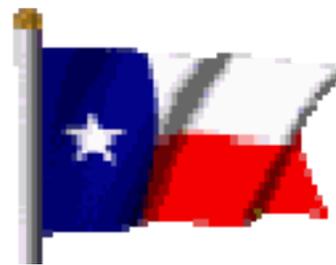
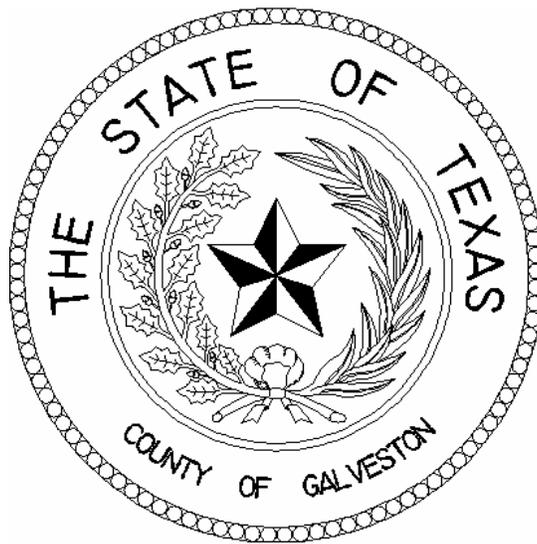


# **Galveston County, Texas**

## **COMPREHENSIVE**

### **ANNUAL FINANCIAL REPORT**



**FOR THE FISCAL YEAR ENDED**  
**SEPTEMBER 30, 2007**



GALVESTON COUNTY, TEXAS  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
For the fiscal year ended  
September 30, 2007

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



The Renovated Galveston County Courthouse

Main (Western) Entrance

Galveston County, Texas  
 Comprehensive Annual Financial Report  
 For the Fiscal Year Ended September 30, 2007

TABLE OF CONTENTS

	Page
<b>INTRODUCTORY SECTION</b>	
Letter of Transmittal .....	9
Certificate of Achievement for Excellence in Financial Reporting .....	18
Galveston County, Texas, Organizational Chart.....	19
Galveston County, Texas, List of Elected and Appointed Officials .....	20
<b>FINANCIAL SECTION</b>	
Independent Auditors' Report.....	25
Management's Discussion and Analysis.....	27
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Assets .....	38
Statement of Activities .....	39
Fund Financial Statements:	
Balance Sheet – Governmental Funds .....	40
Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Assets .....	41
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds.....	42
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds to the Statement of Activities .....	43
Statement of Net Assets – Proprietary Funds.....	44
Statement of Revenues, Expenses, and Changes in Fund Net Assets – Proprietary Funds .....	45
Statement of Cash Flows – Proprietary Funds .....	46
Statement of Fiduciary Net Assets – Fiduciary Funds .....	47
Notes to the Financial Statements .....	49
Required Supplementary Information:	
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General Fund .....	78
Notes to the Required Supplementary Information .....	80
Schedule of Funding Progress – Retirement Plan for the Employees of Galveston County, Texas ...	81
Governmental Funds:	
Combined, Combining, and Individual Fund Statements and Schedules:	
Nonmajor Governmental Funds:	
Combined Balance Sheet – Nonmajor Governmental Funds.....	86
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds .....	87
Nonmajor Special Revenue Funds:	
Combining Balance Sheet – All Nonmajor Special Revenue Funds.....	98
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – All Nonmajor Special Revenue Funds .....	106
Combining Balance Sheet – Nonmajor Special Revenue Funds - Grant Funds .....	114
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Special Revenue Funds - Grant Funds.....	122

Individual Schedules of Revenues, Expenditures, and Changes in Fund	
Balances - Budget and Actual – Nonmajor Special Revenue Funds - Non-Grant Funds:	
Road and Bridge.....	130
Public Health .....	131
Juvenile Justice.....	132
Adult Probation (Non-GAAP Budgetary Basis) .....	133
Law Library .....	134
Child Welfare .....	135
Beach and Parks .....	136
Road District #1.....	137
County Clerk Records Management and Preservation Fee .....	138
County Records Management .....	139
District Clerk Records Management .....	140
Courthouse Security .....	141
Mediation Services Program .....	142
Tax Assessor-Collector Special Inventory Tax Escrow (Non-GAAP Budgetary Basis) .....	143
Donations to Galveston County .....	144
Mosquito Control District .....	145
Law Enforcement Continued Education (Non-GAAP Budgetary Basis).....	146
Farm-to-Market Lateral Road .....	147
Flood Control .....	148
District Clerk Child Support IV-D .....	149
District Attorney and Other Agency Forfeitures (Non-GAAP Budgetary Basis) .....	150
District Attorney Contraband Post-10/89 (Non-GAAP Budgetary Basis) .....	151
District Attorney Check Collection Fees (Non-GAAP Budgetary Basis).....	152
Sheriff’s Commissary (Non-GAAP Budgetary Basis).....	153
Sheriff Seizures Pre-10/89 (Non-GAAP Budgetary Basis).....	154
Sheriff Seizures Post-10/89 (Non-GAAP Budgetary Basis) .....	155
Task Force Seizures Pre-10/89 (Non-GAAP Budgetary Basis).....	156
Unclaimed Property (Non-GAAP Budgetary Basis).....	157
Justice Court Technology .....	158
Probate Court Contributions (Non-GAAP Budgetary Basis).....	159
Emergency Management.....	160
Criminal Investigative Division Seizures Post-10/89 (Non-GAAP Budgetary Basis).....	161
Election Services Contract (Non-GAAP Budgetary Basis) .....	162
Nonmajor Debt Service Funds:	
Combining Balance Sheet – Nonmajor Debt Service Funds.....	166
Combining Statement of Revenues, Expenditures, and Changes	
in Fund Balances – Nonmajor Debt Service Funds.....	170
Individual Schedules of Revenues, Expenditures, and Changes	
in Fund Balances - Budget and Actual – Nonmajor Debt Service Funds:	
Construction/Improvement Tax and Revenue Certificates of Obligation Series 1999 .....	174
Limited Tax Justice Center Bonds Series 2001 .....	175
Unlimited Tax Road Bonds Series 2001 .....	176
Park Roads/Parking Lot Improvements Series 2002A .....	177
San Luis Pass Bridge Certificates of Obligation Series 2002 .....	178
Combination Tax and Revenue Certificates of Obligation Series 2003C .....	179
Limited Tax Criminal Justice Center Bonds Series 2003A.....	180
Unlimited Tax Road Bonds Series 2003B.....	181
Limited Tax Forward Refunding Bonds Series 2003 .....	182
General Obligation 1999/2001 Refunding Bonds Series 2004 .....	183

Unlimited Tax Road Refunding Bonds Series 2004A.....	184
Pass-Through Toll Revenue and Limited Tax Bonds Series 2007.....	185
Nonmajor Capital Projects Funds:	
Combining Balance Sheet – Nonmajor Capital Projects Funds.....	190
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Capital Projects Funds.....	192
Individual Schedules of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual – Nonmajor Capital Projects Funds:	
Road Bonds Series 1987 (Project-length Budgetary Basis).....	194
Construction/Improvement Tax and Revenue Certificates of Obligation Series 1999 (Project-length Budgetary Basis).....	195
Justice Center/Public Safety Building Bonds Series 2001 (Project-length Budgetary Basis).....	196
Unlimited Tax Road Bonds Series 2001 (Project-length Budgetary Basis).....	197
Combination Tax and Revenue Certificates of Obligation Series 2003C (Project-length Budgetary Basis).....	198
Limited Tax Criminal Justice Center Bonds Series 2003A (Project-length Budgetary Basis).....	199
Unlimited Tax Road Bonds Series 2003B (Project-length Budgetary Basis).....	200
Galveston Causeway Railroad Bridge Project (Project-length Budgetary Basis).....	201
County Road and Bridge Projects (Project-length Budgetary Basis).....	202
Proprietary Funds:	
Internal Service Funds:	
Combining Statement of Net Assets – Internal Service Funds.....	208
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets – Internal Service Funds.....	209
Combining Statement of Cash Flows – Internal Service Funds.....	210
Fiduciary Funds:	
Agency Funds:	
Combining Balance Sheet – Agency Funds.....	216
Combining Schedule of Changes in Assets and Liabilities – Agency Funds.....	220
Capital Assets Used in the Operation of Governmental Funds:	
Comparative Schedules by Source.....	226
Schedule by Function and Activity.....	228
Schedule of Changes by Function and Activity.....	230
<b>STATISTICAL SECTION</b>	
Financial Trends:	
Net Assets by Component – Last Five Fiscal Years.....	238
Changes in Net Assets – Last Five Fiscal Years.....	239
Governmental Activities Tax Revenue by Source – Last Five Fiscal Years.....	240
Fund Balances of Governmental Funds – Last Ten Fiscal Years.....	241
Changes in Fund Balances of Governmental Funds – Last Ten Fiscal Years.....	242
Revenue Capacity:	
Assessed Value and Estimated Actual Value of Taxable Property – Last Six Fiscal Years.....	247
Property Tax Rates - Direct and All Overlapping Governments – Last Ten Fiscal Years.....	248
Principal Taxpayers.....	250
Property Tax Levies and Collections – Last Six Fiscal Years.....	251
Debt Capacity:	
Ratio of Outstanding Debt by Type - Last Ten Fiscal Years.....	254
Computation of Direct and Overlapping Bonded Debt – General Obligation Bonds.....	256

Legal Debt Margin Information – Last Ten Fiscal Years .....	258
Ratio of Net General Obligation Bonded Debt to Assessed Value and Net General Obligation Bonded Debt per Capita – Last Ten Fiscal Years.....	260
Demographic and Economic Information:	
Demographic and Economic Statistics – Last Ten Fiscal Years.....	262
Principal Employers – Current Year and Nine Years Ago .....	263
Operating Information:	
County Employees by Function – Last Ten Fiscal Years .....	266
Capital Asset Statistics by Function – Last Five Fiscal Years .....	267
Operating Indicators by Function.....	268
County Auditor’s Office Personnel.....	272
County Auditor’s Office Personnel - Organizational Chart.....	273

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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 28, 2008

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, 2007.

**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, P.C., 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, 2007, 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, 2007, 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 its compliance with legal requirements, especially those which involve the administration of federal awards. The report therefore also includes a Schedule of Findings and Questioned Costs. The Single Audit Report is available from the Galveston County Auditor's Office, P.O. Box 1418, Galveston, TX 77553-1418.

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

## PROFILE OF THE GOVERNMENT

**Basic Information.** The county is a public corporation and political subdivision, organized and existing under the constitution and laws of the State of Texas. It was established on May 15, 1838, by an article approved by the President of the Republic of Texas, Sam Houston. It is located on the upper Texas coast of the Gulf of Mexico and comprises a land area of 430 square miles and a population estimated to exceed 280,000. The land area includes: Galveston Island (the "Island"), 32 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 is the county's governing body. The Commissioners' Court is elected by county voters for staggered four-year terms and comprises the County Judge (the presiding officer) and four County Commissioners who each represent one of the four geographical precincts into which the county is divided. The Commissioners' Court holds only such powers as are conferred upon it by the Texas Constitution or by statute, or by necessary implication therefrom.

The county provides a full range of services with regard to public safety, health and social welfare, culture and recreation, conservation, and roads, bridges, and rights-of-way, 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 greater or lesser degree of autonomy, respectively, with which it functions.

The county is financially accountable for the Galveston County Health District, which qualifies as a discretely presented component unit and is reported separately within the county's financial statements.

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

Additional information on both of these component units is located in Note I.A.2. to the Financial Statements on pages 50 and 51.

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

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

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

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

**Local economy.** The county currently enjoys 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, and multiple freight-handling facilities, including a container terminal and a grain elevator.

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

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

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

The county profits from the availability of a wealth of year-round cultural, historical, and recreational activities. To those seeking outdoor relaxation, the Island offers the pleasures of Sea Wolf Park, R.A. Appfel Park, Stewart Beach Park, and Galveston Island State Park, as well as alcohol-free beaches stretching from 10<sup>th</sup> Street to 61<sup>st</sup> Street along the Island's famous Seawall Boulevard. The Island is also rich in culture and history, and it showcases both in numerous venues which are open to the public, including the restored mansions of Ashton Villa, the Bishop's Palace, and Moody Mansion; the Galveston Arts Center; and museums such as the 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 IMAX "RideFilms" and interactive displays; and a fifteen-story saltwater aquarium with several marine habitats, including a King Penguin exhibit.

Off the Island, the Galveston Bay/Clear Lake region straddling Galveston and Harris Counties 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.

In Clear Lake City, 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 Walt Disney, offers a "hands-on" way to experience the story of human space exploration and also provides behind-the-scene tours of the Johnson Space Center complex. Features include: a giant-screen theater; spacecraft from the Mercury, Gemini, and Apollo missions; in-person appearances by active astronauts; hands-on simulators; and daily live demonstrations.

### **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 renovation of the Galveston County Courthouse, 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 and issue refunding debt to defease outstanding obligations, when it can lower its cost of money and/or ease cash flow constraints by spreading debt service payments over a longer period. 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 relatively higher interest rates that prevailed during fiscal years 2005 through 2007 caused the issuance of refunding debt to be economically unfeasible, but less than two months after the period-end of this CAFR the county refunded \$79,555,000 of outstanding principal.

At September 30, 2007, the county's outstanding bonded debt, including cumulative accretion, totaled \$242,183,137. During that fiscal year then ended, the county paid \$7,235,000 in principal and \$7,872,780 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, 2007, the county recognized 339 retirees, 127 of whom were eligible for full health-insurance coverage and 212 of whom received reduced Medicare-supplement insurance. Current GAAP allow the county to account for these benefits on a "pay-as-you-go" basis. However, beginning in the fiscal year ending September 30, 2009, Governmental Accounting Standards Board Statement 45 will require the county to record in its financial statements annually an expense for a portion of these "other post-employment benefits." The county has contracted with a consulting firm to provide the initial requisite actuarial computations to determine this future liability it must recognize. Additional information about the county's post-employment benefits can be found in Notes IV.G - H. to the Financial Statements on pages 73 and 74 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 ("NOW") accounts, and local government investment pool facilities. During the year ended September 30, 2007, the county earned \$6,219,888 in interest, \$5,590,334 of that from investments and \$629,554 from deposits. More information about the county's deposits and investments can be found in Note III.A. to the Financial Statements on pages 58 through 61 in this report.

**Major initiatives.** The county continues to experience significant economic growth, and its administration continues to invest for its future.

- County government is progressing with the third of three phases of a broad, multi-year facilities master plan, with a number of projects either under way or to begin in the near future. The county may finance some of this activity with debt, given current attractive interest rates, and it will save costs by operating whenever possible as its own construction manager. Examples of these projects are the following:
  - The acquisition of land adjacent to the West County Building in Santa Fe, and the consolidation there of the Road and Bridge Department's operations, with space for its mechanic facility and for storage of its rolling stock.
  - The purchase of the site of the former Texas City Wal-Mart and the relocation there of the Health District's administrative offices and the 4 C's Clinic.
  - Significant repairs to the Galveston County Historical Museum.
  - The provision of new facilities for the Juvenile Justice Department and the Animal Shelter.
  - The conversion of a portion of the former jail into records storage for the County and District Clerks, the District Attorney, and other departments.
- Additional current or near-term capital investment includes improvements in, and new construction of, road and flood-control infrastructure, at least one of which projects involves a partnership with the Texas Department of Transportation and pass-through toll revenue financing.
- The Galveston County Justice Center, completed and occupied in the spring of 2006, continues to spur significant commercial development in its environs along the Island's Broadway, and the county expects to profit from the future sale of a parcel of unneeded adjacent land.
- The renovation of the Galveston County Courthouse, the theme of this report, was completed in mid-2007. Employee relocation there from other offices, both county-owned and leased, saved rent expense and enabled revenue generation from the sale of the Ray Holbrook Annex.
- County administration continues to strengthen relationships with its component municipalities, school districts, and other voting jurisdictions, by marketing election services as a cost-effective method of compliance with mandated, capital-intensive, electronic-voting capability.
- Operating costs continue to be trimmed through the phased implementation of a fleet-management system to monitor county vehicle usage, scheduled maintenance, and fuel consumption. The county will also save costs, and create capital-asset synergy with the City of Galveston, by partnering in the latter's fleet-management software.
- Fund balance reserves continue to be bolstered, and the retiree pension plan to be more fully funded.
- The county continues to demonstrate its commitment to the health and well-being of county senior citizens and employees. It recently completed a major renovation of the Dickinson Senior Citizens Center, replacing the roof and carpeting, and it will be remodeling the Galveston Senior Citizens Center to utilize former administrative space left vacant after a physical reorganization. The Island CareHere health clinic opened in the autumn of 2007, providing covered employees, retirees, and dependents with virtually wait-free primary medical care - and eventually with common prescription drugs - with no co-pay or deductible entailed. A mainland clinic is planned.
- Despite the slowing nationwide real estate market, the county continues to attract residents. The population of League City now exceeds that of Galveston, the county's seat and historically its most populous municipality, while new developments are expected to attract tens of thousands of additional residents to Texas City's Lago Mar and to the Bolivar Peninsula in the next few years.
- Commuter rail and bus service to mainland destinations continues to be a goal. A challenge is to not only bridge the physical distance but to also link routes with transportation hubs such as Hobby Airport and Houston's transit system.

**Theme: The Renovated Galveston County Courthouse.** The theme of this year's Comprehensive Annual Financial Report is the newly renovated Galveston County Courthouse. Throughout the report, photographs help to tell its story.

The construction of the present Galveston County Courthouse began in 1964. A project of local architect Raymond Rapp, the courthouse was built of concrete and steel wrapped in brick veneer. It contains six floors comprising 120,000 square feet. The building is one of the largest in Galveston built on spread footings rather than the common alternatives of concrete or wooden pilings.

The previous courthouse, built in 1898, had served the county for nearly two-thirds of a century before it suffered severe tornado damage during Hurricane Carla in 1961. By that time, the county was facing a growing need for additional administrative space, and expansion of the existing courthouse was deemed impractical from both logistical and cost perspectives. The county therefore made repairs to the tornado-damaged structure sufficient for its continued use but began to plan the construction of a new county courthouse. The current building was completed and occupied in 1966.

As years passed, the changing needs of the county's administrative and judicial operations with regard to security, technology, court space, physical plant, and staffing began to strain the courthouse's physical capabilities. To relieve this stress, in the early 1990's the county purchased a second downtown structure in which to house some administrative functions. This second building, located at 23<sup>rd</sup> and Church Streets, was occupied almost immediately post-purchase with little modification. It was named the "Ray Holbrook County Courthouse Annex" after then- and long-time County Judge Ray Holbrook.

By the turn of the millennium, space constraints were once again significantly hampering various operations of the county, particularly those of the judiciary and the jail. Meeting space had dwindled almost to non-existence, for as departments grew, conference rooms were often the first areas deemed expendable for conversion into offices. By 2005, the County Judge's conference room was the sole meeting area, excluding jury deliberation rooms, in the courthouse; even the Commissioners' Court had been obliged to move to the Holbrook Annex when its former meeting space was converted into a courtroom.

As had occurred nearly four decades earlier with the previous courthouse, an expansion of the current courthouse was considered but deemed impractical. Instead, the county decided to construct a new justice center which, upon completion in mid-2006, would house the majority of the employees who previously officed at the courthouse. Then, in accordance with its facilities master plan, the county would remodel the now-vacant courthouse to be its sole administrative center on the Island.

Preparations for the courthouse renovation began in 2005, under the direction of Randall-Porterfield Architects, Inc., of League City, Texas. The budgeted expenditures of \$12.4 million included furniture and fixtures, as well as office, telephone, technological, and air-handling equipment. The staff based at the courthouse that would remain there post-renovation – those in the County Judge's, the Tax Assessor-Collector's, and the Information Technology Departments – were temporarily relocated to other county-owned office space during the renovation.

It was decided that the attached courthouse annex and the courthouse's sixth floor would remain unoccupied for the present, reserved for future needs. To save cash flow these areas would not now be remodeled, although they would undergo asbestos abatement, the first major phase of work. Although some abatement had been performed piecemeal over the years during interim remodeling, its completion cost more than \$1 million and required the virtual gutting of the building and its physical plant.

One negative item that the county wished to mitigate in the renovation was the little natural light able to penetrate to the interior of each floor. The county was able to incorporate into the redesign a “borrowed-light” concept that makes use of glass in transoms, around door frames, etc., to allow east- and west-window light to reach interior areas. Additionally, the second-floor mezzanine was expanded and reconfigured to include an open railing which allows light from the first-floor lobby windows to filter up to the windowless second floor.

The physical configuration of the Information Technology Department presented its own design challenge. As that department grew through the years, the county became unable to house it efficiently in one area; its space had been cobbled together, with the staff housed in the courthouse forced to pass through the jail inmate tunnel to reach its offices, and other staff housed several blocks away in the Holbrook Annex. Randall-Porterfield expanded the second-floor mezzanine westward to increase the available square footage and allow Information Technology to be integrally officed.

Incorporated into the design was a state-of-the-art security system including closed-circuit cameras, identification badge access, and fire safety devices, none of which was present in the original structure. This update allowed the removal of the former awkward, space-gobbling security checkpoint, and its replacement by a single Sheriff’s Deputy who monitors building activity from his lobby computer station. Technological enhancements have also enabled the live Internet streaming of Commissioners’ Court meetings so that county personnel may watch proceedings from their work stations.

The building’s lighting, elevators, and second-floor facilities operations were all incorporated into the emergency power system. Within five seconds of power failure, the building’s generator – one of the two largest on the Island (the other that at the county’s new Justice Center) - will activate and provide full lighting and air-handling services to the Information Technology Department, allowing those staff to operate during disasters. Fuel storage is sufficient to provide this power continuously for more than two weeks, and the generator is elevated twenty-one feet above ground level to reduce its vulnerability to flooding.

As regards aesthetics, earth tones were chosen as the color palette. Shades of burnt orange, beige and khaki green were used throughout the building, contrasted with panels of wild cherry which bring warmth to a building which long seemed cold. The original terrazzo floors were ground and polished to their natural stone finish, which added durability and visual appeal while eliminating the need for waxing and buffing.

The lobby’s monumental staircase was an architectural feature familiar to many visitors to the building. However, it had settled and was cracked and sagging by the time of renovation, and its 1960’s-era aluminum handrails posed a threat to children, who could slip between the vertical braces. The architect worked diligently to save the staircase, rehabilitating and re-bracing it and ordering a custom-fabricated stainless railing system from local metal craftsman Sonny Broom.

The renovated courthouse was ready for occupation in mid-August, 2007. All staff housed in the Holbrook Annex, and most of the staff officed in leased space at Shearn Moody Plaza at 25<sup>th</sup> and Strand Streets, were relocated to the renovated structure. Final touches to be completed in 2008 include lighting the courtyard on the west side of the building, landscaping the grounds, and providing additional fencing and security around the building and adjacent parking areas.

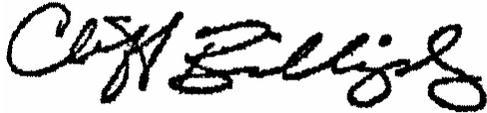
The county recognizes Brian Maxwell, the county’s Director of Special Projects, for providing this information about the courthouse renovation, and Brian, Susan Black, and Diane Manning (the latter two employees of the County Auditor’s Office) for providing the photographs in this report.

## 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, 2006. This was the tenth consecutive year that the government has received this prestigious award. In order to be awarded a Certificate of Achievement, the government had to publish an easily readable and efficiently organized CAFR that satisfied both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program’s requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The 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, 2006

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.



*Oliver S. Cox*

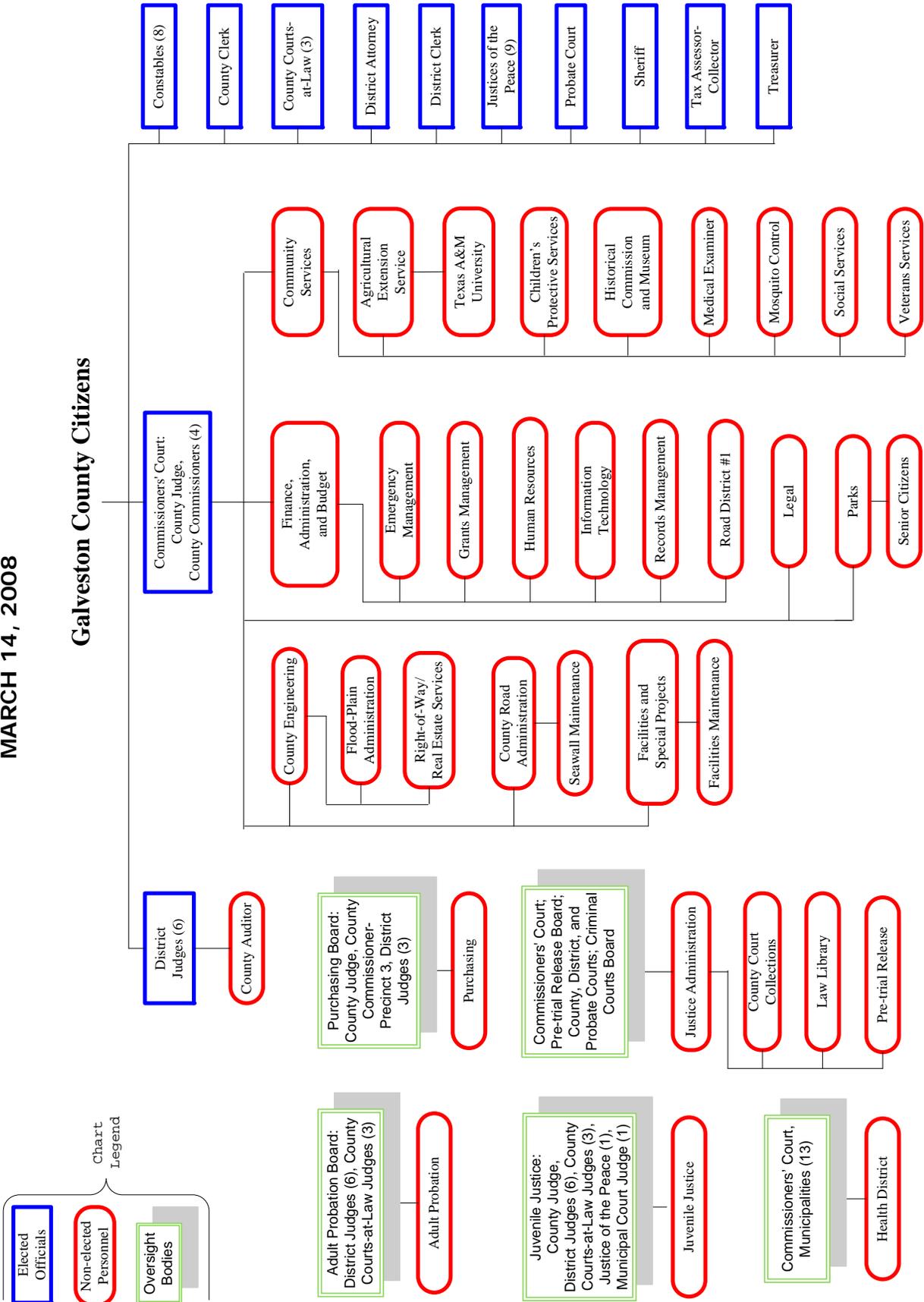
President

*Jeffrey R. Emer*

Executive Director

# GALVESTON COUNTY, TEXAS ORGANIZATIONAL CHART MARCH 14, 2008

## Galveston County Citizens



**GALVESTON COUNTY, TEXAS**  
**LIST OF ELECTED AND APPOINTED OFFICIALS**  
**September 30, 2007**

<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>Bryan Lamb</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>Kurt Sistrunk</i>	<i>Criminal District Attorney</i>
<i>Latonia D. Wilson</i>	<i>District 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>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>



The Former Galveston County  
Courthouse (Circa 1898 - 1966)

(1939 Photo, Courtesy of the Texas Department of Transportation)



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

2000 Loop 197 North, Suite 200  
Texas City, TX 77590  
(409) 948-4406



402 20<sup>th</sup> Street  
Galveston, TX 77550  
(409) 762-8380

2277 Plaza Drive, Suite 260  
Sugar Land, TX 77479  
(281) 242-8600

## **Independent Auditors' Report**

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

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Galveston County, Texas (the "County"), as of and for the year ended September 30, 2007, 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 and the report of other auditors provide 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 units, each major fund, and the aggregate remaining fund information of Galveston County, Texas, as of September 30, 2007, 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.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 26, 2008, on our consideration of Galveston County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

The Management's Discussion and Analysis on pages 27 through 35, budgetary comparison information on pages 78 through 80, and pension information on page 81 are not a required part 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 Galveston County, Texas basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements 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 section 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.

*Null Lanson, P.C.*

Galveston, Texas  
March 26, 2008

## 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, 2007. 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 \$421,853,216 exceeded its liabilities of \$266,741,327 at September 30, 2007, by \$155,111,889 ("net assets").
- Of these net assets of \$155,111,889, \$24,188,120 is available for use to meet the county's ongoing obligations ("unrestricted net assets").
- Of the liabilities of \$266,741,327, \$239,704,994 will not be extinguished in the current year ("long-term liabilities due in more than one year"). These long-term liabilities are primarily debt instruments. The county issued \$48,270,000 in long-term debt principal in the fiscal year ended September 30, 2007.
- The county's revenues of \$160,355,046 exceeded its expenses of \$146,035,717 by \$14,319,329 in this same fiscal year.
- Of these revenues of \$160,355,046, program revenues, such as grant revenues and charges for services, contributed \$47,568,305, while general revenues, such as ad-valorem taxes, contributed \$112,786,741.

### Overview of the Financial Statements

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

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

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

### Government-wide Financial Statements

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

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

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

Both of the government-wide financial statements are designed to distinguish functions of the county that are principally supported by taxes and intergovernmental revenues ("governmental activities") from other functions that are intended to recover all or a significant portion of their costs through user fees and charges ("business-type activities"). The governmental activities of the county are divided into the categories of general government, public safety, sanitation, health and social services, culture and

recreation, conservation, and roads, bridges, and rights-of-way. The county currently engages in no business-type activities.

The government-wide financial statements include information not only for the county itself (the “primary government”) but also for the Galveston County Health District, a legally separate entity for which the county is financially accountable (a “component unit”). The financial information for this component unit is presented separately from the financial information for the primary government. Complete financial statements of the component unit can be obtained from their administrative office. The address for, and other information about, the Galveston County Health District are presented in Note I.A.2. to the Financial Statements on pages 50 and 51.

### Fund Financial Statements

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

*Governmental Funds* are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, Governmental Funds financial statements focus on near-term inflows, 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 Funds Balance Sheet and the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between Governmental Funds and governmental activities.

The county maintains eighty-seven individual Governmental Funds. Information is presented separately in the Governmental Funds Balance Sheet and in the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund and for one Capital Projects Fund, the Pass-Through Toll Revenue and Limited Tax Bonds Series 2007 Fund, both of which are considered to be “major” 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* are used to report the same functions that are 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 Funds financial statements. Individual fund data is provided in the form of "combining statements" elsewhere in this report.

*Fiduciary Funds* include Trust Funds and Agency Funds and are used to account for resources held for the benefit of parties external to the government. Fiduciary Funds are not reflected in the government-wide financial statements because the resources of these funds are not available to support the county's own programs. The accounting used for Fiduciary Funds is much like that used for Proprietary Funds. The county presently accounts for 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 ("RSI") 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 \$155,111,889 at the close of the fiscal year ended September 30, 2007.

By far the largest portion of the county's net assets (75.83%) comprises capital assets (for example, land, infrastructure, and buildings and improvements), net of the outstanding debt issued to finance their construction or acquisition. The county uses these capital assets to provide services to citizens, and consequently the assets are not available for future spending. Although, as mentioned, the county's investment in capital assets is reported net of related debt, it should be noted that the resources to re-pay this debt must be provided from other sources, since the capital assets themselves cannot be used to do so.

The usage of another 8.58% of the county's net assets is subject to external restrictions. The remaining balance (\$24,188,120) is unrestricted and available to meet the government's ongoing obligations to citizens and creditors.

The county's net assets increased by \$14,319,329 (10.17%) during the fiscal year ended September 30, 2007. Underlying revenues increased by \$19,931,378 (14.19%), while underlying expenses increased by \$18,736,090 (14.72%). This increase in net assets indicates that, on a flow-of-economic-resources basis, current-year revenues were more than sufficient to pay current-year expenses.

Key factors in the revenue growth include: greater County Clerk recording, certified copy, and civil court case filing fees; additional program revenues from both federal and state grants; completion of a large portion of a grant expenditure-driven capital project; and a 10.6% increase in property certified appraised values. Key factors in the expense growth include: the rising costs of natural gas, electricity, gasoline, health care, and casualty insurance; the hiring of additional correctional officers as the jail population has increased; an across-the-board employee cost-of-living adjustment of 5%; and the federal- and state-mandated provision of new county programs and services.

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

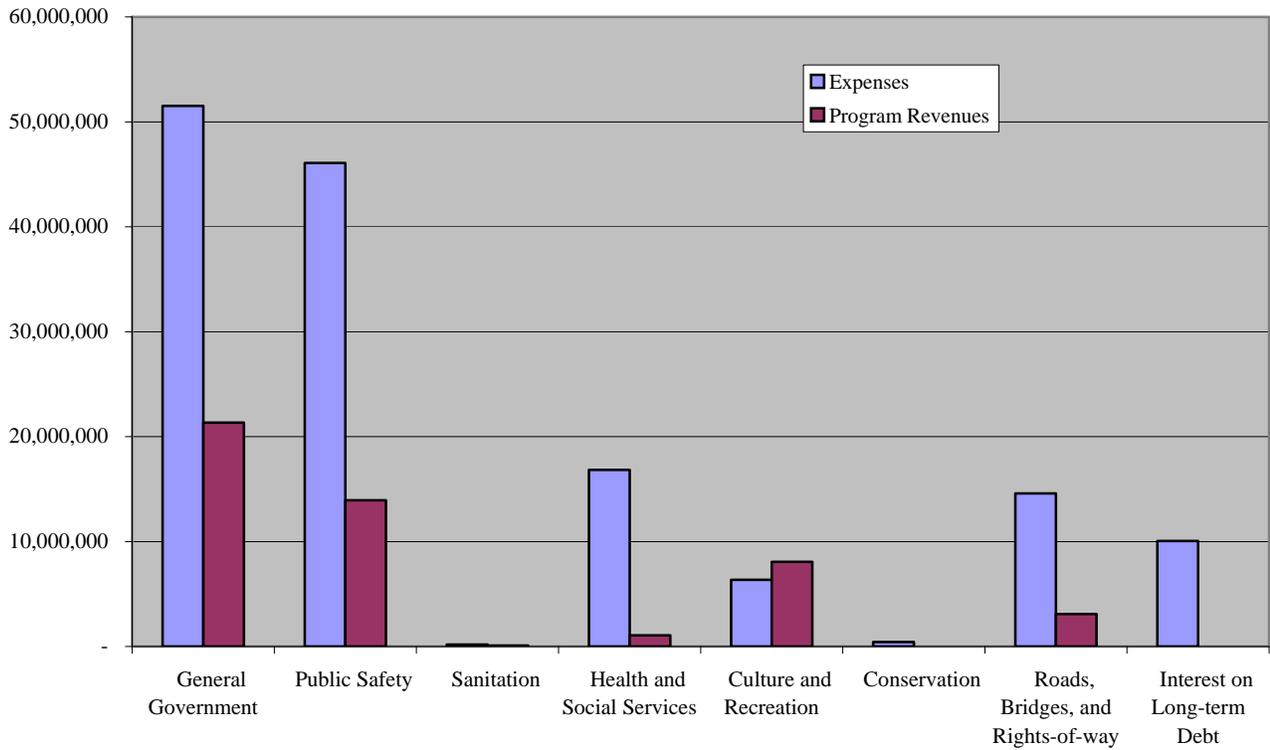
**COUNTY OF GALVESTON, TEXAS**  
**Net Assets**

	<u>2007</u>	<u>2006</u>
Current and Other Assets	\$ 157,328,636	\$ 111,898,891
Capital Assets	<u>264,524,580</u>	<u>255,940,976</u>
Total Assets	<u>421,853,216</u>	<u>367,839,867</u>
Long-Term Liabilities Outstanding	239,704,994	197,880,511
Other Liabilities	<u>27,036,333</u>	<u>29,166,796</u>
Total Liabilities	<u>266,741,327</u>	<u>227,047,307</u>
Net Assets:		
Invested in Capital Assets, Net of Related Debt	117,621,862	103,625,189
Restricted	13,301,907	6,013,576
Unrestricted	<u>24,188,120</u>	<u>31,153,795</u>
Total Net Assets	<u>\$ 155,111,889</u>	<u>\$ 140,792,560</u>

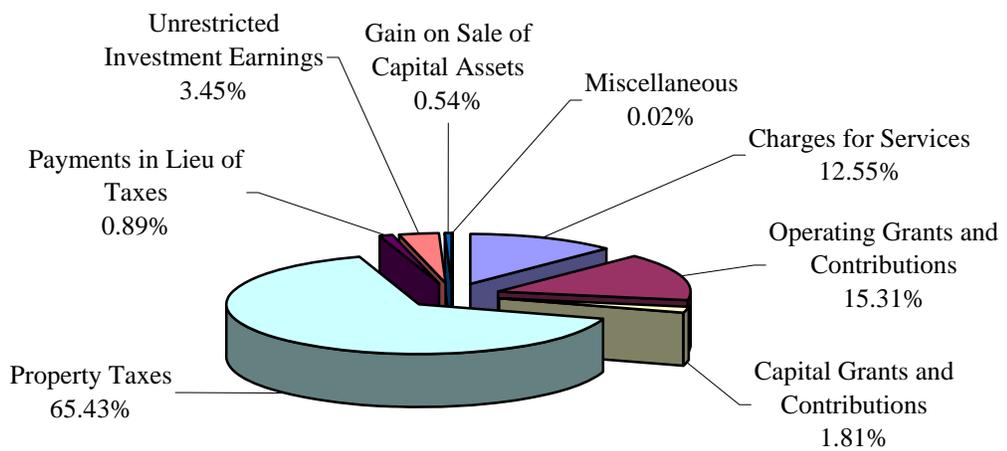
**COUNTY OF GALVESTON, TEXAS**  
**Changes in Net Assets**

	<u>2007</u>	<u>2006</u>
Revenues:		
Program Revenues:		
Charges for Services	\$ 20,120,307	\$ 17,722,310
Operating Grants and Contributions	24,553,334	13,613,612
Capital Grants and Contributions	2,894,664	4,250,984
General Revenues:		
Property Taxes	104,913,367	97,430,002
Payments in Lieu of Taxes	1,432,771	1,466,868
Unrestricted Investment Earnings	5,533,857	4,479,539
Gain on Sale of Assets	870,054	1,000,000
Miscellaneous	36,692	460,353
Total Revenues	<u>160,355,046</u>	<u>140,423,668</u>
Expenses:		
General Government	51,530,195	44,829,831
Public Safety	46,076,519	40,232,630
Sanitation	187,254	574,720
Health and Social Services	16,824,803	15,986,573
Culture and Recreation	6,347,311	4,100,806
Conservation	425,518	391,525
Roads, Bridges, and Rights-of-way	14,587,014	10,984,981
Interest on Long-term Debt	10,057,103	10,198,561
Total Expenses	<u>146,035,717</u>	<u>127,299,627</u>
Increase (Decrease) in Net Assets	14,319,329	13,124,041
Net Assets - Beginning	140,792,560	128,347,021
Prior Period Adjustments	-	(678,502)
Net Assets - Ending	<u>\$ 155,111,889</u>	<u>\$ 140,792,560</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, 2007, the county's Governmental Funds reported a combined ending fund balance of \$115,987,761, an increase of \$42,348,524 from September 30, 2006. This increase was due primarily to the issuance of \$48.2 million of Pass-Through Toll Revenue and Limited Tax Bonds Series 2007 late in the fiscal year. Approximately 86% (\$100,096,418) 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 represents or is committed to pay for:

- restricted assets (\$29,376);
- encumbrances (\$2,462,167);
- inventory (\$633,850)
- debt service (\$12,542,422); and
- Bolivar Peninsula user fees (\$223,528).

The General Fund is the county's chief operating fund. At September 30, 2007, the General Fund's unreserved fund balance totaled \$28,864,952; its total fund balance increased during the year then ended by \$3,517,224, to \$29,138,921. 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 31.8% and 32.1%, respectively, of its total expenditures for the fiscal year ended September 30, 2007.

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

- \$3.3 million of revenue from auctioned property;
- a larger share of state Tobacco Settlement monies;
- more Justice Court revenue as a result of contracting with a collections firm;
- greater County Clerk recording, certified copy, and civil court case filing fees; and
- overall efforts of county departments to decrease operating expenditures.

The Pass-Through Toll Revenue and Limited Tax Bonds Series 2007 Capital Projects Fund has a fund balance of \$38,101,202. This fund was created in the fiscal year ended September 30, 2007, to account for the financial resources used to design, develop, finance, construct, extend, expand or improve a non-toll project or facility for Farm-to-Market Road 646, a part of the state highway system located in the county, and to pay the costs associated with the issuance of related long-term debt.

The aggregate fund balance of Debt Service Funds increased by \$8.14 million, primarily for these reasons:

- the City of Galveston, pursuant to an agreement for leased space at the Justice Center, now reimburses the county for a portion of the future debt service related to the facility's construction; and
- \$6.96 million of the proceeds of the Pass-Through Toll Revenue and Limited Tax Bonds Series 2007 – the portion issued specifically to fund debt service until the state begins to do so at the project's completion - was deposited directly into the bonds' debt-service fund rather than into the related capital-projects fund.

The aggregate fund balance of the Special Revenue Funds increased primarily due to:

- the growth of ad-valorem tax revenues in the Road and Bridge Fund; and
- the addition of two new grant funds.

