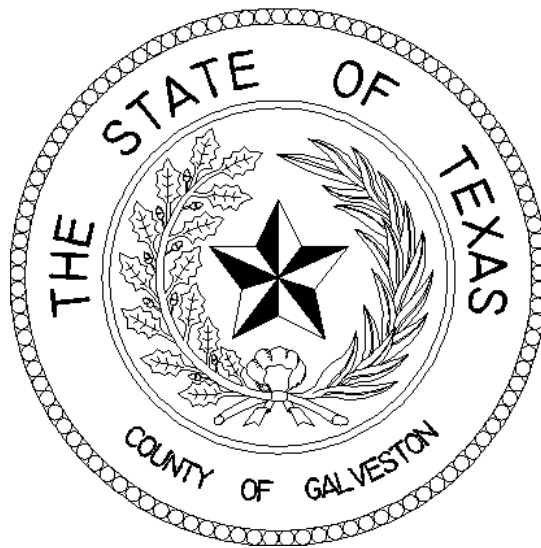


# **Galveston County, Texas**

## **COMPREHENSIVE**

### **ANNUAL FINANCIAL REPORT**



**FOR THE FISCAL YEAR ENDED**  
**SEPTEMBER 30, 2008**



GALVESTON COUNTY, TEXAS  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
For the fiscal year ended  
September 30, 2008

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



Hurricane Ike made landfall on the eastern end of Galveston Island, Texas, in the early morning of Saturday, September 13, 2008. Its wind strength merited its classification as a borderline Category 2/Category 3 hurricane on the Saffir-Simpson Hurricane Scale, but its storm surge was more like that expected of a Category 4 storm.



Hurricane Ike, moving northwesterly, approaches the Texas coast.

Galveston County, Texas  
 Comprehensive Annual Financial Report  
 For the Fiscal Year Ended September 30, 2008

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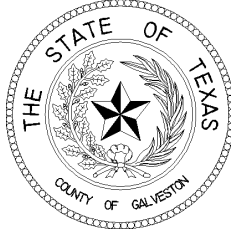
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**Cliff Billingsley, CPA**  
**County Auditor**

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

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

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

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

June 30, 2009

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, 2008.

**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, 2008, 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, 2008, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the Financial Section of this report.

The independent audit of the county's financial statements is part of a broader annual "Single Audit" which was federally mandated by the Single Audit Act of 1984 and the United States Office of Management and Budget's *Circular No. A-133: Audits of States, Local Governments, and Non-Profit Organizations*. The Single Audit Report, designed to meet the special needs of federal grantor agencies, includes a Schedule of Expenditures of Federal Awards. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and its compliance with legal requirements, especially those which involve the administration of federal awards. The report 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 that is approaching 300,000. The land area includes: Galveston Island (the "Island"), 32 miles long and situated two miles off the coast; a portion of the nearby mainland; and the Bolivar Peninsula, just northeast of the Island across the entrance to Galveston Bay. The county seat is the City of Galveston, located on the northern end of the Island and covering slightly more than forty-seven square miles.

The 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.

**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 52 and 53.

**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 region's diversified commercial, industrial, and manufacturing base provides stability to its 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 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. Apfel Park, Stewart Beach Park, and Galveston Island State Park, as well as alcohol-free beaches stretching from 10<sup>th</sup> Street to 61<sup>st</sup> Street along the Island's famous Seawall Boulevard. The Island is also rich in culture and history, and it showcases both in numerous venues which are open to the public, including the restored mansions of Ashton Villa, the Bishop's Palace, and Moody Mansion; the Galveston Arts Center; and museums such as the Galveston County Historical Museum, the Railroad Museum, the Lone Star Flight Museum, and the Texas Seaport Museum, this last the home of the restored 1877 iron barque, *Elissa*.

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

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

Off the Island, the Galveston Bay/Clear Lake region is the "boating capital of Texas," harboring one of the largest fleets of pleasure craft in the United States, while 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.

In recent past years, and until the last few weeks of fiscal year 2008, local indicators pointed to a continuation of the county's stable economic environment. However, Hurricane Ike, which made landfall on eastern Galveston Island early on September 13, 2008, significantly affected the economy of portions of the county, particularly those of Galveston Island, the Bolivar Peninsula, and Galveston Bay communities on the mainland, for the foreseeable future.

With regard to Ike's residential impact, many pre-Ike Island, Peninsula, and bay-community inhabitants do not now live there. The absence of some of these inhabitants is temporary, due to a housing shortage while damaged and destroyed properties are rebuilt. However, the absence of others is permanent, either because of an unwillingness to risk anew such a coastal catastrophe, or because of the need to more conveniently access the employment markets of Clear Lake, Houston, etc.

With regard to Ike's commercial impact, some Island and Peninsula small businesses, and especially those which carried no flood insurance, will not re-open. A number of large employers also face significant changes. The University of Texas Medical Branch, both a medical school and a hospital complex, has downsized for at least the immediate future, severing a significant portion of its workforce, and has considered relocating some of its remaining operations from the Island to the mainland. The Galveston Independent School District faces downsizing as well, impacted by a diminished student population, and the City of Galveston may need to eliminate staff, its property-tax revenues a victim of Ike-damaged real estate.

Fortunately, some inland areas of the county were impacted by Hurricane Ike to a much lesser degree, and the stability of the economy there partially offsets the volatility experienced by that of the Island and Peninsula.

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

*Debt administration.* Much of the county's capital investment in recent years, including the construction of the Galveston County Justice Center, the creation and maintenance of roads and other infrastructure, 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 these conditions subsequently changed, and less than two months into fiscal year 2008 the county refunded \$79,555,000 of outstanding principal.

At September 30, 2008, the county's outstanding bonded debt, including cumulative accretion, totaled \$250,990,697. During that fiscal year then ended, the county paid \$9,030,000 in principal and \$8,117,245 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, 2008, the county recognized 337 retirees, 125 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 75-77 of 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, 2008, the county earned \$5,213,275 in interest, \$4,978,729 of that from investments and \$234,546 from deposits. More information about the county’s deposits and investments can be found in Note III.A. to the Financial Statements on pages 60-63 of this report.

**Major initiatives.** The county typically plans its significant capital projects with a multi-year perspective. However, the impact of Hurricane Ike in mid-September 2008 necessarily caused some refocusing of attention to hurricane recovery and mitigation, examples of which initiatives include:

- Improvements to the Texas City/La Marque levee to upgrade its capability to resist hurricanes, from the current adequacy for storms of Category 3 strength on the Saffir-Simpson Scale to those of Category 5 strength. The county may be able to fund these improvements with Federal Emergency Management Association (“FEMA”) funds.
- Restoration of damaged unincorporated areas of the county, such as those in the vicinities of Freddiesville, San Leon, and Bacliff, and the entire Bolivar Peninsula, to a condition better than that which existed pre-Ike.
- Consideration of a long-range project to construct a so-called “Ike Dike” - a crowned levee system to protect Galveston Island, the Bolivar Peninsula, and the entrance to the ship channel from storm surge, much as the seawall does the southern perimeter of the Island.

Other planned initiatives unrelated to hurricane recovery and mitigation include the following:

- The provision of new facilities for the animal shelter, jail-records storage, the Agricultural Extension Agent, and the administration of the Health District’s 4Cs Clinic.
- The conversion of a portion of the former north jail into records storage for the County and District Clerks and the District Attorney, and into administrative offices for the Health District.
- A joint road project with the Texas Department of Transportation, the construction of which will be funded by pass-through toll revenues. Phase I of II, on Farm-to-Market Road 646 from Interstate 45 to Farm-to-Market Road 517, is expected to be completed in the late spring of 2010.
- The construction of a new mainland law-enforcement facility on the site of the former county Emergency Management Services building.
- The relocation of the Galveston County Historical Museum from its long-time venue in the City Bank Building to Shearn Moody Plaza.
- Various road, flood-control, and facilities capital projects, to fund which the issuance of long-term debt was approved in the November 2008 elections.
- The recruitment of additional partners for the CareHere! health clinics. A second clinic was opened in La Marque in 2008 which, like the Island clinic, provides covered employees, retirees, and dependents with virtually wait-free primary medical care with no co-pay or deductible requirements. Both the City of Galveston and the Galveston Independent School District now co-partner with the county in these clinics, which will eventually provide some prescription medicines as well.



- Commuter rail service to mainland destinations. 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: Hurricane Ike.** The theme of this year's Comprehensive Annual Financial Report is Hurricane Ike and its impact on Galveston County. Ike devastated the area when it roared ashore at Galveston Island in the late night and early morning of Friday and Saturday, September 12 and 13, 2008. Throughout the report, photographs help to tell its story.

Because this narrative was written by one who lives, works, and remained in the Island's downtown through the hurricane, its perspective is that of Galveston Island. However, Hurricane Ike was an enormous storm that caused extensive damage as well on the county mainland, in neighboring coastal counties, through north Texas, and on into the mid-western United States.

Hurricane Ike became a named weather system on September 1, 2008, when it reached tropical-storm strength near the Cape Verde Islands, off the western coast of Africa. For nearly two weeks, it tracked westward on a path not dissimilar to that of Galveston's "Great Storm" of September 8, 1900, one of the most catastrophic natural disasters in United States history. As the storm approached the United States, its projected point of landfall drifted westward and southward past Florida, Alabama, Mississippi, and Louisiana, down to Corpus Christi, Texas, then reversed course and headed northward.

Ike's eye eventually came ashore at the eastern end of Galveston Island, directly over the city's downtown, at about 1:00 a.m. on September 13, as brown rivers up to ten feet deep flowed through the urban streets. Ike packed sustained winds at landfall of approximately 110 miles per hour and was thus classified as a borderline Category 2/Category 3 storm on the Saffir-Simpson Hurricane Scale. However, the accompanying storm surge of approximately thirteen to fifteen feet on the Island – and perhaps twenty feet on the Bolivar Peninsula - was of a magnitude more befitting a Category 4 storm with winds of 131 to 155 miles per hour.

The storm's damage was catastrophic. Coastal areas of the mainland such as San Leon and Bacliff, abutting Galveston Bay, suffered significant flooding. Destruction was widespread on the Bolivar Peninsula, particularly around its narrowest points at Gilchrist and Rollover Pass. Many inland mainland communities that escaped flooding still suffered significant wind damage to roofs, trees, fences, and power lines. Housing subdivisions as far distant as the northern side of Houston, seventy-five miles from the coast, lost electrical power for as much as two weeks.

The Island's famed Seawall, the construction of which was prompted by the 1900 Great Storm and the resultant determination to prevent a reoccurrence of hurricane damage of such magnitude, performed well. It prevented the storm surge from the Gulf of Mexico from pummeling property along Seawall Boulevard, the southern edge of the Island. However, it could not prevent the destruction of several structures built southward from it over the beach, including the historic Balinese Room.

Because of the Seawall's protection, Ike was forced to deal its most punishing blow to the Island from the north. Surging tidewaters from Galveston Bay came from the back side of the Island up through the manhole covers of sewers and flooded the downtown Galveston streets with several feet of water long before the hurricane's first significant rain and winds were felt.

Many Island residents had decided not to leave, still too fresh in their minds the memories of the evacuation debacle of Hurricane Rita three years before, when thousands were stranded on the roads for many hours. However, a number of these changed their minds at the eleventh hour, when they witnessed

the flooding that began so far in advance of Ike's landfall. It is estimated that, in the end, perhaps 15,000 or 20,000 of the City of Galveston's nearly 60,000 residents remained on the Island through the storm.

Approximately 75% of Galveston Island was submerged by the flooding. The waters subsided rapidly; some intrepid people ventured out on the Island in their vehicles on Saturday afternoon, only twelve hours after landfall. But slippery, foul-smelling, debris-filled muck was everywhere, and the inundation's salt content killed much of the vegetation. Without water, electricity, or gas service; with spotty telephone service; and with no medical facilities available for emergency treatment, physical conditions deteriorated rapidly and, as the city's management urged, many of those who did not evacuate during the storm did so within the next several days.

Recovery has been slow. Islanders were not permitted to return and remain until about two and one-half weeks after the storm, and the physical environment was dismal for many weeks thereafter. The amount of debris removed from damaged property and piled onto curbs for a long time exceeded the capability of trash contractors to haul the refuse away. Recovery was hindered by inefficiencies in the permitting process for reconstructive wiring and sheetrock work, as well as by conflicting information about the procedures required to restore electrical and gas service to homes and businesses. On Bolivar Peninsula, three of the four lanes of State Highway 87 at Rollover Pass collapsed as a result of storm surge, and access to the peninsula was restricted to emergency personnel for many weeks thereafter.

Nevertheless, recovery progress is visible and continues. Little by little debris piles diminish, streets are cleaned, restaurants and tourist venues begin to reopen, and merchants and residents start to reoccupy their businesses and homes. But many who wish for a return to normalcy are uncertain what "normalcy" will mean post-Ike.

It is estimated that perhaps only 30,000 or 35,000 – 50% or 60% - of the Island's pre-Ike population has returned in the nine months since the storm. Some who have not returned would like to do so but cannot yet find housing on the Island. Many, however, have relocated permanently to the mainland. Some did so because they lost jobs on the Island and sought work in the Clear Lake area or Houston; many simply decided they would not willingly risk again the potential coastal devastation of another hurricane. The same decision was made by multiple small-business owners, many of whom were uninsured.

Several of the largest employers on the Island suffered tremendously from Hurricane Ike. The University of Texas Medical Branch's hospital cluster downsized, at least for the foreseeable future, from 600 to 200 beds, and the institution laid off more than 3,000 employees; the nearby Shriners Children's Hospital closed indefinitely, de-employing 300. The City of Galveston faces a significant decrease in property-tax revenues due to Ike-damaged real estate; its employees have accepted a 3% pay cut, and lay-offs are possible. The Galveston Independent School District, already facing campus closings and staff downsizing pre-Ike because of dwindling student population, has seen the need for retrenchment magnified, its tax base suffering in lock-step with that of the city.

Still, Galveston County residents are a resilient lot. They have rolled up their sleeves and set to work, they are recovering - and they will survive.

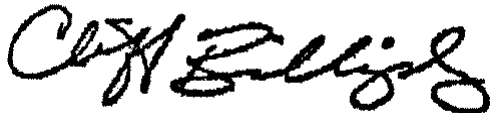
The county recognizes Jeff Modzelewski of the County Auditor's Office, who rode out Hurricane Ike in downtown Galveston, for this narrative. It also recognizes the following county employees for some of the Ike-related photographs used throughout this report: County Engineer Mike Fitzgerald, Senior Financial Analyst Ron Shelby, and Emergency Management Coordinator John Simsen.

## 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, 2007. This was the eleventh 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, 2007

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

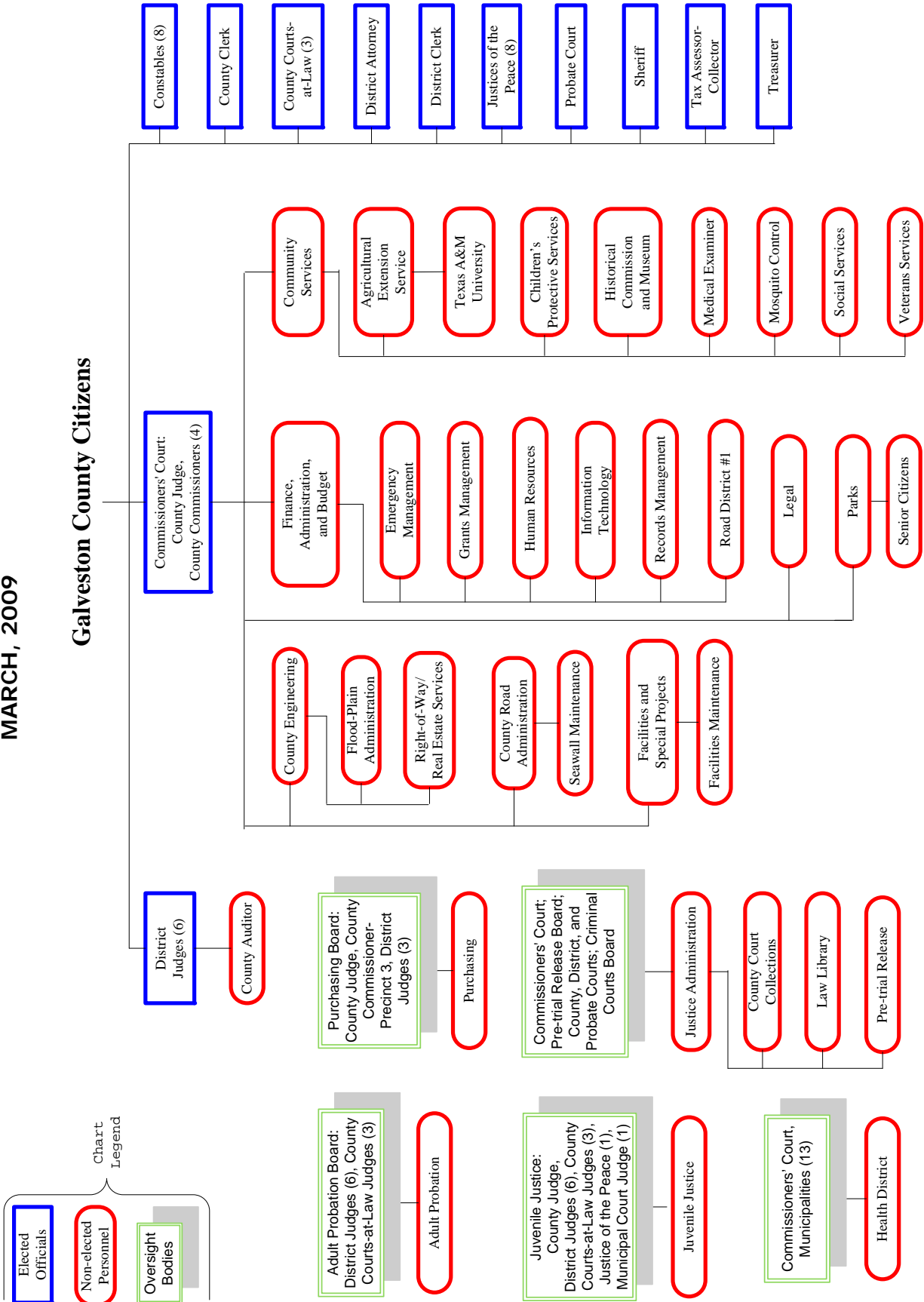


President

Executive Director

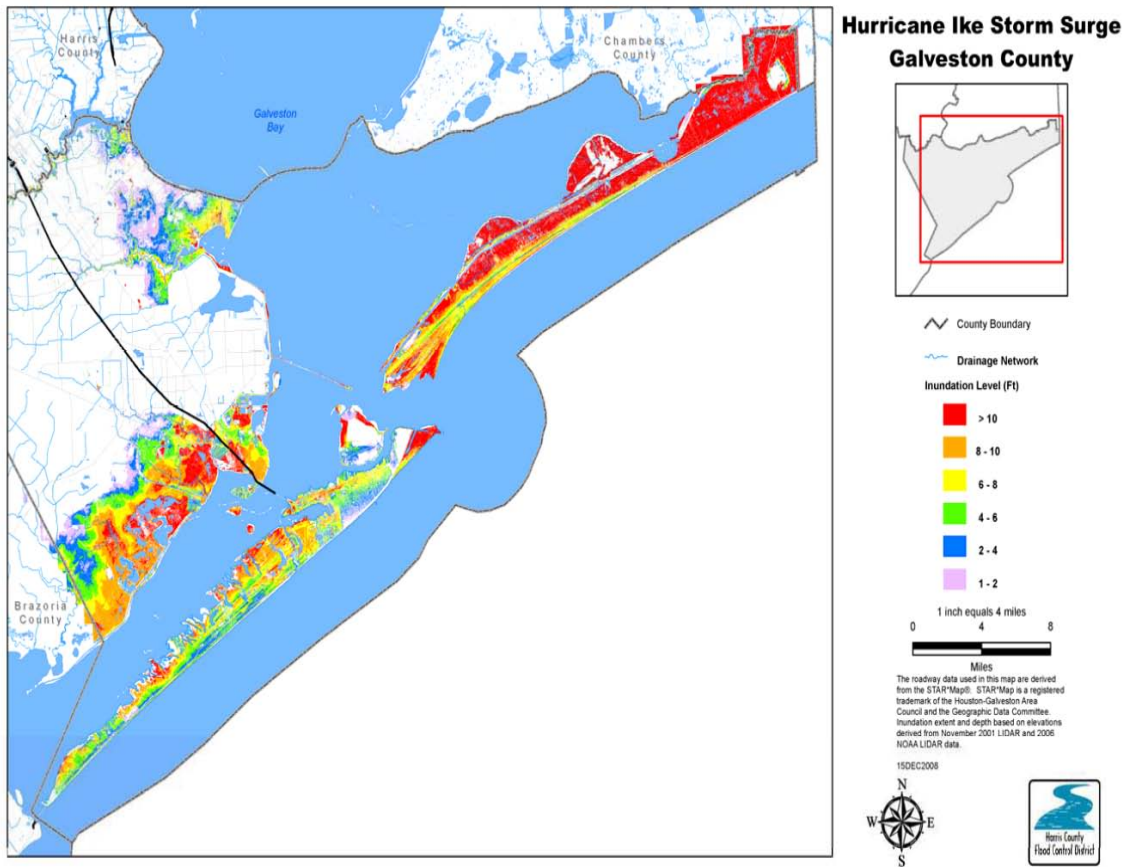
# GALVESTON COUNTY, TEXAS ORGANIZATIONAL CHART MARCH, 2009

## Galveston County Citizens



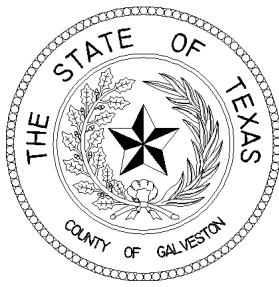
**GALVESTON COUNTY, TEXAS**  
**LIST OF ELECTED AND APPOINTED OFFICIALS**  
**September 30, 2008**

<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>



Maximum storm-surge inundation levels (water depths) for Galveston County, Texas, including Galveston Island and the Bolivar Peninsula, during Hurricane Ike. Areas shaded in red indicate where water depths exceeded 10 feet.

(Image courtesy of the Harris County Flood Control District.)



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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, 2008, 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 did not audit the financial statements of the Galveston County Health District, which represents 100% of the assets of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose reports were furnished to us, and our opinion, insofar as it relates to the amounts included for aggregate discretely presented component units is based on the report of other auditors.

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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we express no such opinion. 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, based on our audit and the reports of other auditors, 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, 2008, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2009, 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.

The Management's Discussion and Analysis on pages 27 through 36, budgetary comparison information on pages 82 through 84, and pension information on page 85 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  
June 29, 2009

## 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, 2008. 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 \$427,726,531 exceeded its liabilities of \$270,636,379 at September 30, 2008, by \$157,090,152 ("net assets").
- Of these net assets of \$157,090,152, \$28,263,828 is available for use to meet the county's ongoing obligations ("unrestricted net assets").
- Of the liabilities of \$270,636,379, \$236,984,124 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. In the fiscal year ended September 30, 2008, the county issued \$7,000,000 in certificates of obligation and \$88,425,000 in refunding bonds, the latter defeasing \$79,555,000 of outstanding principal.
- The county's revenues of \$164,577,238 exceeded its expenses of \$162,598,979 by \$1,978,259 in this same fiscal year.
- Of these revenues of \$164,577,238, program revenues, such as grant revenues and charges for services, contributed \$42,304,669, while general revenues, such as ad valorem taxes, contributed \$122,272,569.

### 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 52-53.

### Fund Financial Statements

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

*Governmental Funds* are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, Governmental Funds financial statements focus on near-term inflows and outflows of resources, and on the balances of those resources available for spending at fiscal year-end. Such information can be useful in evaluating a government’s near-term financing requirements. Governmental Funds include the General Fund, Special Revenue Funds, Debt Service Funds, Capital Projects Funds, and Permanent Funds. The county 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 ninety-three individual Governmental Funds. Information is presented separately in the Governmental Funds Balance Sheet and in the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances for the 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 no Trust Funds and eleven Agency Funds.

#### Notes to the Financial Statements

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

#### Other Information

In addition to the Basic Financial Statements, this report also presents certain Required Supplementary Information ("RSI") about the budgetary compliance of the county's General Fund as well as 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 \$157,090,152 at the close of the fiscal year ended September 30, 2008.

By far the largest portion of the county's net assets (68.72%) 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 13.28% of the county's net assets is subject to external restrictions. The remaining balance (\$28,263,828) is unrestricted and available to meet the government's ongoing obligations to citizens and creditors.

The county's net assets increased by \$1,978,259 (1.28%) during the fiscal year ended September 30, 2008. Underlying revenues increased by \$4,222,192 (2.63%), while underlying expenses increased by \$16,563,266 (11.34%). 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 an increase in program revenues from the addition of four federal and state grants, and the receipt of \$5.51 million of insurance proceeds related to Hurricane Ike. 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 5.5%; 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**

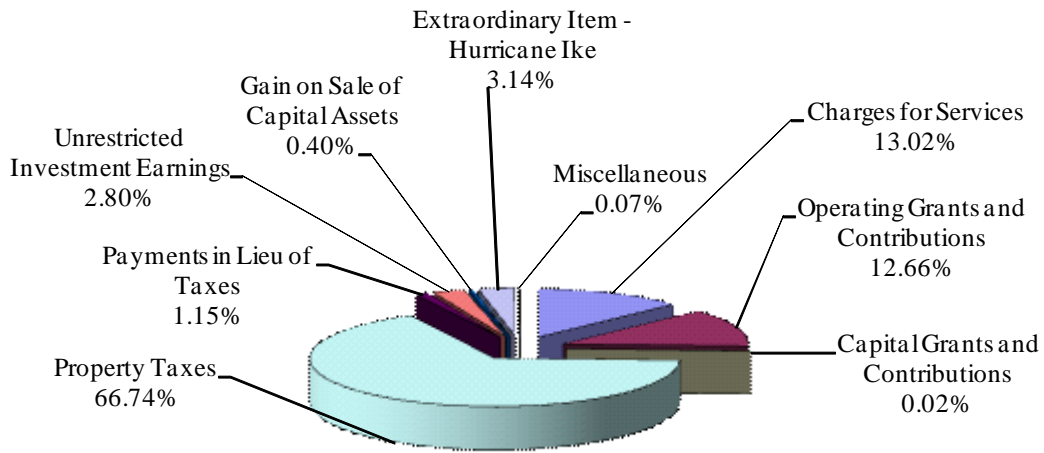
	<u>2008</u>	<u>2007</u>
Current and Other Assets	\$ 172,245,203	\$ 157,328,636
Capital Assets	255,481,328	264,524,580
Total Assets	427,726,531	421,853,216
Long-Term Liabilities Outstanding	236,984,124	239,704,990
Other Liabilities	33,652,255	27,036,333
Total Liabilities	270,636,379	266,741,323
Net Assets:		
Invested in Capital Assets, Net of Related Debt	107,958,152	117,621,862
Restricted	20,868,172	13,301,907
Unrestricted	28,263,828	24,188,124
Total Net Assets	\$ 157,090,152	\$ 155,111,893



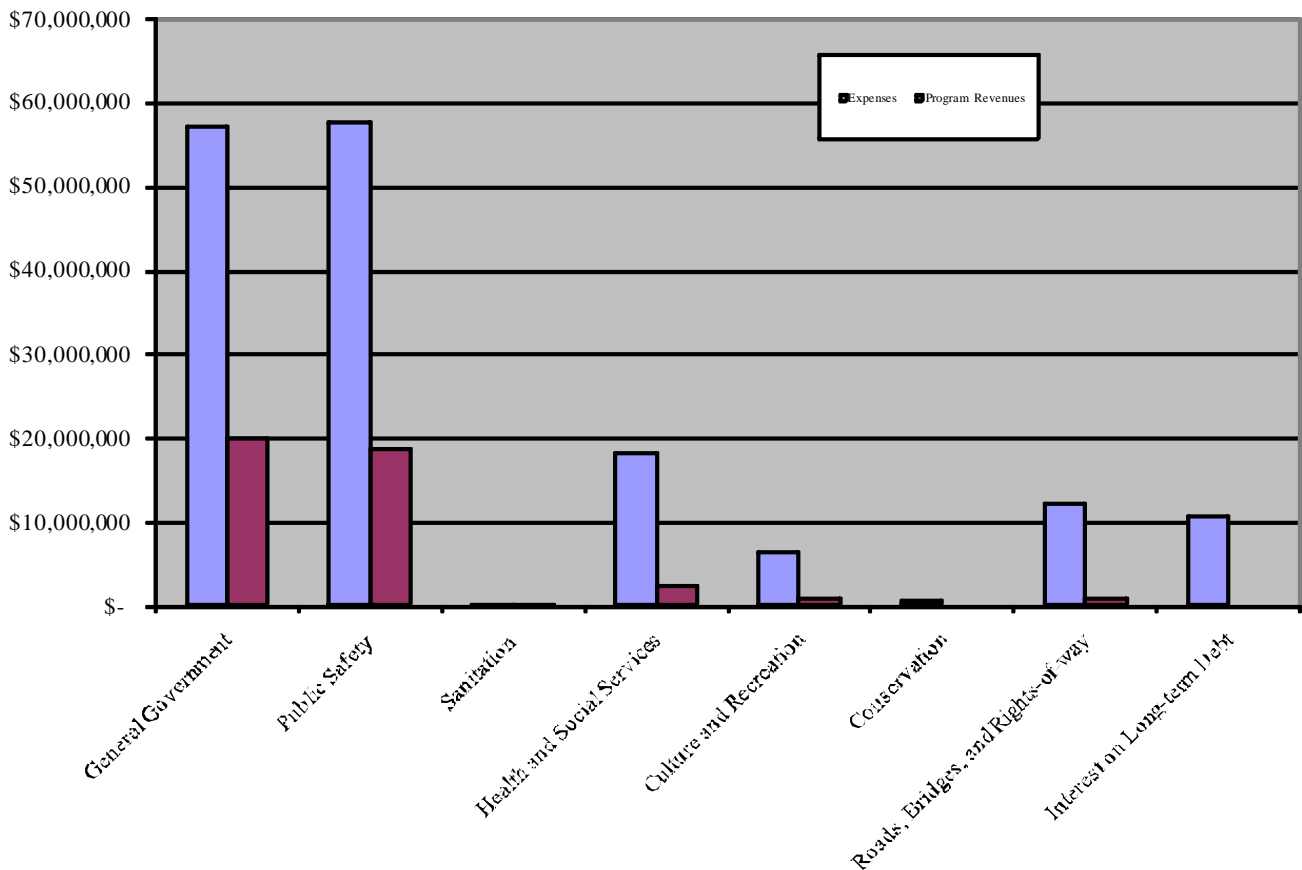
**COUNTY OF GALVESTON, TEXAS**  
**Changes in Net Assets**

	<u>2008</u>	<u>2007</u>
Revenues:		
Program Revenues:		
Charges for Services	\$ 21,433,105	\$ 20,120,307
Operating Grants and Contributions	20,835,095	24,553,334
Capital Grants and Contributions	36,469	2,894,664
General Revenues:		
Property Taxes	109,834,487	104,913,367
Payments in Lieu of Taxes	1,897,274	1,432,771
Unrestricted Investment Earnings	4,605,098	5,533,857
Gain on Sale of Assets	660,328	870,054
Miscellaneous	108,051	36,692
Extraordinary Item - Hurricane Ike Insurance Proceeds, Net of Infrastructure Loss	5,167,331	-
Total Revenues	<u>164,577,238</u>	<u>160,355,046</u>
Expenses:		
General Government	57,076,476	51,530,191
Public Safety	57,561,631	46,076,519
Sanitation	21,250	187,254
Health and Social Services	18,212,546	16,824,803
Culture and Recreation	6,428,381	6,347,311
Conservation	474,676	425,518
Roads, Bridges, and Rights-of-way	12,206,563	14,587,014
Interest on Long-term Debt	10,617,456	10,057,103
Total Expenses	<u>162,598,979</u>	<u>146,035,713</u>
Increase (Decrease) in Net Assets	1,978,259	14,319,333
Net Assets - Beginning	<u>155,111,893</u>	<u>140,792,560</u>
Net Assets - Ending	<u>\$ 157,090,152</u>	<u>\$ 155,111,893</u>

### Revenues By Source - Governmental Activities



### Expenses and Program Revenues - Governmental Activities



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

The focus of the county's Governmental Funds is near-term resource inflows and outflows and the resource balances available for spending. Such information is useful in assessing the county's financing requirements. In particular, 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, 2008, the county's Governmental Funds reported a combined ending fund balance of \$126,109,564, an increase of \$10,121,802 from September 30, 2007. This increase was due primarily to the receipt of \$5.51 million of insurance proceeds for Hurricane Ike and \$7 million of proceeds from the issuance of the Combination Tax and Revenue Certificates of Obligation Series 2008. Approximately 71% (\$89,716,218) 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 (\$36,858);
- encumbrances (\$23,265,326);
- inventory (\$483,555);
- prepaid expenditures (\$430,334);
- debt service (\$11,869,183); and
- Bolivar Peninsula user fees (\$308,090).

The General Fund is the county's chief operating fund. At September 30, 2008, the General Fund's unreserved fund balance totaled \$27,106,373; its total fund balance decreased during the year then ended by \$1,550,861, to \$27,588,060. 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 27.4% and 27.9%, respectively, of its total expenditures for the fiscal year ended September 30, 2008.

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

- a decrease in investment earnings due to falling interest rates during the economic recession;
- a transfer to the Group Insurance Fund of nearly \$0.5 million to cover a shortfall caused by unexpected claims payments;
- a transfer of \$1.0 million to the County Capital Projects Fund; and
- a transfer of \$2.5 million in disaster reserves to the Disaster Recovery VI - Ike Special Revenue Fund to cover hurricane recovery costs.

The Pass-Through Toll Revenue and Limited Tax Bonds Series 2007 Capital Projects Fund has a fund balance of \$36,459,408. 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 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, and to pay the costs associated with the issuance of related long-term debt.

The aggregate fund balance of Debt Service Funds decreased by \$673,239, primarily for these reasons:

- the bond-issuance costs of \$993,939 of the refunding debt issued in November, 2007; and
- the payment of fiscal-year interest and fiscal charges for the Pass-Through Toll Revenue and Limited Tax Bonds Series 2007 from reserved fund balance.

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

- the transfer in of disaster-recovery reserves from the General Fund after Hurricane Ike;
- the receipt of insurance proceeds for Hurricane Ike damage; and
- the addition of four new grant funds.

### **General Fund Budgetary Highlights**

The final amended General Fund expenditures budget of \$106,418,192 was greater by \$2,555,592 than the original budget of \$103,862,600. Reasons for the budget increase included the following:

- the continued rising costs of natural gas, electricity, and gasoline, this last causing a related increase in elected officials' automobile fuel allowances;
- the unexpected costs associated with Hurricane Ike;
- the hiring of additional correctional officers due to a revision of state jail standards;
- a \$5.6 million increase in transfers out to other funds to cover operating shortfalls;
- growth in inmate health-care costs; and
- costs greater than expected for:
  - juror payments;
  - emergency services; and,
  - county building, infrastructure, and park improvements.

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

During the year, actual revenues were less, and actual expenditures were less, than final budgeted amounts by \$1,648,248 and \$7,374,417, respectively.

The negative variance in revenues is attributable in part to:

- budgeted ad valorem tax collections exceeding actual collections by .09%;
- an anticipated court fee that was not implemented;
- expected revenues from the county courts, based on prior-year budgets, which did not materialize; and
- a decrease in investment earnings due to the nation-wide economic malaise.

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;
- overall efforts by county departments to decrease spending;
- a one-year delay of payment of a \$1 million tax refund ordered by court settlement; and
- the curtailment of normal county operations for two-and-one-half weeks due to Hurricane Ike.

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

#### Capital Assets

The county's investment in capital assets at September 30, 2008, net of accumulated depreciation, totaled \$255,481,328, a decrease of \$(9,043,252) (-3.4%). Capital assets are classified as land, infrastructure, buildings and improvements, machinery and equipment, improvements other than buildings, and construction in progress. The decrease in the investment in capital assets occurred largely in the infrastructure and buildings-and-improvements asset classes, the former due to roads damaged by Hurricane Ike, the latter due to depreciation, which is more than offset in many years by additions but not so in this fiscal year.

During the year, improvements to various county facilities continued. Completed were the Texas City Pump Station improvements, the San Leon Road project, and the Skyline Drive hurricane-levee modifications, all classified as construction in progress at last fiscal year-end. These projects were transferred from construction in progress to the buildings-and-improvements and infrastructure asset

classes. At September 30, 2008, construction in progress related to buildings, improvements other than buildings, and infrastructure totaled \$1,114,480, \$153,059, and \$7,788, respectively.

**COUNTY OF GALVESTON, TEXAS**  
**Capital Assets (Net of Depreciation)**  
**At September 30, 2008 and 2007**

	<u>2008</u>	<u>2007</u>
Land	\$ 27,801,846	\$ 27,793,155
Infrastructure	67,831,379	70,442,761
Buildings and Improvements	144,326,131	148,994,627
Machinery and Equipment	13,542,862	13,444,598
Improvements Other than Buildings	703,783	691,189
Construction in Progress	1,275,327	3,158,250
Total	\$ 255,481,328	\$ 264,524,580

Additional information on the county’s capital assets is found in Note III.C. to the Financial Statements on pages 65-66 of this report.

Debt Administration

At September 30, 2008, the county’s outstanding bonded debt, including cumulative accretion, totaled \$250,990,697, comprising \$20,740,000 in certificates of obligation and \$230,250,697 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, 2008 and 2007**

	<u>2008</u>	<u>2007</u>
Certificates of Obligation	\$ 20,740,000	\$ 52,135,000
General Obligation Bonds	230,250,697	190,048,137
Total	\$ 250,990,697	\$ 242,183,137

The county’s outstanding bonded debt increased by 3.64% (\$8,807,560) during the fiscal year ended September 30, 2008. A gross increase of \$97,392,560 resulted from the issuance of \$88,425,000 of General Obligation Refunding Bonds Series 2007, the issuance of \$7,000,000 of Combination Tax and Revenue Certificates of Obligation Series 2008, and current-year accretion of \$1,967,560. This gross increase was largely offset by the partial defeasance of four outstanding issues totaling \$79,555,000, and by principal payments of \$9,030,000. 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 \$1,283,192,000, 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 \$5,666,524,000, which also significantly exceeds

the amount of the county's outstanding unlimited tax road bonds, including the cumulative accretion on capital-appreciation series.

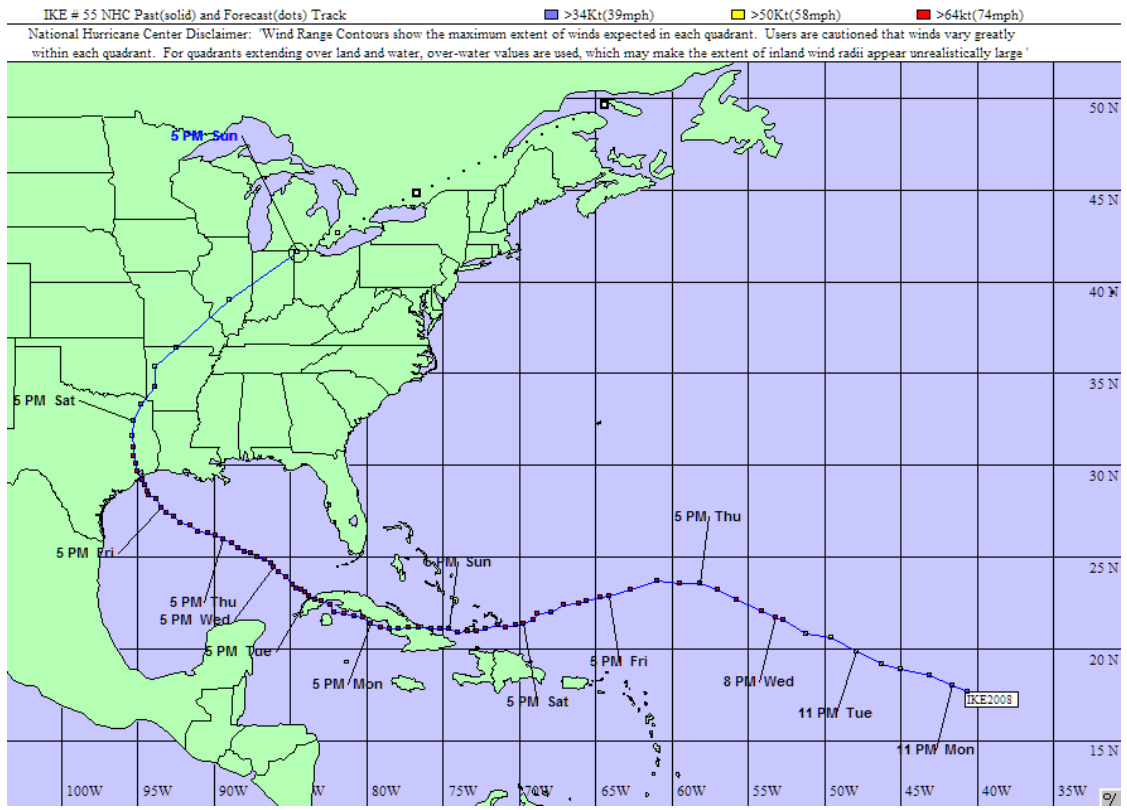
Additional information concerning the county's long-term debt can be found in Note III.F. to the Financial Statements on pages 69-72 of this report.

