531,669	\$ 2,694,610	\$ 1,681,830	\$ 14,908,109	\$ 13,861,874

### C. Capital Assets

#### Primary government

Capital-asset activity for the year ended September 30, 2006, which related solely to governmental activities, was as follows:

<u>Primary Government</u>	Beginning Balance, 10/1/2005	Additions	Deletions	Ending Balance, 9/30/2006
Capital Assets Not Being Depreciated:				
Land	\$ 22,102,031	\$ 25,500	\$ (64,415)	\$ 22,063,116
Construction in Progress	95,113,998	25,058,164	(113,122,309)	7,049,853
Total Capital Assets Not Being Depreciated	<u>117,216,029</u>	<u>25,083,664</u>	<u>(113,186,724)</u>	<u>29,112,969</u>
Capital Assets Being Depreciated:				
Buildings and Improvements	54,967,410	112,894,483	-	167,861,893
Improvements Other Than Buildings	553,322	1,323,594	-	1,876,916
Machinery and Equipment	21,964,652	8,101,964	(328,318)	29,738,298
Infrastructure	140,906,440	76,888	-	140,983,328
Total Capital Assets Being Depreciated	<u>218,391,824</u>	<u>122,396,929</u>	<u>(328,318)</u>	<u>340,460,435</u>
Less Accumulated Depreciation for:				
Buildings and Improvements	(22,722,203)	(4,234,614)	-	(26,956,817)
Improvements Other Than Buildings	(357,884)	(51,798)	-	(409,682)
Machinery and Equipment	(14,394,235)	(2,526,589)	292,625	(16,628,199)
Infrastructure	(66,534,649)	(3,103,081)	-	(69,637,730)
Total Accumulated Depreciation	<u>(104,008,971)</u>	<u>(9,916,082)</u>	<u>292,625</u>	<u>(113,632,428)</u>
Total Capital Assets Being Depreciated, Net	<u>114,382,853</u>	<u>112,480,847</u>	<u>(35,693)</u>	<u>226,828,007</u>
Capital Assets, Net	<u>\$ 231,598,882</u>	<u>\$ 137,564,511</u>	<u>\$ (113,222,417)</u>	<u>\$ 255,940,976</u>

Depreciation expense for the primary government for the year ended September 30, 2006, and September 30, 2005, which related solely to governmental activities, was charged to functions/programs as follows:

	<u>2006</u>	<u>2005</u>
General Government	\$ 4,317,268	\$ 975,113
Public Safety	2,840,267	2,829,499
Roads, Bridges, and Rights-of-way	2,027,861	2,124,487
Health and Social Services	115,477	143,380
Culture and Recreation	598,430	510,637
Conservation	16,779	19,558
Total Depreciation Expense	<u>\$ 9,916,082</u>	<u>\$ 6,602,674</u>

Capital projects of the primary government in progress at September 30, 2006, included building construction and renovation and bridge, park, and pump-station improvements. At that date, construction commitments with contractors comprised the following:

<u>Project</u>	<u>Amount Authorized</u>	<u>Spent to Date</u>	<u>Remaining Commitment</u>
Courthouse Renovation	\$ 6,374,309	\$ 4,370,373	\$ 2,003,936
Texas City Pump Station Improvements	2,516,500	1,968,663	547,837
Pearson Road Bridge Replacement	300,000	174,306	125,694
Galveston Railroad Bridge	1,993,777	504,337	1,489,440
Skyline Drive-Grand Cay Project	151,008	32,174	118,834
Total	<u>\$ 11,335,594</u>	<u>\$ 7,049,853</u>	<u>\$ 4,285,741</u>

The courthouse renovation is being financed by long-term borrowings. The Texas City pump station improvements, the Pearson Road bridge replacement, and the Galveston railroad bridge projects are being financed through interlocal agreements. The Skyline Drive-Grand Cay project is a reimbursable contract between the county and a private developer.

*Component unit*

Capital asset activity for the Galveston County Health District for the year ended September 30, 2006, follows.

<u>Galveston County Health District</u>	<u>Beginning Balance, 10/1/2005</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance, 9/30/2006</u>
Capital Assets:				
Buildings and Improvements	\$ 76,910	\$ 43,880	\$ -	\$ 120,790
Furniture and Equipment	868,049	72,172	(9,595)	930,626
Vehicles	1,012,781	343,642	(98,240)	1,258,183
Total Capital Assets	<u>1,957,740</u>	<u>459,694</u>	<u>(107,835)</u>	<u>2,309,599</u>
Less Accumulated Depreciation for:				
Buildings and Improvements	(17,792)	(7,436)	-	(25,228)
Furniture and Equipment	(601,149)	(54,635)	9,595	(646,189)
Vehicles	(540,913)	(126,579)	98,240	(569,252)
Total Accumulated Depreciation	<u>(1,159,854)</u>	<u>(188,650)</u>	<u>107,835</u>	<u>(1,240,669)</u>
Total Capital Assets, Net	<u>\$ 797,886</u>	<u>\$ 271,044</u>	<u>\$ -</u>	<u>\$ 1,068,930</u>

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

Amounts due to/from funds of the primary government and its discretely presented component unit at September 30, 2006, are as follows (with summary comparative amounts at September 30, 2005):

<u>Payable Reported by:</u>	<u>Receivable Reported by:</u>		<u>Total</u> <u>2006</u>	<u>Total</u> <u>2005</u>
	<u>Primary</u> <u>Government -</u> <u>General Fund</u>	<u>Primary Government -</u> <u>Nonmajor</u> <u>Governmental Funds</u>		
Primary Government - General Fund	\$ -	\$ 43,731	\$ 43,731	\$ -
Primary Government - Non- major Governmental Funds	2,167,367	-	2,167,367	1,587,788
Total	<u>\$ 2,167,367</u>	<u>\$ 43,731</u>	<u>\$ 2,211,098</u>	<u>\$ 1,587,788</u>

In the fund financial statements, inter-fund balances result from normal inter-fund transactions and will be liquidated in the subsequent fiscal year. Balances between individual Governmental Funds and between Governmental Funds and Internal Service Funds are eliminated in the government-wide financial statements. The amounts payable to the General Fund are the result of year-end negative cash balances in the county's grant funds.

Transfers among the primary government's Governmental and Internal Service Funds for the year ended September 30, 2006, are as follows (with summary comparative amounts for the year ended September 30, 2005):

<u>Transfers Out</u>	<u>Transfers In</u>			<u>Total</u> <u>2006</u>	<u>Total</u> <u>2005</u>
	<u>General</u> <u>Fund</u>	<u>Nonmajor</u> <u>Governmental</u> <u>Funds</u>	<u>Internal</u> <u>Service</u> <u>Funds</u>		
General Fund	\$ -	\$ 6,269,331	\$ 1,806,832	\$ 8,076,163	\$ 5,226,214
Nonmajor Governmental Funds	263,950	1,550,118	821,000	2,635,068	1,192,024
Total Transfers Out	<u>\$ 263,950</u>	<u>\$ 7,819,449</u>	<u>\$ 2,627,832</u>	<u>\$ 10,711,231</u>	<u>\$ 6,418,238</u>

Transfers are used: 1) to partially fund Internal Service and Special Revenue Funds' operations, and 2) as financing for activity for which the government must account in specific funds in accordance with budgetary authorization – for example, subsidies, grant matches, and funding of state-mandated programs.

**E. Leases**

*Operating Leases*

The county is engaged in an operating lease of photocopy machines under a non-cancelable, five-year contract which began during the fiscal year ended September 30, 2002. Several amendments to this agreement have resulted in a change of the original minimum lease cost of \$22,415 per month to the current lease cost of \$70,598 per month. The lease cost for the year ended September 30, 2006, was \$985,344. The future minimum payments for this lease are as follows:

Year Ending September 30, 2007 \$ 635,382

*Capital Leases*

The county is engaged in the following capital leases.

- for law-enforcement computer hardware and software: commenced December 29, 2004, ending in fiscal year 2008;
- for computer hardware and software for various departments: commenced August 30, 2004, ending in fiscal year 2007.

The value of the assets acquired through capital leases was \$2,052,776, although only \$665,981 of this amount reached the county's threshold for capitalization. At September 30, 2006, the accumulated depreciation related to, and the net book value of, these capital-lease assets were \$387,149 and \$278,832, respectively.

The future minimum lease payments for these two capital leases are as follows:

Year Ending September 30,	Governmental Activities	
	Law Enforcement	Various Departments
Future Minimum Lease Payments	@ 4.15% interest/year	@ 4.328% interest/year
2006 (see below)	\$ -	\$ 300,063
2007	334,333	300,062
2008	334,334	-
Total Future Minimum Lease Payments	668,667	600,125
Less: interest	(39,435)	(36,828)
	<u><u>\$ 629,232</u></u>	<u><u>\$ 563,297</u></u>

The capital-lease payment of \$300,063 for fiscal year 2006 was due in August 2006, but was not paid until November 1, 2006. This amount is reflected as a current liability on the Governmental Funds Balance Sheet and as a long-term liability due within one year on the Statement of Net Assets.



The Galveston County Health District discretely presented component unit is engaged in the following operating leases:

*With Mainland Children’s Partnership, Inc. -*

- for the Texas City 4C’s medical and dental clinic – five-year lease commenced September 1, 2006, with an option to renew for an additional ten years; minimum lease payments total \$26,561 per month
- for the Women’s, Infant’s, and Children’s Program – five-year lease commenced November 1, 2003, with an option to renew the lease three times; minimum lease payments total \$3,019 per month

*With the Galveston Housing Authority -*

- for the Island Community Center, to administer various public health functions – five-year lease commenced December 1, 2003; minimum lease payments total \$10,370 per month
- for the Island Community Center, to operate the Galveston 4C’s medical and dental clinic – five-year lease commenced August 1, 2006; minimum lease payments total \$14,161 per month
- for the Island Community Center, to operate the Women’s, Infants’, and Children’s Program – five-year lease commenced April 1, 2002; minimum lease payments total \$1,659 per month

*With the EETCO Texas General Partnership -*

- for space in Dickinson, Texas, for the Women’s, Infants’, and Children’s Program – five-year lease commenced March 1, 2004; minimum lease payments total \$3,006 per month

*With the University of Texas Medical Branch –*

- for space for the Women’s, Infants’, and Children’s Program – five-year lease commenced on March 1, 1999, and currently continues on a month-to-month basis; minimum lease payments total \$1,401 per month

In total, the Galveston County Health District incurred lease expenditures of \$719,237 and \$690,352 during the years ended September 30, 2006 and 2005, respectively. Future minimum lease payments for the next five years are as follows:

<u>Year Ending September 30,</u>	<u>Amount</u>
2007	\$ 675,942
2008	649,176
2009	534,804
2010	488,664
2011	433,781
Total	<u><u>\$ 2,782,367</u></u>

**F. Long-term Debt**

*General-obligation debt*

Primary Government

The county issues general-obligation debt:

- to provide funds for the acquisition and construction of major capital facilities, and
- to refund existing debt at more favorable interest rates and/or to otherwise improve cash flow.

This debt is a direct obligation, and pledges the full faith and credit, of the county. It consists of:

- general-obligation bonds issued upon voter approval at open election, and
- certificates of obligation issued upon approval of the Commissioners' Court, as allowed by the *Certificate of Obligations Act*.

Debt-service payments are funded by ad-valorem tax revenues. Per requirements of its bond indentures, the county both calculates separate tax levies, and accumulates debt-service resources into individual funds, that are specific to its outstanding bond issues. The bond indentures prescribe various other restrictions related to general-obligation debt with which the county believes that it is in compliance.

The amount of general-obligation bonds issued in prior years is \$257,803,939. During the fiscal year ended September 30, 2006, no general-obligation bonds were issued.

General-obligation debt principal currently outstanding is as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
Governmental Activities	2.00-5.66 %	\$ 154,968,434
Governmental Activities - Refunding	3.00-5.50 %	\$ 36,159,988

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

Year Ending <u>September 30,</u>	<u>Principal</u>	<u>Interest</u>
2007	\$ 7,235,000	\$ 7,834,216
2008	7,555,000	7,542,576
2009	7,860,000	7,238,539
2010	8,200,000	6,909,436
2011	8,505,000	6,557,030
2012	8,109,988	6,952,686
2013	9,205,000	5,840,730
2014	9,645,000	5,401,398
2015	10,120,000	4,901,001
2016	10,670,000	4,351,756
2017	7,267,138	7,832,530
2018	7,222,088	7,833,256
2019	7,225,489	7,810,249
2020	7,434,273	7,778,584
2021	7,485,965	7,709,360
2022	7,546,822	7,627,303
2023	7,636,620	7,532,880
2024	7,735,406	7,419,719
2025	7,830,544	7,305,456
2026	7,954,089	7,172,534
2027	13,980,000	1,084,750
2028	14,705,000	367,626
Total	<u>\$ 191,128,422</u>	<u>\$ 141,003,615</u>

Component Unit

The Galveston County Health District's balance of notes payable to banks was comprised of the following:

- Note Payable dated May 2006, due in twelve quarterly payments of \$35,752.66 including interest at 4.38%. The note is secured by an ambulances and related equipment.
- Note Payable dated June 2006, due in twelve monthly principal payments of \$3,059.23 including interest at 5.0%. The note is secured by an ambulance.

Notes Payable to Banks at September 30, 2006

\$ 361,091

Future debt service requirements on the notes payable as of September 30, 2006 are as follows:

Year Ending <u>September 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2007	\$ 155,939	\$ 15,379	\$ 171,318
2008	134,708	8,303	143,011
2009	70,444	2,306	72,750
	<u>\$ 361,091</u>	<u>\$ 25,988</u>	<u>\$ 387,079</u>

*Claims and Judgments*

Primary Government

Subsequent to the successful appeal of a major corporate property owner that claimed an excessive 2002 appraised value of its plant, and pursuant to an accord dated February 23, 2004, between that corporation and the county, the county agreed to refund ad-valorem tax payments totaling \$3,408,979 over a three-year period. The payments of \$1,185,207, \$1,111,886, and \$1,111,886 were made on December 6, 2004; December 8, 2005; and October 30, 2006, respectively. The Farm-to-Market Lateral Road and Flood Control Special Revenue Funds liquidated \$73,322 of the first payment; the General Fund liquidated the balance of that first payment and all of the second and third payments.

*Changes in Long-term Liabilities*

Long-term liability activity for the year ended September 30, 2006, was as follows:

	Beginning Balance <u>10/1/2005</u>	<u>Additions</u>	<u>Reductions</u>	Ending Balance <u>9/30/2006</u>	<u>Due Within One Year</u>
<u>Primary Government (All Governmental Activity)</u>					
Bonds Payable:					
General Obligation Bonds	\$ 197,928,422	\$ -	\$ 6,800,000	\$ 191,128,422	\$ 7,235,000
Accumulated Accretion	6,402,476	1,757,639	-	8,160,115	-
Plus Deferred Amounts:					
For Issuance Premiums	3,602,946	-	379,308	3,223,638	-
Total Bonds Payable	<u>207,933,844</u>	<u>1,757,639</u>	<u>7,179,308</u>	<u>202,512,175</u>	<u>7,235,000</u>
Claims and Judgments	2,223,772	-	1,111,886	1,111,886	1,111,886
Capital Leases Payable	1,752,712	-	560,183	1,192,529	871,518
Compensated Absences	2,807,554	862,488	414,974	3,255,068	972,743
Total, Primary Government	<u>\$ 214,717,882</u>	<u>\$ 2,620,127</u>	<u>\$ 9,266,351</u>	<u>\$ 208,071,658</u>	<u>\$ 10,191,147</u>
<u>Component Unit</u>					
Notes Payable	\$ 135,952	\$ 401,193	\$ 176,054	\$ 361,091	\$ 155,939
Compensated Absences	445,688	766,831	741,488	471,031	-
Total, Component Unit	<u>\$ 581,640</u>	<u>\$ 1,168,024</u>	<u>\$ 917,542</u>	<u>\$ 832,122</u>	<u>\$ 155,939</u>

A capital lease payable of \$275,684 and a compensated-absences liability of \$12,592 are reflected as current liabilities in the Governmental Funds Balance Sheet and as long-term liabilities due within one year in the Statement of Net Assets. Neither payment was made, but both were due and payable, by September 30, 2006.

Liabilities for compensated absences are generally liquidated by the funds that bear the related employees' payroll costs prior to their termination, and by the General Fund if and to the extent that those funds lack sufficient monies. The General Fund generally liquidates liabilities for claims and judgments.

#### **IV. OTHER INFORMATION**

##### **A. Risk Management**

The government is exposed to various risks of loss related to: errors, omissions, and torts; employee injuries; and theft of, damage to, and destruction of assets. The county Risk Manager is responsible for identifying, evaluating, and managing risk in order to minimize liability exposure and accidental damage to, and loss of, human resources and property. The county self-insures for group-health, workers'-compensation, and vehicular-damage claims, and it purchases commercial policies with a \$50,000 deductible for other casualty and liability insurance. In the past three years, the county has not significantly reduced insurance protection, and claim settlements have not exceeded coverage.

The county's Group Insurance, Workers' Compensation, and Self-Insurance Reserve Internal Service Funds account for the provision of services to the county and its employees for group-health, workers'-compensation, and casualty and liability (including crime, fidelity, professional liability, and property) insurance benefits. Various county departments participate in these funds' expenses based upon estimates of amounts needed to pay prior and current years' claims. The claims liabilities in the Group Insurance and Workers' Compensation Funds at September 30, 2006, are reported in compliance with *GASB Statement 10: Accounting and Financial Reporting for Risk Financing and Related Insurance Issues* ("GASB 10"). *GASB 10* requires that an entity report a liability for claims of which it becomes aware after the date of the financial statements but before the date of issuance of those financial statements if it is probable that such liability had been incurred by the earlier date and the amount can be reasonably estimated.

The county's self-insurance coverage for employee health claims is limited to \$150,000 per employee and covered dependent to a maximum of \$10,340,218 in aggregate claims. A stop-loss policy with American Stop-Loss Insurance pays claims in excess of the individual \$150,000 limit to a maximum of \$1,000,000 in aggregate claims.

The county's self-insurance coverage for workers' compensation claims provides medical and indemnification benefits for job-related injuries as is required by law. Excess claims are covered by a policy with Safety National Casualty Corporation. The retention (i.e., deductible) is \$400,000 per occurrence (\$600,000 for maritime incidents), in excess of which the policy covers up to \$1,000,000. The aggregate retention for all occurrences is \$2,224,813, in excess of which the policy covers up to \$2,000,000.

The *GASB 10* estimate of liability is based on industry experience and on actuarial estimates of claims incurred but not reported (“IBNR”). Liability activity during the past two fiscal years is as follows:

	Year Ended <u>09/30/2006</u>	Year Ended <u>09/30/2005</u>
Unpaid Claims, Beginning of Fiscal Year	\$ 2,023,000	\$ 2,023,000
Incurred (Including IBNR) Claims	7,071,191	7,107,516
Claim Payments	<u>(7,071,191)</u>	<u>(7,107,516)</u>
Unpaid Claims, End of Fiscal Year	<u>\$ 2,023,000</u>	<u>\$ 2,023,000</u>

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

The county sometimes issues refunding debt to defease outstanding debt in order to take advantage of more favorable interest rates and/or to otherwise improve cash flow. With “advance refundings” (in which the debt to be defeased is not eligible to be redeemed immediately), the proceeds of the new debt issuances are placed into irrevocable trusts to provide for all future debt service payments on the defeased debt. In accordance with generally accepted accounting principles, neither the assets in trust nor the liability for the defeased debt in advance refundings are included in the county's financial statements. On September 30, 2006, \$32.435 million of bonds outstanding are considered defeased. In the aggregate, the refundings have resulted in an economic gain of \$935,994.

### **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 long-term debt issuances in order for the interest income paid on those obligations to be considered tax-exempt for 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 is subject to yield restriction. The yield restriction may be satisfied, if necessary, by making yield-reduction payments pursuant to Treasury Regulation Section 1.148-5(c).

The county presently:

- has unexpended proceeds from certain debt issues, the yield of which is restricted,
- is in compliance with such restrictions, and
- therefore does not anticipate associated non-compliance issues.

The county continues to exercise reasonable diligence to apply any remaining unexpended debt proceeds to qualifying projects and to retire related debt issues still outstanding. The county contracts with Arbitrage Compliance Specialists of Greenwood Village, Colorado, to perform annual arbitrage calculations required under Section 148(f) of the *Code*. The most recent calculations were made through March 13, 2006, pursuant to which Arbitrage Compliance Specialists opined that the county had no filing requirements or arbitrage rebate liability as of that date on any unexpended debt proceeds.

**D. Guardianship Programs**

The Galveston County Department of Social Services, through Payee, Guardianship, and Administration Programs, administers financial and social services for persons whom the Galveston County Probate Judge has judged legally incapable of so doing for themselves. The Probate Judge appoints the guardians, who, along with the payees and administrators, are employees of the Galveston County Department of Social Services.

The Texas Probate Court defines guardian responsibilities and ward rights. At September 30, 2006 and 2005, Galveston County Department of Social Services employees were administering approximately \$1,669,094 as follows:

<u>Program</u>	<u>September 30, 2006</u>		<u>September 30, 2005</u>	
	<u>Number of Cases</u>	<u>Approximate Assets Administered</u>	<u>Number of Cases</u>	<u>Approximate Assets Administered</u>
Payee	56	\$ 138,897	59	\$ 92,159
Guardianship	85	1,472,136	83	1,437,870
Administration	2	58,061	2	73,074
Total	<u>143</u>	<u>\$ 1,669,094</u>	<u>144</u>	<u>\$ 1,603,103</u>

**E. Contingent Liabilities**

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

The county becomes party to lawsuits and other claims in the ordinary course of business. An unasserted potential claim exists with regard to a county department that routinely uses heavy equipment, fuel, and chemicals. Operational deficiencies have been indicated that involve, among other items, petrochemical pollution of the grounds and runoff into state waters, and unregistered fuel tanks. The alleged violations are subject to penalty by state enforcement agencies on a per-day basis. Additionally, criminal actions may have been committed by one or more county employees.

Although the outcome of this matter, and of other such actions in which the county is presently or may become involved, are not determinable, it is the opinion of county counsel that they will not materially adversely affect the financial condition of the county.

## F. Deferred Compensation Plan

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

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

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

Restricted deferred-compensation plan assets in the custody of third-party administrators at September 30, 2006 and 2005, consisted of accounts with the following:

	<u>2006</u>	<u>2005</u>
American United Life	\$ 41,412,136	\$ 38,437,552
Capital One (Coastal) Bank	7,731	7,828
Lincoln National	1,658,938	1,626,428
Nationwide Retirement Solutions	2,308,781	2,063,948
Various Mutual Funds and Certificates of Deposit	524,442	521,641
Total	<u>\$ 45,912,028</u>	<u>\$ 42,657,397</u>

## G. Employee Retirement System and Pension Plan

### *Retirement plan description*

The county provides retirement, disability, and death benefits for full-time employees through the state-wide Texas County and District Retirement System (“TCDRS”). This multiple-employer, public-employee retirement system, governed by the TCERS Board of Trustees, administers approximately 500 non-traditional, defined-benefit pension plans. TCERS in the aggregate issues, on a calendar-year basis, a comprehensive annual financial report which is available upon request from the TCERS Board of Trustees at P.O. Box 2034, Austin, TX 78768-2034.

The TCERS plan provisions are adopted by the participating employers’ governing bodies, subject to the state’s *TCERS Act* (the “Act”). Employees qualify to retire:

- upon reaching sixty years of age and possessing eight years of service credit; or
- at any age and possessing thirty years of service credit; or
- when the sum of their years of age and their years of service credit total seventy-five or more.



### *Funding policy*

The county has elected to follow the variable-rate-plan provisions of the *Act*. The employer contribution rate is actuarially determined each year as a percentage of employee earnings, subject to plan changes (e.g., for cost-of-living benefit increases) adopted by the employer's governing body within the constraints imposed by the *Act*. The employee contribution rate likewise is a percentage of employee earnings subject to adjustment by the governing body of the employer within the constraints of the *Act*. Funding is provided by monthly contributions from both the employer and, through biweekly payroll deductions, the employee, and by interest earned thereon. The employer contribution rates were 9.41% and 9.62% for the fiscal years ended September 30, 2006 and 2005, respectively. The employee contribution rate was 7% for both of the calendar years ended December 31, 2006 and 2005.

### *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-financed benefits. Members who withdraw their personal contributions in a lump sum are not entitled to any employer-contributed amounts.

Benefit amounts are based upon the sum of the employee's deposits to the plan, the interest earned thereon, and employer-financed monetary credits. The amount of these monetary credits is set by the participating employers' governing bodies within the actuarial constraints imposed by the *Act*, so that eventual benefits can be expected to be adequately financed by the employer's commitment to contribute. Upon disability, retirement, or death, benefits are calculated by converting the sum of the employee's deposits to the plan, the interest earned thereon, and the employer-financed monetary credits to a monthly annuity using annuity purchase rates prescribed by the *Act*.

### *Annual pension cost*

In the fiscal year ended September 30, 2006, both the cost of the county's TCDRS pension plan and the county's actual contributions totaled \$3,938,136. The contributions complied with *GASB Statement No.27: Accounting for Pensions by State and Local Governmental Employers* based upon the actuarial valuations as of December 31, 2004 and 2003, which were the basis for determining the contribution rates for calendar years 2005 and 2004. The most recent actuarial valuation is that of December 31, 2005.

<u>Actuarial Valuation Date</u>	<u>12/31/2005</u>	<u>12/31/2004</u>	<u>12/31/2003</u>
Actuarial Cost Method	Entry Age	Entry Age	Entry Age
Amortization	Level Percentage	Level Percentage	Level Percentage
Method	of Payroll, Open	of Payroll, Open	of Payroll, Open
Amortization Period	20	20	20
Asset Valuation	Long-term Apprecia-	Long-term Apprecia-	Long-term Apprecia-
Method	tion, with Adjustment	tion, with Adjustment	tion, with Adjustment
Actuarial Assumptions:			
Investment Return	8.0%	8.0%	8.0%
Projected Salary Increases	5.3%	5.5%	5.5%
Inflation	3.5%	3.5%	3.5%
Cost-of-Living			
Adjustments	-	-	-

Trend information for the retirement plan for the employees of Galveston County, Texas, follows:

<u>Fiscal Year Ended</u>	<u>Annual Pension Cost ("APC")</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
September 30, 2006	\$ 4,009,999	100%	-
September 30, 2005	\$ 3,775,050	100%	-
September 30, 2004	\$ 3,938,136	100%	-

#### **H. Other Post-employment Benefits**

In addition to pension benefits, the county provides major-medical, prescription-drug, and life-insurance benefits to former employees who have met one of the three criteria for retirement discussed in Note G, "Employee Retirement System and Pension Plan." Retirees are issued a paid life-insurance certificate in the amount of: 1) \$50,000 if they worked 2,080 hours or more per year during their active employment, or 2) \$25,000 if they worked from 1,040 to 2,079 hours per year during their active employment. Retirees are also provided, at a cost, health insurance for their lifetimes, the full benefit decreasing to a Medicare supplement at age sixty-five.

During the fiscal year ended September 30, 2006, employees, and retirees under the age of sixty-five, who participated in county health-insurance coverage were required to contribute \$90 monthly toward the premium. Dependent health-insurance coverage continues to be available at additional cost to both retirees and employees.

Of the 329 current retirees, 135 are eligible for full health-insurance coverage and 194 receive the reduced Medicare-supplement insurance coverage. The plan is currently funded on a "pay-as-you-go" basis; the county paid \$940,260 for retiree health insurance for the fiscal year ended September 30, 2006.

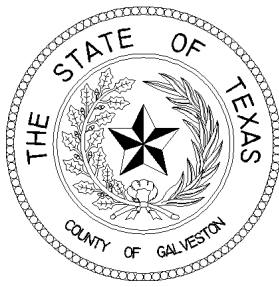
#### **I. Prior-period Adjustments**

The amount labeled "Net Assets-Beginning" in the "Primary Government" column on the Statement of Activities has been restated to correct a calculation error in the long-term liability for compensated absences. The change to the September 30, 2005, ending balance is as follows:

Net Assets-Beginning, as originally presented	\$ 128,347,021
Subtract: correction of error in calculating the liability for compensated absences	<u>(678,502)</u>
Net Assets-Beginning, as restated	<u>\$ 127,668,519</u>



Galveston County Emergency Management Facility  
National Weather Service Radar Tower and Dome



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## Required Supplementary Information

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

For the Year Ended September 30, 2006

	Original Budget	Final Budget	Actual	Variance, Actual from Final Budget Positive (Negative)	Actual Prior Year
<b>REVENUES</b>					
Taxes	\$ 77,339,524	\$ 77,339,524	\$ 76,911,309	\$ (428,215)	\$ 72,087,257
Licenses and Permits	26,000	26,000	25,153	(847)	31,945
Intergovernmental	3,052,986	3,153,986	3,098,136	(55,850)	2,208,008
Charges for Services	6,192,498	6,192,498	7,182,859	990,361	6,265,865
Fines and Forfeitures	1,938,000	1,938,000	1,971,343	33,343	2,036,543
Investment Earnings	1,275,100	1,275,100	2,696,744	1,421,644	1,506,900
Miscellaneous	3,119,919	3,335,571	4,378,740	1,043,169	3,627,448
<b>Total revenues</b>	<u>92,944,027</u>	<u>93,260,679</u>	<u>96,264,284</u>	<u>3,003,605</u>	<u>87,763,966</u>
<b>EXPENDITURES</b>					
<b>General government</b>					
General Government	6,792,500	5,530,427	4,904,684	625,743	4,470,997
County Judge and Commissioners' Court	268,200	268,200	255,916	12,284	250,365
Commissioners' Court	634,300	634,300	613,237	21,063	599,024
County Clerk	2,344,300	2,293,898	2,129,675	164,223	2,079,467
War Veterans Office	74,200	74,200	67,669	6,531	64,624
Bail Bond Board	700	700	33	667	639
District Courts	2,889,700	2,890,534	2,709,139	181,395	2,970,942
10th District Court	149,700	149,700	144,169	5,531	141,237
56th District Court	139,400	139,400	133,887	5,513	137,695
122nd District Court	179,600	179,600	173,591	6,009	169,919
212th District Court	148,400	148,400	134,993	13,407	139,557
306th District Court	147,100	147,100	141,706	5,394	138,864
405th District Court	149,700	149,700	143,534	6,166	140,617
County Court #1	534,900	534,900	458,419	76,481	445,957
County Court #2	532,900	517,300	448,921	68,379	462,288
Probate Court	665,900	665,900	511,992	153,908	517,257
County Court #3	504,200	504,200	408,495	95,705	417,471
Justice Court Precinct #1	180,800	180,800	172,765	8,035	166,885
Justice Court Precinct #2	144,000	144,000	140,035	3,965	136,438
Justice Court Precinct #3	226,700	215,628	208,293	7,335	191,630
Justice Court Precinct #4	249,200	249,200	233,776	15,424	235,905
Justice Court Precinct #5	215,500	215,500	209,022	6,478	172,518
Justice Court Precinct #6	220,000	230,900	205,796	25,104	200,977
Justice Court Precinct #7	215,100	215,100	203,274	11,826	203,590
Justice Court Precinct #8	158,100	158,100	151,934	6,166	150,332
Justice Court Precinct #9	214,200	214,200	208,818	5,382	200,345
Indigent Defense	3,000	3,000	-	3,000	-
Jury and Trial Expense	92,000	88,000	63,915	24,085	76,948
District Clerk	2,523,800	2,600,154	2,320,621	279,533	2,219,327
District Attorney	3,820,400	3,802,730	3,684,172	118,558	3,488,896
Pre-Trial Release	313,100	328,946	292,170	36,776	271,089
County Auditor	2,117,300	2,134,864	1,866,307	268,557	1,779,842
Director of Finance/Administration/Budget Officer	849,200	839,600	751,504	88,096	725,213
County Tax Assessor-Collector	2,288,900	2,275,650	2,142,952	132,698	2,198,863
County Treasurer	466,400	467,406	425,142	42,264	386,315
Purchasing Agent	511,100	514,665	485,457	29,208	481,582
Legal Department	595,500	676,773	621,939	54,834	592,735
Human Resources	509,400	509,400	499,254	10,146	422,049
Information Technology	8,092,800	8,254,135	8,022,077	232,058	8,852,386
Facilities Services	4,554,200	4,507,601	4,265,659	241,942	1,439,820
County Engineer	604,300	517,633	422,196	95,437	354,251
<b>Total general government</b>	<u>45,320,700</u>	<u>44,172,444</u>	<u>40,977,138</u>	<u>3,195,306</u>	<u>38,094,856</u>

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

For the Year Ended September 30, 2006

	Original Budget	Final Budget	Actual	Variance, Actual from Final Budget Positive (Negative)	Actual Prior Year
<b>Public safety</b>					
Sheriff's Department	\$ 20,532,700	\$ 20,629,510	\$ 20,187,018	\$ 442,492	\$ 18,676,360
Constable Precinct #1	234,200	234,700	216,181	18,519	209,509
Constable Precinct #2	224,000	224,400	216,640	7,760	209,880
Constable Precinct #3	223,800	224,300	197,143	27,157	216,800
Constable Precinct #4	234,900	245,300	209,892	35,408	181,699
Constable Precinct #5	236,800	237,400	228,757	8,643	214,280
Constable Precinct #6	-	-	-	-	59,083
Constable Precinct #7	312,300	305,618	273,758	31,860	240,626
Constable Precinct #8	395,800	407,200	376,954	30,246	339,631
Constable Precinct #9	193,300	193,700	180,014	13,686	173,232
Emergency Management	491,400	528,600	447,401	81,199	455,456
<b>Total public safety</b>	<u>23,079,200</u>	<u>23,230,728</u>	<u>22,533,758</u>	<u>696,970</u>	<u>20,976,556</u>
<b>Health and social services</b>					
Community Services	4,763,500	5,231,500	5,184,112	47,388	4,727,455
Social Services	988,500	965,003	884,887	80,116	830,326
Senior Citizens	793,400	793,001	725,371	67,630	639,571
Public Health	6,314,600	6,356,000	6,314,958	41,042	6,680,840
<b>Total health and social services</b>	<u>12,860,000</u>	<u>13,345,504</u>	<u>13,109,328</u>	<u>236,176</u>	<u>12,878,192</u>
<b>Culture and recreation</b>					
Beach and Parks Department	2,308,700	2,345,100	2,042,167	302,933	2,040,453
<b>Conservation</b>					
County Extension Service	436,200	436,200	366,442	69,758	349,022
<b>Debt Service</b>					
Principal	-	571,622	571,622	-	264,246
Interest and Fiscal Charges	-	62,774	62,774	-	35,817
<b>Total debt service</b>	<u>-</u>	<u>634,396</u>	<u>634,396</u>	<u>-</u>	<u>300,063</u>
<b>Capital outlay</b>					
Land	-	838,000	812,773	25,227	-
Buildings and Improvements	155,000	260,880	121,080	139,800	161,255
Improvements Other Than Buildings	699,200	932,069	580,457	351,612	410,765
Machinery and Equipment	297,300	409,300	150,050	259,250	136,026
Vehicles	914,400	1,051,182	798,855	252,327	844,871
Technology	1,230,000	1,426,189	1,209,021	217,168	1,048,161
<b>Total capital outlay</b>	<u>3,295,900</u>	<u>4,917,620</u>	<u>3,672,236</u>	<u>1,245,384</u>	<u>2,601,078</u>
<b>Total expenditures</b>	<u>87,300,700</u>	<u>89,081,992</u>	<u>83,335,465</u>	<u>5,746,527</u>	<u>77,240,220</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>5,643,327</u>	<u>4,178,687</u>	<u>12,928,819</u>	<u>8,750,132</u>	<u>10,523,746</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	233,300	263,950	263,950	-	102,609
Transfers Out	(5,873,900)	(8,090,163)	(8,076,163)	14,000	(5,226,214)
Sale of Capital Assets	100,000	100,000	1,356,921	1,256,921	125,679
Transfers and Reserves	(100,000)	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>(5,640,600)</u>	<u>(7,726,213)</u>	<u>(6,455,292)</u>	<u>1,270,921</u>	<u>(4,997,926)</u>
<b>Net change in fund balances</b>	2,727	(3,547,526)	6,473,527	10,021,053	5,525,820
<b>Fund balances-beginning</b>	19,148,170	19,148,170	19,148,170	-	13,108,290
Prior period adjustments	-	-	-	-	514,060
<b>Fund balances-ending</b>	<u>\$ 19,150,897</u>	<u>\$ 15,600,644</u>	<u>\$ 25,621,697</u>	<u>\$ 10,021,053</u>	<u>\$ 19,148,170</u>

Galveston County, Texas  
Notes to the Required Supplementary Information  
For the Year Ended September 30, 2006

Budgetary Basis of Accounting

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



Galveston County, Texas  
Schedule of Funding Progress  
Retirement Plan for the Employees of Galveston County, Texas  
September 30, 2006

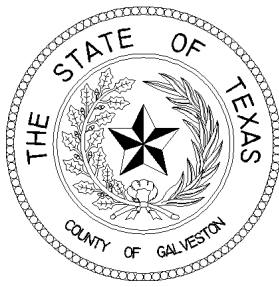
Actuarial Valuation	Actuarial Value of Assets (AVA)	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio (AVA/ AAL)	Annual Covered Payroll	UAAL as a % of Covered Payroll
12/31/2003	\$ 120,527,640	\$ 136,083,910	\$ 15,556,270	88.57%	\$ 37,292,376	41.71%
12/31/2004	\$ 125,472,004	\$ 140,880,431	\$ 15,408,427	89.06%	\$ 37,588,344	40.99%
12/31/2005	\$ 132,532,292	\$ 147,832,700	\$ 15,300,408	89.65%	\$ 40,448,223	37.83%



Galveston County Emergency Management Facility

Telephones, Computers, and Projection Screen  
In the Emergency Operations Center

## Nonmajor Governmental Funds



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## GOVERNMENTAL FUNDS

Governmental Funds consist of:

### The General Fund

The General Fund is the chief operating fund of the county. It accounts for all financial resources except those required to be accounted for in another fund. The General Fund is a major fund and is thus presented in the Basic Financial Statements of this report.