### **General Fund Budgetary Highlights**

The final amended General Fund expenditures budget of \$98,969,263 was \$3,855,363 greater than the original budget of \$95,113,900. Reasons for the budget increase included the following:

- the rising costs of natural gas, electricity, and gasoline, this last causing a related increase in elected officials' automobile fuel allowances;
- the anticipated settlement of a legal claim;
- the hiring of additional correctional officers as the jail population increased;
- growth in inmate health-care costs; and
- costs greater than expected for:
  - the completion of the courthouse renovation;
  - a major financial-system software upgrade;
  - the Law Enforcement and Judicial System ("LEGIS") technology project; and
  - county park improvements.

The majority of these increases drew upon budgeted designated fund balance.

During the year, actual revenues were greater, and actual expenditures were less, than final budgeted amounts by \$994,593 and \$8,168,011, respectively.

The positive variance in revenues is attributable in part to:

- an increase in indigent-defense and liquor-tax revenues;
- the state-mandated reclassification of 20% of motor vehicle license fees from the Road and Bridge Fund;
- an increase of \$1 million in investment earnings;
- increased collections of \$300,000 in outstanding fines by the nine Justice Courts; and
- a one-time transfer from the District Clerk's fee account to partially fund the LEGIS project.

Although, overall, actual revenues exceeded final budgeted revenues by \$994,593, final budgeted tax revenue exceeded that revenue component's actual amount by \$2.22 million, primarily for two reasons: the county collected 1% less current taxes than expected, and tax refunds offset \$0.5 million of delinquent-tax collections.

The positive variance in expenditures is attributable in part to:

- the county's policy to leave vacated positions unfilled for seven payroll periods, unless an exception is requested of, and approved by, Commissioners' Court;
- less-than-expected indigent health care expenditures;
- a legal settlement that was budgeted but that did not materialize;
- an increase in the budget for natural gas, electricity, and gasoline - the last of which caused a related increase in budgeted automobile fuel allowances - that exceeded the actual costs of these items;
- new multi-year capital work - for example, the above-mentioned LEGIS technology project - the remaining project-length budgets of which exceed single-year actual expenditures, especially in the early years of construction or acquisition.

## Capital Asset and Debt Administration

### Capital Assets

The county's investment in capital assets at September 30, 2007, net of accumulated depreciation, totaled \$264,524,580, an increase of \$ 8,583,604 (3.4%). 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 improvements to various county facilities continued. Completed were the renovation of the county courthouse and the Pearson Road improvement project, both classified as construction in progress at last fiscal year-end. These two projects were transferred from construction in progress to the buildings-and-improvements and infrastructure asset classes, respectively. At September 30, 2007, construction in progress related to buildings, improvements other than buildings, and infrastructure totaled \$2,167,549, \$42,558, and \$948,143, respectively.

### COUNTY OF GALVESTON, TEXAS Capital Assets (Net of Depreciation) At September 30, 2007

	<u>2007</u>	<u>2006</u>
Land	\$ 27,793,155	\$ 22,063,116
Infrastructure	70,442,761	71,345,598
Buildings and Improvements	148,994,627	140,905,076
Machinery and Equipment	13,444,598	13,110,099
Improvements Other than Buildings	691,189	1,467,234
Construction in Progress	3,158,250	7,049,853
Total	<u>\$ 264,524,580</u>	<u>\$ 255,940,976</u>

Additional information on the county's capital assets is found in Note III.C. to the Financial Statements on pages 62 and 63 of this report.

### Debt Administration

At September 30, 2007, the county's outstanding bonded debt, including cumulative accretion, totaled \$242,183,137, comprising \$52,135,000 in certificates of obligation and \$190,048,137 in general obligation bonds, all of which is backed by the full faith and credit of the government.

### GALVESTON COUNTY, TEXAS Bonded Debt Outstanding, Including Cumulative Accretion At September 30, 2007

	<u>2007</u>	<u>2006</u>
Certificates of Obligation	\$ 52,135,000	\$ 54,150,000
General Obligation Bonds	190,048,137	145,138,537
Total	<u>\$ 242,183,137</u>	<u>\$ 199,288,537</u>

The county's outstanding bonded debt increased by 21.52% (\$42,894,600) during the fiscal year ended September 30, 2007. The increase was due to the issuance of \$48,270,000 in Pass-Through Toll Revenue and Limited Tax Bonds Series 2007 and current-year accretion of \$1,859,600, partially offset by \$7,235,000 in principal payments. 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 \$1,172,206,000, which significantly exceeds the amount of the county's outstanding general-obligation debt. In addition, Article III §52 of the Texas Constitution limits the amount of unlimited tax road bonds a governmental entity may issue to twenty-five percent of the assessed valuation of all taxable real property. The current applicable limit for the county is \$5,244,559,000, which also significantly exceeds the amount of the county's outstanding unlimited tax road bonds, including the cumulative accretion on capital-appreciation series.

Additional information concerning the county's long-term debt can be found in Note III.F. to the Financial Statements on pages 67 through 69 of this report.

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

During the fiscal year ended September 30, 2007, the General Fund's unreserved fund balance increased to \$28,864,952. The county has appropriated \$6,119,481 of the General Fund unreserved fund balance in its expenditure budget for the fiscal year ending September 30, 2007. The county has also designated \$5,692,649 of the unreserved fund balance for debt service, self-insurance, disaster protection, and other contingencies.

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 payments, the first of which occurred in December, 2004. All of these payments were funded by tax revenues. The third and final payment, in the amount of \$1,111,886, was dated November 1, 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.



## The Renovated Galveston County Courthouse

Remodeling of the Second-Floor  
Mezzanine, 2006 - 2007

# Basic Financial Statements

**GALVESTON COUNTY, TEXAS**  
**STATEMENT OF NET ASSETS**  
**September 30, 2007**

	<b>Governmental Activities</b>	<b>Component Unit</b>
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 99,825,628	\$ 591,438
Investments	27,804,864	4,195,346
Receivables (Net of Allowances for Uncollectibles):		
Taxes	14,000,686	-
Accounts and Other	10,670,622	2,916,626
Inventories	633,850	66,037
Prepaid Expenses	215,540	41,888
Deferred Charges	3,727,875	-
Restricted Assets:		
Cash and Cash Equivalents	449,571	-
Capital Assets (Net of Accumulated Depreciation):		
Land	27,793,155	-
Infrastructure	70,442,761	-
Buildings and Improvements	148,994,627	94,589
Machinery and Equipment	13,444,598	685,103
Improvements Other Than Buildings	691,189	879,969
Construction in Progress	3,158,250	-
<b>Total assets</b>	421,853,216	9,470,996
<b>LIABILITIES</b>		
Accounts Payable	8,274,055	1,089,798
Salaries Payable	1,666,679	-
Accrued Interest Payable	1,647,394	-
Retainage Payable	947,401	-
Estimated Liability - Claims and Judgements	2,749,500	-
Due to Others	438,690	218,851
Payable from Restricted Assets:		
Escrow Deposits	196,667	-
Unearned Revenues	2,233,057	1,742,945
Long-term liabilities:		
Due within one year	8,882,890	294,976
Due in more than one year	239,704,994	660,076
<b>Total liabilities</b>	266,741,327	4,006,646
<b>NET ASSETS</b>		
Invested in capital assets, net of related debt	117,621,862	1,170,887
Restricted for:		
Grants	481,729	-
Debt Service	12,820,178	-
Clinic Operations	-	1,736,427
Unrestricted	24,188,120	2,557,036
<b>Total net assets</b>	\$ 155,111,889	\$ 5,464,350

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



**GALVESTON COUNTY, TEXAS**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**September 30, 2007**

	General	Pass-Through Toll Revenue and Limited Tax Bonds Series 2007	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 1,933,792	\$ -	\$ 12,117,326	\$ 14,051,118
Investments	26,755,322	38,251,167	39,303,031	104,309,520
Receivables (Net of Allowances for Uncollectibles):				
Taxes	11,401,587	-	2,599,099	14,000,686
Accounts and Other	3,415,905	-	7,044,848	10,460,753
Due from Other Funds	3,085,669	-	114,059	3,199,728
Inventory at Cost	-	-	633,850	633,850
Prepaid Expenditures	-	-	4,378	4,378
Restricted Assets:				
Cash and Cash Equivalents	191,380	-	258,191	449,571
<b>Total assets</b>	<b>\$ 46,783,655</b>	<b>\$ 38,251,167</b>	<b>\$ 62,074,782</b>	<b>\$ 147,109,604</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts Payable	\$ 4,213,650	\$ 149,965	\$ 3,721,736	\$ 8,085,351
Salaries Payable	1,322,147	-	340,516	1,662,663
Compensated Absences Payable	4,040	-	2,325	6,365
Capital Leases Payable	287,615	-	-	287,615
Retainage Payable	-	-	947,401	947,401
Interest Payable	12,448	-	-	12,448
Due to Others	136,582	-	353,280	489,862
Liabilities Payable from Restricted Assets:				
Escrow Deposits	-	-	29,908	29,908
Deposits - Held	163,488	-	3,271	166,759
Due to Other Funds	95,703	-	3,104,025	3,199,728
Deferred Revenues	11,409,061	-	4,824,682	16,233,743
<b>Total liabilities</b>	<b>17,644,734</b>	<b>149,965</b>	<b>13,327,144</b>	<b>31,121,843</b>
<b>Fund Balances:</b>				
Reserved for:				
Restricted Assets	27,892	-	1,484	29,376
Encumbrances	246,077	1,578,718	637,372	2,462,167
Inventory	-	-	633,850	633,850
Debt Service	-	-	12,542,422	12,542,422
Bolivar Peninsula User Fees	-	-	223,528	223,528
Unreserved, Reported in:				
General Fund	28,864,952	-	-	28,864,952
Special Revenue Funds	-	-	21,490,809	21,490,809
Capital Projects Funds	-	36,522,484	13,218,173	49,740,657
<b>Total fund balances</b>	<b>29,138,921</b>	<b>38,101,202</b>	<b>48,747,638</b>	<b>115,987,761</b>
<b>Total liabilities and fund balances</b>	<b>\$ 46,783,655</b>	<b>\$ 38,251,167</b>	<b>\$ 62,074,782</b>	<b>\$ 147,109,604</b>

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

**GALVESTON COUNTY, TEXAS**  
**RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF NET ASSETS**  
**September 30, 2007**

Total fund balance, governmental funds	\$	115,987,761
Amounts reported for governmental activities in the Statement of Net Assets are different because:		
Capital assets used in governmental activities are not current financial resources and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Assets.		
		264,524,580
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.		
		2,346,760
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.		
		6,748,665
Some liabilities, (such as Long-term Claims and Judgements Payable, Long-term Compensated Absences, and Bonds Payable), are not due and payable in the current period and are not included in the fund financial statement, but are reported in the governmental activities of the Statement of Net Assets. These are as follows:		
Bonds payable		(232,163,422)
Accumulated accretion on capital appreciation bonds		(10,019,715)
Capital leases payable		(321,011)
Compensated absences		(3,564,495)
Interest on long-term debt		(1,583,774)
Premiums on issuance of debt		(2,225,261)
Deferred loss on refunding		1,381,115
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.		
		14,000,686
Net assets of governmental activities in the Statement of Net Assets	\$	155,111,889

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, 2007**

	General	Pass-Through Toll Revenue and Limited Tax Bonds Series 2007	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>				
Taxes	\$ 82,487,612	\$ -	\$ 21,322,115	\$ 103,809,727
Licenses and Permits	39,905	-	2,279,640	2,319,545
Intergovernmental	4,466,919	-	15,638,675	20,105,594
Charges for Services	7,300,940	-	2,988,245	10,289,185
Fines and Forfeitures	2,546,848	-	1,030,986	3,577,834
Investment Earnings	3,676,120	310,654	2,226,265	6,213,039
Miscellaneous	4,850,889	-	1,016,477	5,867,366
<b>Total revenues</b>	<b>105,369,233</b>	<b>310,654</b>	<b>46,502,403</b>	<b>152,182,290</b>
<b>EXPENDITURES</b>				
Current:				
General Government	48,230,460	-	1,668,763	49,899,223
Public Safety	24,301,375	-	15,624,475	39,925,850
Sanitation	-	-	86,890	86,890
Health and Social Services	13,272,897	-	1,948,691	15,221,588
Culture and Recreation	2,024,905	-	574,857	2,599,762
Conservation	400,505	-	-	400,505
Roads, Bridges, and Rights-of-Way	-	2,209,452	9,876,609	12,086,061
Debt Service:				
Principal Retirement	595,835	-	7,235,000	7,830,835
Interest and Fiscal Charges	38,561	-	7,840,223	7,878,784
Bond Issuance Costs	-	672,491	-	672,491
Refund-Prior Year Tax Revenue	-	-	159,172	159,172
Capital Outlay	1,936,714	-	17,206,310	19,143,024
<b>Total expenditures</b>	<b>90,801,252</b>	<b>2,881,943</b>	<b>62,220,990</b>	<b>155,904,185</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>14,567,981</b>	<b>(2,571,289)</b>	<b>(15,718,587)</b>	<b>(3,721,895)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	281,400	-	10,247,580	10,528,980
Transfers Out	(14,786,864)	-	(1,336,016)	(16,122,880)
Sale of Capital Assets	3,454,707	-	578,347	4,033,054
Face Value - Long Term Debt Issued	-	41,311,226	6,958,774	48,270,000
Premium - Long Term Debt Issued	-	119,982	-	119,982
Discount - Long Term Debt Issued	-	(758,717)	-	(758,717)
<b>Total other financing sources (uses)</b>	<b>(11,050,757)</b>	<b>40,672,491</b>	<b>16,448,685</b>	<b>46,070,419</b>
<b>Net change in fund balances</b>	<b>3,517,224</b>	<b>38,101,202</b>	<b>730,098</b>	<b>42,348,524</b>
<b>Fund balances-beginning</b>	<b>25,621,697</b>	<b>-</b>	<b>48,017,540</b>	<b>73,639,237</b>
<b>Fund balances-ending</b>	<b>\$ 29,138,921</b>	<b>\$ 38,101,202</b>	<b>\$ 48,747,638</b>	<b>\$ 115,987,761</b>

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

**GALVESTON COUNTY, TEXAS**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**For the Year Ended September 30, 2007**

Net change in fund balances - total governmental funds: \$ 42,348,524

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 \$19,143,024 plus donated assets of \$6,251,400 exceeded depreciation of \$13,647,820 in the current period.	11,746,604		
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.	(3,163,000)		
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.	1,103,640		
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.	(38,688,544)		
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	(269,061)		
Compensated absences	(322,019)		
Amortization of deferred charges	(88,217)		
Accretion of capital bond interest	(1,859,600)		
Bond issuance costs paid during the current year will be amortized over the life of the bonds.	672,491		
Internal service funds are used by management to charge the costs of certain activities, such as health insurance and workers' compensation insurance, to individual funds. The net revenue (expense) of certain internal service funds is reported with governmental activities.	2,838,511		
Change in net assets of governmental activities	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="border-top: 1px solid black; border-bottom: 3px double black;"></td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">14,319,329</td> </tr> </table>		14,319,329
	14,319,329		

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

**GALVESTON COUNTY, TEXAS**  
**STATEMENT OF NET ASSETS**  
**PROPRIETARY FUNDS**  
**September 30, 2007**

	<b>Governmental Activities - Internal Service Funds</b>
<b>ASSETS</b>	
Current Assets:	
Investments	\$ 9,269,854
Receivables (Net of Allowances for Uncollectibles):	
Accounts and Other	209,869
Prepaid Items	211,162
<b>Total current assets</b>	<b>9,690,885</b>
 <b>LIABILITIES</b>	
Current Liabilities:	
Accounts Payable	188,703
Salaries Payable	4,016
Estimated Liability - Claims	2,749,500
<b>Total current liabilities</b>	<b>2,942,219</b>
 <b>NET ASSETS</b>	
Unrestricted	6,748,666
<b>Total net assets</b>	<b>\$ 6,748,666</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, 2007**

	<b>Governmental Activities - Internal Service Funds</b>
<b>OPERATING REVENUES</b>	
Charges for Services	\$ 8,224,290
Insurance Recovery - County	20,190
Reimbursements	483,279
Miscellaneous	99,185
<b>Total operating revenues</b>	<b>8,826,944</b>
<b>OPERATING EXPENSES</b>	
Personal Services	138,156
Contract Services	636,580
Insurance	2,977,027
Claims Paid	7,836,632
<b>Total operating expenses</b>	<b>11,589,180</b>
<b>Operating income (loss)</b>	<b>(2,762,236)</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>	
Investment Earnings	6,849
<b>Income (loss) before transfers</b>	<b>(2,755,387)</b>
Transfers In	5,593,900
<b>Change in net assets</b>	<b>2,838,513</b>
<b>Total net assets-beginning</b>	<b>3,910,153</b>
<b>Total net assets-ending</b>	<b>\$ 6,748,666</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, 2007**

	<b>Governmental Activities - Internal Service Funds</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from Users	\$ 8,162,323
Payments to Suppliers	(3,646,662)
Payments to Employees	(138,542)
Payments for Claims	(6,833,616)
Other Operating Revenues	472,278
<b>Net cash provided (used) by operating activities</b>	<b>(1,984,219)</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Transfers in	5,593,900
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Purchase of Investments	(9,269,854)
Investment Earnings	6,849
<b>Net cash provided (used) by investing activities</b>	<b>(9,263,005)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(5,653,324)</b>
<b>Cash and Cash Equivalents October 1, 2006</b>	<b>5,653,324</b>
<b>Cash and Cash Equivalents September 30, 2007</b>	<b>\$ -</b>
<b>Reconciliation of operating income to net cash provided (used) by operating activities:</b>	
<b>Operating income (loss)</b>	<b>\$ (2,762,236)</b>
<b>Adjustments to reconcile operating income to net cash provided (used) by operating activities:</b>	
(Increase) Decrease in Accounts Receivable	(192,341)
(Increase) Decrease in Prepaid Items	104,188
Increase (Decrease) in Accounts Payable	140,317
Increase (Decrease) in Salaries Payable	(647)
Increase (Decrease) in Estimated Liability - Claims Payable	726,500
<b>Total adjustments</b>	<b>778,017</b>
<b>Net cash provided (used) by operating activities</b>	<b>\$ (1,984,219)</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, 2007**

	<b>AGENCY FUNDS</b>
<b>ASSETS</b>	
Investments	\$ 20,320,843
Receivables (Net of Allowances for Uncollectibles):	
Accounts and Other	38,517
Restricted Assets:	
Guardianship Assets	1,318,130
<b>Total assets</b>	<b>\$ 21,677,490</b>
<b>LIABILITIES</b>	
Accounts Payable	\$ 137,712
Due to Others	13,322,603
Due to Other Entities	5,607,297
Deposits Held	1,291,748
Deposits Held for Restricted Assets	1,318,130
<b>Total liabilities</b>	<b>\$ 21,677,490</b>

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



## The Renovated Galveston County Courthouse

Remodeling of the Fourth Floor, 2006 - 2007  
(Eventual Suite of the County Auditor's Office)

Galveston County, Texas  
Notes to the Financial Statements  
September 30, 2007

Page

<b>I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES</b>	
A. Reporting Entity	
1. Primary government .....	50
2. Component units.....	50
B. Government-wide and Fund Financial Statements .....	51
C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation.....	52
D. Assets, Liabilities, and Net Assets or Equity	
1. Deposits and investments .....	53
2. Receivables and payables .....	53
3. Inventories and prepaid items.....	54
4. Restricted assets .....	54
5. Capital assets .....	54
6. Compensated absences .....	55
7. Long-term obligations .....	56
8. Fund equity.....	56
9. Comparative data/reclassifications .....	56
10. Use of estimates.....	57
11. Indirect expense allocation .....	57
12. Restricted resources.....	57
<b>II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY</b>	
A. Budgetary Information .....	57
B. Excess of Expenditures over Appropriations .....	58
C. Deficit Fund Equity .....	58
<b>III. DETAILED NOTES ON ALL FUNDS</b>	
A. Deposits and Investments.....	58
B. Receivables .....	61
C. Capital Assets.....	62
D. Inter-fund Receivables, Payables, and Transfers .....	64
E. Leases.....	65
F. Long-term Debt.....	67
<b>IV. OTHER INFORMATION</b>	
A. Risk Management.....	70
B. Defeasance of Debt .....	70
C. Arbitrage Compliance .....	71
D. Guardianship Programs .....	71
E. Contingent Liabilities.....	72
F. Deferred Compensation Plan .....	72
G. Employee Retirement System and Pension Plan.....	73
H. Other Post-employment Benefits .....	74
I. Subsequent Events .....	75

## 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, sanitation, health and social services, 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 United Board of Health, that sets policy and associated operating budgets for the public-health, pollution-control, animal services, 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 Funds, and Fiduciary Funds financial statements are reported using the *economic resources measurement focus* (Agency Funds, one type of Fiduciary Fund, have no measurement focus) and the *accrual basis of accounting*. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Proprietary Funds distinguish *operating revenues and expenses* from *non-operating items*. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a Proprietary Fund's principal ongoing operations. The county's Proprietary Funds are its three Internal Service Funds; their operating revenues consist of charges to county employees and retirees for medical insurance, and reimbursements for claims from workers' compensation insurance. Operating expenses for these Internal Service Funds include the cost of services and administrative expenses.

Governmental Funds financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *measurable* if the transaction amounts can be determined and are considered to be *available* if they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this latter purpose, the government considers revenues to be available if they are collected within sixty days of the end of the fiscal period. Expenditures are generally recorded when a liability is incurred, as with accrual accounting. However, non-matured interest on general long-term debt 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 two major funds, both 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, sanitation, health and social services, culture and recreation, conservation, and capital outlay, in addition to general governmental administration.
- The Pass-Through Toll Revenue and Limited Tax Bonds Series 2007 Capital Projects Fund accounts for the financial resources used to design, develop, finance, construct, extend, expand, and improve a non-toll project or facility for Farm-to-Market Road 646, a part of the state highway system located in the county.

The government reports eighty-five 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:

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

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

##### **1. Deposits and investments**

The county's cash and cash equivalents are considered to comprise cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

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

Investments are stated at cost, amortized cost, or fair value. Investment earnings of \$1,035,328 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 had 100% of its investments in Texpool at year-end.

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

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

Activity between funds, and between the primary government and its discretely presented component unit, that is representative of lending/borrowing arrangements and for which balances were outstanding at

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

#### Ad-valorem property-tax receivables

The county sets its tax rate and those of the Farm-to-Market Lateral Road and Flood Control operations. All ad-valorem property-tax receivables are shown net of allowances for estimated uncollectible accounts. The allowances are set at 2.5% 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/dd/y1 - 09/dd/y1	– tax rates are formally adopted
10/01/y1	– taxes are levied, and tax bills are mailed as soon as practicable thereafter
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 (\$191,380), and of the Child Welfare (\$3,271), Flood Control (\$1,484), Beach and Parks (\$223,528), and Emergency Management (\$29,908) Special Revenue Funds, is restricted by contract and by state law.

### **5. Capital assets**

The county considers an asset to be a *capital asset* if it has an initial cost of at least \$5,000 and an *estimated useful life* that is longer than one year. Capital assets include land, construction in progress, buildings and improvements, improvements other than buildings, and machinery and equipment. 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 that it applies to other assets.

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

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

The cost of 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.

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

## 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 300 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 vacation 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, 2007 and 2006, the liabilities for compensated absences comprised the following:

	<u>2007</u>	<u>2006</u>
Earned, Unused Vacation Leave	\$ 2,923,700	\$ 2,746,754
Earned, Unused Sick Leave	647,160	508,314
Total	<u>\$ 3,570,860</u>	<u>\$ 3,255,068</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 effective-interest method. Bonds payable are reported net of any applicable bond premium or discount.

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

### 8. Fund equity

In the fund financial statements, Governmental Funds 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, 2007 and 2006, the county reported the following reservations and designations in its Governmental Funds:

	<u>2007</u>	<u>2006</u>		<u>2007</u>	<u>2006</u>
Reservations:			Designations:		
Restricted assets	\$ 29,376	\$ 1,391	Insecticide	\$ -	\$ 30,000
Encumbrances	2,462,167	5,791,003	Special lateral roads	325,719	303,031
Inventory	633,850	392,328	Debt service	-	500,000
Prepaid items	-	106,776	Indigent defense	682,638	426,398
Debt service	12,542,422	4,397,599	Self-insurance loss	1,500,000	1,500,000
Bolívar Peninsula user fees	223,528	-	Contingent liabilities	1,000,000	1,000,000
Total reservations	<u>\$ 15,891,343</u>	<u>\$ 10,689,097</u>	Disaster protection	2,500,000	3,912,100
			Capital projects	49,740,657	19,477,146
			Total designations	<u>\$ 55,749,014</u>	<u>\$ 27,148,675</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 expenditure/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-five Special Revenue Funds which do not adopt annual budgets are all thirty-one of the county’s grant funds and the fourteen following funds:

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

Legal budgetary control (i.e., the degree of detail at which expenditures may not legally exceed appropriations) rests at the department level. Within the departmental budget, expenditures are presented by line items (“object codes”) which are grouped into “major classes” such as Personal Services, Supplies, Other Services and Charges, Capital Outlay, and Debt Service.

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

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

*Encumbrance accounting* is employed in Governmental Funds. Encumbrances (e.g., purchase orders and contracts) outstanding at year-end are reported as 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, 2007, in the Sheriff’s Commissary Special Revenue Fund, expenditures exceeded appropriations at the departmental level (the level of legal budgetary control) by \$92,991. 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, 2007.

### **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: Amegy Bank, First Community Bank, Frost Bank, Texas First Bank – Dickinson, Texas First Bank - Galveston, Texas First Bank – Hitchcock, Texas First Bank – Santa Fe, and Texas First Bank - Texas City. The county’s depository contracts with these institutions ensure the protection of the county’s deposits through the Federal Deposit Insurance Corporation (the “FDIC”) and through qualified securities pledged by the institutions holding the deposits. The depository contracts are effective for the three-year period that began October 1, 2004, and expired September 30, 2007.

Pledged securities must meet the criteria of the county’s depository contracts and applicable state law. As of September 30, 2007, custodians are the Federal Reserve Bank of Dallas, Texas, and Chase Securities, Inc., of Houston, Texas.

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

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

*Deposits*

At September 30, 2007, the carrying value of the county's deposits totaled \$14,500,689 and the related balances per banks totaled \$17,608,523. The carrying value of the deposits of the Galveston County Health District discretely presented component unit totaled \$591,438 and the related balances per banks totaled \$699,222. The terms of the county's depository contract apply equally to the Health District, and the latter's deposits are therefore likewise secured by the insurance and/or pledged-securities collateral noted above.

Deposit custodial credit risk is the risk that, in the event of the financial failure of a depository, the county will not be able to recover deposits or collateral securities. The county would be exposed to this kind of risk if its deposits were not covered by depository insurance and were uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the county's name. The county's deposits at September 30, 2007, were secured by depository insurance or by collateral held by a third-party custodian in the county's name, and thus were not exposed to custodial credit risk.

*Investments*

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

Investments at September 30, 2007, consisted of certificates of deposit and holdings in local government investment pools with original maturities of four months or greater at the date of acquisition. The fair value of the county's investments totaled \$133,900,217 and the related bank balances totaled \$133,747,766. Investments are presented at amortized cost in accordance with *GASB Statement 31: Accounting and Financial Reporting for Certain Investments and for External Investment Pools*.

Schedule of Deposits and Investments at September 30, 2007	
	<u>Fair Value</u>
Deposits:	
Demand Deposits	\$ 14,500,689
Investments:	
Certificates of Deposit	27,124,985
Local Government Investment Pools -	
MBIA	90,626,328
Texpool	9,916,428
TexTerm	6,232,476
Total Investments	<u>133,900,217</u>
Total Deposits and Investments	<u>\$ 148,400,906</u>

### *Credit Risk*

State law and the county's investment policy limit investments in all categories to those most highly rated by nationally recognized statistical rating organizations. As of September 30, 2007, county investments had the following ratings:

Investment	Rating
Local Government Investment Pools:	
MBIA	AAA
Texpool	AAAm
TexTerm	AAAf

### *Interest Rate Risk*

Interest rate risk is the risk that changes in interest rates may adversely affect the value of investments. The county's investment policy limits the maturities of investments and prohibits investment for speculative gain. In accordance with its investment policy, the county reduces its exposure to declines in fair value 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 so as to ensure the preservation of capital in the overall portfolio.

At September 30, 2007, county exposure to interest-rate risk as measured by portfolio weighted average to maturity is as summarized below:

Investment Type	Fair Value	Weighted Average to Maturity in Days ("WAM")
Certificates of Deposit	\$ 27,124,985	225.93
Local Government Investment Pools:		
MBIA	90,626,328	41.00
Texpool	9,916,428	34.00
TexTerm	6,232,476	41.83
	<u>\$ 133,900,217</u>	
Portfolio Weighted Average to Maturity		<u>77.98</u>

### *Concentration of Credit Risk*

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

At September 30, 2007, the composition of the county's investment portfolio was as follows:

Investment Type	Fair Value	Percentage of Total Portfolio
Certificates of Deposit	\$ 27,124,985	20.26%
Local Government Investment Pools -		
MBIA	90,626,328	67.68%
Texpool	9,916,428	7.41%
TexTerm	6,232,476	4.65%
Total Investments	<u>\$ 133,900,217</u>	

At September 30, 2007, Galveston County's discretely presented component unit had 100% of its investment holdings in Texpool, which totaled \$4,195,346 .

### B. Receivables

At September 30, 2007, 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, 2006):

	General Fund	Nonmajor Governmental Funds	Internal Service and Fiduciary Funds	Total	Total 2006
Gross Receivables:					
Interest	\$ -	\$ -	\$ -	\$ -	\$ 573
Taxes	12,333,485	2,805,489	-	15,138,974	13,835,501
Accounts and Other	3,415,905	7,044,848	248,386	10,709,139	8,104,920
Total Gross Receivables	<u>15,749,390</u>	<u>9,850,337</u>	<u>248,386</u>	<u>25,848,113</u>	<u>21,940,994</u>
Less: Allowance for Uncollectibles	(931,898)	(206,390)	-	(1,138,288)	(938,457)
Total Net Receivables	<u>\$ 14,817,492</u>	<u>\$ 9,643,947</u>	<u>\$ 248,386</u>	<u>\$ 24,709,825</u>	<u>\$ 21,002,537</u>

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, 2007, the various components of deferred revenue reported in the Governmental Funds were as follows (with summary comparative amounts at September 30, 2006):

	General Fund	Special Revenue Funds	Debt Service Funds	Total 2007	Total 2006
Delinquent Property Taxes Receivable	\$ 11,401,588	\$ 737,570	\$ 1,861,530	\$ 14,000,688	\$ 12,897,044
Grants	-	2,222,886	-	2,222,886	2,001,543
Other	7,473	2,696	-	10,169	9,522
Total Deferred Revenue	<u>\$ 11,409,061</u>	<u>\$ 2,963,152</u>	<u>\$ 1,861,530</u>	<u>\$ 16,233,743</u>	<u>\$ 14,908,109</u>

### C. Capital Assets

#### Primary government

Capital-asset activity for the year ended September 30, 2007, which related solely to governmental activities, was as follows:

<u>Primary Government</u>	Beginning Balance, 10/1/2006	Additions	Deletions	Ending Balance, 9/30/2007
Governmental Activities -				
Capital Assets Not Being Depreciated:				
Land	\$ 22,063,116	\$ 7,393,783	\$ (1,663,744)	\$ 27,793,155
Construction in Progress	7,049,853	10,786,843	(14,678,446)	3,158,250
Total Capital Assets Not Being Depreciated	<u>29,112,969</u>	<u>18,180,626</u>	<u>(16,342,190)</u>	<u>30,951,405</u>
Capital Assets Being Depreciated:				
Buildings and Improvements	167,861,893	15,404,493	(73,313)	183,193,073
Improvements Other Than Buildings	1,876,916	57,137	(814,073)	1,119,980
Machinery and Equipment	29,738,298	4,156,720	(3,355,165)	30,539,853
Infrastructure	140,983,328	2,273,894	-	143,257,222
Total Capital Assets Being Depreciated	<u>340,460,435</u>	<u>21,892,244</u>	<u>(4,242,551)</u>	<u>358,110,128</u>
Less Accumulated Depreciation for:				
Buildings and Improvements	(26,956,817)	(7,282,077)	40,448	(34,198,446)
Improvements Other Than Buildings	(409,682)	(63,336)	44,227	(428,791)
Machinery and Equipment	(16,628,199)	(3,125,676)	2,658,620	(17,095,255)
Infrastructure	(69,637,730)	(3,176,731)	-	(72,814,461)
Total Accumulated Depreciation	<u>(113,632,428)</u>	<u>(13,647,820)</u>	<u>2,743,295</u>	<u>(124,536,953)</u>
Total Capital Assets Being Depreciated, Net	<u>226,828,007</u>	<u>8,244,424</u>	<u>(1,499,256)</u>	<u>233,573,175</u>
Governmental Activities Capital Assets, Net	<u>\$ 255,940,976</u>	<u>\$ 26,425,050</u>	<u>\$ (17,841,446)</u>	<u>\$ 264,524,580</u>

Depreciation expense for the primary government for the year ended September 30, 2007, which related solely to governmental activities, was charged to functions/programs as follows:

	<u>2007</u>	<u>2006</u>
General Government	\$ 7,715,555	\$ 4,317,268
Public Safety	2,979,633	2,840,267
Health and Social Services	147,412	115,477
Culture and Recreation	660,855	598,430
Conservation	16,811	16,779
Roads, Bridges, and Rights-of-way	2,127,554	2,027,861
Total Depreciation Expense	<u>\$ 13,647,820</u>	<u>\$ 9,916,082</u>

Capital projects of the primary government in progress at September 30, 2007, included road, park, and pump-station improvements. At that date, construction commitments with contractors comprised the following:

<u>Project</u>	Amount		Remaining Commitment
	Authorized	Spent to Date	
Texas City Pump Station Improvements	\$ 2,167,548	\$ 2,167,548	\$ -
Carbide Park Therapeutic Garden	42,559	42,559	-
San Leon Road Project	900,052	880,359	19,693
Jack Brooks Park Equestrian Trail	7,788	7,788	-
Skyline Drive - Grand Cay Project	76,759	59,996	16,763
Total	<u>\$ 3,194,706</u>	<u>\$ 3,158,250</u>	<u>\$ 36,456</u>

The Texas City Pump Station improvements and the San Leon Road project are financed by the county's operating funds, while the Carbide Park Therapeutic Garden and the Jack Brooks Park Equestrian Trail are financed by grants. 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, 2007, follows.

<u>Galveston County Health District</u>	Beginning Balance, 10/1/2006	Additions	Deletions	Ending Balance, 9/30/2007
	Capital Assets Being Depreciated:			
Buildings and Improvements	\$ 120,790	\$ 16,175	\$ -	\$ 136,965
Furniture and Equipment	930,626	476,580	-	1,407,206
Vehicles	1,258,183	351,616	(117,815)	1,491,984
Total Capital Assets Being Depreciated	<u>2,309,599</u>	<u>844,371</u>	<u>(117,815)</u>	<u>3,036,155</u>
Less Accumulated Depreciation for:				
Buildings and Improvements	(25,229)	(17,147)	-	(42,376)
Furniture and Equipment	(646,189)	(75,914)	-	(722,103)
Vehicles	(569,252)	(160,578)	117,815	(612,015)
Total Accumulated Depreciation	<u>(1,240,670)</u>	<u>(253,639)</u>	<u>117,815</u>	<u>(1,376,494)</u>
Total Capital Assets, Net	<u>\$ 1,068,929</u>	<u>\$ 590,732</u>	<u>\$ -</u>	<u>\$ 1,659,661</u>

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

Amounts due to/from funds of the county at September 30, 2007, are as follows (with summary comparative amounts at September 30, 2006):

<u>Payable Reported by:</u>	<u>Receivable Reported by:</u>		<u>Total 2007</u>	<u>Total 2006</u>
	<u>General Fund</u>	<u>Nonmajor Governmental Funds</u>		
General Fund	\$ -	\$ 95,703	\$ 95,703	\$ 43,731
Nonmajor Governmental Funds	3,085,669	18,356	3,104,025	2,167,367
Total	<u>\$ 3,085,669</u>	<u>\$ 114,059</u>	<u>\$ 3,199,728</u>	<u>\$ 2,211,098</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 Governmental and Internal Service Funds for the year ended September 30, 2007, are as follows (with summary comparative amounts for the year ended September 30, 2006):

<u>Transfers Out</u>	<u>Transfers In</u>			<u>Total 2007</u>	<u>Total 2006</u>
	<u>General Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Internal Service Funds</u>		
General Fund	\$ -	\$ 10,130,464	\$ 4,656,400	\$ 14,786,864	\$ 8,076,163
Nonmajor Governmental Funds	281,400	117,116	937,500	1,336,016	2,635,068
Total Transfers Out	<u>\$ 281,400</u>	<u>\$ 10,247,580</u>	<u>\$ 5,593,900</u>	<u>\$ 16,122,880</u>	<u>\$ 10,711,231</u>

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

**E. Leases**

*Operating Leases*

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, 2007. The minimum lease cost is \$71,439 per month, and the lease cost for the year ended September 30, 2007 was \$979,338. The future minimum payments for this lease are as follows:

<u>Year Ending September 30,</u>	<u>Amount</u>
2008	\$ 857,268
2009	857,268
2010	857,268
2011	857,268
2012	642,951
Total	<u><u>\$ 4,072,023</u></u>

*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, ended 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, 2007, the accumulated depreciation related to, and the net book value of, these capital-lease assets were \$520,345 and \$145,636, respectively.

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

<u>Year Ending September 30,</u>	<u>Governmental Activities</u>	
	<u>Law-enforcement Computers</u> @ 4.15% interest/year	<u>Various Departments' Computers</u> @ 4.328% interest/year
2007 (see below)	\$ -	\$ 300,063
2008	334,334	-
Subtotal	<u>334,334</u>	<u>300,063</u>
Less: interest	(13,323)	(12,448)
Total	<u><u>\$ 321,011</u></u>	<u><u>\$ 287,615</u></u>

The capital-lease payment of \$287,615 for fiscal year 2007 was due in August 2007 but was not paid until October 31, 2007. The principal portion 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, Infants’, and Children’s (“WIC”) 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, 2007; minimum lease payments total \$1,713 per month

*With the EETCO Texas General Partnership -*

- for space in Dickinson, Texas, for the WIC 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 WIC Program – two-year lease commenced January 1, 2007; minimum lease payments total \$1,170 per month

In total, the Galveston County Health District incurred lease expenditures of \$747,393 and \$719,237 during the years ended September 30, 2007 and 2006, respectively. Future minimum lease payments for the next five years are as follows:

<u>Year Ending</u> <u>September 30,</u>	<u>Amount</u>
2008	\$ 720,000
2009	595,098
2010	509,220
2011	454,337
2012	10,278
Total	<u>\$ 2,288,933</u>

**F. Long-term Debt**

*General-obligation debt*

Primary Government

The county issues general-obligation debt:

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

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

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

Generally, debt-service payments are funded primarily 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 each outstanding bond issue. The bond indentures prescribe various other restrictions related to general-obligation debt with which the county believes that it is in compliance.

An exception to the norm of servicing debt primarily through ad-valorem tax revenues may occur with the Pass-Through Toll Revenue and Limited Tax Bonds Series 2007. These bonds were issued in August, 2007, to fund the expansion and improvement of Farm-to-Market Road 646, a segment of the state highway system located in the county. Upon the completion of the project (estimated to last several years), the state will fund some or all of the county’s debt service payments, this amount to be determined based upon road usage. The county issued bonds, in addition to those required to fund construction, specifically to fund debt service until project completion and the subsequent start of receipt of state monies.

The amount of general-obligation bonds issued in prior years is \$257,803,939. During the fiscal year ended September 30, 2007, the county issued \$48,270,000 in principal of Pass-Through Toll Revenue and Limited Tax Bonds Series 2007. See Note I, “Subsequent Events,” on page 75, for disclosure of two issuances of long-term debt subsequent to September 30, 2007, but prior to the date of the audit report.

General-obligation debt principal currently outstanding is as follows:

Purpose	Interest Rates	Total	Amount of Total That Is:	
			Capital-Related	Non-Capital Related
Governmental Activities	3.00-5.66 %	\$ 197,083,434	\$ 124,972,062	\$ 72,111,372
Governmental Activities - Refunding	3.00-5.50 %	35,079,988	25,235,000	9,844,988
		<u>\$ 232,163,422</u>	<u>\$ 150,207,062</u>	<u>\$ 81,956,360</u>

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

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>
2008	\$ 7,555,000	\$ 9,714,494
2009	7,860,000	9,410,458
2010	8,565,000	9,073,142
2011	8,890,000	8,703,861
2012	9,714,988	9,054,742
2013	10,870,000	7,869,211
2014	11,365,000	7,353,717
2015	11,915,000	6,777,598
2016	12,540,000	6,152,763
2017	9,222,137	9,553,424
2018	9,257,088	9,469,363
2019	9,350,489	9,356,627
2020	9,654,273	9,229,915
2021	9,810,965	9,059,816
2022	9,971,822	8,870,885
2023	10,176,620	8,664,749
2024	10,390,405	8,434,701
2025	10,605,544	8,198,262
2026	10,864,091	7,935,609
2027	17,025,000	1,710,116
2028	17,895,000	848,806
2029	3,340,000	330,175
2030	2,600,000	191,188
2031	2,725,000	64,719
Total	<u>\$ 232,163,422</u>	<u>\$ 166,028,341</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 to Banc of America, due in twelve quarterly payments of \$35,752.66 including interest at 4.38%. The note is secured by an ambulance and related equipment. Balance at September 30, 2007 was \$239,659.
- Note payable dated December 2006 to CIT Communications Finance Corporation, due in thirty-six monthly principal payments of \$6,154.77 plus interest at 5.80%. Balance at September 30, 2007 was \$155,446.
- Note payable dated September 2007 to Texas First Bank, due in monthly payments of \$8,019.41 including interest at 5.00%. The note is secured by an ambulance. Balance at September 30, 2007 was \$93,674.

Annual debt-service requirements to maturity are as follows:

Year Ending September 30.	Principal	Interest	Total
2008	\$ 294,976	\$ 20,263	\$ 315,239
2009	175,512	5,604	181,116
2010	18,286	177	18,463
	<u>\$ 488,774</u>	<u>\$ 26,044</u>	<u>\$ 514,818</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 agreement 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 third and final payment, in the amount of \$1,111,886, was dated November 1, 2006.