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

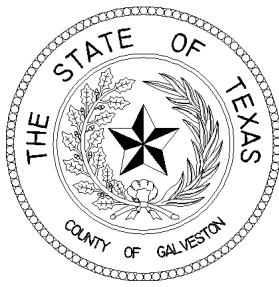
During the fiscal year ended September 30, 2008, the General Fund's unreserved fund balance decreased to \$27,106,373. The county has appropriated \$1,695,718 of the General Fund unreserved fund balance in its expenditure budget for the fiscal year ending September 30, 2009. The county has also designated \$3,474,880 of the unreserved fund balance for technology, self-insurance, and other contingencies.

#### **Requests for Information**

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



The path of Hurricane Ike from Monday, September 8, 2008, at the far right.



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# Basic Financial Statements

**GALVESTON COUNTY, TEXAS**  
**STATEMENT OF NET ASSETS**  
**September 30, 2008**

	<b>Governmental Activities</b>	<b>Component Unit</b>
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 80,378,948	\$ 4,745,898
Investments	51,329,985	139,999
Receivables (Net of Allowances for Uncollectibles):		
Taxes	15,784,456	-
Accounts and Other	21,055,690	2,869,847
Due from Others	30,736	-
Inventories	483,555	53,319
Prepaid Expenses	611,189	36,592
Deferred Charges	2,329,925	-
Restricted Assets:		
Cash and Cash Equivalents	240,719	-
Capital Assets (Net of Accumulated Depreciation):		
Land	27,801,846	-
Infrastructure	67,831,379	-
Buildings and Improvements	144,326,131	76,353
Machinery and Equipment	13,542,862	761,927
Improvements Other Than Buildings	703,783	879,013
Construction in Progress	1,275,327	-
<b>Total assets</b>	<b>427,726,531</b>	<b>9,562,948</b>
<b>LIABILITIES</b>		
Accounts Payable	12,638,300	942,229
Salaries Payable	3,967,242	-
Accrued Interest Payable	1,516,362	-
Retainage Payable	274,749	-
Estimated Liability - Claims and Judgements	2,749,500	-
Due to Others	321,108	205,897
Payable from Restricted Assets:		
Escrow Deposits	203,861	-
Unearned Revenues	1,493,144	1,821,982
Long-term liabilities:		
Due within one year	10,487,989	246,520
Due in more than one year	236,984,124	494,837
<b>Total liabilities</b>	<b>270,636,379</b>	<b>3,711,465</b>
<b>NET ASSETS</b>		
Invested in capital assets, net of related debt	107,958,152	995,467
Restricted for:		
Grants	8,293,485	-
Debt Service	12,574,687	-
Clinic Operations	-	1,696,706
Unrestricted	28,263,828	3,159,310
<b>Total net assets</b>	<b>\$ 157,090,152</b>	<b>\$ 5,851,483</b>

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

**GALVESTON COUNTY, TEXAS**  
**STATEMENT OF ACTIVITIES**  
For the Year Ended September 30, 2008

Functions/Programs	Net (Expense) Revenue and Changes in Net Assets					Component Unit	
	Expenses	Program Revenues		Primary Government			Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities		
<b>Primary Government</b>							
Governmental Activities							
General Government	\$ 57,076,476	\$ 15,997,606	\$ 3,773,684	\$ -	\$ (37,305,186)	\$ -	
Public Safety	57,561,631	4,200,565	14,343,585	36,469	(38,981,012)	-	
Sanitation	21,250	-	3,500	-	(17,750)	-	
Health and Social Services	18,212,546	3,150	2,238,308	-	(15,971,088)	-	
Culture and Recreation	6,428,381	463,198	397,496	-	(5,567,687)	-	
Conservation	474,676	-	-	-	(474,676)	-	
Roads, Bridges, and Rights-of-way	12,206,563	768,586	78,522	-	(11,359,455)	-	
Interest on Long-term Debt	10,617,456	-	-	-	(10,617,456)	-	
<b>Total governmental activities</b>	<b>\$ 162,598,979</b>	<b>\$ 21,433,105</b>	<b>\$ 20,835,095</b>	<b>\$ 36,469</b>	<b>\$ (120,294,310)</b>	<b>\$ -</b>	
<b>Component Unit</b>							
Galveston County Health District	\$ 19,865,198	\$ 7,883,649	\$ 4,742,128	\$ -	\$ (7,239,421)	\$ -	
General revenues:							
Taxes:							
Property taxes, levied for general purposes					93,561,864	-	
Property taxes, levied for debt service					16,272,623	-	
Payments in lieu of taxes					1,897,274	-	
Grants and contributions not restricted to specific programs					-	7,440,755	
Unrestricted investment earnings					4,605,098	185,799	
Gain on sale of capital assets					660,328	-	
Miscellaneous					108,051	-	
Extraordinary item-Insurance recovery proceeds					5,511,439	-	
Extraordinary item-Infrastructure loss					(344,108)	-	
Total general revenues and transfers					122,272,569	7,626,554	
Change in net assets					1,978,259	387,133	
<b>Net assets - beginning</b>					155,111,893	5,464,350	
<b>Net assets - ending</b>					<b>\$ 157,090,152</b>	<b>\$ 5,851,483</b>	

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

**GALVESTON COUNTY, TEXAS  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
September 30, 2008**

	<u>General</u>	<u>Pass-Through Toll Revenue and Limited Tax Bonds Series 2007</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ -	\$ -	\$ 13,913,697	\$ 13,913,697
Investments	29,854,812	36,371,824	42,883,053	109,109,689
Receivables (Net of Allowances for Uncollectibles):				
Taxes	12,707,558	-	3,076,898	15,784,456
Accounts and Other	3,852,552	462,764	16,326,089	20,641,405
Due from Other Funds	1,291,845	-	153,597	1,445,442
Inventory at Cost	-	-	483,555	483,555
Prepaid Expenditures	-	-	430,334	430,334
Restricted Assets:				
Cash and Cash Equivalents	198,947	-	41,772	240,719
<b>Total assets</b>	<b><u>\$ 47,905,714</u></b>	<b><u>\$ 36,834,588</u></b>	<b><u>\$ 77,308,995</u></b>	<b><u>\$ 162,049,297</u></b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts Payable	\$ 5,382,366	\$ 375,180	\$ 6,669,726	\$ 12,427,272
Salaries Payable	1,820,091	-	2,142,628	3,962,719
Compensated Absences Payable	178	-	10,489	10,667
Retainage Payable	-	-	274,749	274,749
Due to Others	91,963	-	235,766	327,729
Liabilities Payable from Restricted Assets:				
Escrow Deposits	-	-	31,067	31,067
Deposits - Held	170,043	-	2,751	172,794
Due to Other Funds	130,455	-	1,324,677	1,455,132
Deferred Revenues	12,722,558	-	4,555,046	17,277,604
<b>Total liabilities</b>	<b><u>20,317,654</u></b>	<b><u>375,180</u></b>	<b><u>15,246,899</u></b>	<b><u>35,939,733</u></b>
<b>Fund Balances:</b>				
Reserved for:				
Restricted Assets	28,904	-	7,954	36,858
Encumbrances	452,783	17,549,703	5,262,840	23,265,326
Inventory	-	-	483,555	483,555
Prepaid Expenditures	-	-	430,334	430,334
Debt Service	-	-	11,869,183	11,869,183
Bolivar Peninsula User Fees	-	-	308,090	308,090
Unreserved, Reported in:				
General Fund	27,106,373	-	-	27,106,373
Special Revenue Funds	-	-	28,672,027	28,672,027
Capital Projects Funds	-	18,909,705	15,028,113	33,937,818
<b>Total fund balances</b>	<b><u>27,588,060</u></b>	<b><u>36,459,408</u></b>	<b><u>62,062,096</u></b>	<b><u>126,109,564</u></b>
<b>Total liabilities and fund balances</b>	<b><u>\$ 47,905,714</u></b>	<b><u>\$ 36,834,588</u></b>	<b><u>\$ 77,308,995</u></b>	<b><u>\$ 162,049,297</u></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, 2008**

Total fund balance, governmental funds	\$	126,109,564
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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.		255,481,328
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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.		2,329,925
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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.		6,356,067
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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		(239,003,422)
Accumulated accretion on capital appreciation bonds		(11,987,275)
Compensated absences		(3,961,608)
Interest on long-term debt		(1,509,741)
Premiums on issuance of debt		2,416,724
Deferred loss on refunding		5,074,134

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.		15,784,456
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Net assets of governmental activities in the Statement of Net Assets	\$	157,090,152
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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, 2008**

	General	Pass-Through Toll Revenue and Limited Tax Bonds Series 2007	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>				
Taxes	\$ 86,095,073	\$ -	\$ 21,955,646	\$ 108,050,719
Licenses and Permits	26,273	-	2,240,460	2,266,733
Intergovernmental	4,931,706	-	18,055,475	22,987,181
Charges for Services	6,964,758	-	2,914,266	9,879,024
Fines and Forfeitures	2,721,672	-	866,648	3,588,320
Investment Earnings	2,475,854	1,263,290	1,471,933	5,211,077
Miscellaneous	5,015,835	-	543,172	5,559,007
<b>Total revenues</b>	<b>108,231,171</b>	<b>1,263,290</b>	<b>48,047,600</b>	<b>157,542,061</b>
<b>EXPENDITURES</b>				
Current:				
General Government	52,504,226	-	2,617,703	55,121,929
Public Safety	27,711,255	-	20,804,404	48,515,659
Sanitation	-	-	21,250	21,250
Health and Social Services	13,852,864	-	3,133,654	16,986,518
Culture and Recreation	2,106,290	-	706,617	2,812,907
Conservation	449,450	-	-	449,450
Roads, Bridges, and Rights-of-Way	-	2,905,084	6,352,082	9,257,166
Debt Service:				
Principal Retirement	321,011	-	9,030,000	9,351,011
Interest and Fiscal Charges	13,322	-	8,119,144	8,132,466
Bond Issuance Costs	-	-	1,048,650	1,048,650
Capital Outlay	2,085,357	-	4,250,909	6,336,266
<b>Total expenditures</b>	<b>99,043,775</b>	<b>2,905,084</b>	<b>56,084,413</b>	<b>158,033,272</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>9,187,396</b>	<b>(1,641,794)</b>	<b>(8,036,813)</b>	<b>(491,211)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	2,525,550	-	15,029,446	17,554,996
Transfers Out	(13,392,834)	-	(8,177,762)	(21,570,596)
Sale of Capital Assets	129,027	-	992,452	1,121,479
Insurance Recovery Proceeds	-	-	5,511,439	5,511,439
Face Value - Long Term Debt Issued	-	-	95,425,000	95,425,000
Premium - Long Term Debt Issued	-	-	228,250	228,250
Discount - Long Term Debt Issued	-	-	(4,379,918)	(4,379,918)
Refunded Bonds - Escrow Agent	-	-	(83,277,637)	(83,277,637)
<b>Total other financing sources (uses)</b>	<b>(10,738,257)</b>	<b>-</b>	<b>21,351,270</b>	<b>10,613,013</b>
<b>Net change in fund balances</b>	<b>(1,550,861)</b>	<b>(1,641,794)</b>	<b>13,314,457</b>	<b>10,121,802</b>
<b>Fund balances-beginning</b>	<b>29,138,921</b>	<b>38,101,202</b>	<b>48,747,639</b>	<b>115,987,762</b>
<b>Fund balances-ending</b>	<b>\$ 27,588,060</b>	<b>\$ 36,459,408</b>	<b>\$ 62,062,096</b>	<b>\$ 126,109,564</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, 2008**

Net change in fund balances - total governmental funds:	\$	10,121,802
Amounts reported for Governmental Activities in the Statement of Activities are different because:		
Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the Statement of Activities reports only a portion of the outlay as expense. The outlay is allocated over the assets' estimated useful lives as depreciation expense for the period. This is the amount by which depreciation of \$14,586,469 exceeded capital outlay of \$6,336,266 plus donated assets of \$12,209 in the current period.		(8,237,994)
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.		(805,259)
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.		1,783,768
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.		1,355,316
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		74,033
Compensated absences		(397,113)
Amortization of deferred charges		(604,785)
Accretion of capital bond interest		(1,967,560)
Bond issuance costs paid during the current year will be amortized over the life of the bonds.		1,048,650
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.		(392,599)
Change in net assets of governmental activities	<u>\$</u>	<u>1,978,259</u>

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

**GALVESTON COUNTY, TEXAS  
STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS  
September 30, 2008**

	<b>Governmental Activities - Internal Service Funds</b>
<b>ASSETS</b>	
Current Assets:	
Investments	\$ 8,685,549
Receivables (Net of Allowances for Uncollectibles):	
Accounts and Other	414,285
Prepaid Items	180,855
Due from Other funds	50,157
<b>Total current assets</b>	<b>9,330,846</b>
<b>LIABILITIES</b>	
Current Liabilities:	
Accounts Payable	211,025
Salaries Payable	4,523
Estimated Liability - Claims	2,749,500
Due to Other Funds	9,731
<b>Total current liabilities</b>	<b>2,974,779</b>
<b>NET ASSETS</b>	
Unrestricted	6,356,067
<b>Total net assets</b>	<b>\$ 6,356,067</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, 2008**

	<b>Governmental Activities - Internal Service Funds</b>
<b>OPERATING REVENUES</b>	
Charges for Services	\$ 8,439,477
Insurance Recovery - County	29,437
Reimbursements	1,309,111
Miscellaneous	261,101
<b>Total operating revenues</b>	<b>10,039,126</b>
<b>OPERATING EXPENSES</b>	
Personal Services	144,884
Contract Services	1,851,963
Insurance	3,091,281
Claims Paid	9,359,238
Supplies	2,157
<b>Total operating expenses</b>	<b>14,449,523</b>
<b>Operating income (loss)</b>	<b>(4,410,397)</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>	
Investment Earnings	2,198
<b>Income (loss) before transfers</b>	<b>(4,408,199)</b>
Transfers In	4,015,600
<b>Change in net assets</b>	<b>(392,599)</b>
<b>Total net assets-beginning</b>	<b>6,748,666</b>
<b>Total net assets-ending</b>	<b>\$ 6,356,067</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, 2008**

	<b>Governmental Activities - Internal Service Funds</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from Users	\$ 8,537,137
Payments to Suppliers	(5,107,247)
Payments to Employees	(143,899)
Payments for Claims	(9,135,509)
Other Operating Revenues	1,247,417
<b>Net cash provided (used) by operating activities</b>	<b>(4,602,101)</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Transfers in	4,015,600
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Purchase of Investments	(8,685,549)
Matured Investments	9,269,852
Investment Earnings	2,198
<b>Net cash provided (used) by investing activities</b>	<b>586,501</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>-</b>
<b>Cash and Cash Equivalents October 1, 2007</b>	<b>-</b>
<b>Cash and Cash Equivalents September 30, 2008</b>	<b>\$ -</b>
<b>Reconciliation of operating income to net cash provided (used) by operating activities:</b>	
<b>Operating income (loss)</b>	<b>\$ (4,410,398)</b>
<b>Adjustments to reconcile operating income to net cash provided (used) by operating activities:</b>	
(Increase) Decrease in Accounts Receivable	(254,572)
(Increase) Decrease in Prepaid Items	30,307
Increase (Decrease) in Accounts Payable	21,846
Increase (Decrease) in Salaries Payable	985
Increase (Decrease) in Due to Other Funds	9,731
<b>Total adjustments</b>	<b>(191,703)</b>
<b>Net cash provided (used) by operating activities</b>	<b>\$ (4,602,101)</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, 2008**

	<b>AGENCY FUNDS</b>
<b>ASSETS</b>	
Investments	\$ 19,951,008
Receivables (Net of Allowances for Uncollectibles):	
Accounts and Other	23,579
Restricted Assets:	
Guardianship Assets	1,386,205
<b>Total assets</b>	<b>\$ 21,360,792</b>
<b>LIABILITIES</b>	
Accounts Payable	\$ 59,131
Due to Others	13,759,722
Due to Other Entities	5,032,040
Due to Other Funds	30,736
Deposits Held	1,092,958
Deposits Held for Restricted Assets	1,386,205
<b>Total liabilities</b>	<b>\$ 21,360,792</b>

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



Looking east from 25<sup>th</sup> Street on Mechanic Street in historic downtown Galveston, Texas, with streets flooded twelve hours before Hurricane Ike came ashore.

Galveston County, Texas  
Notes to the Financial Statements  
September 30, 2008

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## I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### A. Reporting Entity

#### 1. Primary government

Galveston County, Texas (the “county”), is a public corporation and political subdivision organized and existing under the constitution and laws of the State of Texas. It was established on May 15, 1838, by an article approved by the President of the Republic of Texas, Sam Houston. It is located on the upper Texas coast of the Gulf of Mexico and comprises a land area of 430 square miles. The county is governed by an elected Commissioners’ Court composed of the County Judge and four County Commissioners. It provides services related 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.

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 with relation to the primary government. The data of such a component unit is presented together with, but distinguishable from, the data of the primary government.

The 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 it. The contract provides for an administrative board, the Galveston County United Board of Health, which sets policy and associated operating budgets for the public-health, pollution-control, animal, 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 are classified either as *governmental activities* or *business-type activities*. Governmental activities, which are normally supported by taxes and inter-governmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The county presently accounts for no business-type activities.

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

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

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

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

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

The government-wide, Proprietary Funds, and Fiduciary Funds financial statements are reported using the *economic resources measurement focus* (Agency Funds, one type of Fiduciary Fund, have no measurement focus) and the *accrual basis of accounting*. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Proprietary Funds distinguish *operating revenues and expenses* from *non-operating items*. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a Proprietary Fund's principal ongoing operations. The county's Proprietary Funds are its 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, compensated absences, and claims and judgments are recorded when due.

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

The government reports the following 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 funding 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 ninety-one 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 at 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 \$645,618 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. 100% of the Health District's investments were invested 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 2.7% 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 (\$198,947), and of the Child Welfare (\$2,751), Flood Control (\$7,954), and Emergency Management (\$31,067) 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
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		
Intangible assets	5		
Vehicles	3 to 5		

## 6. Compensated absences

The county permits employees to accumulate earned but unused vacation and sick leave in amounts, and to 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, 2008 and 2007, the liabilities for compensated absences comprised the following:

	<u>2008</u>	<u>2007</u>
Earned, Unused Vacation Leave	\$ 3,191,079	\$ 2,923,700
Earned, Unused Sick Leave	781,196	647,160
Total	<u>\$ 3,972,275</u>	<u>\$ 3,570,860</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, 2008 and 2007, the county reported the following reservations and designations in its Governmental Funds:

	<u>2008</u>	<u>2007</u>		<u>2008</u>	<u>2007</u>
Reservations:			Designations:		
Restricted Assets	\$ 36,858	\$ 29,376	Special Lateral Roads (1)	\$ 356,331	\$ 325,719
Encumbrances	23,265,326	2,462,167	Indigent Defense (2)	964,869	682,638
Inventory	483,555	633,850	Self-insurance (2)	1,500,000	1,500,000
Prepaid Expenditures	430,334	-	Contingent Liability (2)	1,000,000	1,000,000
Debt Service	11,869,183	12,542,422	Disaster Protection (2)	-	2,500,000
Bolivar Peninsula			Capital Projects (3)	33,937,818	49,740,657
User Fees	308,090	223,528	Total Designations	<u>\$ 37,759,018</u>	<u>\$ 55,749,014</u>
Total Reservations	<u>\$ 36,393,346</u>	<u>\$ 15,891,343</u>			

1) Farm-to-Market Lateral Road Special Revenue Fund

2) General Fund

3) Capital Projects Funds -

    County Capital Projects Fund: \$1,802,820

    Combination Tax and Revenue Certificates of Obligation Series 2003C: \$1,255,238

    Road Bond Series 1987: \$946,480

    Unlimited Tax Road Bonds Series 2003B: \$3,360,205

    Unlimited Tax Road Bonds Series 2001: \$2,376,562

    Pass-Through Toll Revenue and Limited Tax Bonds Series 2007: \$18,909,705

    Galveston Causeway Railroad Bridge Project: \$3,956

    County Road and Bridge Projects: \$90,096

    Galveston County Certificates of Obligation Series 2008: \$5,192,756

**9. Comparative data/reclassifications**

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

**10. Use of estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make assumptions which result in estimates that, at the date of those financial statements and during the reporting period then ended, affect:

- the reported amounts of assets and liabilities;
- the disclosures of contingent assets and liabilities; and
- the reported amounts of revenues and expenditures/expenses.

Actual results could differ from such estimates.

**11. Indirect expense allocation**

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

**12. Restricted 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-eight Special Revenue Funds which do not adopt annual budgets are all thirty-four 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 surplus from one in order 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 re-appropriated and honored during the subsequent year.

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

For the year ended September 30, 2008, in the Sheriff's Commissary Special Revenue Fund, expenditures exceeded appropriations at the departmental level (the level of legal budgetary control) by \$117,846. 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, 2008.

### **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 seven sub-depositaries: Amegy Bank, Bank of America, Chase Bank, Frost Bank, Prosperity Bank, Texas First Bank (its branches in Dickinson, Galveston, Hitchcock, Santa Fe, and Texas City), and Wells Fargo Bank. The county's depository contracts with these institutions ensure the protection of the county's deposits through the Federal Deposit Insurance Corporation (the "FDIC") and through qualified securities pledged by the institutions holding the deposits. The depository contracts are effective for the four-year period that began October 1, 2007, and expires September 30, 2011.

Pledged securities must meet the criteria of the county's depository contracts and applicable state law. As of September 30, 2008, 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, 2008, the carrying value of the county's deposits totaled \$14,154,416 and the related balances per banks totaled \$16,312,101. The carrying value of the deposits of the Galveston County Health District discretely presented component unit totaled \$4,745,898 and the related balances per banks totaled \$4,901,850. 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, 2008, 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, 2008, consisted of: 1) certificates of deposit with original maturities of four months or greater at the date of acquisition; and 2) holdings in local government investment pools. The fair value of the county's investments totaled \$137,746,246 and the related bank balances totaled \$137,756,458. 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, 2008

	Fair Value
Deposits:	
Demand Deposits	\$ 14,154,416
Investments:	
Certificates of Deposit	48,072,834
Local Government Investment Pools -	
MBIA	4,571
Texpool	47,331,907
TexTerm	42,336,934
Total Investments	137,746,246
Total Deposits and Investments	\$ 151,900,662

*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, 2008, 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 encourages the holding of investments to maturity. In accordance with its investment policy, the county reduces its exposure to declines in fair value via the weighted-average maturities of its operating funds' investment portfolio. Unless matched to a specific cash flow or specifically authorized by the Commissioners' Court, the county will not directly invest in securities maturing more than thirty-six months from the date of purchase.

The county recognizes that investment risk can result from changes in interest rates, leading to changes in the fair market values of the underlying instruments. 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, 2008, 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	\$ 48,072,834	301.14
Local Government Investment Pools:		
MBIA	4,571	41.00
Texpool	47,331,907	34.00
TexTerm	42,336,934	41.83
	<u>\$ 137,746,246</u>	
Portfolio Weighted Average to Maturity		<u>129.64</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, 2008, the composition of the county's investment portfolio was as follows:

Investment Type	Fair Value	Percentage of Total Portfolio
Certificates of Deposit	\$ 48,072,834	34.90%
Local Government Investment Pools -		
MBIA	4,571	0.00%
Texpool	47,331,907	34.31%
TexTerm	42,336,934	30.69%
Total Investments	<u>\$ 137,746,246</u>	

At September 30, 2008, Galveston County's discretely presented component unit had 100% of its investment holdings in Texpool, totaling \$139,999.

**B. Receivables**

At September 30, 2008, 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, 2007):

	General Fund	Pass-Through Toll Revenue and Limited Tax Bonds Series 2007	Nonmajor Governmental Funds	Internal Service and Fiduciary Funds	Total 2008	Total 2007
Gross Receivables:						
Taxes	\$ 13,572,101	\$ -	\$ 3,291,556	\$ -	\$ 16,863,657	\$ 15,138,974
Accounts and Other	3,852,552	462,764	16,326,089	437,864	21,079,269	10,709,139
Total Gross Receivables	17,424,653	462,764	19,617,645	437,864	37,942,926	25,848,113
Less: Allowance for Uncollectibles	(864,543)	-	(214,658)	-	(1,079,201)	(1,138,288)
Total Net Receivables	\$ 16,560,110	\$ 462,764	\$ 19,402,987	\$ 437,864	\$ 36,863,725	\$ 24,709,825

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, 2008, the various components of deferred revenue reported in the Governmental Funds were as follows (with summary comparative amounts at September 30, 2007):

	General Fund	Special Revenue Funds	Debt Service Funds	Total 2008	Total 2007
Delinquent Property Taxes Receivable	\$ 12,707,562	\$ 861,649	\$ 2,215,245	\$ 15,784,456	\$ 14,000,688
Grants	14,996	1,475,456	-	1,490,452	2,222,886
Other	-	2,696	-	2,696	10,169
Total Deferred Revenue	\$ 12,722,558	\$ 2,339,801	\$ 2,215,245	\$ 17,277,604	\$ 16,233,743

### C. Capital Assets

#### Primary government

Capital-asset activity for the year ended September 30, 2008, which related solely to governmental activities, was as follows:

<u>Primary Government</u>	Beginning Balance, 10/1/2007	Additions	Deletions	Ending Balance, 9/30/2008
Governmental Activities -				
Capital Assets Not Being Depreciated:				
Land	\$ 27,793,155	\$ 149,868	\$ (141,177)	\$ 27,801,846
Construction in Progress	3,158,250	1,224,981	(3,107,904)	1,275,327
Total Capital Assets Not Being Depreciated	<u>30,951,405</u>	<u>1,374,849</u>	<u>(3,249,081)</u>	<u>29,077,173</u>
Capital Assets Being Depreciated:				
Buildings and Improvements	183,193,073	3,659,564	(403,989)	186,448,648
Improvements Other Than Buildings	1,119,980	54,946	-	1,174,926
Machinery and Equipment	30,539,853	3,413,666	(1,564,498)	32,389,021
Infrastructure	143,257,222	953,355	(2,743,559)	141,467,018
Total Capital Assets Being Depreciated	<u>358,110,128</u>	<u>8,081,531</u>	<u>(4,712,046)</u>	<u>361,479,613</u>
Less Accumulated Depreciation for:				
Buildings and Improvements	(34,198,446)	(8,124,059)	199,988	(42,122,517)
Improvements Other Than Buildings	(428,791)	(42,352)	-	(471,143)
Machinery and Equipment	(17,095,255)	(3,199,430)	1,448,526	(18,846,159)
Infrastructure	(72,814,461)	(3,220,628)	2,399,450	(73,635,639)
Total Accumulated Depreciation	<u>(124,536,953)</u>	<u>(14,586,469)</u>	<u>4,047,964</u>	<u>(135,075,458)</u>
Total Capital Assets Being Depreciated, Net	<u>233,573,175</u>	<u>(6,504,938)</u>	<u>(664,082)</u>	<u>226,404,155</u>
Governmental Activities Capital Assets, Net	<u>\$ 264,524,580</u>	<u>\$ (5,130,089)</u>	<u>\$ (3,913,163)</u>	<u>\$ 255,481,328</u>

Depreciation expense for the primary government for the year ended September 30, 2008, which related solely to governmental activities, was charged to functions/programs as follows:

	<u>2008</u>	<u>2007</u>
General Government	\$ 5,516,191	\$ 7,715,555
Public Safety	6,050,962	2,979,633
Health and Social Services	172,185	147,412
Culture and Recreation	649,278	660,855
Conservation	10,543	16,811
Roads, Bridges, and Rights-of-way	2,187,310	2,127,554
Total Depreciation Expense	<u>\$ 14,586,469</u>	<u>\$ 13,647,820</u>

Capital projects of the primary government in progress at September 30, 2008, included park improvements and the tide-control project. At that date, construction commitments with contractors

comprised the following:

<u>Project</u>	Amount		Remaining
	Authorized	Spent to Date	Commitment
Carbide Park Therapeutic Garden	\$ 53,753	\$ 52,882	\$ 871
Washington Park Boat Ramp	244,367	100,177	144,190
Jack Brooks Park Equestrian Trail	7,788	7,788	-
Moses Lake Tide Control Project	1,715,052	1,114,480	600,572
Total	\$ 2,020,960	\$ 1,275,327	\$ 745,633

The Washington Park Boat Ramp Project and the Moses Lake Tide Control Project are financed with county operating funds. The Carbide Park Therapeutic Garden and the Jack Brooks Park Equestrian Trail are grant-funded projects.

*Component unit*

Capital-asset activity for the Galveston County Health District for the year ended September 30, 2008, follows.

<u>Galveston County Health District</u>	Beginning			Ending
	Balance, 10/1/2007	Additions	Deletions	Balance, 9/30/2008
Capital Assets Being Depreciated:				
Buildings and Improvements	\$ 136,965	\$ -	\$ -	\$ 136,965
Furniture and Equipment	1,407,206	235,261	(228,488)	1,413,979
Vehicles	1,491,984	199,105	(12,596)	1,678,493
Total Capital Assets Being Depreciated	3,036,155	434,366	(241,084)	3,229,437
Less Accumulated Depreciation for:				
Buildings and Improvements	(42,376)	(18,236)	-	(60,612)
Furniture and Equipment	(722,103)	(153,985)	224,037	(652,051)
Vehicles	(612,015)	(200,062)	12,596	(799,481)
Total Accumulated Depreciation	(1,376,494)	(372,283)	236,633	(1,512,144)
Total Capital Assets, Net	\$ 1,659,661	\$ 62,083	\$ (4,451)	\$ 1,717,293

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

Amounts due to/from funds of the county at September 30, 2008, are as follows (with summary comparative amounts at September 30, 2007):

<u>Payable Reported by:</u>	<u>Receivable Reported by:</u>			<u>Total</u> <u>2008</u>	<u>Total</u> <u>2007</u>
	<u>General Fund</u>	<u>Nonmajor</u> <u>Governmental Funds</u>	<u>Internal</u> <u>Service</u> <u>Funds</u>		
General Fund	\$ -	\$ 130,455	\$ -	\$ 130,455	\$ 95,703
Nonmajor Governmental Funds	1,251,378	23,142	50,157	1,324,677	3,104,025
Internal Service Funds	9,731	-	-	9,731	-
Agency Funds	30,736	-	-	30,736	-
Total	<u>\$ 1,291,845</u>	<u>\$ 153,597</u>	<u>\$ 50,157</u>	<u>\$ 1,495,599</u>	<u>\$ 3,199,728</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, 2008, are as follows (with summary comparative amounts for the year ended September 30, 2007):

<u>Transfers Out</u>	<u>Transfers In</u>			<u>Total</u> <u>2008</u>	<u>Total</u> <u>2007</u>
	<u>General</u> <u>Fund</u>	<u>Nonmajor</u> <u>Governmental</u> <u>Funds</u>	<u>Internal</u> <u>Service</u> <u>Funds</u>		
General Fund	\$ -	\$ 10,410,834	\$ 2,982,000	\$ 13,392,834	\$ 14,786,864
Nonmajor Governmental Funds	2,525,550	4,618,612	1,033,600	8,177,762	1,336,016
Total Transfers Out	<u>\$ 2,525,550</u>	<u>\$ 15,029,446</u>	<u>\$ 4,015,600</u>	<u>\$ 21,570,596</u>	<u>\$ 16,122,880</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*

Primary Government:

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. Several amendments to this agreement have resulted in a change of the original lease cost of \$71,439 per month to the current lease cost of \$60,728 per month. The lease cost for the year ended September 30, 2008, was \$789,407. The future minimum payments for this lease are as follows:

<u>Year Ending</u> <u>September 30,</u>	<u>Amount</u>
2009	\$ 728,736
2010	728,736
2011	728,736
2012	546,552
Total	<u>\$ 2,732,760</u>

Component Unit:

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 – one-year lease commenced on September 1, 2008, and will terminate on August 31, 2009; minimum lease payments total \$3,150 per month.

*With the Galveston Housing Authority -*

- for the Island Community Center – month-to-month lease commenced on December 1, 2008; minimum lease payments total \$11,475 per month;
- for the Island Community Center – five-year lease commenced August 1, 2006; minimum lease payments total \$14,161 per month;
- for the Island Community Center – 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 \$748,380 and \$747,393 during the years ended September 30, 2008 and 2007, respectively. Future minimum lease payments for the next four years are as follows:

Year Ending <u>September 30,</u>	<u>Amount</u>
2009	\$ 562,410
2010	509,220
2011	454,337
2012	10,278
Total	<u>\$ 1,536,245</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 per criteria 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 \$306,073,939. During the fiscal year ended September 30, 2008, the county issued \$88,425,000 in principal of General Obligation Refunding Bonds Series 2007 and \$7,000,000 in principal of Combination Tax and Revenue Certificates of Obligation Series 2008. See Note I, "Subsequent Events," on page 77, for disclosure of the general-election voter approval on November 4, 2008, of the issuance of new debt for flood-control, road, and facilities projects.

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 %	\$ 118,088,434	\$ 47,357,062	\$ 70,731,372
Governmental Activities - Refunding	3.00-5.50 %	120,914,988	111,170,000	9,744,988
		<u>\$ 239,003,422</u>	<u>\$ 158,527,062</u>	<u>\$ 80,476,360</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</u> <u>September 30,</u>	<u>Principal</u>	<u>Interest</u>
2009	\$ 9,685,000	\$ 8,976,826
2010	10,410,000	8,582,770
2011	10,755,000	8,155,950
2012	11,594,988	8,448,590
2013	12,770,000	7,204,119
2014	11,875,000	6,660,973
2015	12,420,000	6,089,648
2016	13,035,000	5,476,506
2017	9,697,138	8,896,430
2018	9,712,087	8,828,706
2019	9,785,488	8,739,327
2020	10,049,273	8,650,234
2021	10,165,965	8,519,282
2022	10,296,822	8,360,372
2023	10,481,620	8,177,562
2024	10,670,406	7,973,069
2025	10,860,544	7,761,040
2026	11,099,091	7,517,909
2027	17,155,000	1,398,816
2028	17,820,000	742,119
2029	3,340,000	330,175
2030	2,600,000	191,188
2031	2,725,000	64,719
Total	<u>\$ 239,003,422</u>	<u>\$ 145,746,330</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 \$35,753 each including interest at 4.38%. The note is secured by an ambulance and related equipment. Balance at September 30, 2008, totaled \$104,951.
- Note payable dated December, 2006, to CIT Communications Finance Corporation, due in thirty-six monthly principal payments of \$6,154.77 each plus interest at 5.80%. Balance at September 30, 2008, totaled \$88,526.
- Note payable due in monthly payments of \$1,997 each including interest at 6.25%. The note is secured by equipment. Balance at September 30, 2008, totaled \$62,073.

Annual debt-service requirements to maturity are as follows:

<u>Year Ending</u> <u>September 30,</u>	<u>Maturities on</u> <u>Notes Payable</u>
2009	\$ 196,520
2010	39,622
2011	19,408
	<u>\$ 255,550</u>

*Changes in Long-term Liabilities*

Long-term liability activity for the year ended September 30, 2008, was as follows:

	<u>Beginning</u> <u>Balance,</u> <u>10/1/2007</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending</u> <u>Balance,</u> <u>9/30/2008</u>	<u>Due Within</u> <u>One Year</u>
<u>Primary Government</u>					
Bonds Payable:					
General Obligation Bonds	\$ 232,163,422	\$95,425,000	\$88,585,000	\$ 239,003,422	\$ 9,685,000
Accumulated Accretion	10,019,715	1,967,560	-	11,987,275	-
Plus Deferred Amounts:					
Loss on Refundings	(1,381,115)	(4,301,587)	608,567	(5,074,135)	-
Issuance Premiums (Discounts)	2,225,261	(4,151,668)	490,317	(2,416,724)	-
Total Bonds Payable	<u>243,027,283</u>	<u>88,939,305</u>	<u>89,683,884</u>	<u>243,499,838</u>	<u>9,685,000</u>
Claims and Judgments	-	-	-	-	-
Capital Leases Payable	608,626	-	608,626	-	-
Compensated Absences	3,570,860	815,442	414,027	3,972,275	802,989
Governmental Activity					
Total Long-term Liabilities	<u>\$ 247,206,769</u>	<u>\$89,754,747</u>	<u>\$90,706,537</u>	<u>\$ 247,472,113</u>	<u>\$10,487,989</u>

Component Unit

Notes Payable	\$ 488,774	\$ 65,394	\$ 298,618	\$ 255,550	\$ 196,520
Compensated Absences	466,278	755,622	746,376	475,524	50,000
Total Long-term Liabilities	<u>\$ 955,052</u>	<u>\$ 821,016</u>	<u>\$ 1,044,994</u>	<u>\$ 731,074</u>	<u>\$ 246,520</u>

A compensated-absences payable of \$10,667 is reflected as a current liability in the Governmental Funds Balance Sheet and as a long term-liability, due within one year, in the Statement of Net Assets. The payment was due and payable by September 30, 2008. 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.

#### **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, 2008, are reported in compliance with *GASB Statement 10: Accounting and Financial Reporting for Risk Financing and Related Insurance Issues* ("GASB 10"). *GASB 10* requires that an entity report a liability for claims of which it becomes aware after the date of the financial statements but before the date of issuance of those financial statements if it is probable that such liability had been incurred by the earlier date and the amount can be reasonably estimated.

The county's self-insurance coverage for employee health claims is limited to \$150,000 per employee and covered dependent, to a maximum of \$10,586,787 in aggregate claims. A stop-loss policy with American Stop-Loss Insurance pays claims in excess of the individual \$150,000 limit to a maximum of \$1,000,000 in aggregate claims.

The county's self-insurance coverage for workers' compensation claims provides medical and indemnification benefits for job-related injuries as is required by law. Excess claims are covered by a policy with Safety National Casualty Corporation. The retention (i.e., deductible) is \$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>09/30/2008</u>	Year Ended <u>09/30/2007</u>
Unpaid Claims, Beginning of Fiscal Year	\$ 2,749,500	\$ 2,023,000
Incurred (Including IBNR) Claims	9,359,238	8,563,131
Claim Payments	<u>(9,359,238)</u>	<u>(7,836,631)</u>
Unpaid Claims, End of Fiscal Year	<u>\$ 2,749,500</u>	<u>\$ 2,749,500</u>

**B. Defeasance of Debt**

The county sometimes issues refunding debt to defease outstanding debt in order to take advantage of more favorable interest rates, to improve cash flow, etc. 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, 2008, \$103.180 million of bonds outstanding are considered defeased. In the aggregate, these refundings have resulted in an economic gain of \$3,350,840.