### Special Revenue Funds

Special Revenue Funds account for specific revenues that are legally restricted to expenditure for particular purposes.

### Debt Service Funds

Debt Service Funds account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

### Capital Projects Funds

Capital Projects Funds account for the acquisition or construction of major capital facilities other than those financed by Proprietary and Trust Funds. The Limited Tax Criminal Justice Bonds Series 2003A, the Combination Tax/Revenue Certificates of Obligation Series 2003C, and the Combination Unlimited Tax Road Bonds 2003B Capital Projects Funds qualify as major funds and are thus presented in the Basic Financial Statements of this report.

**GALVESTON COUNTY, TEXAS  
COMBINED BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
September 30, 2006**

	<b>SPECIAL REVENUE</b>	<b>DEBT SERVICE</b>	<b>CAPITAL PROJECTS</b>	<b>TOTAL NONMAJOR GOVERNMENTAL FUNDS</b>
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 20,447,873	\$ 4,384,155	\$ 6,365,437	\$ 31,197,465
Receivables (Net of Allowances for Uncollectibles):				
Interest Receivable	88	40	24	152
Taxes	683,545	1,681,830	-	2,365,375
Accounts and Other	4,939,567	13,404	149,700	5,102,671
Due from Other Funds	43,731	-	-	43,731
Inventory at Cost	392,328	-	-	392,328
Restricted Assets:				
Cash and Cash Equivalents	29,811	-	-	29,811
<b>Total assets</b>	<b>\$ 26,536,943</b>	<b>\$ 6,079,429</b>	<b>\$ 6,515,161</b>	<b>\$ 39,131,533</b>
<b>LIABILITIES</b>				
Accounts Payable	\$ 1,262,633	\$ -	\$ 412,537	\$ 1,675,170
Salaries Payable	314,948	-	-	314,948
Compensated Absences Payable	1,192	-	-	1,192
Retainage Payable	118,657	-	392,601	511,258
Due to Others	231,977	-	-	231,977
Payable from Restricted Assets:				
Escrow Deposits	24,802	-	-	24,802
Deposits - Held	3,618	-	-	3,618
Due to Other Funds	2,167,367	-	-	2,167,367
Deferred Revenues	2,694,611	1,681,830	-	4,376,441
<b>Total liabilities</b>	<b>6,819,805</b>	<b>1,681,830</b>	<b>805,138</b>	<b>9,306,773</b>
<b>FUND BALANCES</b>				
Reserved:				
Restricted Assets	1,391	-	-	1,391
Encumbrances	856,500	-	2,946,303	3,802,803
Inventory	392,328	-	-	392,328
Debt Service	-	4,397,599	-	4,397,599
Unreserved:				
Designated:				
Insecticide	30,000	-	-	30,000
Special Lateral Roads	303,031	-	-	303,031
Capital Projects	-	-	2,763,720	2,763,720
Undesignated	18,133,888	-	-	18,133,888
<b>Total fund balances</b>	<b>19,717,138</b>	<b>4,397,599</b>	<b>5,710,023</b>	<b>29,824,760</b>
<b>Total liabilities and fund balances</b>	<b>\$ 26,536,943</b>	<b>\$ 6,079,429</b>	<b>\$ 6,515,161</b>	<b>\$ 39,131,533</b>

**GALVESTON COUNTY, TEXAS**  
**COMBINED STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**For the Year Ended September 30, 2006**

	<b>SPECIAL REVENUE</b>	<b>DEBT SERVICE</b>	<b>CAPITAL PROJECTS</b>	<b>TOTAL NONMAJOR GOVERNMENTAL FUNDS</b>
<b>REVENUES</b>				
Taxes	\$ 4,939,421	\$ 15,563,121	\$ -	\$ 20,502,542
Licenses and Permits	2,299,686	-	-	2,299,686
Intergovernmental	12,576,735	79,536	494,462	13,150,733
Charges for Services	2,547,269	-	88,320	2,635,589
Fines and Forfeitures	791,857	-	-	791,857
Investment Earnings	501,899	243,403	434,705	1,180,007
Miscellaneous	1,520,306	-	-	1,520,306
<b>Total revenues</b>	<b>25,177,173</b>	<b>15,886,060</b>	<b>1,017,487</b>	<b>42,080,720</b>
<b>EXPENDITURES</b>				
Current:				
General Government	1,428,287	-	-	1,428,287
Public Safety	12,697,683	-	-	12,697,683
Sanitation	574,720	-	-	574,720
Health and Social Services	2,027,268	-	-	2,027,268
Culture and Recreation	293,626	-	-	293,626
Roads, Bridges and Rights-of-Way	4,410,273	-	-	4,410,273
Capital Outlay	7,052,448	-	9,554,803	16,607,251
Debt Service:				
Principal	-	6,800,000	-	6,800,000
Interest and Fiscal Charges	-	8,115,039	-	8,115,039
Refund-Prior Year Tax Revenue	-	159,154	-	159,154
<b>Total expenditures</b>	<b>28,484,305</b>	<b>15,074,193</b>	<b>9,554,803</b>	<b>53,113,301</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(3,307,132)</b>	<b>811,867</b>	<b>(8,537,316)</b>	<b>(11,032,581)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	7,767,331	52,118	-	7,819,449
Transfers Out	(2,582,950)	(52,118)	-	(2,635,068)
Sale of Capital Assets	621,750	-	-	621,750
<b>Total other financing sources (uses)</b>	<b>5,806,131</b>	<b>-</b>	<b>-</b>	<b>5,806,131</b>
<b>Net change in fund balances</b>	<b>2,498,999</b>	<b>811,867</b>	<b>(8,537,316)</b>	<b>(5,226,450)</b>
<b>Fund balances-beginning</b>	<b>17,218,139</b>	<b>3,585,732</b>	<b>14,247,339</b>	<b>35,051,210</b>
<b>Fund balances-ending</b>	<b>\$ 19,717,138</b>	<b>\$ 4,397,599</b>	<b>\$ 5,710,023</b>	<b>\$ 29,824,760</b>

NONMAJOR  
SPECIAL REVENUE FUNDS

PURPOSE:

ROAD AND BRIDGE FUND (FUND #2301) - This fund was created and defined under Article 8, Section 9(c) of the *Texas Constitution* which authorizes an additional ad-valorem tax of \$ .15 per \$100 valuation to be levied and collected for the further maintenance of the public roads. Additionally, Chapter 256 of the *Texas Transportation Code*, states that these funds are to be used only for working public roads or building bridges, and only by the order of the Commissioners' Court.

PUBLIC HEALTH FUND (FUND #2401) - The Public Health Fund was created under *the Health and Safety Code*, Chapter 121 Local Public Health Reorganization Act, for the delivery of health care services to the citizens of Galveston County. Various programs receive financial assistance from the federal and state governments for the delivery of these services.

JUVENILE JUSTICE FUND (FUND #2230) – Chapter 152.0901 of the *Human Resources Code* authorize the creation of a Juvenile Justice Board in Galveston County. Its purpose is to provide for the care, protection, supervision, instruction and alternative placement of children coming within its provisions. It also assists juveniles in obtaining admission to vocational training institutions, completion of G.E.D. requirements, and gainful employment plus individual/family counseling.

ADULT PROBATION FUND (FUND #2220) -The Texas Community Justice Assistance Division was created under Chapter 509 of the *Government Code*. The purpose of the Division is to make probation services available throughout the State and to improve effectiveness of probation services. The Division creates alternatives to incarceration by providing financial aid to judicial districts for the establishment and improvement of probation services and community-based correctional programs and facilities other than jails or prisons, and to establish uniform probation administration standards. Revenues of the Adult Probation Fund are derived from funds supplied by the State and from supervision fees imposed by the Courts and collected from the probationers. Expenditures are for salaries of probation officers and clerical staff, supplies, communications, travel and transportation expenses, and certain other operational items required for the supervision of probationers.

LAW LIBRARY FUND (FUND #2211) - Under *Local Government Code* Chapter 323, sections 323.021-323.025, the Commissioners' Court of a County may establish and maintain a county law library at the county seat. A sum set by Commissioners' Court, not to exceed \$20, shall be collected on each civil case filed in the County or District Court. The clerks of the respective court shall collect these fees and pay them to the County Treasurer to be deposited into a separate fund known as the Law Library Fund. The Law Library Fund is under the direction of the Commissioners' Court.

CHILD WELFARE FUND (FUND #2501) – Chapter 264, section 264.005 of the *Family Code* grants county Commissioners' Courts the authority to create a Child Welfare Board. The purpose of the board is to provide coordinated state and local public welfare services to the children and their families. The Commissioners' Court may appropriate the necessary funds from the General Fund or any of the other funds to carry out this program.



BEACH AND PARKS FUND (FUND #2601) – Chapter 62 of the *Texas Natural Resource Code* authorizes the Commissioners' Court to create a board to operate the Beach Parks program. This board administers through a staff an extensive County Beach Parks System for the citizens of Galveston County.

ROAD DISTRICT #1 FUND (FUND #2341) – The Galveston County Road District #1 was created and defined under Article 3, Section 52 of the *Texas Constitution* to construct, maintain and operate macadamized, graveled, or paved roads and turnpikes. The Road District #1 is a corporate body and a taxing entity and is authorized from time to time to issue bonds. Commissioners' Court acts as the governing body.

COUNTY CLERK RECORDS MANAGEMENT AND PRESERVATION FEE FUND (FUND #2102) – The County Clerk Records Management and Preservation Fund was established under Chapter 203, section 203.003-(5.) of the *Local Government Code*. The fees collected by the County Clerk are deposited with the County Treasurer into a fund known as the County Clerk Records Management and Preservation Fund. These fees are to be used for the specific purpose of records management and automation projects.

COUNTY RECORDS MANAGEMENT FUND (FUND #2101) – On May 30, 1993, Chapter 203, section 203.003-(6.) of the *Local Government Code* was amended by the Texas Legislature establishing a Records Management and Preservation Fund. Fees for this fund are authorized under Sections 51.317, 118.052, 118.0546, and 118.0645 of the *Local Government Code* and Article 102.005(d), of the *Code of Criminal Procedure*. This fund is under the direction of Commissioners' Court and the fees collected may only be used for the purpose of preserving county records and for county records' automation projects.

DISTRICT CLERK RECORDS MANAGEMENT FUND (FUND #2106) - The District Clerk Records Management Fund was established under the authority of Section 51.317 of the *Government Code* as amended by House Bill 1905 passed by the 78<sup>th</sup> Legislature of the State of Texas. The fees collected by the District Clerk are deposited with the County Treasurer into the District Clerk Records Management Fund. These fees are to be used for the specific purpose of records management and automation projects.

COURTHOUSE SECURITY FUND (FUND #2205) – The Courthouse Security Fund was created by Senate Bill 243 and became effective September 9, 1993, to finance security services for buildings housing a county court at law or a district court. The clerks of the respective courts are to collect fees and court costs as stated in Article 102.017 of the *Code of Criminal Procedure* and remit them to the County Treasurer to be deposited into a fund known as the Courthouse Security Fund.

MEDIATION SERVICES PROGRAM FUND (FUND #2212) – The Mediation Services Program, established under the authority of Chapter 152 of the *Civil Practice and Remedies*, was approved by the Galveston County Commissioners' Court January 27, 1992. The program was created to address the needs of both the civil and family courts by providing financially aided mediation to those families who cannot afford to pay. Funding for the program comes from an additional fee of ten dollars (\$10.00), being collected on each civil case filed.

TAX ASSESSOR-COLLECTOR SPECIAL INVENTORY TAX ESCROW FUND (FUND #2111) – Chapter 23.12 of the *Property Tax Code* states that certain taxpayers of inventory held for sale in a trade or business must prepay their property taxes. The Tax Assessor-Collector Special Inventory Tax Escrow Fund accounts for any interest earned and any fines or penalties assessed for non-payment on these property taxes.

DONATIONS TO GALVESTON COUNTY FUND (FUND #2121) - The Donations to Galveston County Fund was approved by the Galveston County Commissioners' Court on February 2, 1995. The fund was created to account for all donations that are made to Galveston County.

MOSQUITO CONTROL DISTRICT (FUND #2410) – On November 7, 1953, in accordance with Chapter 344, section 344.001 of the *Texas Health and Safety Code*, an election was held to create a Mosquito Control District and authorized the levy and collection of taxes of \$ .15 per \$100 valuation for the purpose of eradicating mosquitoes in Galveston County. This fund is under the jurisdiction and control of the Commissioners' Court.

LAW ENFORCEMENT CONTINUED EDUCATION (FUND #2250) - The Law Enforcement Continued Education Fund consists of annual allocation of payments by the Comptroller of Public Accounts from the Law Enforcement agencies as directed by Senate Bill 1135, passed by the 74<sup>th</sup> Texas Legislature. These funds are for expenses related to the continued education of persons licensed under *Occupation Code*, Title 10, and Chapter 1701.

FARM-TO-MARKET LATERAL ROAD FUND (FUND #2303) - On March 18, 1967, under Article 8, Section 1.a of the *Texas Constitution*, an election was held which authorized ad-valorem tax of \$ .15 per \$100 valuation to be levied. Additionally, Chapter 256, Section 256.044 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.

FLOOD CONTROL FUND (FUND #2370) - On March 18, 1967, under Article 8, Section 1.a of the *Texas Constitution*, an election was held which authorized ad-valorem tax of \$ .15 per \$100 valuation to be levied. Additionally, Chapter 256, Section 256.044 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.

DISTRICT CLERK CHILD SUPPORT IV-D (FUND #2105) – The District Clerk Child Support IV-D Fund was created under the authority of *Texas Family Code* Chapter 231, Section 231.002. The Office of the Attorney General and Galveston County entered into an agreement to reimburse the County for processing child support payments sent to the County as part of the Cooperative Agreement for Title IV, Part-D of the Federal Social Security Act (IV-D) child support enforcement program. The purpose of this program is to provide Galveston County child support registry with a mechanism for supporting and improving the IV-D child support case services provided by the County.

DISTRICT ATTORNEY & OTHER AGENCY FORFEITURE FUND (FUND #2130) - Funds collected in connection with drug and gambling forfeitures for the District Attorney's office and other agencies prior to *Code of Criminal Procedure* Chapter 59.06 are accounted for in this fund. Forfeitures are used to defray expenses of the District Attorney's office.

DISTRICT ATTORNEY CONTRABAND POST 10/89 FUND (FUND #2131) - Forfeitures after October 1989 collected by the District Attorney under *Code of Criminal Procedure* Chapter 59.06 regulations are accounted for in this fund. Forfeitures are used to defray expenses of the District Attorney's office.

DISTRICT ATTORNEY CHECK COLLECTION FEES FUND (FUND #2132) - Fees collected in connection with processing checks issued or passed in violation of the *Code of Criminal Procedure* Chapter 102.07 are deposited in this fund and are used to defray expenses of the District Attorney's office. Forfeitures are used for law enforcement purposes.

SHERIFF'S COMMISSARY FUND (FUND # 2240) - This fund, created under *Local Government Code* Chapter 351, Section 351.0415, accounts for the County Jail Commissary operations, which is controlled by the County Sheriff. The Commissary is a means for inmates to purchase products. The profits from operations are used to address the social needs of County inmates.

SHERIFF SEIZURES AND CONTRABAND PRE 10/89 FUND (FUND #2241) - Funds collected in connection with drug and gambling forfeitures for the Sheriff's office prior to *Code of Criminal Procedure* Chapter 59.06 are accounted for in this fund. Forfeitures are used to defray expenses of the Sheriff's office.

SHERIFF SEIZURES AND CONTRABAND POST 10/89 FUND (FUND #2242) - Funds collected in connection with drug seizures and forfeitures for the Sheriff's office after *Code of Criminal Procedure* Chapter 59.06 was passed in October 1989. Forfeitures are used to defray expenses of the Sheriff's office.

TASK FORCE SEIZURE PRE 10/89 FUND (FUND #2245) - Seizures and forfeitures collected by the Task Force prior to *Code of Criminal Procedure* Chapter 59.06 which was passed in October 1989, are accounted for in this fund. Forfeitures are used to defray expenses of the Task Force.

UNCLAIMED PROPERTY FUND (FUND #2148) - This fund was established to account for unclaimed property valued under \$100.00. The property is presumed abandoned as defined by Chapters 72 and 75 of the *Texas Property Code*.

JUSTICE COURT TECHNOLOGY FUND (FUND #2215) - Subchapter A, Chapter 102, of the *Code of Criminal Procedure* was amended September 1, 2001 by adding Article 102.0173. This article allows Commissioners' Court of a county to create a Justice Court Technology Fund by charging an additional court cost technology fee not to exceed \$4.00. The fund designated by this article may be used to finance the purchase of technological enhancements for a justice court. The Justice Court Technology Fund is under the direction of the Commissioners' Court.

PROBATE COURT CONTRIBUTIONS FUND (FUND #2216) - Effective September 1, 2001, *Government Code* Chapter 25, Section 25.00213 establishes a Contributions Fund under the direction of the Probate Court Judge in a county that collects additional fees under Chapter 51, Section 51.704 of the *Government Code*. Deposited into this fund is a State annual compensation of \$40,000 plus any excess state mandated fees. These state fees are pro-rated at year-end and returned to the Counties. Expenditures for this fund are to be used for court-related purposes.

EMERGENCY MANAGEMENT FUND (FUND #2260) - The Emergency Management Fund was created in May 2003 by Commissioners' Court in order to establish better control and accountability of the various Office of Emergency Management projects.

C.I.D. SEIZURES POST-10/89 FUND (FUND #2246) - After October 1989, seized funds collected in connection with drug and other criminal activity by the Criminal Identification Division are accounted for in this fund under Chapter 59.06 of the *Code of Criminal Procedure*. Forfeitures are used to defray expenses of the Sheriff's Office.

ELECTION SERVICES CONTRACT FUND (FUND #2103) – The Election Services Contract Fund was established pursuant to *Texas Election Code Chapter 123 Subchapter B*. Lessor which is the County of Galveston and the lessee enter into a lease agreement governed by and construed under the laws of the State of Texas to use electronic voting equipment and other related supplies and administrative fees incurred in the election services under Section 31.100(b), Texas Election Code. The fees collected by the County Clerks are deposited with the County Treasurer into the Election Services Contract Fund.

## GRANTS

### PURPOSE:

JUVENILE JUSTICE STATE AID (FUND #2841) - The Juvenile Probation State Aid Fund is provided by the State to each County based on a population of juvenile aged children and is used to provide for additional or initial probation services.

JUVENILE JUSTICE I.S.P. FUND (FUND #2842) - The Juvenile Probation I.S.P. is a supplemental funding by TJPC. Funds are discretionary funds that were applied for and received to offer an intensive Supervision Program to juvenile offenders that require maximum attention.

CHILD ABUSE INVESTIGATOR (FUND #2875) - In partnership with the Advocacy Center for Children, Galveston County has obtained funding for a full-time child abuse investigator through the Criminal Justice Division. The grant pays for the investigator and part-time assistant who work out of the Advocacy Center. Fiscal year 2002 was the first year of this multi-year grant.

JUVENILE JUSTICE ALTERNATIVE EDUCATION GRANT (FUND #2848) - The Juvenile Justice Alternative Education Program (JJAEP) grant is funded by the Texas Juvenile Probation Commission. This grant provides an alternative education for students that have been expelled from one of the nine participating area school districts.

JUVENILE ACCOUNTABILITY INCENTIVE BLOCKS GRANT (FUND #2840) - The Juvenile Accountability Incentive Block Grant is funded by the Texas Criminal Justice Division. This grant provides funds that help Galveston County in reducing juvenile delinquency, improving the juvenile justice system and increasing juvenile accountability.

ORGANIZED CRIME CONTROL UNIT CJD GRANT (FUND #2861) - The Organized Crime Control Unit CJD Grant is a multi-agency, regional approach to developing strategically and tactical intelligence pertaining to organized control as defined by Texas Law. The Organized Crime Control Unit investigates criminal activity organized by criminal groups identified in four forms; 1) Controlled substance trafficking 2) Burglary 3) Gambling and 4) Motor Vehicle Theft.

NARCOTICS TASK FORCE CJD GRANT (FUND #2862) - The Narcotics Task Force CJD Grant, also called the Anti-Drug Abuse Grant, was awarded by the Texas Criminal Justice Division, to establish a multi-agency task force dedicated to the investigation of narcotics traffickers and offenders.

ATTORNEY GENERAL'S VICTIM ASSISTANCE GRANT (FUND #2874) - This grant funds a salaried position in the District Attorney's office whose responsibilities are to educate victims about available services, including financial assistance through the Crime Victims Compensation Act.

CHILDREN'S JUSTICE ACT GRANT (FUND #2885) - The Children's Justice Act Grant was awarded by The Texas Department of Protective and Regulatory Services. This grant enables the county to settle many CPS cases without a trial and to place children in permanent homes as quickly as possible. Four attorney mediators conduct mediations to settle differences between family members and avoid lengthy, costly legal battles.

US DEPARTMENT OF JUSTICE LAW ENFORCEMENT BLOCK GRANT PROGRAMS (FUND #2975) - The U.S. Department of Justice has awarded several Local Law Enforcement Block Grants (LLEBG) and several Edward Byrne Memorial Justice Assistance Grants (JAG) to Galveston County. The purpose of these grants is to reduce crime and improve public safety. These grants were used to purchase small equipment, computer hardware and software.

GALVESTON COUNTY SENIOR CITIZENS GRANT PROGRAM (FUND #2921) - The Galveston County Senior Citizens Grant Program was created by the County and funded through the regional council designated as Houston-Galveston Area Council. This program provides senior citizens centers with a hot meal program, and counseling to the senior citizens of Galveston County.

COMMUNITY DEVELOPMENT GRANTS (FUND #2911) - The Office of Rural Community Affairs has awarded Galveston County several grants, which have been used in upgrade of the San Leon sewer system, and to finance repairs of the sand sock which protects the shoreline on Bolivar Peninsula.

ADULT PROBATION COMMUNITY CORRECTIONS GRANT (FUND #2824) - The Adult Probation Community Corrections Grant was awarded by the Texas Community Justice Assistance Division. Funds for this grant are to be used for supervision and for facilities.

AUTO CRIMES TASK FORCE GRANT (FUND #2864) - The Texas Criminal Justice Division awarded Galveston County an Auto Crimes Task Force Grant to establish a multi-agency regional approach to investigation and prosecution of persons involved in auto theft, chop shop operations, burglary of motor vehicles, and theft of accessories from motor vehicles. Also, included in this grant are gang activities and violent crimes as they pertain to stolen vehicles.

INTENSIVE FAMILY PRESERVATION GRANT (FUND #2941) - Moody Memorial Methodist Church Endowment Fund originally awarded the Intensive Family Preservation Grant to the Galveston County. Since its inception several other groups have taken the over the funding of these expenditures. The purpose of the grant is to assist clients in meeting their concrete needs so that they may function as a family and prevent further disruption of the family unit.

COUNTY PARKS AND BEACHES (PARK ENHANCEMENT) GRANTS (FUND #2960) - Texas Parks and Wildlife awarded Galveston County a three-year grant to enlarge and develop Walter Hall Park, which is located in north central League City. This grant has helped the Galveston County's Parks Department meet the objectives of the Galveston County Beach and Parks Master Plan.

OFFICE OF EMERGENCY MANAGEMENT PROGRAM GRANT (FUND #2891) - Texas Division of Emergency Management, and Texas General Land Office have awarded several grants to Galveston County's Office of Emergency Management. These grants have funded HAZMAT equipment, removal of abandoned boats from Dickinson Bayou, beach renourishment of Rollover Pass with used dredged materials, and assistance to meet needs of individuals and families who were victims of Hurricane Rita.

COPS IN SCHOOLS GRANT (FUND #2976) - The U.S. Department of Justice awarded a four-year COPS In Schools grant to Galveston County. The purpose of this grant was to fund four additional full-time officers to work within the Clear Creek Independent School District in an effort to combat school violence.

LOW INCOME REPAIR ASSISTANCE PROGRAM GRANT (FUND #2816) - The low income vehicle, retrofit and accelerated vehicle replacement program (LIRAP) provides financial assistance for low income vehicle owners whose vehicle have failed emissions tests. HGAC (Houston-Galveston Area Council) will administer LIRAP in, and on behalf of Galveston County. Grant funding is through the Texas Commission on Environmental Quality.

COASTAL IMPACT ASSISTANCE GRANT (FUND #2913) - The National Oceanic and Atmospheric Administration awarded a grant to Galveston County derived from oil and gas revenues. The County used these funds for ADA beach access walkovers on Bolivar Peninsula.

SENIOR SERVICES - SPECIAL PROJECTS/SERVICES GRANT (FUND #2920) - Professional Services required for ADA improvements to the Dickinson Senior Center meeting the general design guidelines as provided by Galveston County and approved by local and state governing agencies. The fees for these services shall be for reimbursable expenses and shall include the disciplines of Architecture, Structural Engineering, Plumbing, and Electrical Engineering. Project shall be funded by the Title IIIC Grant Fund Unreserved Fund Balance.

DISASTER RECOVERY IV- CLAUDETTE (FUND #2998) - After Hurricane Claudette hit the Gulf Coast area; Galveston County received a Presidential Disaster Declaration for Public and Individual Assistance. The Federal Emergency Management Agency awarded a grant to fund approved pre-disaster and disaster recovery projects in Galveston County.

GISD TRUANCY GRANT (FUND #2849) - This Truancy Reduction Initiative grant was awarded by the Governor's Criminal Justice Division. It was authorized by the Commissioners' Court to fund a truancy reduction program at Ball High School. These funds help combat juvenile delinquency and truancy. The county will benefit as youths who participate in the program will be less likely to enter the Juvenile Justice system.

STATE HOMELAND SECURITY GRANT (FUND #2892) - U.S. Department of Homeland Security awarded several grants to enhance the capacity of Galveston County emergency responders to prevent, respond to, and to recover from terrorism incidents involving chemical, biological, radiological, nuclear and explosive devices.

COMMUNITY DEVELOPMENT BLOCK GRANT - MEALS ON WHEELS (FUND #2927) - The City of Galveston has a contract with the Galveston County's Senior Citizens Department to provide meals for home bound senior citizens in the City of Galveston. A portion of these meals were funded by the City of Galveston's Community Development Block Grant.

COUNTY BEACH AND PARKS PROJECT GRANTS (FUND #2962) - The Texas General Land Office and the Houston-Galveston Area Council have awarded several grants to help the Galveston County's Parks Department meet the objectives of the Beach and Parks Master Plan. These grants have funded restroom improvements in Walter Hall Park in League City.

KEMPNER GRANT (FUND #2925) - The Harris and Eliza Kempner Fund has awarded several grants with the Galveston County's Senior Citizens Departments. These grants have been used to provide legal services for elderly clients in Galveston County.

TEXAS VINE GRANT (FUND #2870) – The Texas Attorney General’s Office has awarded Galveston County a grant to implement the Vine program. The purpose of this program is to reimburse Galveston County for certain costs incurred in the participation of a statewide crime victim notification service.

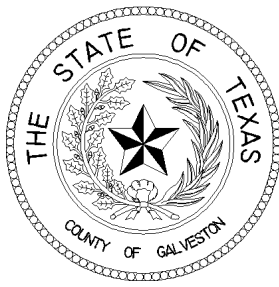
HELP AMERICA VOTE ACT – HAVA (FUND #2811) – The Office of the Secretary of State has awarded this grant to Galveston County in September 2004 pursuant to Title I, Section 101 and Title II, Section 251 of the Help America Vote Act (“HAVA”) Public Law 107-252 dated October 29, 2002, 42 U S C 15301. The purpose of this multi-year funding are for County Education Fund which will reimburse the costs incurred as a result of attending professional election training such as conferences and seminars to educate the voters on voting rights, procedures and technology; the Accessible Voting System which will reimburse the cost incurred as a result of improving the accessibility and quantity of polling places and the General Title III Compliance which is used to upgrade voting system to comply with new federal standards.

CHILD AND ELDERLY ABUSE PROSECUTOR FUND (FUND #2873) – The Child and Elderly Abuse Prosecutor Fund was awarded by the Texas Criminal Justice Division to the Galveston County District Attorney’s Office to establish a prosecutor position which will specialize in the prosecution of child and elderly abuse cases encompassing victims of all ethnic and racial groups.

DISASTER RECOVERY V – RITA (FUND #2999) – After Hurricane Rita hit the Gulf Coast area; Galveston County received a Presidential Disaster Declaration for Public and Individual Assistance. The Federal Emergency Management Agency awarded a grant to fund approved pre-disaster and disaster recovery projects in Galveston County.

HOMELAND SECURITY GRANT – SHERIFFS’ OFFICE (FUND #2977) - U.S. Department of Homeland Security awarded a grant which was to be used to protect the Galveston County port from terrorism attacks. Galveston County purchased new marine equipment and improved old equipment, which will be used in guarding the Galveston County coastline.





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**GALVESTON COUNTY, TEXAS  
COMBINING BALANCE SHEET  
ALL NONMAJOR SPECIAL REVENUE FUNDS  
September 30, 2006  
With Comparative Totals at September 30, 2005**

	<b>ROAD AND BRIDGE</b>	<b>PUBLIC HEALTH</b>	<b>JUVENILE JUSTICE</b>	<b>ADULT PROBATION</b>
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 3,572,228	\$ 23,646	\$ 1,982,851	\$ 476,527
Receivables (Net of Allowances for Uncollectibles):				
Interest	32	-	-	5
Taxes	89,258	-	-	-
Accounts and Other	1,178,603	-	147,499	109,487
Due from Others	-	-	-	-
Inventory at Cost	162,014	-	-	-
Prepaid Expenditures	-	-	-	-
Restricted Assets:				
Cash and Cash Equivalents	-	-	-	-
<b>Total assets</b>	<b>\$ 5,002,135</b>	<b>\$ 23,646</b>	<b>\$ 2,130,350</b>	<b>\$ 586,019</b>
<b>LIABILITIES</b>				
Accounts Payable	\$ 205,780	\$ -	\$ 126,509	\$ 30,955
Salaries Payable	50,752	23,646	77,011	50,309
Compensated Absences Payable	-	-	-	-
Retainage Payable	-	-	-	-
Due to Others	-	-	-	-
Payable from Restricted Assets:				
Escrow Deposits	-	-	-	-
Deposits - Held	-	-	-	-
Due to Other Funds	-	-	-	-
Deferred Revenues	98,780	-	-	148,606
<b>Total liabilities</b>	<b>355,312</b>	<b>23,646</b>	<b>203,520</b>	<b>229,870</b>
<b>FUND BALANCES</b>				
Reserved:				
Restricted Assets	-	-	-	-
Encumbrances	36,493	-	27,484	-
Inventory	162,014	-	-	-
Outstanding Checks	-	-	-	-
Unreserved:				
Designated:				
Insecticide	-	-	-	-
Special Lateral Roads	-	-	-	-
Undesignated	4,448,316	-	1,899,346	356,149
<b>Total fund balances</b>	<b>4,646,823</b>	<b>-</b>	<b>1,926,830</b>	<b>356,149</b>
<b>Total liabilities and fund balances</b>	<b>\$ 5,002,135</b>	<b>\$ 23,646</b>	<b>\$ 2,130,350</b>	<b>\$ 586,019</b>

(Continued)

<u>LAW LIBRARY</u>	<u>CHILD WELFARE</u>	<u>BEACH AND PARKS</u>	<u>ROAD DISTRICT #1</u>	<u>COUNTY CLERK RECORDS MANAGEMENT AND PRESERVATION FEE</u>
\$ 480,223	\$ 248,548	\$ 58,883	\$ 794,857	\$ 2,926,653
-	-	-	7	-
-	-	-	4,816	-
3,730	10,540	128,922	2,035	7,864
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	3,618	-	-	-
<u>\$ 483,953</u>	<u>\$ 262,706</u>	<u>\$ 187,805</u>	<u>\$ 801,715</u>	<u>\$ 2,934,517</u>
\$ 3,045	\$ 74,870	\$ 37,732	\$ 842	\$ 80,730
1,073	-	2,578	-	5,108
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	3,618	-	-	-
-	-	-	-	-
-	-	-	4,815	-
<u>4,118</u>	<u>78,488</u>	<u>40,310</u>	<u>5,657</u>	<u>85,838</u>
-	-	-	-	-
-	-	-	32,632	227,399
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
479,835	184,218	147,495	763,426	2,621,280
<u>479,835</u>	<u>184,218</u>	<u>147,495</u>	<u>796,058</u>	<u>2,848,679</u>
<u>\$ 483,953</u>	<u>\$ 262,706</u>	<u>\$ 187,805</u>	<u>\$ 801,715</u>	<u>\$ 2,934,517</u>

**GALVESTON COUNTY, TEXAS  
COMBINING BALANCE SHEET  
ALL NONMAJOR SPECIAL REVENUE FUNDS  
September 30, 2006  
With Comparative Totals at September 30, 2005**

	<b>COUNTY RECORDS MANAGEMENT</b>	<b>DISTRICT CLERK RECORDS MANAGEMENT</b>	<b>COURTHOUSE SECURITY</b>	<b>MEDIATION SERVICES PROGRAM</b>
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 136,210	\$ 69,529	\$ 320,331	\$ 263,393
Receivables (Net of Allowances for Uncollectibles):				
Interest	-	-	-	2
Taxes	-	-	-	-
Accounts and Other	4,005	-	1,448	645
Due from Others	-	-	-	-
Inventory at Cost	-	-	-	-
Prepaid Expenditures	-	-	-	-
Restricted Assets:				
Cash and Cash Equivalents	-	-	-	-
<b>Total assets</b>	<b>\$ 140,215</b>	<b>\$ 69,529</b>	<b>\$ 321,779</b>	<b>\$ 264,040</b>
<b>LIABILITIES</b>				
Accounts Payable	\$ -	\$ -	\$ 50	\$ 5,114
Salaries Payable	1,225	-	4,223	-
Compensated Absences Payable	-	-	-	-
Retainage Payable	-	-	-	-
Due to Others	-	-	-	-
Payable from Restricted Assets:				
Escrow Deposits	-	-	-	-
Deposits - Held	-	-	-	-
Due to Other Funds	-	-	-	-
Deferred Revenues	-	-	-	-
<b>Total liabilities</b>	<b>1,225</b>	<b>-</b>	<b>4,273</b>	<b>5,114</b>
<b>FUND BALANCES</b>				
Reserved:				
Restricted Assets	-	-	-	-
Encumbrances	-	-	-	-
Inventory	-	-	-	-
Outstanding Checks	-	-	-	-
Unreserved:				
Designated:				
Insecticide	-	-	-	-
Special Lateral Roads	-	-	-	-
Undesignated	138,990	69,529	317,506	258,926
<b>Total fund balances</b>	<b>138,990</b>	<b>69,529</b>	<b>317,506</b>	<b>258,926</b>
<b>Total liabilities and fund balances</b>	<b>\$ 140,215</b>	<b>\$ 69,529</b>	<b>\$ 321,779</b>	<b>\$ 264,040</b>

(Continued)

<u>TAX COLLECTOR SPECIAL INVENTORY TAX ESCROW</u>	<u>DONATIONS TO GALVESTON COUNTY</u>	<u>MOSQUITO CONTROL DISTRICT</u>	<u>LAW ENFORCEMENT CONTINUED EDUCATION</u>	<u>FARM-TO- MARKET LATERAL ROAD</u>
\$ 107,718	\$ 60,549	\$ 960,691	\$ 152,399	\$ 1,570,121
-	-	9	-	14
-	-	126,509	-	43,974
2,945	-	6,140	-	2,022
-	-	-	-	-
-	-	230,314	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ 110,663</u>	<u>\$ 60,549</u>	<u>\$ 1,323,663</u>	<u>\$ 152,399</u>	<u>\$ 1,616,131</u>
\$ -	\$ 2,619	\$ 35,356	\$ 2,914	\$ 544
-	-	13,912	-	1,774
-	-	1,192	-	-
-	-	-	-	-
-	-	-	-	439
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	126,510	-	43,975
<u>-</u>	<u>2,619</u>	<u>176,970</u>	<u>2,914</u>	<u>46,732</u>
-	-	-	-	-
-	-	-	-	-
-	-	230,314	-	-
-	-	-	-	-
-	-	30,000	-	-
-	-	-	-	303,031
<u>110,663</u>	<u>57,930</u>	<u>886,379</u>	<u>149,485</u>	<u>1,266,368</u>
<u>110,663</u>	<u>57,930</u>	<u>1,146,693</u>	<u>149,485</u>	<u>1,569,399</u>
<u>\$ 110,663</u>	<u>\$ 60,549</u>	<u>\$ 1,323,663</u>	<u>\$ 152,399</u>	<u>\$ 1,616,131</u>