*Changes in Long-term Liabilities*

Long-term liability activity for the year ended September 30, 2007, was as follows:

	Beginning Balance, 10/1/2006	Additions	Reductions	Ending Balance, 9/30/2007	Due Within One Year
<u>Primary Government</u>					
Bonds Payable:					
General Obligation Bonds	\$ 191,128,422	\$ 48,270,000	\$ 7,235,000	\$ 232,163,422	\$ 7,555,000
Accumulated Accretion	8,160,115	1,859,600	-	10,019,715	-
Plus Deferred Amounts:					
Issuance Premiums	3,223,638	-	998,377	2,225,261	-
Total Bonds Payable	202,512,175	50,129,600	8,233,377	244,408,398	7,555,000
Claims and Judgments	1,111,886	-	1,111,886	-	-
Capital Leases Payable	1,192,529	-	583,903	608,626	608,626
Compensated Absences	3,255,068	729,819	414,027	3,570,860	719,264
Governmental Activity					
Total Long-term Liabilities	<u>\$ 208,071,658</u>	<u>\$ 50,859,419</u>	<u>\$ 10,343,193</u>	<u>\$ 248,587,884</u>	<u>\$ 8,882,890</u>
<u>Component Unit</u>					
Notes Payable	\$ 361,091	\$ 416,250	\$ 288,567	\$ 488,774	\$ -
Compensated Absences	471,031	765,284	770,037	466,278	-
Total Long-term Liabilities	<u>\$ 832,122</u>	<u>\$ 1,181,534</u>	<u>\$ 1,058,604</u>	<u>\$ 955,052</u>	<u>\$ -</u>

A capital lease payable of \$287,615 and a compensated-absences liability of \$6,365 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, 2007.

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

The county's Group Insurance, Workers' Compensation, and Self-Insurance Reserve Internal Service Funds account for the provision of services to the county and its employees for health, workers'-compensation, and casualty and liability (including crime, fidelity, professional liability, and property) insurance benefits. Various county departments participate in these funds' expenses based upon estimates of amounts needed to pay prior- and current-years' claims. The claims liabilities in the Group Insurance and Workers' Compensation Funds at September 30, 2007, 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 \$7,347,185 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 \$2,000,000 in aggregate claims.

The county's self-insurance coverage for workers' compensation claims provides medical and indemnification benefits for job-related injuries as is required by law. Excess claims are covered by a policy with Safety National Casualty Corporation. The retention (i.e., deductible) is \$300,000 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 \$2,348,594, 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>09/30/2007</u>	Year Ended <u>09/30/2006</u>
Unpaid Claims, Beginning of Fiscal Year	\$ 2,023,000	\$ 2,023,000
Incurred (Including IBNR) Claims	8,563,131	7,071,190
Claim Payments	<u>(7,836,631)</u>	<u>(7,071,190)</u>
Unpaid Claims, End of Fiscal Year	<u>\$ 2,749,500</u>	<u>\$ 2,023,000</u>

**B. Defeasance of Debt**

The county sometimes issues refunding debt to defease outstanding debt, to take advantage of more favorable interest rates, and/or to otherwise improve cash flow. The proceeds of the new debt issuances are placed into irrevocable trusts to provide for all future debt-service payments for the defeased debt. In

accordance with generally accepted accounting principles, neither the assets in trust nor the liability for the defeased debt are included in the county's financial statements. On September 30, 2007, \$32.435 million of bonds outstanding are considered defeased. In the aggregate, these 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. Any yield restriction may be satisfied by making yield-reduction payments pursuant to Treasury Regulation Section 1.148-5(c).

The county presently:

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

The county continues to exercise reasonable diligence to apply any remaining unexpended debt proceeds to qualifying projects and to retire related debt issues still outstanding. The county contracts with Arbitrage Compliance Specialists of Englewood, Colorado, to perform annual arbitrage calculations required under Section 148(f) of the *Code*. The most recent calculations were made through December 31, 2007, and Arbitrage Compliance Specialists has opined that the county has no filing requirements or arbitrage rebate liability as of that date on any unexpended debt proceeds.

### **D. Guardianship Programs**

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

The Texas Probate Court defines guardian responsibilities and ward rights. At September 30, 2007 and 2006, Galveston County Department of Social Services employees were administering approximately \$1,318,130 as follows:

<u>Program</u>	<u>September 30, 2007</u>		<u>September 30, 2006</u>	
	<u>Number of Cases</u>	<u>Approximate Assets Administered</u>	<u>Number of Cases</u>	<u>Approximate Assets Administered</u>
Payee	70	\$ 106,315	56	\$ 138,897
Guardianship	87	1,083,944	85	1,472,136
Administration	2	127,871	2	58,061
Total	<u>159</u>	<u>\$ 1,318,130</u>	<u>143</u>	<u>\$ 1,669,094</u>

#### **E. Contingent Liabilities**

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

The county becomes party to lawsuits and other claims in the ordinary course of business. Pending actions include suits: for damages from a vehicular accident; for a contempt award and lost interest related to a minor's court-registry account; and for alleged violations of federal employment law by a former employee.

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

#### **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 employee deferred-compensation accounts until distribution. Both the county and employee contributions are forwarded monthly to selected third-party administrators who invest and disburse funds in accordance with Alternate Plan provisions.

Restricted deferred-compensation assets in the custody of third-party administrators at September 30, 2007 and 2006, consisted of the following:

	<u>2007</u>	<u>2006</u>
American United Life Accounts	\$ 44,588,980	\$ 41,412,136
Capital One (Coastal) Bank Account	7,762	7,731
Lincoln National Account	1,706,411	1,658,938
N.A.C.O. Account	2,804,278	2,308,781
Various Mutual Funds and Certificates of Deposit	327,519	524,442
Total Assets	<u>\$ 49,434,950</u>	<u>\$ 45,912,028</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 statewide Texas County and District Retirement System (“TCDRS”). This multiple-employer, public-employee retirement system, governed by the TCDRS Board of Trustees, administers approximately 500 non-traditional, defined-benefit pension plans. TCDRS in the aggregate issues, on a calendar-year basis, a comprehensive annual financial report which is available upon request from the TCDRS Board of Trustees at P.O. Box 2034, Austin, TX 78768-2034.

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

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

### *Funding policy*

The county has elected to follow the variable-rate-plan provisions of the *Act*. The employer contribution rate is actuarially determined each year as a percentage of employee earnings, subject to plan changes (e.g., for cost-of-living increases) adopted by the employer’s governing body within the constraints imposed by the *Act*. The employee contribution rate likewise is a percentage of employee earnings subject to adjustment by the governing body of the employer within the constraints of the *Act*. Funding is provided by monthly contributions from 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, 2007 and 2006, respectively. The employee contribution rate was 7% for both of the calendar years ended December 31, 2007 and 2006.

### *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 Alternate 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, 2007, both the cost of the county’s TCDRS pension plan and the county’s actual contributions totaled \$4,413,271. 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, 2006 and 2005, which were the basis for determining the contribution rates for calendar years 2007 and 2006. The most recent actuarial valuation is that of December 31, 2006.

<u>Actuarial Valuation Date</u>	<u>12/31/2006</u>	<u>12/31/2005</u>	<u>12/31/2004</u>
Actuarial Cost Method	Entry Age	Entry Age	Entry Age
Amortization Method	Level Percentage of Payroll, Closed	Level Percentage of Payroll, Open	Level Percentage of Payroll, Open
Amortization Period	15	20	20
Asset Valuation Method	SAF: 10-Yr. Smoothed Value; ESF: Fund Value	Long-term Appreciation, with Adjustment	Long-term Appreciation, with Adjustment
Actuarial Assumptions:			
Investment Return	8.0%	8.0%	8.0%
Projected Salary Increases	5.3%	5.3%	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, 2007	\$ 4,413,271	100%	-
September 30, 2006	\$ 3,938,136	100%	-
September 30, 2005	\$ 4,009,999	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, 2007, employees and those 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 employees and retirees.

Of the 339 current retirees, 127 are eligible for full health-insurance coverage and 212 receive the reduced Medicare-supplement insurance coverage. The plan is funded on a “pay-as-you-go” basis; the county paid \$953,931 for retiree health insurance for the fiscal year ended September 30, 2007.

## I. Subsequent Events

### *Long-Term Debt*

On November 20, 2007, the county issued \$88,425,000 in principal of General Obligation Refunding Bonds Series 2007, with annual maturities from February 1, 2008, through February 1, 2028, and with interest rates of 4.0% to 4.5%. The bonds were issued to advance-refund the following outstanding debt:

- \$1,250,000 in principal of Combination Tax and Revenue Certificates of Obligation Series 2002;
- \$895,000 in principal of Combination Tax and Revenue Certificates of Obligation Series 2002A;
- \$43,280,000 in principal of Limited Tax Criminal Justice Bonds Series 2003A; and
- \$34,130,000 in principal of Combination Tax and Revenue Certificates of Obligation Series 2003C.

On March 12, 2008, the county issued \$7,000,000 in principal of Certificates of Obligation Series 2008, with annual maturities from February 1, 2009, through February 1, 2013, all with the interest rate of 2.810022%. The certificates were issued to fund several road and flood-control capital projects, primarily to hurricane levees, pump stations, and tide gates in Texas City and La Marque.

The county insures its bonded debt obligations through bond insurers including Ambac, FGIC, FSA, and MBIA, two of which experienced downgraded “insured financial strength” ratings as a result of the recent surge in sub-prime mortgage default. The county’s bond counsel advised disclosure of these ratings downgrades, and the county has done so both to the investor community (via the Nationally Recognized Municipal Securities Information Repositories or “NRMSIRs” and the State Information Depositories or “SIDs”), as well as to the general public in Commissioners’ Court. Details of the disclosures made thus far are as follows:

- On January 18, 2008, Fitch Ratings downgraded the Insured Financial Strength rating of Ambac Assurance Corporation from AAA to AA;
- on January 30, 2008, Fitch Ratings downgraded the Insured Financial Strength rating of Financial Guaranty Insurance Company (“FGIC”) from AAA to AA;
- on January 31, 2008, Standard & Poor’s Ratings Services downgraded the Insured Financial Strength rating of FGIC from AAA to AA;
- on February 14, 2008, Moody’s Investors Service, Inc., downgraded the Insured Financial Strength rating of FGIC from AAA to A3.

The county’s total debt insured by Ambac Assurance Corporation is as follows:

Outstanding - \$32,565,000; advance-refunded - \$88,365,000.

The county’s total debt insured by FGIC is as follows:

Outstanding - \$32,338,434; advance-refunded - \$23,625,000.

The county will make additional disclosure should its bond insurers experience additional ratings downgrades.



## The Renovated Galveston County Courthouse

Glass Incorporated into Door Frames Illustrates  
The "Borrowed Light" Concept, Which Allows Natural  
Light to Penetrate to the Interior of Floors

## 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, 2007**

	Original Budget	Final Budget	Actual	Variance, Actual from Final Budget Positive (Negative)	Actual Prior Year
<b>REVENUES</b>					
Taxes	\$ 84,707,167	\$ 84,707,167	\$ 82,487,612	\$ (2,219,555)	\$ 76,911,309
Licenses and Permits	25,000	25,000	39,905	14,905	25,153
Intergovernmental	3,800,835	3,873,367	4,466,919	593,552	3,098,136
Charges for Services	6,772,149	6,752,149	7,300,940	548,791	7,182,859
Fines and Forfeitures	1,967,000	1,967,000	2,546,848	579,848	1,971,343
Investment	3,002,100	3,002,100	3,676,120	674,020	2,696,744
Miscellaneous	4,203,735	4,047,857	4,850,889	803,032	4,378,740
<b>Total revenues</b>	<b>104,477,986</b>	<b>104,374,640</b>	<b>105,369,233</b>	<b>994,593</b>	<b>96,264,284</b>
<b>EXPENDITURES</b>					
<b>General government</b>					
General Government	8,014,600	9,671,800	7,718,571	1,953,229	4,904,684
County Judge and Commissioners' Court	278,800	278,800	265,583	13,217	255,916
Commissioners' Court	659,900	659,900	645,394	14,506	613,237
County Clerk	2,508,000	2,534,100	2,277,604	256,496	2,129,675
War Veterans Office	77,000	90,000	80,519	9,481	67,669
Bail Bond Board	700	700	125	575	33
District Courts	3,217,900	3,224,400	2,928,951	295,449	2,709,139
10th District Court	152,900	154,800	154,752	48	144,169
56th District Court	142,000	144,200	144,100	100	133,887
122nd District Court	184,100	185,500	185,460	40	173,591
212th District Court	142,000	144,000	143,913	87	134,993
306th District Court	150,300	152,300	152,287	13	141,706
405th District Court	152,900	154,300	154,206	94	143,534
County Court #1	544,800	544,800	465,535	79,265	458,419
County Court #2	534,400	538,000	456,838	81,162	448,921
Probate Court	675,200	686,800	541,947	144,853	511,992
County Court #3	510,500	510,500	445,467	65,033	408,495
Justice Court Precinct #1	184,200	184,200	172,862	11,338	172,765
Justice Court Precinct #2	150,900	150,900	145,679	5,221	140,035
Justice Court Precinct #3	224,500	225,100	218,490	6,610	208,293
Justice Court Precinct #4	257,700	257,700	251,930	5,770	233,776
Justice Court Precinct #5	224,200	224,200	218,711	5,489	209,022
Justice Court Precinct #6	251,800	251,800	236,768	15,032	205,796
Justice Court Precinct #7	224,800	224,800	217,692	7,108	203,274
Justice Court Precinct #8	164,200	164,200	159,132	5,068	151,934
Justice Court Precinct #9	222,700	222,700	213,038	9,662	208,818
Indigent Defense	40,000	40,000	4,982	35,018	-
Jury and Trial Expense	68,600	68,600	44,935	23,665	63,915
District Clerk	2,704,000	2,716,972	2,414,432	302,540	2,320,621
District Attorney	4,063,300	4,246,400	4,105,568	140,832	3,684,172
Pre-Trial Release	344,700	344,700	342,548	2,152	292,170
County Auditor	2,207,600	2,207,600	1,910,604	296,996	1,866,307
Director of Finance/Administration/Budget Officer	864,000	806,500	707,401	99,099	751,504
County Tax Assessor-Collector	2,457,100	2,457,100	2,242,258	214,842	2,142,952
County Treasurer	481,000	481,000	430,375	50,625	425,142
Purchasing Agent	541,400	541,400	519,894	21,506	485,457
Legal Department	765,500	765,500	694,185	71,315	621,939
Human Resources	536,900	536,900	478,116	58,784	499,254
Information Technology	9,596,400	9,055,004	8,886,072	168,932	8,022,077
Facilities Services	6,190,300	6,429,322	6,425,613	3,709	4,265,659
County Engineer	519,900	552,944	427,923	125,021	422,196
<b>Total general government</b>	<b>51,231,700</b>	<b>52,830,442</b>	<b>48,230,460</b>	<b>4,599,982</b>	<b>40,977,138</b>

(Continued)

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

**For the Year Ended September 30, 2007**

	Original Budget	Final Budget	Actual	Variance, Actual from Final Budget Positive (Negative)	Actual Prior Year
<b>Public safety</b>					
Sheriff's Department	\$ 21,545,000	\$ 21,824,032	\$ 21,680,227	\$ 143,805	\$ 20,187,018
Constable Precinct #1	246,500	246,500	225,125	21,375	216,181
Constable Precinct #2	235,200	235,200	226,352	8,848	216,640
Constable Precinct #3	242,200	254,200	253,238	962	197,143
Constable Precinct #4	256,800	256,800	214,492	42,308	209,892
Constable Precinct #5	249,900	249,900	241,805	8,095	228,757
Constable Precinct #7	368,200	368,200	328,098	40,102	273,758
Constable Precinct #8	467,500	467,500	406,228	61,272	376,954
Constable Precinct #9	203,200	203,200	187,268	15,932	180,014
Emergency Management	495,100	584,574	538,542	46,032	447,401
<b>Total public safety</b>	<u>24,309,600</u>	<u>24,690,106</u>	<u>24,301,375</u>	<u>388,731</u>	<u>22,533,758</u>
<b>Health and social services</b>					
Community Services	5,481,900	5,554,700	5,184,506	370,194	5,184,112
Social Services	955,100	955,100	867,770	87,330	884,887
Senior Citizens	809,600	807,550	761,859	45,691	725,371
Public Health	6,458,200	6,480,200	6,458,762	21,438	6,314,958
<b>Total health and social services</b>	<u>13,704,800</u>	<u>13,797,550</u>	<u>13,272,897</u>	<u>524,653</u>	<u>13,109,328</u>
<b>Culture and recreation</b>					
Beach and Parks Department	2,424,500	2,528,423	2,024,905	503,518	2,042,167
<b>Conservation</b>					
County Extension Service	454,300	454,300	400,505	53,795	366,442
<b>Debt Service</b>					
Principal Retirement	-	595,835	595,835	-	571,622
Interest and Fiscal Charges	-	38,561	38,561	-	62,774
<b>Total debt service</b>	<u>-</u>	<u>634,396</u>	<u>634,396</u>	<u>-</u>	<u>634,396</u>
<b>Capital outlay</b>					
Land	-	25,227	-	25,227	812,773
Buildings and Improvement	327,500	437,300	36,901	400,399	121,080
Improvements Other Than Buildings	668,100	1,061,592	349,581	712,011	580,457
Machinery and Equipment	348,000	485,000	273,705	211,295	150,050
Vehicles	715,400	877,760	784,441	93,319	798,855
Technology	930,000	1,147,167	492,086	655,081	1,209,021
<b>Total capital outlay</b>	<u>2,989,000</u>	<u>4,034,046</u>	<u>1,936,714</u>	<u>2,097,332</u>	<u>3,672,236</u>
<b>Total expenditures</b>	<u>95,113,900</u>	<u>98,969,263</u>	<u>90,801,252</u>	<u>8,168,011</u>	<u>83,335,465</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>9,364,086</u>	<u>5,405,377</u>	<u>14,567,981</u>	<u>9,162,604</u>	<u>12,928,819</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	237,600	281,400	281,400	-	263,950
Transfers Out	(9,647,800)	(14,786,864)	(14,786,864)	-	(8,076,163)
Sale of Capital Assets	100,000	3,454,707	3,454,707	-	1,356,921
Transfers and Reserves	(3,100,000)	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>(12,410,200)</u>	<u>(11,050,757)</u>	<u>(11,050,757)</u>	<u>-</u>	<u>(6,455,292)</u>
<b>Net change in fund balances</b>	(3,046,114)	(5,645,380)	3,517,224	9,162,604	6,473,527
<b>Fund balances-beginning</b>	<u>25,621,697</u>	<u>25,621,697</u>	<u>25,621,697</u>	<u>-</u>	<u>19,148,170</u>
<b>Fund balances-ending</b>	<u>\$ 22,575,583</u>	<u>\$ 19,976,317</u>	<u>\$ 29,138,921</u>	<u>\$ 9,162,604</u>	<u>\$ 25,621,697</u>

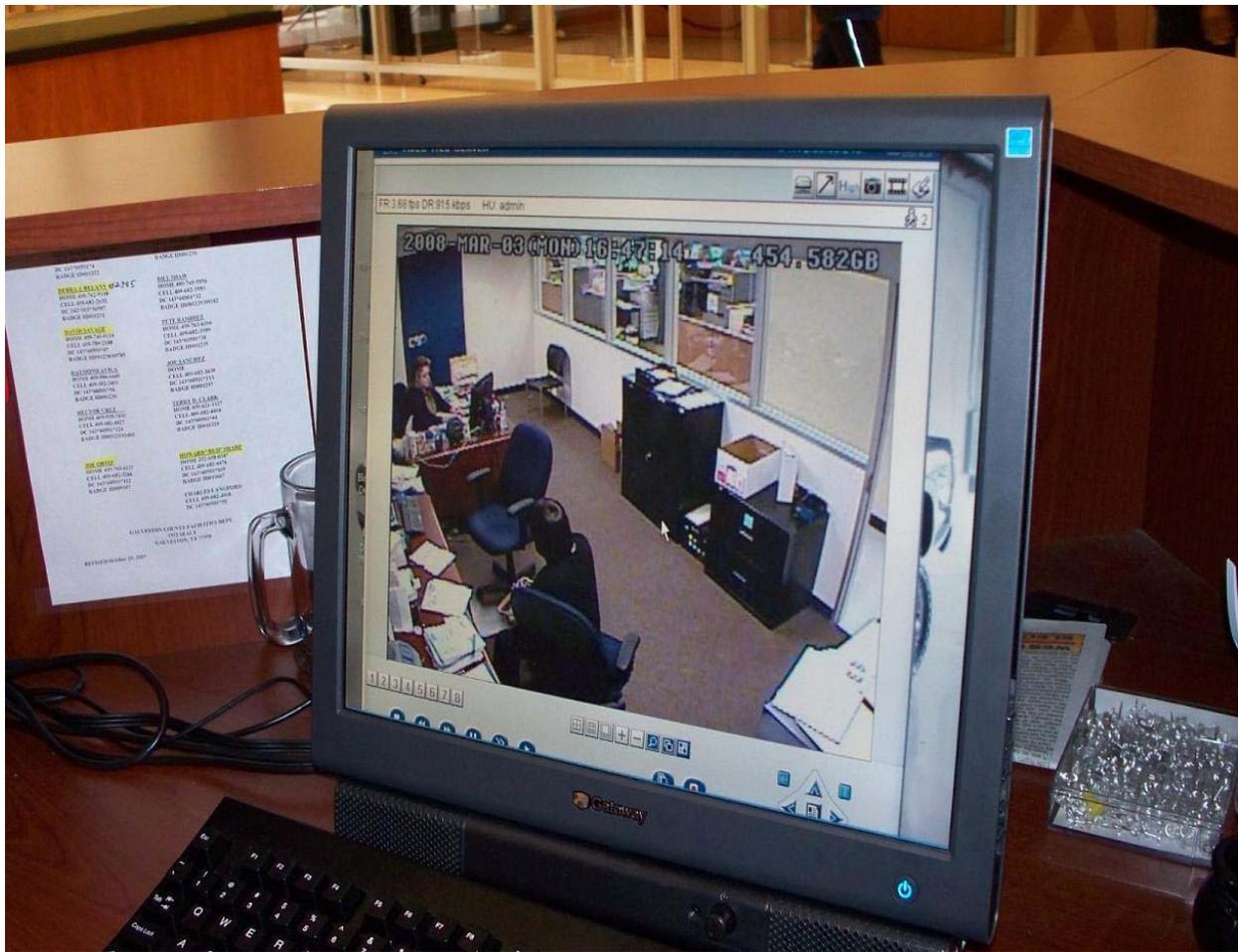
Galveston County, Texas  
Notes to the Required Supplementary Information  
For the Year Ended September 30, 2007

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, 2007

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
12/31/2004	\$ 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%
12/31/2006	\$ 147,850,183	\$ 157,225,561	\$ 9,375,378	94.04%	\$ 42,360,523	22.13%



The Renovated Galveston County Courthouse  
Security Desk in First-Floor Lobby, with  
Computer Monitoring Closed-Circuit Camera System

## 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 Pass-Through Toll Revenue and Limited Tax Bonds Series 2007 Capital Projects Fund qualifies as a major fund and is thus presented in the Basic Financial Statements of this report.

**GALVESTON COUNTY, TEXAS  
COMBINED BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
September 30, 2007**

	<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	\$ 12,117,326	\$ -	\$ -	\$ 12,117,326
Investments	9,852,572	12,564,908	16,885,551	39,303,031
Receivables (Net of Allowances for Uncollectibles):				
Taxes	737,571	1,861,528	-	2,599,099
Accounts and Other	6,816,444	21,294	207,110	7,044,848
Due from Other Funds	114,059	-	-	114,059
Inventory at Cost	633,850	-	-	633,850
Prepaid Expenditures	4,378	-	-	4,378
Restricted Assets:				
Cash and Cash Equivalents	258,191	-	-	258,191
<b>Total assets</b>	<b>\$ 30,534,391</b>	<b>\$ 14,447,730</b>	<b>\$ 17,092,661</b>	<b>\$ 62,074,782</b>
<b>LIABILITIES</b>				
Accounts Payable	\$ 1,033,562	\$ 1,546	\$ 2,686,628	\$ 3,721,736
Salaries Payable	340,516	-	-	340,516
Compensated Absences Payable	2,325	-	-	2,325
Retainage Payable	140,272	-	807,129	947,401
Due to Others	311,048	42,232	-	353,280
Payable from Restricted Assets:				
Escrow Deposits	29,908	-	-	29,908
Deposits - Held	3,271	-	-	3,271
Due to Other Funds	3,031,786	-	72,239	3,104,025
Deferred Revenues	2,963,152	1,861,530	-	4,824,682
<b>Total liabilities</b>	<b>7,855,840</b>	<b>1,905,308</b>	<b>3,565,996</b>	<b>13,327,144</b>
<b>FUND BALANCES</b>				
Reserved:				
Restricted Assets	1,484	-	-	1,484
Encumbrances	328,880	-	308,492	637,372
Inventory	633,850	-	-	633,850
Debt Service	-	12,542,422	-	12,542,422
Bolivar Peninsula User Fee	223,528	-	-	223,528
Unreserved:				
Designated:				
Special Lateral Roads	325,719	-	-	325,719
Capital Projects	-	-	13,218,173	13,218,173
Undesignated	21,165,090	-	-	21,165,090
<b>Total fund balances</b>	<b>22,678,551</b>	<b>12,542,422</b>	<b>13,526,665</b>	<b>48,747,638</b>
<b>Total liabilities and fund balances</b>	<b>\$ 30,534,391</b>	<b>\$ 14,447,730</b>	<b>\$ 17,092,661</b>	<b>\$ 62,074,782</b>

**GALVESTON COUNTY, TEXAS  
 COMBINED STATEMENT OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 For the Year Ended September 30, 2007**

	<b>SPECIAL REVENUE</b>	<b>DEBT SERVICE</b>	<b>CAPITAL PROJECTS</b>	<b>TOTAL NONMAJOR GOVERNMENTAL FUNDS</b>
<b>REVENUES</b>				
Taxes	\$ 5,606,839	\$ 15,715,276	\$ -	\$ 21,322,115
Licenses and Permits	2,279,640	-	-	2,279,640
Intergovernmental	14,868,458	-	770,217	15,638,675
Charges for Services	2,988,245	-	-	2,988,245
Fines and Forfeitures	1,030,986	-	-	1,030,986
Investment	715,952	386,968	1,123,345	2,226,265
Miscellaneous	1,014,377	-	2,100	1,016,477
<b>Total revenues</b>	<b>28,504,497</b>	<b>16,102,244</b>	<b>1,895,662</b>	<b>46,502,403</b>
<b>EXPENDITURES</b>				
Current:				
General Government	1,645,673	-	23,090	1,668,763
Public Safety	15,624,475	-	-	15,624,475
Sanitation	86,890	-	-	86,890
Health and Social Services	1,948,691	-	-	1,948,691
Culture and Recreation	574,857	-	-	574,857
Roads, Bridges and Rights-of-Way	4,599,171	-	5,277,438	9,876,609
Capital Outlay	5,635,038	-	11,571,272	17,206,310
Debt Service:				
Principal Retirement	-	7,235,000	-	7,235,000
Interest and Fiscal Charges	-	7,840,223	-	7,840,223
Refund-Prior Year Tax Revenue	-	159,172	-	159,172
<b>Total expenditures</b>	<b>30,114,795</b>	<b>15,234,395</b>	<b>16,871,800</b>	<b>62,220,990</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(1,610,298)</b>	<b>867,849</b>	<b>(14,976,138)</b>	<b>(15,718,587)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	5,254,270	318,200	4,675,110	10,247,580
Transfers Out	(1,260,906)	-	(75,110)	(1,336,016)
Sale of Capital Assets	578,347	-	-	578,347
Face Value - Long Term Debt Issued	-	6,958,774	-	6,958,774
<b>Total other financing sources (uses)</b>	<b>4,571,711</b>	<b>7,276,974</b>	<b>4,600,000</b>	<b>16,448,685</b>
<b>Net change in fund balances</b>	<b>2,961,413</b>	<b>8,144,823</b>	<b>(10,376,138)</b>	<b>730,098</b>
<b>Fund balances-beginning</b>	<b>19,717,138</b>	<b>4,397,599</b>	<b>23,902,803</b>	<b>48,017,540</b>
<b>Fund balances-ending</b>	<b>\$ 22,678,551</b>	<b>\$ 12,542,422</b>	<b>\$ 13,526,665</b>	<b>\$ 48,747,638</b>

NONMAJOR  
SPECIAL REVENUE FUNDS

PURPOSE:

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

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

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

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

COUNTY CLERK RECORDS MANAGEMENT AND PRESERVATION FEE (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 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 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 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 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 2111) – Chapter 23.12 of the *Property Tax Code* states that certain taxpayers of inventory held for sale in a trade or business must prepay their property taxes. The Tax Assessor-Collector Special Inventory Tax Escrow Fund accounts for any interest earned and any fines or penalties assessed for non-payment on these property taxes.

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

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 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 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 AND OTHER AGENCY FORFEITURES (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 2131) - Forfeitures after October 1989 collected by the District Attorney under *Code of Criminal Procedure* Chapter 59.06 regulations are accounted for in this fund. Forfeitures are used to defray expenses of the District Attorney's office.

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

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

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

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

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

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

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

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

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

ELECTION SERVICES CONTRACT (FUND 2103) – The Election Services Contract Fund was established pursuant to *Texas Election Code Chapter 123 Subchapter B*. Lessor which is the County of Galveston and the lessee enter into a lease agreement governed by and construed under the laws of the State of Texas to use electronic voting equipment and other related supplies and administrative fees incurred in the election services under Section 31.100(b), Texas Election Code. The fees collected by the County Clerks 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 INTENSIVE SUPERVISION PROGRAM (FUND 2842) - The Juvenile Probation I.S.P. is a supplemental funding by TJPC. Funds are discretionary funds that were applied for and received to offer an intensive Supervision Program to juvenile offenders that require maximum attention.

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

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

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

NARCOTICS TASK FORCE (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 VICTIMS ASSISTANCE (FUND 2874) - This grant funds a salaried position in the District Attorney's office whose responsibilities are to educate victims about available services, including financial assistance through the Crime Victims Compensation Act.

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

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

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

COMMUNITY DEVELOPMENT (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 (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 (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 (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) (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 (FUND 2891) - Texas Division of Emergency Management and Texas General Land Office has awarded several grants to Galveston County's Office of Emergency Management. These grants have funded HAZMAT equipment, and beach renourishment of Rollover Pass with used dredged materials.

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

SENIOR SERVICES - SPECIAL PROJECTS/SERVICES (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.

STATE CRIMINAL ALIEN ASSISTANCE PROGRAM (FUND 2867) - SCAAP provides federal payments to States and localities that incurred correctional officer salary costs for incarcerating undocumented criminal aliens with at least one felony or two misdemeanor convictions for violations of State or local law, and incarcerated for at least four consecutive days during the reporting period. Grant funding is through the Bureau of Justice Assistance.

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

COMMUNITY DEVELOPMENT BLOCK – MEALS ON WHEELS (FUND 2927) – The City of Galveston has a contract with the Galveston County’s Senior Citizens to fund meals for home bound senior citizens who reside in the City of Galveston. These funds are provided by the City of Galveston Community Development Block Grant.

COUNTY BEACH AND PARKS PROJECTS (FUND 2962) - The National Oceanic Atmospheric Administration, U.S. Department of the Interior, Texas Parks and Wildlife Department, Texas Commission on Environmental Quality, Texas General Land Office and Union Carbide have awarded various grants to Galveston County. These grants were used to purchase land for a wetland protection project (McAllis Point), an ADA equestrian trail at Jack Brooks Park, clean up of Clear Creek and plans for a Therapeutic Gardens at Union Carbide Park.

KEMPNER (FUND 2925) – The Harris and Eliza Kempner Fund has awarded several grants to Galveston County’s Senior Citizens. These grants were used to provide legal service seminars for senior citizens in Galveston County.

TEXAS VICTIM INFORMATION AND NOTIFICATION EVERY DAY (“V.I.N.E.”) (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 (“H.A.V.A.”) (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 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 – SHERIFF’S 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.

INTENSIVE COMMUNITY-BASED PROGRAM (FUND 2843) – The Juvenile Probation Intensive Community Based Program fund is funded by the Texas Juvenile Probation Commission which provides funding for services for habitual misdemeanor youth. The grant funds are intended to serve a priority population of juvenile offenders adjudicated for misdemeanor offenses that, under prior law, were eligible for commitment to the Texas Youth Commission (TYC). [SB103, 80th Legislature Regular Session (2007)].

MOSQUITO CONTROL (FUND 2945) – The Texas Department of Health Services awarded a grant to Galveston County Mosquito Control. This grant was used to educate the community and staff on mosquito surveillance and various mosquito control actions.



The Renovated Galveston County Courthouse  
Emergency Generator in the Courthouse Annex

**GALVESTON COUNTY, TEXAS  
COMBINING BALANCE SHEET  
ALL NONMAJOR SPECIAL REVENUE FUNDS  
September 30, 2007  
With Comparative Totals at September 30, 2006**

	<b>ROAD AND BRIDGE</b>	<b>PUBLIC HEALTH</b>	<b>JUVENILE JUSTICE</b>	<b>ADULT PROBATION</b>
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ -	\$ 20,363	\$ 1,799,020	\$ 430,348
Investments	4,994,273	-	-	-
Receivables (Net of Allowances for Uncollectibles):				
Interest	-	-	-	-
Taxes	143,031	-	-	-
Accounts and Other	1,255,439	3,361	142,927	105,008
Due from Others	-	-	-	-
Inventory at Cost	313,509	-	-	-
Prepaid Expenditures	-	-	-	4,378
Restricted Assets:				
Cash and Cash Equivalents	-	-	-	-
<b>Total assets</b>	<b><u>\$ 6,706,252</u></b>	<b><u>\$ 23,724</u></b>	<b><u>\$ 1,941,947</u></b>	<b><u>\$ 539,734</u></b>
<b>LIABILITIES</b>				
Accounts Payable	\$ 412,320	\$ -	\$ 30,063	\$ 30,424
Salaries Payable	55,526	23,724	82,730	55,043
Compensated Absences Payable	-	-	2,236	-
Retainage Payable	42,206	-	-	-
Due to Others	1,243	-	950	-
Payable from Restricted Assets:				
Escrow Deposits	-	-	-	-
Deposits - Held	-	-	-	-
Due to Other Funds	-	-	-	-
Deferred Revenues	145,727	-	-	152,123
<b>Total liabilities</b>	<b><u>657,022</u></b>	<b><u>23,724</u></b>	<b><u>115,979</u></b>	<b><u>237,590</u></b>
<b>FUND BALANCES</b>				
Reserved:				
Restricted Assets	-	-	-	-
Encumbrances	68,098	-	-	-
Inventory	313,509	-	-	-
Bolivar Peninsula User Fee	-	-	-	-
Unreserved:				
Designated:				
Insecticide	-	-	-	-
Special Lateral Roads	-	-	-	-
Undesignated	5,667,623	-	1,825,968	302,144
<b>Total fund balances</b>	<b><u>6,049,230</u></b>	<b><u>-</u></b>	<b><u>1,825,968</u></b>	<b><u>302,144</u></b>
<b>Total liabilities and fund balances</b>	<b><u>\$ 6,706,252</u></b>	<b><u>\$ 23,724</u></b>	<b><u>\$ 1,941,947</u></b>	<b><u>\$ 539,734</u></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>
\$ 502,302	\$ 272,678	\$ 199,541	\$ -	\$ 3,188,584
-	-	-	1,092,438	-
-	-	-	-	-
-	-	-	4,633	-
180	19,327	71,389	7,600	18,614
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	3,271	223,528	-	-
<u>\$ 502,482</u>	<u>\$ 295,276</u>	<u>\$ 494,458</u>	<u>\$ 1,104,671</u>	<u>\$ 3,207,198</u>
\$ 25,640	\$ 69,263	\$ 43,252	\$ 3,121	\$ 21,999
1,508	-	2,068	-	6,442
-	-	-	-	-
-	-	960	-	-
-	-	-	-	-
-	3,271	-	-	-
-	-	-	-	-
-	-	-	4,632	-
<u>27,148</u>	<u>72,534</u>	<u>46,280</u>	<u>7,753</u>	<u>28,441</u>
-	-	-	-	-
-	-	-	1,632	219,900
-	-	-	-	-
-	-	223,528	-	-
-	-	-	-	-
-	-	-	-	-
<u>475,334</u>	<u>222,742</u>	<u>224,650</u>	<u>1,095,286</u>	<u>2,958,857</u>
<u>475,334</u>	<u>222,742</u>	<u>448,178</u>	<u>1,096,918</u>	<u>3,178,757</u>
<u>\$ 502,482</u>	<u>\$ 295,276</u>	<u>\$ 494,458</u>	<u>\$ 1,104,671</u>	<u>\$ 3,207,198</u>

**GALVESTON COUNTY, TEXAS  
COMBINING BALANCE SHEET  
ALL NONMAJOR SPECIAL REVENUE FUNDS  
September 30, 2007  
With Comparative Totals at September 30, 2006**

	<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	\$ 182,019	\$ 57,293	\$ 373,318	\$ 352,448
Investments	-	-	-	-
Receivables (Net of Allowances for Uncollectibles):				
Interest	-	-	-	-
Taxes	-	-	-	-
Accounts and Other	3,069	-	2,644	990
Due from Others	-	-	-	-
Inventory at Cost	-	-	-	-
Prepaid Expenditures	-	-	-	-
Restricted Assets:				
Cash and Cash Equivalents	-	-	-	-
<b>Total assets</b>	<b><u>\$ 185,088</u></b>	<b><u>\$ 57,293</u></b>	<b><u>\$ 375,962</u></b>	<b><u>\$ 353,438</u></b>
<b>LIABILITIES</b>				
Accounts Payable	\$ -	\$ -	\$ 75	\$ 3,311
Salaries Payable	1,283	-	3,898	-
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><u>1,283</u></b>	<b><u>-</u></b>	<b><u>3,973</u></b>	<b><u>3,311</u></b>
<b>FUND BALANCES</b>				
Reserved:				
Restricted Assets	-	-	-	-
Encumbrances	-	-	-	-
Inventory	-	-	-	-
Bolivar Peninsula User Fee	-	-	-	-
Unreserved:				
Designated:				
Insecticide	-	-	-	-
Special Lateral Roads	-	-	-	-
Undesignated	183,805	57,293	371,989	350,127
<b>Total fund balances</b>	<b><u>183,805</u></b>	<b><u>57,293</u></b>	<b><u>371,989</u></b>	<b><u>350,127</u></b>
<b>Total liabilities and fund balances</b>	<b><u>\$ 185,088</u></b>	<b><u>\$ 57,293</u></b>	<b><u>\$ 375,962</u></b>	<b><u>\$ 353,438</u></b>

(Continued)

<u>TAX ASSESSOR- 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>
\$ 118,658	\$ 52,008	\$ 977,700	\$ 142,585	\$ -
-	-	-	-	2,050,077
-	-	-	-	-
-	-	136,958	-	38,467
3,033	-	10,166	-	66,522
-	-	-	-	-
-	-	320,341	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ 121,691</u>	<u>\$ 52,008</u>	<u>\$ 1,445,165</u>	<u>\$ 142,585</u>	<u>\$ 2,155,066</u>
\$ -	\$ 3,374	\$ 13,918	\$ 2,745	\$ 420
-	-	15,527	-	1,720
-	-	-	-	-
-	-	-	-	-
-	-	-	-	439
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	136,958	-	38,466
-	3,374	166,403	2,745	41,045
-	-	-	-	-
-	-	-	-	-
-	-	320,341	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	325,719
121,691	48,634	958,421	139,840	1,788,302
<u>121,691</u>	<u>48,634</u>	<u>1,278,762</u>	<u>139,840</u>	<u>2,114,021</u>
<u>\$ 121,691</u>	<u>\$ 52,008</u>	<u>\$ 1,445,165</u>	<u>\$ 142,585</u>	<u>\$ 2,155,066</u>

**GALVESTON COUNTY, TEXAS  
COMBINING BALANCE SHEET  
ALL NONMAJOR SPECIAL REVENUE FUNDS  
September 30, 2007  
With Comparative Totals at September 30, 2006**

	<b>FLOOD CONTROL</b>	<b>DISTRICT CLERK CHILD SUPPORT IV-D</b>	<b>DISTRICT ATTORNEY AND OTHER AGENCY FORFEITURES</b>	<b>DISTRICT ATTORNEY CONTRABAND POST-10/89</b>
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ -	\$ 97,797	\$ 13	\$ 45,793
Investments	1,715,784	-	-	-
Receivables (Net of Allowances for Uncollectibles):				
Interest	-	-	-	-
Taxes	414,482	-	-	-
Accounts and Other	3,752	-	-	-
Due from Others	-	-	-	-
Inventory at Cost	-	-	-	-
Prepaid Expenditures	-	-	-	-
Restricted Assets:				
Cash and Cash Equivalents	1,484	-	-	-
<b>Total assets</b>	<b>\$ 2,135,502</b>	<b>\$ 97,797</b>	<b>\$ 13</b>	<b>\$ 45,793</b>
<b>LIABILITIES</b>				
Accounts Payable	\$ 173,164	\$ -	\$ -	\$ 1,842
Salaries Payable	23,481	-	-	-
Compensated Absences Payable	-	-	-	-
Retainage Payable	98,066	-	-	-
Due to Others	439	-	-	-
Payable from Restricted Assets:				
Escrow Deposits	-	-	-	-
Deposits - Held	-	-	-	-
Due to Other Funds	-	-	-	-
Deferred Revenues	415,403	-	-	-
<b>Total liabilities</b>	<b>710,553</b>	<b>-</b>	<b>-</b>	<b>1,842</b>
<b>FUND BALANCES</b>				
Reserved:				
Restricted Assets	1,484	-	-	-
Encumbrances	10,138	-	-	-
Inventory	-	-	-	-
Bolivar Peninsula User Fee	-	-	-	-
Unreserved:				
Designated:				
Insecticide	-	-	-	-
Special Lateral Roads	-	-	-	-
Undesignated	1,413,327	97,797	13	43,951
<b>Total fund balances</b>	<b>1,424,949</b>	<b>97,797</b>	<b>13</b>	<b>43,951</b>
<b>Total liabilities and fund balances</b>	<b>\$ 2,135,502</b>	<b>\$ 97,797</b>	<b>\$ 13</b>	<b>\$ 45,793</b>