**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, 2008, 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, 2008 and 2007, Galveston County Department of Social Services employees were administering approximately \$931,422 as follows:

<u>Program</u>	<u>September 30, 2008</u>		<u>September 30, 2007</u>	
	<u>Number of Cases</u>	<u>Approximate Assets Administered</u>	<u>Number of Cases</u>	<u>Approximate Assets Administered</u>
Payee	75	\$ 95,456	70	\$ 106,315
Guardianship	73	735,966	87	1,083,944
Administration	1	100,000	2	127,871
Total	<u>149</u>	<u>\$ 931,422</u>	<u>159</u>	<u>\$ 1,318,130</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 of disability-insurance, survivorship, and deferred-compensation benefits commonly called the “Alternate Plan.”

The county pays the entire cost of the disability-insurance and survivorship benefits. 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, 2008 and 2007, consisted of the following:

	<u>2008</u>	<u>2007</u>
American United Life Accounts	\$ 47,975,960	\$ 44,588,980
Capital One (Coastal) Bank Account	7,662	7,762
Lincoln National Account	1,252,273	1,706,411
N.A.C.O. Account	2,712,066	2,804,278
Various Mutual Funds and Certificates of Deposit	327,519	327,519
Total Assets	<u>\$ 52,275,480</u>	<u>\$ 49,434,950</u>

## **G. Employee Retirement System and Pension Plan**

### *Plan description*

The county provides retirement, disability, and death benefits for full-time employees through the state-wide, public-employee Texas County and District Retirement System (“TCDRS”). The county’s plan is an agent, multiple-employer, defined-benefit plan. TCDRS is governed by the TCDRS Board of Trustees and administers the pension plans of approximately 575 subdivisions. It issues in the aggregate, on a calendar-year basis, a comprehensive annual financial report which is available upon request from the TCDRS Board of Trustees at P.O. Box 2034, Austin, TX 78768-2034.

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

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

### *Funding policy*

The county has elected to follow the variable-rate-plan provisions of the *Act*. The employer contribution rate is actuarially determined each year as a percentage of employee earnings, subject to plan changes (e.g., for cost-of-living increases) adopted by the employer’s governing body within the constraints imposed by the *Act*. The employee contribution rate likewise is a percentage of employee earnings subject to adjustment by the governing body of the employer within the constraints of the *Act*. Funding is provided by monthly contributions from both the employer and, through biweekly payroll deductions, the employee, and by interest earned thereon. The employer contribution rate was 9.84% for both of the fiscal years ended September 30, 2008 and 2007. The employee contribution rate was 7% for both of the calendar years ended December 31, 2008 and 2007.

### *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, 2008, the cost of the county's TCDRS pension plan as well as the county's required and actual contributions equaled \$5,046,015. 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, 2007 and 2006, which were the basis for determining the contribution rates for calendar years 2008 and 2007, respectively. The most recent actuarial valuation is that of December 31, 2007.

The required contribution was determined as part of the December 31, 2007, actuarial valuation using the entry-age actuarial cost method. The actuarial assumptions at December 31, 2007, included: (a) an 8.0% investment rate of return; (b) projected salary increases of 5.3%; and (c) no cost-of-living adjustment. Both (a) and (b) include an inflation component of 3.5%. The county's unfunded actuarial accrued liability is being amortized as a level percentage of projected payrolls on a closed basis. The remaining amortization period at December 31, 2007, was 2.8 years.

### *Funded Status and Funding Progress*

As of December 31, 2007, the most recent actuarial valuation date, the actuarial value of plan assets as a percentage of the actuarial accrued liability (the "funded ratio") was 96.73%. The actuarial accrued liability for benefits was \$163.9 million and the actuarial value of assets was \$158.5 million, resulting in an unfunded actuarial accrued liability ("UAAL") of \$5.4 million. The annual covered payroll was \$47.5 million, and the ratio of the UAAL to the annual covered payroll was 11.28%.

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

<u>Actuarial Valuation Date</u>	<u>12/31/2007</u>	<u>12/31/2006</u>	<u>12/31/2005</u>
Actuarial Cost Method	Entry Age	Entry Age	Entry Age
Amortization Method	Level Percentage of Payroll, Closed	Level Percentage of Payroll, Closed	Level Percentage of Payroll, Open
Amortization Period in Years	2.8	3.8	20
Asset Valuation Method	SAF: 10-Yr. Smoothed Value; ESF: Fund Value	SAF: 10-Yr. Smoothed Value; ESF: Fund Value	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, 2008	\$ 5,046,015	100%	\$0
September 30, 2007	4,413,271	100%	0
September 30, 2006	3,938,136	100%	0

#### **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, 2008, 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 337 current retirees, 125 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 \$923,172 for retiree health insurance for the fiscal year ended September 30, 2008.

#### **I. Subsequent Events**

##### *Long-Term Debt*

In the general election held November 4, 2008, the voters approved the issuance of \$135 million of county bonds, comprising \$75 million of road bonds, \$15 million of flood-control bonds, and \$45 million of bonds for buildings for offices, storage, and other county business. The county expects to issue this debt near the end of the fiscal year ending September 30, 2009.

*Hurricane Ike Disaster Recovery*

Hurricane Ike struck Galveston County on the late night and early morning of September 12 and 13, 2008, causing catastrophic damage just prior to the finish of the county's fiscal year ended September 30, 2008. Consequently, much of the disaster-recovery expense was incurred, and related reimbursements from insurance and the Federal Emergency Management Administration were received, in the fiscal year ending September 30, 2009. It is estimated that the gross cost of Hurricane Ike to the county will approximate \$141.3 million, and that reimbursements will offset \$126.2 million of that cost, resulting in a net cost to the county of \$15.1 million.

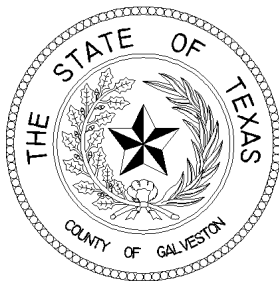
*Claims and Judgments*

Pursuant to an agreement reached early in calendar-year 2009 with a major industrial real-property owner, the county will refund overpaid ad-valorem taxes of \$1,078,454.07 with an initial payment of \$20,787.35 plus four subsequent annual payments of \$264,416.68 each. The initial payment was made in May, 2009; the first of the four like payments will occur in January, 2010. All of the payments will be funded by tax revenues.





John Simsen, Coordinator of the Galveston County Office of Emergency Management, during a news conference detailing the County 's preparations for the approaching storm. (Photograph courtesy of the Galveston County Office of Emergency Management.)



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## Required Supplementary Information

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

**For the Year Ended September 30, 2008**

	Original Budget	Final Budget	Actual	Variance, Actual from Final Budget Positive (Negative)	Actual Prior Year
<b>REVENUES</b>					
Taxes	\$ 87,324,066	\$ 87,324,066	\$ 86,095,073	\$ (1,228,993)	\$ 82,487,612
Licenses and Permits	43,000	43,000	26,273	(16,727)	39,905
Intergovernmental	4,459,348	4,504,348	4,931,706	427,358	4,466,919
Charges for Services	7,448,215	7,448,215	6,964,758	(483,457)	7,300,940
Fines and Forfeitures	2,639,000	2,658,500	2,721,672	63,172	2,546,848
Investment	3,745,200	3,745,200	2,475,854	(1,269,346)	3,676,120
Miscellaneous	4,071,090	4,156,090	5,015,835	859,745	4,850,889
<b>Total revenues</b>	<b>109,729,919</b>	<b>109,879,419</b>	<b>108,231,171</b>	<b>(1,648,248)</b>	<b>105,369,233</b>
<b>EXPENDITURES</b>					
<b>General government</b>					
General Government	10,313,300	9,489,841	7,575,190	1,914,651	7,718,571
County Judge and Commissioners' Court	317,300	317,300	301,983	15,317	265,583
Commissioners' Court	699,500	699,500	686,026	13,474	645,394
County Clerk	3,043,400	4,103,770	3,857,551	246,219	2,277,604
War Veterans Office	75,400	82,200	74,033	8,167	80,519
Bail Bond Board	700	700	146	554	125
District Courts	3,337,100	3,283,300	3,212,804	70,496	2,928,951
10th District Court	170,800	170,800	168,961	1,839	154,752
56th District Court	159,000	159,000	155,801	3,199	144,100
122nd District Court	204,200	204,200	202,855	1,345	185,460
212th District Court	159,100	159,100	152,798	6,302	143,913
306th District Court	168,200	168,200	165,816	2,384	152,287
405th District Court	170,800	170,800	168,299	2,501	154,206
County Court #1	551,200	551,200	530,661	20,539	465,535
County Court #2	546,400	546,400	510,547	35,853	456,838
Probate Court	711,800	711,800	599,018	112,782	541,947
County Court #3	514,600	514,600	500,575	14,025	445,467
Justice Court Precinct #1	193,600	193,600	187,730	5,870	172,862
Justice Court Precinct #2	160,800	160,800	156,960	3,840	145,679
Justice Court Precinct #3	240,800	249,500	234,143	15,357	218,490
Justice Court Precinct #4	279,900	281,400	281,392	8	251,930
Justice Court Precinct #5	243,200	243,200	240,880	2,320	218,711
Justice Court Precinct #6	273,500	273,500	256,320	17,180	236,768
Justice Court Precinct #7	239,400	239,400	236,696	2,704	217,692
Justice Court Precinct #8	192,000	192,000	186,849	5,151	159,132
Justice Court Precinct #9	237,900	237,900	236,157	1,743	213,038
Indigent Defense	40,000	40,000	9,312	30,688	4,982
Jury and Trial Expense	69,900	69,900	45,683	24,217	44,935
District Clerk	2,866,000	3,184,700	2,829,216	355,484	2,414,432
District Attorney	4,950,600	5,000,500	4,732,801	267,699	4,105,568
Pre-Trial Release	368,500	368,500	357,709	10,791	342,548
County Auditor	2,398,100	2,398,100	2,160,330	237,770	1,910,604
Director of Finance/Administration/Budget Officer	806,800	806,800	797,100	9,700	707,401
County Tax Assessor-Collector	2,551,200	2,559,446	2,469,555	89,891	2,242,258
County Treasurer	482,600	482,600	456,996	25,604	430,375
Purchasing Agent	614,400	614,400	594,928	19,472	519,894
Legal Department	833,600	833,600	771,386	62,214	694,185
Human Resources	606,100	606,100	482,245	123,855	478,116
Information Technology	10,064,500	9,131,761	8,719,323	412,438	8,886,072
Facilities Services	6,624,900	6,689,800	6,688,808	992	6,425,613
County Engineer	601,600	663,552	508,643	154,909	427,923
<b>Total general government</b>	<b>57,082,700</b>	<b>56,853,770</b>	<b>52,504,226</b>	<b>4,349,544</b>	<b>48,230,460</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, 2008**

	Original Budget	Final Budget	Actual	Variance, Actual from Final Budget Positive (Negative)	Actual Prior Year
<b>Public safety</b>					
Sheriff's Department	\$ 23,658,200	\$ 24,475,550	\$ 24,475,023	\$ 527	\$ 21,680,227
Constable Precinct #1	252,200	252,200	242,177	10,023	225,125
Constable Precinct #2	249,300	249,300	247,414	1,886	226,352
Constable Precinct #3	336,100	336,100	336,045	55	253,238
Constable Precinct #4	250,100	255,800	240,908	14,892	214,492
Constable Precinct #5	263,900	263,900	251,785	12,115	241,805
Constable Precinct #7	379,600	436,300	416,086	20,214	328,098
Constable Precinct #8	493,700	493,700	433,056	60,644	406,228
Constable Precinct #9	214,100	214,100	201,299	12,801	187,268
Emergency Management	882,900	975,049	867,462	107,587	538,542
<b>Total public safety</b>	<u>26,980,100</u>	<u>27,951,999</u>	<u>27,711,255</u>	<u>240,744</u>	<u>24,301,375</u>
<b>Health and social services</b>					
Community Services	5,628,100	5,822,000	5,485,602	336,398	5,184,506
Social Services	986,100	986,100	968,705	17,395	867,770
Senior Citizens	841,400	926,500	763,385	163,115	761,859
Public Health	6,565,500	6,653,500	6,635,172	18,328	6,458,762
<b>Total health and social services</b>	<u>14,021,100</u>	<u>14,388,100</u>	<u>13,852,864</u>	<u>535,236</u>	<u>13,272,897</u>
<b>Culture and recreation</b>					
Beach and Parks Department	2,672,200	2,703,858	2,106,290	597,568	2,024,905
<b>Conservation</b>					
County Extension Service	479,400	479,400	449,450	29,950	400,505
<b>Debt Service</b>					
Principal Retirement	-	321,011	321,011	-	595,835
Interest and Fiscal Charges	-	13,322	13,322	-	38,561
<b>Total debt service</b>	<u>-</u>	<u>334,333</u>	<u>334,333</u>	<u>-</u>	<u>634,396</u>
<b>Capital outlay</b>					
Land	-	85,100	70,608	14,492	-
Buildings and Improvement	243,300	650,197	362,448	287,749	36,901
Improvements Other Than Buildings	595,800	1,273,125	201,977	1,071,148	349,581
Machinery and Equipment	366,100	286,400	207,972	78,428	273,705
Vehicles	797,700	802,501	688,964	113,537	784,441
Technology	624,200	609,409	553,388	56,021	492,086
<b>Total capital outlay</b>	<u>2,627,100</u>	<u>3,706,732</u>	<u>2,085,357</u>	<u>1,621,375</u>	<u>1,936,714</u>
<b>Total expenditures</b>	<u>103,862,600</u>	<u>106,418,192</u>	<u>99,043,775</u>	<u>7,374,417</u>	<u>90,801,252</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>5,867,319</u>	<u>3,461,227</u>	<u>9,187,396</u>	<u>5,726,169</u>	<u>14,567,981</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	762,900	2,525,550	2,525,550	-	281,400
Transfers Out	(7,779,700)	(13,392,834)	(13,392,834)	-	(14,786,864)
Sale of Capital Assets	130,000	130,000	129,027	(973)	3,454,707
Transfers and Reserves	(5,100,000)	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>(11,986,800)</u>	<u>(10,737,284)</u>	<u>(10,738,257)</u>	<u>(973)</u>	<u>(11,050,757)</u>
<b>Net change in fund balances</b>	<u>(6,119,481)</u>	<u>(7,276,057)</u>	<u>(1,550,861)</u>	<u>5,725,196</u>	<u>3,517,224</u>
<b>Fund balances-beginning</b>	<u>29,138,921</u>	<u>29,138,921</u>	<u>29,138,921</u>	<u>-</u>	<u>25,621,697</u>
<b>Fund balances-ending</b>	<u>\$ 23,019,440</u>	<u>\$ 21,862,864</u>	<u>\$ 27,588,060</u>	<u>\$ 5,725,196</u>	<u>\$ 29,138,921</u>

Galveston County, Texas  
Notes to the Required Supplementary Information  
For the Year Ended September 30, 2008

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, 2008

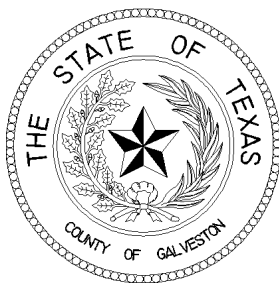
Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) – Entry Age (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b - a) / c)
12/31/2005	\$ 132,532,292	\$ 147,832,700	\$ 15,300,408	89.65%	\$ 40,448,223	37.83%
12/31/2006	147,850,183	153,950,537	6,100,354	96.04	42,360,523	14.40
12/31/2007	158,508,872	163,868,803	5,359,931	96.73	47,534,162	11.28



Galveston County's Emergency Management Building in Dickinson, Texas, the command center for county officials when monitoring the approach of a hurricane.



## 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, 2008**

	<u>SPECIAL REVENUE</u>	<u>DEBT SERVICE</u>	<u>CAPITAL PROJECTS</u>	<u>TOTAL NONMAJOR GOVERNMENTAL FUNDS</u>
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 13,913,697	\$ -	\$ -	\$ 13,913,697
Investments	11,758,231	11,863,340	19,261,482	42,883,053
Receivables (Net of Allowances for Uncollectibles):				
Taxes	861,649	2,215,249	-	3,076,898
Accounts and Other	15,726,733	5,839	593,517	16,326,089
Due from Other Funds	153,597	-	-	153,597
Inventory at Cost	483,555	-	-	483,555
Prepaid Expenditures	380,334	-	50,000	430,334
Restricted Assets:				
Cash and Cash Equivalents	41,772	-	-	41,772
<b>Total assets</b>	<b><u>\$ 43,319,568</u></b>	<b><u>\$ 14,084,428</u></b>	<b><u>\$ 19,904,999</u></b>	<b><u>\$ 77,308,995</u></b>
<b>LIABILITIES</b>				
Accounts Payable	\$ 6,531,471	\$ -	\$ 138,255	\$ 6,669,726
Salaries Payable	2,142,628	-	-	2,142,628
Compensated Absences Payable	10,489	-	-	10,489
Retainage Payable	66,691	-	208,058	274,749
Due to Others	235,766	-	-	235,766
Payable from Restricted Assets:				
Escrow Deposits	31,067	-	-	31,067
Deposits - Held	2,751	-	-	2,751
Due to Other Funds	1,309,445	-	15,232	1,324,677
Deferred Revenues	2,339,801	2,215,245	-	4,555,046
<b>Total liabilities</b>	<b><u>12,670,109</u></b>	<b><u>2,215,245</u></b>	<b><u>361,545</u></b>	<b><u>15,246,899</u></b>
<b>FUND BALANCES</b>				
Reserved:				
Restricted Assets	7,954	-	-	7,954
Encumbrances	797,499	-	4,465,341	5,262,840
Inventory	483,555	-	-	483,555
Prepaid Expenditures	380,334	-	50,000	430,334
Debt Service	-	11,869,183	-	11,869,183
Bolivar Peninsula User Fee	308,090	-	-	308,090
Unreserved:				
Designated:				
Special Lateral Roads	356,331	-	-	356,331
Capital Projects	-	-	15,028,113	15,028,113
Undesignated	28,315,696	-	-	28,315,696
<b>Total fund balances</b>	<b><u>30,649,459</u></b>	<b><u>11,869,183</u></b>	<b><u>19,543,454</u></b>	<b><u>62,062,096</u></b>
<b>Total liabilities and fund balances</b>	<b><u>\$ 43,319,568</u></b>	<b><u>\$ 14,084,428</u></b>	<b><u>\$ 19,904,999</u></b>	<b><u>\$ 77,308,995</u></b>

**GALVESTON COUNTY, TEXAS**  
**COMBINED STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**For the Year Ended September 30, 2008**

	<b>SPECIAL REVENUE</b>	<b>DEBT SERVICE</b>	<b>CAPITAL PROJECTS</b>	<b>TOTAL NONMAJOR GOVERNMENTAL FUNDS</b>
<b>REVENUES</b>				
Taxes	\$ 6,036,742	\$ 15,918,904	\$ -	\$ 21,955,646
Licenses and Permits	2,240,460	-	-	2,240,460
Intergovernmental	17,599,266	-	456,209	18,055,475
Charges for Services	2,914,266	-	-	2,914,266
Fines and Forfeitures	866,648	-	-	866,648
Investment	583,474	476,956	411,503	1,471,933
Miscellaneous	543,172	-	-	543,172
<b>Total revenues</b>	<b>30,784,028</b>	<b>16,395,860</b>	<b>867,712</b>	<b>48,047,600</b>
<b>EXPENDITURES</b>				
Current:				
General Government	1,978,613	-	639,090	2,617,703
Public Safety	20,804,404	-	-	20,804,404
Sanitation	21,250	-	-	21,250
Health and Social Services	3,133,654	-	-	3,133,654
Culture and Recreation	706,617	-	-	706,617
Roads, Bridges and Rights-of-Way	5,687,025	-	665,057	6,352,082
Capital Outlay	3,711,531	-	539,378	4,250,909
Debt Service:				
Principal Retirement	-	9,030,000	-	9,030,000
Interest and Fiscal Charges	-	8,120,855	-	8,120,855
Bond Issuance Costs	-	993,939	53,000	1,046,939
<b>Total expenditures</b>	<b>36,043,094</b>	<b>18,144,794</b>	<b>1,896,525</b>	<b>56,084,413</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(5,259,066)</b>	<b>(1,748,934)</b>	<b>(1,028,813)</b>	<b>(8,036,813)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	10,056,590	3,968,369	1,004,487	15,029,446
Transfers Out	(2,481,293)	(3,888,369)	(1,808,100)	(8,177,762)
Sale of Capital Assets	143,237	-	849,215	992,452
Insurance Recovery Proceeds	5,511,439	-	-	5,511,439
Face Value - Long Term Debt Issued	-	88,425,000	7,000,000	95,425,000
Premium - Long Term Debt Issued	-	228,250	-	228,250
Discount - Long Term Debt Issued	-	(4,379,918)	-	(4,379,918)
Refunded Bonds - Escrow Agent	-	(83,277,637)	-	(83,277,637)
<b>Total other financing sources (uses)</b>	<b>13,229,973</b>	<b>1,075,695</b>	<b>7,045,602</b>	<b>21,351,270</b>
<b>Net change in fund balances</b>	<b>7,970,907</b>	<b>(673,239)</b>	<b>6,016,789</b>	<b>13,314,457</b>
<b>Fund balances-beginning</b>	<b>22,678,552</b>	<b>12,542,422</b>	<b>13,526,665</b>	<b>48,747,639</b>
<b>Fund balances-ending</b>	<b>\$ 30,649,459</b>	<b>\$ 11,869,183</b>	<b>\$ 19,543,454</b>	<b>\$ 62,062,096</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.

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.

DWI-TEXAS TRAFFIC SAFETY PROGRAM (FUND #2965) – The Texas Department of Transportation awarded two grants to Galveston County Sheriff’s Department. The STEP grants were for additional sheriff units to be assigned during the holidays and Spring Break to conduct DWI and traffic enforcement.

TEXANS FEEDING TEXANS PROGRAM GRANT - (FUND #2923) - This fund is a Home-Delivered Meal program granted to Galveston County Department of Parks and Senior Services that supplements and extends the existing services related directly to meals to homebound persons in the County who are elderly and/or have a disability. Grant funding is through the Texas Department of Agriculture.

DISASTER RECOVERY VI – IKE (FUND #2994) - On September 10, 2008, Galveston County received a Presidential Disaster Declaration for Public and Individual Assistance. The Federal Emergency Management Agency awarded grants to fund approved pre-disaster and disaster recovery projects in Galveston County. Actual landfall for Hurricane Ike was September 13, 2008.

VOCA -NATIONAL CRIME VICTIMS RIGHTS' WEEK GRANT FUND (FUND #2876) - This is a funding from the National Association of VOCA Assistance Administrators (NAVAA) pursuant to Grant No. 2006-VF-GX-K024 by the office for Victims of Crime, Office of the Justice Program to the Galveston County Criminal District Attorney's Office to fund the National Crime Victims' Rights Week Community Awareness Project. The objective of this project is to reach out to the different segments of the community to expand the scope and impact of our Outreach and Public Awareness Campaign.



The command center for the City of Galveston's Office of Emergency Management and city officials during hurricane threats is located in a World War II bunker below the San Luis Hotel on Seawall Boulevard.





First responders assist the City of Galveston. This picture was taken before clean-up began on the Galveston seawall. The debris in the background is from the Balinese Room, Murdoch's Pier, and Hooters.

(Photograph from the Internet.)

**GALVESTON COUNTY, TEXAS  
COMBINING BALANCE SHEET  
ALL NONMAJOR SPECIAL REVENUE FUNDS  
September 30, 2008  
With Comparative Totals at September 30, 2007**

	<b>ROAD AND BRIDGE</b>	<b>PUBLIC HEALTH</b>	<b>JUVENILE JUSTICE</b>	<b>ADULT PROBATION</b>
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 5,180	\$ -	\$ 1,523,689	\$ 325,166
Investments	5,301,464	-	-	-
Receivables (Net of Allowances for Uncollectibles):				
Taxes	195,535	-	-	-
Accounts and Other	989,807	11,391	38,555	50,577
Due from Other Funds	-	19,446	-	-
Inventory at Cost	135,264	-	-	-
Prepaid Expenditures	-	-	-	334
Restricted Assets:				
Cash and Cash Equivalents	-	-	-	-
<b>Total assets</b>	<b><u>\$ 6,627,250</u></b>	<b><u>\$ 30,837</u></b>	<b><u>\$ 1,562,244</u></b>	<b><u>\$ 376,077</u></b>
<b>LIABILITIES</b>				
Accounts Payable	\$ 693,443	\$ -	\$ 68,560	\$ 15,576
Salaries Payable	32,625	30,837	108,287	66,614
Compensated Absences Payable	-	-	-	-
Retainage Payable	-	-	-	-
Due to Others	-	-	950	-
Payable from Restricted Assets:				
Escrow Deposits	-	-	-	-
Deposits - Held	-	-	-	-
Due to Other Funds	-	-	-	-
Deferred Revenues	198,232	-	-	160,275
<b>Total liabilities</b>	<b><u>924,300</u></b>	<b><u>30,837</u></b>	<b><u>177,797</u></b>	<b><u>242,465</u></b>
<b>FUND BALANCES</b>				
Reserved:				
Restricted Assets	-	-	-	-
Encumbrances	65,315	-	-	-
Inventory	135,264	-	-	-
Prepaid Expenditures	-	-	-	334
Bolivar Peninsula User Fee	-	-	-	-
Unreserved:				
Designated:				
Special Lateral Roads	-	-	-	-
Undesignated	5,502,371	-	1,384,447	133,278
<b>Total fund balances</b>	<b><u>5,702,950</u></b>	<b><u>-</u></b>	<b><u>1,384,447</u></b>	<b><u>133,612</u></b>
<b>Total liabilities and fund balances</b>	<b><u>\$ 6,627,250</u></b>	<b><u>\$ 30,837</u></b>	<b><u>\$ 1,562,244</u></b>	<b><u>\$ 376,077</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>
\$ 412,921	\$ 300,466	\$ 641,405	\$ -	\$ 1,564,376
-	-	-	1,266,298	1,412,545
-	-	-	4,273	-
30	51,697	65,382	-	33,844
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	2,751	-	-	-
<u>\$ 412,951</u>	<u>\$ 354,914</u>	<u>\$ 706,787</u>	<u>\$ 1,270,571</u>	<u>\$ 3,010,765</u>
\$ 38,059	\$ 32,145	\$ 24,788	\$ 181	\$ 1,075
2,023	1,604	2,729	-	10,231
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	2,751	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	4,273	-
<u>40,082</u>	<u>36,500</u>	<u>27,517</u>	<u>4,454</u>	<u>11,306</u>
-	-	-	-	-
-	-	-	2,293	219,900
-	-	-	-	-
-	-	-	-	-
-	-	308,090	-	-
-	-	-	-	-
<u>372,869</u>	<u>318,414</u>	<u>371,180</u>	<u>1,263,824</u>	<u>2,779,559</u>
<u>372,869</u>	<u>318,414</u>	<u>679,270</u>	<u>1,266,117</u>	<u>2,999,459</u>
<u>\$ 412,951</u>	<u>\$ 354,914</u>	<u>\$ 706,787</u>	<u>\$ 1,270,571</u>	<u>\$ 3,010,765</u>

**GALVESTON COUNTY, TEXAS  
COMBINING BALANCE SHEET  
ALL NONMAJOR SPECIAL REVENUE FUNDS  
September 30, 2008  
With Comparative Totals at September 30, 2007**

	<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	\$ 204,749	\$ 43,820	\$ 392,242	\$ 454,328
Investments	-	-	-	-
Receivables (Net of Allowances for Uncollectibles):				
Taxes	-	-	-	-
Accounts and Other	1,651	-	4,063	1,245
Due from Other Funds	-	-	-	-
Inventory at Cost	-	-	-	-
Prepaid Expenditures	-	-	-	-
Restricted Assets:				
Cash and Cash Equivalents	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u><u>\$ 206,400</u></u>	<u><u>\$ 43,820</u></u>	<u><u>\$ 396,305</u></u>	<u><u>\$ 455,573</u></u>
<b>LIABILITIES</b>				
Accounts Payable	\$ -	\$ -	\$ 25	\$ 3,156
Salaries Payable	1,794	-	5,260	-
Compensated Absences Payable	-	-	-	-
Retainage Payable	-	-	-	-
Due to Others	-	-	-	-
Payable from Restricted Assets:				
Escrow Deposits	-	-	-	-
Deposits - Held	-	-	-	-
Due to Other Funds	-	-	-	-
Deferred Revenues	-	-	-	-
Total liabilities	<u>1,794</u>	<u>-</u>	<u>5,285</u>	<u>3,156</u>
<b>FUND BALANCES</b>				
Reserved:				
Restricted Assets	-	-	-	-
Encumbrances	-	-	-	-
Inventory	-	-	-	-
Prepaid Expenditures	-	-	-	-
Bolivar Peninsula User Fee	-	-	-	-
Unreserved:				
Designated:				
Special Lateral Roads	-	-	-	-
Undesignated	204,606	43,820	391,020	452,417
Total fund balances	<u>204,606</u>	<u>43,820</u>	<u>391,020</u>	<u>452,417</u>
Total liabilities and fund balances	<u><u>\$ 206,400</u></u>	<u><u>\$ 43,820</u></u>	<u><u>\$ 396,305</u></u>	<u><u>\$ 455,573</u></u>

(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>
\$ 128,150	\$ 20,115	\$ 1,043,457	\$ 164,449	\$ -
-	-	-	-	2,088,988
-	-	151,973	-	40,511
1,597	-	14,986	-	2,013
-	-	-	-	-
-	-	348,291	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ 129,747</u>	<u>\$ 20,115</u>	<u>\$ 1,558,707</u>	<u>\$ 164,449</u>	<u>\$ 2,131,512</u>
\$ -	\$ 19,245	\$ 46,766	\$ 3,358	\$ -
-	-	20,053	-	2,355
-	-	-	-	-
-	-	-	-	-
-	-	-	-	439
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	151,973	-	40,511
<u>-</u>	<u>19,245</u>	<u>218,792</u>	<u>3,358</u>	<u>43,305</u>
-	-	-	-	-
-	-	-	-	-
-	-	348,291	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	356,331
<u>129,747</u>	<u>870</u>	<u>991,624</u>	<u>161,091</u>	<u>1,731,876</u>
<u>129,747</u>	<u>870</u>	<u>1,339,915</u>	<u>161,091</u>	<u>2,088,207</u>
<u>\$ 129,747</u>	<u>\$ 20,115</u>	<u>\$ 1,558,707</u>	<u>\$ 164,449</u>	<u>\$ 2,131,512</u>

**GALVESTON COUNTY, TEXAS  
COMBINING BALANCE SHEET  
ALL NONMAJOR SPECIAL REVENUE FUNDS  
September 30, 2008  
With Comparative Totals at September 30, 2007**

	<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	\$ -	\$ 102,156	\$ -	\$ 31,345
Investments	1,688,936	-	-	-
Receivables (Net of Allowances for Uncollectibles):				
Taxes	469,357	-	-	-
Accounts and Other	1,864	-	-	1,280
Due from Other Funds	-	-	-	-
Inventory at Cost	-	-	-	-
Prepaid Expenditures	-	-	-	-
Restricted Assets:				
Cash and Cash Equivalents	7,954	-	-	-
<b>Total assets</b>	<b>\$ 2,168,111</b>	<b>\$ 102,156</b>	<b>\$ -</b>	<b>\$ 32,625</b>
<b>LIABILITIES</b>				
Accounts Payable	\$ 262,589	\$ -	\$ -	\$ 304
Salaries Payable	14,319	-	-	-
Compensated Absences Payable	-	-	-	-
Retainage Payable	55,479	-	-	-
Due to Others	-	-	-	-
Payable from Restricted Assets:				
Escrow Deposits	-	-	-	-
Deposits - Held	-	-	-	-
Due to Other Funds	-	-	-	-
Deferred Revenues	469,356	-	-	-
<b>Total liabilities</b>	<b>801,743</b>	<b>-</b>	<b>-</b>	<b>304</b>
<b>FUND BALANCES</b>				
Reserved:				
Restricted Assets	7,954	-	-	-
Encumbrances	509,991	-	-	-
Inventory	-	-	-	-
Prepaid Expenditures	-	-	-	-
Bolivar Peninsula User Fee	-	-	-	-
Unreserved:				
Designated:				
Special Lateral Roads	-	-	-	-
Undesignated	848,423	102,156	-	32,321
<b>Total fund balances</b>	<b>1,366,368</b>	<b>102,156</b>	<b>-</b>	<b>32,321</b>
<b>Total liabilities and fund balances</b>	<b>\$ 2,168,111</b>	<b>\$ 102,156</b>	<b>\$ -</b>	<b>\$ 32,625</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>
\$ 77,053	\$ 876,091	\$ -	\$ 61,078	\$ 60,618
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b><u>\$ 77,053</u></b>	<b><u>\$ 876,091</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 61,078</u></b>	<b><u>\$ 60,618</u></b>
\$ 1,054	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	18,436	18,307
-	-	-	-	-
-	-	-	-	-
-	-	-	-	5,250
-	-	-	-	-
<u>1,054</u>	<u>-</u>	<u>-</u>	<u>18,436</u>	<u>23,557</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
75,999	876,091	-	42,642	37,061
<u>75,999</u>	<u>876,091</u>	<u>-</u>	<u>42,642</u>	<u>37,061</u>
<b><u>\$ 77,053</u></b>	<b><u>\$ 876,091</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 61,078</u></b>	<b><u>\$ 60,618</u></b>

**GALVESTON COUNTY, TEXAS  
COMBINING BALANCE SHEET  
ALL NONMAJOR SPECIAL REVENUE FUNDS  
September 30, 2008  
With Comparative Totals at September 30, 2007**

	<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	\$ 178,976	\$ 96,039	\$ 282,873	\$ 1,436,299
Investments	-	-	-	-
Receivables (Net of Allowances for Uncollectibles):				
Taxes	-	-	-	-
Accounts and Other	-	-	-	9,613
Due from Other Funds	-	-	-	18,354
Inventory at Cost	-	-	-	-
Prepaid Expenditures	-	-	-	-
Restricted Assets:				
Cash and Cash Equivalents	-	-	-	31,067
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total assets	<u><u>\$ 178,976</u></u>	<u><u>\$ 96,039</u></u>	<u><u>\$ 282,873</u></u>	<u><u>\$ 1,495,333</u></u>
<b>LIABILITIES</b>				
Accounts Payable	\$ -	\$ -	\$ 1,402	\$ 49,879
Salaries Payable	-	-	-	3,612
Compensated Absences Payable	-	-	-	-
Retainage Payable	-	-	-	1,105
Due to Others	130,683	-	-	-
Payable from Restricted Assets:				
Escrow Deposits	-	-	-	31,067
Deposits - Held	-	-	-	-
Due to Other Funds	-	-	-	240
Deferred Revenues	-	-	-	24,803
Total liabilities	<u>130,683</u>	<u>-</u>	<u>1,402</u>	<u>110,706</u>
<b>FUND BALANCES</b>				
Reserved:				
Restricted Assets	-	-	-	-
Encumbrances	-	-	-	-
Inventory	-	-	-	-
Prepaid Expenditures	-	-	-	-
Bolivar Peninsula User Fee	-	-	-	-
Unreserved:				
Designated:				
Special Lateral Roads	-	-	-	-
Undesignated	48,293	96,039	281,471	1,384,627
Total fund balances	<u>48,293</u>	<u>96,039</u>	<u>281,471</u>	<u>1,384,627</u>
Total liabilities and fund balances	<u><u>\$ 178,976</u></u>	<u><u>\$ 96,039</u></u>	<u><u>\$ 282,873</u></u>	<u><u>\$ 1,495,333</u></u>



CRIMINAL INVESTIGATIVE DIVISION SEIZURES POST-10/89	ELECTION SERVICES CONTRACT	GRANTS	TOTALS	
			2008	2007
\$ 5,919	\$ 1,008,753	\$ 2,471,984	\$ 13,913,697	\$ 12,117,326
-	-	-	11,758,231	9,852,572
-	-	-	861,649	737,571
-	58,122	14,389,016	15,726,733	6,816,445
-	-	115,797	153,597	114,059
-	-	-	483,555	633,850
-	-	380,000	380,334	4,378
-	-	-	41,772	258,191
<b>\$ 5,919</b>	<b>\$ 1,066,875</b>	<b>\$ 17,356,797</b>	<b>\$ 43,319,568</b>	<b>\$ 30,534,392</b>
\$ -	\$ 88,030	\$ 5,181,836	\$ 6,531,471	\$ 1,033,562
-	-	1,840,285	2,142,628	340,516
-	-	10,489	10,489	2,325
-	-	10,107	66,691	140,272
5,919	-	61,032	235,766	311,048
-	-	-	31,067	29,908
-	-	-	2,751	3,271
-	634,770	669,185	1,309,445	3,031,786
-	-	1,290,378	2,339,801	2,963,152
5,919	722,800	9,063,312	12,670,109	7,855,840
-	-	-	7,954	1,484
-	-	-	797,499	328,880
-	-	-	483,555	633,850
-	-	380,000	380,334	-
-	-	-	308,090	223,528
-	-	-	356,331	325,719
-	344,075	7,913,485	28,315,696	21,165,091
-	344,075	8,293,485	30,649,459	22,678,552
<b>\$ 5,919</b>	<b>\$ 1,066,875</b>	<b>\$ 17,356,797</b>	<b>\$ 43,319,568</b>	<b>\$ 30,534,392</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, 2008**  
**With Comparative Totals for the Year Ended September 30, 2007**

	<b>ROAD AND BRIDGE</b>	<b>PUBLIC HEALTH</b>	<b>JUVENILE JUSTICE</b>	<b>ADULT PROBATION</b>
<b>REVENUES</b>				
Taxes	\$ 2,876,266	\$ -	\$ -	\$ -
Licenses and Permits	2,240,460	-	-	-
Intergovernmental	912,602	-	310,110	2,122,159
Charges for Services	-	-	490	-
Fines and Forfeitures	737,902	-	-	-
Investment Earnings	183,776	-	73,079	18,376
Miscellaneous	967	-	760	4,701
<b>Total revenues</b>	<b>6,951,973</b>	<b>-</b>	<b>384,439</b>	<b>2,145,236</b>
<b>EXPENDITURES</b>				
Current :				
General Government	285,992	-	-	-
Public Safety	-	-	4,788,960	2,282,398
Sanitation	-	-	-	-
Health and Social Services	-	-	-	-
Culture and Recreation	-	-	-	-
Roads, Bridges, and Rights-of-Way	5,090,915	-	-	-
Capital Outlay	1,188,132	-	-	-
<b>Total expenditures</b>	<b>6,565,039</b>	<b>-</b>	<b>4,788,960</b>	<b>2,282,398</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>386,934</b>	<b>-</b>	<b>(4,404,521)</b>	<b>(137,162)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	4,073,000	-
Transfers Out	(840,000)	-	(110,000)	(31,370)
Sale of Capital Assets	106,786	-	-	-
Insurance Recovery Proceeds	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>(733,214)</b>	<b>-</b>	<b>3,963,000</b>	<b>(31,370)</b>
Net change in fund balances	(346,280)	-	(441,521)	(168,532)
Fund balances-beginning	6,049,230	-	1,825,968	302,144
<b>Fund balances-ending</b>	<b>\$ 5,702,950</b>	<b>\$ -</b>	<b>\$ 1,384,447</b>	<b>\$ 133,612</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>
\$ -	\$ -	\$ -	\$ 38	\$ -
-	-	-	-	-
-	39,060	130,644	-	-
217,639	-	305,280	730,917	814,468
-	-	-	-	-
-	-	1,727	38,333	-
-	1,271	-	10,000	-
<u>217,639</u>	<u>40,331</u>	<u>437,651</u>	<u>779,288</u>	<u>814,468</u>
318,904	-	-	-	552,666
-	-	-	-	-
-	-	-	-	-
-	381,659	-	-	-
-	-	627,706	-	-
-	-	-	500,489	-
-	-	74,000	-	-
<u>318,904</u>	<u>381,659</u>	<u>701,706</u>	<u>500,489</u>	<u>552,666</u>
<u>(101,265)</u>	<u>(341,328)</u>	<u>(264,055)</u>	<u>278,799</u>	<u>261,802</u>
-	437,000	476,147	-	-
(1,200)	-	(3,200)	(109,600)	(441,100)
-	-	22,200	-	-
-	-	-	-	-
<u>(1,200)</u>	<u>437,000</u>	<u>495,147</u>	<u>(109,600)</u>	<u>(441,100)</u>
(102,465)	95,672	231,092	169,199	(179,298)
475,334	222,742	448,178	1,096,918	3,178,757
<u>\$ 372,869</u>	<u>\$ 318,414</u>	<u>\$ 679,270</u>	<u>\$ 1,266,117</u>	<u>\$ 2,999,459</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, 2008**  
**With Comparative Totals for the Year Ended September 30, 2007**