**GALVESTON COUNTY, TEXAS  
COMBINING BALANCE SHEET  
ALL NONMAJOR SPECIAL REVENUE FUNDS  
September 30, 2006  
With Comparative Totals at September 30, 2005**

	<b>FLOOD CONTROL</b>	<b>DISTRICT CLERK CHILD SUPPORT IV-D</b>	<b>D.A. AND OTHER AGENCY FORFEITURES</b>	<b>D.A. CONTRABAND POST-10/89</b>
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 1,938,251	\$ 92,929	\$ 13	\$ 59,844
Receivables (Net of Allowances for Uncollectibles):				
Interest	19	-	-	-
Taxes	418,988	-	-	-
Accounts and Other	3,804	-	-	-
Due from Others	-	-	-	-
Inventory at Cost	-	-	-	-
Prepaid Expenditures	-	-	-	-
Restricted Assets:				
Cash and Cash Equivalents	1,391	-	-	-
<b>Total assets</b>	<b>\$ 2,362,453</b>	<b>\$ 92,929</b>	<b>\$ 13</b>	<b>\$ 59,844</b>
<b>LIABILITIES</b>				
Accounts Payable	\$ 206,970	\$ -	\$ -	\$ 4,678
Salaries Payable	21,931	-	-	-
Compensated Absences Payable	-	-	-	-
Retainage Payable	97,733	-	-	-
Due to Others	-	-	-	-
Payable from Restricted Assets:				
Escrow Deposits	-	-	-	-
Deposits - Held	-	-	-	-
Due to Other Funds	-	-	-	-
Deferred Revenues	418,988	-	-	-
<b>Total liabilities</b>	<b>745,622</b>	<b>-</b>	<b>-</b>	<b>4,678</b>
<b>FUND BALANCES</b>				
Reserved:				
Restricted Assets	1,391	-	-	-
Encumbrances	242,921	-	-	-
Inventory	-	-	-	-
Outstanding Checks	-	-	-	-
Unreserved:				
Designated:				
Insecticide	-	-	-	-
Special Lateral Roads	-	-	-	-
Undesignated	1,372,519	92,929	13	55,166
<b>Total fund balances</b>	<b>1,616,831</b>	<b>92,929</b>	<b>13</b>	<b>55,166</b>
<b>Total liabilities and fund balances</b>	<b>\$ 2,362,453</b>	<b>\$ 92,929</b>	<b>\$ 13</b>	<b>\$ 59,844</b>

(Continued)

<u>D.A. CHECK COLLECTION FEES</u>	<u>SHERIFF'S COMMISSARY</u>	<u>SHERIFF SEIZURES PRE-10/89</u>	<u>SHERIFF SEIZURES POST-10/89</u>	<u>TASK FORCE SEIZURES PRE-10/89</u>
\$ 70,212	\$ 626,216	\$ 2,037	\$ 35,899	\$ 3,019
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 70,212</u>	<u>\$ 626,216</u>	<u>\$ 2,037</u>	<u>\$ 35,899</u>	<u>\$ 3,019</u>
\$ 117	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	15,160	3,018
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>117</u>	<u>-</u>	<u>-</u>	<u>15,160</u>	<u>3,018</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
70,095	626,216	2,037	20,739	1
<u>70,095</u>	<u>626,216</u>	<u>2,037</u>	<u>20,739</u>	<u>1</u>
<u>\$ 70,212</u>	<u>\$ 626,216</u>	<u>\$ 2,037</u>	<u>\$ 35,899</u>	<u>\$ 3,019</u>

**GALVESTON COUNTY, TEXAS  
COMBINING BALANCE SHEET  
ALL NONMAJOR SPECIAL REVENUE FUNDS  
September 30, 2006  
With Comparative Totals at September 30, 2005**

	<b>UNCLAIMED PROPERTY</b>	<b>JUSTICE COURT TECHNOLOGY</b>	<b>PROBATE COURT CONTRIBUTIONS</b>	<b>EMERGENCY MANAGEMENT</b>
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 175,973	\$ 43,714	\$ 262,760	\$ 1,244,723
Receivables (Net of Allowances for Uncollectibles):				
Interest	-	-	-	-
Taxes	-	-	-	-
Accounts and Other	-	-	-	-
Due from Others	-	-	-	-
Inventory at Cost	-	-	-	-
Prepaid Expenditures	-	-	-	-
Restricted Assets:				
Cash and Cash Equivalents	-	-	-	24,802
<b>Total assets</b>	<b>\$ 175,973</b>	<b>\$ 43,714</b>	<b>\$ 262,760</b>	<b>\$ 1,269,525</b>
<b>LIABILITIES</b>				
Accounts Payable	\$ -	\$ -	\$ 2,375	\$ 151,526
Salaries Payable	-	-	-	-
Compensated Absences Payable	-	-	-	-
Retainage Payable	-	-	-	-
Due to Others	139,577	-	-	-
Payable from Restricted Assets:				
Escrow Deposits	-	-	-	24,802
Deposits - Held	-	-	-	-
Due to Other Funds	-	-	-	-
Deferred Revenues	-	-	-	-
<b>Total liabilities</b>	<b>139,577</b>	<b>-</b>	<b>2,375</b>	<b>176,328</b>
<b>FUND BALANCES</b>				
Reserved:				
Restricted Assets	-	-	-	-
Encumbrances	-	-	-	289,571
Inventory	-	-	-	-
Outstanding Checks	-	-	-	-
Unreserved:				
Designated:				
Insecticide	-	-	-	-
Special Lateral Roads	-	-	-	-
Undesignated	36,396	43,714	260,385	803,626
<b>Total fund balances</b>	<b>36,396</b>	<b>43,714</b>	<b>260,385</b>	<b>1,093,197</b>
<b>Total liabilities and fund balances</b>	<b>\$ 175,973</b>	<b>\$ 43,714</b>	<b>\$ 262,760</b>	<b>\$ 1,269,525</b>



(Continued)

C.I.D. SEIZURES POST-10/89	ELECTION SERVICES CONTRACT	GRANTS	TOTALS	
			2006	2005
\$ 5,919	\$ 28,900	\$ 1,652,107	\$ 20,447,873	\$ 17,123,591
-	-	-	88	20,576
-	-	-	683,545	641,871
-	-	3,329,878	4,939,567	4,830,075
-	-	43,731	43,731	-
-	-	-	392,328	349,701
-	-	-	-	4,092
-	-	-	29,811	239,075
<u>\$ 5,919</u>	<u>\$ 28,900</u>	<u>\$ 5,025,716</u>	<u>\$ 26,536,943</u>	<u>\$ 23,208,981</u>
\$ -	\$ -	\$ 289,907	\$ 1,262,633	\$ 1,376,781
-	-	61,406	314,948	780,920
-	-	-	1,192	240
-	-	20,924	118,657	122,240
5,919	-	67,864	231,977	296,228
-	-	-	24,802	199,013
-	-	-	3,618	2,848
-	-	2,167,367	2,167,367	1,586,601
-	-	1,852,937	2,694,611	1,625,971
<u>5,919</u>	<u>-</u>	<u>4,460,405</u>	<u>6,819,805</u>	<u>5,990,842</u>
-	-	-	1,391	37,214
-	-	-	856,500	47,016
-	-	-	392,328	349,701
-	-	-	-	2,329
-	-	-	30,000	30,000
-	-	-	303,031	277,337
-	28,900	565,311	18,133,888	16,474,542
-	28,900	565,311	19,717,138	17,218,139
<u>\$ 5,919</u>	<u>\$ 28,900</u>	<u>\$ 5,025,716</u>	<u>\$ 26,536,943</u>	<u>\$ 23,208,981</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, 2006**  
**With Comparative Totals for the Year Ended September 30, 2005**

	<b>ROAD AND BRIDGE</b>	<b>PUBLIC HEALTH</b>	<b>JUVENILE JUSTICE</b>	<b>ADULT PROBATION</b>
<b>REVENUES</b>				
Taxes	\$ 2,306,338	\$ -	\$ -	\$ -
Licenses and Permits	2,299,686	-	-	-
Intergovernmental	1,458,985	-	452,912	2,192,587
Charges for Services	296	-	255	-
Fines and Forfeitures	679,902	-	-	-
Investment Earnings	149,000	-	-	32,778
Miscellaneous	19,616	-	7,355	4,169
<b>Total revenues</b>	<b>6,913,823</b>	<b>-</b>	<b>460,522</b>	<b>2,229,534</b>
<b>EXPENDITURES</b>				
Current :				
General Government	187,290	-	-	-
Public Safety	-	-	4,179,228	2,359,922
Sanitation	-	-	-	-
Health and Social Services	-	-	-	-
Culture and Recreation	-	-	-	-
Roads, Bridges, and Rights-of-Way	3,576,843	-	-	-
Capital Outlay	1,080,427	-	82,453	4,579
<b>Total expenditures</b>	<b>4,844,560</b>	<b>-</b>	<b>4,261,681</b>	<b>2,364,501</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>2,069,263</b>	<b>-</b>	<b>(3,801,159)</b>	<b>(134,967)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	3,884,200	-
Transfers Out	(670,000)	-	(63,400)	-
Sale of Capital Assets	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>(670,000)</b>	<b>-</b>	<b>3,820,800</b>	<b>-</b>
Net change in fund balances	1,399,263	-	19,641	(134,967)
Fund balances-beginning	3,247,560	-	1,907,189	491,116
Prior period adjustments	-	-	-	-
<b>Fund balances-ending</b>	<b>\$ 4,646,823</b>	<b>\$ -</b>	<b>\$ 1,926,830</b>	<b>\$ 356,149</b>

(Continued)

<u>LAW LIBRARY</u>	<u>CHILD WELFARE</u>	<u>BEACH AND PARKS</u>	<u>ROAD DISTRICT #1</u>	<u>COUNTY CLERK RECORDS AND PRESERVATION FEE</u>
\$ -	\$ -	\$ -	\$ 102	\$ -
-	-	-	-	-
-	28,010	128,922	-	-
215,705	-	3,300	675,429	979,961
-	-	-	-	-
-	-	-	19,591	-
-	554	1,813	657,919	-
<u>215,705</u>	<u>28,564</u>	<u>134,035</u>	<u>1,353,041</u>	<u>979,961</u>
173,047	-	-	-	280,083
-	-	-	-	-
-	-	-	-	-
-	354,874	-	-	-
-	-	292,196	-	-
-	-	-	636,954	-
-	-	68,700	271,446	108,259
<u>173,047</u>	<u>354,874</u>	<u>360,896</u>	<u>908,400</u>	<u>388,342</u>
<u>42,658</u>	<u>(326,310)</u>	<u>(226,861)</u>	<u>444,641</u>	<u>591,619</u>
-	292,700	120,000	-	-
(800)	-	(2,400)	(208,600)	(4,200)
-	-	-	-	-
<u>(800)</u>	<u>292,700</u>	<u>117,600</u>	<u>(208,600)</u>	<u>(4,200)</u>
41,858	(33,610)	(109,261)	236,041	587,419
437,977	217,828	256,756	560,017	2,261,260
-	-	-	-	-
<u>\$ 479,835</u>	<u>\$ 184,218</u>	<u>\$ 147,495</u>	<u>\$ 796,058</u>	<u>\$ 2,848,679</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, 2006**  
**With Comparative Totals for the Year Ended September 30, 2005**

	<b>COUNTY RECORDS MANAGEMENT</b>	<b>DISTRICT CLERK RECORDS MANAGEMENT</b>	<b>COURTHOUSE SECURITY</b>	<b>MEDIATION SERVICES PROGRAM</b>
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for Services	111,330	28,085	223,239	104,410
Fines and Forfeitures	-	-	-	-
Investment Earnings	-	-	-	9,642
Miscellaneous	1,079	-	-	-
<b>Total revenues</b>	<b>112,409</b>	<b>28,085</b>	<b>223,239</b>	<b>114,052</b>
<b>EXPENDITURES</b>				
Current :				
General Government	78,724	-	-	29,340
Public Safety	-	-	172,190	-
Sanitation	-	-	-	-
Health and Social Services	-	-	-	-
Culture and Recreation	-	-	-	-
Roads, Bridges, and Rights-of-Way	-	-	-	-
Capital Outlay	-	-	-	-
<b>Total expenditures</b>	<b>78,724</b>	<b>-</b>	<b>172,190</b>	<b>29,340</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>33,685</b>	<b>28,085</b>	<b>51,049</b>	<b>84,712</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	-	-
Transfers Out	(1,600)	-	(3,200)	-
Sale of Capital Assets	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>(1,600)</b>	<b>-</b>	<b>(3,200)</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>32,085</b>	<b>28,085</b>	<b>47,849</b>	<b>84,712</b>
Fund balances-beginning	106,905	41,444	269,657	174,214
Prior period adjustments	-	-	-	-
<b>Fund balances-ending</b>	<b>\$ 138,990</b>	<b>\$ 69,529</b>	<b>\$ 317,506</b>	<b>\$ 258,926</b>

(Continued)

<b>TAX COLLECTOR SPECIAL INVENTORY TAX ESCROW</b>	<b>DONATIONS TO GALVESTON COUNTY</b>	<b>MOSQUITO CONTROL DISTRICT</b>	<b>LAW ENFORCEMENT CONTINUED EDUCATION</b>	<b>FARM-TO- MARKET LATERAL ROAD</b>
\$ -	\$ -	\$ 859,401	\$ -	\$ 5,749
-	-	-	-	-
-	-	-	30,599	25,694
-	-	-	-	26
-	-	-	-	-
31,506	-	48,224	-	96,671
-	-	6,257	-	5,519
<u>31,506</u>	<u>-</u>	<u>913,882</u>	<u>30,599</u>	<u>133,659</u>
-	-	-	-	-
-	-	-	13,338	-
-	-	-	-	-
-	3,902	953,609	-	-
-	-	-	-	-
-	-	-	-	196,476
-	-	33,469	-	12,758
<u>-</u>	<u>3,902</u>	<u>987,078</u>	<u>13,338</u>	<u>209,234</u>
<u>31,506</u>	<u>(3,902)</u>	<u>(73,196)</u>	<u>17,261</u>	<u>(75,575)</u>
-	-	-	-	-
(8,900)	-	(11,400)	-	(1,536,000)
-	-	-	-	621,750
<u>(8,900)</u>	<u>-</u>	<u>(11,400)</u>	<u>-</u>	<u>(914,250)</u>
22,606	(3,902)	(84,596)	17,261	(989,825)
88,057	61,832	1,231,289	132,224	2,559,224
-	-	-	-	-
<u>\$ 110,663</u>	<u>\$ 57,930</u>	<u>\$ 1,146,693</u>	<u>\$ 149,485</u>	<u>\$ 1,569,399</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, 2006**  
**With Comparative Totals for the Year Ended September 30, 2005**

	<b>FLOOD CONTROL</b>	<b>DISTRICT CLERK CHILD SUPPORT IV-D</b>	<b>D.A. AND OTHER AGENCY FORFEITURES</b>	<b>D.A. CONTRABAND POST-10/89</b>
<b>REVENUES</b>				
Taxes	\$ 1,767,831	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental	28,855	2,775	-	-
Charges for Services	140,648	-	-	-
Fines and Forfeitures	-	-	-	32,895
Investment Earnings	89,156	-	-	-
Miscellaneous	36,471	-	-	-
<b>Total revenues</b>	<b>2,062,961</b>	<b>2,775</b>	<b>-</b>	<b>32,895</b>
<b>EXPENDITURES</b>				
Current :				
General Government	94,659	-	-	62,657
Public Safety	1,195,875	-	-	-
Sanitation	-	-	-	-
Health and Social Services	-	-	-	-
Culture and Recreation	-	-	-	-
Roads, Bridges, and Rights-of-Way	-	-	-	-
Capital Outlay	2,233,998	-	-	-
<b>Total expenditures</b>	<b>3,524,532</b>	<b>-</b>	<b>-</b>	<b>62,657</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(1,461,571)</b>	<b>2,775</b>	<b>-</b>	<b>(29,762)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	2,320,000	-	-	-
Transfers Out	(16,000)	-	-	-
Sale of Capital Assets	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>2,304,000</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>842,429</b>	<b>2,775</b>	<b>-</b>	<b>(29,762)</b>
Fund balances-beginning	774,402	90,154	13	84,928
Prior period adjustments	-	-	-	-
<b>Fund balances-ending</b>	<b>\$ 1,616,831</b>	<b>\$ 92,929</b>	<b>\$ 13</b>	<b>\$ 55,166</b>

(Continued)

<u>D.A. CHECK COLLECTION FEES</u>	<u>SHERIFF'S COMMISSARY</u>	<u>SHERIFF SEIZURES PRE-10/89</u>	<u>SHERIFF SEIZURES POST-10/89</u>	<u>TASK FORCE SEIZURES PRE-10/89</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
29,228	-	-	-	-
-	-	-	296	-
-	14,431	-	1,039	-
-	291,548	-	-	-
<u>29,228</u>	<u>305,979</u>	<u>-</u>	<u>1,335</u>	<u>-</u>
10,963	-	-	-	-
-	233,113	-	4,213	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
579	-	-	-	-
<u>11,542</u>	<u>233,113</u>	<u>-</u>	<u>4,213</u>	<u>-</u>
17,686	72,866	-	(2,878)	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>17,686</u>	<u>72,866</u>	<u>-</u>	<u>(2,878)</u>	<u>-</u>
52,409	553,350	2,037	23,617	1
-	-	-	-	-
<u>\$ 70,095</u>	<u>\$ 626,216</u>	<u>\$ 2,037</u>	<u>\$ 20,739</u>	<u>\$ 1</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, 2006**  
**With Comparative Totals for the Year Ended September 30, 2005**

	<u>UNCLAIMED PROPERTY</u>	<u>JUSTICE COURT TECHNOLOGY</u>	<u>PROBATE COURT CONTRIBUTIONS</u>	<u>EMERGENCY MANAGEMENT</u>
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental	-	-	63,629	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	78,764	-	-
Investment Earnings	5,279	-	-	-
Miscellaneous	-	-	-	25,011
<b>Total revenues</b>	<u>5,279</u>	<u>78,764</u>	<u>63,629</u>	<u>25,011</u>
<b>EXPENDITURES</b>				
Current :				
General Government	-	200,000	9,731	-
Public Safety	-	-	-	1,053,308
Sanitation	-	-	-	-
Health and Social Services	-	-	-	-
Culture and Recreation	-	-	-	-
Roads, Bridges, and Rights-of-Way	-	-	-	-
Capital Outlay	-	-	-	-
<b>Total expenditures</b>	<u>-</u>	<u>200,000</u>	<u>9,731</u>	<u>1,053,308</u>
<b>Excess (deficiency) of revenues</b> over (under) expenditures	<u>5,279</u>	<u>(121,236)</u>	<u>53,898</u>	<u>(1,028,297)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	-	1,150,431
Transfers Out	-	-	(45,800)	-
Sale of Capital Assets	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>(45,800)</u>	<u>1,150,431</u>
<b>Net change in fund balances</b>	5,279	(121,236)	8,098	122,134
Fund balances-beginning	31,117	164,950	252,287	971,063
Prior period adjustments	-	-	-	-
<b>Fund balances-ending</b>	<u>\$ 36,396</u>	<u>\$ 43,714</u>	<u>\$ 260,385</u>	<u>\$ 1,093,197</u>



(Continued)

C.I.D. SEIZURES POST-10/89	ELECTION SERVICES CONTRACT	GRANTS	TOTALS	
			2006	2005
\$ -	\$ -	\$ -	\$ 4,939,421	\$ 2,635,203
-	-	-	2,299,686	2,107,668
-	-	8,163,767	12,576,735	12,714,194
-	35,357	-	2,547,269	1,918,381
-	-	-	791,857	749,788
-	-	4,582	501,899	339,480
-	-	462,995	1,520,306	939,025
-	35,357	8,631,344	25,177,173	21,403,739
-	6,457	295,336	1,428,287	1,138,497
-	-	3,486,496	12,697,683	12,807,922
-	-	574,720	574,720	17,820
-	-	714,883	2,027,268	2,100,090
-	-	1,430	293,626	337,430
-	-	-	4,410,273	5,022,720
-	-	3,155,780	7,052,448	4,717,873
-	6,457	8,228,645	28,484,305	26,142,352
-	28,900	402,699	(3,307,132)	(4,738,613)
-	-	-	7,767,331	4,313,864
-	-	(10,650)	(2,582,950)	(949,815)
-	-	-	621,750	956,150
-	-	(10,650)	5,806,131	4,320,199
-	28,900	392,049	2,498,999	(418,414)
-	-	173,262	17,218,139	17,555,579
-	-	-	-	80,974
<u>\$ -</u>	<u>\$ 28,900</u>	<u>\$ 565,311</u>	<u>\$ 19,717,138</u>	<u>\$ 17,218,139</u>

**GALVESTON COUNTY, TEXAS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR SPECIAL REVENUE FUNDS - GRANT FUNDS**  
**September 30, 2006**  
**With Comparative Totals at September 30, 2005**

	<b>JUVENILE JUSTICE STATE AID</b>	<b>JUVENILE JUSTICE I.S.P. GRANT</b>	<b>CHILD ABUSE INVESTIGATOR</b>	<b>JUVENILE JUSTICE ALTERNATIVE C.J.D. GRANT</b>
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 103,582	\$ 64,946	\$ -	\$ 24,314
Receivables: (Net of Allowance for Uncollectibles)				
Interest	-	-	-	-
Accounts and Other	839	-	-	525
Due from Other Funds	-	-	-	-
<b>Total assets</b>	<b>\$ 104,421</b>	<b>\$ 64,946</b>	<b>\$ -</b>	<b>\$ 24,839</b>
<b>LIABILITIES</b>				
Accounts Payable	\$ 2,993	\$ 761	\$ -	\$ -
Salaries Payable	11,993	9,248	-	-
Retainage Payable	-	-	-	-
Due to Others	32,117	9,449	-	-
Due to Other Funds	-	-	-	-
Deferred Revenues	57,318	45,488	-	24,839
<b>Total liabilities</b>	<b>104,421</b>	<b>64,946</b>	<b>-</b>	<b>24,839</b>
<b>FUND BALANCES</b>				
Reserved:				
Outstanding Checks	-	-	-	-
Unreserved:				
Undesignated	-	-	-	-
<b>Total fund balances</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total liabilities and fund balances</b>	<b>\$ 104,421</b>	<b>\$ 64,946</b>	<b>\$ -</b>	<b>\$ 24,839</b>

(Continued)

<b>JUVENILE ACCOUNTABILITY INCENTIVE GRANT</b>	<b>ORGANIZED CRIME CONTROL UNIT C.J.D. GRANT</b>	<b>NARCOTICS TASK FORCE C.J.D. GRANT</b>	<b>ATTORNEY GENERAL VICTIMS ASSISTANCE GRANT</b>	<b>CHILDREN'S JUSTICE ACT PROJECT</b>
\$ -	\$ 1,824	\$ 54,948	\$ 7,606	\$ 1,685
-	-	-	-	-
3,981	-	-	6,776	-
-	-	-	-	-
<u>\$ 3,981</u>	<u>\$ 1,824</u>	<u>\$ 54,948</u>	<u>\$ 14,382</u>	<u>\$ 1,685</u>
\$ 2,629	\$ -	\$ -	\$ 1,197	\$ -
-	-	-	30	-
-	-	-	-	-
-	-	26,298	-	-
1,352	-	-	-	-
-	-	-	-	-
<u>3,981</u>	<u>-</u>	<u>26,298</u>	<u>1,227</u>	<u>-</u>
-	-	-	-	-
-	1,824	28,650	13,155	1,685
-	1,824	28,650	13,155	1,685
<u>\$ 3,981</u>	<u>\$ 1,824</u>	<u>\$ 54,948</u>	<u>\$ 14,382</u>	<u>\$ 1,685</u>

**GALVESTON COUNTY, TEXAS  
COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS - GRANT FUNDS  
September 30, 2006  
With Comparative Totals at September 30, 2005**

	<b>U.S. DEPT. OF JUSTICE LAW ENFORCEMENT BLOCK GRANT</b>	<b>GALVESTON COUNTY SENIOR CITIZENS GRANT PROGRAM</b>	<b>COMMUNITY DEVELOPMENT GRANT</b>	<b>ADULT PROBATION COMMUNITY CORRECTIONS</b>
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 47,375	\$ 9,011	\$ -	\$ 200,421
Receivables: (Net of Allowance for Uncollectibles)				
Interest	-	-	-	-
Accounts and Other	47,770	47,548	410,519	-
Due from Other Funds	-	-	-	-
<b>Total assets</b>	<b><u>\$ 95,145</u></b>	<b><u>\$ 56,559</u></b>	<b><u>\$ 410,519</u></b>	<b><u>\$ 200,421</u></b>
<b>LIABILITIES</b>				
Accounts Payable	\$ 888	\$ -	\$ 161,081	\$ 24,336
Salaries Payable	-	14,328	-	7,108
Retainage Payable	-	-	20,924	-
Due to Others	-	-	-	-
Due to Other Funds	-	-	128,664	-
Deferred Revenues	89,724	-	99,850	82,162
<b>Total liabilities</b>	<b><u>90,612</u></b>	<b><u>14,328</u></b>	<b><u>410,519</u></b>	<b><u>113,606</u></b>
<b>FUND BALANCES</b>				
Reserved:				
Outstanding Checks	-	-	-	-
Unreserved:				
Undesignated	4,533	42,231	-	86,815
<b>Total fund balances</b>	<b><u>4,533</u></b>	<b><u>42,231</u></b>	<b><u>-</u></b>	<b><u>86,815</u></b>
<b>Total liabilities and fund balances</b>	<b><u>\$ 95,145</u></b>	<b><u>\$ 56,559</u></b>	<b><u>\$ 410,519</u></b>	<b><u>\$ 200,421</u></b>

(Continued)

<b>AUTO CRIME TASK FORCE</b>	<b>INTENSIVE FAMILY PRESERVATION GRANT</b>	<b>COUNTY PARKS/ BEACHES GRANT</b>	<b>OFFICE OF EMERGENCY MANAGEMENT GRANTS</b>	<b>COPS IN SCHOOLS</b>
\$ 40	\$ 5,360	\$ -	\$ 1,625	\$ -
-	-	-	-	-
167,974	-	198,777	-	-
43,731	-	-	-	-
<b>\$ 211,745</b>	<b>\$ 5,360</b>	<b>\$ 198,777</b>	<b>\$ 1,625</b>	<b>\$ -</b>
\$ 13,993	\$ -	\$ -	\$ -	\$ -
16,770	-	-	-	-
-	-	-	-	-
-	-	-	-	-
108,323	-	171,233	-	-
-	-	27,544	-	-
139,086	-	198,777	-	-
-	-	-	-	-
72,659	5,360	-	1,625	-
72,659	5,360	-	1,625	-
<b>\$ 211,745</b>	<b>\$ 5,360</b>	<b>\$ 198,777</b>	<b>\$ 1,625</b>	<b>\$ -</b>

**GALVESTON COUNTY, TEXAS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR SPECIAL REVENUE FUNDS - GRANT FUNDS**  
 September 30, 2006  
 With Comparative Totals at September 30, 2005

	<b>LOW INCOME REPAIR ASSISTANCE PROGRAM ("L.L.R.A.P.")</b>	<b>COASTAL IMPACT ASSISTANCE GRANT</b>	<b>SENIOR SERVICES - SPECIAL PROJECTS / SERVICES</b>	<b>DISASTER RECOVERY IV - CLAUDETTE</b>
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 3,355	\$ -	\$ 932	\$ -
Receivables: (Net of Allowance for Uncollectibles)				
Interest	-	-	-	-
Accounts and Other	95,498	-	-	1,822,156
Due from Other Funds	-	-	-	-
<b>Total assets</b>	<b>\$ 98,853</b>	<b>\$ -</b>	<b>\$ 932</b>	<b>\$ 1,822,156</b>
<b>LIABILITIES</b>				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Salaries Payable	-	-	-	-
Retainage Payable	-	-	-	-
Due to Others	-	-	-	-
Due to Other Funds	-	-	-	1,400,630
Deferred Revenues	-	-	-	416,955
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,817,585</b>
<b>FUND BALANCES</b>				
Reserved:				
Outstanding Checks	-	-	-	-
Unreserved:				
Undesignated	98,853	-	932	4,571
<b>Total fund balances</b>	<b>98,853</b>	<b>-</b>	<b>932</b>	<b>4,571</b>
<b>Total liabilities and fund balances</b>	<b>\$ 98,853</b>	<b>\$ -</b>	<b>\$ 932</b>	<b>\$ 1,822,156</b>

(Continued)

<u>G.I.S.D. TRUANCY GRANT</u>	<u>STATE HOMELAND SECURITY GRANT</u>	<u>COMMUNITY DEVELOPMENT BLOCK GRANT - MEALS ON WHEELS</u>	<u>COUNTY BEACH AND PARKS PROJECTS GRANT</u>	<u>KEMPNER GRANT</u>
\$ -	\$ -	\$ -	\$ 91,500	\$ 2,100
-	-	-	-	-
13,584	56,392	1,618	-	-
-	-	-	-	-
<u>\$ 13,584</u>	<u>\$ 56,392</u>	<u>\$ 1,618</u>	<u>\$ 91,500</u>	<u>\$ 2,100</u>
\$ 7,118	\$ -	\$ 598	\$ -	\$ 900
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
6,466	56,392	1,020	-	-
-	-	-	91,500	1,200
<u>13,584</u>	<u>56,392</u>	<u>1,618</u>	<u>91,500</u>	<u>2,100</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ 13,584</u>	<u>\$ 56,392</u>	<u>\$ 1,618</u>	<u>\$ 91,500</u>	<u>\$ 2,100</u>

**GALVESTON COUNTY, TEXAS  
COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS - GRANT FUNDS  
September 30, 2006  
With Comparative Totals at September 30, 2005**

	<b>TEXAS VINE GRANT</b>	<b>HELP AMERICA VOTE ACT (HAVA)</b>	<b>CHILD AND ELDERLY ABUSE PROSECUTOR</b>	<b>DISASTER RECOVERY V</b>
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ -	\$ 1,361	\$ -	\$ 1,030,122
Receivables: (Net of Allowance for Uncollectibles)				
Interest	-	-	-	-
Accounts and Other	12,940	15,017	18,641	157,858
Due from Other Funds	-	-	-	-
<b>Total assets</b>	<b><u>\$ 12,940</u></b>	<b><u>\$ 16,378</u></b>	<b><u>\$ 18,641</u></b>	<b><u>\$ 1,187,980</u></b>
<b>LIABILITIES</b>				
Accounts Payable	\$ -	\$ 4,208	\$ -	\$ 69,205
Salaries Payable	-	-	1,929	-
Retainage Payable	-	-	-	-
Due to Others	-	-	-	-
Due to Other Funds	12,940	12,170	16,712	-
Deferred Revenues	-	-	-	916,357
<b>Total liabilities</b>	<b><u>12,940</u></b>	<b><u>16,378</u></b>	<b><u>18,641</u></b>	<b><u>985,562</u></b>
<b>FUND BALANCES</b>				
Reserved:				
Outstanding Checks	-	-	-	-
Unreserved:				
Undesignated	-	-	-	202,418
<b>Total fund balances</b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>202,418</u></b>
<b>Total liabilities and fund balances</b>	<b><u>\$ 12,940</u></b>	<b><u>\$ 16,378</u></b>	<b><u>\$ 18,641</u></b>	<b><u>\$ 1,187,980</u></b>



(Continued)

HOMELAND SECURITY GRANTS - SHERIFF	TOTALS	
	2006	2005
\$ -	\$ 1,652,107	\$ 660,122
-	-	95
251,465	3,329,878	3,261,181
-	43,731	-
<u>\$ 251,465</u>	<u>\$ 5,025,716</u>	<u>\$ 3,921,398</u>
\$ -	\$ 289,907	\$ 583,636
-	61,406	538,342
-	20,924	118,830
-	67,864	134,617
251,465	2,167,367	1,572,962
-	1,852,937	799,749
<u>251,465</u>	<u>4,460,405</u>	<u>3,748,136</u>
-	-	804
-	565,311	172,458
-	565,311	173,262
<u>\$ 251,465</u>	<u>\$ 5,025,716</u>	<u>\$ 3,921,398</u>

**GALVESTON COUNTY, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR SPECIAL REVENUE FUNDS - GRANT FUNDS**  
**For the Year Ended September 30, 2006**  
**With Comparative Totals for the Year Ended September 30, 2005**

	<b>JUVENILE JUSTICE STATE AID</b>	<b>JUVENILE JUSTICE I.S.P. GRANT</b>	<b>CHILD ABUSE INVESTIGATOR</b>	<b>JUVENILE JUSTICE ALTERNATIVE C.J.D. GRANT</b>
<b>REVENUES</b>				
Intergovernmental	\$ 601,354	\$ 456,730	\$ (8,236)	\$ 105,847
Fines and Forfeitures	-	-	-	-
Investment Earnings	-	-	-	-
Miscellaneous	-	-	8,236	-
<b>Total revenues</b>	<b>601,354</b>	<b>456,730</b>	<b>-</b>	<b>105,847</b>
<b>EXPENDITURES</b>				
Current :				
General Government	-	-	-	-
Public Safety	601,354	456,730	-	105,847
Sanitation	-	-	-	-
Health and Social Services	-	-	-	-
Culture and Recreation	-	-	-	-
Capital Outlay	-	-	-	-
<b>Total expenditures</b>	<b>601,354</b>	<b>456,730</b>	<b>-</b>	<b>105,847</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	-	-	-	-
Fund balances-beginning	-	-	-	-
<b>Fund balances-ending</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

(Continued)

<b>JUVENILE ACCOUNTABILITY INCENTIVE GRANT</b>	<b>ORGANIZED CRIME CONTROL UNIT C.J.D. GRANT</b>	<b>NARCOTICS TASK FORCE C.J.D. GRANT</b>	<b>ATTORNEY GENERAL VICTIMS ASSISTANCE GRANT</b>	<b>CHILDREN'S JUSTICE ACT PROJECT</b>
\$ 22,477	\$ -	\$ -	\$ 53,090	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>22,477</u>	<u>-</u>	<u>-</u>	<u>53,090</u>	<u>-</u>
22,477	-	-	44,664	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>22,477</u>	<u>-</u>	<u>-</u>	<u>44,664</u>	<u>-</u>
-	-	-	8,426	-
-	-	-	-	-
-	-	(5,000)	-	-
-	-	(5,000)	-	-
-	-	(5,000)	8,426	-
-	1,824	33,650	4,729	1,685
<u>\$ -</u>	<u>\$ 1,824</u>	<u>\$ 28,650</u>	<u>\$ 13,155</u>	<u>\$ 1,685</u>

**GALVESTON COUNTY, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR SPECIAL REVENUE FUNDS - GRANT FUNDS**  
**For the Year Ended September 30, 2006**  
**With Comparative Totals for the Year Ended September 30, 2005**

	U.S. DEPT. OF JUSTICE LAW ENFORCEMENT BLOCK GRANT	GALVESTON COUNTY SENIOR CITIZENS GRANT PROGRAM	COMMUNITY DEVELOPMENT GRANT	ADULT PROBATION COMMUNITY CORRECTIONS
<b>REVENUES</b>				
Intergovernmental	\$ 46,344	\$ 557,662	\$ 574,720	\$ 490,134
Fines and Forfeitures	-	-	-	-
Investment Earnings	4,503	-	-	-
Miscellaneous	-	-	-	-
<b>Total revenues</b>	<b>50,847</b>	<b>557,662</b>	<b>574,720</b>	<b>490,134</b>
<b>EXPENDITURES</b>				
Current :				
General Government	-	-	-	-
Public Safety	41,296	-	-	411,134
Sanitation	-	-	574,720	-
Health and Social Services	-	547,687	-	-
Culture and Recreation	-	-	-	-
Capital Outlay	7,562	-	-	-
<b>Total expenditures</b>	<b>48,858</b>	<b>547,687</b>	<b>574,720</b>	<b>411,134</b>
<b>Excess (deficiency) of revenues</b> over (under) expenditures	<b>1,989</b>	<b>9,975</b>	<b>-</b>	<b>79,000</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	-	-
Transfers Out	-	(5,650)	-	-
Total other financing sources (uses)	-	(5,650)	-	-
Net change in fund balances	1,989	4,325	-	79,000
Fund balances-beginning	2,544	37,906	-	7,815
<b>Fund balances-ending</b>	<b>\$ 4,533</b>	<b>\$ 42,231</b>	<b>\$ -</b>	<b>\$ 86,815</b>

(Continued)