(Continued)

<b>DISTRICT ATTORNEY CHECK COLLECTION FEES</b>	<b>SHERIFF'S COMMISSARY</b>	<b>SHERIFF SEIZURES PRE-10/89</b>	<b>SHERIFF SEIZURES POST-10/89</b>	<b>TASK FORCE SEIZURES PRE-10/89</b>
\$ 73,743	\$ 736,828	\$ 213	\$ 50,440	\$ 53,733
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ 73,743</u>	<u>\$ 736,828</u>	<u>\$ 213</u>	<u>\$ 50,440</u>	<u>\$ 53,733</u>
\$ 13	\$ -	\$ 213	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	12,851	30,082
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>13</u>	<u>-</u>	<u>213</u>	<u>12,851</u>	<u>30,082</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
73,730	736,828	-	37,589	23,651
<u>73,730</u>	<u>736,828</u>	<u>-</u>	<u>37,589</u>	<u>23,651</u>
<u>\$ 73,743</u>	<u>\$ 736,828</u>	<u>\$ 213</u>	<u>\$ 50,440</u>	<u>\$ 53,733</u>

**GALVESTON COUNTY, TEXAS  
COMBINING BALANCE SHEET  
ALL NONMAJOR SPECIAL REVENUE FUNDS  
September 30, 2007  
With Comparative Totals at September 30, 2006**

	<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	\$ 171,982	\$ 75,201	\$ 274,580	\$ 572,035
Investments	-	-	-	-
Receivables (Net of Allowances for Uncollectibles):				
Interest	-	-	-	-
Taxes	-	-	-	-
Accounts and Other	-	-	-	404,186
Due from Others	-	-	-	18,356
Inventory at Cost	-	-	-	-
Prepaid Expenditures	-	-	-	-
Restricted Assets:				
Cash and Cash Equivalents	-	-	-	29,908
<b>Total assets</b>	<b>\$ 171,982</b>	<b>\$ 75,201</b>	<b>\$ 274,580</b>	<b>\$ 1,024,485</b>
<b>LIABILITIES</b>				
Accounts Payable	\$ -	\$ -	\$ -	\$ 31,584
Salaries Payable	-	-	-	5,225
Compensated Absences Payable	-	-	-	-
Retainage Payable	-	-	-	-
Due to Others	129,506	-	-	-
Payable from Restricted Assets:				
Escrow Deposits	-	-	-	29,908
Deposits - Held	-	-	-	-
Due to Other Funds	-	-	-	-
Deferred Revenues	-	-	-	42,332
<b>Total liabilities</b>	<b>129,506</b>	<b>-</b>	<b>-</b>	<b>109,049</b>
<b>FUND BALANCES</b>				
Reserved:				
Restricted Assets	-	-	-	-
Encumbrances	-	-	-	29,112
Inventory	-	-	-	-
Bolivar Peninsula User Fee	-	-	-	-
Unreserved:				
Designated:				
Insecticide	-	-	-	-
Special Lateral Roads	-	-	-	-
Undesignated	42,476	75,201	274,580	886,324
<b>Total fund balances</b>	<b>42,476</b>	<b>75,201</b>	<b>274,580</b>	<b>915,436</b>
<b>Total liabilities and fund balances</b>	<b>\$ 171,982</b>	<b>\$ 75,201</b>	<b>\$ 274,580</b>	<b>\$ 1,024,485</b>

CRIMINAL INVESTIGATIVE DIVISION SEIZURES POST-10/89	ELECTION SERVICES CONTRACT	GRANTS	TOTALS	
			2007	2006
\$ 5,919	\$ 177,711	\$ 1,112,473	\$ 12,117,326	\$ 20,447,873
-	-	-	9,852,572	-
-	-	-	-	88
-	-	-	737,571	683,545
-	7,477	4,690,760	6,816,444	4,939,567
-	-	95,703	114,059	43,731
-	-	-	633,850	392,328
-	-	-	4,378	-
-	-	-	258,191	29,811
<b>\$ 5,919</b>	<b>\$ 185,188</b>	<b>\$ 5,898,936</b>	<b>\$ 30,534,391</b>	<b>\$ 26,536,943</b>
\$ -	\$ -	\$ 166,821	\$ 1,033,562	\$ 1,262,633
-	-	62,341	340,516	314,948
-	-	89	2,325	1,192
-	-	-	140,272	118,657
5,919	-	128,659	311,048	231,977
-	-	-	29,908	24,802
-	-	-	3,271	3,618
-	-	3,031,786	3,031,786	2,167,367
-	-	2,027,511	2,963,152	2,694,611
5,919	-	5,417,207	7,855,840	6,819,805
-	-	-	1,484	1,391
-	-	-	328,880	856,500
-	-	-	633,850	392,328
-	-	-	223,528	-
-	-	-	-	30,000
-	-	-	325,719	303,031
-	185,188	481,729	21,165,090	18,133,888
-	185,188	481,729	22,678,551	19,717,138
<b>\$ 5,919</b>	<b>\$ 185,188</b>	<b>\$ 5,898,936</b>	<b>\$ 30,534,391</b>	<b>\$ 26,536,943</b>

**GALVESTON COUNTY, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**ALL NONMAJOR SPECIAL REVENUE FUNDS**  
**For the Year Ended September 30, 2007**  
**With Comparative Totals for the Year Ended September 30, 2006**

	<b>ROAD AND BRIDGE</b>	<b>PUBLIC HEALTH</b>	<b>JUVENILE JUSTICE</b>	<b>ADULT PROBATION</b>
<b>REVENUES</b>				
Taxes	\$ 2,654,509	\$ -	\$ -	\$ -
Licenses and Permits	2,279,640	-	-	-
Intergovernmental	1,525,555	-	434,594	2,242,339
Charges for Services	-	-	480	-
Fines and Forfeitures	890,796	-	-	-
Investment Earnings	267,150	-	16,677	35,697
Miscellaneous	45,418	-	17,321	4,134
<b>Total revenues</b>	<b>7,663,068</b>	<b>-</b>	<b>469,072</b>	<b>2,282,170</b>
<b>EXPENDITURES</b>				
Current :				
General Government	287,208	-	-	-
Public Safety	-	-	4,400,350	2,336,175
Sanitation	-	-	-	-
Health and Social Services	-	-	-	-
Culture and Recreation	-	-	-	-
Roads, Bridges, and Rights-of-Way	3,961,466	-	-	-
Capital Outlay	1,290,973	-	27,484	-
<b>Total expenditures</b>	<b>5,539,647</b>	<b>-</b>	<b>4,427,834</b>	<b>2,336,175</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>2,123,421</b>	<b>-</b>	<b>(3,958,762)</b>	<b>(54,005)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	3,961,300	-
Transfers Out	(765,000)	-	(103,400)	-
Sale of Capital Assets	43,986	-	-	-
<b>Total other financing sources (uses)</b>	<b>(721,014)</b>	<b>-</b>	<b>3,857,900</b>	<b>-</b>
Net change in fund balances	1,402,407	-	(100,862)	(54,005)
Fund balances-beginning	4,646,823	-	1,926,830	356,149
<b>Fund balances-ending</b>	<b>\$ 6,049,230</b>	<b>\$ -</b>	<b>\$ 1,825,968</b>	<b>\$ 302,144</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>
\$ -	\$ -	\$ -	\$ 177	\$ -
-	-	-	-	-
-	36,764	138,656	-	-
226,401	-	227,151	792,361	927,592
-	-	-	-	-
-	-	1,127	48,894	-
-	1,293	55	107,406	-
<u>226,401</u>	<u>38,057</u>	<u>366,989</u>	<u>948,838</u>	<u>927,592</u>
230,102	-	-	-	328,451
-	-	-	-	-
-	-	-	-	-
-	371,433	-	-	-
-	-	563,191	-	-
-	-	-	539,378	-
-	-	102,875	-	206,963
<u>230,102</u>	<u>371,433</u>	<u>666,066</u>	<u>539,378</u>	<u>535,414</u>
<u>(3,701)</u>	<u>(333,376)</u>	<u>(299,077)</u>	<u>409,460</u>	<u>392,178</u>
-	371,900	570,000	-	-
(800)	-	(2,400)	(108,600)	(62,100)
-	-	32,160	-	-
<u>(800)</u>	<u>371,900</u>	<u>599,760</u>	<u>(108,600)</u>	<u>(62,100)</u>
(4,501)	38,524	300,683	300,860	330,078
479,835	184,218	147,495	796,058	2,848,679
<u>\$ 475,334</u>	<u>\$ 222,742</u>	<u>\$ 448,178</u>	<u>\$ 1,096,918</u>	<u>\$ 3,178,757</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, 2007**  
**With Comparative Totals for the Year Ended September 30, 2006**

	<u>COUNTY RECORDS MANAGEMENT</u>	<u>DISTRICT CLERK RECORDS MANAGEMENT</u>	<u>COURTHOUSE SECURITY</u>	<u>MEDIATION SERVICES PROGRAM</u>
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for Services	145,041	27,764	237,780	111,215
Fines and Forfeitures	-	-	-	-
Investment Earnings	-	-	-	15,985
Miscellaneous	1,943	-	-	-
<b>Total revenues</b>	<u>146,984</u>	<u>27,764</u>	<u>237,780</u>	<u>127,200</u>
<b>EXPENDITURES</b>				
Current :				
General Government	220,569	-	-	35,999
Public Safety	-	-	180,097	-
Sanitation	-	-	-	-
Health and Social Services	-	-	-	-
Culture and Recreation	-	-	-	-
Roads, Bridges, and Rights-of-Way	-	-	-	-
Capital Outlay	-	-	-	-
<b>Total expenditures</b>	<u>220,569</u>	<u>-</u>	<u>180,097</u>	<u>35,999</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(73,585)</u>	<u>27,764</u>	<u>57,683</u>	<u>91,201</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	120,000	-	-	-
Transfers Out	(1,600)	(40,000)	(3,200)	-
Sale of Capital Assets	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>118,400</u>	<u>(40,000)</u>	<u>(3,200)</u>	<u>-</u>
<b>Net change in fund balances</b>	44,815	(12,236)	54,483	91,201
Fund balances-beginning	138,990	69,529	317,506	258,926
<b>Fund balances-ending</b>	<u>\$ 183,805</u>	<u>\$ 57,293</u>	<u>\$ 371,989</u>	<u>\$ 350,127</u>

(Continued)

<b>TAX ASSESSOR- 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>
\$ -	\$ -	\$ 961,205	\$ -	\$ 4,078
-	-	-	-	-
-	-	-	32,423	25,580
-	-	-	-	-
-	-	-	-	-
33,728	-	60,860	-	95,214
-	-	-	-	73,212
<u>33,728</u>	<u>-</u>	<u>1,022,065</u>	<u>32,423</u>	<u>198,084</u>
-	-	-	-	-
-	-	-	46,632	-
-	-	-	-	-
-	9,296	840,709	-	-
-	-	-	-	-
-	-	-	-	98,327
-	-	45,270	-	-
<u>-</u>	<u>9,296</u>	<u>885,979</u>	<u>46,632</u>	<u>98,327</u>
<u>33,728</u>	<u>(9,296)</u>	<u>136,086</u>	<u>(14,209)</u>	<u>99,757</u>
-	-	-	4,564	-
(22,700)	-	(11,400)	-	(43,000)
-	-	7,383	-	487,865
<u>(22,700)</u>	<u>-</u>	<u>(4,017)</u>	<u>4,564</u>	<u>444,865</u>
11,028	(9,296)	132,069	(9,645)	544,622
<u>110,663</u>	<u>57,930</u>	<u>1,146,693</u>	<u>149,485</u>	<u>1,569,399</u>
<u>\$ 121,691</u>	<u>\$ 48,634</u>	<u>\$ 1,278,762</u>	<u>\$ 139,840</u>	<u>\$ 2,114,021</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, 2005**  
**With Comparative Totals for the Year Ended September 30, 2006**

	<u>FLOOD CONTROL</u>	<u>DISTRICT CLERK CHILD SUPPORT IV-D</u>	<u>DISTRICT ATTORNEY AND OTHER AGENCY FORFEITURES</u>	<u>DISTRICT ATTORNEY CONTRABAND POST-10/89</u>
<b>REVENUES</b>				
Taxes	\$ 1,986,870	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental	-	4,868	-	-
Charges for Services	116,758	-	-	-
Fines and Forfeitures	-	-	-	32,848
Investment Earnings	106,285	-	-	-
Miscellaneous	47,371	-	-	-
<b>Total revenues</b>	<u>2,257,284</u>	<u>4,868</u>	<u>-</u>	<u>32,848</u>
<b>EXPENDITURES</b>				
Current :				
General Government	229,852	-	-	44,063
Public Safety	1,311,396	-	-	-
Sanitation	-	-	-	-
Health and Social Services	-	-	-	-
Culture and Recreation	-	-	-	-
Roads, Bridges, and Rights-of-Way	-	-	-	-
Capital Outlay	898,871	-	-	-
<b>Total expenditures</b>	<u>2,440,119</u>	<u>-</u>	<u>-</u>	<u>44,063</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(182,835)</u>	<u>4,868</u>	<u>-</u>	<u>(11,215)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	-	-
Transfers Out	(16,000)	-	-	-
Sale of Capital Assets	6,953	-	-	-
<b>Total other financing sources (uses)</b>	<u>(9,047)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balances</b>	<u>(191,882)</u>	<u>4,868</u>	<u>-</u>	<u>(11,215)</u>
Fund balances-beginning	1,616,831	92,929	13	55,166
<b>Fund balances-ending</b>	<u><u>\$ 1,424,949</u></u>	<u><u>\$ 97,797</u></u>	<u><u>\$ 13</u></u>	<u><u>\$ 43,951</u></u>

(Continued)

<u>DISTRICT ATTORNEY 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>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
19,414	-	-	-	-
-	-	-	15,855	-
-	17,366	-	1,608	-
-	196,437	-	-	-
<u>19,414</u>	<u>213,803</u>	<u>-</u>	<u>17,463</u>	<u>-</u>
15,779	-	-	-	-
-	92,991	2,037	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	613	-
<u>15,779</u>	<u>92,991</u>	<u>2,037</u>	<u>613</u>	<u>-</u>
<u>3,635</u>	<u>120,812</u>	<u>(2,037)</u>	<u>16,850</u>	<u>-</u>
-	-	-	-	23,650
-	(10,200)	-	-	-
-	-	-	-	-
<u>-</u>	<u>(10,200)</u>	<u>-</u>	<u>-</u>	<u>23,650</u>
3,635	110,612	(2,037)	16,850	23,650
70,095	626,216	2,037	20,739	1
<u>\$ 73,730</u>	<u>\$ 736,828</u>	<u>\$ -</u>	<u>\$ 37,589</u>	<u>\$ 23,651</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, 2007**  
**With Comparative Totals for the Year Ended September 30, 2006**

	<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	-	-	40,000	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	91,487	-	-
Investment Earnings	6,080	-	-	-
Miscellaneous	-	-	-	424,992
<b>Total revenues</b>	<u>6,080</u>	<u>91,487</u>	<u>40,000</u>	<u>424,992</u>
<b>EXPENDITURES</b>				
Current :				
General Government	-	60,000	2,305	-
Public Safety	-	-	-	721,109
Sanitation	-	-	-	-
Health and Social Services	-	-	-	-
Culture and Recreation	-	-	-	-
Roads, Bridges, and Rights-of-Way	-	-	-	-
Capital Outlay	-	-	-	-
<b>Total expenditures</b>	<u>-</u>	<u>60,000</u>	<u>2,305</u>	<u>721,109</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>6,080</u>	<u>31,487</u>	<u>37,695</u>	<u>(296,117)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	-	118,356
Transfers Out	-	-	(23,500)	-
Sale of Capital Assets	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>(23,500)</u>	<u>118,356</u>
<b>Net change in fund balances</b>	<u>6,080</u>	<u>31,487</u>	<u>14,195</u>	<u>(177,761)</u>
Fund balances-beginning	<u>36,396</u>	<u>43,714</u>	<u>260,385</u>	<u>1,093,197</u>
<b>Fund balances-ending</b>	<u><u>\$ 42,476</u></u>	<u><u>\$ 75,201</u></u>	<u><u>\$ 274,580</u></u>	<u><u>\$ 915,436</u></u>

CRIMINAL INVESTIGATIVE DIVISION SEIZURES POST-10/89	ELECTION SERVICES CONTRACT	GRANTS	TOTALS	
			2007	2006
\$ -	\$ -	\$ -	\$ 5,606,839	\$ 4,939,421
-	-	-	2,279,640	2,299,686
-	-	10,387,679	14,868,458	12,576,735
-	156,288	-	2,988,245	2,547,269
-	-	-	1,030,986	791,857
-	-	9,281	715,952	501,899
-	-	94,795	1,014,377	1,520,306
-	156,288	10,491,755	28,504,497	25,177,173
-	-	191,345	1,645,673	1,428,287
-	-	6,533,688	15,624,475	12,697,683
-	-	86,890	86,890	574,720
-	-	727,253	1,948,691	2,027,268
-	-	11,666	574,857	293,626
-	-	-	4,599,171	4,410,273
-	-	3,061,989	5,635,038	7,052,448
-	-	10,612,831	30,114,795	28,484,305
-	156,288	(121,076)	(1,610,298)	(3,307,132)
-	-	84,500	5,254,270	7,767,331
-	-	(47,006)	(1,260,906)	(2,582,950)
-	-	-	578,347	621,750
-	-	37,494	4,571,711	5,806,131
-	156,288	(83,582)	2,961,413	2,498,999
-	28,900	565,311	19,717,138	17,218,139
<b>\$ -</b>	<b>\$ 185,188</b>	<b>\$ 481,729</b>	<b>\$ 22,678,551</b>	<b>\$ 19,717,138</b>

**GALVESTON COUNTY, TEXAS  
COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS - GRANT FUNDS  
September 30, 2007  
With Comparative Totals at September 30, 2006**

	<b>JUVENILE JUSTICE STATE AID</b>	<b>JUVENILE JUSTICE INTENSIVE SUPERVISION PROGRAM</b>	<b>JUVENILE JUSTICE ALTERNATIVE EDUCATION</b>	<b>JUVENILE ACCOUNTABILITY INCENTIVE BLOCK</b>
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 115,242	\$ 59,525	\$ -	\$ -
Receivables: (Net of Allowance for Uncollectibles)				
Accounts and Other	-	-	7,655	2,016
Due from Other Funds	-	-	-	-
<b>Total assets</b>	<b>\$ 115,242</b>	<b>\$ 59,525</b>	<b>\$ 7,655</b>	<b>\$ 2,016</b>
<b>LIABILITIES</b>				
Accounts Payable	\$ 8,273	\$ 1,878	\$ 7,655	\$ 1,125
Salaries Payable	11,113	9,814	-	-
Compensated Absences Payable	89	-	-	-
Retainage Payable	-	-	-	-
Due to Others	44,292	1,167	-	-
Due to Other Funds	-	-	-	891
Deferred Revenues	51,475	46,666	-	-
<b>Total liabilities</b>	<b>115,242</b>	<b>59,525</b>	<b>7,655</b>	<b>2,016</b>
<b>FUND BALANCES</b>				
Unreserved:				
Undesignated	-	-	-	-
<b>Total fund balances</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total liabilities and fund balances</b>	<b>\$ 115,242</b>	<b>\$ 59,525</b>	<b>\$ 7,655</b>	<b>\$ 2,016</b>

(Continued)

<b>ORGANIZED CRIME CONTROL UNIT</b>	<b>NARCOTICS TASK FORCE</b>	<b>ATTORNEY GENERAL'S VICTIMS ASSISTANCE</b>	<b>CHILDREN'S JUSTICE ACT PROJECT</b>	<b>UNITED STATES DEPARTMENT OF JUSTICE PROGRAMS</b>
\$ 1,824	\$ -	\$ 16,089	\$ 1,685	\$ 70,403
-	-	-	-	79,155
-	-	-	-	-
<u>\$ 1,824</u>	<u>\$ -</u>	<u>\$ 16,089</u>	<u>\$ 1,685</u>	<u>\$ 149,558</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	1,276	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	139,789
-	-	1,276	-	139,789
1,824	-	14,813	1,685	9,769
<u>1,824</u>	<u>-</u>	<u>14,813</u>	<u>1,685</u>	<u>9,769</u>
<u>\$ 1,824</u>	<u>\$ -</u>	<u>\$ 16,089</u>	<u>\$ 1,685</u>	<u>\$ 149,558</u>

**GALVESTON COUNTY, TEXAS  
COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS - GRANT FUNDS  
September 30, 2007  
With Comparative Totals at September 30, 2006**

	<b>SENIOR CITIZENS</b>	<b>COMMUNITY DEVELOPMENT</b>	<b>ADULT PROBATION COMMUNITY CORRECTIONS</b>	<b>AUTO CRIMES TASK FORCE</b>
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 9,889	\$ -	\$ 161,346	\$ -
Receivables: (Net of Allowance for Uncollectibles)				
Accounts and Other	65,337	108,947	-	241,376
Due from Other Funds	-	-	-	95,703
<b>Total assets</b>	<b>\$ 75,226</b>	<b>\$ 108,947</b>	<b>\$ 161,346</b>	<b>\$ 337,079</b>
<b>LIABILITIES</b>				
Accounts Payable	\$ -	\$ 8,583	\$ 35,414	\$ 81,984
Salaries Payable	14,649	-	8,280	15,669
Compensated Absences Payable	-	-	-	-
Retainage Payable	-	-	-	-
Due to Others	-	-	55,585	-
Due to Other Funds	-	514	-	138,760
Deferred Revenues	-	99,850	62,067	-
<b>Total liabilities</b>	<b>14,649</b>	<b>108,947</b>	<b>161,346</b>	<b>236,413</b>
<b>FUND BALANCES</b>				
Unreserved:				
Undesignated	60,577	-	-	100,666
<b>Total fund balances</b>	<b>60,577</b>	<b>-</b>	<b>-</b>	<b>100,666</b>
<b>Total liabilities and fund balances</b>	<b>\$ 75,226</b>	<b>\$ 108,947</b>	<b>\$ 161,346</b>	<b>\$ 337,079</b>

(Continued)

<u>INTENSIVE FAMILY PRESERVATION</u>	<u>COUNTY PARKS AND BEACHES (PARK ENHANCEMENT)</u>	<u>OFFICE OF EMERGENCY MANAGEMENT</u>	<u>LOW INCOME REPAIR ASSISTANCE PROGRAM ("L.I.R.A.P.")</u>	<u>SENIOR SERVICES - SPECIAL PROJECTS / SERVICES</u>
\$ 4,410	\$ 56,549	\$ -	\$ 6,779	\$ 932
-	142,228	3,927	-	-
-	-	-	-	-
<u>\$ 4,410</u>	<u>\$ 198,777</u>	<u>\$ 3,927</u>	<u>\$ 6,779</u>	<u>\$ 932</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	114,684	2,302	-	-
-	27,544	-	-	-
-	142,228	2,302	-	-
4,410	56,549	1,625	6,779	932
4,410	56,549	1,625	6,779	932
<u>\$ 4,410</u>	<u>\$ 198,777</u>	<u>\$ 3,927</u>	<u>\$ 6,779</u>	<u>\$ 932</u>

**GALVESTON COUNTY, TEXAS  
COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS - GRANT FUNDS  
September 30, 2007  
With Comparative Totals at September 30, 2006**

	<b>DISASTER RECOVERY IV - CLAUDETTE</b>	<b>STATE CRIMINAL ALIEN ASSISTANCE PROGRAM</b>	<b>STATE HOMELAND SECURITY</b>	<b>COMMUNITY DEVELOPMENT BLOCK - MEALS ON WHEELS</b>
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 606,000	\$ -	\$ -	\$ -
Receivables: (Net of Allowance for Uncollectibles)				
Accounts and Other	-	-	25,466	1,707
Due from Other Funds	-	-	-	-
<b>Total assets</b>	<b>\$ 606,000</b>	<b>\$ -</b>	<b>\$ 25,466</b>	<b>\$ 1,707</b>
<b>LIABILITIES</b>				
Accounts Payable	\$ -	\$ -	\$ -	\$ 865
Salaries Payable	-	-	1,102	-
Compensated Absences Payable	-	-	-	-
Retainage Payable	-	-	-	-
Due to Others	-	-	283	-
Due to Other Funds	-	-	24,081	842
Deferred Revenues	592,095	-	-	-
<b>Total liabilities</b>	<b>592,095</b>	<b>-</b>	<b>25,466</b>	<b>1,707</b>
<b>FUND BALANCES</b>				
Unreserved:				
Undesignated	13,905	-	-	-
<b>Total fund balances</b>	<b>13,905</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total liabilities and fund balances</b>	<b>\$ 606,000</b>	<b>\$ -</b>	<b>\$ 25,466</b>	<b>\$ 1,707</b>

(Continued)

COUNTY BEACH AND PARKS PROJECTS	KEMPNER	TEXAS VICTIM INFOR- MATION AND NOTIFICATION EVERY DAY ("V.I.N.E.")	HELP AMERICA VOTE ACT ("H.A.V.A.")	CHILD AND ELDERLY ABUSE PROSECUTOR
\$ -	\$ 1,800	\$ -	\$ -	\$ -
978,467	-	25,817	1,361	15,346
-	-	-	-	-
<u>\$ 978,467</u>	<u>\$ 1,800</u>	<u>\$ 25,817</u>	<u>\$ 1,361</u>	<u>\$ 15,346</u>
\$ -	\$ 900	\$ -	\$ -	\$ -
-	-	-	-	438
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
893,525	-	25,817	1,361	14,908
84,942	900	-	-	-
<u>978,467</u>	<u>1,800</u>	<u>25,817</u>	<u>1,361</u>	<u>15,346</u>
-	-	-	-	-
-	-	-	-	-
<u>\$ 978,467</u>	<u>\$ 1,800</u>	<u>\$ 25,817</u>	<u>\$ 1,361</u>	<u>\$ 15,346</u>

**GALVESTON COUNTY, TEXAS  
COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS - GRANT FUNDS  
September 30, 2007  
With Comparative Totals at September 30, 2006**

	<b>DISASTER RECOVERY V - RITA</b>	<b>HOMELAND SECURITY - SHERIFF'S OFFICE</b>	<b>INTENSIVE COMMUNITY- BASED PROGRAM</b>	<b>MOSQUITO CONTROL</b>
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -
Receivables: (Net of Allowance for Uncollectibles)				
Accounts and Other	2,928,433	-	6,843	56,679
Due from Other Funds	-	-	-	-
<b>Total assets</b>	<b>\$ 2,928,433</b>	<b>\$ -</b>	<b>\$ 6,843</b>	<b>\$ 56,679</b>
<b>LIABILITIES</b>				
Accounts Payable	\$ 20,144	\$ -	\$ -	\$ -
Salaries Payable	-	-	-	-
Compensated Absences Payable	-	-	-	-
Retainage Payable	-	-	-	-
Due to Others	27,332	-	-	-
Due to Other Funds	1,757,422	-	-	56,679
Deferred Revenues	915,340	-	6,843	-
<b>Total liabilities</b>	<b>2,720,238</b>	<b>-</b>	<b>6,843</b>	<b>56,679</b>
<b>FUND BALANCES</b>				
Unreserved:				
Undesignated	208,195	-	-	-
<b>Total fund balances</b>	<b>208,195</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total liabilities and fund balances</b>	<b>\$ 2,928,433</b>	<b>\$ -</b>	<b>\$ 6,843</b>	<b>\$ 56,679</b>

**TOTALS**

<u>2007</u>	<u>2006</u>
\$ 1,112,473	\$ 1,652,107
4,690,760	3,329,878
95,703	43,731
<u><b>\$ 5,898,936</b></u>	<u><b>\$ 5,025,716</b></u>
\$ 166,821	\$ 289,907
62,341	61,406
89	20,924
-	20,924
128,659	67,864
3,031,786	2,167,367
2,027,511	1,852,937
<u>5,417,207</u>	<u>4,481,329</u>
481,729	565,311
<u>481,729</u>	<u>565,311</u>
<u><b>\$ 5,898,936</b></u>	<u><b>\$ 5,046,640</b></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, 2007**  
**With Comparative Totals for the Year Ended September 30, 2006**

	<b>JUVENILE JUSTICE STATE AID</b>	<b>JUVENILE JUSTICE INTENSIVE SUPERVISION PROGRAM</b>	<b>JUVENILE JUSTICE ALTERNATIVE EDUCATION</b>	<b>JUVENILE ACCOUNTABILITY INCENTIVE BLOCK</b>
<b>REVENUES</b>				
Intergovernmental	\$ 586,856	\$ 462,790	\$ 123,059	\$ 18,577
Investment Earnings	-	-	-	-
Miscellaneous	-	-	-	-
<b>Total revenues</b>	<b>586,856</b>	<b>462,790</b>	<b>123,059</b>	<b>18,577</b>
<b>EXPENDITURES</b>				
Current :				
General Government	-	-	-	18,577
Public Safety	596,556	474,590	123,059	-
Sanitation	-	-	-	-
Health and Social Services	-	-	-	-
Culture and Recreation	-	-	-	-
Capital Outlay	-	-	-	-
<b>Total expenditures</b>	<b>596,556</b>	<b>474,590</b>	<b>123,059</b>	<b>18,577</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(9,700)</b>	<b>(11,800)</b>	<b>-</b>	<b>-</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	9,700	11,800	-	-
Transfers Out	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>9,700</b>	<b>11,800</b>	<b>-</b>	<b>-</b>
Net change in fund balances	-	-	-	-
Fund balances-beginning	-	-	-	-
<b>Fund balances-ending</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

(Continued)

<b>ORGANIZED CRIME CONTROL UNIT</b>	<b>NARCOTICS TASK FORCE</b>	<b>ATTORNEY GENERAL'S VICTIMS ASSISTANCE</b>	<b>CHILDREN'S JUSTICE ACT PROJECT</b>	<b>UNITED STATES DEPARTMENT OF JUSTICE PROGRAMS</b>
\$ -	\$ -	\$ 48,408	\$ -	\$ 32,473
-	-	-	-	5,857
-	-	-	-	4,501
-	-	48,408	-	42,831
-	-	46,750	-	-
-	-	-	-	37,595
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	46,750	-	37,595
-	-	1,658	-	5,236
-	-	-	-	-
-	(28,650)	-	-	-
-	(28,650)	-	-	-
-	(28,650)	1,658	-	5,236
1,824	28,650	13,155	1,685	4,533
<b>\$ 1,824</b>	<b>\$ -</b>	<b>\$ 14,813</b>	<b>\$ 1,685</b>	<b>\$ 9,769</b>

**GALVESTON COUNTY, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR SPECIAL REVENUE FUNDS - GRANT FUNDS**  
**For the Year Ended September 30, 2007**  
**With Comparative Totals for the Year Ended September 30, 2006**

	<u>SENIOR CITIZENS</u>	<u>COMMUNITY DEVELOPMENT</u>	<u>ADULT PROBATION COMMUNITY CORRECTIONS</u>	<u>AUTO CRIMES TASK FORCE</u>
<b>REVENUES</b>				
Intergovernmental	\$ 568,443	\$ 187,254	\$ 500,684	\$ 728,723
Investment Earnings	-	-	-	-
Miscellaneous	-	-	-	-
<b>Total revenues</b>	<u>568,443</u>	<u>187,254</u>	<u>500,684</u>	<u>728,723</u>
<b>EXPENDITURES</b>				
Current :				
General Government	-	-	-	-
Public Safety	-	100,364	587,499	566,952
Sanitation	-	86,890	-	-
Health and Social Services	550,097	-	-	-
Culture and Recreation	-	-	-	-
Capital Outlay	-	-	-	136,764
<b>Total expenditures</b>	<u>550,097</u>	<u>187,254</u>	<u>587,499</u>	<u>703,716</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>18,346</u>	<u>-</u>	<u>(86,815)</u>	<u>25,007</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	-	3,000
Transfers Out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,000</u>
Net change in fund balances	18,346	-	(86,815)	28,007
Fund balances-beginning	42,231	-	86,815	72,659
<b>Fund balances-ending</b>	<u><u>\$ 60,577</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 100,666</u></u>

(Continued)

<u>INTENSIVE FAMILY PRESERVATION</u>	<u>COUNTY PARKS AND BEACHES (PARK ENHANCEMENT)</u>	<u>OFFICE OF EMERGENCY MANAGEMENT</u>	<u>LOW INCOME REPAIR ASSISTANCE PROGRAM ("L.I.R.A.P.")</u>	<u>SENIOR SERVICES - SPECIAL PROJECTS / SERVICES</u>
\$ -	\$ 56,549	\$ 989,448	\$ 27,800	\$ -
-	-	-	3,424	-
-	-	-	-	-
<u>-</u>	<u>56,549</u>	<u>989,448</u>	<u>31,224</u>	<u>-</u>
-	-	-	-	-
-	-	989,448	-	-
-	-	-	-	-
950	-	-	123,298	-
-	-	-	-	-
-	-	-	-	-
<u>950</u>	<u>-</u>	<u>989,448</u>	<u>123,298</u>	<u>-</u>
<u>(950)</u>	<u>56,549</u>	<u>-</u>	<u>(92,074)</u>	<u>-</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>(950)</u>	<u>56,549</u>	<u>-</u>	<u>(92,074)</u>	<u>-</u>
<u>5,360</u>	<u>-</u>	<u>1,625</u>	<u>98,853</u>	<u>932</u>
<u><b>\$ 4,410</b></u>	<u><b>\$ 56,549</b></u>	<u><b>\$ 1,625</b></u>	<u><b>\$ 6,779</b></u>	<u><b>\$ 932</b></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, 2007**  
**With Comparative Totals for the Year Ended September 30, 2006**

	<b>DISASTER RECOVERY IV - CLAUDETTE</b>	<b>STATE CRIMINAL ALIEN ASSISTANCE PROGRAM</b>	<b>STATE HOMELAND SECURITY</b>	<b>COMMUNITY DEVELOPMENT BLOCK - MEALS ON WHEELS</b>
<b>REVENUES</b>				
Intergovernmental	\$ 9,334	\$ -	\$ 177,804	\$ 8,203
Investment Earnings	-	-	-	-
Miscellaneous	-	58,801	-	-
<b>Total revenues</b>	<b>9,334</b>	<b>58,801</b>	<b>177,804</b>	<b>8,203</b>
<b>EXPENDITURES</b>				
Current :				
General Government	-	-	-	-
Public Safety	-	58,801	177,804	-
Sanitation	-	-	-	-
Health and Social Services	-	-	-	8,203
Culture and Recreation	-	-	-	-
Capital Outlay	-	-	-	-
<b>Total expenditures</b>	<b>-</b>	<b>58,801</b>	<b>177,804</b>	<b>8,203</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>9,334</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net change in fund balances	9,334	-	-	-
Fund balances-beginning	4,571	-	-	-
<b>Fund balances-ending</b>	<b>\$ 13,905</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

(Continued)

<b>COUNTY BEACH AND PARKS PROJECTS</b>	<b>KEMPNER</b>	<b>TEXAS VICTIM INFOR- MATION AND NOTIFICATION EVERY DAY ("V.I.N.E.")</b>	<b>HELP AMERICA VOTE ACT ("H.A.V.A.")</b>	<b>CHILD AND ELDERLY ABUSE PROSECUTOR</b>
\$ 2,648,927	\$ -	\$ 51,634	\$ 125,855	\$ 73,023
-	-	-	-	-
5,000	3,900	-	-	-
<u>2,653,927</u>	<u>3,900</u>	<u>51,634</u>	<u>125,855</u>	<u>73,023</u>
-	-	51,634	1,361	73,023
-	-	-	-	-
-	3,900	-	-	-
11,666	-	-	-	-
<u>2,702,261</u>	<u>-</u>	<u>-</u>	<u>124,494</u>	<u>-</u>
<u>2,713,927</u>	<u>3,900</u>	<u>51,634</u>	<u>125,855</u>	<u>73,023</u>
<u>(60,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
60,000	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>60,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</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, 2007**  
**With Comparative Totals for the Year Ended September 30, 2006**

	<u>DISASTER RECOVERY V - RITA</u>	<u>HOMELAND SECURITY - SHERIFF'S OFFICE</u>	<u>INTENSIVE COMMUNITY- BASED PROGRAM</u>	<u>MOSQUITO CONTROL</u>
<b>REVENUES</b>				
Intergovernmental	\$ 2,822,499	\$ 32,372	\$ -	\$ 106,964
Investment Earnings	-	-	-	-
Miscellaneous	22,593	-	-	-
<b>Total revenues</b>	<u>2,845,092</u>	<u>32,372</u>	<u>-</u>	<u>106,964</u>
<b>EXPENDITURES</b>				
Current :				
General Government	-	-	-	-
Public Safety	2,820,959	61	-	-
Sanitation	-	-	-	-
Health and Social Services	-	-	-	40,805
Culture and Recreation	-	-	-	-
Capital Outlay	-	32,311	-	66,159
<b>Total expenditures</b>	<u>2,820,959</u>	<u>32,372</u>	<u>-</u>	<u>106,964</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>24,133</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	-	-
Transfers Out	(18,356)	-	-	-
<b>Total other financing sources (uses)</b>	<u>(18,356)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balances</b>	<u>5,777</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances-beginning	202,418	-	-	-
<b>Fund balances-ending</b>	<u><u>\$ 208,195</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**TOTALS**

<u>2007</u>	<u>2006</u>
\$ 10,387,679	\$ 8,163,767
9,281	4,582
94,795	462,995
10,491,755	8,631,344
191,345	295,336
6,533,688	3,486,496
86,890	574,720
727,253	714,883
11,666	1,430
3,061,989	3,155,780
10,612,831	8,228,645
(121,076)	402,699
84,500	-
(47,006)	(10,650)
37,494	(10,650)
(83,582)	392,049
565,311	173,262
<b>\$ 481,729</b>	<b>\$ 565,311</b>

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**ROAD AND BRIDGE SPECIAL REVENUE FUND**  
**For the Year Ended September 30, 2007**  
**With Comparative Actual Amounts for the Year Ended September 30, 2006**

	<b>2007</b>		<b>Variance with Final Budget - Positive (Negative)</b>	<b>2006 Actual</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>		
<b>REVENUES</b>				
Taxes	\$ 2,588,801	\$ 2,654,509	\$ 65,708	\$ 2,306,338
Licenses and Permits	2,100,000	2,279,640	179,640	2,299,686
Intergovernmental	1,375,000	1,525,555	150,555	1,458,985
Charges for Services	-	-	-	296
Fines and Forfeitures	630,000	890,796	260,796	679,902
Investment Earnings	135,000	267,150	132,150	149,000
Miscellaneous	-	45,418	45,418	19,616
<b>Total revenues</b>	<b>6,828,801</b>	<b>7,663,068</b>	<b>834,267</b>	<b>6,913,823</b>
<b>EXPENDITURES</b>				
General Government				
Current:				
Other Services and Charges	1,348,530	287,208	1,061,322	187,290
Roads, Bridges, & R.O.W:				
Current:				
Personal Services	2,299,700	1,883,890	415,810	1,752,373
Supplies	2,153,300	1,589,639	563,661	1,359,415
Other Services and Charges	453,100	352,937	100,163	315,068
Miscellaneous	145,000	135,000	10,000	149,987
Total Roads, Bridges, & R.O.W:	5,051,100	3,961,466	1,089,634	3,576,843
Capital Outlay	1,540,921	1,290,973	249,948	1,080,427
<b>Total expenditures</b>	<b>7,940,551</b>	<b>5,539,647</b>	<b>2,400,904</b>	<b>4,844,560</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(1,111,750)</b>	<b>2,123,421</b>	<b>3,235,171</b>	<b>2,069,263</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(765,000)	(765,000)	-	(670,000)
Sale of Capital Assets	-	43,986	43,986	-
<b>Total other financing sources (uses)</b>	<b>(765,000)</b>	<b>(721,014)</b>	<b>43,986</b>	<b>(670,000)</b>
<b>Net change in fund balances</b>	<b>(1,876,750)</b>	<b>1,402,407</b>	<b>3,279,157</b>	<b>1,399,263</b>
<b>Fund balances-beginning</b>	<b>4,646,823</b>	<b>4,646,823</b>	<b>-</b>	<b>3,247,560</b>
<b>Fund balances-ending</b>	<b>\$ 2,770,073</b>	<b>\$ 6,049,230</b>	<b>\$ 3,279,157</b>	<b>\$ 4,646,823</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, 2007**  
**With Comparative Actual Amounts for the Year Ended September 30, 2006**

	<u>2007</u>			<u>2006</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, 2007**  
**With Comparative Actual Amounts for the Year Ended September 30, 2006**

	<u>2007</u>		<b>Variance with Final Budget - Positive (Negative)</b>	<u>2006 Actual</u>
	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>		
<b>REVENUES</b>				
Intergovernmental	\$ 478,000	\$ 434,594	\$ (43,406)	\$ 452,912
Charges for Services	500	480	(20)	255
Investment Earnings	-	16,677	16,677	-
Miscellaneous	5,000	17,321	12,321	7,355
<b>Total revenues</b>	<u>483,500</u>	<u>469,072</u>	<u>(14,428)</u>	<u>460,522</u>
<b>EXPENDITURES</b>				
Current:				
Personal Services	3,272,900	3,034,382	238,518	2,820,768
Supplies	94,600	83,855	10,745	55,325
Other Services and Charges	1,400,400	1,282,113	118,287	1,303,135
Capital Outlay	27,484	27,484	-	82,453
<b>Total expenditures</b>	<u>4,795,384</u>	<u>4,427,834</u>	<u>367,550</u>	<u>4,261,681</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(4,311,884)</u>	<u>(3,958,762)</u>	<u>353,122</u>	<u>(3,801,159)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	3,961,300	3,961,300	-	3,884,200
Transfers Out	(103,400)	(103,400)	-	(63,400)
<b>Total other financing sources (uses)</b>	<u>3,857,900</u>	<u>3,857,900</u>	<u>-</u>	<u>3,820,800</u>
<b>Net change in fund balances</b>	(453,984)	(100,862)	353,122	19,641
<b>Fund balances-beginning</b>	<u>1,926,830</u>	<u>1,926,830</u>	<u>-</u>	<u>1,907,189</u>
<b>Fund balances-ending</b>	<u><u>\$ 1,472,846</u></u>	<u><u>\$ 1,825,968</u></u>	<u><u>\$ 353,122</u></u>	<u><u>\$ 1,926,830</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, 2007**  
**With Comparative Actual Amounts for the Year Ended September 30, 2006**