	<b>COUNTY RECORDS MANAGEMENT</b>	<b>DISTRICT CLERK RECORDS MANAGEMENT</b>	<b>COURTHOUSE SECURITY</b>	<b>MEDIATION SERVICES PROGRAM</b>
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for Services	129,702	26,527	212,670	120,787
Fines and Forfeitures	-	-	-	-
Investment Earnings	-	-	-	13,113
Miscellaneous	35	-	-	-
<b>Total revenues</b>	<b>129,737</b>	<b>26,527</b>	<b>212,670</b>	<b>133,900</b>
<b>EXPENDITURES</b>				
Current :				
General Government	226,936	-	-	31,610
Public Safety	-	-	189,639	-
Sanitation	-	-	-	-
Health and Social Services	-	-	-	-
Culture and Recreation	-	-	-	-
Roads, Bridges, and Rights-of-Way	-	-	-	-
Capital Outlay	-	-	-	-
<b>Total expenditures</b>	<b>226,936</b>	<b>-</b>	<b>189,639</b>	<b>31,610</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(97,199)</b>	<b>26,527</b>	<b>23,031</b>	<b>102,290</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	120,000	-	-	-
Transfers Out	(2,000)	(40,000)	(4,000)	-
Sale of Capital Assets	-	-	-	-
Insurance Recovery Proceeds	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>118,000</b>	<b>(40,000)</b>	<b>(4,000)</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>20,801</b>	<b>(13,473)</b>	<b>19,031</b>	<b>102,290</b>
Fund balances-beginning	183,805	57,293	371,989	350,127
<b>Fund balances-ending</b>	<b>\$ 204,606</b>	<b>\$ 43,820</b>	<b>\$ 391,020</b>	<b>\$ 452,417</b>

(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>
\$ 4,170	\$ -	\$ 1,036,675	\$ -	\$ 2,016
-	-	-	-	-
-	-	-	35,222	30,612
-	-	-	-	-
22,886	-	39,756	-	70,486
-	10,000	-	-	38,855
<u>27,056</u>	<u>10,000</u>	<u>1,076,431</u>	<u>35,222</u>	<u>141,969</u>
-	-	-	-	-
-	-	-	13,971	-
-	-	-	-	-
-	57,764	968,965	-	-
-	-	-	-	-
-	-	-	-	95,621
-	-	33,114	-	38,412
<u>-</u>	<u>57,764</u>	<u>1,002,079</u>	<u>13,971</u>	<u>134,033</u>
<u>27,056</u>	<u>(47,764)</u>	<u>74,352</u>	<u>21,251</u>	<u>7,936</u>
-	-	-	-	-
(19,000)	-	(13,200)	-	(48,000)
-	-	1	-	14,250
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(19,000)</u>	<u>-</u>	<u>(13,199)</u>	<u>-</u>	<u>(33,750)</u>
8,056	(47,764)	61,153	21,251	(25,814)
<u>121,691</u>	<u>48,634</u>	<u>1,278,762</u>	<u>139,840</u>	<u>2,114,021</u>
<u>\$ 129,747</u>	<u>\$ 870</u>	<u>\$ 1,339,915</u>	<u>\$ 161,091</u>	<u>\$ 2,088,207</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, 2008**  
**With Comparative Totals for the Year Ended September 30, 2007**

	<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>REVENUES</b>				
Taxes	\$ 2,117,577	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental	-	4,359	-	-
Charges for Services	96,230	-	-	-
Fines and Forfeitures	-	-	-	25,302
Investment Earnings	82,269	-	-	-
Miscellaneous	81,450	-	-	-
<b>Total revenues</b>	<b>2,377,526</b>	<b>4,359</b>	<b>-</b>	<b>25,302</b>
<b>EXPENDITURES</b>				
Current :				
General Government	148,630	-	13	36,932
Public Safety	1,790,544	-	-	-
Sanitation	-	-	-	-
Health and Social Services	-	-	-	-
Culture and Recreation	-	-	-	-
Roads, Bridges, and Rights-of-Way	-	-	-	-
Capital Outlay	2,097,133	-	-	-
<b>Total expenditures</b>	<b>4,036,307</b>	<b>-</b>	<b>13</b>	<b>36,932</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(1,658,781)</b>	<b>4,359</b>	<b>(13)</b>	<b>(11,630)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	1,700,200	-	-	-
Transfers Out	(100,000)	-	-	-
Sale of Capital Assets	-	-	-	-
Insurance Recovery Proceeds	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>1,600,200</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>(58,581)</b>	<b>4,359</b>	<b>(13)</b>	<b>(11,630)</b>
Fund balances-beginning	1,424,949	97,797	13	43,951
<b>Fund balances-ending</b>	<b>\$ 1,366,368</b>	<b>\$ 102,156</b>	<b>\$ -</b>	<b>\$ 32,321</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>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
12,639	-	-	-	-
-	-	-	3,946	18,660
-	22,986	-	1,800	-
-	234,123	-	-	-
<u>12,639</u>	<u>257,109</u>	<u>-</u>	<u>5,746</u>	<u>18,660</u>
10,370	-	-	-	-
-	117,846	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	693	-
<u>10,370</u>	<u>117,846</u>	<u>-</u>	<u>693</u>	<u>-</u>
2,269	139,263	-	5,053	18,660
-	-	-	-	-
-	-	-	-	(5,250)
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,250)</u>
2,269	139,263	-	5,053	13,410
73,730	736,828	-	37,589	23,651
<u>\$ 75,999</u>	<u>\$ 876,091</u>	<u>\$ -</u>	<u>\$ 42,642</u>	<u>\$ 37,061</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, 2008**  
**With Comparative Totals for the Year Ended September 30, 2007**

	<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	9,613
Charges for Services	-	-	-	-
Fines and Forfeitures	-	80,838	-	-
Investment Earnings	5,817	-	-	1,471
Miscellaneous	-	-	-	17,529
<b>Total revenues</b>	<u>5,817</u>	<u>80,838</u>	<u>40,000</u>	<u>28,613</u>
<b>EXPENDITURES</b>				
Current :				
General Government	-	60,000	13,109	-
Public Safety	-	-	-	265,422
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>13,109</u>	<u>265,422</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>5,817</u>	<u>20,838</u>	<u>26,891</u>	<u>(236,809)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	-	706,000
Transfers Out	-	-	(20,000)	-
Sale of Capital Assets	-	-	-	-
Insurance Recovery Proceeds	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>(20,000)</u>	<u>706,000</u>
<b>Net change in fund balances</b>	5,817	20,838	6,891	469,191
Fund balances-beginning	42,476	75,201	274,580	915,436
<b>Fund balances-ending</b>	<u>\$ 48,293</u>	<u>\$ 96,039</u>	<u>\$ 281,471</u>	<u>\$ 1,384,627</u>



CRIMINAL INVESTIGATIVE DIVISION SEIZURES POST-10/89	ELECTION SERVICES CONTRACT	GRANTS	TOTALS	
			2008	2007
\$ -	\$ -	\$ -	\$ 6,036,742	\$ 5,606,839
-	-	-	2,240,460	2,279,640
-	-	13,964,885	17,599,266	14,868,458
-	246,917	-	2,914,266	2,988,245
-	-	-	866,648	1,030,986
-	-	7,599	583,474	715,952
-	-	143,481	543,172	1,014,377
-	246,917	14,115,965	30,784,028	28,504,497
-	88,030	205,421	1,978,613	1,645,672
-	-	11,355,624	20,804,404	15,624,475
-	-	21,250	21,250	86,890
-	-	1,725,266	3,133,654	1,948,691
-	-	78,911	706,617	574,857
-	-	-	5,687,025	4,599,171
-	-	280,047	3,711,531	5,635,038
-	88,030	13,666,519	36,043,094	30,114,794
-	158,887	449,446	(5,259,066)	(1,610,297)
-	-	2,544,243	10,056,590	5,254,270
-	-	(693,373)	(2,481,293)	(1,260,906)
-	-	-	143,237	578,347
-	-	5,511,439	5,511,439	-
-	-	7,362,309	13,229,973	4,571,711
-	158,887	7,811,755	7,970,907	2,961,414
-	185,188	481,730	22,678,552	19,717,138
<b>\$ -</b>	<b>\$ 344,075</b>	<b>\$ 8,293,485</b>	<b>\$ 30,649,459</b>	<b>\$ 22,678,552</b>

**GALVESTON COUNTY, TEXAS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR SPECIAL REVENUE FUNDS - GRANT FUNDS**  
**September 30, 2008**  
**With Comparative Totals at September 30, 2007**

	<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	\$ 81,351	\$ 54,263	\$ -	\$ -
Receivables: (Net of Allowance for Uncollectibles)				
Accounts and Other	13,571	7,514	16,049	6,723
Due from Other Funds	-	-	-	-
Prepaid Expenditures	-	-	-	-
<b>Total assets</b>	<b><u>\$ 94,922</u></b>	<b><u>\$ 61,777</u></b>	<b><u>\$ 16,049</u></b>	<b><u>\$ 6,723</u></b>
<b>LIABILITIES</b>				
Accounts Payable	\$ 7,052	\$ 499	\$ 13,259	\$ 1,125
Salaries Payable	15,672	13,754	-	2,587
Compensated Absences Payable	-	-	-	-
Retainage Payable	-	-	-	-
Due to Others	21,593	8,239	-	-
Due to Other Funds	-	-	2,790	3,011
Deferred Revenues	50,605	33,865	-	-
<b>Total liabilities</b>	<b><u>94,922</u></b>	<b><u>56,357</u></b>	<b><u>16,049</u></b>	<b><u>6,723</u></b>
<b>FUND BALANCES</b>				
Reserved:				
Prepaid Expenditures	-	-	-	-
Unreserved:				
Undesignated	-	5,420	-	-
<b>Total fund balances</b>	<b><u>-</u></b>	<b><u>5,420</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
<b>Total liabilities and fund balances</b>	<b><u>\$ 94,922</u></b>	<b><u>\$ 61,777</u></b>	<b><u>\$ 16,049</u></b>	<b><u>\$ 6,723</u></b>

(Continued)

<b>ORGANIZED CRIME CONTROL UNIT</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	\$ 2,878	\$ 1,685	\$ 90,514
-	2,213	-	59,062
-	-	-	-
-	-	-	-
<u>\$ 1,824</u>	<u>\$ 5,091</u>	<u>\$ 1,685</u>	<u>\$ 149,576</u>
\$ -	\$ -	\$ -	\$ 52,060
-	1,787	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	86,842
<u>-</u>	<u>1,787</u>	<u>-</u>	<u>138,902</u>
-	-	-	-
1,824	3,304	1,685	10,674
<u>1,824</u>	<u>3,304</u>	<u>1,685</u>	<u>10,674</u>
<u>\$ 1,824</u>	<u>\$ 5,091</u>	<u>\$ 1,685</u>	<u>\$ 149,576</u>

**GALVESTON COUNTY, TEXAS  
COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS - GRANT FUNDS  
September 30, 2008  
With Comparative Totals at September 30, 2007**

	<u>SENIOR CITIZENS</u>	<u>COMMUNITY DEVELOPMENT</u>	<u>ADULT PROBATION COMMUNITY CORRECTIONS</u>	<u>AUTO CRIMES TASK FORCE</u>
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 6,955	\$ 99,685	\$ 106,793	\$ -
Receivables: (Net of Allowance for Uncollectibles)				
Accounts and Other	68,858	-	-	154,691
Due from Other Funds	-	-	-	115,797
Prepaid Expenditures	-	-	-	-
<b>Total assets</b>	<b><u>\$ 75,813</u></b>	<b><u>\$ 99,685</u></b>	<b><u>\$ 106,793</u></b>	<b><u>\$ 270,488</u></b>
<b>LIABILITIES</b>				
Accounts Payable	\$ -	\$ -	\$ 18,078	\$ 49,679
Salaries Payable	19,203	-	9,280	20,710
Compensated Absences Payable	10,489	-	-	-
Retainage Payable	-	-	-	-
Due to Others	-	-	-	-
Due to Other Funds	-	-	-	84,098
Deferred Revenues	-	99,685	72,523	-
<b>Total liabilities</b>	<b><u>29,692</u></b>	<b><u>99,685</u></b>	<b><u>99,881</u></b>	<b><u>154,487</u></b>
<b>FUND BALANCES</b>				
Reserved:				
Prepaid Expenditures	-	-	-	-
Unreserved:				
Undesignated	46,121	-	6,912	116,001
<b>Total fund balances</b>	<b><u>46,121</u></b>	<b><u>-</u></b>	<b><u>6,912</u></b>	<b><u>116,001</u></b>
<b>Total liabilities and fund balances</b>	<b><u>\$ 75,813</u></b>	<b><u>\$ 99,685</u></b>	<b><u>\$ 106,793</u></b>	<b><u>\$ 270,488</u></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	\$ -	\$ -	\$ 10,422	\$ -
-	-	29,373	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ 4,410</u>	<u>\$ -</u>	<u>\$ 29,373</u>	<u>\$ 10,422</u>	<u>\$ -</u>
\$ -	\$ -	\$ 4,560	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	23,187	-	-
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>27,747</u>	<u>-</u>	<u>-</u>
-	-	-	-	-
4,410	-	1,626	10,422	-
<u>4,410</u>	<u>-</u>	<u>1,626</u>	<u>10,422</u>	<u>-</u>
<u>\$ 4,410</u>	<u>\$ -</u>	<u>\$ 29,373</u>	<u>\$ 10,422</u>	<u>\$ -</u>

**GALVESTON COUNTY, TEXAS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR SPECIAL REVENUE FUNDS - GRANT FUNDS**  
**September 30, 2008**  
**With Comparative Totals at September 30, 2007**

	<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	\$ -	\$ -	\$ -	\$ -
Receivables: (Net of Allowance for Uncollectibles)				
Accounts and Other	-	63,225	505,584	1,387
Due from Other Funds	-	-	-	-
Prepaid Expenditures	-	-	-	-
<b>Total assets</b>	<b>\$ -</b>	<b>\$ 63,225</b>	<b>\$ 505,584</b>	<b>\$ 1,387</b>
<b>LIABILITIES</b>				
Accounts Payable	\$ -	\$ 13,909	\$ 80,228	\$ -
Salaries Payable	-	-	1,472	-
Compensated Absences Payable	-	-	-	-
Retainage Payable	-	-	10,107	-
Due to Others	-	-	283	-
Due to Other Funds	-	49,316	413,494	1,387
Deferred Revenues	-	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>63,225</b>	<b>505,584</b>	<b>1,387</b>
<b>FUND BALANCES</b>				
Reserved:				
Prepaid Expenditures	-	-	-	-
Unreserved:				
Undesignated	-	-	-	-
<b>Total fund balances</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total liabilities and fund balances</b>	<b>\$ -</b>	<b>\$ 63,225</b>	<b>\$ 505,584</b>	<b>\$ 1,387</b>

(Continued)

<u>COUNTY BEACH AND PARKS PROJECTS</u>	<u>KEMPNER</u>	<u>TEXAS VICTIM INFOR- MATION AND NOTIFICATION EVERY DAY ("V.I.N.E.")</u>	<u>HELP AMERICA VOTE ACT ("H.A.V.A.")</u>	<u>CHILD AND ELDERLY ABUSE PROSECUTOR</u>
\$ -	\$ 4,500	\$ -	\$ -	\$ -
29,397	-	2,151	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ 29,397</u>	<u>\$ 4,500</u>	<u>\$ 2,151</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 7,187	\$ -	\$ 2,151	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
13,027	-	-	-	-
9,183	4,500	-	-	-
<u>29,397</u>	<u>4,500</u>	<u>2,151</u>	<u>-</u>	<u>-</u>
-	-	-	-	-
-	-	-	-	-
<u>\$ 29,397</u>	<u>\$ 4,500</u>	<u>\$ 2,151</u>	<u>\$ -</u>	<u>\$ -</u>

**GALVESTON COUNTY, TEXAS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR SPECIAL REVENUE FUNDS - GRANT FUNDS**  
**September 30, 2008**  
**With Comparative Totals at September 30, 2007**

	<u>DISASTER RECOVERY V - RITA</u>	<u>HOMELAND SECURITY - SHERIFF'S OFFICE</u>	<u>INTENSIVE COMMUNITY- BASED PROGRAM</u>	<u>MOSQUITO CONTROL</u>
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 204,539	\$ -	\$ 49,848	\$ -
Receivables: (Net of Allowance for Uncollectibles)				
Accounts and Other	955,186	-	13,676	-
Due from Other Funds	-	-	-	-
Prepaid Expenditures	-	-	-	-
<b>Total assets</b>	<u><u>\$ 1,159,725</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 63,524</u></u>	<u><u>\$ -</u></u>
<b>LIABILITIES</b>				
Accounts Payable	\$ -	\$ -	\$ 25,764	\$ -
Salaries Payable	-	-	-	-
Compensated Absences Payable	-	-	-	-
Retainage Payable	-	-	-	-
Due to Others	-	-	30,917	-
Due to Other Funds	18,354	-	-	-
Deferred Revenues	933,175	-	-	-
<b>Total liabilities</b>	<u><u>951,529</u></u>	<u><u>-</u></u>	<u><u>56,681</u></u>	<u><u>-</u></u>
<b>FUND BALANCES</b>				
Reserved:				
Prepaid Expenditures	-	-	-	-
Unreserved:				
Undesignated	208,196	-	6,843	-
<b>Total fund balances</b>	<u><u>208,196</u></u>	<u><u>-</u></u>	<u><u>6,843</u></u>	<u><u>-</u></u>
<b>Total liabilities and fund balances</b>	<u><u>\$ 1,159,725</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 63,524</u></u>	<u><u>\$ -</u></u>



DWI-TEXAS TRAFFIC SAFETY PROGRAM	TEXANS FEEDNING TEXANS PROGRAM	DISASTER RECOVERY VI - IKE	VOCA NCVROW GRANT	TOTALS	
				2008	2007
\$ 3	\$ 50,927	\$ 1,701,387	\$ -	\$ 2,471,984	\$ 1,112,473
5,816	-	12,454,540	-	14,389,016	4,690,760
-	-	-	-	115,797	95,703
-	-	380,000	-	380,000	-
<u>\$ 5,819</u>	<u>\$ 50,927</u>	<u>\$ 14,535,927</u>	<u>\$ -</u>	<u>\$ 17,356,797</u>	<u>\$ 5,898,936</u>
\$ -	\$ -	\$ 4,906,285	\$ -	\$ 5,181,836	\$ 166,820
-	1,521	1,754,299	-	1,840,285	62,341
-	-	-	-	10,489	89
-	-	-	-	10,107	-
-	-	-	-	61,032	128,659
5,816	-	54,705	-	669,185	3,031,786
-	-	-	-	1,290,378	2,027,511
<u>5,816</u>	<u>1,521</u>	<u>6,715,289</u>	<u>-</u>	<u>9,063,312</u>	<u>5,417,206</u>
-	-	380,000	-	380,000	-
3	49,406	7,440,638	-	7,913,485	481,730
<u>3</u>	<u>49,406</u>	<u>7,820,638</u>	<u>-</u>	<u>8,293,485</u>	<u>481,730</u>
<u>\$ 5,819</u>	<u>\$ 50,927</u>	<u>\$ 14,535,927</u>	<u>\$ -</u>	<u>\$ 17,356,797</u>	<u>\$ 5,898,936</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, 2008**  
**With Comparative Totals for the Year Ended September 30, 2007**

	<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	\$ 630,162	\$ 529,787	\$ 285,213	\$ 70,680
Investment Earnings	-	-	-	-
Miscellaneous	-	-	-	-
<b>Total revenues</b>	<b>630,162</b>	<b>529,787</b>	<b>285,213</b>	<b>70,680</b>
<b>EXPENDITURES</b>				
Current :				
General Government	-	-	-	70,680
Public Safety	630,162	524,367	285,213	-
Sanitation	-	-	-	-
Health and Social Services	-	-	-	-
Culture and Recreation	-	-	-	-
Capital Outlay	-	-	-	-
<b>Total expenditures</b>	<b>630,162</b>	<b>524,367</b>	<b>285,213</b>	<b>70,680</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>-</b>	<b>5,420</b>	<b>-</b>	<b>-</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Insurance Recovery Proceeds	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net change in fund balances	-	5,420	-	-
Fund balances-beginning	-	-	-	-
<b>Fund balances-ending</b>	<b>\$ -</b>	<b>\$ 5,420</b>	<b>\$ -</b>	<b>\$ -</b>

(Continued)

<b>ORGANIZED CRIME CONTROL UNIT</b>	<b>ATTORNEY GENERAL'S VICTIMS ASSISTANCE</b>	<b>CHILDREN'S JUSTICE ACT PROJECT</b>	<b>UNITED STATES DEPARTMENT OF JUSTICE PROGRAMS</b>
\$ -	\$ 40,727	\$ -	\$ 67,507
-	-	-	3,957
-	-	-	15,000
-	40,727	-	86,464
-	52,236	-	-
-	-	-	85,559
-	-	-	-
-	-	-	-
-	-	-	-
-	52,236	-	85,559
-	(11,509)	-	905
-	-	-	-
-	-	-	-
-	-	-	-
-	(11,509)	-	905
1,824	14,813	1,685	9,769
<b>\$ 1,824</b>	<b>\$ 3,304</b>	<b>\$ 1,685</b>	<b>\$ 10,674</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, 2008**  
**With Comparative Totals for the Year Ended September 30, 2007**

	<b>SENIOR CITIZENS</b>	<b>COMMUNITY DEVELOPMENT</b>	<b>ADULT PROBATION COMMUNITY CORRECTIONS</b>	<b>AUTO CRIMES TASK FORCE</b>
<b>REVENUES</b>				
Intergovernmental	\$ 584,970	\$ 21,415	\$ 459,374	\$ 582,040
Investment Earnings	-	-	-	-
Miscellaneous	-	-	-	4,788
<b>Total revenues</b>	<b>584,970</b>	<b>21,415</b>	<b>459,374</b>	<b>586,828</b>
<b>EXPENDITURES</b>				
Current :				
General Government	-	-	-	-
Public Safety	-	165	483,832	547,178
Sanitation	-	21,250	-	-
Health and Social Services	600,359	-	-	-
Culture and Recreation	-	-	-	-
Capital Outlay	-	-	-	24,315
<b>Total expenditures</b>	<b>600,359</b>	<b>21,415</b>	<b>483,832</b>	<b>571,493</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(15,389)</b>	<b>-</b>	<b>(24,458)</b>	<b>15,335</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	933	-	43,310	-
Transfers Out	-	-	(11,940)	-
Insurance Recovery Proceeds	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>933</b>	<b>-</b>	<b>31,370</b>	<b>-</b>
Net change in fund balances	(14,456)	-	6,912	15,335
Fund balances-beginning	60,577	-	-	100,666
<b>Fund balances-ending</b>	<b>\$ 46,121</b>	<b>\$ -</b>	<b>\$ 6,912</b>	<b>\$ 116,001</b>

(Continued)

<b>INTENSIVE FAMILY PRESERVATION</b>	<b>COUNTY PARKS AND BEACHES (PARK ENHANCEMENT)</b>	<b>OFFICE OF EMERGENCY MANAGEMENT</b>	<b>LOW INCOME REPAIR ASSISTANCE PROGRAM ("L.I.R.A.P.")</b>	<b>SENIOR SERVICES - SPECIAL PROJECTS / SERVICES</b>
\$ -	\$ 35,316	\$ 788,171	\$ 1,035,249	\$ -
-	-	-	3,642	-
-	-	-	-	-
-	35,316	788,171	1,038,891	-
-	-	-	-	-
-	-	788,170	-	-
-	-	-	-	-
-	-	-	1,035,248	-
-	56,549	-	-	-
-	35,316	-	-	-
-	91,865	788,170	1,035,248	-
-	(56,549)	1	3,643	-
-	-	-	-	-
-	-	-	-	(933)
-	-	-	-	-
-	-	-	-	(933)
-	(56,549)	1	3,643	(933)
4,410	56,549	1,625	6,779	933
<b>\$ 4,410</b>	<b>\$ -</b>	<b>\$ 1,626</b>	<b>\$ 10,422</b>	<b>\$ -</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, 2008**  
**With Comparative Totals for the Year Ended September 30, 2007**

	DISASTER RECOVERY IV - CLAUDETTE	STATE CRIMINAL ALIEN ASSISTANCE PROGRAM	STATE HOMELAND SECURITY	COMMUNITY DEVELOPMENT BLOCK - MEALS ON WHEELS
<b>REVENUES</b>				
Intergovernmental	\$ 592,095	\$ -	\$ 535,269	\$ 3,602
Investment Earnings	-	-	-	-
Miscellaneous	-	123,693	-	-
<b>Total revenues</b>	<u>592,095</u>	<u>123,693</u>	<u>535,269</u>	<u>3,602</u>
<b>EXPENDITURES</b>				
Current :				
General Government	-	-	-	-
Public Safety	-	123,693	322,861	-
Sanitation	-	-	-	-
Health and Social Services	-	-	-	3,602
Culture and Recreation	-	-	-	-
Capital Outlay	-	-	212,408	-
<b>Total expenditures</b>	<u>-</u>	<u>123,693</u>	<u>535,269</u>	<u>3,602</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>592,095</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	-	-
Transfers Out	(606,000)	-	-	-
Insurance Recovery Proceeds	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>(606,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balances</b>	<u>(13,905)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances-beginning	13,905	-	-	-
<b>Fund balances-ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(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>
\$ 96,862	\$ -	\$ 2,151	\$ -	\$ 75,386
-	-	-	-	-
-	-	-	-	-
<u>96,862</u>	<u>-</u>	<u>2,151</u>	<u>-</u>	<u>75,386</u>
-	-	2,151	-	75,386
-	-	-	-	-
-	-	-	-	-
22,362	-	-	-	-
-	-	-	-	-
<u>22,362</u>	<u>-</u>	<u>2,151</u>	<u>-</u>	<u>75,386</u>
<u>74,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-
(74,500)	-	-	-	-
-	-	-	-	-
<u>(74,500)</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, 2008**  
**With Comparative Totals for the Year Ended September 30, 2007**

	<b>DISASTER RECOVERY V - RITA</b>	<b>HOMELAND SECURITY - SHERIFF'S OFFICE</b>	<b>INTENSIVE COMMUNITY- BASED PROGRAM</b>	<b>MOSQUITO CONTROL</b>
<b>REVENUES</b>				
Intergovernmental	\$ 3,377	\$ 36,469	\$ 64,871	\$ -
Investment Earnings	-	-	-	-
Miscellaneous	-	-	-	-
<b>Total revenues</b>	<b>3,377</b>	<b>36,469</b>	<b>64,871</b>	<b>-</b>
<b>EXPENDITURES</b>				
Current :				
General Government	-	-	-	-
Public Safety	3,376	28,461	58,028	-
Sanitation	-	-	-	-
Health and Social Services	-	-	-	-
Culture and Recreation	-	-	-	-
Capital Outlay	-	8,008	-	-
<b>Total expenditures</b>	<b>3,376</b>	<b>36,469</b>	<b>58,028</b>	<b>-</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>1</b>	<b>-</b>	<b>6,843</b>	<b>-</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Insurance Recovery Proceeds	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>1</b>	<b>-</b>	<b>6,843</b>	<b>-</b>
Fund balances-beginning	208,195	-	-	-
<b>Fund balances-ending</b>	<b>\$ 208,196</b>	<b>\$ -</b>	<b>\$ 6,843</b>	<b>\$ -</b>



DWI-TEXAS TRAFFIC SAFETY PROGRAM	TEXANS FEEDNING TEXANS PROGRAM	DISASTER RECOVERY VI- IKE	VOCA NCVRW GRANT	TOTALS	
				2008	2007
\$ 34,246	\$ 135,463	\$ 7,249,515	\$ 4,968	\$ 13,964,885	\$ 10,387,679
-	-	-	-	7,599	9,281
-	-	-	-	143,481	94,795
<u>34,246</u>	<u>135,463</u>	<u>7,249,515</u>	<u>4,968</u>	<u>14,115,965</u>	<u>10,491,755</u>
-	-	-	4,968	205,421	191,345
34,243	-	7,440,316	-	11,355,624	6,533,688
-	-	-	-	21,250	86,890
-	86,057	-	-	1,725,266	727,253
-	-	-	-	78,911	11,666
-	-	-	-	280,047	3,061,989
<u>34,243</u>	<u>86,057</u>	<u>7,440,316</u>	<u>4,968</u>	<u>13,666,519</u>	<u>10,612,831</u>
<u>3</u>	<u>49,406</u>	<u>(190,801)</u>	<u>-</u>	<u>449,446</u>	<u>(121,076)</u>
-	-	2,500,000	-	2,544,243	84,500
-	-	-	-	(693,373)	(47,006)
-	-	5,511,439	-	5,511,439	-
-	-	8,011,439	-	7,362,309	37,494
3	49,406	7,820,638	-	7,811,755	(83,582)
-	-	-	-	481,730	565,312
<u>\$ 3</u>	<u>\$ 49,406</u>	<u>\$ 7,820,638</u>	<u>\$ -</u>	<u>\$ 8,293,485</u>	<u>\$ 481,730</u>

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**ROAD AND BRIDGE SPECIAL REVENUE FUND**  
**For the Year Ended September 30, 2008**  
**With Comparative Actual Amounts for the Year Ended September 30, 2007**

	<b>2008</b>			<b>2007</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	\$ 2,786,732	\$ 2,876,266	\$ 89,534	\$ 2,654,509
Licenses and Permits	2,100,000	2,240,460	140,460	2,279,640
Intergovernmental	1,105,000	912,602	(192,398)	1,525,555
Fines and Forfeitures	850,000	737,902	(112,098)	890,796
Investment Earnings	250,000	183,776	(66,224)	267,150
Miscellaneous	245,000	967	(244,033)	45,418
<b>Total revenues</b>	<b>7,336,732</b>	<b>6,951,973</b>	<b>(384,759)</b>	<b>7,663,068</b>
<b>EXPENDITURES</b>				
General Government				
Current:				
Personal Services	50,500	-	50,500	-
Other Services and Charges	1,116,866	285,992	830,874	287,208
Total General Government	1,167,366	285,992	881,374	287,208
Roads, Bridges, & R.O.W:				
Current:				
Personal Services	2,596,500	2,262,955	333,545	1,883,890
Supplies	2,598,400	2,310,161	288,239	1,589,639
Other Services and Charges	454,700	350,799	103,901	352,937
Miscellaneous	177,000	167,000	10,000	135,000
Total Roads, Bridges, & R.O.W:	5,826,600	5,090,915	735,685	3,961,466
Capital Outlay	1,512,548	1,188,132	324,416	1,290,973
<b>Total expenditures</b>	<b>8,506,514</b>	<b>6,565,039</b>	<b>1,941,475</b>	<b>5,539,647</b>
<b>Excess (deficiency) of revenues</b> <b>over (under) expenditures</b>	<b>(1,169,782)</b>	<b>386,934</b>	<b>1,556,716</b>	<b>2,123,421</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(840,000)	(840,000)	-	(765,000)
Sale of Capital Assets	5,000	106,786	101,786	43,986
<b>Total other financing sources (uses)</b>	<b>(835,000)</b>	<b>(733,214)</b>	<b>101,786</b>	<b>(721,014)</b>
<b>Net change in fund balances</b>	<b>(2,004,782)</b>	<b>(346,280)</b>	<b>1,658,502</b>	<b>1,402,407</b>
<b>Fund balances-beginning</b>	<b>6,049,230</b>	<b>6,049,230</b>	<b>-</b>	<b>4,646,823</b>
<b>Fund balances-ending</b>	<b>\$ 4,044,448</b>	<b>\$ 5,702,950</b>	<b>\$ 1,658,502</b>	<b>\$ 6,049,230</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, 2008**  
**With Comparative Actual Amounts for the Year Ended September 30, 2007**

	<b>2008</b>			<b>2007</b> <b>Actual</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>	
<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, 2008**  
**With Comparative Actual Amounts for the Year Ended September 30, 2007**

	<u>2008</u>		<b>Variance with Final Budget - Positive (Negative)</b>	<u>2007 Actual</u>
	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>		
<b>REVENUES</b>				
Intergovernmental	\$ 462,000	\$ 310,110	\$ (151,890)	\$ 434,594
Charges for Services	500	490	(10)	480
Investment Earnings	-	73,079	73,079	16,677
Miscellaneous	5,000	760	(4,240)	17,321
<b>Total revenues</b>	<u>467,500</u>	<u>384,439</u>	<u>(83,061)</u>	<u>469,072</u>
<b>EXPENDITURES</b>				
Current:				
Personal Services	3,528,379	3,290,651	237,728	3,034,382
Supplies	106,400	90,210	16,190	83,855
Other Services and Charges	1,571,400	1,408,099	163,301	1,282,113
Capital Outlay	-	-	-	27,484
<b>Total expenditures</b>	<u>5,206,179</u>	<u>4,788,960</u>	<u>417,219</u>	<u>4,427,834</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(4,738,679)</u>	<u>(4,404,521)</u>	<u>334,158</u>	<u>(3,958,762)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	4,073,000	4,073,000	-	3,961,300
Transfers Out	(110,000)	(110,000)	-	(103,400)
<b>Total other financing sources (uses)</b>	<u>3,963,000</u>	<u>3,963,000</u>	<u>-</u>	<u>3,857,900</u>
<b>Net change in fund balances</b>	<u>(775,679)</u>	<u>(441,521)</u>	<u>334,158</u>	<u>(100,862)</u>
<b>Fund balances-beginning</b>	<u>1,825,968</u>	<u>1,825,968</u>	<u>-</u>	<u>1,926,830</u>
<b>Fund balances-ending</b>	<u><u>\$ 1,050,289</u></u>	<u><u>\$ 1,384,447</u></u>	<u><u>\$ 334,158</u></u>	<u><u>\$ 1,825,968</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, 2008**  
**With Comparative Actual Amounts for the Year Ended September 30, 2007**

	<u>2008</u>		<b>Variance with Final Budget - Positive (Negative)</b>	<u>2007 Actual</u>
	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>		
<b>REVENUES</b>				
Intergovernmental	\$ 4,383,687	\$ 2,122,159	\$ (2,261,528)	\$ 2,242,339
Investment Earnings	45,500	18,376	(27,124)	35,697
Miscellaneous	7,800	4,701	(3,099)	4,134
<b>Total revenues</b>	<u>4,436,987</u>	<u>2,145,236</u>	<u>(2,291,751)</u>	<u>2,282,170</u>
<b>EXPENDITURES</b>				
Current:				
Personal Services	4,327,230	2,050,772	2,276,458	2,046,196
Supplies	35,000	11,177	23,823	13,649
Other Services and Charges	576,752	220,449	356,303	276,378
Other	-	-	-	(48)
Capital Outlay	1,200	-	1,200	-
<b>Total expenditures</b>	<u>4,940,182</u>	<u>2,282,398</u>	<u>2,657,784</u>	<u>2,336,175</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	(503,195)	(137,162)	366,033	(54,005)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(108,586)	(31,370)	77,216	-
<b>Net change in fund balances</b>	(611,781)	(168,532)	443,249	(54,005)
<b>Fund balances-beginning</b>	<u>302,144</u>	<u>302,144</u>	<u>-</u>	<u>356,149</u>
<b>Fund balances-ending</b>	<u><b>\$ (309,637)</b></u>	<u><b>\$ 133,612</b></u>	<u><b>\$ 443,249</b></u>	<u><b>\$ 302,144</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, 2008**  
**With Comparative Actual Amounts for the Year Ended September 30, 2007**

	<b>2008</b>		<b>Variance with Final Budget - Positive (Negative)</b>	<b>2007 Actual</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>		
<b>REVENUES</b>				
Charges for Services	\$ 217,500	\$ 217,639	\$ 139	\$ 226,401
<b>EXPENDITURES</b>				
Current:				
Personal Services	64,300	63,767	533	47,900
Supplies	213,000	235,786	(22,786)	182,202
Other Services and Charges	2,500	19,351	(16,851)	-
Capital Outlay	58,800	-	58,800	-
<b>Total expenditures</b>	<b>338,600</b>	<b>318,904</b>	<b>19,696</b>	<b>230,102</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(121,100)</b>	<b>(101,265)</b>	<b>19,835</b>	<b>(3,701)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(1,200)	(1,200)	-	(800)
<b>Net change in fund balances</b>	<b>(122,300)</b>	<b>(102,465)</b>	<b>19,835</b>	<b>(4,501)</b>
<b>Fund balances-beginning</b>	<b>475,334</b>	<b>475,334</b>	<b>-</b>	<b>479,835</b>
<b>Fund balances-ending</b>	<b>\$ 353,034</b>	<b>\$ 372,869</b>	<b>\$ 19,835</b>	<b>\$ 475,334</b>

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**CHILD WELFARE SPECIAL REVENUE FUND**  
**For the Year Ended September 30, 2008**  
**With Comparative Actual Amounts for the Year Ended September 30, 2007**

	<b>2008</b>		<b>Variance with Final Budget - Positive (Negative)</b>	<b>2007 Actual</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>		
<b>REVENUES</b>				
Intergovernmental	\$ 25,000	\$ 39,060	\$ 14,060	\$ 36,764
Miscellaneous	1,000	1,271	271	1,293
<b>Total revenues</b>	<b>26,000</b>	<b>40,331</b>	<b>14,331</b>	<b>38,057</b>
<b>EXPENDITURES</b>				
Current:				
Personal Services	53,600	37,109	16,491	-
Supplies	98,200	73,784	24,416	71,687
Other Services and Charges	314,800	270,766	44,034	299,746
<b>Total expenditures</b>	<b>466,600</b>	<b>381,659</b>	<b>84,941</b>	<b>371,433</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(440,600)</b>	<b>(341,328)</b>	<b>99,272</b>	<b>(333,376)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	437,000	437,000	-	371,900
<b>Net change in fund balances</b>	<b>(103,600)</b>	<b>95,672</b>	<b>199,272</b>	<b>38,524</b>
<b>Fund balances-beginning</b>	<b>222,742</b>	<b>222,742</b>	<b>-</b>	<b>184,218</b>
<b>Fund balances-ending</b>	<b>\$ 119,142</b>	<b>\$ 318,414</b>	<b>\$ 199,272</b>	<b>\$ 222,742</b>

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**BEACH AND PARKS SPECIAL REVENUE FUND**  
**For the Year Ended September 30, 2008**  
**With Comparative Actual Amounts for the Year Ended September 30, 2007**

	<b>2008</b>			<b>2007 Actual</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>	
<b>REVENUES</b>				
Intergovernmental	\$ 130,644	\$ 130,644	\$ -	\$ 138,656
Charges for Services	302,130	305,280	3,150	227,151
Investment Earnings	-	1,727	1,727	1,127
Miscellaneous	-	-	-	55
<b>Total revenues</b>	<b>432,774</b>	<b>437,651</b>	<b>4,877</b>	<b>366,989</b>
<b>EXPENDITURES</b>				
Current:				
Personal Services	191,400	115,279	76,121	157,420
Supplies	83,082	47,900	35,182	57,136
Other Services and Charges	596,865	464,527	132,338	348,635
Capital Outlay	74,000	74,000	-	102,875
<b>Total expenditures</b>	<b>945,347</b>	<b>701,706</b>	<b>243,641</b>	<b>666,066</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(512,573)</b>	<b>(264,055)</b>	<b>248,518</b>	<b>(299,077)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	476,147	476,147	-	570,000
Transfers Out	(3,200)	(3,200)	-	(2,400)
Sale of Capital Assets	-	22,200	22,200	32,160
<b>Total other financing sources (uses)</b>	<b>472,947</b>	<b>495,147</b>	<b>22,200</b>	<b>599,760</b>
<b>Net change in fund balances</b>	<b>(39,626)</b>	<b>231,092</b>	<b>270,718</b>	<b>300,683</b>
<b>Fund balances-beginning</b>	<b>448,178</b>	<b>448,178</b>	<b>-</b>	<b>147,495</b>
<b>Fund balances-ending</b>	<b>\$ 408,552</b>	<b>\$ 679,270</b>	<b>\$ 270,718</b>	<b>\$ 448,178</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, 2008**  
**With Comparative Actual Amounts for the Year Ended September 30, 2007**