<u>AUTO CRIME TASK FORCE</u>	<u>INTENSIVE FAMILY PRESERVATION GRANT</u>	<u>COUNTY PARKS/ BEACHES GRANT</u>	<u>OFFICE OF EMERGENCY MANAGEMENT GRANTS</u>	<u>COPS IN SCHOOLS</u>
\$ 511,600	\$ 207	\$ 263,309	\$ 574,876	\$ -
-	-	-	-	-
-	-	-	-	-
(1,133)	2,291	-	-	188,962
<u>510,467</u>	<u>2,498</u>	<u>263,309</u>	<u>574,876</u>	<u>188,962</u>
-	-	-	-	-
390,880	-	-	574,876	188,962
-	-	-	-	-
-	780	-	-	-
-	-	-	-	-
115,990	-	263,309	-	-
<u>506,870</u>	<u>780</u>	<u>263,309</u>	<u>574,876</u>	<u>188,962</u>
-	-	-	-	-
3,597	1,718	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
3,597	1,718	-	-	-
69,062	3,642	-	1,625	-
<u>\$ 72,659</u>	<u>\$ 5,360</u>	<u>\$ -</u>	<u>\$ 1,625</u>	<u>\$ -</u>

**GALVESTON COUNTY, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR SPECIAL REVENUE FUNDS - GRANT FUNDS**  
**For the Year Ended September 30, 2006**  
**With Comparative Totals for the Year Ended September 30, 2005**

	<b>LOW INCOME REPAIR ASSISTANCE PROGRAM ("L.I.R.A.P.")</b>	<b>COASTAL IMPACT ASSISTANCE GRANT</b>	<b>SENIOR SERVICES - SPECIAL PROJECTS / SERVICES</b>	<b>DISASTER RECOVERY IV - CLAUDETTE</b>
<b>REVENUES</b>				
Intergovernmental	\$ 254,795	\$ 72,418	\$ -	\$ 2,012
Fines and Forfeitures	-	-	-	-
Investment Earnings	79	-	-	-
Miscellaneous	-	-	-	5,938
<b>Total revenues</b>	<b>254,874</b>	<b>72,418</b>	<b>-</b>	<b>7,950</b>
<b>EXPENDITURES</b>				
Current :				
General Government	-	-	-	-
Public Safety	-	16,000	-	7,951
Sanitation	-	-	-	-
Health and Social Services	159,297	-	-	-
Culture and Recreation	-	-	-	-
Capital Outlay	-	56,418	-	-
<b>Total expenditures</b>	<b>159,297</b>	<b>72,418</b>	<b>-</b>	<b>7,951</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>95,577</b>	<b>-</b>	<b>-</b>	<b>(1)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	95,577	-	-	(1)
Fund balances-beginning	3,276	-	932	4,572
<b>Fund balances-ending</b>	<b>\$ 98,853</b>	<b>\$ -</b>	<b>\$ 932</b>	<b>\$ 4,571</b>

(Continued)

<u>G.I.S.D. TRUANCY GRANT</u>	<u>STATE HOMELAND SECURITY GRANT</u>	<u>COMMUNITY DEVELOPMENT BLOCK GRANT - MEALS ON WHEELS</u>	<u>COUNTY BEACH AND PARKS PROJECTS GRANT</u>	<u>KEMPNER GRANT</u>
\$ 135,965	\$ 1,055,513	\$ 5,319	\$ 93,938	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	1,800
<u>135,965</u>	<u>1,055,513</u>	<u>5,319</u>	<u>93,938</u>	<u>1,800</u>
135,965	-	-	-	-
-	56,392	-	-	-
-	-	-	-	-
-	-	5,319	-	1,800
-	-	-	1,430	-
-	999,121	-	92,508	-
<u>135,965</u>	<u>1,055,513</u>	<u>5,319</u>	<u>93,938</u>	<u>1,800</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**GALVESTON COUNTY, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR SPECIAL REVENUE FUNDS - GRANT FUNDS**  
**For the Year Ended September 30, 2006**  
**With Comparative Totals for the Year Ended September 30, 2005**

	<b>TEXAS VINE GRANT</b>	<b>HELP AMERICA VOTE ACT (HAVA)</b>	<b>CHILD AND ELDERLY ABUSE PROSECUTOR</b>	<b>DISASTER RECOVERY V</b>
<b>REVENUES</b>				
Intergovernmental	\$ 17,253	\$ 1,311,603	\$ 67,337	\$ 580,591
Fines and Forfeitures	-	-	-	-
Investment Earnings	-	-	-	-
Miscellaneous	-	-	-	256,901
<b>Total revenues</b>	<b>17,253</b>	<b>1,311,603</b>	<b>67,337</b>	<b>837,492</b>
<b>EXPENDITURES</b>				
Current :				
General Government	17,253	7,640	67,337	-
Public Safety	-	-	-	635,074
Sanitation	-	-	-	-
Health and Social Services	-	-	-	-
Culture and Recreation	-	-	-	-
Capital Outlay	-	1,303,963	-	-
<b>Total expenditures</b>	<b>17,253</b>	<b>1,311,603</b>	<b>67,337</b>	<b>635,074</b>
<b>Excess (deficiency) of revenues</b> over (under) expenditures	-	-	-	202,418
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	-	-	-	202,418
Fund balances-beginning	-	-	-	-
<b>Fund balances-ending</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 202,418</b>



(Continued)

HOMELAND SECURITY GRANTS - SHERIFF	TOTALS	
	2006	2005
\$ 316,909	\$ 8,163,767	\$ 8,413,025
-	-	32,532
-	4,582	4,042
-	462,995	440,191
<u>316,909</u>	<u>8,631,344</u>	<u>8,889,790</u>
-	295,336	292,875
-	3,486,496	4,854,920
-	574,720	17,820
-	714,883	803,578
-	1,430	24,276
<u>316,909</u>	<u>3,155,780</u>	<u>3,489,017</u>
<u>316,909</u>	<u>8,228,645</u>	<u>9,482,486</u>
-	402,699	(592,696)
-	-	341,464
-	(10,650)	(123,311)
-	(10,650)	218,153
-	392,049	(374,543)
-	173,262	547,805
<u>\$ -</u>	<u>\$ 565,311</u>	<u>\$ 173,262</u>

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**ROAD AND BRIDGE SPECIAL REVENUE FUND**  
**For the Year Ended September 30, 2006**  
**With Comparative Actual Amounts for the Year Ended September 30, 2005**

	<b>2006</b>		<b>Variance with Final Budget - Positive (Negative)</b>	<b>2005 Actual</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>		
<b>REVENUES</b>				
Taxes	\$ 2,307,083	\$ 2,306,338	\$ (745)	\$ 2,158
Licenses and Permits	2,000,000	2,299,686	299,686	2,107,668
Intergovernmental	1,321,000	1,458,985	137,985	1,376,943
Charges for Services	-	296	296	-
Fines and Forfeitures	550,000	679,902	129,902	577,660
Investment Earnings	95,000	149,000	54,000	104,589
Miscellaneous	9,000	19,616	10,616	63,891
<b>Total revenues</b>	<b>6,282,083</b>	<b>6,913,823</b>	<b>631,740</b>	<b>4,232,909</b>
<b>EXPENDITURES</b>				
General Government				
Current:				
Other Services and Charges	481,400	187,290	294,110	90,041
Roads, Bridges, and Rights-of-Way				
Current:				
Personal Services	2,255,933	1,752,373	503,560	1,895,832
Supplies	1,913,000	1,359,415	553,585	1,453,738
Other Services and Charges	598,100	315,068	283,032	716,813
Miscellaneous	145,000	149,987	(4,987)	141,645
Total Roads, Bridges, and Rights-of-Way	4,912,033	3,576,843	1,335,190	4,208,028
Capital Outlay	1,157,400	1,080,427	76,973	574,162
<b>Total expenditures</b>	<b>6,550,833</b>	<b>4,844,560</b>	<b>1,706,273</b>	<b>4,872,231</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(268,750)</b>	<b>2,069,263</b>	<b>2,338,013</b>	<b>(639,322)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(670,000)	(670,000)	-	(674,000)
Sale of Capital Assets	5,000	-	(5,000)	30,440
<b>Total other financing sources (uses)</b>	<b>(665,000)</b>	<b>(670,000)</b>	<b>(5,000)</b>	<b>(643,560)</b>
<b>Net change in fund balances</b>	<b>(933,750)</b>	<b>1,399,263</b>	<b>2,333,013</b>	<b>(1,282,882)</b>
<b>Fund balances-beginning</b>	<b>3,247,560</b>	<b>3,247,560</b>	<b>-</b>	<b>4,514,625</b>
Prior period adjustments	-	-	-	15,817
<b>Fund balances-ending</b>	<b>\$ 2,313,810</b>	<b>\$ 4,646,823</b>	<b>\$ 2,333,013</b>	<b>\$ 3,247,560</b>

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**PUBLIC HEALTH SPECIAL REVENUE FUND**  
**For the Year Ended September 30, 2006**  
**With Comparative Actual Amounts for the Year Ended September 30, 2005**

	<u>2006</u>			<u>2005</u> <u>Actual</u>
	<u>Final Budgeted</u> <u>Amounts</u>	<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget -</u> <u>Positive</u> <u>(Negative)</u>	
<b>Fund balances-beginning</b>	\$ -	\$ -	\$ -	\$ -
<b>Fund balances-ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**JUVENILE JUSTICE SPECIAL REVENUE FUND**  
**For the Year Ended September 30, 2006**  
**With Comparative Actual Amounts for the Year Ended September 30, 2005**

	<u>2006</u>		<b>Variance with Final Budget - Positive (Negative)</b>	<u>2005 Actual</u>
	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>		
<b>REVENUES</b>				
Intergovernmental	\$ 486,046	\$ 452,912	\$ (33,134)	\$ 418,803
Charges for Services	500	255	(245)	168
Miscellaneous	5,000	7,355	2,355	177
<b>Total revenues</b>	<u>491,546</u>	<u>460,522</u>	<u>(31,024)</u>	<u>419,148</u>
<b>EXPENDITURES</b>				
Current:				
Personal Services	3,165,645	2,820,768	344,877	2,900,136
Supplies	73,000	55,325	17,675	39,361
Other Services and Charges	1,453,323	1,303,135	150,188	1,132,149
Capital Outlay	110,000	82,453	27,547	146,023
<b>Total expenditures</b>	<u>4,801,968</u>	<u>4,261,681</u>	<u>540,287</u>	<u>4,217,669</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(4,310,422)</u>	<u>(3,801,159)</u>	<u>509,263</u>	<u>(3,798,521)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	3,884,200	3,884,200	-	3,660,500
Transfers Out	(63,400)	(63,400)	-	(14,100)
Sale of Capital Assets	-	-	-	2,184
<b>Total other financing sources (uses)</b>	<u>3,820,800</u>	<u>3,820,800</u>	<u>-</u>	<u>3,648,584</u>
<b>Net change in fund balances</b>	(489,622)	19,641	509,263	(149,937)
<b>Fund balances-beginning</b>	1,907,189	1,907,189	-	2,027,087
Prior period adjustments	-	-	-	30,039
<b>Fund balances-ending</b>	<u><u>\$ 1,417,567</u></u>	<u><u>\$ 1,926,830</u></u>	<u><u>\$ 509,263</u></u>	<u><u>\$ 1,907,189</u></u>

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET (NON-GAAP) AND ACTUAL**  
**ADULT PROBATION SPECIAL REVENUE FUND**  
**For the Year Ended September 30, 2006**  
**With Comparative Actual Amounts for the Year Ended September 30, 2005**

	<u>2006</u>		<b>Variance with Final Budget - Positive (Negative)</b>	<u>2005 Actual</u>
	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>		
<b>REVENUES</b>				
Intergovernmental	\$ 4,054,860	\$ 2,192,587	\$ (1,862,273)	\$ 2,232,526
Investment Earnings	36,000	32,778	(3,222)	28,281
Miscellaneous	6,000	4,169	(1,831)	5,465
<b>Total revenues</b>	<u>4,096,860</u>	<u>2,229,534</u>	<u>(1,867,326)</u>	<u>2,266,272</u>
<b>EXPENDITURES</b>				
Current:				
Personal Services	4,167,690	2,035,799	2,131,891	1,903,857
Supplies	40,000	11,229	28,771	14,587
Other Services and Charges	675,242	254,522	420,720	281,063
Other	13,597	58,372	(44,775)	-
Capital Outlay	9,735	4,579	5,156	41,926
<b>Total expenditures</b>	<u>4,906,264</u>	<u>2,364,501</u>	<u>2,541,763</u>	<u>2,241,433</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	(809,404)	(134,967)	674,437	24,839
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(77,990)	-	77,990	(1,795)
<b>Net change in fund balances</b>	(887,394)	(134,967)	752,427	23,044
<b>Fund balances-beginning</b>	491,116	491,116	-	468,072
<b>Fund balances-ending</b>	<u>\$ (396,278)</u>	<u>\$ 356,149</u>	<u>\$ 752,427</u>	<u>\$ 491,116</u>

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**LAW LIBRARY SPECIAL REVENUE FUND**  
**For the Year Ended September 30, 2006**  
**With Comparative Actual Amounts for the Year Ended September 30, 2005**

	<u>2006</u>		<b>Variance with Final Budget - Positive (Negative)</b>	<b>2005 Actual</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>		
<b>REVENUES</b>				
Charges for Services	\$ 189,000	\$ 215,705	\$ 26,705	\$ 206,575
Miscellaneous	-	-	-	-
<b>Total revenues</b>	<u>189,000</u>	<u>215,705</u>	<u>26,705</u>	<u>206,575</u>
<b>EXPENDITURES</b>				
Current:				
Personal Services	48,843	46,075	2,768	45,603
Supplies	131,000	125,472	5,528	110,215
Other Services and Charges	1,500	1,500	-	900
<b>Total expenditures</b>	<u>181,343</u>	<u>173,047</u>	<u>8,296</u>	<u>156,718</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	7,657	42,658	35,001	49,857
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(800)	(800)	-	-
<b>Net change in fund balances</b>	6,857	41,858	35,001	49,857
<b>Fund balances-beginning</b>	437,977	437,977	-	387,795
Prior period adjustments	-	-	-	325
<b>Fund balances-ending</b>	<u><u>\$ 444,834</u></u>	<u><u>\$ 479,835</u></u>	<u><u>\$ 35,001</u></u>	<u><u>\$ 437,977</u></u>

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**CHILD WELFARE SPECIAL REVENUE FUND**  
**For the Year Ended September 30, 2006**  
**With Comparative Actual Amounts for the Year Ended September 30, 2005**

	<b>2006</b>		<b>Variance with Final Budget - Positive (Negative)</b>	<b>2005 Actual</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>		
<b>REVENUES</b>				
Intergovernmental	\$ 25,000	\$ 28,010	\$ 3,010	\$ 47,594
Miscellaneous	900	554	(346)	778
<b>Total revenues</b>	<b>25,900</b>	<b>28,564</b>	<b>2,664</b>	<b>48,372</b>
<b>EXPENDITURES</b>				
Current:				
Supplies	115,000	71,153	43,847	84,807
Other Services and Charges	321,200	283,721	37,479	243,573
<b>Total expenditures</b>	<b>436,200</b>	<b>354,874</b>	<b>81,326</b>	<b>328,380</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(410,300)</b>	<b>(326,310)</b>	<b>83,990</b>	<b>(280,008)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	292,700	292,700	-	211,900
<b>Net change in fund balances</b>	<b>(117,600)</b>	<b>(33,610)</b>	<b>83,990</b>	<b>(68,108)</b>
<b>Fund balances-beginning</b>	<b>217,828</b>	<b>217,828</b>	<b>-</b>	<b>285,936</b>
<b>Fund balances-ending</b>	<b>\$ 100,228</b>	<b>\$ 184,218</b>	<b>\$ 83,990</b>	<b>\$ 217,828</b>

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**BEACH AND PARKS SPECIAL REVENUE FUND**  
**For the Year Ended September 30, 2006**  
**With Comparative Actual Amounts for the Year Ended September 30, 2005**

	<b>2006</b>		<b>Variance with Final Budget - Positive (Negative)</b>	<b>2005 Actual</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>		
<b>REVENUES</b>				
Intergovernmental	\$ 120,000	\$ 128,922	\$ 8,922	\$ 119,055
Charges for Services	238,000	3,300	(234,700)	2,466
Miscellaneous	-	1,813	1,813	254
<b>Total revenues</b>	<b>358,000</b>	<b>134,035</b>	<b>(223,965)</b>	<b>121,775</b>
<b>EXPENDITURES</b>				
Current:				
Personal Services	126,100	79,029	47,071	100,430
Supplies	27,500	18,382	9,118	21,315
Other Services and Charges	324,500	194,785	129,715	191,409
Capital Outlay	75,000	68,700	6,300	-
<b>Total expenditures</b>	<b>553,100</b>	<b>360,896</b>	<b>192,204</b>	<b>313,154</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(195,100)</b>	<b>(226,861)</b>	<b>(31,761)</b>	<b>(191,379)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	120,000	120,000	-	-
Transfers Out	(2,400)	(2,400)	-	-
Sale of Capital Assets	1,000	-	(1,000)	1,456
<b>Total other financing sources (uses)</b>	<b>118,600</b>	<b>117,600</b>	<b>(1,000)</b>	<b>1,456</b>
<b>Net change in fund balances</b>	<b>(76,500)</b>	<b>(109,261)</b>	<b>(32,761)</b>	<b>(189,923)</b>
<b>Fund balances-beginning</b>	<b>256,756</b>	<b>256,756</b>	<b>-</b>	<b>443,429</b>
Prior period adjustments	-	-	-	3,250
<b>Fund balances-ending</b>	<b>\$ 180,256</b>	<b>\$ 147,495</b>	<b>\$ (32,761)</b>	<b>\$ 256,756</b>



**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**ROAD DISTRICT #1 SPECIAL REVENUE FUND**  
**For the Year Ended September 30, 2006**  
**With Comparative Actual Amounts for the Year Ended September 30, 2005**

	<b>2006</b>			<b>2005 Actual</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>	
<b>REVENUES</b>				
Taxes	\$ 200	\$ 102	\$ (98)	\$ 222
Charges for Services	740,000	675,429	(64,571)	175,820
Investment Earnings	26,000	19,591	(6,409)	24,957
Miscellaneous	657,919	657,919	-	92,824
<b>Total revenues</b>	<b>1,424,119</b>	<b>1,353,041</b>	<b>(71,078)</b>	<b>293,823</b>
<b>EXPENDITURES</b>				
Current:				
Supplies	10,000	6,492	3,508	3,725
Other Services and Charges	690,700	630,462	60,238	580,706
Capital Outlay	273,147	271,446	1,701	25,149
<b>Total expenditures</b>	<b>973,847</b>	<b>908,400</b>	<b>65,447</b>	<b>609,580</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>450,272</b>	<b>444,641</b>	<b>(5,631)</b>	<b>(315,757)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(208,600)	(208,600)	-	-
Sale of Capital Assets	-	-	-	2,776
<b>Total other financing sources (uses)</b>	<b>(208,600)</b>	<b>(208,600)</b>	<b>-</b>	<b>2,776</b>
<b>Net change in fund balances</b>	<b>241,672</b>	<b>236,041</b>	<b>(5,631)</b>	<b>(312,981)</b>
<b>Fund balances-beginning</b>	<b>560,017</b>	<b>560,017</b>	<b>-</b>	<b>872,998</b>
<b>Fund balances-ending</b>	<b>\$ 801,689</b>	<b>\$ 796,058</b>	<b>\$ (5,631)</b>	<b>\$ 560,017</b>

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**COUNTY CLERK RECORDS MANAGEMENT AND**  
**PRESERVATION FEE SPECIAL REVENUE FUND**  
**For the Year Ended September 30, 2006**  
**With Comparative Actual Amounts for the Year Ended September 30, 2005**

	<b>2006</b>		<b>Variance with Final Budget - Positive (Negative)</b>	<b>2005 Actual</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>		
<b>REVENUES</b>				
Charges for Services	\$ 1,016,000	\$ 979,961	\$ (36,039)	\$ 951,334
<b>EXPENDITURES</b>				
Current:				
Personal Services	260,936	180,946	79,990	172,047
Supplies	40,000	21,013	18,987	19,331
Other Services and Charges	398,800	78,124	320,676	74,413
Capital Outlay	512,200	108,259	403,941	3,113
<b>Total expenditures</b>	<b>1,211,936</b>	<b>388,342</b>	<b>823,594</b>	<b>268,904</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(195,936)</b>	<b>591,619</b>	<b>787,555</b>	<b>682,430</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(4,200)	(4,200)	-	-
<b>Net change in fund balances</b>	<b>(200,136)</b>	<b>587,419</b>	<b>787,555</b>	<b>682,430</b>
<b>Fund balances-beginning</b>	<b>2,261,260</b>	<b>2,261,260</b>	<b>-</b>	<b>1,575,147</b>
Prior period adjustments	-	-	-	3,683
<b>Fund balances-ending</b>	<b>\$ 2,061,124</b>	<b>\$ 2,848,679</b>	<b>\$ 787,555</b>	<b>\$ 2,261,260</b>

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**COUNTY RECORDS MANAGEMENT SPECIAL REVENUE FUND**  
**For the Year Ended September 30, 2006**  
**With Comparative Actual Amounts for the Year Ended September 30, 2005**

	<b>2006</b>		<b>Variance with Final Budget - Positive (Negative)</b>	<b>2005 Actual</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>		
<b>REVENUES</b>				
Charges for Services	\$ 112,100	\$ 111,330	\$ (770)	\$ 118,235
Miscellaneous	9,000	1,079	(7,921)	8,208
<b>Total revenues</b>	<b>121,100</b>	<b>112,409</b>	<b>(8,691)</b>	<b>126,443</b>
<b>EXPENDITURES</b>				
Current:				
Personal Services	55,875	45,152	10,723	72,074
Supplies	5,000	-	5,000	382
Other Services and Charges	47,500	33,572	13,928	33,915
<b>Total expenditures</b>	<b>108,375</b>	<b>78,724</b>	<b>29,651</b>	<b>106,371</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>12,725</b>	<b>33,685</b>	<b>20,960</b>	<b>20,072</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(1,600)	(1,600)	-	-
<b>Net change in fund balances</b>	<b>11,125</b>	<b>32,085</b>	<b>20,960</b>	<b>20,072</b>
<b>Fund balances-beginning</b>	<b>106,905</b>	<b>106,905</b>	<b>-</b>	<b>83,664</b>
Prior period adjustments	-	-	-	3,169
<b>Fund balances-ending</b>	<b>\$ 118,030</b>	<b>\$ 138,990</b>	<b>\$ 20,960</b>	<b>\$ 106,905</b>

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**DISTRICT CLERK RECORDS MANAGEMENT SPECIAL REVENUE FUND**  
**For the Year Ended September 30, 2006**  
**With Comparative Actual Amounts for the Year Ended September 30, 2005**

	<b>2006</b>			<b>2005 Actual</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>	
<b>REVENUES</b>				
Charges for Services	\$ 21,000	\$ 28,085	\$ 7,085	\$ 26,876
<b>EXPENDITURES</b>	-	-	-	-
<b>Excess (deficiency) of revenues     over (under) expenditures</b>	21,000	28,085	7,085	26,876
<b>Fund balances-beginning</b>	41,444	41,444	-	14,568
<b>Fund balances-ending</b>	<b>\$ 62,444</b>	<b>\$ 69,529</b>	<b>\$ 7,085</b>	<b>\$ 41,444</b>

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**COURTHOUSE SECURITY SPECIAL REVENUE FUND**  
**For the Year Ended September 30, 2006**  
**With Comparative Actual Amounts for the Year Ended September 30, 2005**

	<b>2006</b>		<b>Variance with Final Budget - Positive (Negative)</b>	<b>2005 Actual</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>		
<b>REVENUES</b>				
Charges for Services	\$ 190,300	\$ 223,239	\$ 32,939	\$ 200,010
<b>EXPENDITURES</b>				
Current:				
Personal Services	208,100	161,333	46,767	143,765
Supplies	5,000	957	4,043	1,695
Other Services and Charges	16,900	9,900	7,000	11,499
<b>Total expenditures</b>	<b>230,000</b>	<b>172,190</b>	<b>57,810</b>	<b>156,959</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(39,700)</b>	<b>51,049</b>	<b>90,749</b>	<b>43,051</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(3,200)	(3,200)	-	-
<b>Net change in fund balances</b>	<b>(42,900)</b>	<b>47,849</b>	<b>90,749</b>	<b>43,051</b>
<b>Fund balances-beginning</b>	<b>269,657</b>	<b>269,657</b>	<b>-</b>	<b>225,824</b>
Prior period adjustments	-	-	-	782
<b>Fund balances-ending</b>	<b>\$ 226,757</b>	<b>\$ 317,506</b>	<b>\$ 90,749</b>	<b>\$ 269,657</b>

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**MEDIATION SERVICES PROGRAM SPECIAL REVENUE FUND**  
**For the Year Ended September 30, 2006**  
**With Comparative Actual Amounts for the Year Ended September 30, 2005**

	<b>2006</b>		<b>Variance with Final Budget - Positive (Negative)</b>	<b>2005 Actual</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>		
<b>REVENUES</b>				
Charges for Services	\$ 69,000	\$ 104,410	\$ 35,410	\$ 76,866
Investment Earnings	4,000	9,642	5,642	4,941
<b>Total revenues</b>	<b>73,000</b>	<b>114,052</b>	<b>41,052</b>	<b>81,807</b>
<b>EXPENDITURES</b>				
Current:				
Other Services and Charges	66,000	29,340	36,660	30,260
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>7,000</b>	<b>84,712</b>	<b>77,712</b>	<b>51,547</b>
<b>Fund balances-beginning</b>	<b>174,214</b>	<b>174,214</b>	<b>-</b>	<b>122,667</b>
<b>Fund balances-ending</b>	<b>\$ 181,214</b>	<b>\$ 258,926</b>	<b>\$ 77,712</b>	<b>\$ 174,214</b>

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET (NON-GAAP) AND ACTUAL**  
**TAX COLLECTOR SPECIAL INVENTORY TAX ESCROW SPECIAL REVENUE FUND**  
**For the Year Ended September 30, 2006**  
**With Comparative Actual Amounts for the Year Ended September 30, 2005**

	<b>2006</b>		<b>Variance with Final Budget - Positive (Negative)</b>	<b>2005 Actual</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>		
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ -	\$ 8,221
Investment Earnings	-	31,506	31,506	13,876
<b>Total revenues</b>	<b>-</b>	<b>31,506</b>	<b>31,506</b>	<b>22,097</b>
<b>EXPENDITURES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>-</b>	<b>31,506</b>	<b>31,506</b>	<b>22,097</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(8,900)	(8,900)	-	(28,059)
<b>Net change in fund balances</b>	<b>(8,900)</b>	<b>22,606</b>	<b>31,506</b>	<b>(5,962)</b>
<b>Fund balances-beginning</b>	<b>88,057</b>	<b>88,057</b>	<b>-</b>	<b>94,019</b>
<b>Fund balances-ending</b>	<b>\$ 79,157</b>	<b>\$ 110,663</b>	<b>\$ 31,506</b>	<b>\$ 88,057</b>

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**DONATIONS TO GALVESTON COUNTY SPECIAL REVENUE FUND**  
**For the Year Ended September 30, 2006**  
**With Comparative Actual Amounts for the Year Ended September 30, 2005**

	<u>2006</u>		<b>Variance with Final Budget - Positive (Negative)</b>	<b>2005 Actual</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>		
<b>REVENUES</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>EXPENDITURES</b>				
Current:				
Other Services and Charges	<u>45,000</u>	<u>3,902</u>	<u>41,098</u>	<u>-</u>
<b>Excess (deficiency) of revenues     over (under) expenditures</b>	<u>(45,000)</u>	<u>(3,902)</u>	<u>41,098</u>	<u>-</u>
<b>Fund balances-beginning</b>	<u>61,832</u>	<u>61,832</u>	<u>-</u>	<u>61,832</u>
<b>Fund balances-ending</b>	<u><u>\$ 16,832</u></u>	<u><u>\$ 57,930</u></u>	<u><u>\$ 41,098</u></u>	<u><u>\$ 61,832</u></u>



**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**MOSQUITO CONTROL DISTRICT SPECIAL REVENUE FUND**  
**For the Year Ended September 30, 2006**  
**With Comparative Actual Amounts for the Year Ended September 30, 2005**

	<b>2006</b>		<b>Variance with Final Budget - Positive (Negative)</b>	<b>2005 Actual</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>		
<b>REVENUES</b>				
Taxes	\$ 862,769	\$ 859,401	\$ (3,368)	\$ 1,123,402
Investment Earnings	35,000	48,224	13,224	37,571
Miscellaneous	-	6,257	6,257	-
<b>Total revenues</b>	<b>897,769</b>	<b>913,882</b>	<b>16,113</b>	<b>1,160,973</b>
<b>EXPENDITURES</b>				
Current:				
Personal Services	582,900	476,040	106,860	510,085
Supplies	373,500	358,342	15,158	336,303
Other Services and Charges	127,100	119,227	7,873	121,744
Capital Outlay	41,000	33,469	7,531	23,428
<b>Total expenditures</b>	<b>1,124,500</b>	<b>987,078</b>	<b>137,422</b>	<b>991,560</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(226,731)</b>	<b>(73,196)</b>	<b>153,535</b>	<b>169,413</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(11,400)	(11,400)	-	-
Sale of Capital Assets	1,000	-	(1,000)	-
<b>Total other financing sources (uses)</b>	<b>(10,400)</b>	<b>(11,400)</b>	<b>(1,000)</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>(237,131)</b>	<b>(84,596)</b>	<b>152,535</b>	<b>169,413</b>
<b>Fund balances-beginning</b>	<b>1,231,289</b>	<b>1,231,289</b>	<b>-</b>	<b>1,056,802</b>
Prior period adjustments	-	-	-	5,074
<b>Fund balances-ending</b>	<b>\$ 994,158</b>	<b>\$ 1,146,693</b>	<b>\$ 152,535</b>	<b>\$ 1,231,289</b>

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET (NON-GAAP) AND ACTUAL**  
**LAW ENFORCEMENT CONTINUED EDUCATION SPECIAL REVENUE FUND**  
**For the Year Ended September 30, 2006**  
**With Comparative Actual Amounts for the Year Ended September 30, 2005**

	<u>2006</u>		<b>Variance with Final Budget - Positive (Negative)</b>	<b>2005 Actual</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>		
<b>REVENUES</b>				
Intergovernmental	\$ 30,599	\$ 30,599	\$ -	\$ 31,345
<b>EXPENDITURES</b>				
Current:				
Inter-/Intragovernmental	162,823	13,338	149,485	16,913
<b>Excess (deficiency) of revenues     over (under) expenditures</b>	(132,224)	17,261	149,485	14,432
<b>Fund balances-beginning</b>	132,224	132,224	-	117,792
<b>Fund balances-ending</b>	<u>\$ -</u>	<u>\$ 149,485</u>	<u>\$ 149,485</u>	<u>\$ 132,224</u>

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**FARM-TO-MARKET LATERAL ROAD SPECIAL REVENUE FUND**  
**For the Year Ended September 30, 2006**  
**With Comparative Actual Amounts for the Year Ended September 30, 2005**

	<b>2006</b>		<b>Variance with Final Budget - Positive (Negative)</b>	<b>2005 Actual</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>		
<b>REVENUES</b>				
Taxes	\$ 9,000	\$ 5,749	\$ (3,251)	\$ 9,312
Intergovernmental	22,000	25,694	3,694	25,684
Charges for Services	-	26	26	-
Investment Earnings	60,000	96,671	36,671	67,685
Miscellaneous	3,600	5,519	1,919	6,984
<b>Total revenues</b>	<b>94,600</b>	<b>133,659</b>	<b>39,059</b>	<b>109,665</b>
<b>EXPENDITURES</b>				
Current:				
Personal Services	190,600	159,828	30,772	178,987
Supplies	3,000	1,038	1,962	1,031
Other Services and Charges	68,700	35,610	33,090	50,243
Capital Outlay	15,000	12,758	2,242	4,250
<b>Total expenditures</b>	<b>277,300</b>	<b>209,234</b>	<b>68,066</b>	<b>234,511</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(182,700)</b>	<b>(75,575)</b>	<b>107,125</b>	<b>(124,846)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(1,536,000)	(1,536,000)	-	(38,000)
Sale of Capital Assets	11,000	621,750	610,750	919,294
<b>Total other financing sources (uses)</b>	<b>(1,525,000)</b>	<b>(914,250)</b>	<b>610,750</b>	<b>881,294</b>
<b>Net change in fund balances</b>	<b>(1,707,700)</b>	<b>(989,825)</b>	<b>717,875</b>	<b>756,448</b>
<b>Fund balances-beginning</b>	<b>2,559,224</b>	<b>2,559,224</b>	<b>-</b>	<b>1,791,077</b>
Prior period adjustments	-	-	-	11,699
<b>Fund balances-ending</b>	<b>\$ 851,524</b>	<b>\$ 1,569,399</b>	<b>\$ 717,875</b>	<b>\$ 2,559,224</b>

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**FLOOD CONTROL SPECIAL REVENUE FUND**  
**For the Year Ended September 30, 2006**  
**With Comparative Actual Amounts for the Year Ended September 30, 2005**

	<b>2006</b>		<b>Variance with Final Budget - Positive (Negative)</b>	<b>2005 Actual</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>		
<b>REVENUES</b>				
Taxes	\$ 1,760,347	\$ 1,767,831	\$ 7,484	\$ 1,491,888
Intergovernmental	28,805	28,855	50	-
Charges for Services	134,000	140,648	6,648	134,531
Investment Earnings	37,800	89,156	51,356	35,748
Miscellaneous	51,100	36,471	(14,629)	51,948
<b>Total revenues</b>	<b>2,012,052</b>	<b>2,062,961</b>	<b>50,909</b>	<b>1,714,115</b>
<b>EXPENDITURES</b>				
General Government:				
Current:				
Other Services and Charges	65,605	94,659	(29,054)	61,345
Public Safety:				
Current:				
Personal Services	920,638	778,251	142,387	719,477
Supplies	180,500	106,172	74,328	166,676
Other Services and Charges	456,559	311,452	145,107	252,511
Total Public Safety	1,557,697	1,195,875	361,822	1,138,664
Capital Outlay	3,031,300	2,233,998	797,302	408,057
<b>Total expenditures</b>	<b>4,654,602</b>	<b>3,524,532</b>	<b>1,130,070</b>	<b>1,608,066</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(2,642,550)</b>	<b>(1,461,571)</b>	<b>1,180,979</b>	<b>106,049</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	2,320,000	2,320,000	-	-
Transfers Out	(16,000)	(16,000)	-	-
<b>Total other financing sources (uses)</b>	<b>2,304,000</b>	<b>2,304,000</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>(338,550)</b>	<b>842,429</b>	<b>1,180,979</b>	<b>106,049</b>
<b>Fund balances-beginning</b>	<b>774,402</b>	<b>774,402</b>	<b>-</b>	<b>661,217</b>
Prior period adjustments	-	-	-	7,136
<b>Fund balances-ending</b>	<b>\$ 435,852</b>	<b>\$ 1,616,831</b>	<b>\$ 1,180,979</b>	<b>\$ 774,402</b>

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**DISTRICT CLERK CHILD SUPPORT IV-D SPECIAL REVENUE FUND**  
**For the Year Ended September 30, 2006**  
**With Comparative Actual Amounts for the Year Ended September 30, 2005**

	<b>2006</b>			<b>2005 Actual</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>	
<b>REVENUES</b>				
Intergovernmental	\$ 5,000	\$ 2,775	\$ (2,225)	\$ 4,872
<b>EXPENDITURES</b>	-	-	-	-
<b>Excess (deficiency) of revenues     over (under) expenditures</b>	5,000	2,775	(2,225)	4,872
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	-	-	-	(15,550)
<b>Net change in fund balances</b>	5,000	2,775	(2,225)	(10,678)
<b>Fund balances-beginning</b>	90,154	90,154	-	100,832
<b>Fund balances-ending</b>	<b>\$ 95,154</b>	<b>\$ 92,929</b>	<b>\$ (2,225)</b>	<b>\$ 90,154</b>

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET (NON-GAAP) AND ACTUAL**  
**DISTRICT ATTORNEY AND OTHER AGENCY FORFEITURES SPECIAL REVENUE FUND**  
**For the Year Ended September 30, 2006**  
**With Comparative Actual Amounts for the Year Ended September 30, 2005**

	<u>2006</u>			<u>2005</u> <u>Actual</u>
	<u>Final Budgeted</u> <u>Amounts</u>	<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget -</u> <u>Positive</u> <u>(Negative)</u>	
<b>REVENUES</b>	\$ -	\$ -	\$ -	\$ -
<b>EXPENDITURES</b>	-	-	-	269
<b>Excess (deficiency) of revenues</b> <b>over (under) expenditures</b>	-	-	-	(269)
<b>Fund balances-beginning</b>	13	13	-	282
<b>Fund balances-ending</b>	<u>\$ 13</u>	<u>\$ 13</u>	<u>\$ -</u>	<u>\$ 13</u>

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET (NON-GAAP) AND ACTUAL**  
**DISTRICT ATTORNEY CONTRABAND POST-10/89 SPECIAL REVENUE FUND**  
**For the Year Ended September 30, 2006**  
**With Comparative Actual Amounts for the Year Ended September 30, 2005**