	<u>2007</u>		<b>Variance with Final Budget - Positive (Negative)</b>	<b>2006 Actual</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>		
<b>REVENUES</b>				
Intergovernmental	\$ 4,303,377	\$ 2,242,339	\$ (2,061,038)	\$ 2,192,587
Investment Earnings	56,070	35,697	(20,373)	32,778
Miscellaneous	6,000	4,134	(1,866)	4,169
<b>Total revenues</b>	<u>4,365,447</u>	<u>2,282,170</u>	<u>(2,083,277)</u>	<u>2,229,534</u>
<b>EXPENDITURES</b>				
Current:				
Personal Services	4,327,520	2,046,196	2,281,324	2,035,799
Supplies	30,000	13,649	16,351	11,229
Other Services and Charges	629,792	276,378	353,414	254,522
Other	-	(48)	48	58,372
Capital Outlay	3,200	-	3,200	4,579
<b>Total expenditures</b>	<u>4,990,512</u>	<u>2,336,175</u>	<u>2,654,337</u>	<u>2,364,501</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	(625,065)	(54,005)	571,060	(134,967)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(44,168)	-	44,168	-
<b>Net change in fund balances</b>	(669,233)	(54,005)	615,228	(134,967)
<b>Fund balances-beginning</b>	<u>356,149</u>	<u>356,149</u>	<u>-</u>	<u>491,116</u>
<b>Fund balances-ending</b>	<u><b>\$ (313,084)</b></u>	<u><b>\$ 302,144</b></u>	<u><b>\$ 615,228</b></u>	<u><b>\$ 356,149</b></u>

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**LAW LIBRARY SPECIAL REVENUE FUND**  
**For the Year Ended September 30, 2007**  
**With Comparative Actual Amounts for the Year Ended September 30, 2006**

	<u>2007</u>		<b>Variance with Final Budget - Positive (Negative)</b>	<b>2006 Actual</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>		
<b>REVENUES</b>				
Charges for Services	\$ 218,000	\$ 226,401	\$ 8,401	\$ 215,705
<b>EXPENDITURES</b>				
Current:				
Personal Services	50,600	47,900	2,700	46,075
Supplies	185,000	182,202	2,798	125,472
Other Services and Charges	1,500	-	1,500	1,500
<b>Total expenditures</b>	<u>237,100</u>	<u>230,102</u>	<u>6,998</u>	<u>173,047</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	(19,100)	(3,701)	15,399	42,658
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(800)	(800)	-	(800)
<b>Net change in fund balances</b>	(19,900)	(4,501)	15,399	41,858
<b>Fund balances-beginning</b>	<u>479,835</u>	<u>479,835</u>	<u>-</u>	<u>437,977</u>
<b>Fund balances-ending</b>	<u><u>\$ 459,935</u></u>	<u><u>\$ 475,334</u></u>	<u><u>\$ 15,399</u></u>	<u><u>\$ 479,835</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, 2007**  
**With Comparative Actual Amounts for the Year Ended September 30, 2006**

	<u>2007</u>		<b>Variance with Final Budget - Positive (Negative)</b>	<b>2006 Actual</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>		
<b>REVENUES</b>				
Intergovernmental	\$ 25,000	\$ 36,764	\$ 11,764	\$ 28,010
Miscellaneous	800	1,293	493	554
<b>Total revenues</b>	<u>25,800</u>	<u>38,057</u>	<u>12,257</u>	<u>28,564</u>
<b>EXPENDITURES</b>				
Current:				
Supplies	100,000	71,687	28,313	71,153
Other Services and Charges	346,100	299,746	46,354	283,721
<b>Total expenditures</b>	<u>446,100</u>	<u>371,433</u>	<u>74,667</u>	<u>354,874</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	(420,300)	(333,376)	86,924	(326,310)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	371,900	371,900	-	292,700
<b>Net change in fund balances</b>	(48,400)	38,524	86,924	(33,610)
<b>Fund balances-beginning</b>	<u>184,218</u>	<u>184,218</u>	<u>-</u>	<u>217,828</u>
<b>Fund balances-ending</b>	<u><u>\$ 135,818</u></u>	<u><u>\$ 222,742</u></u>	<u><u>\$ 86,924</u></u>	<u><u>\$ 184,218</u></u>

**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, 2007**  
**With Comparative Actual Amounts for the Year Ended September 30, 2006**

	2007		Variance with Final Budget - Positive (Negative)	2006 Actual
	Final Budgeted Amounts	Actual Amounts		
<b>REVENUES</b>				
Intergovernmental	\$ 115,000	\$ 138,656	\$ 23,656	\$ 128,922
Charges for Services	142,500	227,151	84,651	3,300
Investment Earnings	-	1,127	1,127	-
Miscellaneous	-	55	55	1,813
<b>Total revenues</b>	<b>257,500</b>	<b>366,989</b>	<b>109,489</b>	<b>134,035</b>
<b>EXPENDITURES</b>				
Current:				
Personal Services	198,100	157,420	40,680	79,029
Supplies	92,400	57,136	35,264	18,382
Other Services and Charges	402,300	348,635	53,665	194,785
Capital Outlay	115,000	102,875	12,125	68,700
<b>Total expenditures</b>	<b>807,800</b>	<b>666,066</b>	<b>141,734</b>	<b>360,896</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(550,300)</b>	<b>(299,077)</b>	<b>251,223</b>	<b>(226,861)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	570,000	570,000	-	120,000
Transfers Out	(2,400)	(2,400)	-	(2,400)
Sale of Capital Assets	30,000	32,160	2,160	-
<b>Total other financing sources (uses)</b>	<b>597,600</b>	<b>599,760</b>	<b>2,160</b>	<b>117,600</b>
<b>Net change in fund balances</b>	<b>47,300</b>	<b>300,683</b>	<b>253,383</b>	<b>(109,261)</b>
<b>Fund balances-beginning</b>	<b>147,495</b>	<b>147,495</b>	<b>-</b>	<b>256,756</b>
<b>Fund balances-ending</b>	<b>\$ 194,795</b>	<b>\$ 448,178</b>	<b>\$ 253,383</b>	<b>\$ 147,495</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, 2007**  
**With Comparative Actual Amounts for the Year Ended September 30, 2006**

	<b>2007</b>			<b>2006</b> <b>Actual</b>
	<b>Final Budgeted</b> <b>Amounts</b>	<b>Actual</b> <b>Amounts</b>	<b>Variance with</b> <b>Final Budget -</b> <b>Positive</b> <b>(Negative)</b>	
<b>REVENUES</b>				
Taxes	\$ 150	\$ 177	\$ 27	\$ 102
Charges for Services	740,000	792,361	52,361	675,429
Investment Earnings	26,000	48,894	22,894	19,591
Miscellaneous	-	107,406	107,406	657,919
<b>Total revenues</b>	<b>766,150</b>	<b>948,838</b>	<b>182,688</b>	<b>1,353,041</b>
<b>EXPENDITURES</b>				
Current:				
Supplies	10,000	7,668	2,332	6,492
Other Services and Charges	671,600	531,710	139,890	630,462
Capital Outlay	37,701	-	37,701	271,446
<b>Total expenditures</b>	<b>719,301</b>	<b>539,378</b>	<b>179,923</b>	<b>908,400</b>
<b>Excess (deficiency) of revenues</b> <b>over (under) expenditures</b>	<b>46,849</b>	<b>409,460</b>	<b>362,611</b>	<b>444,641</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(108,600)	(108,600)	-	(208,600)
<b>Net change in fund balances</b>	<b>(61,751)</b>	<b>300,860</b>	<b>362,611</b>	<b>236,041</b>
<b>Fund balances-beginning</b>	<b>796,058</b>	<b>796,058</b>	<b>-</b>	<b>560,017</b>
<b>Fund balances-ending</b>	<b>\$ 734,307</b>	<b>\$ 1,096,918</b>	<b>\$ 362,611</b>	<b>\$ 796,058</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, 2007**  
**With Comparative Actual Amounts for the Year Ended September 30, 2006**

	<u>2007</u>		<b>Variance with Final Budget - Positive (Negative)</b>	<b>2006 Actual</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>		
<b>REVENUES</b>				
Charges for Services	\$ 941,300	\$ 927,592	\$ (13,708)	\$ 979,961
<b>EXPENDITURES</b>				
Current:				
Personal Services	337,100	236,246	100,854	180,946
Supplies	75,000	55,781	19,219	21,013
Other Services and Charges	534,000	36,424	497,576	78,124
Capital Outlay	631,341	206,963	424,378	108,259
<b>Total expenditures</b>	<u>1,577,441</u>	<u>535,414</u>	<u>1,042,027</u>	<u>388,342</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	(636,141)	392,178	1,028,319	591,619
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(62,100)	(62,100)	-	(4,200)
<b>Net change in fund balances</b>	(698,241)	330,078	1,028,319	587,419
<b>Fund balances-beginning</b>	<u>2,848,679</u>	<u>2,848,679</u>	<u>-</u>	<u>2,261,260</u>
<b>Fund balances-ending</b>	<u><u>\$ 2,150,438</u></u>	<u><u>\$ 3,178,757</u></u>	<u><u>\$ 1,028,319</u></u>	<u><u>\$ 2,848,679</u></u>

**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, 2007**  
**With Comparative Actual Amounts for the Year Ended September 30, 2006**

	<b>2007</b>		<b>Variance with Final Budget - Positive (Negative)</b>	<b>2006 Actual</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>		
<b>REVENUES</b>				
Charges for Services	\$ 101,800	\$ 145,041	\$ 43,241	\$ 111,330
Miscellaneous	1,000	1,943	943	1,079
<b>Total revenues</b>	<b>102,800</b>	<b>146,984</b>	<b>44,184</b>	<b>112,409</b>
<b>EXPENDITURES</b>				
Current:				
Personal Services	49,100	47,069	2,031	45,152
Supplies	5,000	-	5,000	-
Other Services and Charges	188,500	173,500	15,000	33,572
<b>Total expenditures</b>	<b>242,600</b>	<b>220,569</b>	<b>22,031</b>	<b>78,724</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(139,800)</b>	<b>(73,585)</b>	<b>66,215</b>	<b>33,685</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	120,000	120,000	-	-
Transfers Out	(1,600)	(1,600)	-	(1,600)
<b>Total other financing sources (uses)</b>	<b>118,400</b>	<b>118,400</b>	<b>-</b>	<b>(1,600)</b>
<b>Net change in fund balances</b>	<b>(21,400)</b>	<b>44,815</b>	<b>66,215</b>	<b>32,085</b>
<b>Fund balances-beginning</b>	<b>138,990</b>	<b>138,990</b>	<b>-</b>	<b>106,905</b>
<b>Fund balances-ending</b>	<b>\$ 117,590</b>	<b>\$ 183,805</b>	<b>\$ 66,215</b>	<b>\$ 138,990</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, 2007**  
**With Comparative Actual Amounts for the Year Ended September 30, 2006**

	<u>2007</u>		<b>Variance with Final Budget - Positive (Negative)</b>	<b>2006 Actual</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>		
<b>REVENUES</b>				
Charges for Services	\$ 28,000	\$ 27,764	\$ (236)	\$ 28,085
<b>Excess (deficiency) of revenues over (under) expenditures</b>	28,000	27,764	(236)	28,085
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(40,000)	(40,000)	-	-
<b>Net change in fund balances</b>	(12,000)	(12,236)	(236)	28,085
<b>Fund balances-beginning</b>	69,529	69,529	-	41,444
<b>Fund balances-ending</b>	<u>\$ 57,529</u>	<u>\$ 57,293</u>	<u>\$ (236)</u>	<u>\$ 69,529</u>

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**COURTHOUSE SECURITY SPECIAL REVENUE FUND**  
**For the Year Ended September 30, 2007**  
**With Comparative Actual Amounts for the Year Ended September 30, 2006**

	<u>2007</u>		<b>Variance with Final Budget - Positive (Negative)</b>	<b>2006 Actual</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>		
<b>REVENUES</b>				
Charges for Services	\$ 193,300	\$ 237,780	\$ 44,480	\$ 223,239
<b>EXPENDITURES</b>				
Current:				
Personal Services	213,600	169,074	44,526	161,333
Supplies	10,000	1,905	8,095	957
Other Services and Charges	16,900	9,118	7,782	9,900
<b>Total expenditures</b>	<u>240,500</u>	<u>180,097</u>	<u>60,403</u>	<u>172,190</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	(47,200)	57,683	104,883	51,049
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(3,200)	(3,200)	-	(3,200)
<b>Net change in fund balances</b>	(50,400)	54,483	104,883	47,849
<b>Fund balances-beginning</b>	<u>317,506</u>	<u>317,506</u>	<u>-</u>	<u>269,657</u>
<b>Fund balances-ending</b>	<u><u>\$ 267,106</u></u>	<u><u>\$ 371,989</u></u>	<u><u>\$ 104,883</u></u>	<u><u>\$ 317,506</u></u>

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**MEDIATION SERVICES PROGRAM SPECIAL REVENUE FUND**  
**For the Year Ended September 30, 2007**  
**With Comparative Actual Amounts for the Year Ended September 30, 2006**

	<u>2007</u>		<b>Variance with Final Budget - Positive (Negative)</b>	<b>2006 Actual</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>		
<b>REVENUES</b>				
Charges for Services	\$ 96,000	\$ 111,215	\$ 15,215	\$ 104,410
Investment Earnings	9,000	15,985	6,985	9,642
<b>Total revenues</b>	<u>105,000</u>	<u>127,200</u>	<u>22,200</u>	<u>114,052</u>
<b>EXPENDITURES</b>				
Current:				
Other Services and Charges	<u>75,000</u>	<u>35,999</u>	<u>39,001</u>	<u>29,340</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	30,000	91,201	61,201	84,712
<b>Fund balances-beginning</b>	<u>258,926</u>	<u>258,926</u>	<u>-</u>	<u>174,214</u>
<b>Fund balances-ending</b>	<u><b>\$ 288,926</b></u>	<u><b>\$ 350,127</b></u>	<u><b>\$ 61,201</b></u>	<u><b>\$ 258,926</b></u>

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET (NON-GAAP) AND ACTUAL**  
**TAX ASSESSOR-COLLECTOR SPECIAL INVENTORY TAX ESCROW SPECIAL REVENUE FUND**  
**For the Year Ended September 30, 2007**  
**With Comparative Actual Amounts for the Year Ended September 30, 2006**

	<u>2007</u>		<b>Variance with Final Budget - Positive (Negative)</b>	<b>2006 Actual</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>		
<b>REVENUES</b>				
Investment Earnings	\$ -	\$ 33,728	\$ 33,728	\$ 31,506
<b>EXPENDITURES</b>	-	-	-	-
<b>Excess (deficiency) of revenues over (under) expenditures</b>	-	33,728	33,728	31,506
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(22,700)	(22,700)	-	(8,900)
<b>Net change in fund balances</b>	(22,700)	11,028	33,728	22,606
<b>Fund balances-beginning</b>	110,663	110,663	-	88,057
<b>Fund balances-ending</b>	<b>\$ 87,963</b>	<b>\$ 121,691</b>	<b>\$ 33,728</b>	<b>\$ 110,663</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, 2007**  
**With Comparative Actual Amounts for the Year Ended September 30, 2006**

	<u>2007</u>		<b>Variance with Final Budget - Positive (Negative)</b>	<b>2006 Actual</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>		
<b>REVENUES</b>	\$ -	\$ -	\$ -	\$ -
<b>EXPENDITURES</b>				
Current:				
Other Services and Charges	\$ 45,000	\$ 9,296	\$ 35,704	\$ 3,902
<b>Excess (deficiency) of revenues     over (under) expenditures</b>	(45,000)	(9,296)	35,704	(3,902)
<b>Fund balances-beginning</b>	57,930	57,930	-	61,832
<b>Fund balances-ending</b>	<u>\$ 12,930</u>	<u>\$ 48,634</u>	<u>\$ 35,704</u>	<u>\$ 57,930</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, 2007**  
**With Comparative Actual Amounts for the Year Ended September 30, 2006**

	<u>2007</u>		<b>Variance with Final Budget - Positive (Negative)</b>	<b>2006 Actual</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>		
<b>REVENUES</b>				
Taxes	\$ 949,629	\$ 961,205	\$ 11,576	\$ 859,401
Investment Earnings	40,000	60,860	20,860	48,224
Miscellaneous	-	-	-	6,257
<b>Total revenues</b>	<u>989,629</u>	<u>1,022,065</u>	<u>32,436</u>	<u>913,882</u>
<b>EXPENDITURES</b>				
Current:				
Personal Services	603,700	522,186	81,514	476,040
Supplies	317,500	209,417	108,083	358,342
Other Services and Charges	127,100	109,106	17,994	119,227
Capital Outlay	<u>65,031</u>	<u>45,270</u>	<u>19,761</u>	<u>33,469</u>
<b>Total expenditures</b>	<u>1,113,331</u>	<u>885,979</u>	<u>227,352</u>	<u>987,078</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(123,702)</u>	<u>136,086</u>	<u>259,788</u>	<u>(73,196)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(11,400)	(11,400)	-	(11,400)
Sale of Capital Assets	<u>-</u>	<u>7,383</u>	<u>7,383</u>	<u>-</u>
<b>Total other financing sources (uses)</b>	<u>(11,400)</u>	<u>(4,017)</u>	<u>7,383</u>	<u>(11,400)</u>
<b>Net change in fund balances</b>	(135,102)	132,069	267,171	(84,596)
<b>Fund balances-beginning</b>	<u>1,146,693</u>	<u>1,146,693</u>	<u>-</u>	<u>1,231,289</u>
<b>Fund balances-ending</b>	<u><b>\$ 1,011,591</b></u>	<u><b>\$ 1,278,762</b></u>	<u><b>\$ 267,171</b></u>	<u><b>\$ 1,146,693</b></u>

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET (NON-GAAP) AND ACTUAL**  
**LAW ENFORCEMENT CONTINUED EDUCATION SPECIAL REVENUE FUND**  
**For the Year Ended September 30, 2007**  
**With Comparative Actual Amounts for the Year Ended September 30, 2006**

	<u>2007</u>		<b>Variance with Final Budget - Positive (Negative)</b>	<b>2006 Actual</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>		
<b>REVENUES</b>				
Intergovernmental	\$ 32,423	\$ 32,423	\$ -	\$ 30,599
<b>EXPENDITURES</b>				
Current:				
Inter-/Intragovernmental	186,473	46,632	139,841	13,338
<b>Excess (deficiency) of revenues     over (under) expenditures</b>	(154,050)	(14,209)	139,841	17,261
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	4,564	4,564	-	-
<b>Net change in fund balances</b>	(149,486)	(9,645)	139,841	17,261
<b>Fund balances-beginning</b>	149,485	149,485	-	132,224
<b>Fund balances-ending</b>	<u>\$ (1)</u>	<u>\$ 139,840</u>	<u>\$ 139,841</u>	<u>\$ 149,485</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, 2007**  
**With Comparative Actual Amounts for the Year Ended September 30, 2006**

	2007		Variance with Final Budget - Positive (Negative)	2006 Actual
	Final Budgeted Amounts	Actual Amounts		
<b>REVENUES</b>				
Taxes	\$ 6,000	\$ 4,078	\$ (1,922)	\$ 5,749
Intergovernmental	25,000	25,580	580	25,694
Charges for Services	-	-	-	26
Investment Earnings	102,000	95,214	(6,786)	96,671
Miscellaneous	3,600	73,212	69,612	5,519
<b>Total revenues</b>	<b>136,600</b>	<b>198,084</b>	<b>61,484</b>	<b>133,659</b>
<b>EXPENDITURES</b>				
Current:				
Personal Services	93,300	63,353	29,947	159,828
Supplies	3,000	1,571	1,429	1,038
Other Services and Charges	81,100	33,403	47,697	35,610
Capital Outlay	17,242	-	17,242	12,758
<b>Total expenditures</b>	<b>194,642</b>	<b>98,327</b>	<b>96,315</b>	<b>209,234</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(58,042)</b>	<b>99,757</b>	<b>157,799</b>	<b>(75,575)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(43,000)	(43,000)	-	(1,536,000)
Sale of Capital Assets	5,000	487,865	482,865	621,750
<b>Total other financing sources (uses)</b>	<b>(38,000)</b>	<b>444,865</b>	<b>482,865</b>	<b>(914,250)</b>
<b>Net change in fund balances</b>	<b>(96,042)</b>	<b>544,622</b>	<b>640,664</b>	<b>(989,825)</b>
<b>Fund balances-beginning</b>	<b>1,569,399</b>	<b>1,569,399</b>	<b>-</b>	<b>2,559,224</b>
<b>Fund balances-ending</b>	<b>\$ 1,473,357</b>	<b>\$ 2,114,021</b>	<b>\$ 640,664</b>	<b>\$ 1,569,399</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, 2007**  
**With Comparative Actual Amounts for the Year Ended September 30, 2006**

	<u>2007</u>		<b>Variance with Final Budget - Positive (Negative)</b>	<b>2006 Actual</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>		
<b>REVENUES</b>				
Taxes	\$ 1,996,067	\$ 1,986,870	\$ (9,197)	\$ 1,767,831
Intergovernmental	-	-	-	28,855
Charges for Services	130,000	116,758	(13,242)	140,648
Investment Earnings	79,000	106,285	27,285	89,156
Miscellaneous	45,100	47,371	2,271	36,471
<b>Total revenues</b>	<u>2,250,167</u>	<u>2,257,284</u>	<u>7,117</u>	<u>2,062,961</u>
<b>EXPENDITURES</b>				
General Government:				
Current:				
Other Services and Charges	313,438	229,852	83,586	94,659
Public Safety:				
Current:				
Personal Services	963,000	855,681	107,319	778,251
Supplies	197,400	172,957	24,443	106,172
Other Services and Charges	473,210	282,758	190,452	311,452
Total Public Safety	<u>1,633,610</u>	<u>1,311,396</u>	<u>322,214</u>	<u>1,195,875</u>
Capital Outlay	1,562,656	898,871	663,785	2,233,998
<b>Total expenditures</b>	<u>3,509,704</u>	<u>2,440,119</u>	<u>1,069,585</u>	<u>3,524,532</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(1,259,537)</u>	<u>(182,835)</u>	<u>1,076,702</u>	<u>(1,461,571)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	-	2,320,000
Transfers Out	(16,000)	(16,000)	-	(16,000)
Sale of Capital Assets	-	6,953	6,953	-
<b>Total other financing sources (uses)</b>	<u>(16,000)</u>	<u>(9,047)</u>	<u>6,953</u>	<u>2,304,000</u>
<b>Net change in fund balances</b>	(1,275,537)	(191,882)	1,083,655	842,429
<b>Fund balances-beginning</b>	1,616,831	1,616,831	-	774,402
<b>Fund balances-ending</b>	<u>\$ 341,294</u>	<u>\$ 1,424,949</u>	<u>\$ 1,083,655</u>	<u>\$ 1,616,831</u>

**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, 2007**  
**With Comparative Actual Amounts for the Year Ended September 30, 2006**

	<u>2007</u>		<b>Variance with Final Budget - Positive (Negative)</b>	<b>2006 Actual</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>		
<b>REVENUES</b>				
Intergovernmental	\$ 2,000	\$ 4,868	\$ 2,868	\$ 2,775
<b>EXPENDITURES</b>	-	-	-	-
<b>Excess (deficiency) of revenues     over (under) expenditures</b>	2,000	4,868	2,868	2,775
<b>Fund balances-beginning</b>	92,929	92,929	-	90,154
<b>Fund balances-ending</b>	<b>\$ 94,929</b>	<b>\$ 97,797</b>	<b>\$ 2,868</b>	<b>\$ 92,929</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, 2007**  
**With Comparative Actual Amounts for the Year Ended September 30, 2006**

	<u>2007</u>		<b>Variance with Final Budget - Positive (Negative)</b>	<b>2006 Actual</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>		
<b>Fund balances-beginning</b>	<u>13</u>	<u>13</u>	<u>-</u>	<u>13</u>
<b>Fund balances-ending</b>	<u><b>\$ 13</b></u>	<u><b>\$ 13</b></u>	<u><b>\$ -</b></u>	<u><b>\$ 13</b></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, 2007**  
**With Comparative Actual Amounts for the Year Ended September 30, 2006**

	<u>2007</u>		<b>Variance with Final Budget - Positive (Negative)</b>	<b>2006 Actual</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>		
<b>REVENUES</b>				
Fines and Forfeitures	\$ -	\$ 32,848	\$ 32,848	\$ 32,895
<b>EXPENDITURES</b>				
Current:				
Supplies	3,000	2,720	280	2,935
Other Services and Charges	56,200	41,343	14,857	59,722
<b>Total expenditures</b>	<u>59,200</u>	<u>44,063</u>	<u>15,137</u>	<u>62,657</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	(59,200)	(11,215)	47,985	(29,762)
<b>Fund balances-beginning</b>	<u>55,166</u>	<u>55,166</u>	<u>-</u>	<u>84,928</u>
<b>Fund balances-ending</b>	<u>\$ (4,034)</u>	<u>\$ 43,951</u>	<u>\$ 47,985</u>	<u>\$ 55,166</u>

**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, 2007**  
**With Comparative Actual Amounts for the Year Ended September 30, 2006**

	<u>2007</u>		<b>Variance with Final Budget - Positive (Negative)</b>	<b>2006 Actual</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>		
<b>REVENUES</b>				
Charges for Services	\$ -	\$ 19,414	\$ 19,414	\$ 29,228
<b>EXPENDITURES</b>				
Current:				
Supplies	9,000	5,726	3,274	1,949
Other Services and Charges	36,800	10,053	26,747	9,014
Capital Outlay	4,000	-	4,000	579
<b>Total expenditures</b>	<u>45,800</u>	<u>15,779</u>	<u>30,021</u>	<u>11,542</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	(45,800)	3,635	49,435	17,686
<b>Fund balances-beginning</b>	<u>70,095</u>	<u>70,095</u>	<u>-</u>	<u>52,409</u>
<b>Fund balances-ending</b>	<u><u>\$ 24,295</u></u>	<u><u>\$ 73,730</u></u>	<u><u>\$ 49,435</u></u>	<u><u>\$ 70,095</u></u>

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET (NON-GAAP) AND ACTUAL**  
**SHERIFF'S COMMISSARY SPECIAL REVENUE FUND**  
**For the Year Ended September 30, 2007**  
**With Comparative Actual Amounts for the Year Ended September 30, 2006**

	2007		Variance with Final Budget - Positive (Negative)	2006 Actual
	Final Budgeted Amounts	Actual Amounts		
<b>REVENUES</b>				
Investment Earnings	\$ -	\$ 17,366	\$ 17,366	\$ 14,431
Miscellaneous	-	196,437	196,437	291,548
<b>Total revenues</b>	<b>-</b>	<b>213,803</b>	<b>213,803</b>	<b>305,979</b>
<b>EXPENDITURES</b>				
Current:				
Other Services and Charges	-	92,991	(92,991)	233,113
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>-</b>	<b>120,812</b>	<b>120,812</b>	<b>72,866</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(10,200)	(10,200)	-	-
<b>Net change in fund balances</b>	<b>(10,200)</b>	<b>110,612</b>	<b>120,812</b>	<b>72,866</b>
<b>Fund balances-beginning</b>	<b>626,216</b>	<b>626,216</b>	<b>-</b>	<b>553,350</b>
<b>Fund balances-ending</b>	<b>\$ 616,016</b>	<b>\$ 736,828</b>	<b>\$ 120,812</b>	<b>\$ 626,216</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, 2007**  
**With Comparative Actual Amounts for the Year Ended September 30, 2006**

	<u>2007</u>		<b>Variance with Final Budget - Positive (Negative)</b>	<b>2006 Actual</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>		
<b>EXPENDITURES</b>				
Current:				
Other Services and Charges	\$ 2,037	\$ 2,037	\$ -	\$ -
<b>Excess (deficiency) of revenues     over (under) expenditures</b>	(2,037)	(2,037)	-	-
<b>Fund balances-beginning</b>	<u>2,037</u>	<u>2,037</u>	<u>-</u>	<u>2,037</u>
<b>Fund balances-ending</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 2,037</u></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, 2007**  
**With Comparative Actual Amounts for the Year Ended September 30, 2006**

	2007		Variance with Final Budget - Positive (Negative)	2006 Actual
	Final Budgeted Amounts	Actual Amounts		
<b>REVENUES</b>				
Fines and Forfeitures	\$ -	\$ 15,855	\$ 15,855	\$ 296
Investment Earnings	-	1,608	1,608	1,039
<b>Total revenues</b>	<b>-</b>	<b>17,463</b>	<b>17,463</b>	<b>1,335</b>
<b>EXPENDITURES</b>				
Current:				
Supplies	2,000	-	2,000	-
Other Services and Charges	-	-	-	4,213
Capital Outlay	14,310	613	13,697	-
<b>Total expenditures</b>	<b>16,310</b>	<b>613</b>	<b>15,697</b>	<b>4,213</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(16,310)</b>	<b>16,850</b>	<b>33,160</b>	<b>(2,878)</b>
<b>Fund balances-beginning</b>	<b>20,739</b>	<b>20,739</b>	<b>-</b>	<b>23,617</b>
<b>Fund balances-ending</b>	<b>\$ 4,429</b>	<b>\$ 37,589</b>	<b>\$ 33,160</b>	<b>\$ 20,739</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, 2007**  
**With Comparative Actual Amounts for the Year Ended September 30, 2006**

	<u>2007</u>			<u>2006</u> <u>Actual</u>
	<u>Final Budgeted</u> <u>Amounts</u>	<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget -</u> <u>Positive</u> <u>(Negative)</u>	
<b>REVENUES</b>	\$ -	\$ -	\$ -	\$ -
<b>EXPENDITURES</b>	-	-	-	-
<b>Excess (deficiency) of revenues</b> <b>over (under) expenditures</b>	-	-	-	-
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	\$ 23,561	\$ 23,650	\$ 89	\$ -
<b>Net change in fund balances</b>	23,561	23,650	89	-
<b>Fund balances-beginning</b>	1	1	-	1
<b>Fund balances-ending</b>	<u>\$ 23,562</u>	<u>\$ 23,651</u>	<u>\$ 89</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, 2007**  
**With Comparative Actual Amounts for the Year Ended September 30, 2006**

	<u>2007</u>			<u>2006</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	\$ -	\$ 6,080	\$ 6,080	\$ 5,279
<b>EXPENDITURES</b>	-	-	-	-
<b>Excess (deficiency) of revenues</b> <b>over (under) expenditures</b>	-	6,080	6,080	5,279
<b>Fund balances-beginning</b>	36,396	36,396	-	31,117
<b>Fund balances-ending</b>	<u>\$ 36,396</u>	<u>\$ 42,476</u>	<u>\$ 6,080</u>	<u>\$ 36,396</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, 2007**  
**With Comparative Actual Amounts for the Year Ended September 30, 2006**

	<u>2007</u>		<b>Variance with Final Budget - Positive (Negative)</b>	<b>2006 Actual</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>		
<b>REVENUES</b>				
Fines and Forfeitures	\$ 77,350	\$ 91,487	\$ 14,137	\$ 78,764
<b>EXPENDITURES</b>				
Current:				
Other Services and Charges	60,000	60,000	-	200,000
<b>Excess (deficiency) of revenues over (under) expenditures</b>	17,350	31,487	14,137	(121,236)
<b>Fund balances-beginning</b>	43,714	43,714	-	164,950
<b>Fund balances-ending</b>	<u>\$ 61,064</u>	<u>\$ 75,201</u>	<u>\$ 14,137</u>	<u>\$ 43,714</u>

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET (NON-GAAP) AND ACTUAL**  
**PROBATE COURT CONTRIBUTIONS SPECIAL REVENUE FUND**  
**For the Year Ended September 30, 2007**  
**With Comparative Actual Amounts for the Year Ended September 30, 2006**

	<u>2007</u>		<b>Variance with Final Budget - Positive (Negative)</b>	<b>2006 Actual</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>		
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ 40,000	\$ 40,000	\$ 63,629
<b>EXPENDITURES</b>				
Current:				
Supplies	2,000	-	2,000	240
Other Services and Charges	6,000	2,305	3,695	9,491
<b>Total expenditures</b>	<b>8,000</b>	<b>2,305</b>	<b>5,695</b>	<b>9,731</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(8,000)</b>	<b>37,695</b>	<b>45,695</b>	<b>53,898</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(23,500)	(23,500)	-	(45,800)
<b>Net change in fund balances</b>	<b>(31,500)</b>	<b>14,195</b>	<b>45,695</b>	<b>8,098</b>
<b>Fund balances-beginning</b>	<b>260,385</b>	<b>260,385</b>	<b>-</b>	<b>252,287</b>
<b>Fund balances-ending</b>	<b>\$ 228,885</b>	<b>\$ 274,580</b>	<b>\$ 45,695</b>	<b>\$ 260,385</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, 2007**  
**With Comparative Actual Amounts for the Year Ended September 30, 2006**

	<u>2007</u>		<b>Variance with Final Budget - Positive (Negative)</b>	<b>2006 Actual</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>		
<b>REVENUES</b>				
Miscellaneous	\$ 424,992	\$ 424,992	\$ -	\$ 25,011
<b>EXPENDITURES</b>				
Current:				
Other Services and Charges	1,559,568	721,109	838,459	1,053,308
<b>Excess (deficiency) of revenues over (under) expenditures</b>	(1,134,576)	(296,117)	838,459	(1,028,297)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	118,354	118,356	2	1,150,431
<b>Net change in fund balances</b>	(1,016,222)	(177,761)	838,461	122,134
<b>Fund balances-beginning</b>	1,093,197	1,093,197	-	971,063
<b>Fund balances-ending</b>	<b>\$ 76,975</b>	<b>\$ 915,436</b>	<b>\$ 838,461</b>	<b>\$ 1,093,197</b>

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET (NON-GAAP) AND ACTUAL**  
**CRIMINAL INVESTIGATIVE DIVISION SEIZURES POST-10/89 SPECIAL REVENUE FUND**  
**For the Year Ended September 30, 2007**  
**With Comparative Actual Amounts for the Year Ended September 30, 2006**

	<u>2007</u>			<u>2006</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 FUND**  
**For the Year Ended September 30, 2007**  
**With Comparative Actual Amounts for the Year Ended September 30, 2006**

	<u>2007</u>			<u>2006</u> <u>Actual</u>
	<u>Final Budgeted</u> <u>Amounts</u>	<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget -</u> <u>Positive</u> <u>(Negative)</u>	
<b>REVENUES</b>				
Charges for Services	\$ -	\$ 156,288	\$ 156,288	\$ 35,357
<b>EXPENDITURES</b>				
Current:				
Personal Services	-	-	-	1,048
Other Services and Charges	-	-	-	5,409
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,457</u>
<b>Excess (deficiency) of revenues</b> <b>over (under) expenditures</b>	-	156,288	156,288	28,900
<b>Fund balances-beginning</b>	<u>28,900</u>	<u>28,900</u>	<u>-</u>	<u>-</u>
<b>Fund balances-ending</b>	<u><u>\$ 28,900</u></u>	<u><u>\$ 185,188</u></u>	<u><u>\$ 156,288</u></u>	<u><u>\$ 28,900</u></u>



The Renovated Galveston County Courthouse  
Fuel Storage Tank for the Emergency Generator

NONMAJOR  
DEBT SERVICE FUNDS

PURPOSE:

CONSTRUCTION/IMPROVEMENT TAX AND REVENUE CERTIFICATES OF OBLIGATION SERIES 1999 (FUND 4205)

- The Tax and Revenue Certificates of Obligation Series 1999 were issued to build and improve various county facilities.

LIMITED TAX JUSTICE CENTER BONDS SERIES 2001 (FUND 4215)

- The Justice Center and Public Safety Building Bonds Series 2001 were issued to build, improve, and equip building, jail, and court facilities within the county and to purchase, improve, and build necessary related sites and parking facilities for same.

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

PARK ROADS/PARKING LOT IMPROVEMENTS CERTIFICATES OF OBLIGATION SERIES 2002A (FUND 4230)

- The Combination Tax and Revenue Certificates of Obligation Series 2002A were issued to repair and improve park roads and parking lots within the county.

SAN LUIS PASS BRIDGE CERTIFICATES OF OBLIGATION SERIES 2002 (FUND 4362)

- The Combination Tax and Revenue Certificates of Obligation Series 2002 were issued to repair and improve the San Luis Pass Bridge.

COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION SERIES 2003C (FUND 4214)

- The Combination Tax and Revenue Certificates of Obligation Series 2003C were issued to purchase, among other items, materials, supplies, equipment, machinery, buildings, land, and right-of way for authorized needs and purposes and to construct public works within the county.

LIMITED TAX CRIMINAL JUSTICE CENTER BONDS SERIES 2003A (FUND 4216)

- The Limited Tax Criminal Justice Bonds Series 2003A were issued to build, improve, and equip buildings, jail, and court facilities within the county.

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

LIMITED TAX FORWARD REFUNDING BONDS SERIES 2003 (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 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 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.

*PASS-THROUGH TOLL REVENUE AND LIMITED TAX BONDS SERIES 2007 (FUND 4358)* - The Pass-Through Toll Revenue and Limited Tax Bonds were issued to fund: i) the design, development, financing, construction, extension, expansion, and improvement of a non-toll project or facility for Farm-to-Market Road 646, a part of the state highway system located in the county; ii) the payment of interest on the bonds while the project is constructed; and iii) the payment of the costs of issuing the bonds.