	<b>2008</b>			<b>2007 Actual</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>	
<b>REVENUES</b>				
Taxes	\$ 140	\$ 38	\$ (102)	\$ 177
Charges for Services	755,000	730,917	(24,083)	792,361
Investment Earnings	48,000	38,333	(9,667)	48,894
Miscellaneous	-	10,000	10,000	107,406
<b>Total revenues</b>	<b>803,140</b>	<b>779,288</b>	<b>(23,852)</b>	<b>948,838</b>
<b>EXPENDITURES</b>				
Current:				
Supplies	10,000	5,508	4,492	7,668
Other Services and Charges	641,100	494,981	146,119	531,710
Capital Outlay	37,701	-	37,701	-
<b>Total expenditures</b>	<b>688,801</b>	<b>500,489</b>	<b>188,312</b>	<b>539,378</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>114,339</b>	<b>278,799</b>	<b>164,460</b>	<b>409,460</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(109,600)	(109,600)	-	(108,600)
<b>Net change in fund balances</b>	<b>4,739</b>	<b>169,199</b>	<b>164,460</b>	<b>300,860</b>
<b>Fund balances-beginning</b>	<b>1,096,918</b>	<b>1,096,918</b>	<b>-</b>	<b>796,058</b>
<b>Fund balances-ending</b>	<b>\$ 1,101,657</b>	<b>\$ 1,266,117</b>	<b>\$ 164,460</b>	<b>\$ 1,096,918</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, 2008**  
**With Comparative Actual Amounts for the Year Ended September 30, 2007**

	<b>2008</b>		<b>Variance with Final Budget - Positive (Negative)</b>	<b>2007 Actual</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>		
<b>REVENUES</b>				
Charges for Services	\$ 916,400	\$ 814,468	\$ (101,932)	\$ 927,592
<b>EXPENDITURES</b>				
Current:				
Personal Services	363,400	282,935	80,465	236,246
Supplies	40,000	44,381	(4,381)	55,781
Other Services and Charges	721,700	225,350	496,350	36,424
Capital Outlay	1,033,678	-	1,033,678	206,963
<b>Total expenditures</b>	<b>2,158,778</b>	<b>552,666</b>	<b>1,606,112</b>	<b>535,414</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(1,242,378)</b>	<b>261,802</b>	<b>1,504,180</b>	<b>392,178</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(441,100)	(441,100)	-	(62,100)
<b>Net change in fund balances</b>	<b>(1,683,478)</b>	<b>(179,298)</b>	<b>1,504,180</b>	<b>330,078</b>
<b>Fund balances-beginning</b>	<b>3,178,757</b>	<b>3,178,757</b>	<b>-</b>	<b>2,848,679</b>
<b>Fund balances-ending</b>	<b>\$ 1,495,279</b>	<b>\$ 2,999,459</b>	<b>\$ 1,504,180</b>	<b>\$ 3,178,757</b>

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**COUNTY RECORDS MANAGEMENT SPECIAL REVENUE FUND**  
**For the Year Ended September 30, 2008**  
**With Comparative Actual Amounts for the Year Ended September 30, 2007**

	<b>2008</b>		<b>Variance with Final Budget - Positive (Negative)</b>	<b>2007 Actual</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>		
<b>REVENUES</b>				
Charges for Services	\$ 130,300	\$ 129,702	\$ (598)	\$ 145,041
Miscellaneous	1,000	35	(965)	1,943
<b>Total revenues</b>	<b>131,300</b>	<b>129,737</b>	<b>(1,563)</b>	<b>146,984</b>
<b>EXPENDITURES</b>				
Current:				
Personal Services	53,200	52,642	558	47,069
Supplies	5,000	49	4,951	-
Other Services and Charges	188,500	174,245	14,255	173,500
<b>Total expenditures</b>	<b>246,700</b>	<b>226,936</b>	<b>19,764</b>	<b>220,569</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(115,400)</b>	<b>(97,199)</b>	<b>18,201</b>	<b>(73,585)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	120,000	120,000	-	120,000
Transfers Out	(2,000)	(2,000)	-	(1,600)
<b>Total other financing sources (uses)</b>	<b>118,000</b>	<b>118,000</b>	<b>-</b>	<b>118,400</b>
<b>Net change in fund balances</b>	<b>2,600</b>	<b>20,801</b>	<b>18,201</b>	<b>44,815</b>
<b>Fund balances-beginning</b>	<b>183,805</b>	<b>183,805</b>	<b>-</b>	<b>138,990</b>
<b>Fund balances-ending</b>	<b>\$ 186,405</b>	<b>\$ 204,606</b>	<b>\$ 18,201</b>	<b>\$ 183,805</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, 2008**  
**With Comparative Actual Amounts for the Year Ended September 30, 2007**

	<b>2008</b>		<b>Variance with Final Budget - Positive (Negative)</b>	<b>2007 Actual</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>		
<b>REVENUES</b>				
Charges for Services	\$ 27,500	\$ 26,527	\$ (973)	\$ 27,764
<b>Excess (deficiency) of revenues over (under) expenditures</b>	27,500	26,527	(973)	27,764
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(40,000)	(40,000)	-	(40,000)
<b>Net change in fund balances</b>	(12,500)	(13,473)	(973)	(12,236)
<b>Fund balances-beginning</b>	57,293	57,293	-	69,529
<b>Fund balances-ending</b>	<b>\$ 44,793</b>	<b>\$ 43,820</b>	<b>\$ (973)</b>	<b>\$ 57,293</b>

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**COURTHOUSE SECURITY SPECIAL REVENUE FUND**  
**For the Year Ended September 30, 2008**  
**With Comparative Actual Amounts for the Year Ended September 30, 2007**

	<b>2008</b>		<b>Variance with Final Budget - Positive (Negative)</b>	<b>2007 Actual</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>		
<b>REVENUES</b>				
Charges for Services	\$ 234,300	\$ 212,670	\$ (21,630)	\$ 237,780
<b>EXPENDITURES</b>				
Current:				
Personal Services	184,200	168,132	16,068	169,074
Supplies	10,000	1,207	8,793	1,905
Other Services and Charges	21,900	20,300	1,600	9,118
<b>Total expenditures</b>	<b>216,100</b>	<b>189,639</b>	<b>26,461</b>	<b>180,097</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>18,200</b>	<b>23,031</b>	<b>4,831</b>	<b>57,683</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(4,000)	(4,000)	-	(3,200)
<b>Net change in fund balances</b>	<b>14,200</b>	<b>19,031</b>	<b>4,831</b>	<b>54,483</b>
<b>Fund balances-beginning</b>	<b>371,989</b>	<b>371,989</b>	<b>-</b>	<b>317,506</b>
<b>Fund balances-ending</b>	<b>\$ 386,189</b>	<b>\$ 391,020</b>	<b>\$ 4,831</b>	<b>\$ 371,989</b>

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**MEDIATION SERVICES PROGRAM SPECIAL REVENUE FUND**  
**For the Year Ended September 30, 2008**  
**With Comparative Actual Amounts for the Year Ended September 30, 2007**

	<b>2008</b>			<b>2007 Actual</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>	
<b>REVENUES</b>				
Charges for Services	\$ 107,000	\$ 120,787	\$ 13,787	\$ 111,215
Investment Earnings	15,000	13,113	(1,887)	15,985
<b>Total revenues</b>	<u>122,000</u>	<u>133,900</u>	<u>11,900</u>	<u>127,200</u>
<b>EXPENDITURES</b>				
Current:				
Other Services and Charges	<u>75,000</u>	<u>31,610</u>	<u>43,390</u>	<u>35,999</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	47,000	102,290	55,290	91,201
<b>Fund balances-beginning</b>	<u>350,127</u>	<u>350,127</u>	<u>-</u>	<u>258,926</u>
<b>Fund balances-ending</b>	<u><u>\$ 397,127</u></u>	<u><u>\$ 452,417</u></u>	<u><u>\$ 55,290</u></u>	<u><u>\$ 350,127</u></u>

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET (NON-GAAP) AND ACTUAL**  
**TAX ASSESSOR-COLLECTOR SPECIAL INVENTORY TAX ESCROW SPECIAL REVENUE FUND**  
**For the Year Ended September 30, 2008**  
**With Comparative Actual Amounts for the Year Ended September 30, 2007**

	<b>2008</b>		<b>Variance with Final Budget - Positive (Negative)</b>	<b>2007 Actual</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>		
<b>REVENUES</b>				
Taxes	\$ -	\$ 4,170	\$ 4,170	\$ -
Investment Earnings	-	22,886	22,886	33,728
<b>Total revenues</b>	<b>-</b>	<b>27,056</b>	<b>27,056</b>	<b>33,728</b>
<b>EXPENDITURES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>-</b>	<b>27,056</b>	<b>27,056</b>	<b>33,728</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(19,000)	(19,000)	-	(22,700)
<b>Net change in fund balances</b>	<b>(19,000)</b>	<b>8,056</b>	<b>27,056</b>	<b>11,028</b>
<b>Fund balances-beginning</b>	<b>121,691</b>	<b>121,691</b>	<b>-</b>	<b>110,663</b>
<b>Fund balances-ending</b>	<b>\$ 102,691</b>	<b>\$ 129,747</b>	<b>\$ 27,056</b>	<b>\$ 121,691</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, 2008**  
**With Comparative Actual Amounts for the Year Ended September 30, 2007**

	<u>2008</u>		<b>Variance with Final Budget - Positive (Negative)</b>	<b>2007 Actual</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>		
<b>REVENUES</b>				
Miscellaneous	\$ 10,000	\$ 10,000	\$ -	\$ -
<b>EXPENDITURES</b>				
Current:				
Other Services and Charges	\$ 64,800	\$ 57,764	\$ 7,036	\$ 9,296
<b>Excess (deficiency) of revenues     over (under) expenditures</b>	(54,800)	(47,764)	7,036	(9,296)
<b>Fund balances-beginning</b>	48,634	48,634	-	57,930
<b>Fund balances-ending</b>	<u>\$ (6,166)</u>	<u>\$ 870</u>	<u>\$ 7,036</u>	<u>\$ 48,634</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, 2008**  
**With Comparative Actual Amounts for the Year Ended September 30, 2007**

	<b>2008</b>		<b>Variance with Final Budget - Positive (Negative)</b>	<b>2007 Actual</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>		
<b>REVENUES</b>				
Taxes	\$ 1,008,835	\$ 1,036,675	\$ 27,840	\$ 961,205
Investment Earnings	61,000	39,756	(21,244)	60,860
<b>Total revenues</b>	<b>1,069,835</b>	<b>1,076,431</b>	<b>6,596</b>	<b>1,022,065</b>
<b>EXPENDITURES</b>				
Current:				
Personal Services	639,600	575,717	63,883	522,186
Supplies	346,700	299,936	46,764	209,417
Other Services and Charges	121,900	93,312	28,588	109,106
Capital Outlay	65,805	33,114	32,691	45,270
<b>Total expenditures</b>	<b>1,174,005</b>	<b>1,002,079</b>	<b>171,926</b>	<b>885,979</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(104,170)</b>	<b>74,352</b>	<b>178,522</b>	<b>136,086</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(13,200)	(13,200)	-	(11,400)
Sale of Capital Assets	-	1	1	7,383
<b>Total other financing sources (uses)</b>	<b>(13,200)</b>	<b>(13,199)</b>	<b>1</b>	<b>(4,017)</b>
<b>Net change in fund balances</b>	<b>(117,370)</b>	<b>61,153</b>	<b>178,523</b>	<b>132,069</b>
<b>Fund balances-beginning</b>	<b>1,278,762</b>	<b>1,278,762</b>	<b>-</b>	<b>1,146,693</b>
<b>Fund balances-ending</b>	<b>\$ 1,161,392</b>	<b>\$ 1,339,915</b>	<b>\$ 178,523</b>	<b>\$ 1,278,762</b>

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET (NON-GAAP) AND ACTUAL**  
**LAW ENFORCEMENT CONTINUED EDUCATION SPECIAL REVENUE FUND**  
**For the Year Ended September 30, 2008**  
**With Comparative Actual Amounts for the Year Ended September 30, 2007**

	<b>2008</b>		<b>Variance with Final Budget - Positive (Negative)</b>	<b>2007 Actual</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>		
<b>REVENUES</b>				
Intergovernmental	\$ 35,222	\$ 35,222	\$ -	\$ 32,423
<b>EXPENDITURES</b>				
Current:				
Inter-/Intragovernmental	175,060	13,971	161,089	46,632
<b>Excess (deficiency) of revenues     over (under) expenditures</b>	(139,838)	21,251	161,089	(14,209)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	-	4,564
<b>Net change in fund balances</b>	(139,838)	21,251	161,089	(9,645)
<b>Fund balances-beginning</b>	139,840	139,840	-	149,485
<b>Fund balances-ending</b>	<b>\$ 2</b>	<b>\$ 161,091</b>	<b>\$ 161,089</b>	<b>\$ 139,840</b>

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**FARM-TO-MARKET LATERAL ROAD SPECIAL REVENUE FUND**  
**For the Year Ended September 30, 2008**  
**With Comparative Actual Amounts for the Year Ended September 30, 2007**

	<b>2008</b>			<b>2007 Actual</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>	
<b>REVENUES</b>				
Taxes	\$ 4,000	\$ 2,016	\$ (1,984)	\$ 4,078
Intergovernmental	30,000	30,612	612	25,580
Investment Earnings	90,000	70,486	(19,514)	95,214
Miscellaneous	8,100	38,855	30,755	73,212
<b>Total revenues</b>	<b>132,100</b>	<b>141,969</b>	<b>9,869</b>	<b>198,084</b>
<b>EXPENDITURES</b>				
Current:				
Personal Services	129,400	70,106	59,294	63,353
Supplies	3,000	137	2,863	1,571
Other Services and Charges	54,700	25,378	29,322	33,403
Capital Outlay	57,242	38,412	18,830	-
<b>Total expenditures</b>	<b>244,342</b>	<b>134,033</b>	<b>110,309</b>	<b>98,327</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(112,242)</b>	<b>7,936</b>	<b>120,178</b>	<b>99,757</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(48,000)	(48,000)	-	(43,000)
Sale of Capital Assets	15,000	14,250	(750)	487,865
<b>Total other financing sources (uses)</b>	<b>(33,000)</b>	<b>(33,750)</b>	<b>(750)</b>	<b>444,865</b>
<b>Net change in fund balances</b>	<b>(145,242)</b>	<b>(25,814)</b>	<b>119,428</b>	<b>544,622</b>
<b>Fund balances-beginning</b>	<b>2,114,021</b>	<b>2,114,021</b>	<b>-</b>	<b>1,569,399</b>
<b>Fund balances-ending</b>	<b>\$ 1,968,779</b>	<b>\$ 2,088,207</b>	<b>\$ 119,428</b>	<b>\$ 2,114,021</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, 2008**  
**With Comparative Actual Amounts for the Year Ended September 30, 2007**

	<b>2008</b>			<b>2007 Actual</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>	
<b>REVENUES</b>				
Taxes	\$ 2,111,671	\$ 2,117,577	\$ 5,906	\$ 1,986,870
Charges for Services	112,800	96,230	(16,570)	116,758
Investment Earnings	109,000	82,269	(26,731)	106,285
Miscellaneous	45,600	81,450	35,850	47,371
<b>Total revenues</b>	<b>2,379,071</b>	<b>2,377,526</b>	<b>(1,545)</b>	<b>2,257,284</b>
<b>EXPENDITURES</b>				
General Government:				
Current:				
Personal Services	20,300	(2,713)	23,013	-
Supplies	-	-	-	-
Other Services and Charges	141,859	151,343	(9,484)	229,852
<b>Total General Government</b>	<b>162,159</b>	<b>148,630</b>	<b>13,529</b>	<b>229,852</b>
Public Safety:				
Current:				
Personal Services	1,371,700	1,249,607	122,093	855,681
Supplies	201,600	170,911	30,689	172,957
Other Services and Charges	499,600	370,026	129,574	282,758
<b>Total Public Safety</b>	<b>2,072,900</b>	<b>1,790,544</b>	<b>282,356</b>	<b>1,311,396</b>
Capital Outlay	3,036,375	2,097,133	939,242	898,871
<b>Total expenditures</b>	<b>5,271,434</b>	<b>4,036,307</b>	<b>1,235,127</b>	<b>2,440,119</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(2,892,363)</b>	<b>(1,658,781)</b>	<b>1,233,582</b>	<b>(182,835)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	1,700,200	1,700,200	-	-
Transfers Out	(100,000)	(100,000)	-	(16,000)
Sale of Capital Assets	1,000	-	(1,000)	6,953
<b>Total other financing sources (uses)</b>	<b>1,601,200</b>	<b>1,600,200</b>	<b>(1,000)</b>	<b>(9,047)</b>
<b>Net change in fund balances</b>	<b>(1,291,163)</b>	<b>(58,581)</b>	<b>1,232,582</b>	<b>(191,882)</b>
<b>Fund balances-beginning</b>	<b>1,424,949</b>	<b>1,424,949</b>	<b>-</b>	<b>1,616,831</b>
<b>Fund balances-ending</b>	<b>\$ 133,786</b>	<b>\$ 1,366,368</b>	<b>\$ 1,232,582</b>	<b>\$ 1,424,949</b>

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**DISTRICT CLERK CHILD SUPPORT IV-D SPECIAL REVENUE FUND**  
**For the Year Ended September 30, 2008**  
**With Comparative Actual Amounts for the Year Ended September 30, 2007**

	<b>2008</b>			<b>2007 Actual</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>	
<b>REVENUES</b>				
Intergovernmental	\$ 5,400	\$ 4,359	\$ (1,041)	\$ 4,868
<b>EXPENDITURES</b>	-	-	-	-
<b>Excess (deficiency) of revenues     over (under) expenditures</b>	5,400	4,359	(1,041)	4,868
<b>Fund balances-beginning</b>	97,797	97,797	-	92,929
<b>Fund balances-ending</b>	<u>\$ 103,197</u>	<u>\$ 102,156</u>	<u>\$ (1,041)</u>	<u>\$ 97,797</u>

**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, 2008**  
**With Comparative Actual Amounts for the Year Ended September 30, 2007**

	<u>2008</u>		<b>Variance with Final Budget - Positive (Negative)</b>	<b>2007 Actual</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>		
<b>EXPENDITURES</b>				
Current:				
<b>Supplies</b>	\$ -	\$ 13	\$ (13)	\$ -
<b>Excess (deficiency) of revenues     over (under) expenditures</b>	-	(13)	(13)	-
<b>Fund balances-beginning</b>	13	13	-	13
<b>Fund balances-ending</b>	<u>\$ 13</u>	<u>\$ -</u>	<u>\$ (13)</u>	<u>\$ 13</u>

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET (NON-GAAP) AND ACTUAL**  
**DISTRICT ATTORNEY CONTRABAND POST-10/89 SPECIAL REVENUE FUND**  
**For the Year Ended September 30, 2008**  
**With Comparative Actual Amounts for the Year Ended September 30, 2007**

	<b>2008</b>		<b>Variance with Final Budget - Positive (Negative)</b>	<b>2007 Actual</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>		
<b>REVENUES</b>				
Fines and Forfeitures	\$ 4,134	\$ 25,302	\$ 21,168	\$ 32,848
<b>EXPENDITURES</b>				
Current:				
Supplies	2,800	2,486	314	2,720
Other Services and Charges	45,285	34,446	10,839	41,343
<b>Total expenditures</b>	48,085	36,932	11,153	44,063
<b>Excess (deficiency) of revenues over (under) expenditures</b>	(43,951)	(11,630)	32,321	(11,215)
<b>Fund balances-beginning</b>	43,951	43,951	-	55,166
<b>Fund balances-ending</b>	<u>\$ -</u>	<u>\$ 32,321</u>	<u>\$ 32,321</u>	<u>\$ 43,951</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, 2008**  
**With Comparative Actual Amounts for the Year Ended September 30, 2007**

	<b>2008</b>		<b>Variance with Final Budget - Positive (Negative)</b>	<b>2007 Actual</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>		
<b>REVENUES</b>				
Charges for Services	\$ -	\$ 12,639	\$ 12,639	\$ 19,414
<b>EXPENDITURES</b>				
Current:				
Supplies	11,000	881	10,119	5,726
Other Services and Charges	36,000	9,489	26,511	10,053
Capital Outlay	4,000	-	4,000	-
<b>Total expenditures</b>	<b>47,000</b>	<b>10,370</b>	<b>36,630</b>	<b>15,779</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(47,000)</b>	<b>2,269</b>	<b>49,269</b>	<b>3,635</b>
<b>Fund balances-beginning</b>	<b>73,730</b>	<b>73,730</b>	<b>-</b>	<b>70,095</b>
<b>Fund balances-ending</b>	<b>\$ 26,730</b>	<b>\$ 75,999</b>	<b>\$ 49,269</b>	<b>\$ 73,730</b>



**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET (NON-GAAP) AND ACTUAL**  
**SHERIFF'S COMMISSARY SPECIAL REVENUE FUND**  
**For the Year Ended September 30, 2008**  
**With Comparative Actual Amounts for the Year Ended September 30, 2007**

	<b>2008</b>		<b>Variance with Final Budget - Positive (Negative)</b>	<b>2007 Actual</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>		
<b>REVENUES</b>				
Investment Earnings	\$ -	\$ 22,986	\$ 22,986	\$ 17,366
Miscellaneous	-	234,123	234,123	196,437
<b>Total revenues</b>	<b>-</b>	<b>257,109</b>	<b>257,109</b>	<b>213,803</b>
<b>EXPENDITURES</b>				
Current:				
Other Services and Charges	-	117,846	(117,846)	92,991
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>-</b>	<b>139,263</b>	<b>139,263</b>	<b>120,812</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	-	-	-	(10,200)
<b>Net change in fund balances</b>	<b>-</b>	<b>139,263</b>	<b>139,263</b>	<b>110,612</b>
<b>Fund balances-beginning</b>	<b>736,828</b>	<b>736,828</b>	<b>-</b>	<b>626,216</b>
<b>Fund balances-ending</b>	<b>\$ 736,828</b>	<b>\$ 876,091</b>	<b>\$ 139,263</b>	<b>\$ 736,828</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, 2008**  
**With Comparative Actual Amounts for the Year Ended September 30, 2007**

	<u>2008</u>			<u>2007</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>EXPENDITURES</b>				
Current:				
Other Services and Charges	\$ -	\$ -	\$ -	\$ 2,037
<b>Excess (deficiency) of revenues</b> <b>over (under) expenditures</b>	-	-	-	(2,037)
<b>Fund balances-beginning</b>	-	-	-	2,037
<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**  
**SHERIFF SEIZURES POST-10/89 SPECIAL REVENUE FUND**  
**For the Year Ended September 30, 2008**  
**With Comparative Actual Amounts for the Year Ended September 30, 2007**

	2008		Variance with Final Budget - Positive (Negative)	2007 Actual
	Final Budgeted Amounts	Actual Amounts		
<b>REVENUES</b>				
Fines and Forfeitures	\$ -	\$ 3,946	\$ 3,946	\$ 15,855
Investment Earnings	-	1,800	1,800	1,608
<b>Total revenues</b>	<b>-</b>	<b>5,746</b>	<b>5,746</b>	<b>17,463</b>
<b>EXPENDITURES</b>				
Current:				
Supplies	4,000	-	4,000	-
Other Services and Charges	-	-	-	-
Capital Outlay	29,695	693	29,002	613
<b>Total expenditures</b>	<b>33,695</b>	<b>693</b>	<b>33,002</b>	<b>613</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(33,695)</b>	<b>5,053</b>	<b>38,748</b>	<b>16,850</b>
<b>Fund balances-beginning</b>	<b>37,589</b>	<b>37,589</b>	<b>-</b>	<b>20,739</b>
<b>Fund balances-ending</b>	<b>\$ 3,894</b>	<b>\$ 42,642</b>	<b>\$ 38,748</b>	<b>\$ 37,589</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, 2008**  
**With Comparative Actual Amounts for the Year Ended September 30, 2007**

	2008		Variance with Final Budget - Positive (Negative)	2007 Actual
	Final Budgeted Amounts	Actual Amounts		
<b>REVENUES</b>				
Fines and Forfeitures	\$ -	\$ 18,660	\$ 18,660	\$ -
<b>EXPENDITURES</b>	-	-	-	-
<b>Excess (deficiency) of revenues     over (under) expenditures</b>	-	18,660	18,660	-
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	-	23,650
Transfers Out	-	(5,250)	(5,250)	-
<b>Total other financing sources (uses)</b>	-	(5,250)	(5,250)	23,650
<b>Net change in fund balances</b>	-	13,410	13,410	23,650
<b>Fund balances-beginning</b>	23,651	23,651	-	1
<b>Fund balances-ending</b>	<u>\$ 23,651</u>	<u>\$ 37,061</u>	<u>\$ 13,410</u>	<u>\$ 23,651</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, 2008**  
**With Comparative Actual Amounts for the Year Ended September 30, 2007**

	<b>2008</b>			<b>2007 Actual</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>	
<b>REVENUES</b>				
Investment Earnings	\$ -	\$ 5,817	\$ 5,817	\$ 6,080
<b>Excess (deficiency) of revenues over (under) expenditures</b>	-	5,817	5,817	6,080
<b>Fund balances-beginning</b>	42,476	42,476	-	36,396
<b>Fund balances-ending</b>	<b>\$ 42,476</b>	<b>\$ 48,293</b>	<b>\$ 5,817</b>	<b>\$ 42,476</b>

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**JUSTICE COURT TECHNOLOGY SPECIAL REVENUE FUND**  
**For the Year Ended September 30, 2008**  
**With Comparative Actual Amounts for the Year Ended September 30, 2007**

	<u>2008</u>		<b>Variance with Final Budget - Positive (Negative)</b>	<b>2007 Actual</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>		
<b>REVENUES</b>				
Fines and Forfeitures	\$ 89,050	\$ 80,838	\$ (8,212)	\$ 91,487
<b>EXPENDITURES</b>				
Current:				
Other Services and Charges	60,000	60,000	-	60,000
<b>Excess (deficiency) of revenues over (under) expenditures</b>	29,050	20,838	(8,212)	31,487
<b>Fund balances-beginning</b>	75,201	75,201	-	43,714
<b>Fund balances-ending</b>	<b>\$ 104,251</b>	<b>\$ 96,039</b>	<b>\$ (8,212)</b>	<b>\$ 75,201</b>

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET (NON-GAAP) AND ACTUAL**  
**PROBATE COURT CONTRIBUTIONS SPECIAL REVENUE FUND**  
**For the Year Ended September 30, 2008**  
**With Comparative Actual Amounts for the Year Ended September 30, 2007**

	<b>2008</b>		<b>Variance with Final Budget - Positive (Negative)</b>	<b>2007 Actual</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>		
<b>REVENUES</b>				
Intergovernmental	\$ 40,000	\$ 40,000	\$ -	\$ 40,000
<b>EXPENDITURES</b>				
Current:				
Supplies	2,000	480	1,520	-
Other Services and Charges	20,000	12,629	7,371	2,305
<b>Total expenditures</b>	<b>22,000</b>	<b>13,109</b>	<b>8,891</b>	<b>2,305</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>18,000</b>	<b>26,891</b>	<b>8,891</b>	<b>37,695</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(20,000)	(20,000)	-	(23,500)
<b>Net change in fund balances</b>	<b>(2,000)</b>	<b>6,891</b>	<b>8,891</b>	<b>14,195</b>
<b>Fund balances-beginning</b>	<b>274,580</b>	<b>274,580</b>	<b>-</b>	<b>260,385</b>
<b>Fund balances-ending</b>	<b>\$ 272,580</b>	<b>\$ 281,471</b>	<b>\$ 8,891</b>	<b>\$ 274,580</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, 2008**  
**With Comparative Actual Amounts for the Year Ended September 30, 2007**

	<b>2008</b>		<b>Variance with Final Budget - Positive (Negative)</b>	<b>2007 Actual</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>		
<b>REVENUES</b>				
Intergovernmental	\$ -	9,613	\$ -	\$ -
Investment Earnings	-	1,471	1,471	-
Miscellaneous	-	17,529	17,529	424,992
<b>Total revenues</b>	<b>-</b>	<b>28,613</b>	<b>19,000</b>	<b>424,992</b>
<b>EXPENDITURES</b>				
Current:				
Other Services and Charges	935,219	265,422	669,797	721,109
<b>Total expenditures</b>	<b>935,219</b>	<b>265,422</b>	<b>669,797</b>	<b>721,109</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(935,219)</b>	<b>(236,809)</b>	<b>687,326</b>	<b>(296,117)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	706,000	706,000	-	118,356
<b>Net change in fund balances</b>	<b>(229,219)</b>	<b>469,191</b>	<b>687,326</b>	<b>(177,761)</b>
<b>Fund balances-beginning</b>	<b>915,436</b>	<b>915,436</b>	<b>-</b>	<b>1,093,197</b>
<b>Fund balances-ending</b>	<b>\$ 686,217</b>	<b>\$ 1,384,627</b>	<b>\$ 687,326</b>	<b>\$ 915,436</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, 2008**  
**With Comparative Actual Amounts for the Year Ended September 30, 2007**

	<u>2008</u>			<u>2007</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 SPECIAL REVENUE FUND**  
**For the Year Ended September 30, 2008**  
**With Comparative Actual Amounts for the Year Ended September 30, 2007**

	<u>2008</u>		<b>Variance with Final Budget - Positive (Negative)</b>	<u>2007 Actual</u>
	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>		
<b>REVENUES</b>				
Charges for Services	\$ 88,030	\$ 246,917	\$ 158,887	\$ 156,288
<b>EXPENDITURES</b>				
Current:				
Supplies	88,030	88,030	-	-
<b>Excess (deficiency) of revenues over (under) expenditures</b>	-	158,887	158,887	156,288
<b>Fund balances-beginning</b>	185,188	185,188	-	28,900
<b>Fund balances-ending</b>	<u>\$ 185,188</u>	<u>\$ 344,075</u>	<u>\$ 158,887</u>	<u>\$ 185,188</u>



Dispatchers at the Galveston County Emergency Management Building as Hurricane Ike approaches Galveston.

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.

GENERAL OBLIGATION REFUNDING BONDS SERIES 2007 (Fund 4020) – The General Obligation Refunding Bonds Series 2007 were issued to advance refund a portion of the County's outstanding Combination Tax and Revenue Certificates of Obligation Series 2002, Combination Tax and Revenue Certificates of Obligation Series 2002A, Limited Tax Criminal Justice Bonds Series 2003A and Combination Tax and Revenue Certificates of Obligation Series 2003C (collectively referred to as "Refunded Obligations".)

COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION SERIES 2008 (Fund 4392) – The Combination Tax and Revenue Certificates of Obligation Series 2008 were issued for the purpose of evidencing the indebtedness of the County to pay all or any part of the contractual obligations to be incurred for the construction of public works, the purchase of, among other things, materials, supplies, equipment, machinery, buildings, land and rights-of-way for authorized needs and purposes for the payment of contractual obligations for professional services, to wit: (i) levee improvements and improvements of various pump stations; (ii) improvements to the Texas City Dike and the Texas City Dike Road; (iii) improvements to various City of Texas City roads in the San Leon portion of the County; and (iv) for professional services rendered in connection with the above listed projects.

**GALVESTON COUNTY, TEXAS  
 COMBINING BALANCE SHEET  
 NONMAJOR DEBT SERVICE FUNDS  
 September 30, 2008  
 With Comparative Totals at September 30, 2007**

	<b>CONSTRUCTION/ IMPROVEMENT TAX AND REVENUE CERTIFICATES OF OBLIGATION SERIES 1999</b>	<b>LIMITED TAX JUSTICE CENTER BONDS SERIES 2001</b>	<b>UNLIMITED TAX ROAD BONDS SERIES 2001</b>	<b>PARK ROADS/ PARKING LOT IMPROVEMENTS CERTIFICATES OF OBLIGATION SERIES 2002A</b>
<b>ASSETS</b>				
Investments	\$ 404,195	\$ 788,113	\$ 577,721	\$ 280,256
Receivables (Net of Allowances for Uncollectibles):				
Taxes	106,347	177,933	106,140	50,792
Accounts and Other	471	667	474	167
<b>Total assets</b>	<b>\$ 511,013</b>	<b>\$ 966,713</b>	<b>\$ 684,335</b>	<b>\$ 331,215</b>
<b>LIABILITIES</b>				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Due to Others	-	-	-	-
Deferred Revenues	106,348	177,933	106,140	50,792
<b>Total liabilities</b>	<b>106,348</b>	<b>177,933</b>	<b>106,140</b>	<b>50,792</b>
<b>FUND BALANCES</b>				
Reserved for Debt Service	404,665	788,780	578,195	280,423
<b>Total fund balances</b>	<b>404,665</b>	<b>788,780</b>	<b>578,195</b>	<b>280,423</b>
<b>Total liabilities and fund balances</b>	<b>\$ 511,013</b>	<b>\$ 966,713</b>	<b>\$ 684,335</b>	<b>\$ 331,215</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>
\$ 346,743	\$ 941,393	\$ 1,107,452	\$ 392,236	\$ 568,623
61,105	214,620	394,467	461,011	431,081
237	787	1,333	421	562
<u>\$ 408,085</u>	<u>\$ 1,156,800</u>	<u>\$ 1,503,252</u>	<u>\$ 853,668</u>	<u>\$ 1,000,266</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
61,105	214,619	394,466	461,010	431,080
61,105	214,619	394,466	461,010	431,080
346,980	942,181	1,108,786	392,658	569,186
346,980	942,181	1,108,786	392,658	569,186
<u>\$ 408,085</u>	<u>\$ 1,156,800</u>	<u>\$ 1,503,252</u>	<u>\$ 853,668</u>	<u>\$ 1,000,266</u>

**GALVESTON COUNTY, TEXAS  
COMBINING BALANCE SHEET  
NONMAJOR DEBT SERVICE FUNDS  
September 30, 2008  
With Comparative Totals at September 30, 2007**

	<b>GENERAL OBLIGATION 1999/2001 REFUNDING BONDS SERIES 2004</b>	<b>UNLIMITED TAX ROAD REFUNDING BONDS SERIES 2004A</b>	<b>PASS-THROUGH TOLL REVENUE AND LIMITED TAX BONDS SERIES 2007</b>	<b>GENERAL OBLIGATION REFUNDING BONDS SERIES 2007</b>
<b>ASSETS</b>				
Investments	\$ 774,725	\$ 551,703	\$ 5,098,793	\$ 26,807
Receivables (Net of Allowances for Uncollectibles):				
Taxes	120,549	91,204	-	-
Accounts and Other	467	253	-	-
<b>Total assets</b>	<b>\$ 895,741</b>	<b>\$ 643,160</b>	<b>\$ 5,098,793</b>	<b>\$ 26,807</b>
<b>LIABILITIES</b>				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Due to Others	-	-	-	-
Deferred Revenues	120,549	91,203	-	-
<b>Total liabilities</b>	<b>120,549</b>	<b>91,203</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES</b>				
Reserved for Debt Service	775,192	551,957	5,098,793	26,807
<b>Total fund balances</b>	<b>775,192</b>	<b>551,957</b>	<b>5,098,793</b>	<b>26,807</b>
<b>Total liabilities and fund balances</b>	<b>\$ 895,741</b>	<b>\$ 643,160</b>	<b>\$ 5,098,793</b>	<b>\$ 26,807</b>



GALVESTON COUNTY CERTIFICATES OF OBLIGATION SERIES 2008			TOTALS	
	2008	2007		
\$ 4,580	\$ 11,863,340	\$ 12,564,908		
-	2,215,249	1,861,528		
-	5,839	21,294		
<b>\$ 4,580</b>	<b>\$ 14,084,428</b>	<b>\$ 14,447,730</b>		
\$ -	\$ -	\$ 1,546		
-	-	42,232		
-	2,215,245	1,861,530		
-	2,215,245	1,905,308		
4,580	11,869,183	12,542,422		
4,580	11,869,183	12,542,422		
<b>\$ 4,580</b>	<b>\$ 14,084,428</b>	<b>\$ 14,447,730</b>		



(a) Waves crash over the Galveston Seawall and the memorial statue for the 1900 Galveston Hurricane before the arrival of Hurricane Ike. (Courtesy of Johnny Hanson, *Houston Chronicle*.)

(b) House on fire on Galveston Island as storm-surge waters rise in advance of Ike. (Courtesy of Smiley N. Pool, *Houston Chronicle*.)

(c) Devastation on the Bolivar Peninsula due to storm surge from Ike. (Courtesy of the National Weather Service of Houston/Galveston and the Galveston County Office of Emergency Management.)

(d) “Before” and “after” images of the Bolivar Peninsula depicting the effects of the storm surge. (Courtesy of the U.S. Geological Survey.)



(e) Debris, boats and trailers on the southbound lanes of Interstate 45 heading toward Galveston.  
(Courtesy of Eric Kayne, *Houston Chronicle*.)

(f) Ships waiting to enter Galveston Bay after Hurricane Ike. (Courtesy of Smiley N. Pool,  
*Houston Chronicle*.)