	<b>2006</b>		<b>Variance with Final Budget - Positive (Negative)</b>	<b>2005 Actual</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>		
<b>REVENUES</b>				
Fines and Forfeitures	\$ -	\$ 32,895	\$ 32,895	\$ 54,867
<b>EXPENDITURES</b>				
Current:				
Supplies	3,800	2,935	865	659
Other Services and Charges	80,687	59,722	20,965	50,558
Capital Outlay	-	-	-	1,348
<b>Total expenditures</b>	<b>84,487</b>	<b>62,657</b>	<b>21,830</b>	<b>52,565</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(84,487)</b>	<b>(29,762)</b>	<b>54,725</b>	<b>2,302</b>
<b>Fund balances-beginning</b>	<b>84,928</b>	<b>84,928</b>	<b>-</b>	<b>82,626</b>
<b>Fund balances-ending</b>	<b>\$ 441</b>	<b>\$ 55,166</b>	<b>\$ 54,725</b>	<b>\$ 84,928</b>

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET (NON-GAAP) AND ACTUAL**  
**DISTRICT ATTORNEY CHECK COLLECTION FEES SPECIAL REVENUE FUND**  
**For the Year Ended September 30, 2006**  
**With Comparative Actual Amounts for the Year Ended September 30, 2005**

	<b>2006</b>		<b>Variance with Final Budget - Positive (Negative)</b>	<b>2005 Actual</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>		
<b>REVENUES</b>				
Charges for Services	\$ -	\$ 29,228	\$ 29,228	\$ 25,500
<b>EXPENDITURES</b>				
Current:				
Supplies	9,000	1,949	7,051	3,425
Other Services and Charges	14,100	9,014	5,086	14,511
Capital Outlay	9,000	579	8,421	-
<b>Total expenditures</b>	<b>23,100</b>	<b>11,542</b>	<b>12,137</b>	<b>17,936</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(23,100)</b>	<b>17,686</b>	<b>41,365</b>	<b>7,564</b>
<b>Fund balances-beginning</b>	<b>52,409</b>	<b>52,409</b>	<b>-</b>	<b>44,845</b>
<b>Fund balances-ending</b>	<b>\$ 29,309</b>	<b>\$ 70,095</b>	<b>\$ 41,365</b>	<b>\$ 52,409</b>



**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET (NON-GAAP) AND ACTUAL**  
**SHERIFF'S COMMISSARY SPECIAL REVENUE FUND**  
**For the Year Ended September 30, 2006**  
**With Comparative Actual Amounts for the Year Ended September 30, 2005**

	<b>2006</b>		<b>Variance with Final Budget - Positive (Negative)</b>	<b>2005 Actual</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>		
<b>REVENUES</b>				
Investment Earnings	\$ -	\$ 14,431	\$ 14,431	\$ 12,762
Miscellaneous	-	291,548	291,548	118,304
<b>Total revenues</b>	<b>-</b>	<b>305,979</b>	<b>305,979</b>	<b>131,066</b>
<b>EXPENDITURES</b>				
Current:				
Other Services and Charges	-	233,113	(233,113)	55,949
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>-</b>	<b>72,866</b>	<b>72,866</b>	<b>75,117</b>
<b>Fund balances-beginning</b>	<b>553,350</b>	<b>553,350</b>	<b>-</b>	<b>478,233</b>
<b>Fund balances-ending</b>	<b>\$ 553,350</b>	<b>\$ 626,216</b>	<b>\$ 72,866</b>	<b>\$ 553,350</b>

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET (NON-GAAP) AND ACTUAL**  
**SHERIFF SEIZURES PRE-10/89 SPECIAL REVENUE FUND**  
**For the Year Ended September 30, 2006**  
**With Comparative Actual Amounts for the Year Ended September 30, 2005**

	<u>2006</u>			<u>2005</u> <u>Actual</u>
	<u>Final Budgeted</u> <u>Amounts</u>	<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget -</u> <u>Positive</u> <u>(Negative)</u>	
<b>Fund balances-beginning</b>	\$ 2,037	\$ 2,037	\$ -	\$ 2,037
<b>Fund balances-ending</b>	<u>\$ 2,037</u>	<u>\$ 2,037</u>	<u>\$ -</u>	<u>\$ 2,037</u>

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET (NON-GAAP) AND ACTUAL**  
**SHERIFF SEIZURES POST-10/89 SPECIAL REVENUE FUND**  
**For the Year Ended September 30, 2006**  
**With Comparative Actual Amounts for the Year Ended September 30, 2005**

	<b>2006</b>		<b>Variance with Final Budget - Positive (Negative)</b>	<b>2005 Actual</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>		
<b>REVENUES</b>				
Fines and Forfeitures	\$ -	\$ 296	\$ 296	\$ 14,157
Investment Earnings	-	1,039	1,039	1,037
<b>Total revenues</b>	<b>-</b>	<b>1,335</b>	<b>1,335</b>	<b>15,194</b>
<b>EXPENDITURES</b>				
Current:				
Supplies	2,000	-	2,000	-
Other Services and Charges	-	4,213	(4,213)	-
Capital Outlay	16,625	-	16,625	1,400
<b>Total expenditures</b>	<b>18,625</b>	<b>4,213</b>	<b>14,412</b>	<b>1,400</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(18,625)</b>	<b>(2,878)</b>	<b>15,747</b>	<b>13,794</b>
<b>Fund balances-beginning</b>	<b>23,617</b>	<b>23,617</b>	<b>-</b>	<b>9,823</b>
<b>Fund balances-ending</b>	<b>\$ 4,992</b>	<b>\$ 20,739</b>	<b>\$ 15,747</b>	<b>\$ 23,617</b>

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET (NON-GAAP) AND ACTUAL**  
**TASK FORCE SEIZURES PRE-10/89 SPECIAL REVENUE FUND**  
**For the Year Ended September 30, 2006**  
**With Comparative Actual Amounts for the Year Ended September 30, 2005**

	<u>2006</u>			<u>2005</u> <u>Actual</u>
	<u>Final Budgeted</u> <u>Amounts</u>	<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget -</u> <u>Positive</u> <u>(Negative)</u>	
<b>REVENUES</b>	\$ -	\$ -	\$ -	\$ -
<b>EXPENDITURES</b>	-	-	-	75,868
<b>Excess (deficiency) of revenues</b> <b>over (under) expenditures</b>	-	-	-	(75,868)
<b>Fund balances-beginning</b>	1	1	-	75,869
<b>Fund balances-ending</b>	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 1</u>

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET (NON-GAAP) AND ACTUAL**  
**UNCLAIMED PROPERTY SPECIAL REVENUE FUND**  
**For the Year Ended September 30, 2006**  
**With Comparative Actual Amounts for the Year Ended September 30, 2005**

	<u>2006</u>			<u>2005</u> <u>Actual</u>
	<u>Final Budgeted</u> <u>Amounts</u>	<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget -</u> <u>Positive</u> <u>(Negative)</u>	
<b>REVENUES</b>				
Investment Earnings	\$ -	\$ 5,279	\$ 5,279	\$ 3,991
<b>EXPENDITURES</b>	-	-	-	-
<b>Excess (deficiency) of revenues</b> <b>over (under) expenditures</b>	-	5,279	5,279	3,991
<b>Fund balances-beginning</b>	31,117	31,117	-	27,126
<b>Fund balances-ending</b>	<u>\$ 31,117</u>	<u>\$ 36,396</u>	<u>\$ 5,279</u>	<u>\$ 31,117</u>

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**JUSTICE COURT TECHNOLOGY SPECIAL REVENUE FUND**  
**For the Year Ended September 30, 2006**  
**With Comparative Actual Amounts for the Year Ended September 30, 2005**

	<u>2006</u>		<b>Variance with Final Budget - Positive (Negative)</b>	<b>2005 Actual</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>		
<b>REVENUES</b>				
Fines and Forfeitures	\$ 61,700	\$ 78,764	\$ 17,064	\$ 70,572
<b>EXPENDITURES</b>				
Current:				
Other Services and Charges	200,000	200,000	-	60,000
<b>Excess (deficiency) of revenues over (under) expenditures</b>	(138,300)	(121,236)	17,064	10,572
<b>Fund balances-beginning</b>	164,950	164,950	-	154,378
<b>Fund balances-ending</b>	<b>\$ 26,650</b>	<b>\$ 43,714</b>	<b>\$ 17,064</b>	<b>\$ 164,950</b>

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET (NON-GAAP) AND ACTUAL**  
**PROBATE COURT CONTRIBUTIONS SPECIAL REVENUE FUND**  
**For the Year Ended September 30, 2006**  
**With Comparative Actual Amounts for the Year Ended September 30, 2005**

	<b>2006</b>		<b>Variance with Final Budget - Positive (Negative)</b>	<b>2005 Actual</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>		
<b>REVENUES</b>				
Intergovernmental	\$ 33,800	\$ 63,629	\$ 29,829	\$ 44,211
<b>EXPENDITURES</b>				
Current:				
Supplies	2,000	240	1,760	892
Other Services and Charges	11,000	9,491	1,509	4,782
<b>Total expenditures</b>	<b>13,000</b>	<b>9,731</b>	<b>3,269</b>	<b>5,674</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>20,800</b>	<b>53,898</b>	<b>33,098</b>	<b>38,537</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(45,800)	(45,800)	-	(55,000)
<b>Net change in fund balances</b>	<b>(25,000)</b>	<b>8,098</b>	<b>33,098</b>	<b>(16,463)</b>
<b>Fund balances-beginning</b>	<b>252,287</b>	<b>252,287</b>	<b>-</b>	<b>268,750</b>
<b>Fund balances-ending</b>	<b>\$ 227,287</b>	<b>\$ 260,385</b>	<b>\$ 33,098</b>	<b>\$ 252,287</b>

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**EMERGENCY MANAGEMENT SPECIAL REVENUE FUND**  
**For the Year Ended September 30, 2006**  
**With Comparative Actual Amounts for the Year Ended September 30, 2005**

	<b>2006</b>		<b>Variance with Final Budget - Positive (Negative)</b>	<b>2005 Actual</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>		
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ -	\$ -	\$ 136
Miscellaneous	-	25,011	25,011	150,001
<b>Total revenues</b>	<b>-</b>	<b>25,011</b>	<b>25,011</b>	<b>150,137</b>
<b>EXPENDITURES</b>				
Current:				
Other Services and Charges	1,766,500	1,053,308	713,192	237,496
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(1,766,500)</b>	<b>(1,028,297)</b>	<b>738,203</b>	<b>(87,359)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	1,150,431	1,150,431	-	100,000
<b>Net change in fund balances</b>	<b>(616,069)</b>	<b>122,134</b>	<b>738,203</b>	<b>12,641</b>
<b>Fund balances-beginning</b>	<b>971,063</b>	<b>971,063</b>	<b>-</b>	<b>958,422</b>
<b>Fund balances-ending</b>	<b>\$ 354,994</b>	<b>\$ 1,093,197</b>	<b>\$ 738,203</b>	<b>\$ 971,063</b>



**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET (NON-GAAP) AND ACTUAL**  
**C.I.D. SEIZURES POST-10/89 SPECIAL REVENUE FUND**  
**For the Year Ended September 30, 2006**  
**With Comparative Actual Amounts for the Year Ended September 30, 2005**

	<u>2006</u>			<u>2005</u> <u>Actual</u>
	<u>Final Budgeted</u> <u>Amounts</u>	<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget -</u> <u>Positive</u> <u>(Negative)</u>	
<b>Fund balances-beginning</b>	\$ -	\$ -	\$ -	\$ -
<b>Fund balances-ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET (NON-GAAP) AND ACTUAL**  
**ELECTION SERVICES CONTRACT SPECIAL REVENUE FUND**  
**For the Year Ended September 30, 2006**  
**With Comparative Actual Amounts for the Year Ended September 30, 2005**

	<u>2006</u>		<b>Variance with Final Budget - Positive (Negative)</b>	<b>2005 Actual</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>		
<b>REVENUES</b>				
Charges for Services	\$ -	\$ 35,357	\$ 35,357	\$ -
<b>Total revenues</b>	<u>-</u>	<u>35,357</u>	<u>35,357</u>	<u>-</u>
<b>EXPENDITURES</b>				
Current:				
Personal Services	5,000	1,048	3,952	-
Other Services and Charges	<u>32,675</u>	<u>5,409</u>	<u>27,266</u>	<u>-</u>
<b>Total expenditures</b>	<u>37,675</u>	<u>6,457</u>	<u>31,218</u>	<u>-</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	(37,675)	28,900	4,139	-
<b>Fund balances-beginning</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balances-ending</b>	<u>\$ (37,675)</u>	<u>\$ 28,900</u>	<u>\$ 4,139</u>	<u>\$ -</u>



Galveston County Emergency Management Facility

Media and Training Room

NONMAJOR  
DEBT SERVICE FUNDS

PURPOSE:

ROAD REFUNDING LTD.'91/ROAD'87/GENERAL OBLIGATION SERIES 1999 FUND (FUND #4010) The General Obligation Refunding Bonds Series 1999 were issued to advance-refund a portion of the county's outstanding debt (specifically, the Refunding and Road Bonds Series 1987 and the Limited Tax Bonds Series 1991) in order to lower the county's overall debt-service requirements.

CONSTRUCTION/IMPROVEMENT TAX AND REVENUE CERTIFICATES OF OBLIGATION SERIES 1999 FUND (FUND #4205) - The Tax and Revenue Certificates of Obligation Series 1999 were issued to build and improve various county facilities.

LIMITED TAX JUSTICE CENTER BONDS SERIES 2001 FUND (FUND #4215) - The Justice Center and Public Safety Building Bonds Series 2001 were issued to build, improve, and equip building, jail, and court facilities within the county and to purchase, improve, and build necessary related sites and parking facilities for same.

UNLIMITED TAX ROAD BONDS SERIES 2001 FUND (FUND #4368) - The Unlimited Tax Road Bonds Series 2001 were issued to build and improve roads within the county.

PARKS ROADS/PARKING LOTS CERTIFICATES OF OBLIGATION SERIES 2002A FUND (FUND #4230) - The Combination Tax and Revenue Certificates of Obligation Series 2002A were issued to repair and improve park roads and parking lots within the county.

SAN LUIS PASS BRIDGE CERTIFICATES OF OBLIGATION SERIES 2002 FUND (FUND #4362) - The Combination Tax and Revenue Certificates of Obligation Series 2002 were issued to repair and improve the San Luis Pass Bridge.

COMBINATION TAX/REVENUE CERTIFICATES OF OBLIGATION SERIES 2003C FUND (FUND #4214) - The Combination Tax and Revenue Certificates of Obligation Series 2003C were issued to purchase, among other items, materials, supplies, equipment, machinery, buildings, land, and right-of way for authorized needs and purposes and to construct public works within the county.

LIMITED TAX CRIMINAL JUSTICE CENTER BONDS SERIES 2003A FUND (FUND #4216) - The Limited Tax Criminal Justice Bonds Series 2003A were issued to build, improve, and equip buildings, jail, and court facilities within the county.

UNLIMITED TAX ROAD BONDS SERIES 2003B FUND (FUND #4369) - The Unlimited Tax Roads Bonds Series 2003B were issued to build and improve roads within the county.

LIMITED TAX ROAD BONDS SERIES 2003B FUND (FUND #4282) - The Limited Tax Forward Refunding Bonds Series 2003 were issued to refund a portion of the county's outstanding Limited Refunding Bonds Series 1993.

GENERAL OBLIGATION 1999/2001 REFUNDING BOND SERIES 2004 FUND (FUND #4284) - The General Obligation 1999/2001 Refunding Bonds Series 2004 were issued to refund a portion of the county's outstanding Tax and Revenue Certificates of Obligation Series 1999 and a portion of the county's outstanding Justice Center and Public Safety Building Bonds Series 2001.

UNLIMITED TAX ROAD REFUNDING BONDS SERIES 2004A FUND (FUND #4370) - The Unlimited Tax Road Refunding Bonds Series 2004A were issued to refund a portion of the county's outstanding Unlimited Tax Road Bonds Series 2001.

**GALVESTON COUNTY, TEXAS  
COMBINING BALANCE SHEET  
NONMAJOR DEBT SERVICE FUNDS  
September 30, 2006  
With Comparative Totals at September 30, 2005**

	<u>ROAD REFUNDING LTD. '91/ ROAD '87/ GENERAL OBLIGATION SERIES 1999</u>	<u>CONSTRUCTION/ IMPROVEMENT TAX/REVENUE CERTIFICATES OF OBLIGATION SERIES 1999</u>	<u>LIMITED TAX JUSTICE CENTER BONDS SERIES 2001</u>	<u>UNLIMITED TAX ROAD BONDS SERIES 2001</u>
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ -	\$ 307,713	\$ 396,618	\$ 320,734
Receivables (Net of Allowances for Uncollectibles):				
Interest	-	3	4	3
Taxes	-	38,991	81,612	41,649
Accounts and Other	-	355	953	352
<b>Total assets</b>	<b><u>\$ -</u></b>	<b><u>\$ 347,062</u></b>	<b><u>\$ 479,187</u></b>	<b><u>\$ 362,738</u></b>
<b>LIABILITIES</b>				
Deferred Revenues	\$ -	\$ 38,991	\$ 81,612	\$ 41,648
<b>FUND BALANCES</b>				
Reserved for Debt Service	-	308,071	397,575	321,090
<b>Total liabilities and fund balances</b>	<b><u>\$ -</u></b>	<b><u>\$ 347,062</u></b>	<b><u>\$ 479,187</u></b>	<b><u>\$ 362,738</u></b>

(Continued)

<u>PARK ROADS/ PARKING LOTS CERTIFICATES OF OBLIGATION SERIES 2002A</u>	<u>SAN LUIS PASS BRIDGE CERTIFICATES OF OBLIGATION SERIES 2002</u>	<u>COMBINATION TAX/REVENUE CERTIFICATES OF OBLIGATION SERIES 2003C</u>	<u>LIMITED TAX CRIMINAL JUSTICE CENTER BONDS SERIES 2003A</u>	<u>UNLIMITED TAX ROAD BONDS SERIES 2003B</u>
\$ 389,062	\$ 198,230	\$ 579,837	\$ 1,117,716	\$ 95,953
3	2	5	10	1
41,246	35,936	154,875	307,806	419,513
416	404	1,791	3,621	1,031
<u><b>\$ 430,727</b></u>	<u><b>\$ 234,572</b></u>	<u><b>\$ 736,508</b></u>	<u><b>\$ 1,429,153</b></u>	<u><b>\$ 516,498</b></u>
<u>\$ 41,246</u>	<u>\$ 35,936</u>	<u>\$ 154,875</u>	<u>\$ 307,806</u>	<u>\$ 419,513</u>
<u>389,481</u>	<u>198,636</u>	<u>581,633</u>	<u>1,121,347</u>	<u>96,985</u>
<u><b>\$ 430,727</b></u>	<u><b>\$ 234,572</b></u>	<u><b>\$ 736,508</b></u>	<u><b>\$ 1,429,153</b></u>	<u><b>\$ 516,498</b></u>

(Continued)

GALVESTON COUNTY, TEXAS  
 COMBINING BALANCE SHEET  
 NONMAJOR DEBT SERVICE FUNDS  
 September 30, 2006  
 With Comparative Totals at September 30, 2005

	LIMITED TAX FORWARD REFUNDING BONDS SERIES 2003	GENERAL OBLIGATION REFUND 99/01 BONDS SERIES 2004	UNLIMITED TAX ROAD REFUNDING BONDS SERIES 2004A	TOTALS	
				2006	2005
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 425,306	\$ 365,342	\$ 187,644	\$ 4,384,155	\$ 3,551,789
Receivables (Net of Allowances for Uncollectibles):					
Interest	4	3	2	40	8,260
Taxes	413,446	78,521	68,235	1,681,830	1,665,669
Accounts and Other	3,121	912	448	13,404	25,679
<b>Total assets</b>	<b>\$ 841,877</b>	<b>\$ 444,778</b>	<b>\$ 256,329</b>	<b>\$ 6,079,429</b>	<b>\$ 5,251,397</b>
<b>LIABILITIES</b>					
Deferred Revenues	\$ 413,448	\$ 78,521	\$ 68,234	\$ 1,681,830	\$ 1,665,665
<b>FUND BALANCES</b>					
Reserved for Debt Service	428,429	366,257	188,095	4,397,599	3,585,732
<b>Total liabilities and fund balances</b>	<b>\$ 841,877</b>	<b>\$ 444,778</b>	<b>\$ 256,329</b>	<b>\$ 6,079,429</b>	<b>\$ 5,251,397</b>





Galveston County Emergency Management Facility  
Kitchen and Dining Area

**GALVESTON COUNTY, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES**  
**NONMAJOR DEBT SERVICE FUNDS**  
**For the Year Ended September 30, 2006**  
**With Comparative Totals for the Year Ended September 30, 2005**

	ROAD REFUNDING LTD. '91/ ROAD '87/ GENERAL OBLIGATION SERIES 1999	CONSTRUCTION/ IMPROVEMENT TAX/REVENUE CERTIFICATES OF OBLIGATION SERIES 1999	LIMITED TAX JUSTICE CENTER BONDS SERIES 2001	UNLIMITED TAX ROAD BONDS SERIES 2001
<b>REVENUES</b>				
Taxes	\$ 601,524	\$ 333,634	\$ 515,769	\$ 305,819
Intergovernmental	-	-	4,772	-
Investment Earnings	1,757	12,899	15,990	15,560
<b>Total revenues</b>	<b>603,281</b>	<b>346,533</b>	<b>536,531</b>	<b>321,379</b>
<b>EXPENDITURES</b>				
Debt Service:				
Principal Retirement	670,000	-	-	-
Interest and Fiscal Charges	16,490	181,540	335,699	252,173
Refund-Prior Year Tax Revenue	-	11,174	25,519	18,164
<b>Total expenditures</b>	<b>686,490</b>	<b>192,714</b>	<b>361,218</b>	<b>270,337</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(83,209)</b>	<b>153,819</b>	<b>175,313</b>	<b>51,042</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	52,118	-
Transfers Out	(52,118)	-	-	-
<b>Total other financing sources (uses)</b>	<b>(52,118)</b>	<b>-</b>	<b>52,118</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>(135,327)</b>	<b>153,819</b>	<b>227,431</b>	<b>51,042</b>
<b>Fund balances-beginning</b>	<b>135,327</b>	<b>154,252</b>	<b>170,144</b>	<b>270,048</b>
<b>Fund balances-ending</b>	<b>\$ -</b>	<b>\$ 308,071</b>	<b>\$ 397,575</b>	<b>\$ 321,090</b>

(Continued)

<b>PARK ROADS/ PARKING LOTS CERTIFICATES OF OBLIGATION SERIES 2002A</b>	<b>SAN LUIS PASS BRIDGE CERTIFICATES OF OBLIGATION SERIES 2002</b>	<b>COMBINATION TAX/REVENUE CERTIFICATES OF OBLIGATION SERIES 2003C</b>	<b>LIMITED TAX CRIMINAL JUSTICE CENTER BONDS SERIES 2003A</b>	<b>UNLIMITED TAX ROAD BONDS SERIES 2003B</b>
\$ 456,353	\$ 469,302	\$ 2,167,851	\$ 4,661,803	\$ 389,937
-	-	24,656	50,108	-
17,825	12,465	42,170	60,035	12,490
<u>474,178</u>	<u>481,767</u>	<u>2,234,677</u>	<u>4,771,946</u>	<u>402,427</u>
285,000	400,000	25,000	1,470,000	255,000
190,516	266,043	2,014,563	2,641,975	416,963
1,092	1,543	-	276	91,610
<u>476,608</u>	<u>667,586</u>	<u>2,039,563</u>	<u>4,112,251</u>	<u>763,573</u>
(2,430)	(185,819)	195,114	659,695	(361,146)
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
(2,430)	(185,819)	195,114	659,695	(361,146)
391,911	384,455	386,519	461,652	458,131
<u>\$ 389,481</u>	<u>\$ 198,636</u>	<u>\$ 581,633</u>	<u>\$ 1,121,347</u>	<u>\$ 96,985</u>

(Continued)

**GALVESTON COUNTY, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES**  
**NONMAJOR DEBT SERVICE FUNDS**  
**For the Year Ended September 30, 2006**  
**With Comparative Totals for the Year Ended September 30, 2005**

	LIMITED TAX FORWARD REFUNDING BONDS SERIES 2003	GENERAL OBLIGATION REFUND 99/01 BONDS SERIES 2004	UNLIMITED TAX ROAD REFUNDING BONDS SERIES 2004A	TOTALS	
				2006	2005
<b>REVENUES</b>					
Taxes	\$ 4,047,169	\$ 1,270,298	\$ 343,662	\$ 15,563,121	\$ 14,036,794
Intergovernmental	-	-	-	79,536	-
Investment Earnings	12,714	24,939	14,559	243,403	153,083
<b>Total revenues</b>	<u>4,059,883</u>	<u>1,295,237</u>	<u>358,221</u>	<u>15,886,060</u>	<u>14,189,877</u>
<b>EXPENDITURES</b>					
Debt Service:					
Principal Retirement	3,560,000	40,000	95,000	6,800,000	5,735,000
Interest and Fiscal Charges	252,050	1,111,198	435,829	8,115,039	8,253,666
Refund-Prior Year Tax Revenue	9,776	-	-	159,154	159,172
<b>Total expenditures</b>	<u>3,821,826</u>	<u>1,151,198</u>	<u>530,829</u>	<u>15,074,193</u>	<u>14,147,838</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>238,057</u>	<u>144,039</u>	<u>(172,608)</u>	<u>811,867</u>	<u>42,039</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	-	-	-	52,118	242,209
Transfers Out	-	-	-	(52,118)	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>242,209</u>
<b>Net change in fund balances</b>	<u>238,057</u>	<u>144,039</u>	<u>(172,608)</u>	<u>811,867</u>	<u>284,248</u>
<b>Fund balances-beginning</b>	<u>190,372</u>	<u>222,218</u>	<u>360,703</u>	<u>3,585,732</u>	<u>3,301,484</u>
<b>Fund balances-ending</b>	<u>\$ 428,429</u>	<u>\$ 366,257</u>	<u>\$ 188,095</u>	<u>\$ 4,397,599</u>	<u>\$ 3,585,732</u>



Galveston County Emergency Management Facility

Men's Bunk Room

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**ROAD REFUNDING LIMITED SERIES 1991/ROAD BONDS SERIES 1987/**  
**GENERAL OBLIGATION BONDS SERIES 1999 DEBT SERVICE FUND**  
**For the Year Ended September 30, 2006**  
**With Comparative Actual Amounts for the Year Ended September 30, 2005**

	2006			2005 Actual Amounts
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)	
<b>REVENUES</b>				
Taxes:				
Ad Valorem Taxes - Current	\$ 604,104	\$ 588,579	\$ (15,525)	\$ 538,156
Ad Valorem Taxes - Delinquent	7,800	5,690	(2,110)	4,563
Penalties and Interest	9,900	7,255	(2,645)	7,003
Investment Earnings	4,500	1,757	(2,743)	5,063
<b>Total revenues</b>	<u>626,304</u>	<u>603,281</u>	<u>(23,023)</u>	<u>554,785</u>
<b>EXPENDITURES</b>				
Debt Service:				
Principal Retirement	670,000	670,000	-	635,000
Interest and Fiscal Charges	20,100	16,490	3,610	47,493
Refund-Prior Year Tax Revenue	-	-	-	18
<b>Total expenditures</b>	<u>690,100</u>	<u>686,490</u>	<u>3,610</u>	<u>682,511</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	(63,796)	(83,209)	(19,413)	(127,726)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(52,118)	(52,118)	-	-
<b>Net change in fund balances</b>	(115,914)	(135,327)	(19,413)	(127,726)
<b>Fund balances-beginning</b>	<u>135,327</u>	<u>135,327</u>	<u>-</u>	<u>263,053</u>
<b>Fund balances-ending</b>	<u><u>\$ 19,413</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (19,413)</u></u>	<u><u>\$ 135,327</u></u>

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**CONSTRUCTION/IMPROVEMENT TAX/REVENUE**  
**CERTIFICATES OF OBLIGATION SERIES 1999 DEBT SERVICE FUND**  
**For the Year Ended September 30, 2006**  
**With Comparative Actual Amounts for the Year Ended September 30, 2005**

	<b>2006</b>			<b>2005 Actual Amounts</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget- Positive (Negative)</b>	
<b>REVENUES</b>				
Taxes:				
Ad Valorem Taxes - Current	\$ 317,154	\$ 314,984	\$ (2,170)	\$ 175,157
Ad Valorem Taxes - Delinquent	10,700	11,213	513	16,185
Penalties and Interest	5,700	7,437	1,737	6,661
Investment Earnings	5,000	12,899	7,899	5,972
<b>Total revenues</b>	<u>338,554</u>	<u>346,533</u>	<u>7,979</u>	<u>203,975</u>
<b>EXPENDITURES</b>				
Debt Service:				
Interest and Fiscal Charges	185,200	181,540	3,660	181,540
Refund-Prior Year Tax Revenue	11,200	11,174	26	11,174
<b>Total expenditures</b>	<u>196,400</u>	<u>192,714</u>	<u>3,686</u>	<u>192,714</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	142,154	153,819	11,665	11,261
<b>Fund balances-beginning</b>	<u>154,252</u>	<u>154,252</u>	<u>-</u>	<u>142,991</u>
<b>Fund balances-ending</b>	<u><u>\$ 296,406</u></u>	<u><u>\$ 308,071</u></u>	<u><u>\$ 11,665</u></u>	<u><u>\$ 154,252</u></u>

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**LIMITED TAX JUSTICE CENTER BONDS SERIES 2001 DEBT SERVICE FUND**  
**For the Year Ended September 30, 2006**  
**With Comparative Actual Amounts for the Year Ended September 30, 2005**

	<b>2006</b>		<b>Variance with Final Budget- Positive (Negative)</b>	<b>2005 Actual Amounts</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>		
<b>REVENUES</b>				
Taxes:				
Ad Valorem Taxes - Current	\$ 471,805	\$ 479,965	\$ 8,160	\$ 229,893
Ad Valorem Taxes - Delinquent	17,500	22,215	4,715	27,811
Penalties and Interest	10,000	13,589	3,589	10,352
Intergovernmental	4,773	4,772	(1)	-
Investment Earnings	8,000	15,990	7,990	8,386
<b>Total revenues</b>	<u>512,078</u>	<u>536,531</u>	<u>24,453</u>	<u>276,442</u>
<b>EXPENDITURES</b>				
Debt Service:				
Interest and Fiscal Charges	338,700	335,699	3,001	335,144
Refund-Prior Year Tax Revenue	25,600	25,519	81	25,519
<b>Total expenditures</b>	<u>364,300</u>	<u>361,218</u>	<u>3,082</u>	<u>360,663</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	147,778	175,313	27,535	(84,221)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	52,118	52,118	-	-
<b>Net change in fund balances</b>	199,896	227,431	27,535	(84,221)
<b>Fund balances-beginning</b>	<u>170,144</u>	<u>170,144</u>	<u>-</u>	<u>254,365</u>
<b>Fund balances-ending</b>	<u><b>\$ 370,040</b></u>	<u><b>\$ 397,575</b></u>	<u><b>\$ 27,535</b></u>	<u><b>\$ 170,144</b></u>



**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**UNLIMITED TAX ROAD BONDS SERIES 2001 DEBT SERVICE FUND**  
**For the Year Ended September 30, 2006**  
**With Comparative Actual Amounts for the Year Ended September 30, 2005**

	<b>2006</b>			<b>2005 Actual Amounts</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget- Positive (Negative)</b>	
<b>REVENUES</b>				
Taxes:				
Ad Valorem Taxes - Current	\$ 286,949	\$ 284,985	\$ (1,964)	\$ 194,114
Ad Valorem Taxes - Delinquent	13,400	13,139	(261)	20,644
Penalties and Interest	7,500	7,695	195	8,016
Investment Earnings	9,500	15,560	6,060	10,690
<b>Total revenues</b>	<b>317,349</b>	<b>321,379</b>	<b>4,030</b>	<b>233,464</b>
<b>EXPENDITURES</b>				
Debt Service:				
Interest and Fiscal Charges	256,200	252,173	4,027	251,618
Refund-Prior Year Tax Revenue	18,200	18,164	36	18,164
<b>Total expenditures</b>	<b>274,400</b>	<b>270,337</b>	<b>4,063</b>	<b>269,782</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>42,949</b>	<b>51,042</b>	<b>8,093</b>	<b>(36,318)</b>
<b>Fund balances-beginning</b>	<b>270,048</b>	<b>270,048</b>	<b>-</b>	<b>306,366</b>
<b>Fund balances-ending</b>	<b>\$ 312,997</b>	<b>\$ 321,090</b>	<b>\$ 8,093</b>	<b>\$ 270,048</b>

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**PARK ROADS/PARKING LOT IMPROVEMENTS SERIES 2002A DEBT SERVICE FUND**  
**For the Year Ended September 30, 2006**  
**With Comparative Actual Amounts for the Year Ended September 30, 2005**

	<b>2006</b>			<b>2005 Actual Amounts</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget- Positive (Negative)</b>	
<b>REVENUES</b>				
Taxes:				
Ad Valorem Taxes - Current	\$ 437,975	\$ 434,977	\$ (2,998)	\$ 527,472
Ad Valorem Taxes - Delinquent	12,400	13,188	788	13,546
Penalties and Interest	8,500	8,188	(312)	8,641
Investment Earnings	2,500	17,825	15,325	5,135
<b>Total revenues</b>	<b>461,375</b>	<b>474,178</b>	<b>12,803</b>	<b>554,794</b>
<b>EXPENDITURES</b>				
Debt Service:				
Principal Retirement	285,000	285,000	-	275,000
Interest and Fiscal Charges	194,400	190,516	3,884	201,016
Refund-Prior Year Tax Revenue	2,200	1,092	1,108	1,092
<b>Total expenditures</b>	<b>481,600</b>	<b>476,608</b>	<b>4,992</b>	<b>477,108</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(20,225)</b>	<b>(2,430)</b>	<b>17,795</b>	<b>77,686</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	-	242,209
<b>Net change in fund balances</b>	<b>(20,225)</b>	<b>(2,430)</b>	<b>17,795</b>	<b>319,895</b>
<b>Fund balances-beginning</b>	<b>391,911</b>	<b>391,911</b>	<b>-</b>	<b>72,016</b>
<b>Fund balances-ending</b>	<b>\$ 371,686</b>	<b>\$ 389,481</b>	<b>\$ 17,795</b>	<b>\$ 391,911</b>

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**SAN LUIS PASS BRIDGE CERTIFICATES OF OBLIGATION SERIES 2002 DEBT SERVICE FUND**  
**For the Year Ended September 30, 2006**  
**With Comparative Actual Amounts for the Year Ended September 30, 2005**

	<b>2006</b>			<b>2005 Actual Amounts</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget- Positive (Negative)</b>	
<b>REVENUES</b>				
Taxes:				
Ad Valorem Taxes - Current	\$ 453,078	\$ 449,976	\$ (3,102)	\$ 249,920
Ad Valorem Taxes - Delinquent	10,300	11,069	769	14,518
Penalties and Interest	10,900	8,257	(2,643)	6,314
Investment Earnings	15,000	12,465	(2,535)	17,777
<b>Total revenues</b>	<b>489,278</b>	<b>481,767</b>	<b>(7,511)</b>	<b>288,529</b>
<b>EXPENDITURES</b>				
Debt Service:				
Principal Retirement	400,000	400,000	-	385,000
Interest and Fiscal Charges	269,900	266,043	3,857	280,761
Refund-Prior Year Tax Revenue	1,600	1,543	57	1,543
<b>Total expenditures</b>	<b>671,500</b>	<b>667,586</b>	<b>3,914</b>	<b>667,304</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(182,222)</b>	<b>(185,819)</b>	<b>(3,597)</b>	<b>(378,775)</b>
<b>Fund balances-beginning</b>	<b>384,455</b>	<b>384,455</b>	<b>-</b>	<b>763,230</b>
<b>Fund balances-ending</b>	<b>\$ 202,233</b>	<b>\$ 198,636</b>	<b>\$ (3,597)</b>	<b>\$ 384,455</b>

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**COMBINATION TAX/REVENUE CERTIFICATES OF OBLIGATION SERIES 2003C DEBT SERVICE FUND**  
**For the Year Ended September 30, 2006**  
**With Comparative Actual Amounts for the Year Ended September 30, 2005**

	<b>2006</b>			<b>2005 Actual Amounts</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget- Positive (Negative)</b>	
<b>REVENUES</b>				
Taxes:				
Ad Valorem Taxes - Current	\$ 2,099,261	\$ 2,084,891	\$ (14,370)	\$2,083,595
Ad Valorem Taxes - Delinquent	39,800	48,616	8,816	41,913
Penalties and Interest	32,688	34,344	1,656	30,034
Intergovernmental	24,657	24,656	(1)	-
Investment Earnings	20,000	42,170	22,170	23,592
<b>Total revenues</b>	<u>2,216,406</u>	<u>2,234,677</u>	<u>18,271</u>	<u>2,179,134</u>
<b>EXPENDITURES</b>				
Debt Service:				
Principal Retirement	25,000	25,000	-	25,000
Interest and Fiscal Charges	2,020,300	2,014,563	5,737	2,014,763
<b>Total expenditures</b>	<u>2,045,300</u>	<u>2,039,563</u>	<u>5,737</u>	<u>2,039,763</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	171,106	195,114	24,008	139,371
<b>Fund balances-beginning</b>	<u>386,519</u>	<u>386,519</u>	<u>-</u>	<u>247,148</u>
<b>Fund balances-ending</b>	<u><u>\$ 557,625</u></u>	<u><u>\$ 581,633</u></u>	<u><u>\$ 24,008</u></u>	<u><u>\$ 386,519</u></u>