**GALVESTON COUNTY, TEXAS  
COMBINING BALANCE SHEET  
NONMAJOR DEBT SERVICE FUNDS  
September 30, 2007  
With Comparative Totals at September 30, 2006**

	CONSTRUCTION/ IMPROVEMENT TAX AND REVENUE CERTIFICATES OF OBLIGATION SERIES 1999	LIMITED TAX JUSTICE CENTER BONDS SERIES 2001	UNLIMITED TAX ROAD BONDS SERIES 2001	PARK ROADS/ PARKING LOT IMPROVEMENTS CERTIFICATES OF OBLIGATION SERIES 2002A
<b>ASSETS</b>				
Investments	\$ 482,946	\$ 554,083	\$ 483,220	\$ 252,624
Receivables (Net of Allowances for Uncollectibles):				
Interest	-	-	-	-
Taxes	86,477	148,090	82,956	41,269
Accounts and Other	1,453	1,959	1,345	489
<b>Total assets</b>	<b>\$ 570,876</b>	<b>\$ 704,132</b>	<b>\$ 567,521</b>	<b>\$ 294,382</b>
<b>LIABILITIES</b>				
Accounts Payable	-	-	-	-
Due to Others	-	-	-	-
Deferred Revenues	86,477	148,089	82,956	41,270
<b>Total liabilities</b>	<b>86,477</b>	<b>148,089</b>	<b>82,956</b>	<b>41,270</b>
<b>FUND BALANCES</b>				
Reserved for Debt Service	484,399	556,043	484,565	253,112
<b>Total fund balances</b>	<b>484,399</b>	<b>556,043</b>	<b>484,565</b>	<b>253,112</b>
<b>Total liabilities and fund balances</b>	<b>\$ 570,876</b>	<b>\$ 704,132</b>	<b>\$ 567,521</b>	<b>\$ 294,382</b>

(Continued)

<u>SAN LUIS PASS BRIDGE CERTIFICATES OF OBLIGATION SERIES 2002</u>	<u>COMBINATION TAX AND 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>	<u>LIMITED TAX FORWARD REFUNDING BONDS SERIES 2003</u>
\$ 326,347	\$ 643,141	\$ 1,087,397	\$ 349,424	\$ 469,997
-	-	-	-	-
52,503	175,073	338,930	404,004	355,812
814	2,392	4,653	2,916	2,982
<u><b>\$ 379,664</b></u>	<u><b>\$ 820,606</b></u>	<u><b>\$ 1,430,980</b></u>	<u><b>\$ 756,344</b></u>	<u><b>\$ 828,791</b></u>
\$ -	\$ 300	\$ 300	\$ 300	\$ -
-	-	-	-	-
52,504	175,073	338,930	404,003	355,813
52,504	175,373	339,230	404,303	355,813
327,160	645,233	1,091,750	352,041	472,978
327,160	645,233	1,091,750	352,041	472,978
<u><b>\$ 379,664</b></u>	<u><b>\$ 820,606</b></u>	<u><b>\$ 1,430,980</b></u>	<u><b>\$ 756,344</b></u>	<u><b>\$ 828,791</b></u>

**GALVESTON COUNTY, TEXAS  
COMBINING BALANCE SHEET  
NONMAJOR DEBT SERVICE FUNDS  
September 30, 2007  
With Comparative Totals at September 30, 2006**

	GENERAL OBLIGATION 1999/2001 REFUNDING BONDS SERIES 2004	UNLIMITED TAX ROAD REFUNDING BONDS SERIES 2004A	PASS-THROUGH TOLL REVENUE AND LIMITED TAX BONDS SERIES 2007	TOTALS	
				2007	2006
<b>ASSETS</b>					
Investments	\$ 520,658	\$ 340,215	\$ 7,054,856	\$ 12,564,908	\$ 4,384,155
Receivables (Net of Allowances for Uncollectibles):					
Interest	-	-	-	-	40
Taxes	96,650	79,764	-	1,861,528	1,681,830
Accounts and Other	1,385	906	-	21,294	13,404
<b>Total assets</b>	<b>\$ 618,693</b>	<b>\$ 420,885</b>	<b>\$ 7,054,856</b>	<b>\$ 14,447,730</b>	<b>\$ 6,079,429</b>
<b>LIABILITIES</b>					
Accounts Payable	\$ 323	\$ 323	\$ -	\$ 1,546	\$ -
Due to Others	-	-	42,232	42,232	-
Deferred Revenues	96,651	79,764	-	1,861,530	1,681,830
<b>Total liabilities</b>	<b>96,974</b>	<b>80,087</b>	<b>42,232</b>	<b>1,905,308</b>	<b>1,681,830</b>
<b>FUND BALANCES</b>					
Reserved for Debt Service	521,719	340,798	7,012,624	12,542,422	4,397,599
<b>Total fund balances</b>	<b>521,719</b>	<b>340,798</b>	<b>7,012,624</b>	<b>12,542,422</b>	<b>4,397,599</b>
<b>Total liabilities and fund balances</b>	<b>\$ 618,693</b>	<b>\$ 420,885</b>	<b>\$ 7,054,856</b>	<b>\$ 14,447,730</b>	<b>\$ 6,079,429</b>



The Renovated Galveston County Courthouse

Commissioners' Court, First Floor -  
View Toward the Bench

**GALVESTON COUNTY, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES**  
**NONMAJOR DEBT SERVICE FUNDS**  
**For the Year Ended September 30, 2007**  
**With Comparative Totals for the Year Ended September 30, 2006**

	CONSTRUCTION/ IMPROVEMENT TAX AND REVENUE CERTIFICATES OF OBLIGATION SERIES 1999	LIMITED TAX JUSTICE CENTER BONDS SERIES 2001	UNLIMITED TAX ROAD BONDS SERIES 2001	PARK ROADS/ PARKING LOT IMPROVEMENTS CERTIFICATES OF OBLIGATION SERIES 2002A
<b>REVENUES</b>				
Taxes	\$ 1,596,216	\$ 1,780,804	\$ 1,431,349	\$ 322,382
Intergovernmental	-	-	-	-
Investment Earnings	20,416	26,196	22,073	16,614
<b>Total revenues</b>	<u>1,616,632</u>	<u>1,807,000</u>	<u>1,453,422</u>	<u>338,996</u>
<b>EXPENDITURES</b>				
Debt Service:				
Principal Retirement	1,280,000	1,385,000	1,040,000	295,000
Interest and Fiscal Charges	149,130	307,999	231,783	179,273
Refund-Prior Year Tax Revenue	11,174	25,537	18,164	1,092
<b>Total expenditures</b>	<u>1,440,304</u>	<u>1,718,536</u>	<u>1,289,947</u>	<u>475,365</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>176,328</u>	<u>88,464</u>	<u>163,475</u>	<u>(136,369)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	70,004	-	-
Face Value - Long Term Debt Issued	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>70,004</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balances</b>	176,328	158,468	163,475	(136,369)
<b>Fund balances-beginning</b>	<u>308,071</u>	<u>397,575</u>	<u>321,090</u>	<u>389,481</u>
<b>Fund balances-ending</b>	<u>\$ 484,399</u>	<u>\$ 556,043</u>	<u>\$ 484,565</u>	<u>\$ 253,112</u>

(Continued)

SAN LUIS PASS BRIDGE CERTIFICATES OF OBLIGATION SERIES 2002	COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION SERIES 2003C	LIMITED TAX CRIMINAL JUSTICE CENTER BONDS SERIES 2003A	UNLIMITED TAX ROAD BONDS SERIES 2003B	LIMITED TAX FORWARD REFUNDING BONDS SERIES 2003
\$ 778,735	\$ 1,965,863	\$ 3,768,656	\$ 1,001,399	\$ 1,133,674
-	-	-	-	-
16,375	54,463	82,629	16,100	22,701
<u>795,110</u>	<u>2,020,326</u>	<u>3,851,285</u>	<u>1,017,499</u>	<u>1,156,375</u>
415,000	25,000	1,455,000	260,000	940,000
250,043	2,014,458	2,591,070	410,833	162,050
1,543	-	276	91,610	9,776
<u>666,586</u>	<u>2,039,458</u>	<u>4,046,346</u>	<u>762,443</u>	<u>1,111,826</u>
128,524	(19,132)	(195,061)	255,056	44,549
-	82,732	165,464	-	-
-	-	-	-	-
-	82,732	165,464	-	-
128,524	63,600	(29,597)	255,056	44,549
198,636	581,633	1,121,347	96,985	428,429
<u>\$ 327,160</u>	<u>\$ 645,233</u>	<u>\$ 1,091,750</u>	<u>\$ 352,041</u>	<u>\$ 472,978</u>

**GALVESTON COUNTY, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES**  
**NONMAJOR DEBT SERVICE FUNDS**  
**For the Year Ended September 30, 2007**  
**With Comparative Totals for the Year Ended September 30, 2006**

	GENERAL OBLIGATION 1999/2001 REFUNDING BONDS SERIES 2004	UNLIMITED TAX ROAD REFUNDING BONDS SERIES 2004A	PASS-THROUGH TOLL REVENUE AND LIMITED TAX BONDS SERIES 2007	TOTALS	
				2007	2006
<b>REVENUES</b>					
Taxes	\$ 1,269,635	\$ 666,563	\$ -	\$ 15,715,276	\$ 15,563,121
Intergovernmental	-	-	-	-	79,536
Investment Earnings	36,169	19,382	53,850	386,968	243,403
<b>Total revenues</b>	<b>1,305,804</b>	<b>685,945</b>	<b>53,850</b>	<b>16,102,244</b>	<b>15,886,060</b>
<b>EXPENDITURES</b>					
Debt Service:					
Principal Retirement	40,000	100,000	-	7,235,000	6,800,000
Interest and Fiscal Charges	1,110,342	433,242	-	7,840,223	8,115,039
Refund-Prior Year Tax Revenue	-	-	-	159,172	159,154
<b>Total expenditures</b>	<b>1,150,342</b>	<b>533,242</b>	<b>-</b>	<b>15,234,395</b>	<b>15,074,193</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>155,462</b>	<b>152,703</b>	<b>53,850</b>	<b>867,849</b>	<b>811,867</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	-	-	-	318,200	-
Face Value - Long Term Debt Issued	-	-	6,958,774	6,958,774	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>6,958,774</b>	<b>7,276,974</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>155,462</b>	<b>152,703</b>	<b>7,012,624</b>	<b>8,144,823</b>	<b>811,867</b>
<b>Fund balances-beginning</b>	<b>366,257</b>	<b>188,095</b>	<b>-</b>	<b>4,397,599</b>	<b>3,585,732</b>
<b>Fund balances-ending</b>	<b>\$ 521,719</b>	<b>\$ 340,798</b>	<b>\$ 7,012,624</b>	<b>\$ 12,542,422</b>	<b>\$ 4,397,599</b>



The Renovated Galveston County Courthouse

Commissioners' Court, First Floor -  
View from the Bench

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**CONSTRUCTION/IMPROVEMENT TAX AND REVENUE**  
**CERTIFICATES OF OBLIGATION SERIES 1999 DEBT SERVICE FUND**  
**For the Year Ended September 30, 2007**  
**With Comparative Actual Amounts for the Year Ended September 30, 2006**

	<u>2007</u>			<u>2006</u> <u>Actual</u> <u>Amounts</u>
	<u>Final</u> <u>Budgeted</u> <u>Amounts</u>	<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget-</u> <u>Positive</u> <u>(Negative)</u>	
<b>REVENUES</b>				
Taxes:				
Ad Valorem Taxes - Current	\$ 1,529,183	\$ 1,567,462	\$ 38,279	\$ 314,984
Ad Valorem Taxes - Delinquent	10,000	17,281	7,281	11,213
Penalties and Interest	20,486	11,473	(9,013)	7,437
Investment Earnings	15,000	20,416	5,416	12,899
<b>Total revenues</b>	<u>1,574,669</u>	<u>1,616,632</u>	<u>41,963</u>	<u>346,533</u>
<b>EXPENDITURES</b>				
Debt Service:				
Principal Retirement	1,280,000	1,280,000	-	-
Interest and Fiscal Charges	153,200	149,130	4,070	181,540
Refund-Prior Year Tax Revenue	11,200	11,174	26	11,174
<b>Total expenditures</b>	<u>1,444,400</u>	<u>1,440,304</u>	<u>4,096</u>	<u>192,714</u>
<b>Excess (deficiency) of revenues</b> <b>over (under) expenditures</b>	130,269	176,328	46,059	153,819
<b>Fund balances-beginning</b>	<u>308,071</u>	<u>308,071</u>	<u>-</u>	<u>154,252</u>
<b>Fund balances-ending</b>	<u><u>\$ 438,340</u></u>	<u><u>\$ 484,399</u></u>	<u><u>\$ 46,059</u></u>	<u><u>\$ 308,071</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, 2007**  
**With Comparative Actual Amounts for the Year Ended September 30, 2006**

	<b>2007</b>			<b>2006 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	\$ 1,690,035	\$ 1,732,700	\$ 42,665	\$ 479,965
Ad Valorem Taxes - Delinquent	30,000	34,458	4,458	22,215
Penalties and Interest	26,835	13,646	(13,189)	13,589
Intergovernmental	-	-	-	4,772
Investment Earnings	16,000	26,196	10,196	15,990
<b>Total revenues</b>	<b>1,762,870</b>	<b>1,807,000</b>	<b>44,130</b>	<b>536,531</b>
<b>EXPENDITURES</b>				
Debt Service:				
Principal Retirement	1,385,000	1,385,000	-	-
Interest and Fiscal Charges	311,000	307,999	3,001	335,699
Refund-Prior Year Tax Revenue	25,700	25,537	163	25,519
<b>Total expenditures</b>	<b>1,721,700</b>	<b>1,718,536</b>	<b>3,164</b>	<b>361,218</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>41,170</b>	<b>88,464</b>	<b>47,294</b>	<b>175,313</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	70,004	70,004	-	52,118
<b>Net change in fund balances</b>	<b>111,174</b>	<b>158,468</b>	<b>47,294</b>	<b>227,431</b>
<b>Fund balances-beginning</b>	<b>397,575</b>	<b>397,575</b>	<b>-</b>	<b>170,144</b>
<b>Fund balances-ending</b>	<b>\$ 508,749</b>	<b>\$ 556,043</b>	<b>\$ 47,294</b>	<b>\$ 397,575</b>

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**UNLIMITED TAX ROAD BONDS SERIES 2001 DEBT SERVICE FUND**  
**For the Year Ended September 30, 2007**  
**With Comparative Actual Amounts for the Year Ended September 30, 2006**

	<b>2007</b>			<b>2006 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	\$ 1,368,999	\$ 1,403,269	\$ 34,270	\$ 284,985
Ad Valorem Taxes - Delinquent	11,000	16,634	5,634	13,139
Penalties and Interest	19,043	11,446	(7,597)	7,695
Investment Earnings	18,000	22,073	4,073	15,560
<b>Total revenues</b>	<u>1,417,042</u>	<u>1,453,422</u>	<u>36,380</u>	<u>321,379</u>
<b>EXPENDITURES</b>				
Debt Service:				
Principal Retirement	1,040,000	1,040,000	-	-
Interest and Fiscal Charges	235,400	231,783	3,617	252,173
Refund-Prior Year Tax Revenue	18,200	18,164	36	18,164
<b>Total expenditures</b>	<u>1,293,600</u>	<u>1,289,947</u>	<u>3,653</u>	<u>270,337</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	123,442	163,475	40,033	51,042
<b>Fund balances-beginning</b>	<u>321,090</u>	<u>321,090</u>	<u>-</u>	<u>270,048</u>
<b>Fund balances-ending</b>	<u><u>\$ 444,532</u></u>	<u><u>\$ 484,565</u></u>	<u><u>\$ 40,033</u></u>	<u><u>\$ 321,090</u></u>

**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, 2007**  
**With Comparative Actual Amounts for the Year Ended September 30, 2006**

	<b>2007</b>			<b>2006 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	\$ 299,990	\$ 307,687	\$ 7,697	\$ 434,977
Ad Valorem Taxes - Delinquent	14,000	11,809	(2,191)	13,188
Penalties and Interest	6,250	2,886	(3,364)	8,188
Investment Earnings	18,000	16,614	(1,386)	17,825
<b>Total revenues</b>	<u>338,240</u>	<u>338,996</u>	<u>756</u>	<u>474,178</u>
<b>EXPENDITURES</b>				
Debt Service:				
Principal Retirement	295,000	295,000	-	285,000
Interest and Fiscal Charges	183,100	179,273	3,827	190,516
Refund-Prior Year Tax Revenue	2,200	1,092	1,108	1,092
<b>Total expenditures</b>	<u>480,300</u>	<u>475,365</u>	<u>4,935</u>	<u>476,608</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	(142,060)	(136,369)	5,691	(2,430)
<b>Fund balances-beginning</b>	<u>389,481</u>	<u>389,481</u>	<u>-</u>	<u>391,911</u>
<b>Fund balances-ending</b>	<u><u>\$ 247,421</u></u>	<u><u>\$ 253,112</u></u>	<u><u>\$ 5,691</u></u>	<u><u>\$ 389,481</u></u>

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**SAN LUIS PASS BRIDGE CERTIFICATES OF OBLIGATION SERIES 2002 DEBT SERVICE FUND**  
**For the Year Ended September 30, 2007**  
**With Comparative Actual Amounts for the Year Ended September 30, 2006**

	<b>2007</b>			<b>2006 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	\$ 739,954	\$ 758,625	\$ 18,671	\$ 449,976
Ad Valorem Taxes - Delinquent	12,000	14,463	2,463	11,069
Penalties and Interest	11,109	5,647	(5,462)	8,257
Investment Earnings	14,000	16,375	2,375	12,465
<b>Total revenues</b>	<u>777,063</u>	<u>795,110</u>	<u>18,047</u>	<u>481,767</u>
<b>EXPENDITURES</b>				
Debt Service:				
Principal Retirement	415,000	415,000	-	400,000
Interest and Fiscal Charges	254,100	250,043	4,057	266,043
Refund-Prior Year Tax Revenue	1,600	1,543	57	1,543
<b>Total expenditures</b>	<u>670,700</u>	<u>666,586</u>	<u>4,114</u>	<u>667,586</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	106,363	128,524	22,161	(185,819)
<b>Fund balances-beginning</b>	<u>198,636</u>	<u>198,636</u>	<u>-</u>	<u>384,455</u>
<b>Fund balances-ending</b>	<u><u>\$ 304,999</u></u>	<u><u>\$ 327,160</u></u>	<u><u>\$ 22,161</u></u>	<u><u>\$ 198,636</u></u>

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION SERIES 2003C DEBT SERVICE FUND**  
**For the Year Ended September 30, 2007**  
**With Comparative Actual Amounts for the Year Ended September 30, 2006**

	<b>2007</b>			<b>2006 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	\$ 1,850,052	\$ 1,897,213	\$ 47,161	\$ 2,084,891
Ad Valorem Taxes - Delinquent	55,000	54,217	(783)	48,616
Penalties and Interest	30,976	14,433	(16,543)	34,344
Intergovernmental	-	-	-	24,656
Investment Earnings	30,000	54,463	24,463	42,170
<b>Total revenues</b>	<u>1,966,028</u>	<u>2,020,326</u>	<u>54,298</u>	<u>2,234,677</u>
<b>EXPENDITURES</b>				
Debt Service:				
Principal Retirement	25,000	25,000	-	25,000
Interest and Fiscal Charges	2,019,700	2,014,458	5,242	2,014,563
<b>Total expenditures</b>	<u>2,044,700</u>	<u>2,039,458</u>	<u>5,242</u>	<u>2,039,563</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	(78,672)	(19,132)	59,540	195,114
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	82,732	82,732	-	-
<b>Net change in fund balances</b>	4,060	63,600	59,540	195,114
<b>Fund balances-beginning</b>	<u>581,633</u>	<u>581,633</u>	<u>-</u>	<u>386,519</u>
<b>Fund balances-ending</b>	<u><u>\$ 585,693</u></u>	<u><u>\$ 645,233</u></u>	<u><u>\$ 59,540</u></u>	<u><u>\$ 581,633</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, 2007**  
**With Comparative Actual Amounts for the Year Ended September 30, 2006**

	<b>2007</b>			<b>2006 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	\$ 3,540,422	\$ 3,630,927	\$ 90,505	\$ 4,499,765
Ad Valorem Taxes - Delinquent	112,000	111,394	(606)	91,164
Penalties and Interest	59,715	26,335	(33,380)	70,874
Intergovernmental	-	-	-	50,108
Investment Earnings	45,000	82,629	37,629	60,035
<b>Total revenues</b>	<b>3,757,137</b>	<b>3,851,285</b>	<b>94,148</b>	<b>4,771,946</b>
<b>EXPENDITURES</b>				
Debt Service:				
Principal Retirement	1,455,000	1,455,000	-	1,470,000
Interest and Fiscal Charges	2,596,500	2,591,070	5,430	2,641,975
Refund-Prior Year Tax Revenue	300	276	24	276
<b>Total expenditures</b>	<b>4,051,800</b>	<b>4,046,346</b>	<b>5,454</b>	<b>4,112,251</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(294,663)</b>	<b>(195,061)</b>	<b>99,602</b>	<b>659,695</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	165,464	165,464	-	-
<b>Net change in fund balances</b>	<b>(129,199)</b>	<b>(29,597)</b>	<b>99,602</b>	<b>659,695</b>
<b>Fund balances-beginning</b>	<b>1,121,347</b>	<b>1,121,347</b>	<b>-</b>	<b>461,652</b>
<b>Fund balances-ending</b>	<b>\$ 992,148</b>	<b>\$ 1,091,750</b>	<b>\$ 99,602</b>	<b>\$ 1,121,347</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, 2007**  
**With Comparative Actual Amounts for the Year Ended September 30, 2006**

	<b>2007</b>			<b>2006 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	\$ 920,015	\$ 943,102	\$ 23,087	\$ 299,984
Ad Valorem Taxes - Delinquent	37,500	34,283	(3,217)	53,384
Penalties and Interest	38,080	24,014	(14,066)	36,569
Investment Earnings	16,000	16,100	100	12,490
<b>Total revenues</b>	<b>1,011,595</b>	<b>1,017,499</b>	<b>5,904</b>	<b>402,427</b>
<b>EXPENDITURES</b>				
Debt Service:				
Principal Retirement	260,000	260,000	-	255,000
Interest and Fiscal Charges	416,300	410,833	5,467	416,963
Refund-Prior Year Tax Revenue	91,700	91,610	90	91,610
<b>Total expenditures</b>	<b>768,000</b>	<b>762,443</b>	<b>5,557</b>	<b>763,573</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>243,595</b>	<b>255,056</b>	<b>11,461</b>	<b>(361,146)</b>
<b>Fund balances-beginning</b>	<b>96,985</b>	<b>96,985</b>	<b>-</b>	<b>458,131</b>
<b>Fund balances-ending</b>	<b>\$ 340,580</b>	<b>\$ 352,041</b>	<b>\$ 11,461</b>	<b>\$ 96,985</b>

**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, 2007**  
**With Comparative Actual Amounts for the Year Ended September 30, 2006**

	<b>2007</b>			<b>2006 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	\$ 1,002,028	\$ 1,028,954	\$ 26,926	\$ 3,899,796
Ad Valorem Taxes - Delinquent	97,000	89,265	(7,735)	76,910
Penalties and Interest	37,023	15,455	(21,568)	70,463
Investment Earnings	6,000	22,701	16,701	12,714
<b>Total revenues</b>	<u>1,142,051</u>	<u>1,156,375</u>	<u>14,324</u>	<u>4,059,883</u>
<b>EXPENDITURES</b>				
Debt Service:				
Principal Retirement	940,000	940,000	-	3,560,000
Interest and Fiscal Charges	168,100	162,050	6,050	252,050
Refund-Prior Year Tax Revenue	9,800	9,776	24	9,776
<b>Total expenditures</b>	<u>1,117,900</u>	<u>1,111,826</u>	<u>6,074</u>	<u>3,821,826</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	24,151	44,549	20,398	238,057
<b>Fund balances-beginning</b>	<u>428,429</u>	<u>428,429</u>	<u>-</u>	<u>190,372</u>
<b>Fund balances-ending</b>	<u><u>\$ 452,580</u></u>	<u><u>\$ 472,978</u></u>	<u><u>\$ 20,398</u></u>	<u><u>\$ 428,429</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, 2007**  
**With Comparative Actual Amounts for the Year Ended September 30, 2006**

	<b>2007</b>			<b>2006 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	\$ 1,199,962	\$ 1,230,489	\$ 30,527	\$ 1,229,936
Ad Valorem Taxes - Delinquent	31,000	30,799	(201)	22,204
Penalties and Interest	18,400	8,347	(10,053)	18,158
Investment Earnings	19,000	36,169	17,169	24,939
<b>Total revenues</b>	<b>1,268,362</b>	<b>1,305,804</b>	<b>37,442</b>	<b>1,295,237</b>
<b>EXPENDITURES</b>				
Debt Service:				
Principal Retirement	40,000	40,000	-	40,000
Interest and Fiscal Charges	1,112,700	1,110,342	2,358	1,111,198
<b>Total expenditures</b>	<b>1,152,700</b>	<b>1,150,342</b>	<b>2,358</b>	<b>1,151,198</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>115,662</b>	<b>155,462</b>	<b>39,800</b>	<b>144,039</b>
<b>Fund balances-beginning</b>	<b>366,257</b>	<b>366,257</b>	<b>-</b>	<b>222,218</b>
<b>Fund balances-ending</b>	<b>\$ 481,919</b>	<b>\$ 521,719</b>	<b>\$ 39,800</b>	<b>\$ 366,257</b>

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**UNLIMITED TAX ROAD REFUNDING BONDS SERIES 2004A DEBT SERVICE FUND**  
**For the Year Ended September 30, 2007**  
**With Comparative Actual Amounts for the Year Ended September 30, 2006**

	<b>2007</b>		<b>Variance with Final Budget- Positive (Negative)</b>	<b>2006 Actual Amounts</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>		
<b>REVENUES</b>				
Taxes:				
Ad Valorem Taxes - Current	\$ 630,047	\$ 645,911	\$ 15,864	\$ 314,984
Ad Valorem Taxes - Delinquent	16,500	14,053	(2,447)	19,047
Penalties and Interest	11,946	6,599	(5,347)	9,631
Investment Earnings	16,000	19,382	3,382	14,559
<b>Total revenues</b>	<b>674,493</b>	<b>685,945</b>	<b>11,452</b>	<b>358,221</b>
<b>EXPENDITURES</b>				
Debt Service:				
Principal Retirement	100,000	100,000	-	95,000
Interest and Fiscal Charges	438,600	433,242	5,358	435,829
<b>Total expenditures</b>	<b>538,600</b>	<b>533,242</b>	<b>5,358</b>	<b>530,829</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>135,893</b>	<b>152,703</b>	<b>16,810</b>	<b>(172,608)</b>
<b>Fund balances-beginning</b>	<b>188,095</b>	<b>188,095</b>	<b>-</b>	<b>360,703</b>
<b>Fund balances-ending</b>	<b>\$ 323,988</b>	<b>\$ 340,798</b>	<b>\$ 16,810</b>	<b>\$ 188,095</b>

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**PASS-THROUGH TOLL REVENUE AND LIMITED TAX BONDS SERIES 2007 DEBT SERVICE FUND**  
**For the Year Ended September 30, 2007**  
**With Comparative Actual Amounts for the Year Ended September 30, 2006**

	<b>2007</b>		<b>Variance with Final Budget- Positive (Negative)</b>	<b>2006 Actual Amounts</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>		
<b>REVENUES</b>				
Investment Earnings	\$ 53,851	\$ 53,850	\$ (1)	\$ -
<b>EXPENDITURES</b>	-	-	-	-
<b>Excess (deficiency) of revenues over (under) expenditures</b>	53,851	53,850	(1)	-
<b>OTHER FINANCING SOURCES (USES)</b>				
Face Value - Long Term Debt Issued	6,958,775	6,958,774	(1)	-
<b>Net change in fund balances</b>	7,012,626	7,012,624	(2)	-
<b>Fund balances-beginning</b>	-	-	-	-
<b>Fund balances-ending</b>	<b>\$ 7,012,626</b>	<b>\$ 7,012,624</b>	<b>\$ (2)</b>	<b>\$ -</b>



The Renovated Galveston County Courthouse  
Main Staircase, First-Floor Lobby



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NONMAJOR  
CAPITAL PROJECTS FUNDS

PURPOSE:

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

Original issue	\$ 6,300,000 Refunding Bonds
	<u>13,000,000 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 AND REVENUE CERTIFICATES OF OBLIGATION SERIES 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/PUBLIC SAFETY BUILDING BONDS SERIES 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 SERIES 2001 (FUND 3308) - Issued in March 2001, in the amount of \$26,151,371.95 pursuant to the Constitution and general laws of the State of Texas, including Chapter 1471, Texas Government Code, as amended. This amount is the initial installment of the total authorization of \$36,300,000 (\$35,000,000 for road and \$1,300,000 for the Grand Parkway) approved by the voters in November 2000. The proceeds will be used to build and improve roads within the County.

COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION SERIES 2003C (FUND 3206) - Issued on September 4<sup>th</sup> 2003, in the amount of \$40,890,000 pursuant to the Constitution and general laws of the State of Texas, including Chapter 1471 and Chapter 1473, Texas Government Code, as amended, and Chapter 271, Texas Local Government Code, as amended, and three separate orders adopted by the Commissioners' Court. The proceeds will be used to purchase, among other things, materials, supplies, equipment, machinery, buildings, land and rights-of-way for authorized needs and purposes and the construction of public works and to pay the costs associated with the issuance of the Certificates.

LIMITED TAX CRIMINAL JUSTICE CENTER BONDS SERIES 2003A (FUND 3222) - Issued on September 4<sup>th</sup> 2003, in the amount of \$57,245,000 pursuant to the Constitution and general laws of the State of Texas, including Chapter 1471 and Chapter 1473, Texas Government Code, as amended, and Chapter 271, Texas Local Government Code, as amended, and three separate orders adopted by the Commissioners' Court. The proceeds will be used to build, improve and equip buildings, jails and court facilities in the County and to pay the costs associated with the issuance of the Criminal Justice Bonds.

UNLIMITED TAX ROAD BONDS SERIES 2003B (FUND 3307) - Issued on September 4<sup>th</sup> 2003, in the amount of \$9,625,000 pursuant to the Constitution and general laws of the State of Texas, including Chapter 1471 and Chapter 1473, Texas Government Code, as amended, and Chapter 271, Texas Local Government Code, as amended, and three separate orders adopted by the Commissioners' Court. The proceeds will be used to build and improve roads within the County and to pay the costs associated with the issuance of the Road Bonds.

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, 2007  
With Comparative Totals at September 30, 2006**

	<b>ROAD BONDS SERIES 1987</b>	<b>CONSTRUCTION/ IMPROVEMENT TAX AND 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>COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION SERIES 2003C</b>
<b>ASSETS</b>					
Investments	\$ 1,136,565	\$ -	\$ 8,210	\$ 3,175,883	\$ 4,240,024
Receivables (Net of Allowances for Uncollectibles):					
Interest	-	-	-	-	-
Accounts and Other	-	-	39,360	-	-
<b>Total assets</b>	<b>\$ 1,136,565</b>	<b>\$ -</b>	<b>\$ 47,570</b>	<b>\$ 3,175,883</b>	<b>\$ 4,240,024</b>
<b>LIABILITIES</b>					
Accounts Payable	\$ -	\$ -	\$ -	\$ 820,287	\$ 1,150,913
Retainage Payable	-	-	10,640	-	796,042
Due to Other Funds	-	-	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>10,640</b>	<b>820,287</b>	<b>1,946,955</b>
<b>FUND BALANCES</b>					
Reserved for Encumbrances	-	-	-	-	280,104
Unreserved:					
Designated for Capital Projects	1,136,565	-	36,930	2,355,596	2,012,965
<b>Total fund balances</b>	<b>1,136,565</b>	<b>-</b>	<b>36,930</b>	<b>2,355,596</b>	<b>2,293,069</b>
<b>Total liabilities and fund balances</b>	<b>\$ 1,136,565</b>	<b>\$ -</b>	<b>\$ 47,570</b>	<b>\$ 3,175,883</b>	<b>\$ 4,240,024</b>

LIMITED TAX CRIMINAL JUSTICE CENTER BONDS SERIES 2003A	UNLIMITED TAX ROAD BONDS SERIES 2003B	GALVESTON CAUSEWAY RAILROAD BRIDGE PROJECT	COUNTY ROAD AND BRIDGE PROJECTS	TOTALS	
				2007	2006
\$ 60,871	\$ 8,160,785	\$ -	\$ 103,213	\$ 16,885,551	\$ 30,077,574
-	-	-	-	-	24
-	-	167,750	-	207,110	149,700
<b>\$ 60,871</b>	<b>\$ 8,160,785</b>	<b>\$ 167,750</b>	<b>\$ 103,213</b>	<b>\$ 17,092,661</b>	<b>\$ 30,227,298</b>
\$ -	\$ 622,008	\$ 93,420	\$ -	\$ 2,686,628	\$ 1,759,032
447	-	-	-	807,129	4,565,463
-	-	72,239	-	72,239	-
447	622,008	165,659	-	3,565,996	6,324,495
-	11,738	-	16,650	308,492	4,425,657
60,424	7,527,039	2,091	86,563	13,218,173	19,477,146
60,424	7,538,777	2,091	103,213	13,526,665	23,902,803
<b>\$ 60,871</b>	<b>\$ 8,160,785</b>	<b>\$ 167,750</b>	<b>\$ 103,213</b>	<b>\$ 17,092,661</b>	<b>\$ 30,227,298</b>

**GALVESTON COUNTY, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES**  
**NONMAJOR CAPITAL PROJECTS FUNDS**  
**For the Year Ended September 30, 2007**  
**With Comparative Totals for the Year Ended September 30, 2006**

	ROAD BONDS SERIES 1987	CONSTRUCTION/ IMPROVEMENT TAX AND REVENUE CERTIFICATES OF OBLIGATION SERIES 1999	JUSTICE CENTER/ PUBLIC SAFETY BUILDING BONDS SERIES 2001	UNLIMITED TAX ROAD BONDS SERIES 2001	COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION SERIES 2003C
<b>REVENUES</b>					
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -
Investment Earnings	55,893	577	19,600	184,381	312,976
Miscellaneous	-	-	2,100	-	-
<b>Total revenues</b>	<b>55,893</b>	<b>577</b>	<b>21,700</b>	<b>184,381</b>	<b>312,976</b>
<b>EXPENDITURES</b>					
General Government	-	-	-	-	-
Roads, Bridges and Rights-of-Way	100,403	-	-	1,389,027	9,154
Capital Outlay	-	59,613	764,499	-	10,455,619
<b>Total expenditures</b>	<b>100,403</b>	<b>59,613</b>	<b>764,499</b>	<b>1,389,027</b>	<b>10,464,773</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(44,510)</b>	<b>(59,036)</b>	<b>(742,799)</b>	<b>(1,204,646)</b>	<b>(10,151,797)</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	-	-	-	-	4,675,110
Transfers Out	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,675,110</b>
<b>Net change in fund balances</b>	<b>(44,510)</b>	<b>(59,036)</b>	<b>(742,799)</b>	<b>(1,204,646)</b>	<b>(5,476,687)</b>
<b>Fund balances-beginning</b>	<b>1,181,075</b>	<b>59,036</b>	<b>779,729</b>	<b>3,560,242</b>	<b>7,769,756</b>
<b>Fund balances-ending</b>	<b>\$ 1,136,565</b>	<b>\$ -</b>	<b>\$ 36,930</b>	<b>\$ 2,355,596</b>	<b>\$ 2,293,069</b>

LIMITED TAX CRIMINAL JUSTICE CENTER BONDS SERIES 2003A	UNLIMITED TAX ROAD BONDS SERIES 2003B	GALVESTON CAUSEWAY RAILROAD BRIDGE PROJECT	COUNTY ROAD AND BRIDGE PROJECTS	TOTALS	
				2007	2006
\$ -	\$ -	\$ 770,217	\$ -	\$ 770,217	\$ 562,574
37,025	506,797	-	6,096	1,123,345	1,690,331
-	-	-	-	2,100	88,320
<u>37,025</u>	<u>506,797</u>	<u>770,217</u>	<u>6,096</u>	<u>1,895,662</u>	<u>2,341,225</u>
23,090	-	-	-	23,090	249,525
-	3,005,726	773,128	-	5,277,438	-
<u>263,719</u>	<u>-</u>	<u>-</u>	<u>27,822</u>	<u>11,571,272</u>	<u>29,842,068</u>
<u>286,809</u>	<u>3,005,726</u>	<u>773,128</u>	<u>27,822</u>	<u>16,871,800</u>	<u>30,091,593</u>
<u>(249,784)</u>	<u>(2,498,929)</u>	<u>(2,911)</u>	<u>(21,726)</u>	<u>(14,976,138)</u>	<u>(27,750,368)</u>
-	-	-	-	4,675,110	-
<u>(75,110)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(75,110)</u>	<u>-</u>
<u>(75,110)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,600,000</u>	<u>-</u>
<u>(324,894)</u>	<u>(2,498,929)</u>	<u>(2,911)</u>	<u>(21,726)</u>	<u>(10,376,138)</u>	<u>(27,750,368)</u>
<u>385,318</u>	<u>10,037,706</u>	<u>5,002</u>	<u>124,939</u>	<u>23,902,803</u>	<u>51,653,171</u>
<u><b>\$ 60,424</b></u>	<u><b>\$ 7,538,777</b></u>	<u><b>\$ 2,091</b></u>	<u><b>\$ 103,213</b></u>	<u><b>\$ 13,526,665</b></u>	<u><b>\$ 23,902,803</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, 2007**  
**With Comparative Amounts for the Year Ended September 30, 2006**

	TOTAL PROJECT AUTHORIZED	ACTUAL TO SEPTEMBER 30, 2007			LAST YEAR'S ACTUAL
		REPORTED IN PRIOR YEARS	CURRENT YEAR	TOTAL	
<b>REVENUES</b>					
Intergovernmental	\$ 1,248,210	\$ 1,360,155	\$ -	\$ 1,360,155	\$ -
Investment Earnings	1,561,378	3,910,347	55,893	3,966,240	59,427
Miscellaneous	-	5,511	-	5,511	-
<b>Total revenues</b>	<b>2,809,588</b>	<b>5,276,013</b>	<b>55,893</b>	<b>5,331,906</b>	<b>59,427</b>
<b>EXPENDITURES</b>					
Roads, Bridges and Rights-of-Way:	-	-	100,403	100,403	-
Capital Outlay:					
Highways and Roads	1,382,436	1,196,411	-	1,196,411	-
S.H. 3	1,839,081	1,646,838	-	1,646,838	-
S.H. 146	207,962	37,617	-	37,617	-
F.M. 270	612,935	612,935	-	612,935	-
F.M. 517	2,820,286	2,401,887	-	2,401,887	5,595
F.M. 528	980,072	980,072	-	980,072	-
F.M. 1764	6,010,264	5,991,911	-	5,991,911	213,463
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>20,505,812</b>	<b>19,520,447</b>	<b>100,403</b>	<b>19,620,850</b>	<b>219,058</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(17,696,224)</b>	<b>(14,244,434)</b>	<b>(44,510)</b>	<b>(14,288,944)</b>	<b>(159,631)</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	4,614,875	4,888,892	-	4,888,892	-
Transfers Out	-	(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>17,614,875</b>	<b>15,425,509</b>	<b>-</b>	<b>15,425,509</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>\$ (81,349)</b>	<b>\$ 1,181,075</b>	<b>(44,510)</b>	<b>\$ 1,136,565</b>	<b>(159,631)</b>
<b>Fund balances-beginning</b>			<b>1,181,075</b>		<b>1,340,706</b>
<b>Fund balances-ending</b>			<b>\$ 1,136,565</b>		<b>\$ 1,181,075</b>

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES -**  
**BUDGET (PROJECT-LENGTH) AND ACTUAL**  
**CONSTRUCTION/IMPROVEMENT TAX AND REVENUE CERTIFICATES**  
**OF OBLIGATION SERIES 1999 CAPITAL PROJECTS FUND**  
**From Inception and for the Year Ended September 30, 2007**  
**With Comparative Amounts for the Year Ended September 30, 2006**

	TOTAL PROJECT AUTHORIZED	ACTUAL TO SEPTEMBER 30, 2007			LAST YEAR'S ACTUAL
		REPORTED IN PRIOR YEARS	CURRENT YEAR	TOTAL	
<b>REVENUES</b>					
Intergovernmental	\$ 20,069	\$ 20,069	\$ -	\$ 20,069	\$ -
Investment Earnings	862,936	859,878	577	860,455	1,906
<b>Total revenues</b>	<b>883,005</b>	<b>879,947</b>	<b>577</b>	<b>880,524</b>	<b>1,906</b>
<b>EXPENDITURES</b>					
Capital Outlay:					
Courthouse Renovation - Various Project	3,758,531	3,698,918	59,613	3,758,531	-
TWC Building Renovations	340,559	340,559	-	340,559	-
FM 646 Building Renovations	2,201,225	2,201,225	-	2,201,225	-
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>13,020,524</b>	<b>12,960,911</b>	<b>59,613</b>	<b>13,020,524</b>	<b>-</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(12,137,519)</b>	<b>(12,080,964)</b>	<b>(59,036)</b>	<b>(12,140,000)</b>	<b>1,906</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>\$ 2,481</b>	<b>\$ 59,036</b>	<b>(59,036)</b>	<b>\$ -</b>	<b>1,906</b>
<b>Fund balances-beginning</b>			<b>59,036</b>		<b>57,130</b>
<b>Fund balances-ending</b>			<b>\$ -</b>		<b>\$ 59,036</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, 2007**  
**With Comparative Amounts for the Year Ended September 30, 2006**

	TOTAL PROJECT AUTHORIZED	ACTUAL TO SEPTEMBER 30, 2007			LAST YEAR'S ACTUAL
		REPORTED IN PRIOR YEARS	CURRENT YEAR	TOTAL	
<b>REVENUES</b>					
Investment Earnings	\$ 4,478,895	\$ 4,300,189	\$ 19,600	\$ 4,319,789	\$ 121,062
Miscellaneous	99,349	97,249	2,100	99,349	-
<b>Total revenues</b>	<b>4,578,244</b>	<b>4,397,438</b>	<b>21,700</b>	<b>4,419,138</b>	<b>209,382</b>
<b>EXPENDITURES</b>					
Capital Outlay:					
Courthouse Renovations	110,338	56,638	-	56,638	-
Building Construction	27,259,734	26,776,242	483,492	27,259,734	689,778
Other Services and Charges	12,075,089	11,803,998	281,007	12,085,005	4,388,156
Bond Issuance Costs	272,460	272,460	-	272,460	-
<b>Total expenditures</b>	<b>39,717,621</b>	<b>38,909,338</b>	<b>764,499</b>	<b>39,673,837</b>	<b>5,077,934</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(35,139,377)</b>	<b>(34,511,900)</b>	<b>(742,799)</b>	<b>(35,254,699)</b>	<b>(4,868,552)</b>
<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>	<b>\$ 152,252</b>	<b>\$ 779,729</b>	<b>(742,799)</b>	<b>\$ 36,930</b>	<b>(4,868,552)</b>
<b>Fund balances-beginning</b>			<b>779,729</b>		<b>5,648,281</b>
<b>Fund balances-ending</b>			<b>\$ 36,930</b>		<b>\$ 779,729</b>

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES -**  
**BUDGET (PROJECT-LENGTH) AND ACTUAL**  
**UNLIMITED TAX ROAD BONDS SERIES 2001 CAPITAL PROJECTS FUND**  
**From Inception and for the Year Ended September 30, 2007**  
**With Comparative Amounts for the Year Ended September 30, 2006**

	TOTAL PROJECT AUTHORIZED	ACTUAL TO SEPTEMBER 30, 2007			LAST YEAR'S ACTUAL
		REPORTED IN PRIOR YEARS	CURRENT YEAR	TOTAL	
<b>REVENUES</b>					
Investment Earnings	\$ 3,554,399	\$ 3,102,837	\$ 184,381	\$ 3,287,218	\$ 245,932
Miscellaneous	825,324	825,323	-	825,323	-
<b>Total revenues</b>	<b>4,379,723</b>	<b>3,928,160</b>	<b>184,381</b>	<b>4,112,541</b>	<b>245,932</b>
<b>EXPENDITURES</b>					
Roads, Bridges and Rights-of-Way:	-	-	1,389,027	1,389,027	-
Capital Outlay:					
Deats	5,458,053	5,458,053	-	5,458,053	-
Fairwood	2,255,539	2,255,539	-	2,255,539	-
Sunset	5,607,649	5,607,649	-	5,607,649	-
Fort Travis	57,515	2,515	-	2,515	-
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	-	-	-	-
Calder Road	1,856,569	1,856,569	-	1,856,569	-
25th Avenue	4,595,000	3,555,095	-	3,555,095	3,519,095
FM 646 Pass Thru Toll	1,739,060	-	-	-	-
Loop 197	1,000,000	1,000,000	-	1,000,000	-
Stewart, Jones	3,749,184	3,749,184	-	3,749,184	-
FM 646	748,330	679,589	-	679,589	205,766
FM 517	250,000	60,948	-	60,948	11,313
SH 96	500,000	-	-	-	-
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>30,505,356</b>	<b>26,871,613</b>	<b>1,389,027</b>	<b>28,260,640</b>	<b>3,736,174</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(26,125,633)</b>	<b>(22,943,453)</b>	<b>(1,204,646)</b>	<b>(24,148,099)</b>	<b>(3,490,242)</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>\$ 378,062</b>	<b>\$ 3,560,242</b>	<b>(1,204,646)</b>	<b>\$ 2,355,596</b>	<b>(3,490,242)</b>
<b>Fund balances-beginning</b>			<b>3,560,242</b>		<b>7,050,484</b>
<b>Fund balances-ending</b>			<b>\$ 2,355,596</b>		<b>\$ 3,560,242</b>

**GALVESTON COUNTY, TEXAS**  
**COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION SERIES 2003C CAPITAL PROJECTS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES -**  
**BUDGET (PROJECT-LENGTH) AND ACTUAL**  
**From Inception and for the Year Ended September 30, 2007**