**GALVESTON COUNTY, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES**  
**NONMAJOR DEBT SERVICE FUNDS**  
**For the Year Ended September 30, 2008**  
**With Comparative Totals for the Year Ended September 30, 2007**

	<b>CONSTRUCTION/ IMPROVEMENT TAX AND REVENUE CERTIFICATES OF OBLIGATION SERIES 1999</b>	<b>LIMITED TAX JUSTICE CENTER BONDS SERIES 2001</b>	<b>UNLIMITED TAX ROAD BONDS SERIES 2001</b>	<b>PARK ROADS/ PARKING LOT IMPROVEMENTS CERTIFICATES OF OBLIGATION SERIES 2002A</b>
<b>REVENUES</b>				
Taxes	\$ 1,338,479	\$ 1,931,690	\$ 1,370,824	\$ 494,526
Investment Earnings	15,577	24,924	19,485	9,985
<b>Total revenues</b>	<b>1,354,056</b>	<b>1,956,614</b>	<b>1,390,309</b>	<b>504,511</b>
<b>EXPENDITURES</b>				
Current:				
General Government	-	-	-	-
Debt Service:				
Principal Retirement	1,350,000	1,475,000	1,110,000	310,000
Interest and Fiscal Charges	83,790	248,877	186,679	122,423
Bond Issuance Costs	-	-	-	-
Refund-Prior Year Tax Revenue	-	-	-	-
<b>Total expenditures</b>	<b>1,433,790</b>	<b>1,723,877</b>	<b>1,296,679</b>	<b>432,423</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(79,734)</b>	<b>232,737</b>	<b>93,630</b>	<b>72,088</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	-	-
Transfers Out	-	-	-	(44,777)
Face Value - Long Term Debt Issued	-	-	-	-
Premium - Long Term Debt Issued	-	-	-	-
Discount - Long Term Debt Issued	-	-	-	-
Refunded Bonds - Escrow Agent	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(44,777)</b>
<b>Net change in fund balances</b>	<b>(79,734)</b>	<b>232,737</b>	<b>93,630</b>	<b>27,311</b>
<b>Fund balances-beginning</b>	<b>484,399</b>	<b>556,043</b>	<b>484,565</b>	<b>253,112</b>
<b>Fund balances-ending</b>	<b>\$ 404,665</b>	<b>\$ 788,780</b>	<b>\$ 578,195</b>	<b>\$ 280,423</b>

(Continued)

<b>SAN LUIS PASS BRIDGE CERTIFICATES OF OBLIGATION SERIES 2002</b>	<b>COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION SERIES 2003C</b>	<b>LIMITED TAX CRIMINAL JUSTICE CENTER BONDS SERIES 2003A</b>	<b>UNLIMITED TAX ROAD BONDS SERIES 2003B</b>	<b>LIMITED TAX FORWARD REFUNDING BONDS SERIES 2003</b>
\$ 670,292	\$ 2,307,596	\$ 3,836,035	\$ 698,560	\$ 1,176,391
12,728	32,452	43,511	15,320	18,567
<u>683,020</u>	<u>2,340,048</u>	<u>3,879,546</u>	<u>713,880</u>	<u>1,194,958</u>
-	-	-	-	-
-	-	-	-	-
430,000	30,000	1,465,000	270,000	975,000
170,643	293,300	336,275	403,263	123,750
-	-	-	-	-
-	-	-	-	-
<u>600,643</u>	<u>323,300</u>	<u>1,801,275</u>	<u>673,263</u>	<u>1,098,750</u>
<u>82,377</u>	<u>2,016,748</u>	<u>2,078,271</u>	<u>40,617</u>	<u>96,208</u>
-	-	-	-	-
(62,557)	(1,719,800)	(2,061,235)	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>(62,557)</u>	<u>(1,719,800)</u>	<u>(2,061,235)</u>	<u>-</u>	<u>-</u>
19,820	296,948	17,036	40,617	96,208
327,160	645,233	1,091,750	352,041	472,978
<u>\$ 346,980</u>	<u>\$ 942,181</u>	<u>\$ 1,108,786</u>	<u>\$ 392,658</u>	<u>\$ 569,186</u>

**GALVESTON COUNTY, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES**  
**NONMAJOR DEBT SERVICE FUNDS**  
**For the Year Ended September 30, 2008**  
**With Comparative Totals for the Year Ended September 30, 2007**

	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	GENERAL OBLIGATION REFUNDING BONDS SERIES 2007	GALVESTON COUNTY CERTIFICATES OF OBLIGATION SERIES 2008
<b>REVENUES</b>					
Taxes	\$ 1,372,083	\$ 722,428	\$ -	\$ -	\$ -
Investment Earnings	29,865	18,306	216,656	19,051	529
<b>Total revenues</b>	<u>1,401,948</u>	<u>740,734</u>	<u>216,656</u>	<u>19,051</u>	<u>529</u>
<b>EXPENDITURES</b>					
Current:					
General Government	-	-	-	-	-
Debt Service:					
Principal Retirement	40,000	100,000	-	1,475,000	-
Interest and Fiscal Charges	1,108,475	429,575	2,130,487	2,407,369	75,949
Bond Issuance Costs	-	-	-	993,939	-
Refund-Prior Year Tax Revenue	-	-	-	-	-
<b>Total expenditures</b>	<u>1,148,475</u>	<u>529,575</u>	<u>2,130,487</u>	<u>4,876,308</u>	<u>75,949</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>253,473</u>	<u>211,159</u>	<u>(1,913,831)</u>	<u>(4,857,257)</u>	<u>(75,420)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	-	-	-	3,888,369	80,000
Transfers Out	-	-	-	-	-
Face Value - Long Term Debt Issued	-	-	-	88,425,000	-
Premium - Long Term Debt Issued	-	-	-	228,250	-
Discount - Long Term Debt Issued	-	-	-	(4,379,918)	-
Refunded Bonds - Escrow Agent	-	-	-	(83,277,637)	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,884,064</u>	<u>80,000</u>
<b>Net change in fund balances</b>	253,473	211,159	(1,913,831)	26,807	4,580
<b>Fund balances-beginning</b>	<u>521,719</u>	<u>340,798</u>	<u>7,012,624</u>	<u>-</u>	<u>-</u>
<b>Fund balances-ending</b>	<u><u>\$ 775,192</u></u>	<u><u>\$ 551,957</u></u>	<u><u>\$ 5,098,793</u></u>	<u><u>\$ 26,807</u></u>	<u><u>\$ 4,580</u></u>

**TOTALS**

<u>2008</u>	<u>2007</u>
\$ 15,918,904	\$ 15,715,276
476,956	386,968
<u>16,395,860</u>	<u>16,102,244</u>
-	54,875
9,030,000	7,235,000
8,120,855	7,840,223
993,939	-
-	159,172
<u>18,144,794</u>	<u>15,234,395</u>
<u>(1,748,934)</u>	<u>867,849</u>
3,968,369	318,200
(3,888,369)	-
88,425,000	6,958,774
228,250	-
(4,379,918)	-
<u>(83,277,637)</u>	<u>-</u>
<u>1,075,695</u>	<u>7,276,974</u>
(673,239)	8,144,823
<u>12,542,422</u>	<u>4,397,599</u>
<u><b>\$ 11,869,183</b></u>	<u><b>\$ 12,542,422</b></u>

“Before” and “after” photographs of the Balinese Room, Murdoch’s Pier, and Hooters.



(Photograph courtesy of Michael McBride.)



(Photograph courtesy of Ashley Waters.)



**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, 2008**  
**With Comparative Actual Amounts for the Year Ended September 30, 2007**

	<b>2008</b>			<b>2007 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	\$ 1,261,728	\$ 1,295,148	\$ 33,420	\$ 1,567,462
Ad Valorem Taxes - Delinquent	7,000	28,510	21,510	17,281
Penalties and Interest	13,000	14,821	1,821	11,473
Investment Earnings	17,500	15,577	(1,923)	20,416
<b>Total revenues</b>	<b>1,299,228</b>	<b>1,354,056</b>	<b>54,828</b>	<b>1,616,632</b>
<b>EXPENDITURES</b>				
Debt Service:				
Principal Retirement	1,350,000	1,350,000	-	1,280,000
Interest and Fiscal Charges	87,400	83,790	3,610	149,130
Refund-Prior Year Tax Revenue	-	-	-	11,174
<b>Total expenditures</b>	<b>1,437,400</b>	<b>1,433,790</b>	<b>3,610</b>	<b>1,440,304</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(138,172)</b>	<b>(79,734)</b>	<b>58,438</b>	<b>176,328</b>
<b>Fund balances-beginning</b>	<b>484,399</b>	<b>484,399</b>	<b>-</b>	<b>308,071</b>
<b>Fund balances-ending</b>	<b>\$ 346,227</b>	<b>\$ 404,665</b>	<b>\$ 58,438</b>	<b>\$ 484,399</b>

**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, 2008**  
**With Comparative Actual Amounts for the Year Ended September 30, 2007**

	<b>2008</b>			<b>2007 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	\$ 1,824,101	\$ 1,872,414	\$ 48,313	\$1,732,700
Ad Valorem Taxes - Delinquent	22,000	38,240	16,240	34,458
Penalties and Interest	20,000	21,036	1,036	13,646
Investment Earnings	22,000	24,924	2,924	26,196
<b>Total revenues</b>	<b>1,888,101</b>	<b>1,956,614</b>	<b>68,513</b>	<b>1,807,000</b>
<b>EXPENDITURES</b>				
Debt Service:				
Principal Retirement	1,475,000	1,475,000	-	1,385,000
Interest and Fiscal Charges	252,900	248,877	4,023	307,999
Refund-Prior Year Tax Revenue	-	-	-	25,537
<b>Total expenditures</b>	<b>1,727,900</b>	<b>1,723,877</b>	<b>4,023</b>	<b>1,718,536</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>160,201</b>	<b>232,737</b>	<b>72,536</b>	<b>88,464</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	-	70,004
<b>Net change in fund balances</b>	<b>160,201</b>	<b>232,737</b>	<b>72,536</b>	<b>158,468</b>
<b>Fund balances-beginning</b>	<b>556,043</b>	<b>556,043</b>	<b>-</b>	<b>397,575</b>
<b>Fund balances-ending</b>	<b>\$ 716,244</b>	<b>\$ 788,780</b>	<b>\$ 72,536</b>	<b>\$ 556,043</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, 2008**  
**With Comparative Actual Amounts for the Year Ended September 30, 2007**

	<b>2008</b>			<b>2007 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	\$ 1,295,076	\$ 1,329,377	\$ 34,301	\$1,403,269
Ad Valorem Taxes - Delinquent	8,000	26,845	18,845	16,634
Penalties and Interest	10,000	14,602	4,602	11,446
Investment Earnings	19,000	19,485	485	22,073
<b>Total revenues</b>	<u>1,332,076</u>	<u>1,390,309</u>	<u>58,233</u>	<u>1,453,422</u>
<b>EXPENDITURES</b>				
Debt Service:				
Principal Retirement	1,110,000	1,110,000	-	1,040,000
Interest and Fiscal Charges	191,700	186,679	5,021	231,783
Refund-Prior Year Tax Revenue	-	-	-	18,164
<b>Total expenditures</b>	<u>1,301,700</u>	<u>1,296,679</u>	<u>5,021</u>	<u>1,289,947</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	30,376	93,630	63,254	163,475
<b>Fund balances-beginning</b>	<u>484,565</u>	<u>484,565</u>	<u>-</u>	<u>321,090</u>
<b>Fund balances-ending</b>	<u><u>\$ 514,941</u></u>	<u><u>\$ 578,195</u></u>	<u><u>\$ 63,254</u></u>	<u><u>\$ 484,565</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, 2008**  
**With Comparative Actual Amounts for the Year Ended September 30, 2007**

	2008			2007 Actual Amounts
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)	
<b>REVENUES</b>				
Taxes:				
Ad Valorem Taxes - Current	\$ 467,201	\$ 479,574	\$ 12,373	\$ 307,687
Ad Valorem Taxes - Delinquent	9,000	9,602	602	11,809
Penalties and Interest	6,500	5,350	(1,150)	2,886
Investment Earnings	18,000	9,985	(8,015)	16,614
<b>Total revenues</b>	<u>500,701</u>	<u>504,511</u>	<u>3,810</u>	<u>338,996</u>
<b>EXPENDITURES</b>				
Debt Service:				
Principal Retirement	310,000	310,000	-	295,000
Interest and Fiscal Charges	126,223	122,423	3,800	179,273
Refund-Prior Year Tax Revenue	-	-	-	1,092
<b>Total expenditures</b>	<u>436,223</u>	<u>432,423</u>	<u>3,800</u>	<u>475,365</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	64,478	72,088	7,610	(136,369)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(44,777)	(44,777)	-	-
<b>Net change in fund balances</b>	19,701	27,311	7,610	(136,369)
<b>Fund balances-beginning</b>	<u>253,112</u>	<u>253,112</u>	<u>-</u>	<u>389,481</u>
<b>Fund balances-ending</b>	<u><u>\$ 272,813</u></u>	<u><u>\$ 280,423</u></u>	<u><u>\$ 7,610</u></u>	<u><u>\$ 253,112</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, 2008**  
**With Comparative Actual Amounts for the Year Ended September 30, 2007**

	<b>2008</b>			<b>2007 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	\$ 629,784	\$ 646,464	\$ 16,680	\$ 758,625
Ad Valorem Taxes - Delinquent	8,000	15,874	7,874	14,463
Penalties and Interest	7,500	7,954	454	5,647
Investment Earnings	15,000	12,728	(2,272)	16,375
<b>Total revenues</b>	<b>660,284</b>	<b>683,020</b>	<b>22,736</b>	<b>795,110</b>
<b>EXPENDITURES</b>				
Debt Service:				
Principal Retirement	430,000	430,000	-	415,000
Interest and Fiscal Charges	174,643	170,643	4,000	250,043
Refund-Prior Year Tax Revenue	-	-	-	1,543
<b>Total expenditures</b>	<b>604,643</b>	<b>600,643</b>	<b>4,000</b>	<b>666,586</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>55,641</b>	<b>82,377</b>	<b>26,736</b>	<b>128,524</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(62,557)	(62,557)	-	-
<b>Net change in fund balances</b>	<b>(6,916)</b>	<b>19,820</b>	<b>26,736</b>	<b>128,524</b>
<b>Fund balances-beginning</b>	<b>327,160</b>	<b>327,160</b>	<b>-</b>	<b>198,636</b>
<b>Fund balances-ending</b>	<b>\$ 320,244</b>	<b>\$ 346,980</b>	<b>\$ 26,736</b>	<b>\$ 327,160</b>

**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, 2008**  
**With Comparative Actual Amounts for the Year Ended September 30, 2007**

	<b>2008</b>			<b>2007 Actual Amounts</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget- Positive (Negative)</b>	
<b>REVENUES</b>				
Taxes:				
Ad Valorem Taxes - Current	\$ 2,176,665	\$ 2,234,315	\$ 57,650	\$ 1,897,213
Ad Valorem Taxes - Delinquent	35,000	47,978	12,978	54,217
Penalties and Interest	25,500	25,303	(197)	14,433
Investment Earnings	50,000	32,452	(17,548)	54,463
<b>Total revenues</b>	<u>2,287,165</u>	<u>2,340,048</u>	<u>52,883</u>	<u>2,020,326</u>
<b>EXPENDITURES</b>				
Debt Service:				
Principal Retirement	30,000	30,000	-	25,000
Interest and Fiscal Charges	299,100	293,300	5,800	2,014,458
<b>Total expenditures</b>	<u>329,100</u>	<u>323,300</u>	<u>5,800</u>	<u>2,039,458</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	1,958,065	2,016,748	58,683	(19,132)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	-	82,732
Transfers Out	(1,719,800)	(1,719,800)	-	-
<b>Total other financing sources (uses)</b>	<u>(1,719,800)</u>	<u>(1,719,800)</u>	<u>58,683</u>	<u>82,732</u>
<b>Net change in fund balances</b>	238,265	296,948	58,683	63,600
<b>Fund balances-beginning</b>	<u>645,233</u>	<u>645,233</u>	<u>-</u>	<u>581,633</u>
<b>Fund balances-ending</b>	<u><u>\$ 883,498</u></u>	<u><u>\$ 942,181</u></u>	<u><u>\$ 58,683</u></u>	<u><u>\$ 645,233</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, 2008**  
**With Comparative Actual Amounts for the Year Ended September 30, 2007**

	<b>2008</b>			<b>2007 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	\$ 3,604,943	\$ 3,700,422	\$ 95,479	\$ 3,630,927
Ad Valorem Taxes - Delinquent	78,000	90,558	12,558	111,394
Penalties and Interest	53,000	45,055	(7,945)	26,335
Investment Earnings	85,000	43,511	(41,489)	82,629
<b>Total revenues</b>	<u>3,820,943</u>	<u>3,879,546</u>	<u>58,603</u>	<u>3,851,285</u>
<b>EXPENDITURES</b>				
Debt Service:				
Principal Retirement	1,465,000	1,465,000	-	1,455,000
Interest and Fiscal Charges	491,465	336,275	155,190	2,591,070
Refund-Prior Year Tax Revenue	-	-	-	276
<b>Total expenditures</b>	<u>1,956,465</u>	<u>1,801,275</u>	<u>155,190</u>	<u>4,046,346</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	1,864,478	2,078,271	213,793	(195,061)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	-	165,464
Transfers Out	(2,061,235)	(2,061,235)	-	-
<b>Net change in fund balances</b>	1,864,478	17,036	213,793	(29,597)
<b>Fund balances-beginning</b>	<u>1,091,750</u>	<u>1,091,750</u>	<u>-</u>	<u>1,121,347</u>
<b>Fund balances-ending</b>	<u><u>\$ 2,956,228</u></u>	<u><u>\$ 1,108,786</u></u>	<u><u>\$ 213,793</u></u>	<u><u>\$ 1,091,750</u></u>

**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, 2008**  
**With Comparative Actual Amounts for the Year Ended September 30, 2007**

	<b>2008</b>			<b>2007 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	\$ 632,307	\$ 649,054	\$ 16,747	\$ 943,102
Ad Valorem Taxes - Delinquent	18,000	30,936	12,936	34,283
Penalties and Interest	25,500	18,570	(6,930)	24,014
Investment Earnings	12,000	15,320	3,320	16,100
<b>Total revenues</b>	<b>687,807</b>	<b>713,880</b>	<b>26,073</b>	<b>1,017,499</b>
<b>EXPENDITURES</b>				
Debt Service:				
Principal Retirement	270,000	270,000	-	260,000
Interest and Fiscal Charges	408,300	403,263	5,037	410,833
Refund-Prior Year Tax Revenue	-	-	-	91,610
<b>Total expenditures</b>	<b>678,300</b>	<b>673,263</b>	<b>5,037</b>	<b>762,443</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>9,507</b>	<b>40,617</b>	<b>31,110</b>	<b>255,056</b>
<b>Fund balances-beginning</b>	<b>352,041</b>	<b>352,041</b>	<b>-</b>	<b>96,985</b>
<b>Fund balances-ending</b>	<b>\$ 361,548</b>	<b>\$ 392,658</b>	<b>\$ 31,110</b>	<b>\$ 352,041</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, 2008**  
**With Comparative Actual Amounts for the Year Ended September 30, 2007**

	<b>2008</b>			<b>2007 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	\$ 1,081,303	\$ 1,109,942	\$ 28,639	\$ 1,028,954
Ad Valorem Taxes - Delinquent	62,000	44,607	(17,393)	89,265
Penalties and Interest	35,000	21,842	(13,158)	15,455
Investment Earnings	22,000	18,567	(3,433)	22,701
<b>Total revenues</b>	<u>1,200,303</u>	<u>1,194,958</u>	<u>(5,345)</u>	<u>1,156,375</u>
<b>EXPENDITURES</b>				
Debt Service:				
Principal Retirement	975,000	975,000	-	940,000
Interest and Fiscal Charges	129,800	123,750	6,050	162,050
Refund-Prior Year Tax Revenue	-	-	-	9,776
<b>Total expenditures</b>	<u>1,104,800</u>	<u>1,098,750</u>	<u>6,050</u>	<u>1,111,826</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	95,503	96,208	705	44,549
<b>Fund balances-beginning</b>	<u>472,978</u>	<u>472,978</u>	<u>-</u>	<u>428,429</u>
<b>Fund balances-ending</b>	<u><u>\$ 568,481</u></u>	<u><u>\$ 569,186</u></u>	<u><u>\$ 705</u></u>	<u><u>\$ 472,978</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, 2008**  
**With Comparative Actual Amounts for the Year Ended September 30, 2007**

	<b>2008</b>			<b>2007 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	\$ 1,294,896	\$ 1,329,192	\$ 34,296	\$ 1,230,489
Ad Valorem Taxes - Delinquent	20,000	28,118	8,118	30,799
Penalties and Interest	14,600	14,773	173	8,347
Investment Earnings	37,000	29,865	(7,135)	36,169
<b>Total revenues</b>	<u>1,366,496</u>	<u>1,401,948</u>	<u>35,452</u>	<u>1,305,804</u>
<b>EXPENDITURES</b>				
Debt Service:				
Principal Retirement	40,000	40,000	-	40,000
Interest and Fiscal Charges	1,111,500	1,108,475	3,025	1,110,342
<b>Total expenditures</b>	<u>1,151,500</u>	<u>1,148,475</u>	<u>3,025</u>	<u>1,150,342</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	214,996	253,473	38,477	155,462
<b>Fund balances-beginning</b>	<u>521,719</u>	<u>521,719</u>	<u>-</u>	<u>366,257</u>
<b>Fund balances-ending</b>	<u><u>\$ 736,715</u></u>	<u><u>\$ 775,192</u></u>	<u><u>\$ 38,477</u></u>	<u><u>\$ 521,719</u></u>

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**UNLIMITED TAX ROAD REFUNDING BONDS SERIES 2004A DEBT SERVICE FUND**  
**For the Year Ended September 30, 2008**  
**With Comparative Actual Amounts for the Year Ended September 30, 2007**

	<b>2008</b>		<b>Variance with Final Budget- Positive (Negative)</b>	<b>2007 Actual Amounts</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>		
<b>REVENUES</b>				
Taxes:				
Ad Valorem Taxes - Current	\$ 679,892	\$ 697,900	\$ 18,008	\$ 645,911
Ad Valorem Taxes - Delinquent	8,500	15,991	7,491	14,053
Penalties and Interest	7,000	8,537	1,537	6,599
Investment Earnings	14,500	18,306	3,806	19,382
<b>Total revenues</b>	<b>709,892</b>	<b>740,734</b>	<b>30,842</b>	<b>685,945</b>
<b>EXPENDITURES</b>				
Debt Service:				
Principal Retirement	100,000	100,000	-	100,000
Interest and Fiscal Charges	435,600	429,575	6,025	433,242
<b>Total expenditures</b>	<b>535,600</b>	<b>529,575</b>	<b>6,025</b>	<b>533,242</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>174,292</b>	<b>211,159</b>	<b>36,867</b>	<b>152,703</b>
<b>Fund balances-beginning</b>	<b>340,798</b>	<b>340,798</b>	<b>-</b>	<b>188,095</b>
<b>Fund balances-ending</b>	<b>\$ 515,090</b>	<b>\$ 551,957</b>	<b>\$ 36,867</b>	<b>\$ 340,798</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, 2008**  
**With Comparative Actual Amounts for the Year Ended September 30, 2007**

	<b>2008</b>			<b>2007 Actual Amounts</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget- Positive (Negative)</b>	
<b>REVENUES</b>				
Investment Earnings	\$ 100,000	\$ 216,656	\$ 116,656	\$ 53,850
<b>EXPENDITURES</b>				
Debt Service:				
Interest and Fiscal Charges	2,177,000	2,130,487	46,513	-
<b>Excess (deficiency) of revenues over (under) expenditures</b>	(2,077,000)	(1,913,831)	163,169	53,850
<b>OTHER FINANCING SOURCES (USES)</b>				
Face Value - Long Term Debt Issued	-	-	-	6,958,774
<b>Net change in fund balances</b>	(2,077,000)	(1,913,831)	163,169	7,012,624
<b>Fund balances-beginning</b>	7,012,624	7,012,624	-	-
<b>Fund balances-ending</b>	<b>\$ 4,935,624</b>	<b>\$ 5,098,793</b>	<b>\$ 163,169</b>	<b>\$ 7,012,624</b>

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**GENERAL OBLIGATION REFUNDING BONDS SERIES 2007 DEBT SERVICE FUND**  
**For the Year Ended September 30, 2008**  
**With Comparative Actual Amounts for the Year Ended September 30, 2007**

	<b>2008</b>		<b>Variance with Final Budget- Positive (Negative)</b>	<b>2007 Actual Amounts</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>		
<b>REVENUES</b>				
Investment Earnings	\$ -	\$ 19,051	\$ 19,051	\$ -
<b>EXPENDITURES</b>				
Debt Service:				
Principal Retirement	1,475,000	1,475,000	-	-
Interest and Fiscal Charges	2,413,369	2,407,369	6,000	-
Bond Issuance Cost	995,695	993,939	1,756	-
<b>Total expenditures</b>	<b>4,884,064</b>	<b>4,876,308</b>	<b>7,756</b>	<b>-</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(4,884,064)</b>	<b>(4,857,257)</b>	<b>26,807</b>	<b>-</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	3,888,369	3,888,369	-	-
Face Value - Long Term Debt Issued	88,425,000	88,425,000	-	-
Premium - Long Term Debt Issued	228,250	228,250	-	-
Discount - Long Term Debt Issued	(4,379,918)	(4,379,918)	-	-
Payments to Refunded Bonds Escrow Agent	(83,277,637)	(83,277,637)	-	-
<b>Total other financing sources (uses)</b>	<b>4,884,064</b>	<b>4,884,064</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>-</b>	<b>26,807</b>	<b>26,807</b>	<b>-</b>
<b>Fund balances-beginning</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balances-ending</b>	<b>\$ -</b>	<b>\$ 26,807</b>	<b>\$ 26,807</b>	<b>\$ -</b>

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**GALVESTON COUNTY CERTIFICATES OF OBLIGATION SERIES 2008 DEBT SERVICE FUND**  
**For the Year Ended September 30, 2008**  
**With Comparative Actual Amounts for the Year Ended September 30, 2007**

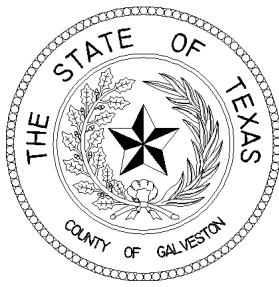
	<b>2008</b>			<b>2007 Actual Amounts</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget- Positive (Negative)</b>	
<b>REVENUES</b>				
Investment Earnings	\$ -	\$ 529	\$ 529	\$ -
<b>EXPENDITURES</b>				
Debt Service:				
Interest and Fiscal Charges	80,000	75,949	4,051	-
<b>Excess (deficiency) of revenues     over (under) expenditures</b>	(80,000)	(75,420)	4,580	-
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	80,000	80,000	-	-
<b>Net change in fund balances</b>	-	4,580	4,580	-
<b>Fund balances-beginning</b>	-	-	-	-
<b>Fund balances-ending</b>	<b>\$ -</b>	<b>\$ 4,580</b>	<b>\$ 4,580</b>	<b>\$ -</b>



(Photographs courtesy of Ron Shelby.)

The top two photographs were taken inside the Galveston County Courthouse as the eye of the storm passed over Galveston early on Saturday morning, September 13, 2008. At that time, the flood waters outside the building were approximately six feet deep.

The bottom photograph was taken later that morning at about ten o'clock, as the flood waters were beginning to recede from the Courthouse grounds.



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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.

COUNTY CAPITAL PROJECTS FUND (FUND# 3100) –This fund was created in the fiscal year ended September 30, 2008 to account for various project-length County capital projects funded by resources other than bond proceeds.

*GALVESTON COUNTY TEXAS CERTIFICATE OF OBLIGATION SERIES 2008 (FUND# 3373)*

Issued in March 2008, in the amount of \$7,000,000 pursuant to the Constitution and the general laws of the State of Texas, including *Chapter 271, Subchapter C Texas Local Government Code*, as amended. The Texas Legislature enacted *Section 271.041-271.065 of the Texas Local Government Code* to authorize counties to issues bonds payable from a combination of ad valorem taxes and net revenues received from the County's park concession and building rental system. Commissioners' Court ordered the issuance of the bonds on February 13, 2008. The proceeds will be used to pay all or part of the contractual obligations to be incurred for the construction of public works: *i) levee improvements and improvements to various pump stations; ii) improvements to the Texas City Dike and the Texas City Dike road; iii) improvements to various City of Texas City roads in the San Leon portion of the County; and iv) for the professional services rendered in connection with the above listed projects.*

**GALVESTON COUNTY, TEXAS  
COMBINING BALANCE SHEET  
NONMAJOR CAPITAL PROJECTS FUNDS  
September 30, 2008  
With Comparative Totals at September 30, 2007**

	<b>ROAD BONDS SERIES 1987</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>LIMITED TAX CRIMINAL JUSTICE CENTER BONDS SERIES 2003A</b>
<b>ASSETS</b>					
Investments	\$ 946,480	\$ 10,640	\$ 2,380,391	\$ 1,504,235	\$ 200
Receivables (Net of Allowances for Uncollectibles):					
Accounts and Other	-	-	-	-	-
Prepaid Expenditures	-	-	-	-	-
<b>Total assets</b>	<b>\$ 946,480</b>	<b>\$ 10,640</b>	<b>\$ 2,380,391</b>	<b>\$ 1,504,235</b>	<b>\$ 200</b>
<b>LIABILITIES</b>					
Accounts Payable	\$ -	\$ -	\$ 3,829	\$ 3,165	\$ -
Retainage Payable	-	10,640	-	197,218	200
Due to Other Funds	-	-	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>10,640</b>	<b>3,829</b>	<b>200,383</b>	<b>200</b>
<b>FUND BALANCES</b>					
Reserved for Encumbrances	-	-	-	48,614	-
Reserved for Prepaid Expenditures	-	-	-	-	-
Unreserved:					
Designated for Capital Projects	946,480	-	2,376,562	1,255,238	-
<b>Total fund balances</b>	<b>946,480</b>	<b>-</b>	<b>2,376,562</b>	<b>1,303,852</b>	<b>-</b>
<b>Total liabilities and fund balances</b>	<b>\$ 946,480</b>	<b>\$ 10,640</b>	<b>\$ 2,380,391</b>	<b>\$ 1,504,235</b>	<b>\$ 200</b>

UNLIMITED TAX ROAD BONDS SERIES 2003B	GALVESTON CAUSEWAY RAILROAD BRIDGE PROJECT	COUNTY ROAD AND BRIDGE PROJECTS	COUNTY CAPITAL PROJECTS FUND	GALVESTON COUNTY CERTIFICATES OF OBLIGATION SERIES 2008	TOTALS	
					2008	2007
\$ 7,155,039	\$ 4,487	\$ 106,747	\$ 1,823,821	\$ 5,329,442	\$ 19,261,482	\$ 16,885,551
536,742	56,775	-	-	-	593,517	207,110
-	-	-	50,000	-	50,000	-
<b>\$ 7,691,781</b>	<b>\$ 61,262</b>	<b>\$ 106,747</b>	<b>\$ 1,873,821</b>	<b>\$ 5,329,442</b>	<b>\$ 19,904,999</b>	<b>\$ 17,092,661</b>
\$ -	\$ 42,074	\$ -	\$ 21,001	\$ 68,186	\$ 138,255	\$ 2,686,628
-	-	-	-	-	208,058	807,129
-	15,232	-	-	-	15,232	72,239
-	57,306	-	21,001	68,186	361,545	3,565,996
4,331,576	-	16,651	-	68,500	4,465,341	308,492
-	-	-	50,000	-	50,000	-
3,360,205	3,956	90,096	1,802,820	5,192,756	15,028,113	13,218,173
7,691,781	3,956	106,747	1,852,820	5,261,256	19,543,454	13,526,665
<b>\$ 7,691,781</b>	<b>\$ 61,262</b>	<b>\$ 106,747</b>	<b>\$ 1,873,821</b>	<b>\$ 5,329,442</b>	<b>\$ 19,904,999</b>	<b>\$ 17,092,661</b>

**GALVESTON COUNTY, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES**  
**NONMAJOR CAPITAL PROJECTS FUNDS**  
**CAPITAL PROJECTS FUNDS**  
**For the Year Ended September 30, 2008**  
**With Comparative Totals for the Year Ended September 30, 2007**

	ROAD BONDS SERIES 1987	JUSTICE CENTER/ PUBLIC SAFETY BUILDING BONDS SERIES 2001	UNLIMITED TAX ROAD BONDS SERIES 2001	COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION SERIES 2003C	LIMITED TAX CRIMINAL JUSTICE CENTER BONDS SERIES 2003A
<b>REVENUES</b>					
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -
Investment Earnings	37,313	167	41,684	573	1,087
Miscellaneous	-	-	-	-	-
<b>Total revenues</b>	<u>37,313</u>	<u>167</u>	<u>41,684</u>	<u>573</u>	<u>1,087</u>
<b>EXPENDITURES</b>					
General Government	-	29,360	-	519,660	-
Roads, Bridges and Rights-of-Way	227,398	-	20,718	-	-
Capital Outlay	-	7,737	-	470,130	61,511
Bond Issuance Costs	-	-	-	-	-
<b>Total expenditures</b>	<u>227,398</u>	<u>37,097</u>	<u>20,718</u>	<u>989,790</u>	<u>61,511</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(190,085)</u>	<u>(36,930)</u>	<u>20,966</u>	<u>(989,217)</u>	<u>(60,424)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	-	-	-	-	-
Transfers Out	-	-	-	-	-
Sale of Capital Asset	-	-	-	-	-
Face Value - Long Term Debt Issued	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balances</b>	(190,085)	(36,930)	20,966	(989,217)	(60,424)
<b>Fund balances-beginning</b>	<u>1,136,565</u>	<u>36,930</u>	<u>2,355,596</u>	<u>2,293,069</u>	<u>60,424</u>
<b>Fund balances-ending</b>	<u>\$ 946,480</u>	<u>\$ -</u>	<u>\$ 2,376,562</u>	<u>\$ 1,303,852</u>	<u>\$ -</u>

UNLIMITED TAX ROAD BONDS SERIES 2003B	GALVESTON CAUSEWAY RAILROAD BRIDGE PROJECT	COUNTY ROAD AND BRIDGE PROJECTS	COUNTY CAPITAL PROJECTS FUND	GALVESTON COUNTY CERTIFICATES OF OBLIGATION SERIES 2008	TOTALS	
					2008	2007
\$ -	\$ 323,703	\$ -	\$ 132,506	\$ -	\$ 456,209	\$ 770,217
243,620	-	3,534	-	83,525	411,503	1,123,345
-	-	-	-	-	-	2,100
<u>243,620</u>	<u>323,703</u>	<u>3,534</u>	<u>132,506</u>	<u>83,525</u>	<u>867,712</u>	<u>1,895,662</u>
-	-	-	21,001	69,069	639,090	23,090
90,616	326,325	-	-	-	665,057	5,277,438
-	-	-	-	-	539,378	11,571,272
-	-	-	-	53,000	53,000	-
<u>90,616</u>	<u>326,325</u>	<u>-</u>	<u>21,001</u>	<u>122,069</u>	<u>1,896,525</u>	<u>16,871,800</u>
<u>153,004</u>	<u>(2,622)</u>	<u>3,534</u>	<u>111,505</u>	<u>(38,544)</u>	<u>(1,028,813)</u>	<u>(14,976,138)</u>
-	4,487	-	1,000,000	-	1,004,487	4,675,110
-	-	-	(107,900)	(1,700,200)	(1,808,100)	(75,110)
-	-	-	849,215	-	849,215	-
-	-	-	-	7,000,000	7,000,000	-
-	<u>4,487</u>	<u>-</u>	<u>1,741,315</u>	<u>5,299,800</u>	<u>7,045,602</u>	<u>4,600,000</u>
153,004	1,865	3,534	1,852,820	5,261,256	6,016,789	(10,376,138)
<u>7,538,777</u>	<u>2,091</u>	<u>103,213</u>	<u>-</u>	<u>-</u>	<u>13,526,665</u>	<u>23,902,803</u>
<b><u>\$ 7,691,781</u></b>	<b><u>\$ 3,956</u></b>	<b><u>\$ 106,747</u></b>	<b><u>\$ 1,852,820</u></b>	<b><u>\$ 5,261,256</u></b>	<b><u>\$ 19,543,454</u></b>	<b><u>\$ 13,526,665</u></b>

**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, 2008**  
**With Comparative Amounts for the Year Ended September 30, 2007**

	TOTAL PROJECT AUTHORIZED	ACTUAL TO SEPTEMBER 30, 2008			LAST YEAR'S ACTUAL
		REPORTED IN PRIOR YEARS	CURRENT YEAR	TOTAL	
<b>REVENUES</b>					
Intergovernmental	\$ 1,360,155	\$ 1,360,155	\$ -	\$ 1,360,155	\$ -
Investment Earnings	4,003,553	3,966,240	37,313	4,003,553	55,893
Miscellaneous	5,511	5,511	-	5,511	-
<b>Total revenues</b>	<b>5,369,219</b>	<b>5,331,906</b>	<b>37,313</b>	<b>5,369,219</b>	<b>55,893</b>
<b>EXPENDITURES</b>					
Roads, Bridges and Rights-of-Way:					
Administration Costs		100,403	227,398	327,801	100,403
Capital Outlay:					
Highways and Roads	1,462,716	1,196,411	-	1,196,411	-
S.H. 3	1,886,023	1,643,782	-	1,643,782	-
S.H. 146	37,617	37,617	-	37,617	-
F.M. 270	612,935	612,935	-	612,935	-
F.M. 517	2,767,729	2,418,206	-	2,418,206	-
F.M. 528	980,072	980,072	-	980,072	-
F.M. 1764	6,161,837	5,978,648	-	5,978,648	-
F.M. 2094	2,343,776	2,343,776	-	2,343,776	-
Loop 197 N.	4,309,000	4,309,000	-	4,309,000	-
<b>Total expenditures</b>	<b>20,561,705</b>	<b>19,620,850</b>	<b>227,398</b>	<b>19,848,248</b>	<b>100,403</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(15,192,486)</b>	<b>(14,288,944)</b>	<b>(190,085)</b>	<b>(14,479,029)</b>	<b>(44,510)</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	4,888,892	4,888,892	-	4,888,892	-
Transfers Out	(2,463,383)	(2,463,383)	-	(2,463,383)	-
Long Term Debt Issued	13,000,000	13,000,000	-	13,000,000	-
<b>Total other financing sources (uses)</b>	<b>15,425,509</b>	<b>15,425,509</b>	<b>-</b>	<b>15,425,509</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>\$ 233,023</b>	<b>\$ 1,136,565</b>	<b>(190,085)</b>	<b>\$ 946,480</b>	<b>(44,510)</b>
<b>Fund balances-beginning</b>			<b>1,136,565</b>		<b>1,181,075</b>
<b>Fund balances-ending</b>			<b>\$ 946,480</b>		<b>\$ 1,136,565</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, 2008**  
**With Comparative Amounts for the Year Ended September 30, 2007**

	TOTAL PROJECT AUTHORIZED	ACTUAL TO SEPTEMBER 30, 2008			LAST YEAR'S ACTUAL
		REPORTED IN PRIOR YEARS	CURRENT YEAR	TOTAL	
<b>REVENUES</b>					
Investment Earnings	\$ 4,478,895	\$ 4,319,789	\$ 167	\$ 4,319,956	\$ 19,600
Charges for Services	99,349	99,349	-	99,349	2,100
<b>Total revenues</b>	<b>4,578,244</b>	<b>4,419,138</b>	<b>167</b>	<b>4,419,305</b>	<b>21,700</b>
<b>EXPENDITURES</b>					
General Government:					
Administration Costs	-	-	29,360	29,360	-
Capital Outlay:					
Courthouse Renovations	91,045	83,305	7,737	91,042	-
Building Construction	27,259,733	27,259,734	-	27,259,734	483,492
Other Services and Charges	12,058,338	12,058,338	-	12,058,338	281,007
Bond Issuance Costs	272,460	272,460	-	272,460	-
<b>Total expenditures</b>	<b>39,681,576</b>	<b>39,673,837</b>	<b>37,097</b>	<b>39,710,934</b>	<b>764,499</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(35,103,332)</b>	<b>(35,254,699)</b>	<b>(36,930)</b>	<b>(35,291,629)</b>	<b>(742,799)</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>\$ 188,297</b>	<b>\$ 36,930</b>	<b>(36,930)</b>	<b>\$ -</b>	<b>(742,799)</b>
<b>Fund balances-beginning</b>			<b>36,930</b>		<b>779,729</b>
<b>Fund balances-ending</b>			<b>\$ -</b>		<b>\$ 36,930</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, 2008**  
**With Comparative Amounts for the Year Ended September 30, 2007**

	TOTAL PROJECT AUTHORIZED	ACTUAL TO SEPTEMBER 30, 2008			LAST YEAR'S ACTUAL
		REPORTED IN PRIOR YEARS	CURRENT YEAR	TOTAL	
<b>REVENUES</b>					
Investment Earnings	\$ 3,554,399	\$ 3,287,218	\$ 41,684	\$ 3,328,902	\$ 184,381
Miscellaneous	825,323	825,323	-	825,323	-
<b>Total revenues</b>	<b>4,379,722</b>	<b>4,112,541</b>	<b>41,684</b>	<b>4,154,225</b>	<b>184,381</b>
<b>EXPENDITURES</b>					
Roads, Bridges and Rights-of-Way:					
Administration Cost	1,348,762	-	20,718	20,718	-
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	-
Calder Road	1,856,569	1,856,569	-	1,856,569	-
25th Avenue	4,375,382	4,375,382	-	4,375,382	820,287
FM 646 Pass Thru Toll	651,901	-	-	-	-
Loop 197	1,000,000	1,000,000	-	1,000,000	-
Stewart, Jones	3,749,184	3,749,184	-	3,749,184	-
FM 646	748,329	748,329	-	748,329	68,740
FM 517	250,000	60,948	-	60,948	-
SH 96	500,000	500,000	-	500,000	-
SH 99	1,239,000	1,239,000	-	1,239,000	500,000
Seawall	795,160	795,160	-	795,160	-
Bond Issuance Costs	202,421	202,421	-	202,421	-
<b>Total expenditures</b>	<b>30,505,355</b>	<b>28,260,640</b>	<b>20,718</b>	<b>28,281,358</b>	<b>1,389,027</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(26,125,633)</b>	<b>(24,148,099)</b>	<b>20,966</b>	<b>(24,127,133)</b>	<b>(1,204,646)</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>\$ 2,355,596</b>	<b>20,966</b>	<b>\$ 2,376,562</b>	<b>(1,204,646)</b>
<b>Fund balances-beginning</b>			<b>2,355,596</b>		<b>3,560,242</b>
<b>Fund balances-ending</b>			<b>\$ 2,376,562</b>		<b>\$ 2,355,596</b>