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**LIMITED TAX CRIMINAL JUSTICE CENTER BONDS SERIES 2003A DEBT SERVICE FUND**  
**For the Year Ended September 30, 2006**  
**With Comparative Actual Amounts for the Year Ended September 30, 2005**

	<b>2006</b>			<b>2005 Actual Amounts</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget- Positive (Negative)</b>	
<b>REVENUES</b>				
Taxes:				
Ad Valorem Taxes - Current	\$ 4,530,778	\$ 4,499,765	\$ (31,013)	\$ 4,056,376
Ad Valorem Taxes - Delinquent	72,100	91,164	19,064	67,402
Penalties and Interest	62,600	70,874	8,274	55,775
Intergovernmental	50,109	50,108	(1)	-
Investment Earnings	26,000	60,035	34,035	28,200
<b>Total revenues</b>	<b>4,741,587</b>	<b>4,771,946</b>	<b>30,359</b>	<b>4,207,753</b>
<b>EXPENDITURES</b>				
Debt Service:				
Principal Retirement	1,470,000	1,470,000	-	1,425,000
Interest and Fiscal Charges	2,647,700	2,641,975	5,725	2,692,450
Refund-Prior Year Tax Revenue	300	276	24	276
<b>Total expenditures</b>	<b>4,118,000</b>	<b>4,112,251</b>	<b>5,749</b>	<b>4,117,726</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>623,587</b>	<b>659,695</b>	<b>36,108</b>	<b>90,027</b>
<b>Fund balances-beginning</b>	<b>461,652</b>	<b>461,652</b>	<b>-</b>	<b>371,625</b>
<b>Fund balances-ending</b>	<b>\$ 1,085,239</b>	<b>\$ 1,121,347</b>	<b>\$ 36,108</b>	<b>\$ 461,652</b>

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**UNLIMITED TAX ROAD BONDS SERIES 2003B DEBT SERVICE FUND**  
**For the Year Ended September 30, 2006**  
**With Comparative Actual Amounts for the Year Ended September 30, 2005**

	<b>2006</b>			<b>2005 Actual Amounts</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget- Positive (Negative)</b>	
<b>REVENUES</b>				
Taxes:				
Ad Valorem Taxes - Current	\$ 302,052	\$ 299,984	\$ (2,068)	\$ 553,506
Ad Valorem Taxes - Delinquent	59,140	53,384	(5,756)	84,816
Penalties and Interest	44,100	36,569	(7,531)	47,360
Investment Earnings	15,000	12,490	(2,510)	17,032
<b>Total revenues</b>	<u>420,292</u>	<u>402,427</u>	<u>(17,865)</u>	<u>702,714</u>
<b>EXPENDITURES</b>				
Debt Service:				
Principal Retirement	255,000	255,000	-	250,000
Interest and Fiscal Charges	422,700	416,963	5,737	421,713
Refund-Prior Year Tax Revenue	91,700	91,610	90	91,610
<b>Total expenditures</b>	<u>769,400</u>	<u>763,573</u>	<u>5,827</u>	<u>763,323</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	(349,108)	(361,146)	(12,038)	(60,609)
<b>Fund balances-beginning</b>	<u>458,131</u>	<u>458,131</u>	<u>-</u>	<u>518,740</u>
<b>Fund balances-ending</b>	<u><u>\$ 109,023</u></u>	<u><u>\$ 96,985</u></u>	<u><u>\$ (12,038)</u></u>	<u><u>\$ 458,131</u></u>

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**LIMITED TAX FORWARD REFUNDING BONDS SERIES 2003 DEBT SERVICE FUND**  
**For the Year Ended September 30, 2006**  
**With Comparative Actual Amounts for the Year Ended September 30, 2005**

	<b>2006</b>			<b>2005 Actual Amounts</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget- Positive (Negative)</b>	
<b>REVENUES</b>				
Taxes:				
Ad Valorem Taxes - Current	\$ 3,926,674	\$ 3,899,796	\$ (26,878)	\$ 2,883,544
Ad Valorem Taxes - Delinquent	60,500	76,910	16,410	61,417
Penalties and Interest	82,300	70,463	(11,837)	51,971
Investment Earnings	4,000	12,714	8,714	6,047
<b>Total revenues</b>	<u>4,073,474</u>	<u>4,059,883</u>	<u>(13,591)</u>	<u>3,002,979</u>
<b>EXPENDITURES</b>				
Debt Service:				
Principal Retirement	3,560,000	3,560,000	-	2,610,000
Interest and Fiscal Charges	258,100	252,050	6,050	375,345
Refund-Prior Year Tax Revenue	9,800	9,776	24	9,776
<b>Total expenditures</b>	<u>3,827,900</u>	<u>3,821,826</u>	<u>6,074</u>	<u>2,995,121</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	245,574	238,057	(7,517)	7,858
<b>Fund balances-beginning</b>	<u>190,372</u>	<u>190,372</u>	<u>-</u>	<u>182,514</u>
<b>Fund balances-ending</b>	<u><u>\$ 435,946</u></u>	<u><u>\$ 428,429</u></u>	<u><u>\$ (7,517)</u></u>	<u><u>\$ 190,372</u></u>

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**GENERAL OBLIGATION 1999/2001 REFUNDING BONDS SERIES 2004 DEBT SERVICE FUND**  
**For the Year Ended September 30, 2006**  
**With Comparative Actual Amounts for the Year Ended September 30, 2005**

	<b>2006</b>			<b>2005 Actual Amounts</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget- Positive (Negative)</b>	
<b>REVENUES</b>				
Taxes:				
Ad Valorem Taxes - Current	\$ 1,238,413	\$ 1,229,936	\$ (8,477)	\$ 1,257,871
Ad Valorem Taxes - Delinquent	17,400	22,204	4,804	9,321
Penalties and Interest	16,000	18,158	2,158	14,406
Investment Earnings	10,000	24,939	14,939	12,610
<b>Total revenues</b>	<u>1,281,813</u>	<u>1,295,237</u>	<u>13,424</u>	<u>1,294,208</u>
<b>EXPENDITURES</b>				
Debt Service:				
Principal Retirement	40,000	40,000	-	40,000
Interest and Fiscal Charges	1,113,900	1,111,198	2,702	1,044,078
<b>Total expenditures</b>	<u>1,153,900</u>	<u>1,151,198</u>	<u>2,702</u>	<u>1,084,078</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	127,913	144,039	16,126	210,130
<b>Fund balances-beginning</b>	<u>222,218</u>	<u>222,218</u>	<u>-</u>	<u>12,088</u>
<b>Fund balances-ending</b>	<u><u>\$ 350,131</u></u>	<u><u>\$ 366,257</u></u>	<u><u>\$ 16,126</u></u>	<u><u>\$ 222,218</u></u>



**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**UNLIMITED TAX ROAD REFUNDING BONDS SERIES 2004A DEBT SERVICE FUND**  
**For the Year Ended September 30, 2006**  
**With Comparative Actual Amounts for the Year Ended September 30, 2005**

	<b>2006</b>		<b>Variance with Final Budget- Positive (Negative)</b>	<b>2005 Actual Amounts</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>		
<b>REVENUES</b>				
Taxes:				
Ad Valorem Taxes - Current	\$ 317,154	\$ 314,984	\$ (2,170)	\$ 640,818
Ad Valorem Taxes - Delinquent	20,000	19,047	(953)	23,975
Penalties and Interest	12,100	9,631	(2,469)	13,728
Investment Earnings	10,000	14,559	4,559	12,579
<b>Total revenues</b>	<b>359,254</b>	<b>358,221</b>	<b>(1,033)</b>	<b>691,100</b>
<b>EXPENDITURES</b>				
Debt Service:				
Principal Retirement	95,000	95,000	-	90,000
Interest and Fiscal Charges	441,500	435,829	5,671	407,745
<b>Total expenditures</b>	<b>536,500</b>	<b>530,829</b>	<b>5,671</b>	<b>497,745</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(177,246)</b>	<b>(172,608)</b>	<b>4,638</b>	<b>193,355</b>
<b>Fund balances-beginning</b>	<b>360,703</b>	<b>360,703</b>	<b>-</b>	<b>167,348</b>
<b>Fund balances-ending</b>	<b>\$ 183,457</b>	<b>\$ 188,095</b>	<b>\$ 4,638</b>	<b>\$ 360,703</b>

NONMAJOR  
CAPITAL PROJECTS FUNDS

PURPOSE:

1987 ROAD BOND FUND (FUND #3306) - Issued for the purpose of constructing and improving county roads, under Article 717k, Article 6702.1 VTCS, re-codified in 1999 by the 76<sup>th</sup> Texas Legislature to Title 9, Chapter 1471 of the Texas Government Code.

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

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

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

CONSTRUCTION/IMPROVEMENT TAX/REVENUE C.O.B. 1999 (FUND #3205) - Original issue of \$12,365,000 under the Constitution of the State of Texas, Texas Government Code Chapter 1207, and Texas Local Government Code Chapter 271, as amended. The proceeds from these certificates of obligation will be used to build and improve county facilities within the County, including the construction of the new county annex at Crystal Beach, improvements to Jack Brooks Park, expansion of the County Courthouse, and improvement of the Senior Center, and to purchase and renovate a building for County purposes.

JUSTICE CENTER AND PUBLIC SAFETY BUILDING BONDS 2001 (FUND #3220) - Issued in March 2001, in the amount of \$34,822,062.35, which is the initial installment of the total authorization of \$93,000,000 approved by the voters in November 2000, pursuant to the Constitution and general laws of the State of Texas, including Chapter 1473, Texas Government Code, as amended. The proceeds will be used to build, improve and equip buildings, jails and court facilities within the County and the purchase and improvement of necessary sites therefore, together with related parking facilities.

UNLIMITED TAX ROAD BONDS 2001 (FUND #3308) - Issued in March 2001, in the amount of \$26,151,371.95 pursuant to the Constitution and general laws of the State of Texas, including Chapter 1471, Texas Government Code, as amended. This amount is the initial installment of the total authorization of \$36,300,000 (\$35,000,000 for road and \$1,300,000 for the Grand Parkway) approved by the voters in November 2000. The proceeds will be used to build and improve roads within the County.

*GALVESTON CAUSEWAY RAILROAD BRIDGE PROJECT (FUND# 3315)* – This fund was created in the fiscal year ended September 30, 2005 to account for all transactions associated with the Galveston Causeway Railroad Bridge Project. The U.S. Coast Guard issued an “Order to Alter” directing Galveston County to alter the Old Galveston Causeway Railroad drawbridge to eliminate the obstruction to free navigation. The total cost of the project is \$33,350,000. Federal share of the project will be 91.96% and the remaining 8.04% will be paid as follows; Burlington Northern Santa Fe Railroad (80%), City of Galveston, Gulf Coast Water Authority, and Port of Galveston (10%), Center Point Energy (5%) and Galveston County (5%).

*COUNTY ROAD AND BRIDGE PROJECTS (FUND# 3316)* –This fund was created in the fiscal year ended September 30, 2005 to account for various project-length County road and bridge projects. Currently, this fund is used to account for the road repair project on Texas City Seawall associated with the Grand Cay Harbor development.

**GALVESTON COUNTY, TEXAS  
COMBINING BALANCE SHEET  
NONMAJOR CAPITAL PROJECTS FUNDS  
September 30, 2006  
With Comparative Totals at September 30, 2005**

	<b>ROAD BONDS SERIES 1987</b>	<b>CONSTRUCTION/ IMPROVEMENT TAX/REVENUE CERTIFICATES OF OBLIGATION SERIES 1999</b>	<b>JUSTICE CENTER/ PUBLIC SAFETY BUILDING BONDS SERIES 2001</b>	<b>UNLIMITED TAX ROAD BONDS SERIES 2001</b>
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 1,395,669	\$ 59,036	\$ 1,200,899	\$ 3,560,232
Receivables (Net of Allowances for Uncollectibles):				
Interest	13	-	-	10
Accounts and Other	-	-	74,880	-
	<b>\$ 1,395,682</b>	<b>\$ 59,036</b>	<b>\$ 1,275,779</b>	<b>\$ 3,560,242</b>
<b>LIABILITIES</b>				
Accounts Payable	\$ 214,607	\$ -	\$ 103,449	\$ -
Retainage Payable	-	-	392,601	-
Due to Other Funds	-	-	-	-
<b>Total liabilities</b>	<b>214,607</b>	<b>-</b>	<b>496,050</b>	<b>-</b>
<b>FUND BALANCES</b>				
Reserved for Encumbrances	-	-	487,175	889,027
Unreserved:				
Designated for Capital Projects	1,181,075	59,036	292,554	2,671,215
<b>Total fund balances</b>	<b>1,181,075</b>	<b>59,036</b>	<b>779,729</b>	<b>3,560,242</b>
<b>Total liabilities and fund balances</b>	<b>\$ 1,395,682</b>	<b>\$ 59,036</b>	<b>\$ 1,275,779</b>	<b>\$ 3,560,242</b>

GALVESTON CAUSEWAY RAILROAD BRIDGE PROJECT	COUNTY ROAD AND BRIDGE PROJECTS	TOTALS	
		2006	2005
\$ 15,480	\$ 134,121	\$ 6,365,437	\$ 15,481,408
-	1	24	39,453
74,820	-	149,700	-
<b>\$ 90,300</b>	<b>\$ 134,122</b>	<b>\$ 6,515,161</b>	<b>\$ 15,520,861</b>
\$ 85,298	\$ 9,183	\$ 412,537	\$ 1,037,511
-	-	392,601	234,824
-	-	-	1,187
85,298	9,183	805,138	1,273,522
1,489,439	80,662	2,946,303	6,098,749
(1,484,437)	44,277	2,763,720	8,148,590
5,002	124,939	5,710,023	14,247,339
<b>\$ 90,300</b>	<b>\$ 134,122</b>	<b>\$ 6,515,161</b>	<b>\$ 15,520,861</b>

**GALVESTON COUNTY, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES**  
**NONMAJOR CAPITAL PROJECTS FUNDS**  
**For the Year Ended September 30, 2006**  
**With Comparative Totals for the Year Ended September 30, 2005**

	<b>ROAD BONDS SERIES 1987</b>	<b>CONSTRUCTION/ IMPROVEMENT TAX/REVENUE CERTIFICATES OF OBLIGATION SERIES 1999</b>	<b>JUSTICE CENTER/ PUBLIC SAFETY BUILDING BONDS SERIES 2001</b>	<b>UNLIMITED TAX ROAD BONDS SERIES 2001</b>
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Investment Earnings	59,427	1,906	121,062	245,932
Miscellaneous	-	-	88,320	-
<b>Total revenues</b>	<b>59,427</b>	<b>1,906</b>	<b>209,382</b>	<b>245,932</b>
<b>EXPENDITURES</b>				
Capital Outlay	219,058	-	5,077,934	3,736,174
<b>Total expenditures</b>	<b>219,058</b>	<b>-</b>	<b>5,077,934</b>	<b>3,736,174</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(159,631)</b>	<b>1,906</b>	<b>(4,868,552)</b>	<b>(3,490,242)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>(159,631)</b>	<b>1,906</b>	<b>(4,868,552)</b>	<b>(3,490,242)</b>
<b>Fund balances-beginning</b>	<b>1,340,706</b>	<b>57,130</b>	<b>5,648,281</b>	<b>7,050,484</b>
<b>Fund balances-ending</b>	<b>\$ 1,181,075</b>	<b>\$ 59,036</b>	<b>\$ 779,729</b>	<b>\$ 3,560,242</b>

GALVESTON CAUSEWAY RAILROAD BRIDGE PROJECT	COUNTY ROAD AND BRIDGE PROJECTS	TOTALS	
		2006	2005
\$ 494,462	\$ -	\$ 494,462	\$ 20,069
-	6,378	434,705	632,615
-	-	88,320	150,000
<u>494,462</u>	<u>6,378</u>	<u>1,017,487</u>	<u>802,684</u>
<u>489,463</u>	<u>32,174</u>	<u>9,554,803</u>	<u>7,758,384</u>
489,463	32,174	9,554,803	7,758,384
<u>4,999</u>	<u>(25,796)</u>	<u>(8,537,316)</u>	<u>(6,955,700)</u>
-	-	-	9,877
-	-	-	(242,209)
-	-	-	(232,332)
4,999	(25,796)	(8,537,316)	(7,188,032)
<u>3</u>	<u>150,735</u>	<u>14,247,339</u>	<u>21,435,371</u>
<u><b>\$ 5,002</b></u>	<u><b>\$ 124,939</b></u>	<u><b>\$ 5,710,023</b></u>	<u><b>\$ 14,247,339</b></u>

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES -**  
**BUDGET (PROJECT-LENGTH) AND ACTUAL**  
**ROAD BONDS SERIES 1987 CAPITAL PROJECTS FUND**  
**From Inception and for the Year Ended September 30, 2006**  
**With Comparative Amounts for the Year Ended September 30, 2005**

	TOTAL PROJECT AUTHORIZED	ACTUAL TO SEPTEMBER 30, 2006			COMMITTED BALANCE	LAST YEAR'S ACTUAL
		REPORTED IN PRIOR YEARS	CURRENT YEAR	TOTAL		
<b>REVENUES</b>						
Intergovernmental	\$ 1,360,155	\$ 1,360,155	\$ -	\$ 1,360,155	\$ -	\$ -
Investment Earnings	3,910,347	3,850,920	59,427	3,910,347	-	51,164
Miscellaneous	5,511	5,511	-	5,511	-	-
<b>Total revenues</b>	<b>5,276,013</b>	<b>5,216,586</b>	<b>59,427</b>	<b>5,276,013</b>	<b>-</b>	<b>51,164</b>
<b>EXPENDITURES</b>						
Capital Outlay:						
Highways and Roads	1,382,436	1,196,411	-	1,196,411	186,025	-
S.H. 3	1,839,080	1,645,598	1,240	1,646,838	192,242	-
S.H. 146	207,962	37,617	-	37,617	170,345	-
F.M. 270	612,935	612,935	-	612,935	-	-
F.M. 517	2,836,604	2,396,292	5,595	2,401,887	434,717	15,932
F.M. 528	980,072	980,072	-	980,072	-	-
F.M. 1764	5,993,945	5,779,688	212,223	5,991,911	2,034	160,404
F.M. 2094	2,343,776	2,343,776	-	2,343,776	-	-
Loop 197 N.	4,309,000	4,309,000	-	4,309,000	-	-
<b>Total expenditures</b>	<b>20,505,810</b>	<b>19,301,389</b>	<b>219,058</b>	<b>19,520,447</b>	<b>985,363</b>	<b>176,336</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(15,229,797)</b>	<b>(14,084,803)</b>	<b>(159,631)</b>	<b>(14,244,434)</b>	<b>985,363</b>	<b>(125,172)</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers In	4,888,892	4,888,892	-	4,888,892	-	-
Transfers Out	(2,463,383)	(2,463,383)	-	(2,463,383)	-	-
Long Term Debt Issued	13,000,000	13,000,000	-	13,000,000	-	-
<b>Total other financing sources (uses)</b>	<b>15,425,509</b>	<b>15,425,509</b>	<b>-</b>	<b>15,425,509</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>\$ 195,712</b>	<b>\$ 1,340,706</b>	<b>(159,631)</b>	<b>\$ 1,181,075</b>	<b>\$ 985,363</b>	<b>(125,172)</b>
<b>Fund balances-beginning</b>			<b>1,340,706</b>			<b>1,465,878</b>
<b>Fund balances-ending</b>			<b>\$ 1,181,075</b>			<b>\$ 1,340,706</b>



**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES -**  
**BUDGET (PROJECT-LENGTH) AND ACTUAL**  
**CONSTRUCTION/IMPROVEMENT TAX/REVENUE CERTIFICATES OF OBLIGATION SERIES 1999 CAPITAL PROJECTS FUND**  
**From Inception and for the Year Ended September 30, 2006**  
**With Comparative Amounts for the Year Ended September 30, 2005**

	TOTAL PROJECT AUTHORIZED	ACTUAL TO SEPTEMBER 30, 2006			COMMITTED BALANCE	LAST YEAR'S ACTUAL
		REPORTED IN PRIOR YEARS	CURRENT YEAR	TOTAL		
<b>REVENUES</b>						
Intergovernmental	\$ 20,069	\$ 20,069	\$ -	\$ 20,069	\$ -	\$ 20,069
Investment Earnings	859,879	857,973	1,906	859,879	-	2,274
<b>Total revenues</b>	<b>879,948</b>	<b>878,042</b>	<b>1,906</b>	<b>879,948</b>	<b>-</b>	<b>22,343</b>
<b>EXPENDITURES</b>						
Capital Outlay:						
Courthouse Renovation - Various Project:	3,756,210	3,698,919	-	3,698,919	57,291	14,889
TWC Building Renovations	340,559	340,559	-	340,559	-	-
FM 646 Building Renovations	2,201,225	2,201,225	-	2,201,225	-	35,151
Crystal Beach County Annex	2,850,395	2,850,395	-	2,850,395	-	-
Health District Building Renovations	177,988	177,988	-	177,988	-	-
Jack Brooks Park Arena Improvements	844,915	844,915	-	844,915	-	-
Carbide Park Capital Projects	2,717,698	2,717,698	-	2,717,698	-	-
Bond Issuance Costs	129,213	129,213	-	129,213	-	-
<b>Total expenditures</b>	<b>13,018,203</b>	<b>12,960,912</b>	<b>-</b>	<b>12,960,912</b>	<b>57,291</b>	<b>50,040</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(12,138,255)</b>	<b>(12,082,870)</b>	<b>1,906</b>	<b>(12,080,964)</b>	<b>57,291</b>	<b>(27,697)</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Long Term Debt Issued	12,140,000	12,140,000	-	12,140,000	-	-
<b>Net change in fund balances</b>	<b>\$ 1,745</b>	<b>\$ 57,130</b>	<b>1,906</b>	<b>\$ 59,036</b>	<b>\$ 57,291</b>	<b>(27,697)</b>
<b>Fund balances-beginning</b>			<b>57,130</b>			<b>84,827</b>
<b>Fund balances-ending</b>			<b>\$ 59,036</b>			<b>\$ 57,130</b>

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES -**  
**BUDGET (PROJECT-LENGTH) AND ACTUAL**  
**JUSTICE CENTER/PUBLIC SAFETY BUILDING BONDS SERIES 2001 CAPITAL PROJECTS FUND**  
**From Inception and for the Year Ended September 30, 2006**  
**With Comparative Amounts for the Year Ended September 30, 2005**

	TOTAL PROJECT AUTHORIZED	ACTUAL TO SEPTEMBER 30, 2006			COMMITTED BALANCE	LAST YEAR'S ACTUAL
		REPORTED IN PRIOR YEARS	CURRENT YEAR	TOTAL		
<b>REVENUES</b>						
Investment Earnings	\$ 4,300,190	\$ 4,179,128	\$ 121,062	\$ 4,300,190	\$ -	\$ 310,903
Miscellaneous	97,249	8,929	88,320	97,249	-	-
<b>Total revenues</b>	<u>4,397,439</u>	<u>4,188,057</u>	<u>209,382</u>	<u>4,397,439</u>	<u>-</u>	<u>310,903</u>
<b>EXPENDITURES</b>						
Capital Outlay:						
Administration	368	-	-	-	368	-
Courthouse Renovations	56,638	56,638	-	56,638	-	-
Building Construction	26,915,352	26,086,464	689,778	26,776,242	139,110	2,476,145
Other Services and Charges	12,291,999	7,415,843	4,388,156	11,803,999	488,000	3,183,958
Bond Issuance Costs	272,460	272,460	-	272,460	-	-
<b>Total expenditures</b>	<u>39,536,817</u>	<u>33,831,405</u>	<u>5,077,934</u>	<u>38,909,339</u>	<u>627,478</u>	<u>5,660,103</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	(35,139,378)	(29,643,348)	(4,868,552)	(34,511,900)	627,478	(5,349,200)
<b>OTHER FINANCING SOURCES (USES)</b>						
Long Term Debt Issued	35,291,629	35,291,629	-	35,291,629	-	-
<b>Net change in fund balances</b>	<u>\$ 152,251</u>	<u>\$ 5,648,281</u>	(4,868,552)	<u>\$ 779,729</u>	<u>\$ 627,478</u>	(5,349,200)
<b>Fund balances-beginning</b>			5,648,281			10,997,481
<b>Fund balances-ending</b>			<u>\$ 779,729</u>			<u>\$ 5,648,281</u>

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES -**  
**BUDGET (PROJECT-LENGTH) AND ACTUAL**  
**UNLIMITED TAX ROAD BONDS SERIES 2001 CAPITAL PROJECTS FUND**  
**From Inception and for the Year Ended September 30, 2006**  
**With Comparative Amounts for the Year Ended September 30, 2005**

	TOTAL PROJECT AUTHORIZED	ACTUAL TO SEPTEMBER 30, 2006			COMMITTED BALANCE	LAST YEAR'S ACTUAL
		REPORTED IN PRIOR YEARS	CURRENT YEAR	TOTAL		
<b>REVENUES</b>						
Investment Earnings	\$ 3,554,400	\$ 2,856,905	\$ 245,932	\$ 3,102,837	\$ (451,563)	\$ 258,600
Miscellaneous	825,323	825,323	-	825,323	-	-
<b>Total revenues</b>	<b>4,379,723</b>	<b>3,682,228</b>	<b>245,932</b>	<b>3,928,160</b>	<b>(451,563)</b>	<b>258,600</b>
<b>EXPENDITURES</b>						
Capital Outlay:						
Administration Cost	1,231,669	-	-	-	1,231,669	-
Deats	5,458,053	5,458,053	-	5,458,053	-	349,007
Fairwood	2,255,539	2,255,539	-	2,255,539	-	87,129
Sunset	5,607,649	5,607,649	-	5,607,649	-	61,758
Fort Travis	57,515	2,515	-	2,515	55,000	-
Pearson Road	304,453	304,453	-	304,453	-	-
Baker Street	10,000	10,000	-	10,000	-	-
Vacek Road	95,438	95,438	-	95,438	-	-
Bay Area	41,985	-	-	-	41,985	-
Calder Road	1,856,569	1,856,569	-	1,856,569	-	944,857
25th Avenue	4,595,000	36,000	3,519,095	3,555,095	1,039,905	-
Loop 197	1,000,000	1,000,000	-	1,000,000	-	-
Stewart, Jones	3,749,184	3,749,184	-	3,749,184	-	216,737
FM 646	748,330	473,823	205,766	679,589	68,741	144,040
FM 517	250,000	49,635	11,313	60,948	189,052	20,000
SH 99	1,239,000	1,239,000	-	1,239,000	-	-
Seawall	795,160	795,160	-	795,160	-	-
Bond Issuance Costs	202,421	202,421	-	202,421	-	-
<b>Total expenditures</b>	<b>29,497,965</b>	<b>23,135,439</b>	<b>3,736,174</b>	<b>26,871,613</b>	<b>2,626,352</b>	<b>1,823,528</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(25,118,242)</b>	<b>(19,453,211)</b>	<b>(3,490,242)</b>	<b>(22,943,453)</b>	<b>2,174,789</b>	<b>(1,564,928)</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Long Term Debt Issued	26,503,695	26,503,695	-	26,503,695	-	-
<b>Net change in fund balances</b>	<b>\$ 1,385,453</b>	<b>\$ 7,050,484</b>	<b>(3,490,242)</b>	<b>\$ 3,560,242</b>	<b>\$ 2,174,789</b>	<b>(1,564,928)</b>
<b>Fund balances-beginning</b>			<b>7,050,484</b>			<b>8,615,412</b>
<b>Fund balances-ending</b>			<b>\$ 3,560,242</b>			<b>\$ 7,050,484</b>

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES -**  
**BUDGET (PROJECT-LENGTH) AND ACTUAL**  
**GALVESTON CAUSEWAY RAILROAD BRIDGE PROJECT CAPITAL PROJECTS FUND**  
**From Inception and for the Year Ended September 30, 2006**  
**With Comparative Amounts for the Year Ended September 30, 2005**

	TOTAL PROJECT AUTHORIZED	ACTUAL TO SEPTEMBER 30, 2006			COMMITTED BALANCE	LAST YEAR'S ACTUAL
		REPORTED IN PRIOR YEARS	CURRENT YEAR	TOTAL		
<b>REVENUES</b>						
Intergovernmental	\$ 1,984,530	\$ -	\$ 494,462	\$ 494,462	\$ (1,490,068)	\$ -
<b>EXPENDITURES</b>						
Capital Outlay:						
Galveston Causeway RR Bridge	1,993,777	9,874	489,463	499,337	1,494,440	9,874
<b>Excess (deficiency) of revenues over (under) expenditures</b>	(9,247)	(9,874)	4,999	(4,875)	4,372	(9,874)
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers In	9,247	9,877	-	9,877	630	9,877
<b>Net change in fund balances</b>	<u>\$ -</u>	<u>\$ 3</u>	4,999	<u>\$ 5,002</u>	<u>\$ 5,002</u>	3
<b>Fund balances-beginning</b>			3			-
<b>Fund balances-ending</b>			<u>\$ 5,002</u>			<u>\$ 3</u>

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES -**  
**BUDGET (PROJECT-LENGTH) AND ACTUAL**  
**COUNTY ROAD AND BRIDGE PROJECTS CAPITAL PROJECTS FUND**  
**From Inception and for the Year Ended September 30, 2006**  
**With Comparative Amounts for the Year Ended September 30, 2005**

	TOTAL PROJECT AUTHORIZED	ACTUAL TO SEPTEMBER 30, 2006			COMMITTED BALANCE	LAST YEAR'S ACTUAL
		REPORTED IN PRIOR YEARS	CURRENT YEAR	TOTAL		
<b>REVENUES</b>						
Investment Earnings	\$ 7,113	\$ 735	\$ 6,378	\$ 7,113	\$ -	\$ 735
Charges for Services	150,000	150,000	-	150,000	-	150,000
<b>Total revenues</b>	<u>157,113</u>	<u>150,735</u>	<u>6,378</u>	<u>157,113</u>	<u>-</u>	<u>150,735</u>
<b>EXPENDITURES</b>						
Capital Outlay:						
Grand Cay Project	151,008	-	32,174	32,174	118,834	-
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>\$ 6,105</u>	<u>\$ 150,735</u>	<u>\$ (25,796)</u>	<u>\$ 124,939</u>	<u>\$ 118,834</u>	<u>\$ 150,735</u>
<b>Fund balances-beginning</b>			<u>150,735</u>			<u>-</u>
<b>Fund balances-ending</b>			<u>\$ 124,939</u>			<u>\$ 150,735</u>



Galveston County Emergency Management Facility

Supply Room with Toiletries,  
Linens, and Ready-to-Eat Meals

# Proprietary Funds

## PROPRIETARY FUNDS

Proprietary Funds consist of:

### Internal Service Funds

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



## INTERNAL SERVICE FUNDS

### PURPOSE:

GROUP INSURANCE FUND (FUND #6123) - The Group Insurance Fund was established to provide group insurance for county employees. Under this self-funded plan, the county assumes initial losses with excess liabilities covered by additional insurance policies. Prior to 1990, this fund was classified as a Trust and Agency Fund.

SELF-INSURANCE RESERVE FUND (FUND #6130) - The Self-Insurance Reserve Fund was established to provide insurance coverage for the county. The County provides the funding; coverage includes general liabilities, casualty losses, and unemployment. Prior to 1988, this fund was classified as a Trust and Agency Fund.

WORKER'S COMPENSATION FUND (FUND #6124) - The Worker's Compensation Fund was established for the sole purpose of paying Worker's Compensation claims. Prior to 1995, this fund was part of the Self-Insurance Reserve Fund.

**GALVESTON COUNTY, TEXAS**  
**COMBINING STATEMENT OF NET ASSETS**  
**INTERNAL SERVICE FUNDS**  
**September 30, 2006**

	<u>GROUP INSURANCE</u>	<u>SELF- INSURANCE RESERVE</u>	<u>WORKER'S COMPENSATION</u>	<u>TOTAL</u>
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 2,935,109	\$ 602,428	\$ 2,115,785	\$ 5,653,322
Receivables (Net of Allowances for Uncollectibles):				
Accounts and Other	11,413	-	6,117	17,530
Prepaid Items	-	315,350	-	315,350
<b>Total Assets</b>	<u>2,946,522</u>	<u>917,778</u>	<u>2,121,902</u>	<u>5,986,202</u>
<b>LIABILITIES</b>				
Accounts Payable	\$ 35,967	\$ 12,419	\$ -	\$ 48,386
Salaries Payable	-	3,925	738	4,663
Estimated Liability - Claims	945,000	-	1,078,000	2,023,000
<b>Total liabilities</b>	<u>980,967</u>	<u>16,344</u>	<u>1,078,738</u>	<u>2,076,049</u>
<b>NET ASSETS</b>				
Unrestricted	<u>\$ 1,965,555</u>	<u>\$ 901,434</u>	<u>\$ 1,043,164</u>	<u>\$ 3,910,153</u>

**GALVESTON COUNTY, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND**  
**CHANGES IN FUND NET ASSETS**  
**INTERNAL SERVICE FUNDS**  
**For the Year Ended September 30, 2006**

	<b>GROUP INSURANCE</b>	<b>SELF- INSURANCE RESERVE</b>	<b>WORKER'S COMPENSATION</b>	<b>TOTAL</b>
<b>OPERATING REVENUES</b>				
Charges for Services	\$ 7,750,307	\$ -	\$ -	\$ 7,750,307
Insurance Recovery - County	-	11,795	-	11,795
Reimbursements	516,465	-	15,284	531,749
Miscellaneous	-	19,379	19,280	38,659
<b>Total operating revenues</b>	<b>8,266,772</b>	<b>31,174</b>	<b>34,564</b>	<b>8,332,510</b>
<b>OPERATING EXPENSES</b>				
Personal Services	-	108,097	-	108,097
Contract Services	428,102	-	59,621	487,723
Insurance	489,145	1,906,327	102,683	2,498,155
Claims Paid	6,638,229	-	432,962	7,071,191
Supplies	-	3,759	-	3,759
<b>Total operating expenses</b>	<b>7,555,476</b>	<b>2,018,183</b>	<b>595,266</b>	<b>10,168,925</b>
<b>Operating income (loss)</b>	<b>711,296</b>	<b>(1,987,009)</b>	<b>(560,702)</b>	<b>(1,836,415)</b>
<b>NON-OPERATING REVENUES</b>				
Investment Earnings	5,961	-	802	6,763
<b>Income (loss) before transfers</b>	<b>717,257</b>	<b>(1,987,009)</b>	<b>(559,900)</b>	<b>(1,829,652)</b>
Transfers In	393,427	1,494,905	739,500	2,627,832
<b>Change in net assets</b>	<b>1,110,684</b>	<b>(492,104)</b>	<b>179,600</b>	<b>798,180</b>
<b>Total net assets-beginning</b>	<b>854,871</b>	<b>1,393,538</b>	<b>863,564</b>	<b>3,111,973</b>
<b>Total net assets-ending</b>	<b>\$ 1,965,555</b>	<b>\$ 901,434</b>	<b>\$ 1,043,164</b>	<b>\$ 3,910,153</b>

**GALVESTON COUNTY, TEXAS**  
**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
**For the Year Ended September 30, 2006**

	<b>GROUP INSURANCE</b>	<b>SELF- INSURANCE RESERVE</b>	<b>WORKER'S COMPENSATION</b>	<b>TOTAL</b>
<b>Cash flows from operating activities:</b>				
Receipts from Users	\$ 7,936,775	\$ 36,844	\$ 19,932	\$ 7,993,551
Payments to Suppliers	(902,072)	(2,056,374)	(576,235)	(3,534,681)
Payments to Employees	-	(107,691)	-	(107,691)
Payments for Claims	(6,638,229)	(49,280)	-	(6,687,509)
Other Operating Revenues	454,855	-	-	454,855
<b>Net cash provided (used) by operating activities</b>	<b>851,329</b>	<b>(2,176,501)</b>	<b>(556,303)</b>	<b>(1,881,475)</b>
<b>Cash flows from noncapital financing activities:</b>				
Transfers in	393,427	1,494,905	739,500	2,627,832
<b>Cash flows from investing activities:</b>				
Investment Earnings	5,961	-	802	6,763
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>1,250,717</b>	<b>(681,596)</b>	<b>183,999</b>	<b>753,120</b>
<b>Cash and Cash Equivalents, October 1, 2005</b>	<b>1,684,392</b>	<b>1,284,024</b>	<b>1,931,786</b>	<b>4,900,202</b>
<b>Cash and Cash Equivalents, September 30, 2006</b>	<b>\$ 2,935,109</b>	<b>\$ 602,428</b>	<b>\$ 2,115,785</b>	<b>\$ 5,653,322</b>
<b>Income (loss) before transfers provided (used) by operating activities:</b>				
<b>Operating income (loss)</b>	<b>\$ 711,296</b>	<b>\$ (1,987,009)</b>	<b>\$ (560,702)</b>	<b>\$ (1,836,415)</b>
<b>Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:</b>				
(Increase) Decrease in Accounts Receivable	124,859	5,667	(232)	130,294
(Increase) Decrease in Interest Receivable	-	-	4,880	4,880
(Increase) Decrease in Prepaid Items	-	(198,352)	-	(198,352)
Increase (Decrease) in Accounts Payable	15,174	2,786	-	17,960
Increase (Decrease) in Salaries Payable	-	407	(249)	158
<b>Total adjustments</b>	<b>140,033</b>	<b>(189,492)</b>	<b>4,399</b>	<b>(45,060)</b>
<b>Net cash provided (used) by operating activities</b>	<b>\$ 851,329</b>	<b>\$ (2,176,501)</b>	<b>\$ (556,303)</b>	<b>\$ (1,881,475)</b>

## Fiduciary Funds

## FIDUCIARY FUNDS

Fiduciary Funds consist of:

### Agency Funds

Agency Funds are similar to Trust Funds but do not involve a formal trust arrangement. Agency Funds are used to account for situations where the government's role is purely custodial, such as the receipt, temporary investment, and remittance of fiduciary resources to individuals, private organizations, and other governments.