	TOTAL PROJECT AUTHORIZED	ACTUAL TO SEPTEMBER 30, 2007			LAST YEAR'S ACTUAL
		REPORTED IN PRIOR YEARS	CURRENT YEAR	TOTAL	
<b>REVENUES</b>					
Investment Earnings	\$ 3,325,659	\$ 3,012,683	\$ 312,976	\$ 3,325,659	\$ 710,424
<b>EXPENDITURES</b>					
General Government:	-	-	9,154	9,154	-
Capital Outlay:					
Administration Costs	1,821,518	-	-	-	-
Courthouse Renovations - Sev Prj	1,510,886	1,284,950	267,439	1,552,389	844,146
Courthouse Renovations - Mgr/Agnt	923,146	243,799	592,546	836,345	243,799
Courthouse Renovations - Bldg Constr	10,239,284	694,060	9,283,571	9,977,631	694,062
646 Building	14,620	14,620	-	14,620	-
Construction Manager-Agent	55,075	55,075	-	55,075	55,075
Community Building Construction	33,566,079	33,102,441	312,063	33,414,504	13,294,010
Bond Issuance Costs	597,757	597,757	-	597,757	-
<b>Total expenditures</b>	<b>48,728,365</b>	<b>35,992,702</b>	<b>10,464,773</b>	<b>46,457,475</b>	<b>15,131,092</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(45,402,706)</b>	<b>(32,980,019)</b>	<b>(10,151,797)</b>	<b>(43,131,816)</b>	<b>(14,420,668)</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	4,675,110	-	4,675,110	4,675,110	-
Face Value - Long Term Debt Issue	40,890,000	40,890,000	-	40,890,000	-
Premium - Long Term Debt Issue	265,643	265,643	-	265,643	-
Discount - Long Term Debt Issue	(542,806)	(542,806)	-	(542,806)	-
Performance Bonds Forfeited	136,938	136,938	-	136,938	-
<b>Total other financing sources (uses)</b>	<b>45,424,885</b>	<b>40,749,775</b>	<b>4,675,110</b>	<b>45,424,885</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>\$ 22,179</b>	<b>\$ 7,769,756</b>	<b>(5,476,687)</b>	<b>\$ 2,293,069</b>	<b>(14,420,668)</b>
<b>Fund balances-beginning</b>			<b>7,769,756</b>		<b>22,190,424</b>
<b>Fund balances-ending</b>			<b>\$ 2,293,069</b>		<b>\$ 7,769,756</b>

**GALVESTON COUNTY, TEXAS**  
**LIMITED TAX CRIMINAL JUSTICE CENTER BONDS SERIES 2003A**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES -**  
**BUDGET (PROJECT-LENGTH) AND ACTUAL**  
**From Inception and for the Year Ended September 30, 2007**

	TOTAL PROJECT AUTHORIZED	ACTUAL TO SEPTEMBER 30, 2007			LAST YEAR'S ACTUAL
		REPORTED IN PRIOR YEARS	CURRENT YEAR	TOTAL	
<b>REVENUES</b>					
Investment	\$ 2,863,234	\$ 2,661,465	\$ 37,025	\$ 2,698,490	\$ 145,153
Intergovernmental	468,187	468,179	-	468,179	68,112
<b>Total revenues</b>	<b>3,331,421</b>	<b>3,129,644</b>	<b>37,025</b>	<b>3,166,669</b>	<b>213,265</b>
<b>EXPENDITURES</b>					
General Government:	-	-	23,090	23,090	210,585
Capital Outlay:					
Courthouse Renovations	4,538,898	4,117,629	-	4,117,629	-
646 Building Construction	55,914,578	55,914,578	263,719	56,178,297	5,056,394
Bond Issuance Costs	792,255	792,255	-	792,255	-
<b>Total expenditures</b>	<b>61,245,731</b>	<b>60,824,462</b>	<b>286,809</b>	<b>61,111,271</b>	<b>5,266,979</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(57,914,310)</b>	<b>(57,694,818)</b>	<b>(249,784)</b>	<b>(57,944,602)</b>	<b>(5,053,714)</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers Out	-	-	(75,110)	(75,110)	-
Face Value - Long Term Debt Issue	57,245,000	57,245,000	-	57,245,000	-
Premium - Long Term Debt Issue	1,212,089	1,212,089	-	1,212,089	-
Discount - Long Term Debt Issued	(376,953)	(376,953)	-	(376,953)	-
<b>Total other financing sources (uses)</b>	<b>58,080,136</b>	<b>58,080,136</b>	<b>(75,110)</b>	<b>58,005,026</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>\$ 165,826</b>	<b>\$ 385,319</b>	<b>(324,894)</b>	<b>\$ 60,424</b>	<b>(5,053,714)</b>
<b>Fund balances-beginning</b>			<b>385,318</b>		<b>5,439,032</b>
<b>Fund balances-ending</b>			<b>\$ 60,424</b>		<b>\$ 385,318</b>

GALVESTON COUNTY, TEXAS  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES -  
BUDGET (PROJECT-LENGTH) AND ACTUAL  
UNLIMITED TAX ROAD BONDS SERIES 2003B CAPITAL PROJECTS FUND  
From Inception and for the Year Ended September 30, 2007  
With Comparative Amounts for the Year Ended September 30, 2006

	TOTAL PROJECT AUTHORIZED	ACTUAL TO SEPTEMBER 30, 2007			LAST YEAR'S ACTUAL
		REPORTED IN PRIOR YEARS	CURRENT YEAR	TOTAL	
<b>REVENUES</b>					
Investment Earnings	\$ 1,524,339	\$ 1,017,543	\$ 506,797	\$ 1,524,340	\$ 400,049
<b>EXPENDITURES</b>					
Roads, Bridges and Rights-of-Way:	-	-	3,005,726	3,005,726	-
Capital Outlay:					
Galv/Signals Various Locations	750,000	51,850	-	51,850	31,850
Fort Travis Park	442,485	-	-	-	-
Bay Area Blvd	145,515	-	-	-	-
FM 646 Pass Thru Toll	4,348,100	-	-	-	-
FM 646 - IH 45 to FM 270	350,001	271,962	-	271,962	71,568
FM 646 - SH 6 to FM 517	49,999	49,999	-	49,999	35,301
FM 518 - FM 2094 to SH 146	975,000	-	-	-	-
FM 518 Bypass	520,000	-	-	-	-
SH 96	3,000,000	-	-	-	-
Bond Issuance Costs	154,363	154,363	-	154,363	-
<b>Total expenditures</b>	<b>10,735,463</b>	<b>528,174</b>	<b>3,005,726</b>	<b>3,533,900</b>	<b>138,719</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(9,211,124)</b>	<b>489,369</b>	<b>(2,498,929)</b>	<b>(2,009,560)</b>	<b>261,330</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Face Value - Long Term Debt Issued	9,625,000	9,625,000	-	9,625,000	-
Discount - Long Term Debt Issued	(76,663)	(76,663)	-	(76,663)	-
<b>Total other financing sources (uses)</b>	<b>9,548,337</b>	<b>9,548,337</b>	<b>-</b>	<b>9,548,337</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>\$ 337,213</b>	<b>\$ 10,037,706</b>	<b>(2,498,929)</b>	<b>\$ 7,538,777</b>	<b>261,330</b>
<b>Fund balances-beginning</b>			<b>10,037,706</b>		<b>9,776,376</b>
<b>Fund balances-ending</b>			<b>\$ 7,538,777</b>		<b>\$ 10,037,706</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, 2007**  
**With Comparative Amounts for the Year Ended September 30, 2006**

	TOTAL PROJECT AUTHORIZED	ACTUAL TO SEPTEMBER 30, 2007			LAST YEAR'S ACTUAL
		REPORTED IN PRIOR YEARS	CURRENT YEAR	TOTAL	
<b>REVENUES</b>					
Intergovernmental	\$ 1,984,530	\$ 494,462	\$ 770,217	\$ 1,264,679	\$ 494,462
<b>Total revenues</b>	<u>1,984,530</u>	<u>494,462</u>	<u>770,217</u>	<u>1,264,679</u>	<u>494,462</u>
<b>EXPENDITURES</b>					
Roads, Bridges and Rights-of-Way:	-	-	773,128	773,128	-
Capital Outlay:					
Galveston Causeway RR Bridge	1,993,777	499,337	-	499,337	489,463
<b>Total expenditures</b>	<u>1,993,777</u>	<u>499,337</u>	<u>773,128</u>	<u>1,272,465</u>	<u>489,463</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	(9,247)	(4,875)	(2,911)	(7,786)	4,999
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	9,877	9,877	-	9,877	-
<b>Net change in fund balances</b>	<u>\$ 630</u>	<u>\$ 5,002</u>	(2,911)	<u>\$ 2,091</u>	4,999
<b>Fund balances-beginning</b>			5,002		3
<b>Fund balances-ending</b>			<u>\$ 2,091</u>		<u>\$ 5,002</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, 2007**  
**With Comparative Amounts for the Year Ended September 30, 2006**

	TOTAL PROJECT AUTHORIZED	ACTUAL TO SEPTEMBER 30, 2007			LAST YEAR'S ACTUAL
		REPORTED IN PRIOR YEARS	CURRENT YEAR	TOTAL	
<b>REVENUES</b>					
Investment Earnings	\$ 13,211	\$ 7,113	\$ 6,096	\$ 13,209	\$ 6,378
Charges for Services	150,000	150,000	-	150,000	-
<b>Total revenues</b>	<u>163,211</u>	<u>157,113</u>	<u>6,096</u>	<u>163,209</u>	<u>6,378</u>
<b>EXPENDITURES</b>					
Capital Outlay:					
Grand Cay Project	151,008	32,174	27,822	59,996	32,174
FM 646 Pass Thru Toll	8,200	-	-	-	-
<b>Total expenditures</b>	<u>159,208</u>	<u>32,174</u>	<u>27,822</u>	<u>59,996</u>	<u>32,174</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>\$ 4,003</u>	<u>\$ 124,939</u>	<u>(21,726)</u>	<u>\$ 103,213</u>	<u>(25,796)</u>
<b>Fund balances-beginning</b>			<u>124,939</u>		<u>150,735</u>
<b>Fund balances-ending</b>			<u>\$ 103,213</u>		<u>\$ 124,939</u>



The Renovated Galveston County Courthouse

View of the First Floor of the  
County Tax Assessor-Collector Office  
From That Office's Second-Floor Mezzanine



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# Proprietary Funds

## PROPRIETARY FUNDS

Proprietary Funds consist of:

### Internal Service Funds

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

## INTERNAL SERVICE FUNDS

### PURPOSE:

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

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

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

**GALVESTON COUNTY, TEXAS**  
**COMBINING STATEMENT OF NET ASSETS**  
**INTERNAL SERVICE FUNDS**  
**September 30, 2007**

	<u>GROUP INSURANCE</u>	<u>SELF- INSURANCE RESERVE</u>	<u>WORKERS' COMPENSATION</u>	<u>TOTAL</u>
<b>ASSETS</b>				
Investments	\$ 4,662,221	\$ 2,040,597	\$ 2,567,036	\$ 9,269,854
Receivables (Net of Allowances for Uncollectibles):				
Accounts and Other	203,984	-	5,885	209,869
Prepaid Items	-	211,162	-	211,162
<b>Total Assets</b>	<u>4,866,205</u>	<u>2,251,759</u>	<u>2,572,921</u>	<u>9,690,885</u>
<b>LIABILITIES</b>				
Accounts Payable	\$ 171,053	\$ 10,553	\$ 7,097	\$ 188,703
Salaries Payable	-	3,539	477	4,016
Estimated Liability - Claims	1,628,500	-	1,121,000	2,749,500
<b>Total liabilities</b>	<u>1,799,553</u>	<u>14,092</u>	<u>1,128,574</u>	<u>2,942,219</u>
<b>NET ASSETS</b>				
Unrestricted	<u>3,066,652</u>	<u>2,237,667</u>	<u>1,444,347</u>	<u>6,748,666</u>
<b>Total net assets</b>	<u><u>\$ 3,066,652</u></u>	<u><u>\$ 2,237,667</u></u>	<u><u>\$ 1,444,347</u></u>	<u><u>\$ 6,748,666</u></u>

**GALVESTON COUNTY, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND**  
**CHANGES IN FUND NET ASSETS**  
**INTERNAL SERVICE FUNDS**  
**For the Year Ended September 30, 2007**

	<b>GROUP INSURANCE</b>	<b>SELF- INSURANCE RESERVE</b>	<b>WORKERS' COMPENSATION</b>	<b>TOTAL</b>
<b>OPERATING REVENUES</b>				
Charges for Services	\$ 8,224,290	\$ -	\$ -	\$ 8,224,290
Insurance Recovery - County	-	20,190	-	20,190
Reimbursements	472,279	-	11,000	483,279
Miscellaneous	-	75,511	23,674	99,185
<b>Total operating revenues</b>	<b>8,696,569</b>	<b>95,701</b>	<b>34,674</b>	<b>8,826,944</b>
<b>OPERATING EXPENSES</b>				
Personal Services	\$ -	\$ 138,156	\$ -	\$ 138,156
Contract Services	566,842	-	69,738	636,580
Insurance	469,214	2,399,427	108,386	2,977,027
Claims Paid	7,465,252	-	371,380	7,836,632
Supplies	-	785	-	785
<b>Total operating expenses</b>	<b>8,501,308</b>	<b>2,538,368</b>	<b>549,504</b>	<b>11,589,180</b>
<b>Operating income (loss)</b>	<b>195,261</b>	<b>(2,442,667)</b>	<b>(514,830)</b>	<b>(2,762,236)</b>
<b>NON-OPERATING REVENUES</b>				
Investment Earnings	5,836	-	1,013	6,849
<b>Income (loss) before transfers</b>	<b>201,097</b>	<b>(2,442,667)</b>	<b>(513,817)</b>	<b>(2,755,387)</b>
Transfers In	900,000	3,778,900	915,000	5,593,900
<b>Change in net assets</b>	<b>1,101,097</b>	<b>1,336,233</b>	<b>401,183</b>	<b>2,838,513</b>
<b>Total net assets-beginning</b>	<b>1,965,555</b>	<b>901,434</b>	<b>1,043,164</b>	<b>3,910,153</b>
<b>Total net assets-ending</b>	<b>\$ 3,066,652</b>	<b>\$ 2,237,667</b>	<b>\$ 1,444,347</b>	<b>\$ 6,748,666</b>

**GALVESTON COUNTY, TEXAS  
COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
For the Year Ended September 30, 2007**

	<b>GROUP INSURANCE</b>	<b>SELF- INSURANCE RESERVE</b>	<b>WORKERS' COMPENSATION</b>	<b>TOTAL</b>
<b>Cash flows from operating activities:</b>				
Receipts from Users	\$ 8,031,717	\$ 95,701	\$ 34,905	\$ 8,162,323
Payments to Suppliers	(900,968)	(2,246,026)	(499,668)	(3,646,662)
Payments to Employees	-	(138,542)	-	(138,542)
Payments for Claims	(6,781,752)	(51,864)	-	(6,833,616)
Other Operating Revenues	472,278	-	-	472,278
<b>Net cash provided (used) by operating activities</b>	<b>821,275</b>	<b>(2,340,731)</b>	<b>(464,763)</b>	<b>(1,984,219)</b>
<b>Cash flows from noncapital financing activities:</b>				
Transfers in	900,000	3,778,900	915,000	5,593,900
<b>Cash flows from investing activities:</b>				
Purchase of Investments	(4,662,221)	(2,040,597)	(2,567,036)	(9,269,854)
Investment Earnings	5,836	-	1,013	6,849
<b>Net cash provided (used) by investing activities</b>	<b>(4,656,385)</b>	<b>(2,040,597)</b>	<b>(2,566,023)</b>	<b>(9,263,005)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(2,935,110)</b>	<b>(602,428)</b>	<b>(2,115,786)</b>	<b>(5,653,324)</b>
<b>Cash and Cash Equivalents October 1, 2006</b>	<b>2,935,110</b>	<b>602,428</b>	<b>2,115,786</b>	<b>5,653,324</b>
<b>Cash and Cash Equivalents September 30, 2007</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Income (loss) before transfers provided (used) by operating activities:</b>				
<b>Operating income (loss)</b>	<b>\$ 195,261</b>	<b>\$ (2,442,667)</b>	<b>\$ (514,830)</b>	<b>\$ (2,762,236)</b>
<b>Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:</b>				
(Increase) Decrease in Accounts Receivable	(192,572)	-	231	(192,341)
(Increase) Decrease in Prepaid Items	-	104,188	-	104,188
Increase (Decrease) in Accounts Payable	135,086	(1,866)	7,097	140,317
Increase (Decrease) in Salaries Payable	-	(386)	(261)	(647)
Increase (Decrease) in Estimated Liability - Claims Payable	683,500	-	43,000	726,500
<b>Total adjustments</b>	<b>626,014</b>	<b>101,936</b>	<b>50,067</b>	<b>778,017</b>
<b>Net cash provided (used) by operating activities</b>	<b>\$ 821,275</b>	<b>\$ (2,340,731)</b>	<b>\$ (464,763)</b>	<b>\$ (1,984,219)</b>



The Renovated Galveston County Courthouse  
Remodeled Second-Floor Mezzanine



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## Fiduciary Funds

## FIDUCIARY FUNDS

Fiduciary Funds consist of:

### Agency Funds

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

## AGENCY FUNDS

### PURPOSE:

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

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

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

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

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

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

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

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

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

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

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

**GALVESTON COUNTY, TEXAS  
COMBINING BALANCE SHEET  
AGENCY FUNDS  
September 30, 2007  
With Comparative Amounts as of September 30, 2006**

	<u>PAYROLL</u>	<u>ESCROW</u>	<u>CHILDREN'S PROTECTIVE SERVICES - ESCROW</u>	<u>INMATE DEPOSITS</u>
<b>ASSETS</b>				
Investments	\$ 839,026	\$ 1,345,381	\$ 11,379	\$ 50,443
Receivables (Net of Allowances for Uncollectibles):				
Accounts and Other	-	38,187	-	-
Restricted Assets:				
Guardianship Assets	-	1,318,130	-	-
<b>Total Assets</b>	<b><u>\$ 839,026</u></b>	<b><u>\$ 2,701,698</u></b>	<b><u>\$ 11,379</u></b>	<b><u>\$ 50,443</u></b>
<b>LIABILITIES</b>				
Accounts Payable	\$ 39,828	\$ 97,884	\$ -	\$ -
Due to Others	-	5,315	-	50,443
Due to Other Entities	799,198	-	-	-
Deposits Held	-	1,280,369	11,379	-
Deposits Held for Restricted Assets	-	1,318,130	-	-
<b>Total Liabilities</b>	<b><u>\$ 839,026</u></b>	<b><u>\$ 2,701,698</u></b>	<b><u>\$ 11,379</u></b>	<b><u>\$ 50,443</u></b>

(Continued)

<u>APPELLATE JUDICIAL SYSTEM FEES</u>	<u>DISTRICT CLERK TRUST</u>	<u>COUNTY CLERK TRUST</u>	<u>TAX ASSESSOR- COLLECTOR UNDISTRIBUTED COLLECTIONS</u>	<u>OFFICERS' UNDISTRIBUTED FEES</u>
\$ -	\$ 7,549,301	\$ 5,681,497	\$ 4,798,191	\$ 9,578
330	-	-	-	-
-	-	-	-	-
<u>\$ 330</u>	<u>\$ 7,549,301</u>	<u>\$ 5,681,497</u>	<u>\$ 4,798,191</u>	<u>\$ 9,578</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	7,549,301	5,681,497	-	-
330	-	-	4,798,191	9,578
-	-	-	-	-
-	-	-	-	-
<u>\$ 330</u>	<u>\$ 7,549,301</u>	<u>\$ 5,681,497</u>	<u>\$ 4,798,191</u>	<u>\$ 9,578</u>

**GALVESTON COUNTY, TEXAS  
COMBINING BALANCE SHEET  
AGENCY FUNDS  
September 30, 2007  
With Comparative Amounts as of September 30, 2006**

	<b>ADULT PROBATION</b>		<b>TOTALS</b>	
	<b>UNDISTRIBUTED COLLECTIONS</b>	<b>BOND ESCROW</b>	<b>2007</b>	<b>2006</b>
<b>ASSETS</b>				
Investments	\$ -	\$ 36,047	\$ 20,320,843	\$ 23,742,998
Receivables (Net of Allowances for Uncollectibles):				
Accounts and Other	-	-	38,517	37,809
Restricted Assets:				
Guardianship Assets	-	-	1,318,130	1,669,094
<b>Total Assets</b>	<b>\$ -</b>	<b>\$ 36,047</b>	<b>\$ 21,677,490</b>	<b>\$ 25,449,901</b>
<b>LIABILITIES</b>				
Accounts Payable	\$ -	\$ -	\$ 137,712	\$ 206,182
Due to Others	-	36,047	13,322,603	17,277,745
Due to Other Entities	-	-	5,607,297	4,950,094
Deposits Held	-	-	1,291,748	1,346,786
Deposits Held for Restricted Assets	-	-	1,318,130	1,669,094
<b>Total Liabilities</b>	<b>\$ -</b>	<b>\$ 36,047</b>	<b>\$ 21,677,490</b>	<b>\$ 25,449,901</b>



The Renovated Galveston County Courthouse

Reception Desk and Main Corridor of the  
County Auditor's Office, Fourth Floor

**GALVESTON COUNTY, TEXAS**  
**COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**For the Year Ended September 30, 2007**

	<u>BALANCE</u> <u>10/1/06</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>9/30/07</u>
<b>PAYROLL</b>				
<b>ASSETS</b>				
Investments	\$ 774,289	\$ 113,600,192	\$ 113,535,455	\$ 839,026
<b>LIABILITIES</b>				
Accounts Payable	\$ 41,658	\$ 3,134,165	\$ 3,135,995	\$ 39,828
Due to Other Entities	732,631	21,314,245	21,247,678	799,198
<b>Total liabilities</b>	<b>\$ 774,289</b>	<b>\$ 24,448,410</b>	<b>\$ 24,383,673</b>	<b>\$ 839,026</b>
<b>ESCROW</b>				
<b>ASSETS</b>				
Investments	\$ 1,320,518	\$ 6,038,823	\$ 6,013,960	\$ 1,345,381
Receivables (Net of Allowances for Uncollectibles):				
Accounts and Other	37,594	254,741	254,148	38,187
Guardianship Assets	1,669,094	-	350,964	1,318,130
<b>Total assets</b>	<b>\$ 3,027,206</b>	<b>\$ 6,293,564</b>	<b>\$ 6,619,072</b>	<b>\$ 2,701,698</b>
<b>LIABILITIES</b>				
Accounts Payable	\$ 1,901	\$ 3,112,494	\$ 3,016,511	\$ 97,884
Due to Others	20,804	-	15,489	5,315
Deposits Held	1,335,407	6,275,403	6,330,441	1,280,369
Deposits Held for Restricted Assets	1,669,094	-	350,964	1,318,130
<b>Total liabilities</b>	<b>\$ 3,027,206</b>	<b>\$ 9,387,897</b>	<b>\$ 9,713,405</b>	<b>\$ 2,701,698</b>
<b>CHILDREN'S PROTECTIVE SERVICES - ESCROW</b>				
<b>ASSETS</b>				
Investments	\$ 174,002	\$ -	\$ 162,623	\$ 11,379
<b>LIABILITIES</b>				
Accounts Payable	\$ 162,623	\$ -	\$ 162,623	\$ -
Deposits Held	11,379	-	-	11,379
<b>Total liabilities</b>	<b>\$ 174,002</b>	<b>\$ -</b>	<b>\$ 162,623</b>	<b>\$ 11,379</b>
<b>INMATE DEPOSITS</b>				
<b>ASSETS</b>				
Investments	\$ 42,822	\$ 7,621	\$ -	\$ 50,443
<b>LIABILITIES</b>				
Due to Others	\$ 42,822	\$ 7,621	\$ -	\$ 50,443

(Continued)

**GALVESTON COUNTY, TEXAS**  
**COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**For the Year Ended September 30, 2007**

	<u>BALANCE</u> <u>10/1/06</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>9/30/07</u>
<b>APPELLATE JUDICIAL SYSTEM FEES</b>				
<b>ASSETS</b>				
Investments	\$ 665	\$ -	\$ 665	\$ -
Receivables:				
Accounts and Other	215	115	-	330
<b>Total assets</b>	<b>\$ 880</b>	<b>\$ 115</b>	<b>\$ 665</b>	<b>\$ 330</b>
<b>LIABILITIES</b>				
Due to Other Entities	\$ 880	\$ 115	\$ 665	\$ 330
<b>DISTRICT CLERK TRUST</b>				
<b>ASSETS</b>				
Investments	\$ 8,342,888	\$ 1,127,598	\$ 1,921,185	\$ 7,549,301
<b>LIABILITIES</b>				
Due to Others	\$ 8,342,888	\$ 1,127,598	\$ 1,921,185	\$ 7,549,301
<b>COUNTY CLERK TRUST</b>				
<b>ASSETS</b>				
Investments	\$ 8,835,184	\$ 1,179,455	\$ 4,333,142	\$ 5,681,497
<b>LIABILITIES</b>				
Due to Others	\$ 8,835,184	\$ 1,179,455	\$ 4,333,142	\$ 5,681,497
<b>TAX ASSESSOR-COLLECTOR UNDISTRIBUTED COLLECTIONS</b>				
<b>ASSETS</b>				
Investments	\$ 4,206,232	\$ 591,959	\$ -	\$ 4,798,191
<b>LIABILITIES</b>				
Due to Other Entities	\$ 4,206,232	\$ 591,959	\$ -	\$ 4,798,191
<b>OFFICERS' UNDISTRIBUTED FEES</b>				
<b>ASSETS</b>				
Investments	\$ 10,351	\$ -	\$ 773	\$ 9,578
<b>LIABILITIES</b>				
Due to Other Entities	\$ 10,351	\$ -	\$ 773	\$ 9,578

(Continued)

**GALVESTON COUNTY, TEXAS**  
**COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**For the Year Ended September 30, 2007**

	<u>BALANCE</u> <u>10/1/06</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>9/30/07</u>
<b>ADULT PROBATION</b>				
<b>UNDISTRIBUTED COLLECTIONS</b>				
<b>ASSETS</b>				
Investments	\$ -	\$ -	\$ -	\$ -
<b>LIABILITIES</b>				
Due to Other Entities	\$ -	\$ -	\$ -	\$ -
<b>BOND ESCROW</b>				
<b>ASSETS</b>				
Investments	\$ 36,047	\$ -	\$ -	\$ 36,047
<b>LIABILITIES</b>				
Due to Others	\$ 36,047	\$ -	\$ -	\$ 36,047
<b>TOTALS - ALL AGENCY FUNDS</b>				
<b>ASSETS</b>				
Investments	\$ 23,742,998	\$ 122,545,648	\$ 125,967,803	\$ 20,320,843
Receivables (Net of Allowances for Uncollectibles):				
Accounts and Other	37,809	254,856	254,148	38,517
Guardianship Assets	1,669,094	-	350,964	1,318,130
<b>Total assets</b>	<b>\$ 25,449,901</b>	<b>\$ 122,800,504</b>	<b>\$ 126,572,915</b>	<b>\$ 21,677,490</b>
<b>LIABILITIES</b>				
Accounts Payable	\$ 206,182	\$ 6,246,659	\$ 6,315,129	\$ 137,712
Due to Others	17,277,745	2,314,674	6,269,816	13,322,603
Due to Other Entities	4,950,094	21,906,319	21,249,116	5,607,297
Deposits Held	1,346,786	6,275,403	6,330,441	1,291,748
Deposits Held for Restricted Assets	1,669,094	-	350,964	1,318,130
<b>Total liabilities</b>	<b>\$ 25,449,901</b>	<b>\$ 36,743,055</b>	<b>\$ 40,515,466</b>	<b>\$ 21,677,490</b>



The Renovated Galveston County Courthouse

Reception Area in the Suite of the Director  
Of Finance and Administration, Third Floor



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Capital Assets Used in The  
Operation of  
Governmental Funds

**GALVESTON COUNTY, TEXAS**  
**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS**  
**COMPARATIVE SCHEDULES BY SOURCE**  
**September 30, 2007 and 2006**

	<b>2007</b>	<b>2006</b>
<b>GOVERNMENTAL FUNDS CAPITAL ASSETS</b>		
Land	\$ 27,793,155	\$ 22,063,116
Buildings and Improvements	183,193,073	167,861,893
Improvements Other Than Buildings	1,119,980	1,876,916
Machinery and Equipment	30,539,853	29,738,298
Infrastructure	143,257,222	140,983,328
Construction in Progress	3,158,250	7,049,853
<b>Total governmental funds capital assets</b>	<b>\$ 389,061,533</b>	<b>\$ 369,573,404</b>
 <b>INVESTMENT IN GOVERNMENTAL FUNDS CAPITAL ASSETS BY SOURCE</b>		
General Fund	\$ 19,239,486	\$ 21,072,355
Special Revenue Funds and Grants	23,366,868	19,101,839
Capital Projects Funds	337,895,051	327,541,392
Gifts	8,560,128	1,857,818
<b>Total governmental funds capital assets</b>	<b>\$ 389,061,533</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.



The Renovated Galveston County Courthouse

Testing Room for Job Applicants in the  
Department of Human Resources, Third Floor

GALVESTON COUNTY, TEXAS  
**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS**  
 SCHEDULE BY FUNCTION AND ACTIVITY  
 September 30, 2007

FUNCTION AND ACTIVITY	LAND	BUILDINGS	IMPROVEMENTS			MACHINERY & EQUIPMENT	INFRASTRUCTURE	CONSTRUCTION IN PROGRESS
			BUILDINGS	OTHER THAN BUILDINGS				
<b>General government:</b>								
General Government	\$ 10,090,992	\$ 145,970,238	\$	289,580	\$	3,958,617	\$	-
County Clerk	-	-	-	-	-	2,165,266	-	-
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	-	-	-	-	-	-	-	-
Tax Assessor-Collector	-	-	-	-	-	55,621	-	-
Legal Department	-	-	-	-	-	23,558	-	-
Information Technology	-	-	-	-	-	3,894,995	-	-
Facilities Services	-	-	-	11,119	-	341,017	-	-
Maintenance and Repairs	-	-	-	-	-	96,485	-	-
County Engineer	-	-	-	-	-	-	-	880,359
<b>Total general government</b>	<b>10,139,212</b>	<b>146,141,859</b>	<b>300,699</b>	<b>10,900,957</b>	<b>880,359</b>	<b>880,359</b>	<b>-</b>	<b>880,359</b>
<b>Public safety:</b>								
Sheriff	527,177	18,424,136	75,360	9,236,275	-	-	-	-
Medical Examiner	-	433,715	-	-	-	-	-	-
Juvenile Justice	18,047	6,020,810	-	238,700	-	-	-	-
Emergency Management	-	-	-	44,672	-	-	-	-
Flood Control	1,065,717	345,002	-	748,832	77,867,334	2,167,549	-	-
<b>Total public safety</b>	<b>1,610,941</b>	<b>25,223,663</b>	<b>75,360</b>	<b>10,268,479</b>	<b>2,167,549</b>	<b>2,167,549</b>	<b>-</b>	<b>2,167,549</b>
<b>Roads, bridges, and right-of-way:</b>								
Road Department	234,035	423,202	-	6,124,976	49,974,928	59,996	-	-
Road District #1	-	283,669	-	21,552	9,705,185	-	-	-
Rights of Way Department	1,829,918	-	-	-	-	-	-	-
<b>Total roads, bridges, and rights-of-way</b>	<b>2,063,953</b>	<b>706,871</b>	<b>-</b>	<b>6,146,528</b>	<b>59,680,113</b>	<b>59,996</b>	<b>-</b>	<b>59,996</b>

**GALVESTON COUNTY, TEXAS**  
**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS**  
**SCHEDULE BY FUNCTION AND ACTIVITY**  
September 30, 2007

FUNCTION AND ACTIVITY	IMPROVEMENTS					CONSTRUCTION IN PROGRESS
	LAND	BUILDINGS	OTHER THAN BUILDINGS	MACHINERY & EQUIPMENT	INFRASTRUCTURE	
<b>Health and social services:</b>						
Health Administration and Sanitation	378,794	1,320,808	-	-	-	-
Mosquito Control District	-	-	-	739,889	-	-
Senior Citizens	55,595	1,042,943	-	423,586	-	-
<b>Total health and social services</b>	<b>434,389</b>	<b>2,363,751</b>	<b>-</b>	<b>1,163,475</b>	<b>-</b>	<b>-</b>
<b>Culture and recreation:</b>						
Museum	20,677	62,352	-	-	-	-
Beach and Parks Department	13,523,983	8,694,577	743,921	1,465,924	5,709,775	50,346
Beach Maintenance-Road and Bridge	-	-	-	465,660	-	-
<b>Total culture and recreation</b>	<b>13,544,660</b>	<b>8,756,929</b>	<b>743,921</b>	<b>1,931,584</b>	<b>5,709,775</b>	<b>50,346</b>
<b>Conservation</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>128,830</b>	<b>-</b>	<b>-</b>
<b>Total governmental funds capital assets</b>	<b>\$ 27,793,155</b>	<b>\$ 183,193,073</b>	<b>\$ 1,119,980</b>	<b>\$ 30,539,853</b>	<b>\$ 143,257,222</b>	<b>\$ 3,158,250</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, 2007**

FUNCTIONS AND ACTIVITY	GOVERNMENTAL FUNDS CAPITAL ASSETS				GOVERNMENTAL FUNDS CAPITAL ASSETS
	OCTOBER 1, 2006	ADDITIONS	DEDUCTIONS	TRANSFERS	SEPTEMBER 30, 2007
<b>General government:</b>					
General Government	\$ 149,328,879	\$ 25,463,743	\$ (14,608,873)	125,678	\$ 160,309,427
County Clerk	1,837,829	335,665	(8,228)	-	2,165,266
County Records Management	149,962	-	-	-	149,962
Justice Courts	219,841	-	-	-	219,841
District Clerk	80,637	-	-	-	80,637
District Attorney	115,102	-	-	-	115,102
County Auditor	19,697	-	-	-	19,697
Director of Finance & Administration	28,200	-	(28,200)	-	-
Tax Assessor-Collector	55,621	-	-	-	55,621
Legal Department	23,558	-	-	-	23,558
Information Technology	3,760,097	616,278	(414,507)	(66,873)	3,894,995
Facilities Services	1,104,619	29,603	(828,271)	46,185	352,136
Maintenance and Repairs	96,485	-	-	-	96,485
County Engineer	678,643	980,947	(779,231)	-	880,359
<b>Total general governmental</b>	<b>157,499,170</b>	<b>27,426,236</b>	<b>(16,667,310)</b>	<b>104,990</b>	<b>168,363,086</b>
<b>Public safety:</b>					
Sheriff's Department	28,578,313	613,574	(882,754)	(46,185)	28,262,948
Justice Administration	-	-	-	-	-
Constables Precinct #9	-	-	-	-	-
Medical Examiner	413,635	20,080	-	-	433,715
Juvenile Justice	6,250,073	27,484	-	-	6,277,557
Emergency Management	72,847	-	-	(28,175)	44,672
Flood Control	81,476,656	785,089	(67,311)	-	82,194,434
<b>Total public safety</b>	<b>116,791,524</b>	<b>1,446,227</b>	<b>(950,065)</b>	<b>(74,360)</b>	<b>117,213,326</b>
<b>Roads, bridges, and right-of-way:</b>					
Road Department	54,564,944	2,729,925	(477,732)	-	56,817,137
Road District #1	10,010,406	-	-	-	10,010,406
Rights-of-Way Department	1,839,918	-	-	(10,000)	1,829,918
<b>Total roads, bridges, and rights-of-way</b>	<b>66,415,268</b>	<b>2,729,925</b>	<b>(477,732)</b>	<b>(10,000)</b>	<b>68,657,461</b>
<b>Health and social services:</b>					
Health Administration and Sanitation	1,699,602	-	-	-	1,699,602
Mosquito Control District	685,333	111,429	(56,873)	-	739,889
Senior Citizens	1,389,432	180,352	(27,381)	(20,279)	1,522,124
<b>Total health and social services</b>	<b>3,774,367</b>	<b>291,781</b>	<b>(84,254)</b>	<b>(20,279)</b>	<b>3,961,615</b>
<b>Culture and recreation:</b>					
Museum	83,029	-	-	-	83,029
Beach and Parks Department	24,376,819	8,075,826	(2,263,768)	(351)	30,188,526
Beach Maintenance- Road and Bridge	504,397	102,875	(141,612)	-	465,660
<b>Total culture and recreation</b>	<b>24,964,245</b>	<b>8,178,701</b>	<b>(2,405,380)</b>	<b>(351)</b>	<b>30,737,215</b>
<b>Conservation</b>	<b>128,830</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>128,830</b>
<b>Total governmental funds capital assets</b>	<b>\$ 369,573,404</b>	<b>\$ 40,072,870</b>	<b>\$ (20,584,741)</b>	<b>\$ -</b>	<b>\$ 389,061,533</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.



The Renovated Galveston County Courthouse

Law Library, Fifth Floor



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## Statistical Section

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

### Financial Trends

These schedules contain trend information to help the reader understand how the county's financial performance and well-being have changed over time.

### Revenue Capacity

These schedules contain information to help the reader assess the county's most significant revenue source, the property tax.

### Debt Capacity

These schedules contain information to help the reader assess the affordability of the county's current level of outstanding debt and the county's ability to issue additional debt in the future.

### Demographic and Economic Information

These schedules present demographic and economic indicators to help the reader understand the environment within which the county's financial activities take place.

### Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the county's financial report relates to the services the county provides and the activities in which it engages.

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



The Renovated Galveston County Courthouse

Office in the Suite of the Director of  
Finance and Administration, Third Floor

## Financial Trends

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

	Fiscal Year				
	2003*	2004	2005	2006	2007
Net assets - governmental activities					
Invested in capital assets, net of related debt	\$ 114,231	\$ 93,040	\$ 97,944	\$ 103,625	\$ 117,622
Restricted for:					
Grants	902	548	210	565	482
Debt service	1,926	4,111	4,534	5,448	12,820
Other projects	55	-	-	-	-
Unrestricted	10,150	19,494	25,692	31,154	24,188
Total net assets - governmental activities	<u>\$ 127,263</u>	<u>\$ 117,193</u>	<u>\$ 128,381</u>	<u>\$ 140,793</u>	<u>\$ 155,112</u>

\* 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**  
**CHANGES IN NET ASSETS**  
**LAST FIVE FISCAL YEARS**  
**(accrual basis of accounting)**  
**(amounts expressed in thousands)**

	Fiscal Year				
	2003*	2004	2005	2006	2007
<b>Expenses</b>					
Governmental activities:					
General Government	\$ 41,671	\$ 42,501	\$ 38,234	\$ 44,828	\$ 51,530
Public Safety	35,293	36,420	39,715	40,233	46,077
Sanitation	-	18	18	575	187
Health and Social Services	14,148	12,196	15,799	15,987	16,825
Culture and Recreation	3,037	6,827	4,347	4,101	6,347
Conservation	328	315	403	392	426
Roads, Bridges, and Rights-of-way	17,077	19,991	9,552	10,985	14,587
Interest on Long-term Debt	5,841	10,173	10,269	10,199	10,057
<b>Total governmental activities expenses</b>	<u>117,395</u>	<u>128,441</u>	<u>118,337</u>	<u>127,300</u>	<u>146,036</u>
<b>Program revenues</b>					
Governmental activities:					
Charges for services:					
General Government	12,609	13,809	13,469	15,156	17,094
Public Safety	1,752	1,712	1,627	1,750	1,776
Roads, Bridges, and Rights-of-way	750	759	331	679	866
Other	405	216	125	137	385
Operating grants and contributions	11,904	11,430	14,216	13,614	24,553
Capital grants and contributions	1,232	3,177	3,574	4,251	2,895
<b>Total governmental activities program revenues</b>	<u>28,652</u>	<u>31,103</u>	<u>33,342</u>	<u>35,587</u>	<u>47,568</u>
Net (expense) revenue-governmental activities	<u>(88,743)</u>	<u>(97,338)</u>	<u>(84,995)</u>	<u>(91,713)</u>	<u>(98,467)</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	89,018
Property taxes, levied for debt service	10,014	12,549	14,303	15,820	15,895
Payments in lieu of taxes	1,064	758	875	1,467	1,433
Unrestricted investment earnings	3,657	5,865	4,413	4,480	5,534
Gain on sale of capital assets	1,618	-	610	1,000	870
Miscellaneous	94	221	406	460	37
Other Financing Sources	-	-	-	-	-
Transfers	-	-	-	-	-
Total governmental activities	<u>81,082</u>	<u>89,695</u>	<u>96,150</u>	<u>104,837</u>	<u>112,787</u>
<b>Change in net assets-governmental activities</b>	<u>\$ (7,661)</u>	<u>\$ (7,643)</u>	<u>\$ 11,155</u>	<u>\$ 13,123</u>	<u>\$ 14,319</u>

\* 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 FIVE FISCAL YEARS**  
 (accrual basis of accounting)  
 (amounts expressed in thousands)

<b>Fiscal Year</b>	<b>Property Tax (General Purposes)</b>	<b>Property Tax (Debt Service)</b>	<b>Total</b>
2003*	\$ 64,635	\$ 10,014	\$ 74,649
2004	70,302	12,549	82,851
2005	75,543	14,303	89,846
2006	81,693	15,820	97,513
2007	89,018	15,895	104,913

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

	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
General Fund										
Reserved	\$ 2,159	\$ 2,157	\$ 1,496	\$ 1,416	\$ 1,421	\$ 995	\$ 551	\$ 953	\$ 616	\$ 274
Unreserved (1)	11,283	8,092	9,466	5,575	5,856	5,310	12,557	18,195	25,006	28,865
Total general fund (4)	<u>\$ 13,442</u>	<u>\$ 10,249</u>	<u>\$ 10,962</u>	<u>\$ 6,991</u>	<u>\$ 7,277</u>	<u>\$ 6,305</u>	<u>\$ 13,108</u>	<u>\$ 19,148</u>	<u>\$ 25,622</u>	<u>\$ 29,139</u>
All other governmental funds										
Reserved (2) (3)	\$ 2,527	\$ 941	\$ 7,661	\$ 10,461	\$ 19,024	\$ 30,607	\$ 67,798	\$ 24,561	\$ 10,073	\$ 15,617
Unreserved, reported in:										
Special Revenue Funds	10,850	10,479	12,819	14,261	14,309	16,722	16,990	16,782	18,467	21,491
Debt Service Funds	-	1,308	-	-	-	-	-	-	-	-
Capital Projects Funds (3), (4)	10,001	8,670	14,258	67,692	63,171	129,233	38,803	31,114	19,477	49,741
Total all other governmental funds (5)	<u>\$ 23,378</u>	<u>\$ 21,398</u>	<u>\$ 34,738</u>	<u>\$ 92,413</u>	<u>\$ 96,504</u>	<u>\$ 176,562</u>	<u>\$ 123,591</u>	<u>\$ 72,457</u>	<u>\$ 48,018</u>	<u>\$ 86,849</u>

(1) The Galveston County Commissioners' Court's goal is to build, at a minimum, an unreserved fund balance equal to three months of budgeted operating funds. For fiscal year 2008, that is equivalent to \$27,935,000. In order to help 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) There was a substantial increase in the capital projects unreserved fund balance in fiscal year 2007. The county issued \$48 million in Pass-through Toll Revenue and Limited Tax Bonds, the proceeds of which were used for designing, developing, financing, constructing, expanding or improving a non-toll project for FM 646, a part of the State Highway System.