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES -**  
**BUDGET (PROJECT-LENGTH) AND ACTUAL**  
**COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION SERIES 2003C CAPITAL PROJECTS FUND**  
**From Inception and for the Year Ended September 30, 2008**  
**With Comparative Amounts for the Year Ended September 30, 2007**

	TOTAL PROJECT AUTHORIZED	ACTUAL TO SEPTEMBER 30, 2008			LAST YEAR'S ACTUAL
		REPORTED IN PRIOR YEARS	CURRENT YEAR	TOTAL	
<b>REVENUES</b>					
Investment Earnings	\$ 3,326,234	\$ 3,325,659	\$ 573	\$ 3,326,232	\$ 312,976
<b>EXPENDITURES</b>					
General Government:					
Administration Costs	1,060,103	9,154	519,660	528,814	-
Capital Outlay:					
Courthouse Renovations - Sev Prj	1,552,388	1,552,388	-	1,552,388	267,439
Courthouse Renovations - Mgr/Agnt	1,027,305	836,345	-	836,345	592,546
Courthouse Renovations - Bldg Constr	10,429,856	9,977,632	470,130	10,447,762	9,283,571
646 Building	14,620	14,620	-	14,620	-
Construction Manager-Agent	55,075	55,075	-	55,075	-
Museum Renovations	125,000	-	-	-	-
Community Building Construction	33,866,260	33,414,504	-	33,414,504	321,217
Bond Issuance Costs	597,757	597,757	-	597,757	-
<b>Total expenditures</b>	<b>48,728,364</b>	<b>46,457,475</b>	<b>989,790</b>	<b>47,447,265</b>	<b>10,464,773</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(45,402,130)</b>	<b>(43,131,816)</b>	<b>(989,217)</b>	<b>(44,121,033)</b>	<b>(10,151,797)</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	4,675,110	4,675,110	-	4,675,110	4,675,110
Face Value - Long Term Debt Issue	40,890,000	40,890,000	-	40,890,000	-
Premium - Long Term Debt Issue	265,643	265,643	-	265,643	-
Discount - Long Term Debt Issue	(542,806)	(542,806)	-	(542,806)	-
Performance Bonds Forfeited	136,938	136,938	-	136,938	-
<b>Total other financing sources (uses)</b>	<b>45,424,885</b>	<b>45,424,885</b>	<b>-</b>	<b>45,424,885</b>	<b>4,675,110</b>
<b>Net change in fund balances</b>	<b>\$ 22,755</b>	<b>\$ 2,293,069</b>	<b>(989,217)</b>	<b>\$ 1,303,852</b>	<b>(5,476,687)</b>
<b>Fund balances-beginning</b>			<b>2,293,069</b>		<b>7,769,756</b>
<b>Fund balances-ending</b>			<b>\$ 1,303,852</b>		<b>\$ 2,293,069</b>

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES -**  
**BUDGET (PROJECT-LENGTH) AND ACTUAL**  
**LIMITED TAX CRIMINAL JUSTICE CENTER BONDS SERIES 2003A**  
**From Inception and for the Year Ended September 30, 2008**  
**With Comparative Amounts for the Year Ended September 30, 2007**

	<b>TOTAL PROJECT AUTHORIZED</b>	<b>ACTUAL TO SEPTEMBER 30, 2008</b>			<b>LAST YEAR'S ACTUAL</b>
		<b>REPORTED IN PRIOR YEARS</b>	<b>CURRENT YEAR</b>	<b>TOTAL</b>	
<b>REVENUES</b>					
Investment	\$ 2,863,234	\$ 2,698,490	\$ 1,087	\$ 2,699,577	\$ 37,025
Intergovernmental	668,187	468,179	-	468,179	-
<b>Total revenues</b>	<b>3,531,421</b>	<b>3,166,669</b>	<b>1,087</b>	<b>3,167,756</b>	<b>37,025</b>
<b>EXPENDITURES</b>					
General Government:					
Administration Costs	-	-	-	-	-
Capital Outlay:					
Courthouse Renovations	4,179,141	4,117,630	61,511	4,179,141	-
646 Building Construction	56,201,386	56,201,386	-	56,201,386	286,809
Bond Issuance Costs	792,255	792,255	-	792,255	-
<b>Total expenditures</b>	<b>61,172,782</b>	<b>61,111,271</b>	<b>61,511</b>	<b>61,172,782</b>	<b>286,809</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(57,641,361)</b>	<b>(57,944,602)</b>	<b>(60,424)</b>	<b>(58,005,026)</b>	<b>(249,784)</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers Out	(75,110)	(75,110)	-	(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>58,005,026</b>	<b>58,005,026</b>	<b>-</b>	<b>58,005,026</b>	<b>(75,110)</b>
<b>Net change in fund balances</b>	<b>\$ 363,665</b>	<b>\$ 60,424</b>	<b>(60,424)</b>	<b>\$ -</b>	<b>(324,894)</b>
<b>Fund balances-beginning</b>			<b>60,424</b>		<b>385,318</b>
<b>Fund balances-ending</b>			<b>\$ -</b>		<b>\$ 60,424</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, 2008**  
**With Comparative Amounts for the Year Ended September 30, 2007**

	TOTAL PROJECT AUTHORIZED	ACTUAL TO SEPTEMBER 30, 2008			LAST YEAR'S ACTUAL
		REPORTED IN PRIOR YEARS	CURRENT YEAR	TOTAL	
<b>REVENUES</b>					
Investment Earnings	\$ 1,767,961	\$ 1,524,340	\$ 243,620	\$ 1,767,960	\$ 506,797
<b>EXPENDITURES</b>					
Roads, Bridges and Rights-of-Way:					
Administration Costs	652,311	-	90,616	90,616	-
Capital Outlay:					
Galv/Signals Various Locations	750,000	51,850	-	51,850	-
Fort Travis Park	442,485	-	-	-	-
FM 646 Pass Thru Toll	4,348,100	-	-	-	-
FM 646 - IH 45 to FM 270	350,000	277,688	-	277,688	5,726
FM 646 - SH 6 to FM 517	49,999	49,999	-	49,999	-
FM 518 - FM 2094 to SH 146	975,000	-	-	-	-
SH 96	3,000,000	3,000,000	-	3,000,000	3,000,000
Bond Issuance Costs	154,363	154,363	-	154,363	-
<b>Total expenditures</b>	<b>11,242,258</b>	<b>3,533,900</b>	<b>90,616</b>	<b>3,624,516</b>	<b>3,005,726</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(9,474,297)</b>	<b>(2,009,560)</b>	<b>153,004</b>	<b>(1,856,556)</b>	<b>(2,498,929)</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>\$ 74,040</b>	<b>\$ 7,538,777</b>	<b>153,004</b>	<b>\$ 7,691,781</b>	<b>(2,498,929)</b>
<b>Fund balances-beginning</b>			<b>7,538,777</b>		<b>10,037,706</b>
<b>Fund balances-ending</b>			<b>\$ 7,691,781</b>		<b>\$ 7,538,777</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, 2008**  
**With Comparative Amounts for the Year Ended September 30, 2007**

	TOTAL PROJECT AUTHORIZED	ACTUAL TO SEPTEMBER 30, 2008			LAST YEAR'S ACTUAL
		REPORTED IN PRIOR YEARS	CURRENT YEAR	TOTAL	
<b>REVENUES</b>					
Intergovernmental	\$ 1,980,043	\$ 1,264,679	\$ 323,703	\$ 1,588,382	\$ 770,217
<b>EXPENDITURES</b>					
Roads, Bridges and Rights-of-Way:					
Administration Costs	-	-	326,325	326,325	-
Capital Outlay:					
Galveston Causeway RR Bridge	1,993,777	1,272,465	-	1,272,465	773,128
<b>Total expenditures</b>	<u>1,993,777</u>	<u>1,272,465</u>	<u>326,325</u>	<u>1,598,790</u>	<u>773,128</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	(13,734)	(7,786)	(2,622)	(10,408)	(2,911)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	14,364	9,877	4,487	14,364	-
<b>Net change in fund balances</b>	<u>\$ 630</u>	<u>\$ 2,091</u>	1,865	<u>\$ 3,956</u>	(2,911)
<b>Fund balances-beginning</b>			2,091		5,002
<b>Fund balances-ending</b>			<u>\$ 3,956</u>		<u>\$ 2,091</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, 2008**  
**With Comparative Amounts for the Year Ended September 30, 2007**

	TOTAL PROJECT AUTHORIZED	ACTUAL TO SEPTEMBER 30, 2008			LAST YEAR'S ACTUAL
		REPORTED IN PRIOR YEARS	CURRENT YEAR	TOTAL	
<b>REVENUES</b>					
Investment Earnings	\$ 16,744	\$ 13,209	\$ 3,534	\$ 16,743	\$ 6,096
Charges for Services	150,000	150,000	-	150,000	-
<b>Total revenues</b>	<u>166,744</u>	<u>163,209</u>	<u>3,534</u>	<u>166,743</u>	<u>6,096</u>
<b>EXPENDITURES</b>					
Capital Outlay:					
Grand Cay Project	157,104	59,996	-	59,996	27,822
FM 646 Pass Thru Toll	8,200	-	-	-	-
<b>Total expenditures</b>	<u>165,304</u>	<u>59,996</u>	<u>-</u>	<u>59,996</u>	<u>27,822</u>
<b>Net change in fund balances</b>	<u>\$ 1,440</u>	<u>\$ 103,213</u>	<u>3,534</u>	<u>\$ 106,747</u>	<u>(21,726)</u>
<b>Fund balances-beginning</b>			<u>103,213</u>		<u>124,939</u>
<b>Fund balances-ending</b>			<u>\$ 106,747</u>		<u>\$ 103,213</u>

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES -**  
**BUDGET (PROJECT-LENGTH) AND ACTUAL**  
**COUNTY CAPITAL PROJECTS FUND**  
**From Inception and for the Year Ended September 30, 2008**  
**With Comparative Amounts for the Year Ended September 30, 2007**

	TOTAL PROJECT AUTHORIZED	ACTUAL TO SEPTEMBER 30, 2008			LAST YEAR'S ACTUAL
		REPORTED IN PRIOR YEARS	CURRENT YEAR	TOTAL	
<b>REVENUES</b>					
Intergovernmental	\$ 132,506	\$ -	\$ 132,506	\$ 132,506	\$ -
<b>EXPENDITURES</b>					
General Government-Adminstration Costs	71,002	-	21,001	21,001	-
<b>Excess (deficiency) of revenues over (under) expenditures</b>	61,504	-	111,505	111,505	-
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	1,000,000	-	1,000,000	1,000,000	-
Transfers Out	(107,900)	-	(107,900)	(107,900)	-
Proceeds from Sale of Capital Assets	849,215	-	849,215	849,215	-
<b>Total other financing sources (uses)</b>	1,741,315	-	1,741,315	1,741,315	-
<b>Net change in fund balances</b>	<u>\$ 1,802,819</u>	<u>\$ -</u>	<u>\$ 1,852,820</u>	<u>\$ 1,852,820</u>	<u>\$ -</u>
<b>Fund balances-beginning</b>			-		-
<b>Fund balances-ending</b>			<u>\$ 1,852,820</u>		<u>\$ -</u>



**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES -**  
**BUDGET (PROJECT-LENGTH) AND ACTUAL**  
**GALVESTON COUNTY CERTIFICATES OF OBLIGATION SERIES 2008 CAPITAL PROJECTS FUND**  
**From Inception and for the Year Ended September 30, 2008**  
**With Comparative Amounts for the Year Ended September 30, 2007**

	TOTAL PROJECT AUTHORIZED	ACTUAL TO SEPTEMBER 30, 2008			LAST YEAR'S ACTUAL
		REPORTED IN PRIOR YEARS	CURRENT YEAR	TOTAL	
<b>REVENUES</b>					
Investment Earnings	\$ 83,525	\$ -	\$ 83,525	\$ 83,525	\$ -
<b>EXPENDITURES</b>					
General Government:					
Administration Costs	-	-	69,069	69,069	-
Capital Outlay:					
Texas City Hurricane Levee	1,600,000	-	-	-	-
Skyline Drive	880,000	-	-	-	-
Texas City Dike Improvements	805,000	-	-	-	-
La Marque Pump Station	1,270,000	-	-	-	-
Concrete I Wall Modifications	291,800	-	-	-	-
San Leon Road Improvements	400,000	-	-	-	-
Bond Issuance Costs	53,000	-	53,000	53,000	-
<b>Total expenditures</b>	<b>5,299,800</b>	<b>-</b>	<b>122,069</b>	<b>122,069</b>	<b>-</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(5,216,275)</b>	<b>-</b>	<b>(38,544)</b>	<b>(38,544)</b>	<b>-</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Face Value - Long Term Debt Issue	7,000,000	-	7,000,000	7,000,000	-
Transfers Out	(1,700,200)	-	(1,700,200)	(1,700,200)	-
<b>Total other financing sources (uses)</b>	<b>5,299,800</b>	<b>-</b>	<b>5,299,800</b>	<b>5,299,800</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>\$ 83,525</b>	<b>\$ -</b>	<b>\$ 5,261,256</b>	<b>\$ 5,261,256</b>	<b>\$ -</b>
<b>Fund balances-beginning</b>			<b>-</b>		<b>-</b>
<b>Fund balances-ending</b>			<b>\$ 5,261,256</b>		<b>\$ -</b>



.A house remains standing amidst desolation in Gilchrist, on the Bolivar Peninsula, after the storm.

# 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, 2008**

	<b>GROUP INSURANCE</b>	<b>SELF- INSURANCE RESERVE</b>	<b>WORKERS' COMPENSATION</b>	<b>TOTAL</b>
<b>ASSETS</b>				
Investments	\$ 3,505,795	\$ 2,591,331	\$ 2,588,423	\$ 8,685,549
Receivables (Net of Allowances for Uncollectibles):				
Accounts and Other	408,400	-	5,885	414,285
Due from Other Funds	-	-	50,157	50,157
Prepaid Items	-	180,855	-	180,855
<b>Total Assets</b>	<b>3,914,195</b>	<b>2,772,186</b>	<b>2,644,465</b>	<b>9,330,846</b>
<b>LIABILITIES</b>				
Accounts Payable	\$ 207,401	\$ 2,768	\$ 856	\$ 211,025
Salaries Payable	-	4,523	-	4,523
Estimated Liability - Claims	1,628,500	-	1,121,000	2,749,500
Due to Other Funds	9,035	-	696	9,731
<b>Total liabilities</b>	<b>1,844,936</b>	<b>7,291</b>	<b>1,122,552</b>	<b>2,974,779</b>
<b>NET ASSETS</b>				
Unrestricted	2,069,259	2,764,895	1,521,913	6,356,067
<b>Total net assets</b>	<b>\$ 2,069,259</b>	<b>\$ 2,764,895</b>	<b>\$ 1,521,913</b>	<b>\$ 6,356,067</b>

**GALVESTON COUNTY, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND**  
**CHANGES IN FUND NET ASSETS**  
**INTERNAL SERVICE FUNDS**  
**For the Year Ended September 30, 2008**

	<b>GROUP INSURANCE</b>	<b>SELF- INSURANCE RESERVE</b>	<b>WORKERS' COMPENSATION</b>	<b>TOTAL</b>
<b>OPERATING REVENUES</b>				
Charges for Services	\$ 8,439,477	\$ -	\$ -	\$ 8,439,477
Insurance Recovery - County	-	29,437	-	29,437
Reimbursements	1,247,419	-	61,692	1,309,111
Miscellaneous	-	260,468	633	261,101
<b>Total operating revenues</b>	<b>9,686,896</b>	<b>289,905</b>	<b>62,325</b>	<b>10,039,126</b>
<b>OPERATING EXPENSES</b>				
Personal Services	\$ -	\$ 144,884	\$ -	\$ 144,884
Contract Services	1,798,869	14,678	38,416	1,851,963
Insurance	734,046	2,235,558	121,677	3,091,281
Claims Paid	8,829,537	-	529,701	9,359,238
Supplies	-	2,157	-	2,157
<b>Total operating expenses</b>	<b>11,362,452</b>	<b>2,397,277</b>	<b>689,794</b>	<b>14,449,523</b>
<b>Operating income (loss)</b>	<b>(1,675,556)</b>	<b>(2,107,372)</b>	<b>(627,469)</b>	<b>(4,410,397)</b>
<b>NON-OPERATING REVENUES</b>				
Investment Earnings	1,163	-	1,035	2,198
<b>Income (loss) before transfers</b>	<b>(1,674,393)</b>	<b>(2,107,372)</b>	<b>(626,434)</b>	<b>(4,408,199)</b>
Transfers In	677,000	2,634,600	704,000	4,015,600
<b>Change in net assets</b>	<b>(997,393)</b>	<b>527,228</b>	<b>77,566</b>	<b>(392,599)</b>
<b>Total net assets-beginning</b>	<b>3,066,652</b>	<b>2,237,667</b>	<b>1,444,347</b>	<b>6,748,666</b>
<b>Total net assets-ending</b>	<b>\$ 2,069,259</b>	<b>\$ 2,764,895</b>	<b>\$ 1,521,913</b>	<b>\$ 6,356,067</b>

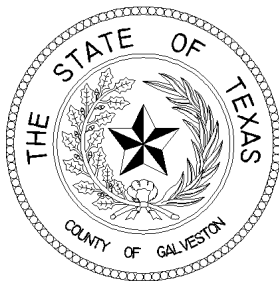
**GALVESTON COUNTY, TEXAS**  
**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
**For the Year Ended September 30, 2008**

	<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	\$ 8,235,063	\$ 289,906	\$ 12,168	\$ 8,537,137
Payments to Suppliers	(2,487,531)	(1,923,900)	(695,816)	(5,107,247)
Payments to Employees	-	(143,899)	-	(143,899)
Payments for Claims	(8,829,537)	(305,972)	-	(9,135,509)
Other Operating Revenues	1,247,417	-	-	1,247,417
<b>Net cash provided (used) by operating activities</b>	<b>(1,834,588)</b>	<b>(2,083,865)</b>	<b>(683,648)</b>	<b>(4,602,101)</b>
<b>Cash flows from noncapital financing activities:</b>				
Transfers in	677,000	2,634,600	704,000	4,015,600
<b>Cash flows from investing activities:</b>				
Purchase of Investments	(3,505,795)	(2,591,331)	(2,588,423)	(8,685,549)
Matured Investments	4,662,220	2,040,596	2,567,036	9,269,852
Investment Earnings	1,163	-	1,035	2,198
<b>Net cash provided (used) by investing activities</b>	<b>1,157,588</b>	<b>(550,735)</b>	<b>(20,352)</b>	<b>586,501</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash and Cash Equivalents October 1, 2007</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash and Cash Equivalents September 30, 2008</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>\$ (1,675,556)</b>	<b>\$ (2,107,372)</b>	<b>\$ (627,470)</b>	<b>\$ (4,410,398)</b>
<b>Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:</b>				
(Increase) Decrease in Accounts Receivable	(204,415)	-	(50,157)	(254,572)
(Increase) Decrease in Interest Receivable	-	-	-	-
(Increase) Decrease in Prepaid Items	-	30,307	-	30,307
Increase (Decrease) in Accounts Payable	36,348	(7,785)	(6,717)	21,846
Increase (Decrease) in Salaries Payable	-	985	-	985
Increase (Decrease) in Due to Other Funds	9,035	-	696	9,731
<b>Total adjustments</b>	<b>(159,032)</b>	<b>23,507</b>	<b>(56,178)</b>	<b>(191,703)</b>
<b>Net cash provided (used) by operating activities</b>	<b>\$ (1,834,588)</b>	<b>\$ (2,083,865)</b>	<b>\$ (683,648)</b>	<b>\$ (4,602,101)</b>





“Before” and “after” photographs of the Bolivar Peninsula.  
(Photographs courtesy of the U.S. Geological Survey.)



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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.

DEBT SERVICE AGENCY (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, 2008  
With Comparative Amounts as of September 30, 2007**

	<u>PAYROLL</u>	<u>ESCROW</u>	<u>CHILDREN'S PROTECTIVE SERVICES - ESCROW</u>	<u>INMATE DEPOSITS</u>
<b>ASSETS</b>				
Investments	\$ 700,216	\$ 1,082,635	\$ 11,379	\$ 117,680
Receivables (Net of Allowances for Uncollectibles):				
Accounts and Other	-	23,149	-	-
Restricted Assets:				
Guardianship Assets	-	1,386,205	-	-
<b>Total Assets</b>	<b><u>\$ 700,216</u></b>	<b><u>\$ 2,491,989</u></b>	<b><u>\$ 11,379</u></b>	<b><u>\$ 117,680</u></b>
<b>LIABILITIES</b>				
Accounts Payable	\$ 40,241	\$ 18,890	\$ -	\$ -
Due to Others	-	5,315	-	117,680
Due to Other Entities	659,975	-	-	-
Due to Other Funds	-	-	-	-
Deposits Held	-	1,081,579	11,379	-
Deposits Held for Restricted Assets	-	1,386,205	-	-
<b>Total Liabilities</b>	<b><u>\$ 700,216</u></b>	<b><u>\$ 2,491,989</u></b>	<b><u>\$ 11,379</u></b>	<b><u>\$ 117,680</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>
\$ 33,205	\$ 8,557,739	\$ 5,073,677	\$ 4,306,902	\$ 31,528
430	-	-	-	-
-	-	-	-	-
<u>\$ 33,635</u>	<u>\$ 8,557,739</u>	<u>\$ 5,073,677</u>	<u>\$ 4,306,902</u>	<u>\$ 31,528</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	8,557,739	5,073,677	-	-
33,635	-	-	4,306,902	31,528
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ 33,635</u>	<u>\$ 8,557,739</u>	<u>\$ 5,073,677</u>	<u>\$ 4,306,902</u>	<u>\$ 31,528</u>

**GALVESTON COUNTY, TEXAS  
COMBINING BALANCE SHEET  
AGENCY FUNDS  
September 30, 2008  
With Comparative Amounts as of September 30, 2007**

	<b>ADULT PROBATION UNDISTRIBUTED COLLECTIONS</b>	<b>DEBT SERVICE AGENCY</b>	<b>TOTALS</b>	
			<b>2008</b>	<b>2007</b>
<b>ASSETS</b>				
Investments	\$ -	\$ 36,047	\$ 19,951,008	\$ 20,320,843
Receivables (Net of Allowances for Uncollectibles):				
Accounts and Other	-	-	23,579	38,517
Restricted Assets:				
Guardianship Assets	-	-	1,386,205	1,318,130
<b>Total Assets</b>	<b>\$ -</b>	<b>\$ 36,047</b>	<b>\$ 21,360,792</b>	<b>\$ 21,677,490</b>
<b>LIABILITIES</b>				
Accounts Payable	\$ -	\$ -	\$ 59,131	\$ 137,712
Due to Others	-	5,311	13,759,722	13,291,867
Due to Other Entities	-	-	5,032,040	5,607,297
Due to Other Funds	-	30,736	30,736	30,736
Deposits Held	-	-	1,092,958	1,291,748
Deposits Held for Restricted Assets	-	-	1,386,205	1,318,130
<b>Total Liabilities</b>	<b>\$ -</b>	<b>\$ 36,047</b>	<b>\$ 21,360,792</b>	<b>\$ 21,677,490</b>





The University of Texas Medical Branch (“UTMB”) in Galveston, Texas, one of the county’s major employers, faces \$710 million in building damage, ruined equipment, revenue losses, and clean-up and evacuation costs.

Above: UTMB evacuates critically ill patients and new-born babies as the storm approaches.

Below: flood waters surround several buildings on the UTMB campus.

(Photographs courtesy of the University of Texas Medical Branch.)

**GALVESTON COUNTY, TEXAS**  
**COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**For the Year Ended September 30, 2008**

	<u>BALANCE</u> <u>10/1/07</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>9/30/08</u>
<b>PAYROLL</b>				
<b>ASSETS</b>				
Investments	\$ 839,026	\$ 197,893,914	\$ 198,032,724	\$ 700,216
<b>LIABILITIES</b>				
Accounts Payable	\$ 39,828	\$ 3,534,472	\$ 3,534,059	\$ 40,241
Due to Other Entities	799,198	40,880,383	41,019,606	659,975
<b>Total liabilities</b>	<b>\$ 839,026</b>	<b>\$ 44,414,855</b>	<b>\$ 44,553,665</b>	<b>\$ 700,216</b>
<b>ESCROW</b>				
<b>ASSETS</b>				
Investments	\$ 1,345,381	\$ 4,068,435	\$ 4,331,181	\$ 1,082,635
Receivables (Net of Allowances for Uncollectibles):				
Accounts and Other	38,187	207,533	222,571	23,149
Guardianship Assets	1,318,130	68,075	-	1,386,205
<b>Total assets</b>	<b>\$ 2,701,698</b>	<b>\$ 4,344,043</b>	<b>\$ 4,553,752</b>	<b>\$ 2,491,989</b>
<b>LIABILITIES</b>				
Accounts Payable	\$ 97,884	\$ 1,352,398	\$ 1,431,392	\$ 18,890
Due to Others	5,315	-	-	5,315
Deposits Held	1,280,369	4,090,014	4,288,804	1,081,579
Deposits Held for Restricted Assets	1,318,130	68,075	-	1,386,205
<b>Total liabilities</b>	<b>\$ 2,701,698</b>	<b>\$ 5,510,487</b>	<b>\$ 5,720,196</b>	<b>\$ 2,491,989</b>
<b>CHILDREN'S PROTECTIVE SERVICES - ESCROW</b>				
<b>ASSETS</b>				
Investments	\$ 11,379	\$ -	\$ -	\$ 11,379
<b>LIABILITIES</b>				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Deposits Held	11,379	-	-	11,379
<b>Total liabilities</b>	<b>\$ 11,379</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 11,379</b>
<b>INMATE DEPOSITS</b>				
<b>ASSETS</b>				
Investments	\$ 50,443	\$ 67,237	\$ -	\$ 117,680
<b>LIABILITIES</b>				
Due to Others	\$ 50,443	\$ 67,237	\$ -	\$ 117,680

(Continued)

**GALVESTON COUNTY, TEXAS**  
**COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**For the Year Ended September 30, 2008**

	<u>BALANCE</u> <u>10/1/07</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>9/30/08</u>
<b>APPELLATE JUDICIAL SYSTEM FEES</b>				
<b>ASSETS</b>				
Investments	\$ -	\$ 33,205	\$ -	\$ 33,205
Receivables:				
Accounts and Other	330	100	-	430
<b>Total assets</b>	<b>\$ 330</b>	<b>\$ 33,305</b>	<b>\$ -</b>	<b>\$ 33,635</b>
<b>LIABILITIES</b>				
Due to Other Entities	\$ 330	\$ 33,305	\$ -	\$ 33,635
<b>DISTRICT CLERK TRUST</b>				
<b>ASSETS</b>				
Investments	\$ 7,549,301	\$ 1,422,890	\$ 414,452	\$ 8,557,739
<b>LIABILITIES</b>				
Due to Others	\$ 7,549,301	\$ 1,422,890	\$ 414,452	\$ 8,557,739
<b>COUNTY CLERK TRUST</b>				
<b>ASSETS</b>				
Investments	\$ 5,681,497	\$ 114,855	\$ 722,675	\$ 5,073,677
<b>LIABILITIES</b>				
Due to Others	\$ 5,681,497	\$ 114,855	\$ 722,675	\$ 5,073,677
<b>TAX ASSESSOR-COLLECTOR UNDISTRIBUTED COLLECTIONS</b>				
<b>ASSETS</b>				
Investments	\$ 4,798,191	\$ 1,350,606	\$ 1,841,895	\$ 4,306,902
<b>LIABILITIES</b>				
Due to Other Entities	\$ 4,798,191	\$ 1,350,606	\$ 1,841,895	\$ 4,306,902
<b>OFFICERS' UNDISTRIBUTED FEES</b>				
<b>ASSETS</b>				
Investments	\$ 9,578	\$ 21,950	\$ -	\$ 31,528
<b>LIABILITIES</b>				
Due to Other Entities	\$ 9,578	\$ 21,950	\$ -	\$ 31,528

(Continued)

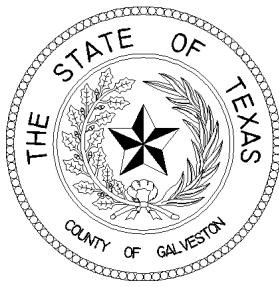
**GALVESTON COUNTY, TEXAS**  
**COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**For the Year Ended September 30, 2008**

	<u>BALANCE</u> <u>10/1/07</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>9/30/08</u>
<b>ADULT PROBATION</b>				
<b>UNDISTRIBUTED COLLECTIONS</b>				
<b>ASSETS</b>				
Investments	\$ -	\$ -	\$ -	\$ -
<b>LIABILITIES</b>				
Due to Other Entities	\$ -	\$ -	\$ -	\$ -
<b>DEBT SERVICE AGENCY</b>				
<b>ASSETS</b>				
Investments	\$ 36,047	\$ -	\$ -	\$ 36,047
<b>LIABILITIES</b>				
Due to Others	\$ 5,311	\$ -	\$ -	\$ 5,311
Due to Other Funds	30,736	-	-	30,736
<b>Total liabilities</b>	<b>\$ 36,047</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 36,047</b>
<b>TOTALS - ALL AGENCY FUNDS</b>				
<b>ASSETS</b>				
Investments	\$ 20,320,843	\$ 204,973,092	\$ 205,342,927	\$ 19,951,008
Receivables (Net of Allowances for Uncollectibles):				
Accounts and Other	38,517	207,633	222,571	23,579
Guardianship Assets	1,318,130	68,075	-	1,386,205
<b>Total assets</b>	<b>\$ 21,677,490</b>	<b>\$ 205,248,800</b>	<b>\$ 205,565,498</b>	<b>\$ 21,360,792</b>
<b>LIABILITIES</b>				
Accounts Payable	\$ 137,712	\$ 4,886,870	\$ 4,965,451	\$ 59,131
Due to Others	13,291,867	1,604,982	1,137,127	13,759,722
Due to Other Entities	5,607,297	42,286,244	42,861,501	5,032,040
Due to Funds	30,736	-	-	30,736
Deposits Held	1,291,748	4,090,014	4,288,804	1,092,958
Deposits Held for Restricted Assets	1,318,130	68,075	-	1,386,205
<b>Total liabilities</b>	<b>\$ 21,677,490</b>	<b>\$ 52,936,185</b>	<b>\$ 53,252,883</b>	<b>\$ 21,360,792</b>



The south side of the State Highway 146 bridge connecting Kemah and Seabrook. State Highway 146 is one of the county's evacuation routes.

(Photograph from the Internet.)



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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, 2008 and 2007**

	<b>2008</b>	<b>2007</b>
<b>GOVERNMENTAL FUNDS CAPITAL ASSETS</b>		
Land	\$ 27,801,846	\$ 27,793,155
Buildings and Improvements	186,448,648	183,193,073
Improvements Other Than Buildings	1,174,926	1,119,980
Machinery and Equipment	32,389,021	30,539,853
Infrastructure	141,467,018	143,257,222
Construction in Progress	1,275,327	3,158,250
<b>Total governmental funds capital assets</b>	<b>\$ 390,556,786</b>	<b>\$ 389,061,533</b>
 <b>INVESTMENT IN GOVERNMENTAL FUNDS CAPITAL ASSETS BY SOURCE</b>		
General Fund	\$ 20,158,880	\$ 19,239,486
Special Revenue Funds and Grants	25,293,611	23,366,868
Capital Projects Funds	336,539,955	337,895,051
Gifts	8,564,340	8,560,128
<b>Total governmental funds capital assets</b>	<b>\$ 390,556,786</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.





Above: the Texas City Dike, Texas City, Texas.

Below: the extreme western end of the Galveston Seawall.

The Texas City Dike and the Galveston Seawall held back the storm surge of Hurricane Ike, but both sustained substantial damage.

(Photographs courtesy of Mike Fitzgerald.)

GALVESTON COUNTY, TEXAS  
**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS**  
**SCHEDULE BY FUNCTION AND ACTIVITY**  
September 30, 2008

FUNCTION AND ACTIVITY	LAND	BUILDINGS	IMPROVEMENTS			INFRASTRUCTURE	CONSTRUCTION IN PROGRESS
			BUILDINGS	OTHER THAN BUILDINGS	MACHINERY & EQUIPMENT		
<b>General government:</b>							
General Government	\$ 7,977,483	\$ 97,739,503	\$ 419,886	\$ 3,958,616	\$ -	\$ -	-
County Clerk	-	-	-	2,125,889	-	-	-
County Records Management	-	-	-	149,962	-	-	-
Justice Courts	48,220	171,621	-	-	-	-	-
District Clerk	-	-	-	75,137	-	-	-
District Attorney	-	-	-	115,505	-	-	-
County Auditor	-	-	-	19,697	-	-	-
Director of Finance and Administration	-	-	-	-	-	-	-
Tax Assessor-Collector	-	-	-	55,621	-	-	-
Legal Department	-	-	-	23,558	-	-	-
Information Technology	-	-	-	4,394,703	-	-	-
Facilities Services	47,217	35,612	11,119	893,558	-	-	-
Maintenance and Repairs	-	-	-	-	-	-	-
County Engineer	-	-	-	-	-	-	1,114,480
<b>Total general government</b>	<b>8,072,920</b>	<b>97,946,736</b>	<b>431,005</b>	<b>11,812,246</b>	<b>-</b>	<b>-</b>	<b>1,114,480</b>
<b>Public safety:</b>							
Sheriff	2,452,292	67,096,668	-	8,957,158	-	-	-
Medical Examiner	-	433,715	-	-	-	-	-
Juvenile Justice	18,047	6,020,810	-	238,700	-	-	-
Emergency Management	-	-	-	254,891	-	-	-
Flood Control	1,065,717	2,968,742	-	1,262,294	-	77,927,330	-
<b>Total public safety</b>	<b>3,536,056</b>	<b>76,519,935</b>	<b>-</b>	<b>10,713,043</b>	<b>-</b>	<b>77,927,330</b>	<b>-</b>
<b>Roads, bridges, and right-of-way:</b>							
Road Department	272,447	423,202	-	6,562,379	-	48,124,728	-
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>2,102,365</b>	<b>706,871</b>	<b>-</b>	<b>6,583,931</b>	<b>-</b>	<b>57,829,913</b>	<b>-</b>

**GALVESTON COUNTY, TEXAS**  
**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS**  
**SCHEDULE BY FUNCTION AND ACTIVITY**  
September 30, 2008

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	-	-	-	744,193	-	-
Senior Citizens	55,595	1,105,894	-	430,266	-	-
<b>Total health and social services</b>	<b>434,389</b>	<b>2,426,702</b>	<b>-</b>	<b>1,174,459</b>	<b>-</b>	<b>-</b>
<b>Culture and recreation:</b>						
Museum	20,677	62,352	-	-	-	-
Beach and Parks Department	13,635,439	8,786,052	743,921	1,499,819	5,709,775	160,847
Beach Maintenance-Road and Bridge	-	-	-	476,693	-	-
<b>Total culture and recreation</b>	<b>13,656,116</b>	<b>8,848,404</b>	<b>743,921</b>	<b>1,976,512</b>	<b>5,709,775</b>	<b>160,847</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>\$ 27,801,846</b>	<b>\$ 186,448,648</b>	<b>\$ 1,174,926</b>	<b>\$ 32,389,021</b>	<b>\$ 141,467,018</b>	<b>\$ 1,275,327</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, 2008**

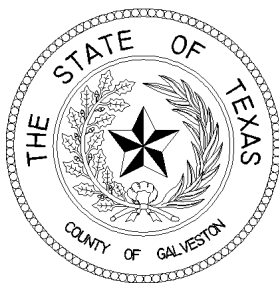
FUNCTIONS AND ACTIVITY	GOVERNMENTAL FUNDS CAPITAL ASSETS OCTOBER 1, 2007	ADDITIONS	DEDUCTIONS	TRANSFERS	GOVERNMENTAL FUNDS CAPITAL ASSETS SEPTEMBER 30, 2008
<b>General government:</b>					
General Government	\$ 160,309,427	\$ 897,817	\$ (506,640)	(50,605,116)	\$ 110,095,488
County Clerk	2,165,266	-	(30,127)	(9,250)	2,125,889
County Records Management	149,962	-	-	-	149,962
Justice Courts	219,841	-	-	-	219,841
District Clerk	80,637	-	(5,500)	-	75,137
District Attorney	115,102	43,844	(43,441)	-	115,505
County Auditor	19,697	-	-	-	19,697
Tax Assessor-Collector	55,621	-	-	-	55,621
Legal Department	23,558	-	-	-	23,558
Information Technology	3,894,995	257,234	(55,096)	297,570	4,394,703
Facilities Services	352,136	55,286	(60,014)	640,098	987,506
Maintenance and Repairs	96,485	-	(12,436)	(84,049)	-
County Engineer	880,359	1,114,480	(880,359)	-	1,114,480
<b>Total general governmental</b>	<b>168,363,086</b>	<b>2,368,661</b>	<b>(1,593,613)</b>	<b>(49,760,747)</b>	<b>119,377,387</b>
<b>Public safety:</b>					
Sheriff's Department	28,262,948	838,619	(447,725)	49,852,276	78,506,118
Medical Examiner	433,715	-	-	-	433,715
Juvenile Justice	6,277,557	-	-	-	6,277,557
Emergency Management	44,672	210,219	-	-	254,891
Flood Control	82,194,434	3,197,198	(2,167,549)	-	83,224,083
<b>Total public safety</b>	<b>117,213,326</b>	<b>4,246,036</b>	<b>(2,615,274)</b>	<b>49,852,276</b>	<b>168,696,364</b>
<b>Roads, bridges, and right-of-way:</b>					
Road Department	56,817,137	2,064,435	(3,498,816)	-	55,382,756
Road District #1	10,010,406	-	-	-	10,010,406
Rights-of-Way Department	1,829,918	-	-	-	1,829,918
<b>Total roads, bridges, and rights-of-way</b>	<b>68,657,461</b>	<b>2,064,435</b>	<b>(3,498,816)</b>	<b>-</b>	<b>67,223,080</b>
<b>Health and social services:</b>					
Health Administration and Sanitation	1,699,602	-	-	-	1,699,602
Mosquito Control District	739,889	33,114	(14,405)	(14,405)	744,193
Senior Citizens	1,522,124	108,158	(38,527)	-	1,591,755
<b>Total health and social services</b>	<b>3,961,615</b>	<b>141,272</b>	<b>(52,932)</b>	<b>(14,405)</b>	<b>4,035,550</b>
<b>Culture and recreation:</b>					
Museum	83,029	-	-	-	83,029
Beach and Parks Department	30,188,526	561,453	(137,002)	(77,124)	30,535,853
Beach Maintenance- Road and Bridge	465,660	74,523	(63,490)	-	476,693
<b>Total culture and recreation</b>	<b>30,737,215</b>	<b>635,976</b>	<b>(200,492)</b>	<b>(77,124)</b>	<b>31,095,575</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>\$ 389,061,533</b>	<b>\$ 9,456,380</b>	<b>\$ (7,961,127)</b>	<b>\$ -</b>	<b>\$ 390,556,786</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 Texas National Guard arriving in Galveston to help with recovery efforts.

(Photograph courtesy of Mike Fitzgerald.)



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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.



President George W. Bush and Texas Governor Rick Perry view the damage to the upper Texas coast. The President viewed the area before making a formal disaster declaration.

(Photograph from the Internet.)