## AGENCY FUNDS

### PURPOSE:

PAYROLL FUND (FUND #7601) – A clearing fund for County payrolls.

ESCROW FUND (FUND #7605) - A separate fund established to account for funds that may be held in trust by the county, and funds over which the Commissioners' Court may have a general oversight responsibility.

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

INMATE DEPOSITS FUND (FUND #7652) - County jail inmates' funds are accounted for in this fund until such time as inmates request payments on their behalf or inmates are released.

APPELATE JUDICIAL SYSTEM FEES FUND (FUND #7621) - V.T.C.A. Government Code 22.2021 allows the collection of fees to be used to defray the cost of the First and/or Fourteenth District Courts of Appeals.

DISTRICT CLERK TRUST FUND (FUND #7641) - Registry funds that are the custody of the District Clerk until a court order determines the disposition of such funds are accounted for in this fund.

COUNTY CLERK TRUST FUND (FUND #7631) - Registry funds that are the custody of the County Clerk until a court order determines the disposition of such funds are accounted for in this fund.

TAX ASSESSOR-COLLECTOR UNDISTRIBUTED COLLECTION FUND (FUND #7611) - Collections made by the County Tax Assessor-Collector which are held until distribution are accounted for in this fund.

OFFICERS' UNDISTRIBUTED FEES FUND (FUND #7630) - This fund accounts for fees, fines and court costs which are collected by County Officers' and held until distribution.

ADULT PROBATION UNDISTRIBUTED COLLECTION FUND (FUND #7660) - This fund accounts for fees, fines, court costs, and restitution collected and held by Adult Probation until distribution.

BOND ESCROW FUND (FUND #7606) - A separate fund established to account for money received from the Escrow Agents of refunded bonds, and paid to the respective bondholders by the County Treasurer as the paying agent.

**GALVESTON COUNTY, TEXAS  
COMBINING BALANCE SHEET  
AGENCY FUNDS  
September 30, 2006  
With Comparative Amounts as of September 30, 2005**

	<u>PAYROLL</u>	<u>ESCROW</u>	<u>CHILDREN'S PROTECTIVE SERVICES ESCROW</u>	<u>INMATE DEPOSITS</u>
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 774,289	\$ 1,320,518	\$ 174,002	\$ 42,822
Receivables (Net of Allowances for Uncollectibles):				
Accounts and Other	-	37,594	-	-
Restricted Assets:				
Guardianship Assets	-	1,669,094	-	-
<b>Total Assets</b>	<b><u>\$ 774,289</u></b>	<b><u>\$ 3,027,206</u></b>	<b><u>\$ 174,002</u></b>	<b><u>\$ 42,822</u></b>
<b>LIABILITIES</b>				
Accounts Payable	\$ 41,658	\$ 1,901	\$ 162,623	\$ -
Due to Others	-	20,804	-	42,822
Due to Other Entities	732,631	-	-	-
Deposits Held	-	1,335,407	11,379	-
Deposits Held for Restricted Assets	-	1,669,094	-	-
<b>Total Liabilities</b>	<b><u>\$ 774,289</u></b>	<b><u>\$ 3,027,206</u></b>	<b><u>\$ 174,002</u></b>	<b><u>\$ 42,822</u></b>



(Continued)

<u>APPELLATE JUDICIAL SYSTEM FEES</u>	<u>DISTRICT CLERK TRUST</u>	<u>COUNTY CLERK TRUST</u>	<u>TAX ASSESSOR- COLLECTOR UNDISTRIBUTED COLLECTION</u>	<u>OFFICERS' UNDISTRIBUTED FEES</u>
\$ 665	\$ 8,342,888	\$ 8,835,184	\$ 4,206,232	\$ 10,351
215	-	-	-	-
-	-	-	-	-
<u>\$ 880</u>	<u>\$ 8,342,888</u>	<u>\$ 8,835,184</u>	<u>\$ 4,206,232</u>	<u>\$ 10,351</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	8,342,888	8,835,184	-	-
880	-	-	4,206,232	10,351
-	-	-	-	-
<u>\$ 880</u>	<u>\$ 8,342,888</u>	<u>\$ 8,835,184</u>	<u>\$ 4,206,232</u>	<u>\$ 10,351</u>

(Continued)

**GALVESTON COUNTY, TEXAS  
COMBINING BALANCE SHEET  
AGENCY FUNDS  
September 30, 2006  
With Comparative Amounts as of September 30, 2005**

	<b>ADULT PROBATION</b>		<b>TOTALS</b>	
	<b>UNDISTRIBUTED COLLECTION</b>	<b>BOND ESCROW</b>	<b>2006</b>	<b>2005</b>
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ -	\$ 36,047	\$ 23,742,998	\$ 19,898,335
Receivables (Net of Allowances for Uncollectibles):				
Accounts and Other	-	-	37,809	28,182
Restricted Assets:				
Guardianship Assets	-	-	1,669,094	1,603,103
<b>Total Assets</b>	<b>\$ -</b>	<b>\$ 36,047</b>	<b>\$ 25,449,901</b>	<b>\$ 21,529,620</b>
<b>LIABILITIES</b>				
Accounts Payable	\$ -	\$ -	\$ 206,182	\$ 38,460
Due to Others	-	36,047	17,277,745	14,941,445
Due to Other Entities	-	-	4,949,214	3,769,156
Deposits Held	-	-	1,347,666	1,177,456
Deposits Held for Restricted Assets	-	-	1,669,094	1,603,103
<b>Total Liabilities</b>	<b>\$ -</b>	<b>\$ 36,047</b>	<b>\$ 25,449,901</b>	<b>\$ 21,529,620</b>



Galveston County Emergency Management Facility  
Information Technology Infrastructure

**GALVESTON COUNTY, TEXAS**  
**COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**For the Year Ended September 30, 2006**

	<u>BALANCE</u> <u>10/1/05</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>9/30/06</u>
<b>PAYROLL FUND</b>				
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 699,375	\$ 103,083,968	\$ 103,009,054	\$ 774,289
<b>LIABILITIES</b>				
Accounts Payable	\$ 32,490	\$ 2,744,517	\$ 2,735,349	\$ 41,658
Due to Other Entities	666,885	19,297,516	19,231,770	732,631
<b>Total liabilities</b>	<b>\$ 699,375</b>	<b>\$ 22,042,033</b>	<b>\$ 21,967,119</b>	<b>\$ 774,289</b>
<b>ESCROW FUND</b>				
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 998,975	\$ 4,654,910	\$ 4,333,367	\$ 1,320,518
Receivables (Net of Allowances for Uncollectibles):				
Accounts and Other	27,517	290,470	280,393	37,594
Restricted Assets:				
Guardianship Assets	1,603,103	65,991	-	1,669,094
<b>Total assets</b>	<b>\$ 2,629,595</b>	<b>\$ 5,011,371</b>	<b>\$ 4,613,760</b>	<b>\$ 3,027,206</b>
<b>LIABILITIES</b>				
Accounts Payable	\$ 5,970	\$ 1,883,539	\$ 1,887,608	\$ 1,901
Due to Others	35,660	25,489	40,345	20,804
Deposits Held	984,862	4,758,209	4,407,664	1,335,407
Deposits Held for Restricted Assets	1,603,103	65,991	-	1,669,094
<b>Total liabilities</b>	<b>\$ 2,629,595</b>	<b>\$ 6,733,228</b>	<b>\$ 6,335,617</b>	<b>\$ 3,027,206</b>
<b>CHILDREN'S PROTECTIVE SERVICES ESCROW FUND</b>				
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 191,929	\$ -	\$ 17,927	\$ 174,002
<b>LIABILITIES</b>				
Accounts Payable	\$ -	\$ 162,623	\$ -	\$ 162,623
Deposits Held	191,929	-	180,550	11,379
<b>Total liabilities</b>	<b>\$ 191,929</b>	<b>\$ 162,623</b>	<b>\$ 180,550</b>	<b>\$ 174,002</b>
<b>INMATE DEPOSITS FUND</b>				
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 38,150	\$ 4,672	\$ -	\$ 42,822
<b>LIABILITIES</b>				
Due to Others	\$ 38,150	\$ 4,672	\$ -	\$ 42,822

(Continued)

**GALVESTON COUNTY, TEXAS**  
**COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**For the Year Ended September 30, 2006**

	<u>BALANCE</u> <u>10/1/05</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>9/30/06</u>
<b>APPELLATE JUDICIAL SYSTEM FEES FUND</b>				
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ -	\$ 665	\$ -	\$ 665
Receivables:				
Accounts and Other	665	-	450	215
<b>Total assets</b>	<b>\$ 665</b>	<b>\$ 665</b>	<b>\$ 450</b>	<b>\$ 880</b>
<b>LIABILITIES</b>				
Deposits Held	\$ 665	\$ 215	\$ -	\$ 880
<b>DISTRICT CLERK TRUST FUND</b>				
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 9,256,499	\$ 571,649	\$ 1,485,260	\$ 8,342,888
<b>LIABILITIES</b>				
Due to Others	\$ 9,256,499	\$ -	\$ 913,611	\$ 8,342,888
<b>COUNTY CLERK TRUST FUND</b>				
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 5,575,089	\$ 3,429,115	\$ 169,020	\$ 8,835,184
<b>LIABILITIES</b>				
Due to Others	\$ 5,575,089	\$ 3,260,095	\$ -	\$ 8,835,184
<b>TAX ASSESSOR-COLLECTOR UNDISTRIBUTED COLLECTION FUND</b>				
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 3,067,013	\$ 1,139,219	\$ -	\$ 4,206,232
<b>LIABILITIES</b>				
Due to Other Entities	\$ 3,067,013	\$ 1,139,219	\$ -	\$ 4,206,232
<b>OFFICERS' UNDISTRIBUTED FEES FUND</b>				
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 8,954	\$ 1,397	\$ -	\$ 10,351
<b>LIABILITIES</b>				
Due to Other Entities	\$ 8,954	\$ 1,397	\$ -	\$ 10,351

(Continued)

**GALVESTON COUNTY, TEXAS**  
**COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**For the Year Ended September 30, 2006**

	<u>BALANCE</u> <u>10/1/05</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>9/30/06</u>
<b>ADULT PROBATION</b>				
<b>UNDISTRIBUTED COLLECTION</b>				
<b>FUND</b>				
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 26,304	\$ -	\$ 26,304	\$ -
<b>LIABILITIES</b>				
Due to Other Entities	\$ 26,304	\$ -	\$ 26,304	\$ -
<b>BOND ESCROW FUND</b>				
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 36,047	\$ -	\$ -	\$ 36,047
<b>LIABILITIES</b>				
Due to Others	\$ 36,047	\$ -	\$ -	\$ 36,047
<b>TOTALS - ALL AGENCY FUNDS</b>				
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 19,898,335	\$ 112,885,595	\$ 109,040,932	\$ 23,742,998
Receivables (Net of Allowances for Uncollectibles):				
Accounts and Other	28,182	290,470	280,843	37,809
Restricted Assets:				
Guardianship Assets	1,603,103	65,991	-	1,669,094
<b>Total assets</b>	<b>\$ 21,529,620</b>	<b>\$ 113,242,056</b>	<b>\$ 109,321,775</b>	<b>\$ 25,449,901</b>
<b>LIABILITIES</b>				
Accounts Payable	\$ 38,460	\$ 4,790,679	\$ 4,622,957	\$ 206,182
Due to Others	14,941,445	3,290,256	953,956	17,277,745
Due to Other Entities	3,769,156	20,438,132	19,258,074	4,949,214
Deposits Held	1,177,456	4,758,424	4,588,214	1,347,666
Deposits Held for Restricted Assets	1,603,103	65,991	-	1,669,094
<b>Total liabilities</b>	<b>\$ 21,529,620</b>	<b>\$ 33,343,482</b>	<b>\$ 29,423,201</b>	<b>\$ 25,449,901</b>

Capital Assets Used in The  
Operation of  
Governmental Funds

**GALVESTON COUNTY, TEXAS**  
**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS**  
**COMPARATIVE SCHEDULES BY SOURCE**  
**September 30, 2006 and 2005**

	2006	2005
<b>GOVERNMENTAL FUNDS CAPITAL ASSETS</b>		
Land	\$ 22,063,116	\$ 22,102,031
Buildings and Improvements	167,861,893	54,967,410
Improvements Other Than Buildings	1,876,916	553,322
Machinery and Equipment	29,738,298	21,964,652
Infrastructure	140,983,328	140,906,440
Construction in Progress	7,049,853	95,113,998
<b>Total governmental funds capital assets</b>	<b>\$ 369,573,404</b>	<b>\$ 335,607,853</b>
 <b>INVESTMENT IN GOVERNMENTAL FUNDS CAPITAL ASSETS BY SOURCE</b>		
General Fund	\$ 21,072,355	\$ 18,667,205
Special Revenue Funds and Grants	19,101,839	14,278,853
Capital Projects Funds	327,541,392	300,803,977
Gifts	1,857,818	1,857,818
<b>Total governmental funds capital assets</b>	<b>\$ 369,573,404</b>	<b>\$ 335,607,853</b>

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





Galveston County Emergency Management Facility

Shower

GALVESTON COUNTY, TEXAS  
**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS**  
**SCHEDULE BY FUNCTION AND ACTIVITY**  
September 30, 2006

FUNCTION AND ACTIVITY	LAND	BUILDINGS	IMPROVEMENTS			INFRASTRUCTURE	CONSTRUCTION IN PROGRESS
			BUILDINGS	OTHER THAN BUILDINGS	MACHINERY & EQUIPMENT		
<b>General government:</b>							
General Government	\$ 10,700,029	\$ 130,897,245	\$ 289,580	\$ 3,071,652	\$ -	\$ 4,370,373	
County Clerk	-	-	-	1,837,829	-	-	
County Records Management	-	-	-	149,962	-	-	
Justice Courts	48,220	171,621	-	-	-	-	
District Clerk	-	-	-	80,637	-	-	
District Attorney	-	-	-	115,102	-	-	
County Auditor	-	-	-	19,697	-	-	
Director of Finance and Administration	-	-	-	28,200	-	-	
Tax Assessor-Collector	-	-	-	55,621	-	-	
Legal Department	-	-	-	23,558	-	-	
Information Technology	-	-	-	3,760,097	-	-	
Facilities Services	-	-	11,119	1,093,500	-	-	
Maintenance and Repairs	-	-	-	96,485	-	-	
County Engineer	-	-	-	-	-	678,643	
<b>Total general government</b>	<b>10,748,249</b>	<b>131,068,866</b>	<b>300,699</b>	<b>10,332,340</b>	<b>-</b>	<b>5,049,016</b>	
<b>Public safety:</b>							
Sheriff	527,177	18,424,136	75,360	9,551,640	-	-	
Medical Examiner	-	413,635	-	-	-	-	
Juvenile Justice	18,047	5,993,326	-	238,700	-	-	
Emergency Management	-	-	-	72,847	-	-	
Flood Control	1,065,717	345,002	-	229,940	77,867,334	1,968,663	
<b>Total public safety</b>	<b>1,610,941</b>	<b>25,176,099</b>	<b>75,360</b>	<b>10,093,127</b>	<b>77,867,334</b>	<b>1,968,663</b>	
<b>Roads, bridges, and right-of-way:</b>							
Road and Bridge	234,034	417,802	-	6,179,900	47,701,034	32,174	
Road District #1	-	283,669	-	21,552	9,705,185	-	
Rights of Way Department	1,829,918	-	-	10,000	-	-	
<b>Total roads, bridges, and rights-of-way</b>	<b>2,063,952</b>	<b>701,471</b>	<b>-</b>	<b>6,211,452</b>	<b>57,406,219</b>	<b>32,174</b>	

**GALVESTON COUNTY, TEXAS**  
**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS**  
**SCHEDULE BY FUNCTION AND ACTIVITY**  
September 30, 2006

FUNCTION AND ACTIVITY	IMPROVEMENTS				CONSTRUCTION IN PROGRESS
	LAND	BUILDINGS	OTHER THAN BUILDINGS	MACHINERY & EQUIPMENT	
<b>Health and social services:</b>					
Health Administration and Sanitation	378,794	1,320,808	-	-	-
Mosquito Control District	-	-	-	685,333	-
Senior Citizens	55,595	1,042,943	-	290,894	-
<b>Total health and social services</b>	<b>434,389</b>	<b>2,363,751</b>	<b>-</b>	<b>976,227</b>	<b>-</b>
<b>Culture and recreation:</b>					
Museum	20,677	62,352	-	-	-
Beach and Parks Department	7,184,908	8,489,354	1,500,857	1,491,925	5,709,775
Beach Maintenance-Road and Bridge	-	-	-	504,397	-
<b>Total culture and recreation</b>	<b>7,205,585</b>	<b>8,551,706</b>	<b>1,500,857</b>	<b>1,996,322</b>	<b>5,709,775</b>
<b>Conservation</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>128,830</b>	<b>-</b>
<b>Total governmental funds capital assets</b>	<b>\$ 22,063,116</b>	<b>\$ 167,861,893</b>	<b>\$ 1,876,916</b>	<b>\$ 29,738,298</b>	<b>\$ 140,983,328</b>
					<b>\$ 7,049,853</b>

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

**GALVESTON COUNTY, TEXAS**  
**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS**  
**SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY**  
**For the Fiscal Year Ended September 30, 2006**

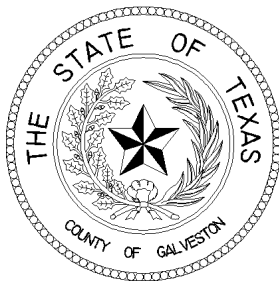
FUNCTIONS AND ACTIVITY	GOVERNMENTAL FUNDS CAPITAL ASSETS				GOVERNMENTAL FUNDS CAPITAL ASSETS
	OCTOBER 1, 2005	ADDITIONS	DEDUCTIONS	TRANSFERS	SEPTEMBER 30, 2006
<b>General government:</b>					
General Government	\$ 124,379,321	\$ 136,640,293	\$ (111,690,735)	-	\$ 149,328,879
County Clerk	736,652	1,330,469	(229,292)	-	1,837,829
County Records Management	149,962	-	-	-	149,962
Justice Courts	219,841	-	-	-	219,841
District Clerk	131,492	-	(50,855)	-	80,637
District Attorney	94,889	20,213	-	-	115,102
County Auditor	19,697	-	-	-	19,697
Director of Finance & Administration	51,758	-	-	(23,558)	28,200
Tax Assessor-Collector	110,591	-	(41,170)	(13,800)	55,621
Legal Department	-	-	-	23,558	23,558
Information Technology	3,482,501	244,474	-	33,122	3,760,097
Facilities Services	912,916	101,934	-	89,769	1,104,619
Maintenance and Repairs	96,485	-	-	-	96,485
County Engineer	9,874	668,769	-	-	678,643
<b>Total general governmental</b>	<b>130,395,979</b>	<b>139,006,152</b>	<b>(112,012,052)</b>	<b>109,091</b>	<b>157,499,170</b>
<b>Public safety:</b>					
Sheriff's Department	27,058,160	1,643,545	-	(123,392)	28,578,313
Justice Administration	-	-	-	-	-
Constables Precint #9	-	-	-	-	-
Medical Examiner	409,641	3,994	-	-	413,635
Juvenile Justice	6,167,335	89,738	(7,000)	-	6,250,073
Emergency Management	67,487	-	-	5,360	72,847
Flood Control	79,582,769	1,914,356	(20,469)	-	81,476,656
<b>Total public safety</b>	<b>113,285,392</b>	<b>3,651,633</b>	<b>(27,469)</b>	<b>(118,032)</b>	<b>116,791,524</b>
<b>Roads, bridges, and right-of-way:</b>					
Road and Bridge	53,242,024	1,322,920	-	-	54,564,944
Road District #1	9,738,960	555,116	(283,670)	-	10,010,406
Rights-of-Way Department	1,891,834	12,500	(64,416)	-	1,839,918
<b>Total roads, bridges, and rights-of-way</b>	<b>64,872,818</b>	<b>1,890,536</b>	<b>(348,086)</b>	<b>-</b>	<b>66,415,268</b>
<b>Health and social services:</b>					
Health Administration and Sanitation	1,699,602	-	-	-	1,699,602
Mosquito Control District	660,559	24,774	-	-	685,333
Senior Citizens	1,320,820	68,612	-	-	1,389,432
<b>Total health and social services</b>	<b>3,680,981</b>	<b>93,386</b>	<b>-</b>	<b>-</b>	<b>3,774,367</b>
<b>Culture and recreation:</b>					
Museum	83,029	-	-	-	83,029
Beach and Parks Department	22,752,404	2,742,909	(1,127,435)	8,941	24,376,819
Beach Maintenance- Road and Bridge	435,697	68,700	-	-	504,397
<b>Total culture and recreation</b>	<b>23,271,130</b>	<b>2,811,609</b>	<b>(1,127,435)</b>	<b>8,941</b>	<b>24,964,245</b>
<b>Conservation</b>	<b>101,553</b>	<b>27,277</b>	<b>-</b>	<b>-</b>	<b>128,830</b>
<b>Total governmental funds capital assets</b>	<b>\$ 335,607,853</b>	<b>\$ 147,480,593</b>	<b>\$ (113,515,042)</b>	<b>\$ -</b>	<b>\$ 369,573,404</b>

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



Galveston County Emergency Management Facility

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## STATISTICAL SECTION

This part of the County of Galveston's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the county's overall financial health.

<b><u>Contents</u></b>	<b>Page</b>
<b>Financial Trends</b>	233
<i>These schedules contain trend information to help the reader understand how the county's financial performance and well-being have changed over time.</i>	
<b>Revenue Capacity</b>	241
<i>These schedules contain information to help the reader assess the county's most significant revenue source, the property tax.</i>	
<b>Debt Capacity</b>	249
<i>These schedules contain information to help the reader assess the affordability of the county's current level of outstanding debt and the county's ability to issue additional debt in the future.</i>	
<b>Demographic and Economic Information</b>	257
<i>These schedules present demographic and economic indicators to help the reader understand the environment within which the county's financial activities take place.</i>	
<b>Operating Information</b>	261
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the county's financial report relates to the services the county provides and the activities in which it engages.</i>	

**Sources:** Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year.



Galveston County Emergency Management Facility

Back-Up Generator

## Financial Trends

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

	<b>Fiscal Year</b>			
	<b>2003*</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>
Net assets - governmental activities				
Invested in capital assets, net of related debt	\$ 114,231	\$ 93,040	\$ 97,944	\$ 103,625
Restricted for:				
Grants	902	548	210	565
Debt service	1,926	4,111	4,534	5,448
Other projects	55	-	-	-
Unrestricted	<u>10,150</u>	<u>19,494</u>	<u>25,692</u>	<u>31,154</u>
Total net assets - governmental activities	<u>\$ 127,263</u>	<u>\$ 117,193</u>	<u>\$ 128,381</u>	<u>\$ 140,793</u>

\* Since this was the year of implementation of Governmental Accounting Standard Boards Statement No. 34, no government-wide financial information for years prior to fiscal year 2003 is available.

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

	<b>Fiscal Year</b>			
	<b>2003*</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>
<b>Expenses</b>				
Governmental activities:				
General Government	\$ 41,671	\$ 42,501	\$ 38,235	\$ 44,830
Public Safety	35,293	36,420	39,716	40,233
Sanitation	-	18	18	575
Health and Social Services	14,148	12,196	15,799	15,987
Culture and Recreation	3,037	6,827	4,347	4,101
Conservation	328	315	403	392
Roads, Bridges, and Rights-of-way	17,077	19,991	9,552	10,985
Interest on Long-term Debt	5,841	10,173	10,269	10,199
<b>Total governmental activities expenses</b>	<b>117,395</b>	<b>128,441</b>	<b>118,337</b>	<b>127,300</b>
<b>Program revenues</b>				
Governmental activities:				
Charges for services	15,514	16,496	15,551	17,722
Operating grants and contributions	11,904	11,430	14,216	13,614
Capital grants and contributions	1,232	3,177	3,575	4,251
<b>Total governmental activities program revenues</b>	<b>28,651</b>	<b>31,103</b>	<b>33,341</b>	<b>35,587</b>
Net (expense) revenue-governmental activities	<u>(88,744)</u>	<u>(97,338)</u>	<u>(84,996)</u>	<u>(91,713)</u>
<b>General revenues and other changes in net assets</b>				
Governmental activities:				
Taxes:				
Property taxes, levied for general purpose	64,635	70,302	75,543	81,610
Property taxes, levied for debt service	10,014	12,549	14,303	15,820
Payments in lieu of taxes	1,064	758	875	1,467
Unrestricted investment earnings	3,657	5,865	4,413	4,480
Gain on sale of capital assets	1,618	-	610	1,000
Miscellaneous	94	221	406	460
Total governmental activities	<u>81,082</u>	<u>89,695</u>	<u>96,150</u>	<u>104,837</u>
<b>Change in net assets-governmental activities</b>	<b>\$ (7,662)</b>	<b>\$ (7,643)</b>	<b>\$ 11,154</b>	<b>\$ 13,124</b>

\* Since this was the year of implementation of Governmental Accounting Standards Board Statement No. 34 no government-wide financial information for years prior to fiscal year 2003 is available.

**GALVESTON COUNTY, TEXAS**  
**GOVERNMENTAL ACTIVITIES TAX REVENUE BY SOURCE**  
**LAST FOUR FISCAL YEARS**  
 (accrual basis of accounting)  
 (amounts expressed in thousands)

<b>Fiscal Year</b>	<b>Property Tax (General Purposes)</b>	<b>Property Tax (Debt Service)</b>	<b>Total</b>
2003*	\$ 64,635	\$ 10,014	\$ 74,649
2004	70,302	12,549	82,851
2005	75,543	14,303	89,846
2006	81,610	15,820	97,430

\* Since this was the year of implementation of Governmental Accounting Standard Boards Statement No. 34, no government-wide financial information for years prior to fiscal year 2003 is available.

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

	Fiscal Year									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
General Fund										
Reserved	\$ 825	\$ 2,159	\$ 2,157	\$ 1,496	\$ 1,416	\$ 1,421	\$ 995	\$ 551	\$ 953	\$ 616
Unreserved (1)	18,413	11,283	8,092	9,466	5,575	5,856	5,310	12,557	18,195	25,006
Total general fund (4)	\$ 19,238	\$ 13,442	\$ 10,249	\$ 10,962	\$ 6,991	\$ 7,277	\$ 6,305	\$ 13,108	\$ 19,148	\$ 25,622
All other governmental funds										
Reserved (2) (3)	\$ 3,069	\$ 2,527	\$ 941	\$ 7,661	\$ 10,461	\$ 19,024	\$ 30,607	\$ 67,798	\$ 24,561	\$ 10,073
Unreserved, reported in:										
Special Revenue Funds	9,359	10,850	10,479	12,819	14,261	14,309	16,722	16,990	16,782	18,467
Debt Service Funds	-	-	1,308	-	-	-	-	-	-	-
Capital Projects Funds (3)	12,772	10,001	8,670	14,258	67,692	63,171	129,233	38,803	31,114	19,477
Total all other governmental funds (4)	\$ 25,200	\$ 23,378	\$ 21,398	\$ 34,738	\$ 92,413	\$ 96,504	\$ 176,562	\$ 123,591	\$ 72,457	\$ 48,018

(1) The Galveston County Commissioners' Court's goal is to build an unreserved fund balance equal to three months of budgeted operating funds. For fiscal year 2007, that is equivalent to \$27,000,000. In order to accomplish this goal, the court implemented a mandatory seven pay period salary-lapse policy, which generates approximately \$2,500,000 annually. The court has also restricted budget growth whereby the amounts expended in each fiscal year will be less than actual revenues.

(2) The increase in reserved funds during fiscal years 2001 through 2004 is attributable to encumbrances for capital projects.

(3) There was a substantial increase in the capital projects unreserved fund balance from fiscal years 2001 through 2003. The county issued bonds, the proceeds of which were used to build, improve, and equip buildings, jails, and court facilities in the county.

(4) Columns may not foot due to rounding.

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

	Fiscal Year									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>Revenues</b>										
Taxes	\$ 52,043	\$ 53,387	\$ 54,760	\$ 58,035	\$ 60,712	\$ 68,843	\$ 74,072	\$ 82,806	\$ 88,759	\$ 97,414
Licenses and Permits	1,869	1,847	2,050	2,061	2,028	2,088	2,058	2,100	2,140	2,325
Intergovernmental (1) (2)	10,272	9,477	8,695	11,489	11,913	9,749	11,559	14,661	15,120	16,317
Charges for Services	6,795	8,480	7,600	7,873	8,210	8,858	8,262	8,300	8,334	9,818
Fines and Forfeitures	1,753	2,139	3,145	3,376	3,136	3,024	2,679	2,818	2,786	2,763
Investment Earnings	2,630	2,850	2,267	2,981	3,922	4,290	3,657	5,991	4,676	5,132
Miscellaneous (3)	2,070	2,387	7,559	4,683	3,008	2,948	5,046	5,004	4,566	5,899
Total Revenues	77,433	80,567	86,076	90,497	92,930	99,800	107,334	121,681	126,383	139,669
<b>Expenditures</b>										
Current:										
General Government	22,191	24,754	32,864	28,200	31,585	32,579	36,936	34,864	39,269	42,655
Public Safety	26,161	29,119	23,768	28,173	28,430	28,363	30,751	32,961	33,784	35,231
Sanitation	566	343	380	115	-	-	-	18	18	575
Health and Social Services (4)	3,922	3,624	4,283	4,669	5,420	5,065	5,624	14,996	14,978	15,137
Culture and Recreation	690	261	1,588	2,706	242	247	2,351	3,045	2,378	2,336
Conservation	134	142	155	198	3,005	2,264	310	301	349	366
Roads, Bridges, and Rights-of-Way	6,135	5,409	5,535	5,431	4,379	4,938	4,308	4,510	5,023	4,410
Debt Service (5):										
Principal	3,583	3,369	3,040	3,667	3,937	5,030	6,125	4,115	5,999	7,372
Interest and Fiscal Charges	2,729	2,927	3,250	3,068	3,000	4,620	4,038	8,164	8,254	8,178
Bond Issuance Costs	-	-	-	-	-	118	1,544	601	-	-
Refund - Prior Year Tax Revenue	-	-	-	-	-	-	-	-	159	159
Capital Outlay (5)	10,984	9,209	9,314	4,763	10,974	14,370	36,342	64,751	61,192	40,567
Total Expenditures	77,094	79,156	84,178	80,988	90,972	97,594	128,330	168,325	171,404	156,986
Excess (deficiency) of revenues over (under) expenditures	340	1,411	1,897	9,509	1,958	2,206	(20,996)	(46,644)	(45,021)	(17,317)



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

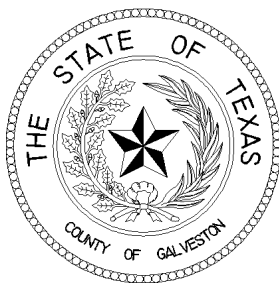
	Fiscal Year									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>Other Financing Sources (Uses)</b>										
Transfers In	4,102	3,822	4,021	5,232	4,870	4,927	6,651	6,525	4,669	8,083
Transfers Out	(10,415)	(12,993)	(12,288)	(13,136)	(15,274)	(14,943)	(17,041)	(8,920)	(6,418)	(10,711)
Sale of Capital Assets	321	263	1,101	543	353	62	2,230	184	1,082	1,979
Capital Lease	-	-	-	-	-	-	-	2,053	-	-
Long Term Debt Issued	-	-	-	12,140	61,795	12,125	-	-	-	-
Face Value - Long Term Debt Issued	-	-	-	-	-	-	107,760	-	-	-
Face Value - Refunding Bonds Issued	-	-	-	-	-	-	-	42,595	-	-
Premium - Long Term Debt Issued	-	-	-	-	-	-	1,478	-	-	-
Premium - Refunding Bonds Issued	-	-	-	-	-	-	-	3,596	-	-
Discount - Long Term Debt Issued	-	-	-	-	-	-	(996)	-	-	-
Refunded Bonds - Escrow Agent Payments	-	-	-	-	-	-	-	(45,556)	-	-
Bond Issuance Costs	-	-	-	(129)	(475)	-	-	-	-	-
Other	-	(120)	-	(105)	(37)	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>(5,993)</b>	<b>(9,029)</b>	<b>(7,166)</b>	<b>4,544</b>	<b>51,232</b>	<b>2,170</b>	<b>100,082</b>	<b>476</b>	<b>(668)</b>	<b>(649)</b>
<b>Net Change In Fund Balances</b>	<b>\$ (5,653)</b>	<b>\$ (7,618)</b>	<b>\$ (5,269)</b>	<b>\$ 4,965</b>	<b>\$ 53,190</b>	<b>\$ 4,377</b>	<b>\$ 79,086</b>	<b>\$ (46,168)</b>	<b>\$ (45,689)</b>	<b>\$ (17,966)</b>
<b>Debt service as a percentage of noncapital expenditures</b>	<b>10.6%</b>	<b>9.9%</b>	<b>9.2%</b>	<b>9.7%</b>	<b>9.5%</b>	<b>13.1%</b>	<b>12.4%</b>	<b>13.4%</b>	<b>14.9%</b>	<b>15.4%</b>

- (1) The decrease in 2002 was due to a reduction in emergency management grant funding.
- (2) The increase between fiscal years 2002-2004 was due to receipt of FEMA reimbursements for tropical storm damage.
- (3) The increase beginning in 2003 was due to a reclassification of revenue from the Intergovernmental category.  
The County also saw an increase in inter-local agreement reimbursements in fiscal year 2003.
- (4) The increase in the Health and Social Services expenditures beginning in fiscal year 2004 was due to a reclassification of our component unit operating transfer.
- (5) The increase in the Capital Outlay and the Debt Service Expenditures was funded by proceeds of bonds issued from 2001 through 2003 for various capital projects.



Galveston County Emergency Management Facility  
Conference Room and Library

# Revenue Capacity



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

<b>Fiscal Year (2)</b>	<b>Real Property (2)</b>			<b>Personal Property(2)</b>	<b>Utilities Pipelines, and Boats(2)</b>	<b>Total</b>	<b>Tax Rate (3)</b>
	<b>Residential Property</b>	<b>Commercial and Industrial Property</b>	<b>Other Property</b>				
2001-02	\$9,263,117	\$ 3,763,650	\$ 309,377	\$1,550,788	\$ 75,690	\$14,962,622	\$ 0.5654
2002-03	10,447,863	3,624,020	260,644	1,621,379	79,972	16,033,878	0.6063
2003-04	11,211,500	3,774,978	265,208	1,784,979	66,875	17,103,540	0.6400
2004-05	12,619,432	3,831,707	270,156	2,037,032	73,070	18,831,397	0.6388
2005-06	14,318,036	4,832,464	341,191	2,300,787	42,593	21,835,071	0.6288

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

Data prior to fiscal year 2002 is unavailable.

(2) Galveston Central Appraisal District.