(5) 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									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
<b>Revenues</b>										
Taxes	\$ 53,387	\$ 54,760	\$ 58,035	\$ 60,712	\$ 68,843	\$ 74,072	\$ 82,806	\$ 88,759	\$ 97,414	\$ 103,810
Licenses and Permits	1,847	2,050	2,061	2,028	2,088	2,058	2,100	2,140	2,325	2,320
Intergovernmental (1) (2)	9,477	8,695	11,489	11,913	9,749	11,559	14,661	15,120	16,317	20,106
Charges for Services	8,480	7,600	7,873	8,210	8,858	8,262	8,300	8,334	9,818	10,289
Fines and Forfeitures	2,139	3,145	3,376	3,136	3,024	2,679	2,818	2,786	2,763	3,578
Investment Earnings	2,850	2,267	2,981	3,922	4,290	3,657	5,991	4,676	5,132	6,213
Miscellaneous (3)	2,387	7,559	4,683	3,008	2,948	5,046	5,004	4,566	5,899	5,867
<b>Total Revenues</b>	<b>80,567</b>	<b>86,076</b>	<b>90,497</b>	<b>92,930</b>	<b>99,800</b>	<b>107,334</b>	<b>121,681</b>	<b>126,383</b>	<b>139,669</b>	<b>152,182</b>
<b>Expenditures</b>										
Current:										
General Government	24,754	32,864	28,200	31,585	32,579	36,936	34,864	39,269	42,655	49,899
Public Safety	29,119	23,768	28,173	28,430	28,363	30,751	32,961	33,784	35,231	39,926
Sanitation	343	380	115	-	-	-	18	18	575	87
Health and Social Services (4)	3,624	4,283	4,669	5,420	5,065	5,624	14,996	14,978	15,137	15,222
Culture and Recreation	261	1,588	2,706	242	247	2,351	3,045	2,378	2,336	2,600
Conservation	142	155	198	3,005	2,264	310	301	349	366	401
Roads, Bridges, and Rights-of-Way	5,409	5,535	5,431	4,379	4,938	4,308	4,510	5,023	4,410	12,086
Debt Service (5):										
Principal	3,369	3,040	3,667	3,937	5,030	6,125	4,115	5,999	7,372	7,831
Interest and Fiscal Charges	2,927	3,250	3,068	3,000	4,620	4,038	8,164	8,254	8,178	7,879
Bond Issuance Costs	-	-	-	-	118	1,544	601	-	-	672
Refund - Prior Year Tax Revenue	-	-	-	-	-	-	-	159	159	159
Capital Outlay (5)	9,209	9,314	4,763	10,974	14,370	36,342	64,751	61,192	40,567	19,143
<b>Total Expenditures</b>	<b>79,156</b>	<b>84,178</b>	<b>80,988</b>	<b>90,972</b>	<b>97,594</b>	<b>128,330</b>	<b>168,325</b>	<b>171,404</b>	<b>156,986</b>	<b>155,904</b>
Excess (deficiency) of revenues over (under) expenditures	1,411	1,897	9,509	1,958	2,206	(20,996)	(46,644)	(45,021)	(17,317)	(3,722)

**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									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
<b>Other Financing Sources (Uses)</b>										
Transfers In	3,822	4,021	5,232	4,870	4,927	6,651	6,525	4,669	8,083	10,529
Transfers Out	(12,993)	(12,288)	(13,136)	(15,274)	(14,943)	(17,041)	(8,920)	(6,418)	(10,711)	(16,123)
Sale of Capital Assets	263	1,101	543	353	62	2,230	184	1,082	1,979	4,033
Capital Lease	-	-	-	-	-	-	2,053	-	-	-
Long Term Debt Issued	-	-	12,140	61,795	12,125	-	-	-	-	-
Face Value - Long Term Debt Issued (6)	-	-	-	-	-	107,760	-	-	-	48,270
Face Value - Refunding Bonds Issued	-	-	-	-	-	-	42,595	-	-	-
Premium - Long Term Debt Issued	-	-	-	-	-	1,478	-	-	-	120
Premium - Refunding Bonds Issued	-	-	-	-	-	-	3,596	-	-	-
Discount - Long Term Debt Issued	-	-	-	-	-	(996)	-	-	-	(759)
Refunded Bonds - Escrow Agent Payments	-	-	-	-	-	-	(45,556)	-	-	-
Bond Issuance Costs	-	-	(129)	(475)	-	-	-	-	-	-
Other	(120)	-	(105)	(37)	-	-	-	-	-	-
Total Other Financing Sources (Uses)	(9,029)	(7,166)	4,544	51,232	2,170	100,082	476	(668)	(649)	46,070
Net Change In Fund Balances	\$ (7,618)	\$ (5,269)	\$ 4,965	\$ 53,190	\$ 4,377	\$ 79,086	\$ (46,168)	\$ (45,689)	\$ (17,966)	\$ 42,349
Debt service as a percentage of noncapital expenditures	9.0%	8.4%	8.8%	8.7%	11.6%	11.0%	11.9%	12.9%	13.4%	11.5%

- (1) The decrease in intergovernmental revenues in 2002 was due to a reduction in emergency management grant funding.
  - (2) The increase in intergovernmental revenues between fiscal years 2002-2004 was due to receipt of FEMA reimbursements for tropical storm damage.
  - (3) The increase in miscellaneous revenues beginning in 2003 was due to a reclassification of revenue from the Intergovernmental category.
- The County also saw an increase in interlocal agreement reimbursements in fiscal year 2003.
- (4) The increase in the Health and Social Services expenditures beginning in fiscal year 2004 was due to a reclassification of our component unit operating transfer.
  - (5) The increase in the Capital Outlay and the Debt Service Expenditures was funded by proceeds of bonds issued from 2001 through 2003 for various capital projects.
  - (6) In fiscal year 2007 the county issued \$48 million in Pass-through Toll Revenue and Limited Tax Bonds, the proceeds of which were used for designing, developing, financing, constructing, expanding or improving a non-toll project for FM 646, a part of the State Highway System.



The Renovated Galveston County Courthouse  
Departmental Conference Room

## Revenue Capacity



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

<b>Fiscal Year (2)</b>	<b>Real 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>	<b>Personal Property(2)</b>			
2001-02	\$ 9,205,486	\$ 3,736,701	\$ 308,034	\$ 1,078,268	\$ 501,539	\$ 14,830,028	\$ 0.5654
2002-03	9,977,177	3,272,051	248,098	1,203,608	480,471	15,181,405	0.6063
2003-04	11,117,759	2,581,926	263,487	1,095,026	493,894	15,552,092	0.6400
2004-05	12,165,244	3,696,766	264,640	1,583,664	490,251	18,200,565	0.6388
2005-06	14,937,565	5,178,597	430,272	1,889,053	483,955	22,919,442	0.6288
2006-07	15,264,251	5,267,615	446,370	1,970,825	495,067	23,444,128	0.5988

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

Data prior to fiscal year 2002 is unavailable.

(2) Source: Galveston Central Appraisal District.

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

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

Taxing Jurisdiction	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
<b>Galveston County</b>	\$0.520000	\$0.520000	\$0.545000	\$0.545000	\$0.565400	\$0.606300	\$0.640000	\$0.638750	\$0.628750	\$0.598750
<b>Cities</b>										
Galveston	0.547200	0.549400	0.549850	0.548600	0.559100	0.554900	0.541700	0.541700	0.541700	0.494000
Friendswood	0.596100	0.612500	0.638500	0.638500	0.638500	0.638500	0.638500	0.638500	0.604000	0.582100
Hitchcock	0.585000	0.567000	0.567000	0.567000	0.567000	0.568400	0.581380	0.538900	0.534557	0.555050
Jamaica Beach	0.597420	0.597420	0.597420	0.522499	0.479930	0.460900	0.420820	0.345400	0.311200	0.285000
La Marque	0.523000	0.533000	0.523000	0.546100	0.536100	0.536100	0.510340	0.540300	0.553300	0.514360
League City	0.750000	0.725000	0.670000	0.667500	0.662500	0.650000	0.640000	0.630000	0.527500	0.608800
Texas City	0.269000	0.285000	0.298750	0.328750	0.333500	0.357500	0.456240	0.456240	0.456240	0.456240
Tiki Island	0.159299	0.168632	0.163352	0.164288	0.159600	0.169100	0.165890	0.175900	0.160252	0.155590
Bayou Vista	0.353176	0.407397	0.402377	0.378077	0.370100	0.375000	0.340000	0.354000	0.356200	0.338720
Clear Lake Shores	0.316654	0.328701	0.339507	0.339507	0.329600	0.262633	0.241810	0.238600	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	0.341112	0.351112	0.351112	0.350574	0.390000	0.373000	0.391500	0.414500	0.434500	0.408800
Kemah	0.277428	0.260000	0.163790	0.095000	0.092600	0.071200	0.150000	0.170200	0.208545	0.255395
Santa Fe	0.381900	0.374500	0.354100	0.352100	0.262000	0.271900	0.271900	0.274700	0.282400	0.299200
<b>School and Junior College Districts</b>										
Galveston	1.500000	1.520000	1.520000	1.520000	1.520000	1.570000	1.560000	1.710000	1.685000	1.525000
Friendswood	1.575000	1.672000	1.535000	1.585000	1.617000	1.637000	1.637000	1.637000	1.637000	1.507000
Hitchcock	1.693500	1.710000	1.705900	1.705900	1.710000	1.710000	1.710000	1.710000	1.695000	1.565050
La Marque	1.614100	1.644100	1.615959	1.625005	1.625000	1.650000	1.730000	1.743000	1.740000	1.570000
Texas City	1.490000	1.520000	1.608000	1.611800	1.611900	1.604700	1.623400	1.613000	1.587100	1.448354
Clear Creek	1.590000	1.641520	1.598560	1.700840	1.725000	1.740000	1.730000	1.745000	1.775000	1.630000
Dickinson	1.710000	1.710000	1.751000	1.754000	1.747000	1.764000	1.743000	1.738000	1.751000	1.724000
High Island	1.500000	1.500000	1.500000	1.500000	1.500000	1.500000	1.770000	1.709100	1.700000	1.630000
Santa Fe	1.444000	1.494000	1.367000	1.422000	1.510000	1.570000	1.570000	1.570000	1.570000	1.445000
College of the Mainland	0.198815	0.198815	0.215762	0.218000	0.218000	0.231870	0.263060	0.245250	0.243020	0.233450
Galveston College	0.187800	0.187800	0.197800	0.197800	0.195200	0.195200	0.195200	0.195200	0.191800	0.170000
<b>Special Districts</b>										
Bacliff MUD	0.240000	0.202000	0.185000	0.080000	0.070000	0.165000	0.238260	0.243700	0.350000	0.315800
Bayview MUD	0.250000	0.238400	0.232900	0.237800	0.240000	0.236800	0.220000	0.220000	0.220000	0.216900
South Shore MUD #2	0.620000	0.610000	0.600000	0.570000	0.000000	0.570000	0.520000	0.450000	0.340000	0.290000
South Shore MUD #3	0.343000	0.335000	0.335000	0.325000	0.300000	0.300000	0.240000	0.220000	0.200000	0.180000
South Shore MUD #6	0.620000	0.580000	0.510000	0.460000	0.400000	0.380000	1.000000	1.000000	0.310000	0.300000
South Shore Harbour MUD#7	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.950000	0.820000
Tara Glen MUD	0.826300	0.800000	0.800000	0.800000	0.750000	0.725000	0.700000	0.700000	0.670000	0.670000
Flamingo Isles MUD	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.500000	0.500000

(Continued)

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

Taxing Jurisdiction	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
<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	\$1.000000	\$1.000000
Clear Creek Drainage District	0.142500	0.150000	0.150000	0.155000	0.155000	0.155000	0.150000	0.150000	0.000000	0.000000
Fresh Water Supply District #6	0.305711	0.285953	0.255028	0.257210	0.219500	0.282700	0.245080	0.249600	0.220153	0.201300
Galveston County Consolidated Drainage District	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.148300	0.000000
Galveston County EMS District	0.099740	0.095720	0.092571	0.094199	0.095060	0.095390	0.085800	0.085800	0.082670	0.081700
Galveston County MUD #1	0.480000	0.475661	0.475325	0.445282	0.460000	0.460000	0.460000	0.460000	0.460000	0.000000
Galveston County MUD #2	0.785000	0.685000	0.615000	0.560000	0.460000	0.430000	0.390000	0.365000	0.300000	0.260000
Galveston County MUD #3	0.604000	0.540000	0.480000	0.450000	0.430000	0.390000	0.320000	0.250000	0.210000	0.160000
Galveston County MUD #6	0.900000	0.900000	0.860000	0.860000	0.750000	0.700000	0.700000	0.700000	0.640000	0.480000
Galveston County MUD #12	0.406895	0.334035	0.305565	0.245468	0.188400	0.252862	0.258620	0.220100	0.207717	0.270000
Galveston County MUD #13	0.990000	0.969000	0.965000	0.965000	0.965000	0.915000	0.860000	0.760000	0.710000	0.630000
Galveston County MUD #14	0.200000	0.186150	0.186150	1.000000	1.000000	1.000000	0.970000	0.920000	0.900000	0.880000
Galveston County MUD #15	0.880840	0.880400	0.870890	0.870890	0.870000	0.870000	0.860000	0.830000	0.825000	0.825000
Galveston County MUD #29	0.199275	0.203000	0.205000	0.188758	0.175000	0.175000	0.175000	0.175000	0.170000	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	1.090000	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	0.900000	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	1.000000	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 #45	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	1.000000	1.000000
Galveston County MUD #46	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	1.000000	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	0.036290	0.039610	0.040032	0.041136	0.040600	0.042000	0.042000	0.040900	0.038000	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	0.380000	0.380000	0.370000	0.350000	0.330000	0.310000	0.262620	0.262500	0.241490	0.230260
Water Control Improvement Dist. #8	0.250000	0.210510	0.182500	0.250000	0.250000	0.250000	0.250000	0.250000	0.246300	0.247400
Water Control Improvement Dist. #12	0.567600	0.567600	0.567600	0.526900	0.526900	0.520000	0.470000	0.420000	0.420000	0.370000
Water Control Improvement Dist. #19	0.384226	0.367790	0.367270	0.156102	0.153100	0.152700	0.150170	0.170800	0.165030	0.159520
San Leon MUD	0.320000	0.290000	0.287000	0.287000	0.446000	0.488000	0.450500	0.449100	0.434700	0.434500
Drainage District #1	0.100517	0.096819	0.088022	0.088061	0.097200	0.095800	0.090100	0.090100	0.103887	0.108940
Drainage District #2	0.052586	0.054419	0.054294	0.056273	0.056600	0.058800	0.058800	0.058800	0.055200	0.055740
Drainage District #3	0.314069	0.275190	0.234694	0.234694	0.216100	0.000000	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, 2007  
(amounts expressed in thousands)**

<b>Taxpayer</b>	<b>2007</b>			<b>1998</b>		
	<b>Taxable Assessed Value</b>	<b>Rank</b>	<b>% of Total Taxable Assessed Value</b>	<b>Taxable Assessed Value</b>	<b>Rank</b>	<b>% of Total Taxable Assessed Value</b>
BP Products (NA) Inc.	\$ 1,395,731	1	5.95%	-	-	-
Valero Refining-Texas LP	776,777	2	3.31%	230,156	6	1.88%
Union Carbide Corporation	333,756	3	1.42%	517,015	2	4.22%
South Houston Green Power, LP	289,147	4	1.23%	-	-	-
Praxair Inc.	169,437	5	0.72%	-	-	-
BP Amoco Chemical Company	156,314	6	1%	237,729	5	1.94%
Marathon Petroleum Company LLC	153,030	7	0.65%	73,300	10	0.60%
Sterling Chemicals	130,365	8	0.56%	391,696	3	3.19%
Texas-New Mexico Power Company	97,629	9	0.42%	80,747	8	0.66%
Centerpoint Energy Inc.	93,471	10	0.40%	-	-	-
Amoco Texas Refinery Company	-	-	-	990,025	1	8.07%
Houston Lighting and Power	-	-	-	247,361	4	2.02%
Basis Petroleum, Inc.	-	-	-	219,784	-	1.79%
Texas Cogenron, Inc.	-	-	-	106,000	7	0.86%
Southwestern Bell Telephone Company	-	-	-	75,323	9	0.61%
	<u>3,595,657</u>		<u>15.34%</u>	<u>3,169,136</u>		<u>25.84%</u>
Other Taxpayers	<u>460,654</u>		<u>1.96%</u>	<u>304,774</u>		<u>2.48%</u>
Totals	<u><u>\$ 4,056,311</u></u>		<u><u>17.30%</u></u>	<u><u>\$ 3,473,910</u></u>		<u><u>28.32%</u></u>

(1) Source: Galveston Central Appraisal District Top Taxpayer Calculations performed as of January 9, 2008.  
Total assessed value = \$23,444,128.

**GALVESTON COUNTY, TEXAS  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST SIX 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	\$ 67,548	\$ 65,524	97.00%	\$ 1,727	\$ 67,251	99.56%
2002-03	71,188	69,298	97.35%	1,517	70,815	99.48%
2003-04	81,480	79,367	97.41%	1,601	80,968	99.37%
2004-05	89,271	85,893	96.22%	1,538	87,431	97.94%
2005-06	97,547	94,764	97.15%	1,351	96,115	98.53%
2006-07	106,306	103,081	96.97%	-	103,081	96.97%

(1) Collected from October 1 through September 30.

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

Source: Galveston County Tax Assessor-Collector.



The Renovated Galveston County Courthouse  
Departmental File-Storage Room

## 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</b>	<b>Percentage of Personal Income</b>	<b>Per Capita</b>
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	23.56%	755
2005	197,928	1,753	199,681	29.97%	731
2006	191,128	1,193	192,321	31.45%	678
2007	232,163	609	232,772	31.85%	821

*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, 2007**  
(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>	\$ 232,163	100%	\$ 232,163
<b><u>Cities</u></b>			
Dickinson	9,957	100%	9,957
Friendswood	16,195	79.16%	12,820
Galveston	18,462	100%	18,462
Hitchcock	954	100%	954
Jamaica Beach	-	100%	-
Kemah	245	100%	245
La Marque	6,948	100%	6,948
League City	52,962	98%	51,882
Texas City	35,468	100%	35,468
Total Cities	<u>141,191</u>		<u>136,736</u>
<b><u>School Districts</u></b>			
Dickinson	129,476	100%	129,476
Friendswood	24,773	100%	24,773
Galveston	80,305	100%	80,305
High Island	1,896	100%	1,896
Hitchcock	7,811	100%	7,811
La Marque	31,338	100%	31,338
Sante Fe	14,087	100%	14,087
Texas City	15,110	100%	15,110
Total School Districts	<u>304,796</u>		<u>304,796</u>
<b><u>Co-Line School Districts</u></b>			
Clear Creek	548,171	34.44%	188,790

**GALVESTON, COUNTY TEXAS**  
**COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT (1)**  
**GENERAL OBLIGATION BONDS**  
**September 30, 2007**  
**(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><u>Other</u></b>			
Baycliff Mud	\$ 8,259	100%	\$ 8,259
Bay Colony West MUD	2,560	100%	2,560
Bayview Mud	425	100%	425
Flamingo Isle MUD	4,490	100%	4,490
Galveston County FWSD #6	5,795	100%	5,795
Galveston County MUD #2	5,551	100%	5,551
Galveston County MUD #3	6,749	100%	6,749
Galveston County MUD #6	18,823	100%	18,823
Galveston County MUD #12	1,269	100%	1,269
Galveston County MUD #13	8,868	100%	8,868
Galveston County MUD #14	12,165	100%	12,165
Galveston County MUD #15	15,620	100%	15,620
Galveston County MUD #29	4,495	100%	4,495
Galveston County MUD #39	16,730	100%	16,730
Galveston County MUD #43	7,150	100%	7,150
San Leon MUD	3,373	100%	3,373
Galveston WCID #1	8,234	100%	8,234
Galveston WCID #8	430	100%	430
Galveston WCID #12	15,056	100%	15,056
South Shore Harbor MUD #2	5,753	100%	5,753
South Shore Harbor MUD #3	3,225	100%	3,225
South Shore Harbor MUD #6	7,655	100%	7,655
South Shore Harbor MUD #7	17,262	100%	17,262
Tara Glen MUD	3,521	100%	3,521
<b>Total Other</b>	<b>183,458</b>		<b>183,458</b>
<b>Total Gross and Overlapping Debt</b>	<b>\$ 1,409,779</b>		<b>\$ 1,045,943</b>
Ratio of Direct and Overlapping Debt to 2007 Net Taxable Assessed Valuation			5.43%
Per Capita Direct and Overlapping Debt (2007 estimated population = 283,551) (2)			3,689
Net Taxable Assessed Valuation			\$ 19,252,056

- (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) 2007 estimated population and Per Capita Direct and Overlapping Debt amounts are NOT rounded to thousands; Updated population figure for 2007 not yet available, so 2006 population figure used anew.

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

**Bonds Issued Under Texas General Laws**

Assessed value of all taxable property (excluding exemptions)  
Debt limit rate (5% of assessed value)  
Amount of debt applicable to constitutional debt limit:  
Total general bonded debt, including cumulative accretion  
Less Debt Service fund balance  
Total debt applicable to limitation  
Legal debt margin

\$ 23,444,128  
x 5%  
1,172,206  
  
\$ 242,183  
(12,542)  
  
\$ 229,641  
\$ 942,565

	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Debt limit	\$613,297	\$ 633,776	\$ 660,932	\$ 723,570	\$ 748,131	\$ 801,694	\$ 855,177	\$941,570	\$1,091,754	\$ 1,172,206
Total net debt applicable to limit	25,960	23,148	40,727	97,096	105,721	209,324	205,632	200,745	194,891	229,641
Legal debt margin	\$ 587,337	\$ 610,628	\$ 620,205	\$ 626,474	\$ 642,410	\$ 592,370	\$ 649,545	\$ 740,825	\$ 896,863	\$ 942,565
Total net debt applicable to the limit as a percentage of debt limit	4.23%	3.65%	6.16%	13.42%	14.13%	26.11%	24.05%	21.32%	17.85%	19.59%

**Constitutional Tax Limitations:**

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

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

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

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

Assessed value of real property (excluding exemptions)

Debt limit rate

Amount of Debt Limit

Total Road Bonds Outstanding, including cumulative accretion

Legal debt margin

X \$ 20,978,236  
 25%  
 5,244,559  
 (38,122)  
 \$ 5,206,437

	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Debt limit	\$ 2,656,747	\$ 2,789,177	\$ 2,927,975	\$ 3,206,392	\$ 3,334,036	\$ 3,583,132	\$ 3,812,922	\$ 4,180,324	\$ 4,872,923	\$ 5,244,559
Less: Road bonds outstanding	(8,992)	(7,483)	(13,698)	(38,039)	(33,737)	(38,625)	(37,811)	(38,225)	(38,675)	(38,122)
Legal debt margin	\$ 2,647,755	\$ 2,781,694	\$ 2,914,277	\$ 3,168,353	\$ 3,300,299	\$ 3,544,507	\$ 3,775,111	\$ 4,142,099	\$ 4,834,248	\$ 5,206,437

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

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

<b>Fiscal Year</b>	<b>Population (1)</b>	<b>Assessed Value *</b>	<b>Gross Bonded Debt *</b>	<b>Less Debt Service Funds*</b>	<b>Net Bonded Debt *</b>	<b>Ratio of Net Bonded Debt to Assessed Value</b>	<b>Net Bonded Debt Per Capita</b>
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	14,830,028	107,449	1,728	105,721	0.71	405
2002-03	266,858	15,181,405	210,661	1,337	209,324	1.38	784
2003-04	272,024	15,555,092	208,405	2,773	205,632	1.32	756
2004-05	273,162	18,200,565	204,331	3,586	200,745	1.10	735
2005-06	283,551	22,919,442	199,289	4,398	194,891	0.85	687
2006-07	283,551	23,444,128	242,183	12,542	229,641	0.98	810

\* Amounts expressed in thousands.

(1) Source: U.S. Census Bureau and Texas Association of Counties. Updated population figure for 2006-2007 not yet available, so 2005-2006 population figure used anew.

## 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>
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	283,551	6,115,628	21,568	36.0	73,919	4.90%
2007 (3)	283,551	7,307,960	25,773	36.0	78,508	4.30%

(1) Source: U.S. Bureau of Census; Texas Workforce Commission.

(2) Source: Texas Education Agency.

(3) Updated population figure for 2007 not yet available, so 2006 population figure used anew.

(4) Amount expressed in thousands.

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

<b>Employer</b>	<b>2007</b>			<b>1998</b>		
	<b>Number of Employees</b>	<b>Rank</b>	<b>% of Principal-Employer Employees</b>	<b>Number of Employees</b>	<b>Rank</b>	<b>% of Principal-Employer Employees</b>
University of Texas Medical Branch	12,408	1	47.6%	13,999	1	50.7%
Clear Creek Independent School District	4,000	2	15.3%	3,190	2	11.6%
BP-Amoco Oil Company Texas City	2,000	3	7.7%	2,500	3	9.1%
Galveston County	1,269	4	4.9%	1,302	5	4.7%
Landry's Seafood, Inc.	1,245	5	4.8%	-	-	-
Galveston Independent School District	1,221	6	4.7%	1,710	4	6.2%
American National Insurance Company (ANICO)	1,476	7	5.7%	1,267	6	4.6%
Texas City ISD	879	8	3.4%	-	-	-
Moody Gardens	840	9	3.2%	-	-	-
Mainland Medical Center	750	10	2.9%	-	-	-
Union Carbide Corporation	-	-	-	1,200	7	4.3%
City of Galveston	-	-	-	766	10	2.8%
Gulf Greyhound Partners LTD.	-	-	-	890	8	3.2%
Dickinson ISD	-	-	-	770	9	2.8%
<b>Total</b>	<b>26,088</b>		<b>100.0%</b>	<b>27,594</b>		<b>100.0%</b>

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



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## Operating Information

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

<b>Function</b>	<b>Fiscal Year</b>									
	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>
General Government	440	447	464	463	450	450	455	454	505	551
Public Safety	569	564	564	532	539	560	575	555	547	535
Road and Bridges, and Rights-of-Way	44	56	55	53	49	47	43	50	47	51
Health and Social Services	184	170	176	133	121	64	79	74	67	74
Culture and Recreation	57	54	55	44	50	50	49	44	41	47
Conservation	8	7	10	10	8	9	11	10	10	11
<b>Total</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>	<b>1,269</b>

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

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

<u>Function</u>	<u>Fiscal Year</u>				
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
<b>General Government</b>					
Number of buildings	18	18	19	20	20
Number of courtrooms	19	19	19	21	21
<b>Public Safety</b>					
Jail capacity/number of beds	881	881	881	1,187	1,187
Stations / substations	3	3	3	3	3
Sheriff's Department vehicles	113	117	115	136	120
Boats / seacrafts	10	10	10	10	10
Training facility	1	1	1	1	1
Animal facility	1	1	1	1	1
Medical Examiner building	1	1	1	1	1
Juvenile Justice buildings	4	4	4	4	4
Emergency Management building	1	1	1	1	1
Flood Control buildings	3	3	3	3	3
<b>Roads, Bridges, and Rights-of-Way</b>					
Miles of county roads	324	325	326	323	357
Bridges	22	22	22	22	22
Motor vehicles	54	54	46	56	46
Pieces of heavy and general equipment	66	62	69	78	79
<b>Health and Social Services</b>					
Clinics	2	2	2	2	3
Animal shelter	1	1	1	1	1
Mosquito control vehicles	17	17	19	21	19
Airplanes	2	2	2	2	2
Airboat	1	1	1	1	1
Spray units	13	13	13	13	13
Senior Citizens Centers	4	4	4	4	4
Senior Citizens Vehicles	5	5	6	7	7
<b>Culture and Recreation</b>					
Museum	1	1	1	1	1
Parks	26	26	25	25	26
Park acreage	1,201	1,201	1,204	1,204	1,255
Park buildings	30	30	30	30	31
Community centers	4	4	4	4	4
Athletic fields and courts	41	41	41	41	41
Boat launches	11	11	11	11	11
Campground sites	9	9	9	9	9
Hiking trails (feet)	751	751	751	751	751
Vehicles	32	28	32	39	34
Heavy and General Equipment	31	35	36	47	40
Beach maintenance equipment	6	6	6	6	6
<b>Conservation</b>					
Extension service vehicles	5	5	5	5	6

\* Data prior to fiscal year 2003 is unavailable.

**GALVESTON, COUNTY TEXAS**  
**OPERATING INDICATORS BY FUNCTION \***  
**September 30, 2007**

<u>Function /Program</u>	<u>2007</u>	<u>2006</u>
<b>General Government</b>		
<i>Tax Assessor- Collector</i>		
Employees	53	53
Ad-Valorem Accounts	181,952	172,782
Motor Vehicle Registration/Licenses	251,750	240,369
Number of entities for which we collect	32	34
Number of Registered Voters	179,172	185,911
Beer and Wine Permits	2,063	921
Special Inventory Tax Accounts	106	175
Coin Operated Machines	396	1,076
<i>County Clerk</i>		
Employees	59	55
Recording Real Property and Governmental	83,986	89,496
Marriage License	2,411	2,320
Formal	2,338	
Informal	73	
Assumed Names (Business Names)	2,984	3,218
Doing Business As	2,907	
Abandonment	77	
Number of Criminal Cases Filed	13,857	11,933
New Cases filed by DA	12,323	-
Appeals from Lower Courts	1,013	-
Others-Motions Revoke Probation, Etc.	521	-
Bond Forfeitures	1,437	1,074
Number of Civil Suits Filed	2,229	2,028
Number of Probate Cases Filed	1,415	877
Probate Mental Health Cases filed	466	274
Elections Held (County, School, Federal)	13	15
<i>District Clerk</i>		
Number of Employees	47	48
Civil Cases	7,327	6,659
Criminal cases	4,544	4,544
Tax Cases Processed	1,235	1,092
CPS Cases Processed	157	154
Juvenile Cases	1,099	1,004
Jurors Summoned	55,300	34,563
<i>Human Resources</i>		
Applications Accepted	1,555	1,609
Positions Filled	335	356
<i>Justice of the Peace (9 precincts)</i>		
<i>Precinct#1</i>		
Number of Employees	4	4
Civil Cases Filed	852	864
Civil Cases Disposed	693	804
Civil Cases Appealed	7	4
Criminal Cases Filed	2,499	2,667
Criminal Cases Disposed	1,778	1,596
Criminal Cases Appealed	15	10
<i>Precinct#2</i>		
Number of Employees	3	3
Civil Cases Filed	466	543
Civil Cases Disposed	401	540
Civil Cases Appealed	14	13
Criminal Cases Filed	422	540
Criminal Cases Disposed	393	373
Criminal Cases Appealed	2	3

(Continued)

**GALVESTON, COUNTY TEXAS**  
**OPERATING INDICATORS BY FUNCTION \***  
**September 30, 2007**

<u>Function /Program</u>	<u>2007</u>	<u>2006</u>
<b>General Government</b>		
<i>Justice of the Peace (9 precincts)</i>		
<i>Precinct#3</i>		
Number of Employees	5	5
Civil Cases Filed	41,889 (b)	488
Civil Cases Disposed	178	280
Civil Cases Appealed	-	-
Criminal Cases Filed	8,056	8,096
Criminal Cases Disposed	9,413	4,578
Criminal Cases Appealed	95	43
<i>Precinct#4</i>		
Number of Employees	6	6
Civil Cases Filed	338	335
Civil Cases Disposed	274	303
Civil Cases Appealed	4	3
Criminal Cases Filed	4,948	4,470
Criminal Cases Disposed	5,988	5,592
Criminal Cases Appealed	22	31
<i>Precinct#5</i>		
Number of Employees	4	5
Civil Cases Filed	676	602
Civil Cases Disposed	707	498
Civil Cases Appealed	3	-
Criminal Cases Filed	5,077	4,518
Criminal Cases Disposed	3,660	-
Criminal Cases Appealed	2	3
<i>Precinct#7</i>		
Number of Employees	5	5
Civil Cases Filed	841	862
Civil Cases Disposed	715	5,144
Civil Cases Appealed	-	2
Criminal Cases Filed	4,379	5,144
Criminal Cases Disposed	5,541	4,424
Criminal Cases Appealed	11	15
<i>Precinct#8-1 &amp; 8-2 (Previously JP6)</i>		
Number of Employees	9	9
Civil Cases Filed	944	893
Civil Cases Disposed	25	652
Civil Cases Appealed	2	2
Criminal Cases Filed	6,448	8,598
Criminal Cases Disposed	1,001	5,457
Criminal Cases Appealed	1	28
<i>Precinct#9</i>		
Number of Employees	5	5
Civil Cases Filed	65	38
Civil Cases Disposed	37	20
Civil Cases Appealed	4	1
Criminal Cases Filed	5,724	7,779
Criminal Cases Disposed	6,302	7,244
Criminal Cases Appealed	60	123
<b>Public Safety</b>		
<i>Sheriff</i>		
Number of Employees	395	365
Daily average in County Jail	1,041	969
Number of persons booked	21,898	18,269
Number of Civil Processes	5,970	6,780

(Continued)

**GALVESTON, COUNTY TEXAS  
OPERATING INDICATORS BY FUNCTION \*  
September 30, 2007**

<u>Function /Program</u>	<u>2007</u>	<u>2006</u>
<b>Public Safety</b>		
<i>Constables (9 precincts)***</i>		
<i>Precinct#1</i>		
Number of Employees	4	4
Civil Cases Processed	1,781	4,988
<i>Precinct#2</i>		
Number of Employees	4	4
Civil Cases Processed	954	1,013
<i>Precinct#3</i>		
Number of Employees	6	5
Civil Cases Processed	1,517	427
<i>Precinct#4</i>		
Number of Employees	4	5
Civil Cases Processed	1,304	1,440
<i>Precinct#5</i>		
Number of Employees	4	4
Civil Cases Processed	2,200	1,400
<i>Precinct#7</i>		
Number of Employees	7	9
Civil Cases Processed	2,083	2,016
<i>Precinct#8</i>		
Number of Employees	10	11
Civil Cases Processed	2,148	1,442
<i>Precinct#9</i>		
Number of Employees	3	3
Civil Cases Processed	94	91
<b>Road, Bridges &amp; Right-of-Way</b>		
<i>County Maintained Roads - Road and Bridge</i>		
<i>(Lane Road Miles)</i>		
Precinct 1	211.57 miles	213.76 miles
Precinct 2	118.35 miles	126.95 miles
Precinct 3	21.02 miles	21.93 miles
Precinct 4	6.06 miles	6.22 miles
<b>Health and Social Services</b>		
Community Services		
Community Clinics	2	2
Employees' CareHere! Clinics	1	0
<b>Culture and Recreation</b>		
County Parks Department		
Park Permits Approved	**623(a)	*412(a)
Beach Pocket Parks Visitor		**
Festival & Special Events Hosted	**25(a)	*22(a)

Note: The reporting format has change from last year to give more detailed information.

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

\* 2006 count# of 964 reported in 2007 was based upon issued activity and not approved permits count, which equates to revenue dollars(\$).

\*\* The Parks Department launched its new hosted facility reservations database in May 2005 (FY2005). ActiveNet now has more than two (2) full fiscal years of facility reservations data input through 9/30/2007. This will allow better analysis of facility utilization and revenues collected for the rental of each facility from fiscal year to fiscal year.

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

(a) ActiveNet Hosted Database records.

(b) Information per Texas State Courts website: [www.courts.state.tx.us/courts/jp.asp](http://www.courts.state.tx.us/courts/jp.asp)

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

March 14, 2008

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

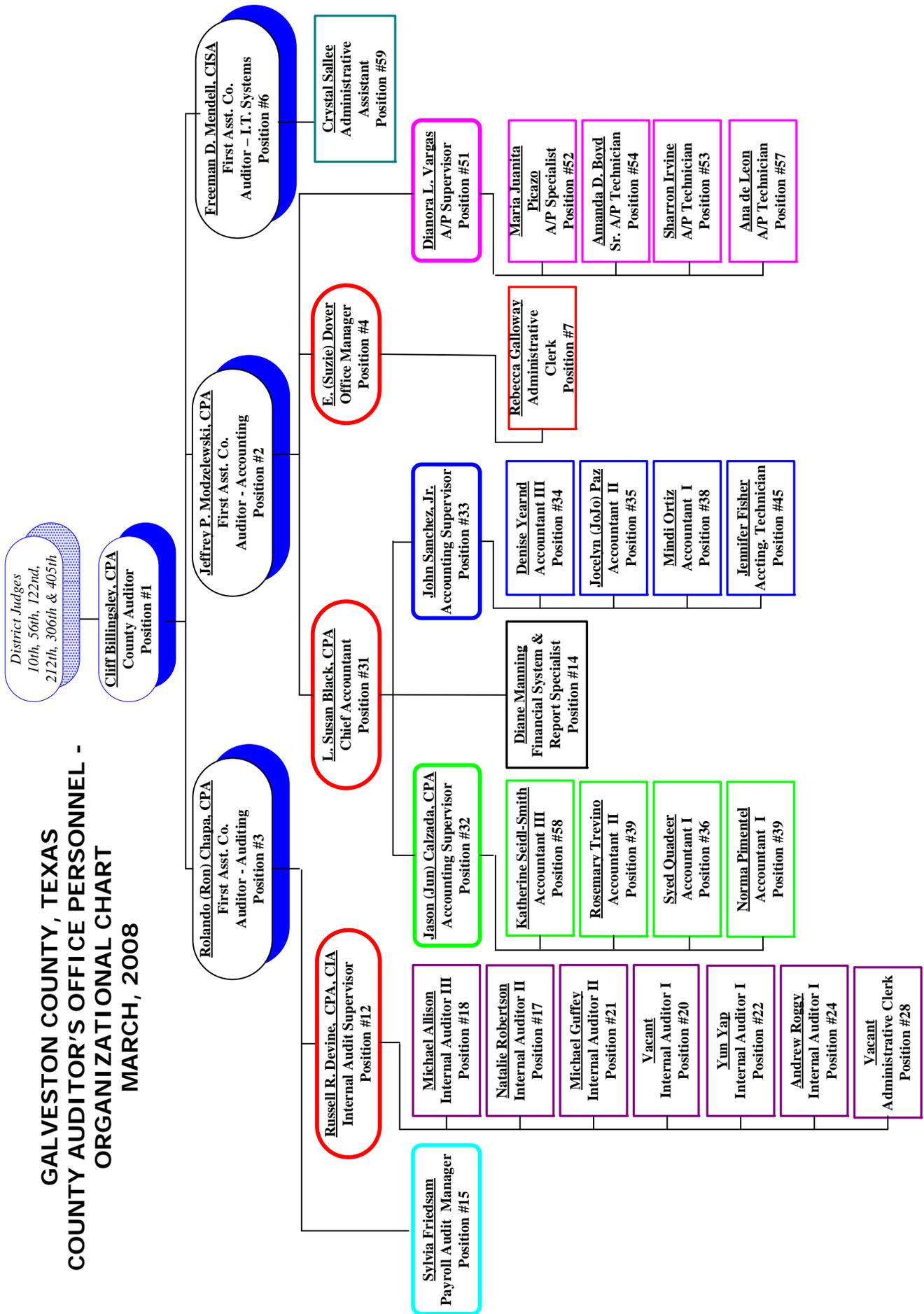
*Rolando (Ron) Chapa, BBA, CPA*  
*First Assistant County Auditor - Director of Auditing*

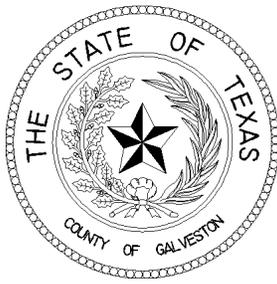
*Freeman D. Mendell, BA, MA, CISA*  
*First Assistant County Auditor - Director of I.T. Systems*

*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>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>Ana de Leon</i> .....	<i>Accounts Payable Technician</i>
<i>Russell R. Devine, BA, CPA, CIA</i> .....	<i>Internal Audit Supervisor</i>
<i>Elizabeth (Suzie) J. Dover</i> .....	<i>Office Manager</i>
<i>Jennifer Fisher, AA, BS</i> .....	<i>Accounting Technician</i>
<i>Sylvia Friedsam</i> .....	<i>Payroll Audit Manager/Internal Auditor III</i>
<i>Rebecca Galloway</i> .....	<i>Administrative Clerk</i>
<i>Michael Guffey, AA, BA, MPA, CFE</i> .....	<i>Internal Auditor II</i>
<i>Sharron Irvine</i> .....	<i>Accounts Payable Technician</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 II</i>
<i>Andrew Roggy, BS</i> .....	<i>Internal Auditor I</i>
<i>Crystal Sallee, AA</i> .....	<i>Administrative Assistant</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 PERSONNEL - ORGANIZATIONAL CHART MARCH, 2008





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