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

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

Taxing Jurisdiction	Fiscal Year									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>Galveston County</b>	\$0.520000	\$0.520000	\$0.520000	\$0.545000	\$0.545000	\$0.565400	\$0.606300	\$0.640000	\$0.638750	\$0.628750
<b>Cities</b>										
Galveston	0.546900	0.547200	0.549400	0.549850	0.548600	0.559100	0.554900	0.541700	0.541700	0.494000
Friendswood	0.615600	0.596100	0.612500	0.638500	0.638500	0.638500	0.638500	0.638500	0.638500	0.582100
Hitchcock	0.600000	0.585000	0.567000	0.567000	0.567000	0.567000	0.568400	0.581380	0.538900	0.555050
Jamaica Beach	0.633000	0.597420	0.597420	0.597420	0.522499	0.479930	0.460900	0.420820	0.345400	0.285000
La Marque	0.495000	0.523000	0.533000	0.523000	0.546100	0.536100	0.536100	0.510340	0.540300	0.514360
League City	0.775000	0.750000	0.725000	0.670000	0.667500	0.662500	0.650000	0.640000	0.630000	0.608800
Texas City	0.252000	0.269000	0.285000	0.298750	0.328750	0.333500	0.357500	0.456240	0.456240	0.456240
Tiki Island	0.160915	0.159299	0.168632	0.163352	0.164288	0.159600	0.169100	0.165890	0.175900	0.155590
Bayou Vista	0.362698	0.353176	0.407397	0.402377	0.378077	0.370100	0.375000	0.340000	0.354000	0.338720
Clear Lake Shores	0.301140	0.316654	0.328701	0.339507	0.339507	0.329600	0.262633	0.241810	0.238600	0.210000
Crystal Beach	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Dickinson	0.314732	0.341112	0.351112	0.351112	0.350574	0.390000	0.373000	0.391500	0.414500	0.408800
Kemah	0.320000	0.277428	0.260000	0.163790	0.095000	0.092600	0.071200	0.150000	0.170200	0.255395
Santa Fe	0.372700	0.381900	0.374500	0.354100	0.352100	0.262000	0.271900	0.271900	0.274700	0.299200
<b>School and Junior College Districts</b>										
Galveston	1.500000	1.500000	1.520000	1.520000	1.520000	1.520000	1.570000	1.560000	1.710000	1.525000
Friendswood	1.590000	1.575000	1.672000	1.535000	1.585000	1.617000	1.637000	1.637000	1.637000	1.507000
Hitchcock	1.710000	1.693500	1.710000	1.705900	1.705900	1.710000	1.710000	1.710000	1.710000	1.565050
La Marque	1.654068	1.614100	1.644100	1.615959	1.625005	1.625000	1.650000	1.730000	1.743000	1.570000
Texas City	1.490000	1.490000	1.520000	1.608000	1.611800	1.611900	1.604700	1.623400	1.613000	1.448354
Clear Creek	1.470000	1.590000	1.641520	1.598560	1.700840	1.725000	1.740000	1.730000	1.745000	1.650000
Dickinson	1.716700	1.710000	1.710000	1.751000	1.754000	1.747000	1.764000	1.743000	1.738000	1.724000
High Island	1.490000	1.500000	1.500000	1.500000	1.500000	1.500000	1.500000	1.770000	1.709100	1.630000
Santa Fe	1.360000	1.444000	1.494000	1.367000	1.422000	1.510000	1.570000	1.570000	1.570000	1.445000
College of the Mainland	0.186476	0.198815	0.198815	0.215762	0.218000	0.218000	0.231870	0.263060	0.245250	0.233450
Galveston College	0.177500	0.187800	0.187800	0.197800	0.197800	0.195200	0.195200	0.195200	0.195200	0.170000
<b>Special Districts</b>										
Bacliff MUD	0.250400	0.240000	0.202000	0.185000	0.080000	0.070000	0.165000	0.238260	0.243700	0.315800
Bayview MUD	0.150000	0.250000	0.238400	0.232900	0.237800	0.240000	0.236800	0.220000	0.220000	0.216900
South Shore MUD #2	0.570000	0.620000	0.610000	0.600000	0.570000	0.000000	0.570000	0.520000	0.450000	0.290000
South Shore MUD #3	0.430000	0.343000	0.335000	0.335000	0.325000	0.300000	0.300000	0.240000	0.220000	0.180000
South Shore MUD #6	0.720000	0.620000	0.580000	0.510000	0.460000	0.400000	0.380000	1.000000	1.000000	0.300000
South Shore Harbour MUD#7	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.820000
Tara Glen MUD	0.860000	0.826300	0.820000	0.800000	0.800000	0.750000	0.725000	0.700000	0.700000	0.670000
Flamingo Isles MUD	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.500000

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

Taxing Jurisdiction	Fiscal Year									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>Special Districts (Continued)</b>										
Bay Colony West MUD	\$0.000000	\$0.000000	\$0.000000	\$0.000000	\$0.000000	\$0.000000	\$0.000000	\$0.000000	\$0.000000	\$1.000000
Clear Creek Drainage District	0.141000	0.142500	0.150000	0.150000	0.155000	0.155000	0.155000	0.150000	0.150000	0.000000
Fresh Water Supply District #6	0.393870	0.305711	0.285953	0.255028	0.257210	0.219500	0.282700	0.245080	0.249600	0.201300
Galveston County EMS District	0.099740	0.099740	0.095720	0.092571	0.094199	0.095060	0.095390	0.085800	0.085800	0.081700
Galveston County MUD #1	0.424400	0.480000	0.475661	0.475325	0.445282	0.460000	0.460000	0.460000	0.460000	0.000000
Galveston County MUD #2	0.950000	0.785000	0.685000	0.615000	0.560000	0.460000	0.430000	0.390000	0.365000	0.260000
Galveston County MUD #3	0.630000	0.604000	0.540000	0.480000	0.450000	0.430000	0.390000	0.320000	0.250000	0.160000
Galveston County MUD #6	0.900000	0.900000	0.900000	0.860000	0.860000	0.750000	0.700000	0.700000	0.700000	0.480000
Galveston County MUD #12	0.388076	0.406895	0.334035	0.305565	0.245468	0.188400	0.252862	0.258620	0.220100	0.270000
Galveston County MUD #13	0.990000	0.990000	0.969000	0.965000	0.965000	0.965000	0.915000	0.860000	0.760000	0.630000
Galveston County MUD #14	0.000000	0.200000	0.186150	0.186150	1.000000	1.000000	1.000000	0.970000	0.920000	0.880000
Galveston County MUD #15	0.000000	0.880840	0.880400	0.870890	0.870890	0.870000	0.870000	0.860000	0.830000	0.825000
Galveston County MUD #29	0.199275	0.199275	0.203000	0.205000	0.188758	0.175000	0.175000	0.175000	0.175000	0.000000
Galveston County MUD #30	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.350000
Galveston County MUD #31	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	1.090000
Galveston County MUD #32	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.750000
Galveston County MUD #39	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.900000	0.900000	0.900000	0.900000
Galveston County MUD #43	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	1.000000
Galveston County MUD #44	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	1.000000
Galveston County MUD #46	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	1.000000
Galveston County MUD #52	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	1.500000
Galveston County Navigation District	0.032190	0.036290	0.039610	0.040032	0.041136	0.040600	0.042000	0.042000	0.040900	0.033690
West Ranch Management District #1	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.650000
Water Control Improvement Dist. #1	0.400000	0.380000	0.380000	0.370000	0.350000	0.330000	0.310000	0.262620	0.262500	0.230260
Water Control Improvement Dist. #8	0.250000	0.250000	0.210510	0.182500	0.250000	0.250000	0.250000	0.250000	0.250000	0.247400
Water Control Improvement Dist. #12	0.570000	0.567600	0.567600	0.567600	0.526900	0.526900	0.520000	0.470000	0.420000	0.370000
Water Control Improvement Dist. #19	0.415435	0.384226	0.367790	0.367270	0.156102	0.153100	0.152700	0.150170	0.170800	0.159520
San Leon MUD	0.258300	0.320000	0.290000	0.287000	0.287000	0.446000	0.488000	0.450500	0.449100	0.434500
Drainage District #1	0.098350	0.100517	0.096819	0.088022	0.088061	0.097200	0.095800	0.090100	0.090100	0.108940
Drainage District #2	0.049173	0.052586	0.054419	0.054294	0.056273	0.056600	0.058800	0.058800	0.058800	0.055740
Drainage District #3	0.350320	0.314069	0.275190	0.234694	0.234694	0.216100	0.000000	0.000000	0.000000	0.000000

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

**GALVESTON, COUNTY TEXAS  
PRINCIPAL TAXPAYERS (1)  
September 30, 2006  
(amounts expressed in thousands)**

<u>Taxpayer</u>	<u>2006</u>			<u>1997</u>		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>% of Total Taxable Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>% of Total Taxable Assessed Value</u>
BP Products (NA) Inc.	\$ 1,561,208	1	7.15%	\$ -	-	-
Valero Refining-Texas LP	734,056	2	3.36%	-	-	-
Union Carbide Corporation	349,277	3	1.60%	502,829	2	4.19%
South Houston Green Power, LP	309,499	4	1.42%	-	-	-
Sterling Chemicals	169,144	5	0.77%	435,724	3	3.63%
Praxair Inc.	141,424	6	1%	-	-	-
BP Amoco Chemical Company	142,947	7	0.65%	256,823	5	2.14%
Marathon Petroleum Company LLC	138,628	8	0.63%	92,178	8	0.77%
Centerpoint Energy Inc.	100,896	9	0.46%	-	-	-
Texas-New Mexico Power Company	99,682	10	0.46%	76,769	9	0.64%
Amoco Texas Refinery Company	-	-	-	995,932	1	8.30%
Houston Lighting and Power	-	-	-	259,590	4	2.16%
Basis Petroleum, Inc.	-	-	-	219,784	6	1.83%
Cogenron, Inc.	-	-	-	114,152	7	0.95%
Southwestern Bell Telephone Company	-	-	-	76,228	10	0.64%
	<u>3,746,761</u>		<u>17.16%</u>	<u>3,030,009</u>		<u>25.27%</u>
Other Taxpayers	445,225		2.04%	304,774		2.54%
Totals	<u>\$ 4,191,986</u>		<u>19.20%</u>	<u>\$ 3,334,783</u>		<u>27.81%</u>

(1) Source: Galveston Central Appraisal District. Total assessed value = \$21,835,071.



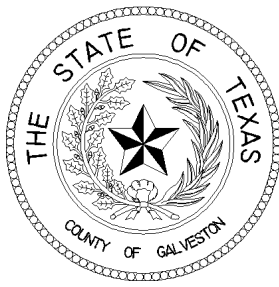
**GALVESTON COUNTY, TEXAS  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST FIVE FISCAL YEARS (1)  
(amounts expressed in thousands)**

<b>Fiscal Year ended September 30</b>	<b>Total Adjusted Tax Levy</b>	<b>Collected Within the Fiscal Year of the Levy</b>		<b>Collected in Subsequent Years</b>	<b>Total Collected to Date</b>	
		<b>Amounts (1)</b>	<b>Percentage of Levy</b>		<b>Amount (2)</b>	<b>Percentage of Levy</b>
2001-02	\$ 67,544	\$ 65,524	97.01%	\$ 1,676	\$ 67,200	99.49%
2002-03	71,175	69,298	97.36%	1,427	70,725	99.37%
2003-04	81,523	79,367	97.36%	1,485	80,852	99.18%
2004-05	89,277	85,893	96.21%	1,089	86,982	97.43%
2005-06	97,186	94,764	97.51%	-	94,764	97.51%

(1) Collected from October 1 through September 30. Data prior to fiscal year 2001-2002 is unavailable.

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

Source: Galveston County Tax Assessor-Collector.



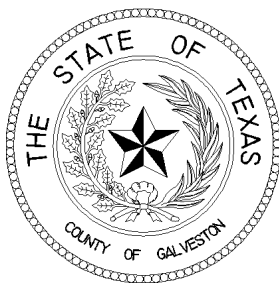
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## Debt Capacity

**GALVESTON COUNTY, TEXAS**  
**RATIO OF OUTSTANDING DEBT BY TYPE**  
**LAST TEN FISCAL YEARS**  
(amounts expressed in thousands, except per capita amount)

<b>Fiscal Year</b>	<b>General Obligation Bonds</b>	<b>Capital Leases</b>	<b>Total Primary Government</b>	<b>Percentage of Personal Income</b>	<b>Per Capita</b>
1997	\$ 30,865	\$ -	\$ 30,865	5.16%	\$ 127
1998	27,496	-	27,496	4.24%	112
1999	24,456	-	24,456	3.64%	98
2000	34,503	-	34,503	4.67%	138
2001	91,932	-	91,932	11.97%	361
2002	102,388	-	102,388	12.88%	393
2003	207,423	-	207,423	25.28%	777
2004	203,663	1,753	205,416	23.36%	749
2005	197,928	1,753	199,681	29.70%	725
2006	191,128	917	192,045	32.08%	689

*Source: Galveston County's Annual Financial Report*



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**GALVESTON, COUNTY TEXAS**  
**COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT (1)**  
**GENERAL OBLIGATION BONDS**  
**September 30, 2006**  
(amounts expressed in thousands)

<u>Governmental Unit</u>	<u>Net General Obligation Bonded Debt Outstanding</u>	<u>Percentage Applicable to Government</u>	<u>Amount Applicable to Government</u>
<b><u>Galveston County</u></b>	\$ 191,128	100%	\$ 191,128
<b><u>Cities</u></b>			
Dickinson	3,256	100%	3,256
Friendswood	21,370	80.44%	17,190
Galveston	41,413	100%	41,413
Hitchcock	3,070	100%	3,070
Jamaica Beach	860	100%	860
La Marque	4,410	100%	4,410
League City	93,946	99.01%	93,016
Texas City	48,065	100%	48,065
Total Cities	216,390		211,280
<b><u>School Districts</u></b>			
Dickinson	136,687	100%	136,687
Friendswood	29,520	100%	29,520
Galveston	85,004	100%	85,004
High Island	2,070	100%	2,070
Hitchcock	9,778	100%	9,778
La Marque	32,743	100%	32,743
Sante Fe	16,699	100%	16,699
Texas City	19,045	100%	19,045
Total School Districts	331,546		331,546
<b><u>Co-Line School Districts</u></b>			
Clear Creek	539,685	19.41%	104,753

**GALVESTON, COUNTY TEXAS**  
**COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT (1)**  
**GENERAL OBLIGATION BONDS**  
**September 30, 2006**  
**(amounts expressed in thousands)**

<u>Governmental Unit</u>	<u>Percentage Applicable to Government</u>	<u>Percentage Applicable to Government</u>	<u>Amount Applicable to Government</u>
<b>Other</b>			
Baycliff Mud	\$ 9,635	100%	\$ 9,635
Bayview Mud	525	100%	525
Galveston County FWSD #6	3,085	100%	3,085
Galveston County MUD #1	-	100%	-
Galveston County MUD #2	7,225	100%	7,225
Galveston County MUD #3	8,875	100%	8,875
Galveston County MUD #6	20,175	100%	20,175
Galveston County MUD #12	1,670	100%	1,670
Galveston County MUD #13	10,960	100%	10,960
Galveston County MUD #14	14,995	100%	14,995
Galveston County MUD #15	11,525	100%	11,525
Galveston County MUD #29	4,095	100%	4,095
San Leon MUD	4,165	100%	4,165
Galveston WCID #1	11,103	100%	11,103
Galveston WCID #8	890	100%	890
Galveston WCID #12	17,790	100%	17,790
South Shore Harbor MUD #2	7,660	100%	7,660
South Shore Harbor MUD #3	5,465	100%	5,465
South Shore Harbor MUD #6	9,445	100%	9,445
South Shore Harbor MUD #7	14,190	100%	14,190
Tara Glen MUD	4,325	100%	4,325
<b>Total Other</b>	<u>167,798</u>		<u>167,798</u>
<b>Total Gross and Overlapping Debt</b>	<u>\$ 1,446,547</u>		<u>\$ 1,006,505</u>
Ratio of Direct and Overlapping Debt to 2006 Net Taxable Assessed Valuation			5.92%
Per Capita Direct and Overlapping Debt (2006 estimated population = 277,563) (2)			3,626
Net Taxable Assessed Valuation			\$ 17,010,991

- (1) Expenditures of the various taxing bodies within the territory of the county are paid out of ad valorem taxes levied by these taxing bodies on the properties within the county. These political taxing bodies are independent of the County and may borrow to finance their expenditures. The following statement of direct and estimated overlapping ad valorem tax bonds was developed from information contained in "Texas Municipal Reports" published by the Municipal Advisory Council of Texas. Except for the amounts relating to the county, the county has not independently verified the accuracy or completeness of such information and no person should rely upon such information as being accurate and complete. Furthermore, certain entities listed above may have issued additional bonds since the date stated in the table and may have programs requiring the issuance of substantial amounts of additional bonds, the amount of which cannot be determined. The preceding table reflects the County's estimated share of overlapping gross debt of these various taxing bodies.
- (2) 2005 estimated population and Per Capita Direct and Overlapping Debt amounts are NOT rounded to thousands; 2005 estimated population is provided by the U.S. Census Bureau.







**GALVESTON COUNTY, TEXAS**  
**RATIO OF NET GENERAL OBLIGATION BONDED DEBT**  
**TO ASSESSED VALUE AND NET GENERAL OBLIGATION BONDED DEBT PER CAPITA**  
**LAST TEN FISCAL YEARS**  
(amounts expressed in thousands)

<b>Fiscal Year</b>	<b>Population *</b>	<b>Assessed Value *</b>	<b>Gross Bonded Debt *</b>	<b>Less Debt Service Funds*</b>	<b>Net Bonded Debt *</b>	<b>Ratio of Net Bonded Debt to Assessed Value</b>	<b>Net Bonded Debt Per Capita</b>
1996-97	\$ 242,712	\$11,992,081	\$ 30,865	\$ 1,956	\$ 28,910	0.24%	\$ 119
1997-98	245,644	12,265,935	27,496	1,536	25,960	0.21	106
1998-99	248,893	12,675,516	24,456	1,305	23,151	0.18	93
1999-00	250,158	13,218,641	41,978	1,251	40,727	0.31	163
2000-01	254,923	14,471,404	98,817	1,721	97,096	0.67	381
2001-02	260,825	14,962,622	107,449	1,728	105,721	0.71	405
2002-03	266,858	16,033,878	210,661	1,337	209,324	1.31	784
2003-04	272,024	17,103,540	208,405	2,773	205,632	1.20	756
2004-05	273,162	18,831,397	204,331	3,586	200,745	1.07	735
2005-06	277,563 *	21,835,071	199,289	4,398	194,891	0.89	702

\* Source: U.S. Census Bureau and Texas Association of Counties.  
Estimated population figure for 2006.

## Demographic and Economic Information

**GALVESTON COUNTY, TEXAS  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS**

<b>Fiscal Year</b>	<b>Population (1)</b>	<b>Personal Income (1)(4)</b>	<b>Per Capita Personal Income (1)(4)</b>	<b>Median Age (1)</b>	<b>School Enrollment (2)</b>	<b>Unemployment Rate (1)</b>
1997	242,712	\$ 5,982,123	\$ 24,647	32.9	65,031	8.10%
1998	245,644	6,480,422	26,381	32.9	65,090	6.80%
1999	248,893	6,725,063	27,020	32.9	65,856	6.70%
2000	250,158	7,384,627	29,450	35.9	69,639	4.90%
2001	254,923	7,677,185	30,113	35.9	66,985	5.30%
2002	260,825	7,947,793	30,474	35.9	74,000	6.60%
2003	266,858	8,205,612	30,762	35.9	70,000	7.20%
2004	272,024	8,719,729	32,055	35.6	70,329	6.90%
2005	273,162	6,663,514	24,394	35.6	73,142	5.70%
2006	277,563 (3)	5,986,479	21,568	36.0	73,919	4.90%

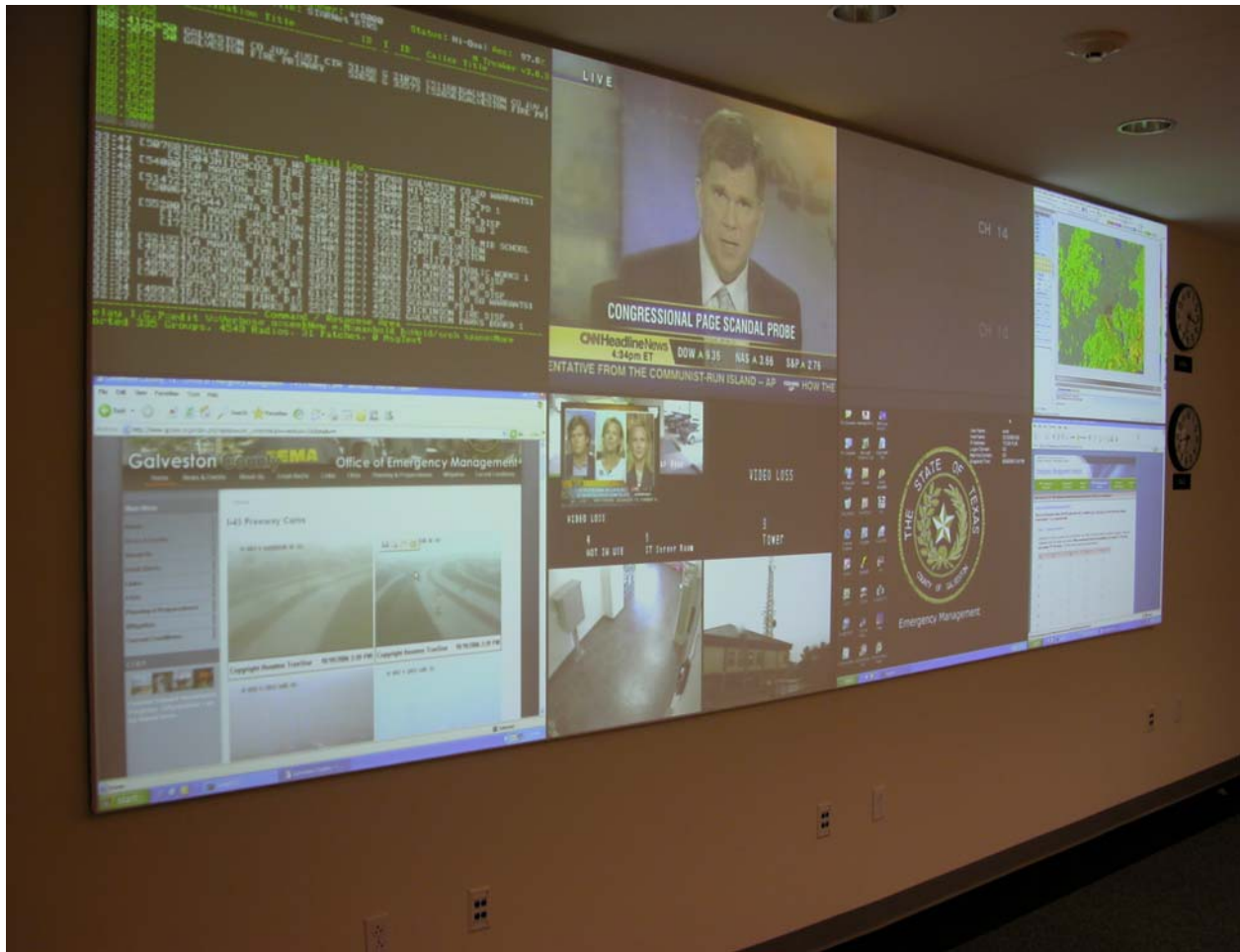
*Sources:*

- (1) U.S. Bureau of Census; Texas Workforce Commission.
- (2) Texas Education Agency.
- (3) Estimated population figure for year 2006.
- (4) Amount expressed in thousands.

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

<b>Employer</b>	<b>2006</b>			<b>1997</b>		
	<b>Number of Employees</b>	<b>Rank</b>	<b>% of Total County Employment</b>	<b>Number of Employees</b>	<b>Rank</b>	<b>% of Total County Employment</b>
University of Texas Medical Branch	10,081	1	41.3%	13,000	1	49.9%
Clear Creek ISD	4,000	2	16%	3,200	2	12.3%
BP-Amoco Oil Company Texas City	2,000	3	8.2%	2,000	3	7.7%
American National Insurance Company (ANICO)	1,530	4	6.3%	1,267	6	4.9%
Galveston Independent School District	1,320	5	5.4%	1,710	4	6.6%
Landry's Seafood, Inc.	1,245	6	5.1%	-	-	-
Galveston County	1,217	7	5.0%	1,067	5	4.1%
Texas City ISD	879	-	3.6%	-	-	-
Union Carbide Corporation	-	-	-	1,200	7	4.6%
Sterling Chemicals	-	-	-	930	8	3.6%
Moody Gardens	840	8	3.4%	-	-	-
Mainland Medical Center	750	9	3.1%	-	-	-
Gulf Greyhound	-	-	-	890	9	3.4%
La Marque ISD	525	10	2.2%	-	-	-
Dickinson ISD	-	-	-	770	10	3.0%
<b>Total</b>	<b>24,387</b>		<b>100.0%</b>	<b>26,034</b>		<b>100.0%</b>

\* Source: Texas City - La Marque Chamber of Commerce, Galveston Chamber of Commerce.



## Galveston County Emergency Management Facility

Computer Projection Screens in the  
Emergency Operations Center

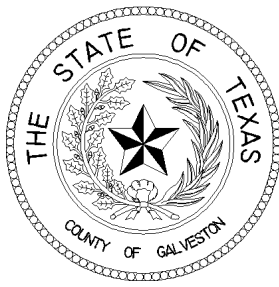
## Operating Information

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

Function	Fiscal Year									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
General Government	350	440	447	464	463	450	450	455	454	505
Public Safety	470	569	564	564	532	539	560	575	555	547
Road and Bridges, and Rights-of-Way	47	44	56	55	53	49	47	43	50	47
Health and Social Services	150	184	170	176	133	121	64	79	74	67
Culture and Recreation	44	57	54	55	44	50	50	49	44	41
Conservation	6	8	7	10	10	8	9	11	10	10
<b>Total</b>	<b>1,067</b>	<b>1,302</b>	<b>1,298</b>	<b>1,324</b>	<b>1,235</b>	<b>1,217</b>	<b>1,180</b>	<b>1,212</b>	<b>1,187</b>	<b>1,217</b>

\* Source: County Budget Office/Human Resources.





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**GALVESTON, COUNTY TEXAS  
OPERATING INDICATORS BY FUNCTION \*  
September 30, 2006**

<u>Function /Program</u>	<u>2006</u>
<b>General Government:</b>	
Tax Assessor- Collector:	
Employees	53
Ad Valorem Accounts	172,782
Motor Vehicle Registration/Licenses	240,369
Number of entities for which we collect	34
Number of Registered Voters	185,911
Beer and Wine Permits	921
Special Inventory Tax Accounts	175
Coin Operated Machines	1,076
County Clerks:	
Employees	53
Marriage License	2,245
Civil Suits	2,161
Criminal Cases	10,692
Probate Cases	875
District Clerks:	
Employees	48
Civil Cases	6,659
Criminal Cases	4,544
Tax Cases Processed	1,092
CPS Cases Processed	154
Juvenile Cases	1,004
Jurors Summoned	34,563
<b>Public Safety:</b>	
Sheriff:	
Number of Employees	365
Daily average in County Jail	969
Number of persons booked	18,269
Number of Civil Processes	6,780
Constables:	
Precinct #1	
Number of Employees	4
Civil Cases Processed	4,988
Precinct #2	
Number of Employees	4
Civil Cases Processed	1,013
Precinct #3	
Number of Employees	5
Civil Cases Processed	427
Precinct #4	
Number of Employees	7
Civil Cases Processed	- **
Precinct #5	
Number of Employees	4
Civil Cases Processed	- **
Precinct #7	
Number of Employees	9
Civil Cases Processed	2,016

**GALVESTON, COUNTY TEXAS  
OPERATING INDICATORS BY FUNCTION \*  
September 30, 2006**

Precinct #8	
Number of Employees	11
Civil Cases Processed	1,442
Precinct #9	
Number of Employees	3
Civil Cases Processed	91
Justice of the Peace:	
Precinct #1	
Number of Employees	4
Civil Cases	864
Criminal Cases	2,667
Precinct #2	
Number of Employees	3
Civil Cases	543
Criminal Cases	540
Precinct #3	
Number of Employees	5
Civil Cases	488
Criminal Cases	8,096
Precinct #4	
Number of Employees	6
Civil Cases	335
Criminal Cases	4,470
Precinct #5	
Number of Employees	5
Civil Cases	602
Criminal Cases	4,518
Precinct #6	
Number of Employees	5
Civil Cases	862
Criminal Cases	5,144
Precinct# 8-1 & 8-2	
Number of Employees	9
Civil Cases	893
Criminal Cases	8,598
Precinct #9	
Number of Employees	5
Civil Cases	38
Criminal Cases	7,779
<b>Road, Bridges, and Rights-of-Way:</b>	
County Maintained Roads - miles:	
Lane	369
Paved	622
Dirt or All-Weather	21
<b>Health &amp; Social Services:</b>	
Community Clinics	2
<b>Culture and Recreation:</b>	
Park Permits Issued	964
Festival and Special Events Hosted	22

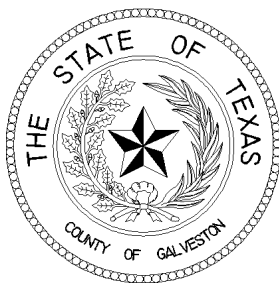
\* Data prior to fiscal year 2006 is unavailable.

\*\* Data unavailable at time of publication.

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

<u>Function</u>	<u>Fiscal Year</u>			
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
<b>General Government</b>				
Number of buildings	18	18	19	20
Number of courtrooms	19	19	19	21
<b>Public Safety</b>				
Jail capacity/number of beds	881	881	881	1187
Stations / substations	3	3	3	3
Sheriff's Department vehicles	113	117	115	136
Boats / seacrafts	10	10	10	10
Training facility	1	1	1	1
Animal facility	1	1	1	1
Medical Examiner building	1	1	1	1
Juvenile Justice buildings	4	4	4	4
Emergency Management building	1	1	1	1
Flood Control buildings	3	3	3	3
<b>Roads, Bridges, and Rights-of-Way</b>				
Miles of county roads	324	325	326	323
Bridges	22	22	22	22
Motor vehicles	54	54	46	56
Pieces of heavy and general equipmen	66	62	69	78
<b>Health and Social Services</b>				
Clinics	3	3	3	3
Animal shelter	1	1	1	1
Mosquito control vehicles	17	17	19	21
Airplanes	2	2	2	2
Airboat	1	1	1	1
Spray units	13	13	13	13
Senior Citizens kitchen equipment	3	3	3	3
<b>Culture and Recreation</b>				
Museum	1	1	1	1
Parks	26	26	25	25
Park acreage	1201	1201	1204	1204
Park buildings	30	30	30	30
Community centers	4	4	4	4
Athletic fields and courts	41	41	41	41
Boat launches	11	11	11	11
Campground sites	9	9	9	9
Hiking trails (feet)	751	751	751	751
Vehicles	32	28	32	39
Heavy and General Equipment	31	35	36	47
Beach maintenance equipment	6	6	6	6
<b>Conservation</b>				
Extension service vehicles	5	5	5	5

\* Data prior to fiscal year 2003 is unavailable.



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

March 14, 2007

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

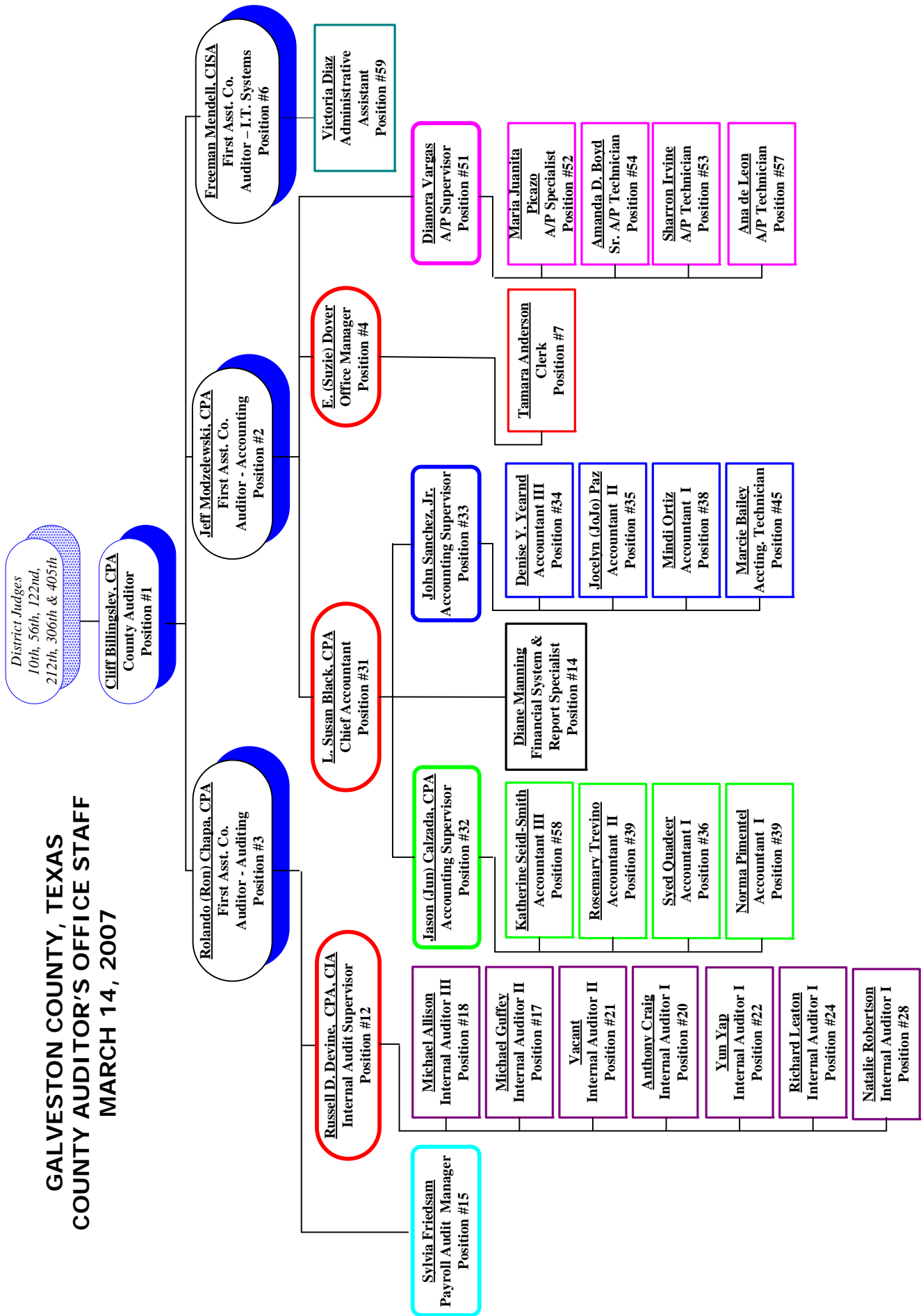
*Rolando (Ron) Chapa, BBA, CPA  
First Assistant County Auditor - Director of Auditing*

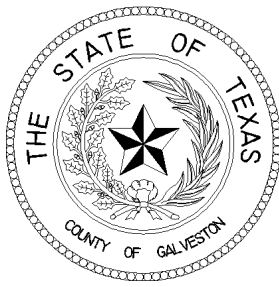
*Freeman D. Mendell, BA, MA, CISA  
First Assistant County Auditor - Director of I.T. Systems*

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

<i>Michael Allison, BBA.....</i>	<i>Internal Auditor III</i>
<i>Tamara Anderson.....</i>	<i>Clerk</i>
<i>Marcie Bailey.....</i>	<i>Accounting Technician</i>
<i>Susan Black, BBA, CPA.....</i>	<i>Chief Accountant</i>
<i>Amanda D. Boyd.....</i>	<i>Senior Accounts Payable Technician</i>
<i>Jason Calzada, BA, BS, CPA.....</i>	<i>Accounting Supervisor</i>
<i>Anthony Craig, BS.....</i>	<i>Internal Auditor I</i>
<i>Ana de Leon.....</i>	<i>Accounts Payable Technician</i>
<i>Russell R. Devine, BA, CPA, CIA.....</i>	<i>Internal Audit Supervisor</i>
<i>Victoria Diaz,.....</i>	<i>Administrative Assistant</i>
<i>Elizabeth (Suzie) J. Dover.....</i>	<i>Office Manager</i>
<i>Sylvia Friedsam.....</i>	<i>Payroll Audit Manager/Internal Auditor III</i>
<i>Michael Guffey, AA, BA, MPA, CFE.....</i>	<i>Internal Auditor II</i>
<i>Sharron Irvine.....</i>	<i>Accounts Payable Technician</i>
<i>Richard Leaton, BS.....</i>	<i>Internal Auditor I</i>
<i>Diane Manning, BBA, BS, MS.....</i>	<i>Financial System &amp; Report Specialist</i>
<i>Mindi Ortiz.....</i>	<i>Accountant I</i>
<i>Jocelyn C. Paz, AS.....</i>	<i>Accountant II</i>
<i>Maria Juanita Picazo.....</i>	<i>Accounts Payable Specialist</i>
<i>Norma Pimentel, AS.....</i>	<i>Accountant I</i>
<i>Syed Quadeer, BCOM.....</i>	<i>Accountant I</i>
<i>Natalie Robertson, BBA.....</i>	<i>Internal Auditor I</i>
<i>John Sanchez, Jr., AS, BS.....</i>	<i>Accounting Supervisor</i>
<i>Katherine Seidl-Smith, BS.....</i>	<i>Accountant III</i>
<i>Rosemary Trevino.....</i>	<i>Accountant II</i>
<i>Dianora L.Vargas.....</i>	<i>Accounts Payable Supervisor</i>
<i>Yun Yap, BS.....</i>	<i>Internal Auditor I</i>
<i>Denise Yearnd, BS.....</i>	<i>Accountant III</i>

# GALVESTON COUNTY, TEXAS COUNTY AUDITOR'S OFFICE STAFF MARCH 14, 2007





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