## Financial Trends

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

	Fiscal Year					
	2003*	2004	2005	2006	2007	2008
Net assets - governmental activities						
Invested in capital assets, net of related debt	\$ 114,231	\$ 93,040	\$ 97,944	\$ 103,625	\$ 117,622	\$ 107,958
Restricted for:						
Grants	902	548	210	565	482	8,293
Debt service	1,926	4,111	4,534	5,448	12,820	12,575
Other projects	55	-	-	-	-	-
Unrestricted	10,150	19,494	25,692	31,154	24,188	28,264
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>	<u>\$ 157,090</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 SIX FISCAL YEARS**  
**(accrual basis of accounting)**  
**(amounts expressed in thousands)**

	Fiscal Year					
	2003*	2004	2005	2006	2007	2008
<b>Expenses</b>						
Governmental activities:						
General Government	\$ 41,671	\$ 42,501	\$ 38,234	\$ 44,828	\$ 51,530	\$ 57,076
Public Safety	35,293	36,420	39,715	40,233	46,077	57,562
Sanitation	-	18	18	575	187	21
Health and Social Services	14,148	12,196	15,799	15,987	16,825	18,213
Culture and Recreation	3,037	6,827	4,347	4,101	6,347	6,428
Conservation	328	315	403	392	426	475
Roads, Bridges, and Rights-of-way	17,077	19,991	9,552	10,985	14,587	12,207
Interest on Long-term Debt	5,841	10,173	10,269	10,199	10,057	10,617
<b>Total governmental activities expenses</b>	<b>117,395</b>	<b>128,441</b>	<b>118,337</b>	<b>127,300</b>	<b>146,036</b>	<b>162,599</b>
<b>Program revenues</b>						
Governmental activities:						
Charges for services:						
General Government	12,609	13,809	13,469	15,156	17,094	15,998
Public Safety	1,752	1,712	1,627	1,750	1,776	4,201
Roads, Bridges, and Rights-of-way	750	759	331	679	866	769
Other	405	216	125	137	385	466
Operating grants and contributions	11,904	11,430	14,216	13,614	24,553	20,835
Capital grants and contributions	1,232	3,177	3,574	4,251	2,895	36
<b>Total governmental activities program revenues</b>	<b>28,652</b>	<b>31,103</b>	<b>33,342</b>	<b>35,587</b>	<b>47,569</b>	<b>42,305</b>
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>	<u>(120,294)</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	93,562
Property taxes, levied for debt service	10,014	12,549	14,303	15,820	15,895	16,273
Payments in lieu of taxes	1,064	758	875	1,467	1,433	1,897
Unrestricted investment earnings	3,657	5,865	4,413	4,480	5,534	4,605
Gain on sale of capital assets	1,618	-	610	1,000	870	660
Miscellaneous	94	221	406	460	37	108
Extraordinary Item-Insurance Recovery Proceeds (1)	-	-	-	-	-	5,511
Extraordinary Item-Infrastructure Loss (2)	-	-	-	-	-	(344)
<b>Total governmental activities</b>	<b>81,082</b>	<b>89,695</b>	<b>96,150</b>	<b>104,837</b>	<b>112,787</b>	<b>122,273</b>
<b>Change in net assets-governmental activities</b>	<b>\$ (7,661)</b>	<b>\$ (7,643)</b>	<b>\$ 11,155</b>	<b>\$ 13,124</b>	<b>\$ 14,320</b>	<b>\$ 1,978</b>

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

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

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

**GALVESTON COUNTY, TEXAS**  
**GOVERNMENTAL ACTIVITIES TAX REVENUE BY SOURCE**  
**LAST SIX 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
2008	93,562	16,273	109,835

*\* 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)

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General Fund										
Reserved	\$ 2,157	\$ 1,496	\$ 1,416	\$ 1,421	\$ 995	\$ 551	\$ 953	\$ 616	\$ 274	\$ 482
Unreserved (1)	8,092	9,466	5,575	5,856	5,310	12,557	18,195	25,006	28,865	27,106
Total general fund (4)	\$ 10,249	\$ 10,962	\$ 6,991	\$ 7,277	\$ 6,305	\$ 13,108	\$ 19,148	\$ 25,622	\$ 29,139	\$ 27,588
All other governmental funds										
Reserved (2) (3) (5)	\$ 941	\$ 7,661	\$ 10,461	\$ 19,024	\$ 30,607	\$ 67,798	\$ 24,561	\$ 10,073	\$ 15,617	\$ 35,912
Unreserved, reported in:										
Special Revenue Funds	10,479	12,819	14,261	14,309	16,722	16,990	16,782	18,467	21,491	28,672
Debt Service Funds	1,308	-	-	-	-	-	-	-	-	-
Capital Projects Funds (3), (4)	8,670	14,258	67,692	63,171	129,233	38,803	31,114	19,477	49,741	33,938
Total all other governmental funds (6)	\$ 21,398	\$ 34,738	\$ 92,413	\$ 96,504	\$ 176,562	\$ 123,591	\$ 72,457	\$ 48,018	\$ 86,849	\$ 98,522

(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 2009, that is equivalent to \$28,000,000. 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) The increase in reserved funds during fiscal year 2008 is attributable to encumbrances for capital projects.

(6) 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)

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
<b>Revenues</b>										
Taxes	\$ 54,760	\$ 58,035	\$ 60,712	\$ 68,843	\$ 74,072	\$ 82,806	\$ 88,759	\$ 97,414	\$ 103,810	\$ 108,051
Licenses and Permits	2,050	2,061	2,028	2,088	2,058	2,100	2,140	2,325	2,320	2,267
Intergovernmental (1) (2)	8,695	11,489	11,913	9,749	11,559	14,661	15,120	16,317	20,106	22,987
Charges for Services	7,600	7,873	8,210	8,858	8,262	8,300	8,334	9,818	10,289	9,879
Fines and Forfeitures	3,145	3,376	3,136	3,024	2,679	2,818	2,786	2,763	3,578	3,588
Investment Earnings	2,267	2,981	3,922	4,290	3,657	5,991	4,676	5,132	6,213	5,211
Miscellaneous (3)	7,559	4,683	3,008	2,948	5,046	5,004	4,566	5,899	5,867	5,559
<b>Total Revenues</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>152,183</b>	<b>157,542</b>
<b>Expenditures</b>										
Current:										
General Government	32,864	28,200	31,585	32,579	36,936	34,864	39,269	42,655	49,899	55,122
Public Safety	23,768	28,173	28,430	28,363	30,751	32,961	33,784	35,231	39,926	48,516
Sanitation	380	115	-	-	-	18	18	575	87	21
Health and Social Services (4)	4,283	4,669	5,420	5,065	5,624	14,996	14,978	15,137	15,222	16,987
Culture and Recreation	1,588	2,706	242	247	2,351	3,045	2,378	2,336	2,600	2,813
Conservation	155	198	3,005	2,264	310	301	349	366	401	449
Roads, Bridges, and Rights-of-Way	5,535	5,431	4,379	4,938	4,308	4,510	5,023	4,410	12,086	9,257
Debt Service (5):										
Principal	3,040	3,667	3,937	5,030	6,125	4,115	5,999	7,372	7,831	9,351
Interest and Fiscal Charges	3,250	3,068	3,000	4,620	4,038	8,164	8,254	8,178	7,879	8,134
Bond Issuance Costs	-	129	475	118	1,544	601	-	-	672	1,047
Refund - Prior Year Tax Revenue	-	-	-	-	-	-	159	159	159	-
Capital Outlay (5)	9,314	4,763	10,974	14,370	36,342	64,751	61,192	40,567	19,143	6,336
<b>Total Expenditures</b>	<b>84,178</b>	<b>81,117</b>	<b>91,447</b>	<b>97,594</b>	<b>128,330</b>	<b>168,325</b>	<b>171,404</b>	<b>156,986</b>	<b>155,905</b>	<b>158,033</b>
Excess (deficiency) of revenues over (under) expenditures	1,897	9,380	1,483	2,206	(20,996)	(46,644)	(45,021)	(17,317)	(3,722)	(491)



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

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
<b>Other Financing Sources (Uses)</b>										
Transfers In	4,021	5,232	4,870	4,927	6,651	6,525	4,669	8,083	10,529	17,555
Transfers Out	(12,288)	(13,136)	(15,274)	(14,943)	(17,041)	(8,920)	(6,418)	(10,711)	(16,123)	(21,571)
Sale of Capital Assets	1,101	543	353	62	2,230	184	1,082	1,979	4,033	1,121
Capital Lease	-	-	-	-	-	2,053	-	-	-	-
Insurance Recovery Proceeds	-	-	-	-	-	-	-	-	-	5,511
Long Term Debt Issued	-	12,140	61,795	12,125	-	-	-	-	-	-
Face Value - Long Term Debt Issued (6)	-	-	-	-	107,760	-	-	-	48,270	95,425
Face Value - Refunding Bonds Issued	-	-	-	-	-	42,595	-	-	-	-
Premium - Long Term Debt Issued	-	-	-	-	1,478	-	-	-	120	228
Premium - Refunding Bonds Issued	-	-	-	-	-	3,596	-	-	-	-
Discount - Long Term Debt Issued	-	-	-	-	(996)	-	-	-	(759)	(4,380)
Refunded Bonds - Escrow Agent Payments	-	-	-	-	-	(45,556)	-	-	-	(83,278)
Other	-	(105)	(37)	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	(7,166)	4,674	51,707	2,170	100,082	476	(668)	(649)	46,070	10,613
Net Change In Fund Balances	\$ (5,269)	\$ 4,707	\$ 53,190	\$ 4,377	\$ 79,086	\$ (46,168)	\$ (45,689)	\$ (17,966)	\$ 42,348	\$ 10,122
Debt service as a percentage of noncapital expenditures	8.4%	8.8%	8.6%	11.6%	11.0%	11.9%	12.9%	13.4%	11.5%	11.5%

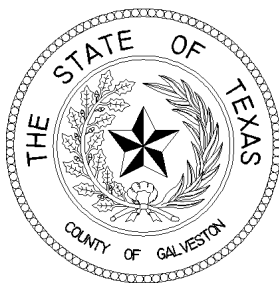
- (1) The decrease in intergovernmental revenues in 2002 was due to a reduction in emergency management grant funding.
- (2) The increase in intergovernmental revenues between fiscal years 2002-2004 was due to receipt of FEMA reimbursements for tropical storm damage.
- (3) The increase in miscellaneous 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 Red Cross provided hot meals to citizens of Galveston County.

(Photograph from the Internet.)

## Revenue Capacity



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

<b>Fiscal Year (2)</b>	<b>Real Property (2)</b>			<b>Personal Property(2)</b>	<b>Utilities Pipelines, and Boats(2)</b>	<b>Total</b>	<b>Tax Rate (3)</b>
	<b>Residential Property</b>	<b>Commercial and Industrial Property</b>	<b>Other Property</b>				
2001-02	\$ 9,205,486	\$ 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
2007-08	16,255,587	5,922,331	488,178	2,503,858	493,892	25,663,846	0.5800

(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									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
<b>Galveston County</b>	\$0.520000	\$0.545000	\$0.545000	\$0.565400	\$0.606300	\$0.640000	\$0.638750	\$0.628750	\$0.598750	\$0.580000
<b>Cities</b>										
Galveston	0.549400	0.549850	0.548600	0.559100	0.554900	0.541700	0.541700	0.541700	0.494000	0.494000
Friendswood	0.612500	0.638500	0.638500	0.638500	0.638500	0.638500	0.638500	0.604000	0.582100	0.576400
Hitchcock	0.567000	0.567000	0.567000	0.567000	0.568400	0.581380	0.538900	0.534557	0.555050	0.511080
Jamaica Beach	0.597420	0.597420	0.522499	0.479930	0.460900	0.420820	0.345400	0.311200	0.285000	0.260300
La Marque	0.533000	0.523000	0.546100	0.536100	0.536100	0.510340	0.540300	0.553300	0.514360	0.514360
League City	0.725000	0.670000	0.667500	0.662500	0.650000	0.640000	0.630000	0.527500	0.608800	0.608800
Texas City	0.285000	0.298750	0.328750	0.333500	0.357500	0.456240	0.456240	0.456240	0.456240	0.435610
Tiki Island	0.168632	0.163352	0.164288	0.159600	0.169100	0.165890	0.175900	0.160252	0.155590	0.164860
Bayou Vista	0.407397	0.402377	0.378077	0.370100	0.375000	0.340000	0.354000	0.356200	0.338720	0.354200
Clear Lake Shores	0.328701	0.339507	0.339507	0.329600	0.262633	0.241810	0.238600	0.238600	0.210000	0.204750
Crystal Beach	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Dickinson	0.351112	0.351112	0.350574	0.390000	0.373000	0.391500	0.414500	0.434500	0.408800	0.408600
Kemah	0.260000	0.163790	0.095000	0.092600	0.071200	0.150000	0.170200	0.208545	0.255395	0.270000
Santa Fe	0.374500	0.354100	0.352100	0.262000	0.271900	0.271900	0.274700	0.282400	0.299200	0.299200
<b>School and Junior College Districts</b>										
Galveston	1.520000	1.520000	1.520000	1.520000	1.570000	1.560000	1.710000	1.685000	1.525000	1.175000
Friendswood	1.672000	1.535000	1.585000	1.617000	1.637000	1.637000	1.637000	1.637000	1.507000	1.177000
Hitchcock	1.710000	1.705900	1.705900	1.710000	1.710000	1.710000	1.710000	1.695000	1.565050	1.121505
La Marque	1.644100	1.615959	1.625005	1.625000	1.650000	1.730000	1.743000	1.740000	1.570000	1.240000
Texas City	1.520000	1.608000	1.611800	1.611900	1.604700	1.623400	1.613000	1.587100	1.448354	1.112750
Clear Creek	1.641520	1.598560	1.700840	1.725000	1.740000	1.730000	1.745000	1.775000	1.630000	1.320000
Dickinson	1.710000	1.751000	1.754000	1.747000	1.764000	1.743000	1.738000	1.751000	1.724000	1.430000
High Island	1.500000	1.500000	1.500000	1.500000	1.500000	1.770000	1.709100	1.700000	1.630000	1.300000
Santa Fe	1.494000	1.367000	1.422000	1.510000	1.570000	1.570000	1.570000	1.570000	1.445000	1.160000
College of the Mainland	0.198815	0.215762	0.218000	0.218000	0.231870	0.263060	0.245250	0.243020	0.233450	0.227380
Galveston College	0.187800	0.197800	0.197800	0.195200	0.195200	0.195200	0.195200	0.191800	0.170000	0.170000
<b>Special Districts</b>										
Bacliff MUD	0.202000	0.185000	0.080000	0.070000	0.165000	0.238260	0.243700	0.350000	0.315800	0.303640
Bayview MUD	0.238400	0.232900	0.237800	0.240000	0.236800	0.220000	0.220000	0.220000	0.216900	0.218500
South Shore MUD #2	0.610000	0.600000	0.570000	0.000000	0.570000	0.520000	0.450000	0.340000	0.290000	0.290000
South Shore MUD #3	0.335000	0.335000	0.325000	0.300000	0.300000	0.240000	0.220000	0.200000	0.180000	0.170000
South Shore MUD #6	0.580000	0.510000	0.460000	0.400000	0.380000	1.000000	1.000000	0.310000	0.300000	0.300000
South Shore Harbour MUD#7	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.950000	0.820000	0.800000
Tara Glen MUD	0.820000	0.800000	0.800000	0.750000	0.725000	0.700000	0.700000	0.670000	0.670000	0.670000
Flamingo Isles MUD	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.500000	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									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
<b>Special Districts (Continued)</b>										
Bay Colony West MUD	\$0.000000	\$0.000000	\$0.000000	\$0.000000	\$0.000000	\$0.000000	\$0.000000	\$1.000000	\$1.000000	\$1.000000
Clear Creek Drainage District	0.150000	0.150000	0.155000	0.155000	0.155000	0.150000	0.150000	0.000000	0.000000	0.000000
Fresh Water Supply District #6	0.285953	0.255028	0.257210	0.219500	0.282700	0.245080	0.249600	0.220153	0.201300	0.222900
Galveston County Consolidated Drainage District	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.148300	0.000000	0.142500
Galveston County EMS District	0.095720	0.092571	0.094199	0.095060	0.095390	0.085800	0.085800	0.082670	0.081700	0.079810
Galveston County MUD #1	0.475661	0.475325	0.445282	0.460000	0.460000	0.460000	0.460000	0.460000	0.000000	0.000000
Galveston County MUD #2	0.685000	0.615000	0.560000	0.460000	0.430000	0.390000	0.365000	0.300000	0.260000	0.250000
Galveston County MUD #3	0.540000	0.480000	0.450000	0.430000	0.390000	0.320000	0.250000	0.210000	0.160000	0.140000
Galveston County MUD #6	0.900000	0.860000	0.860000	0.750000	0.700000	0.700000	0.700000	0.640000	0.480000	0.460000
Galveston County MUD #12	0.334035	0.305565	0.245468	0.188400	0.252862	0.258620	0.220100	0.207717	0.270000	0.258420
Galveston County MUD #13	0.969000	0.965000	0.965000	0.965000	0.915000	0.860000	0.760000	0.710000	0.630000	0.610000
Galveston County MUD #14	0.186150	0.186150	1.000000	1.000000	1.000000	0.970000	0.920000	0.900000	0.880000	0.880000
Galveston County MUD #15	0.880400	0.870890	0.870890	0.870000	0.870000	0.860000	0.830000	0.825000	0.825000	0.825000
Galveston County MUD #29	0.203000	0.205000	0.188758	0.175000	0.175000	0.175000	0.175000	0.170000	0.000000	0.000000
Galveston County MUD #30	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.350000	0.350000
Galveston County MUD #31	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	1.090000	1.090000	1.090000
Galveston County MUD #32	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.750000	0.750000
Galveston County MUD #39	0.000000	0.000000	0.000000	0.000000	0.900000	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	1.000000	1.000000	1.000000
Galveston County MUD #44	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	1.000000	0.800000
Galveston County MUD #45	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	1.000000	1.000000	1.000000
Galveston County MUD #46	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	1.000000	1.000000	1.000000
Galveston County MUD #52	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	1.500000	1.500000
Galveston County MUD #68	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.850000
Galveston County Navigation District #1	0.039610	0.040032	0.041136	0.040600	0.042000	0.042000	0.040900	0.038000	0.033690	0.330300
West Ranch Management District #1	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.650000	0.650000
Water Control Improvement District #1	0.380000	0.370000	0.350000	0.330000	0.310000	0.262620	0.262500	0.241490	0.230260	0.220260
Water Control Improvement Dist. #8	0.210510	0.182500	0.250000	0.250000	0.250000	0.250000	0.250000	0.246300	0.247400	0.250000
Water Control Improvement Dist. #12	0.567600	0.567600	0.526900	0.526900	0.520000	0.470000	0.420000	0.420000	0.370000	0.370000
Water Control Improvement Dist. #19	0.367790	0.367270	0.156102	0.153100	0.152700	0.150170	0.170800	0.165030	0.159520	0.183110
San Leon MUD	0.290000	0.287000	0.287000	0.446000	0.488000	0.450500	0.449100	0.434700	0.434500	0.450000
Drainage District #1	0.096819	0.088022	0.088061	0.097200	0.095800	0.090100	0.090100	0.103887	0.108940	0.114210
Drainage District #2	0.054419	0.054294	0.056273	0.056600	0.058800	0.058800	0.058800	0.055200	0.055740	0.057360
Drainage District #3	0.275190	0.234694	0.234694	0.216100	0.000000	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, 2008  
(amounts expressed in thousands)**

<b>Taxpayer</b>	<b>2008</b>			<b>1999</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.	1,790,106	1	6.98%	-	-	-
Valero Refining-Texas LP	789,304	2	3.08%	166,388	6	1.31%
South Houston Green Power, LP	360,517	3	1.40%	-	-	-
Union Carbide Corporation	351,665	4	1.37%	502,187	2	3.96%
Praxair Inc.	197,696	5	0.77%	-	-	-
Marathon Petroleum Company LLC	165,911	6	0.65%	72,024	9	0.57%
BP Amoco Chemical Company	153,747	7	0.60%	195,568	5	1.54%
Centerpoint Energy Inc.	93,843	8	0.37%	-	-	-
Sterling Chemicals	88,038	9	0.34%	331,440	3	2.61%
Texas-New Mexico Power Company	84,991	10	0.33%	83,814	8	0.66%
Amoco Texas Refinery Company	-	-	-	915,442	1	7.22%
Houston Lighting and Power	-	-	-	235,304	4	1.86%
Texas Cogenron, Inc.	-	-	-	94,292	7	0.74%
Southwestern Bell Telephone Company	-	-	-	69,110	10	0.55%
	<u>4,075,818</u>		<u>15.88%</u>	<u>2,665,569</u>		<u>21.03%</u>
Other Taxpayers	488,170		1.90%	349,377		2.76%
Totals	<u>\$ 4,563,988</u>		<u>17.78%</u>	<u>\$ 3,014,946</u>		<u>23.79%</u>

(1) Source: Galveston Central Appraisal District Top Taxpayer Calculations performed as of July 30, 2008.  
Total assessed value = \$25,663,846



**GALVESTON COUNTY, TEXAS  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST SEVEN 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	\$ 67,578	\$ 65,524	96.96%	\$ 1,758	\$ 67,282	99.56%
2002-03	71,242	69,298	97.27%	1,571	70,869	99.48%
2003-04	81,594	79,367	97.27%	1,714	81,081	99.37%
2004-05	89,445	85,893	96.03%	1,713	87,606	97.94%
2005-06	97,913	94,764	96.78%	1,716	96,480	98.54%
2006-07	107,629	103,081	95.77%	1,323	104,404	97.00%
2007-08	110,996	107,656	96.99%	-	107,656	96.99%

(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.



Highway crews cleaning up debris on Bolivar Peninsula.

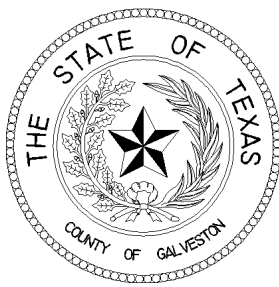
(Photograph from the Internet.)

## 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>
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%	820
2008	239,003	-	239,003	31.51%	829

*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, 2008**  
**(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>	\$ 239,003	100%	\$ 239,003
<b><u>Cities</u></b>			
Dickinson	9,957	100%	9,957
Friendswood	16,195	79.16%	12,820
Galveston	17,147	100%	17,147
Hitchcock	954	100%	954
Jamaica Beach	-	100%	-
Kemah	190	100%	190
La Marque	6,948	100%	6,948
League City	53,784	98%	52,687
Texas City	35,468	100%	35,468
Total Cities	<u>140,643</u>		<u>136,171</u>
<b><u>School Districts</u></b>			
Dickinson	129,185	100%	129,185
Friendswood	23,561	100%	23,561
Galveston	77,240	100%	77,240
High Island	1,880	100%	1,880
Hitchcock	7,221	100%	7,221
La Marque	29,928	100%	29,928
Santa Fe	13,870	100%	13,870
Texas City	68,884	100%	68,884
Total School Districts	<u>351,769</u>		<u>351,769</u>
<b><u>Co-Line School Districts</u></b>			
Clear Creek	<u>558,859</u>	34.44%	<u>192,471</u>

**GALVESTON COUNTY, TEXAS**  
**COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT (1)**  
**GENERAL OBLIGATION BONDS**  
**September 30, 2008**  
**(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>Other</b>			
Bacliff Mud	\$ 8,259	100%	\$ 8,259
Bay Colony West MUD	2,560	100%	2,560
Bayview Mud	-	100%	-
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	6,610	100%	6,610
Galveston County MUD #6	17,338	100%	17,338
Galveston County MUD #12	1,269	100%	1,269
Galveston County MUD #13	8,230	100%	8,230
Galveston County MUD #14	12,165	100%	12,165
Galveston County MUD #15	15,160	100%	15,160
Galveston County MUD #29	4,495	100%	4,495
Galveston County MUD #30	2,479	100%	2,479
Galveston County MUD #39	15,786	100%	15,786
Galveston County MUD #43	7,133	100%	7,133
San Leon MUD	3,166	100%	3,166
Galveston WCID #1	7,963	100%	7,963
Galveston WCID #8	295	100%	295
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	16,842	100%	16,842
Tara Glen MUD	3,521	100%	3,521
<b>Total Other</b>	<b>180,796</b>		<b>180,796</b>
<b>Total Gross and Overlapping Debt</b>	<b>\$ 1,471,070</b>		<b>\$ 1,100,210</b>

Ratio of Direct and Overlapping Debt to 2008 Net Taxable Assessed Valuation	5.26%
Per Capita Direct and Overlapping Debt (2008 estimated population = 288,239) (2)	3,817
Net Taxable Assessed Valuation	\$ 20,925,241

(1) Expenditures of the various taxing bodies within the territory of the County are paid out of ad valorem taxes levied by these taxing bodies on the properties within the County. These political taxing bodies are independent of the County and may borrow to finance their expenditures. The following statement of direct and estimated overlapping ad valorem tax bonds was developed from information contained in "Texas Municipal Reports" published by the Municipal Advisory Council of Texas last revised June 14, 2006; TMR#0084. Except for the amounts relating to the County, the County has not independently verified the accuracy or completeness of such information and no person should rely upon such information as being accurate and complete. Furthermore, certain entities listed above may have issued additional bonds since the date stated in the table and may have programs requiring the issuance of substantial amounts of additional bonds, the amount of which cannot be determined. The preceding table reflects the County's estimated share of overlapping gross debt of these various taxing bodies.

(2) 2008 estimated population and Per Capita Direct and Overlapping Debt amounts are not rounded to thousands.

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

**Bonds Issued Under Texas General Laws**

Assessed value of all taxable property (excluding exemptions)	\$ 25,663,846
Debt limit rate (5% of assessed value)	x 5%
Dollar amount of debt limit	1,283,192
Amount of debt applicable to constitutional debt limit:	
Total general bonded debt, including cumulative accretion	\$ 250,991
Less Debt Service fund balance	(11,869)
Total debt applicable to limitation	239,122
Legal debt margin	\$ 1,044,070

	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Debt limit	\$ 633,776	\$ 660,932	\$ 723,570	\$ 748,131	\$ 801,694	\$ 855,177	\$941,570	\$1,091,754	\$ 1,172,206	\$ 1,283,192
Total net debt applicable to limit	23,148	40,727	97,096	105,721	209,324	205,632	200,745	194,891	229,641	239,122
Legal debt margin	\$ 610,628	\$ 620,205	\$ 626,474	\$ 642,410	\$ 592,370	\$ 649,545	\$ 740,825	\$ 896,863	\$ 942,565	\$ 1,044,070
Total net debt applicable to the limit as a percentage of debt limit	3.65%	6.16%	13.42%	14.13%	26.11%	24.05%	21.32%	17.85%	19.59%	18.63%

**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

\$ 22,666,096  
 X 25%  
 5,666,524  
 (37,541)  
 \$ 5,628,983

	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Debt limit	\$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	\$ 5,666,524
Less: Road bonds outstanding	(7,483)	(13,698)	(38,039)	(33,737)	(38,625)	(37,811)	(38,225)	(38,675)	(38,122)	(37,541)
Legal debt margin	\$ 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	\$ 5,628,983

*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>
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	283,987	23,444,128	242,183	12,542	229,641	0.98	810
2007-08	288,239	25,663,846	250,991	11,869	239,122	0.93	830

\* Amounts expressed in thousands.

(1) Source: U.S. Census Bureau and Texas Association of Counties.

## Demographic and Economic Information

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

<b>Fiscal Year</b>	<b>Population (1)</b>	<b>Personal Income (1)(3)</b>	<b>Per Capita Personal Income (1)(3)</b>	<b>Median Age (1)</b>	<b>School Enrollment (2)</b>	<b>Unemployment Rate (1)</b>
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	283,987	7,307,960	25,773	36.0	78,508	4.30%
2008	288,239	7,698,864	26,710	36.3	79,000	5.54%

(1) Source: U.S. Bureau of Census; American Community Survey 2008

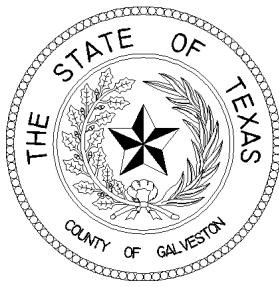
(2) Source: Texas Education Agency

(3) Amount expressed in thousands.

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

<b>Employer</b>	<b>2008</b>			<b>1999</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	12,200	1	48.1%	13,998	1	49.6%
Clear Creek Independent School District	3,352	2	13.2%	3,190	2	11.3%
BP-Amoco Oil Company Texas City	2,000	3	7.9%	2,500	3	8.9%
American National Insurance Company (ANICO)	1,485	4	5.9%	1,572	5	5.6%
Galveston County	1,296	5	5.1%	1,279	6	4.5%
Galveston Independent School District	1,285	6	5.1%	1,710	4	6.1%
Landry's Seafood, Inc.	1,245	7	4.9%	-	-	-
Texas City ISD	879	8	3.5%	-	-	-
Moody Gardens	850	9	3.4%	1,100	8	3.9%
Mainland Medical Center	750	10	3.0%	-	-	-
Union Carbide Corporation	-	-	-	1,200	7	4.3%
Gulf Greyhound Partners LTD.	-	-	-	890	9	3.2%
Dickinson ISD	-	-	-	770	10	2.7%
<b>Total</b>	<b>25,342</b>		<b>100.0%</b>	<b>28,209</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>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>	<b>2008</b>
General Government	447	464	463	450	450	455	454	505	551	555
Public Safety	564	564	532	539	560	575	555	547	535	556
Road and Bridges, and Rights-of-Way	56	55	53	49	47	43	50	47	51	54
Health and Social Services	170	176	133	121	64	79	74	67	74	76
Culture and Recreation	54	55	44	50	50	49	44	41	47	45
Conservation	7	10	10	8	9	11	10	10	11	10
<b>Total</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>	<b>1,296</b>

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



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

<b>Function</b>	<b>Fiscal Year</b>					
	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
<b>General Government</b>						
Number of buildings	18	18	19	20	20	18
Number of courtrooms	19	19	19	21	21	21
<b>Public Safety</b>						
Jail capacity/number of beds	881	881	881	1,187	1,187	1,187
Stations / substations	3	3	3	3	3	3
Sheriff's Department vehicles	113	117	115	136	120	128
Boats / seacrafts	10	10	10	10	10	10
Training facility	1	1	1	1	1	1
Animal facility	1	1	1	1	1	1
Sheriff's Department Buildings	3	3	3	5	5	3
Medical Examiner building	1	1	1	1	1	1
Juvenile Justice buildings	4	4	4	4	4	4
Emergency Management building	1	1	1	1	1	1
Flood Control buildings	3	3	3	3	3	3
<b>Roads, Bridges, and Rights-of-Way</b>						
Miles of county roads	324	325	326	323	357	329
Bridges	22	22	22	22	22	22
Motor vehicles	54	54	46	56	46	42
Pieces of heavy and general equipment	66	62	69	78	79	77
<b>Health and Social Services</b>						
Clinics	2	2	2	2	3	4
Animal shelter	1	1	1	1	1	1
Mosquito control vehicles	17	17	19	21	19	19
Airplanes	2	2	2	2	2	2
Airboat	1	1	1	1	1	1
Spray units	13	13	13	13	13	13
Senior Citizens Centers	4	4	4	4	4	6
Senior Citizens Vehicles	5	5	6	7	7	9
<b>Culture and Recreation</b>						
Museum	1	1	1	1	1	1
Parks	26	26	25	25	26	26
Park acreage	1,201	1,201	1,204	1,204	1,255	1,266
Park buildings	30	30	30	30	31	31
Community centers	4	4	4	4	4	6
Athletic fields and courts	41	41	41	41	41	41
Boat launches	11	11	11	11	11	11
Campground sites	9	9	9	9	9	9
Hiking trails (feet) (1)	751	751	751	751	751	31,680
Equestrian trails (feet) (1)	-	-	-	-	-	17,952
Vehicles	32	28	32	39	34	30
Heavy and General Equipment	31	35	36	47	40	47
Beach maintenance equipment	6	6	6	6	6	7
<b>Conservation</b>						
Extension service vehicles	5	5	5	5	6	6

\* Data prior to fiscal year 2003 is unavailable.

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

(continued)

**GALVESTON COUNTY, TEXAS  
OPERATING INDICATORS BY FUNCTION  
LAST THREE FISCAL YEARS \***

<b><u>Function /Program</u></b>	<b><u>2006</u></b>	<b><u>2007</u></b>	<b><u>2008</u></b>
<b>General Government</b>			
<i>Tax Assessor- Collector</i>			
Employees	53	53	53
Ad-Valorem Accounts	172,782	181,952	189,520
Motor Vehicle Registration/Licenses	240,369	251,750	259,329
Number of entities for which we collect	34	32	35
Number of Registered Voters	185,911	179,172	191,052
Beer and Wine Permits	921	2,063	2,254
Special Inventory Tax Accounts	175	106	141
Coin Operated Machines	1,076	396	771
<i>County Clerk</i>			
Employees	55	59	60
Recording Real Property and Governmental	89,496	83,986	78,917
Marriage License	2,320	2,411	2,260
Assumed Names (Business Names)	3,218	2,984	2,758
Number of Criminal Cases Filed	11,933	13,857	14,137
New Cases filed by DA	-	12,323	11,653
Appeals from Lower Courts	-	1,013	1,134
Others-Motions Revoke Probation, Etc.	-	521	361
Bond Forfeitures	1,074	1,437	989
Number of Civil Suits Filed	2,028	2,229	1,730
Number of Probate Cases Filed	877	1,415	810
Probate Mental Health Cases filed	274	466	355
Elections Held (County, School, Federal)	15	13	29
<i>District Clerk</i>			
Number of Employees	48	47	48
Civil Cases	6,659	7,327	5,776
Criminal cases	4,544	4,544	4,566
Tax Cases Processed	1,092	1,235	839
CPS Cases Processed	154	157	102
Juvenile Cases	1,004	1,099	919
Jurors Summoned	34,563	55,300	52,900
<i>Human Resources</i>			
Applications Accepted	1,609	1,555	1,348
Positions Filled	356	335	484
<i>Justice of the Peace (8 precincts)</i>			
<i>Precinct#1</i>			
Number of Employees	4	4	3
Civil Cases Filed	864	852	1,395
Civil Cases Disposed	804	693	1,056
Civil Cases Appealed	4	7	9
Criminal Cases Filed	2,667	2,499	2,358
Criminal Cases Disposed	1,596	1,778	1,597
Criminal Cases Appealed	10	15	13
<i>Precinct#2</i>			
Number of Employees	3	3	3
Civil Cases Filed	543	466	469
Civil Cases Disposed	540	401	366
Civil Cases Appealed	13	14	16
Criminal Cases Filed	540	422	273
Criminal Cases Disposed	373	393	230
Criminal Cases Appealed	3	2	1

**GALVESTON, COUNTY TEXAS  
OPERATING INDICATORS BY FUNCTION  
LAST THREE FISCAL YEARS \***

<u>Function /Program</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
<b>General Government</b>			
<i>Justice of the Peace (8 precincts)</i>			
<i>Precinct#3</i>			
Number of Employees	5	5	5
Civil Cases Filed	488	41,889 (b)	612
Civil Cases Disposed	280	178	384
Civil Cases Appealed	-	-	6
Criminal Cases Filed	8,096	8,056	6,442
Criminal Cases Disposed	4,578	9,413	6,143
Criminal Cases Appealed	43	95	68
<i>Precinct#4</i>			
Number of Employees	6	6	5
Civil Cases Filed	335	338	493
Civil Cases Disposed	303	274	489
Civil Cases Appealed	3	4	3
Criminal Cases Filed	4,470	4,948	5,280
Criminal Cases Disposed	5,592	5,988	4,615
Criminal Cases Appealed	31	22	25
<i>Precinct#5</i>			
Number of Employees	5	4	5
Civil Cases Filed	602	676	915
Civil Cases Disposed	498	707	889
Civil Cases Appealed	-	3	-
Criminal Cases Filed	4,518	5,077	4,537
Criminal Cases Disposed	-	3,660	3,683
Criminal Cases Appealed	3	2	9
<i>Precinct#7</i>			
Number of Employees	5	5	5
Civil Cases Filed	862	841	1,007
Civil Cases Disposed	5,144	715	897
Civil Cases Appealed	2	-	-
Criminal Cases Filed	5,144	4,379	4,187
Criminal Cases Disposed	4,424	5,541	3,589
Criminal Cases Appealed	15	11	38
<i>Precinct#8-1 &amp; 8-2 (Previously JP6)</i>			
Number of Employees	9	9	9
Civil Cases Filed	893	944	1,239
Civil Cases Disposed	652	25	831
Civil Cases Appealed	2	2	3
Criminal Cases Filed	8,598	6,448	5,535
Criminal Cases Disposed	5,457	1,001	6,574
Criminal Cases Appealed	28	1	44
<i>Precinct#9</i>			
Number of Employees	5	5	5
Civil Cases Filed	38	65	47
Civil Cases Disposed	20	37	47
Civil Cases Appealed	1	4	2
Criminal Cases Filed	7,779	5,724	6,653
Criminal Cases Disposed	7,244	6,302	8,916
Criminal Cases Appealed	123	60	56
<b>Public Safety</b>			
<i>Sheriff</i>			
Number of Employees	365	395	395
Daily average in County Jail	969	1,041	1,066
Number of persons booked	18,269	21,898	19,476
Number of Civil Processes	6,780	5,970	7,137

**GALVESTON, COUNTY TEXAS  
OPERATING INDICATORS BY FUNCTION  
LAST THREE FISCAL YEARS \***

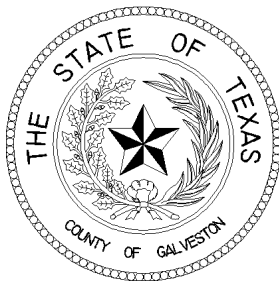
<b>Function /Program</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
<b>Public Safety</b>			
<i>Constables (8 precincts)</i>			
<b>** Precinct#1</b>			
Number of Employees	4	4	4
Civil Cases Processed	4,988	1,781	1,743
<b>** Precinct#2</b>			
Number of Employees	4	4	4
Civil Cases Processed	1,013	954	792
<b>** Precinct#3</b>			
Number of Employees	5	6	6
Civil Cases Processed	427	1,517	2,500
<b>** Precinct#4</b>			
Number of Employees	5	4	4
Civil Cases Processed	1,440	1,304	846
<b>** Precinct#5</b>			
Number of Employees	4	4	4
Civil Cases Processed	1,400	2,200	2,046
<b>** Precinct#7</b>			
Number of Employees	9	7	12
Civil Cases Processed	2,016	2,083	2,800
<b>** Precinct#8</b>			
Number of Employees	11	10	10
Civil Cases Processed	1,442	2,148	2,301
<i>Precinct#9</i>			
Number of Employees	3	3	3
Civil Cases Processed	91	94	**92
<b>Road, Bridges &amp; Right-of-Way</b>			
<i>County Maintained Roads - Road and Bridge</i>			
<i>(Lane Road Miles)</i>			
Precinct 1	213.76 miles	211.57 miles	199.2 miles
Precinct 2	126.95 miles	118.35 miles	104.4 miles
Precinct 3	21.93 miles	21.02 miles	20.5 miles
Precinct 4	6.22 miles	6.06 miles	5.10 miles
<b>Health and Social Services</b>			
Community Services			
Community Clinics	2	2	2
Employees' CareHere! Clinics	-	2	2
<b>Culture and Recreation</b>			
County Parks Department			
Park Permits Approved	412(a)	623(a)	986
Festival & Special Events Hosted	22(a)	25(a)	11
Vehicle Permits Sold (a)	-	22,059	30,880
Golf Permits Sold (a)	-	1,606	2,192

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

\* *Data prior to fiscal year 2006 is unavailable.*

\*\* The figures provided by the Constables Precinct 1 - 8 were the total count for various cases/warrants processed and/or served with the exemption of Constable JP9 which was an estimated amount due to Hurricane Ike.

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



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

March, 2009

*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*

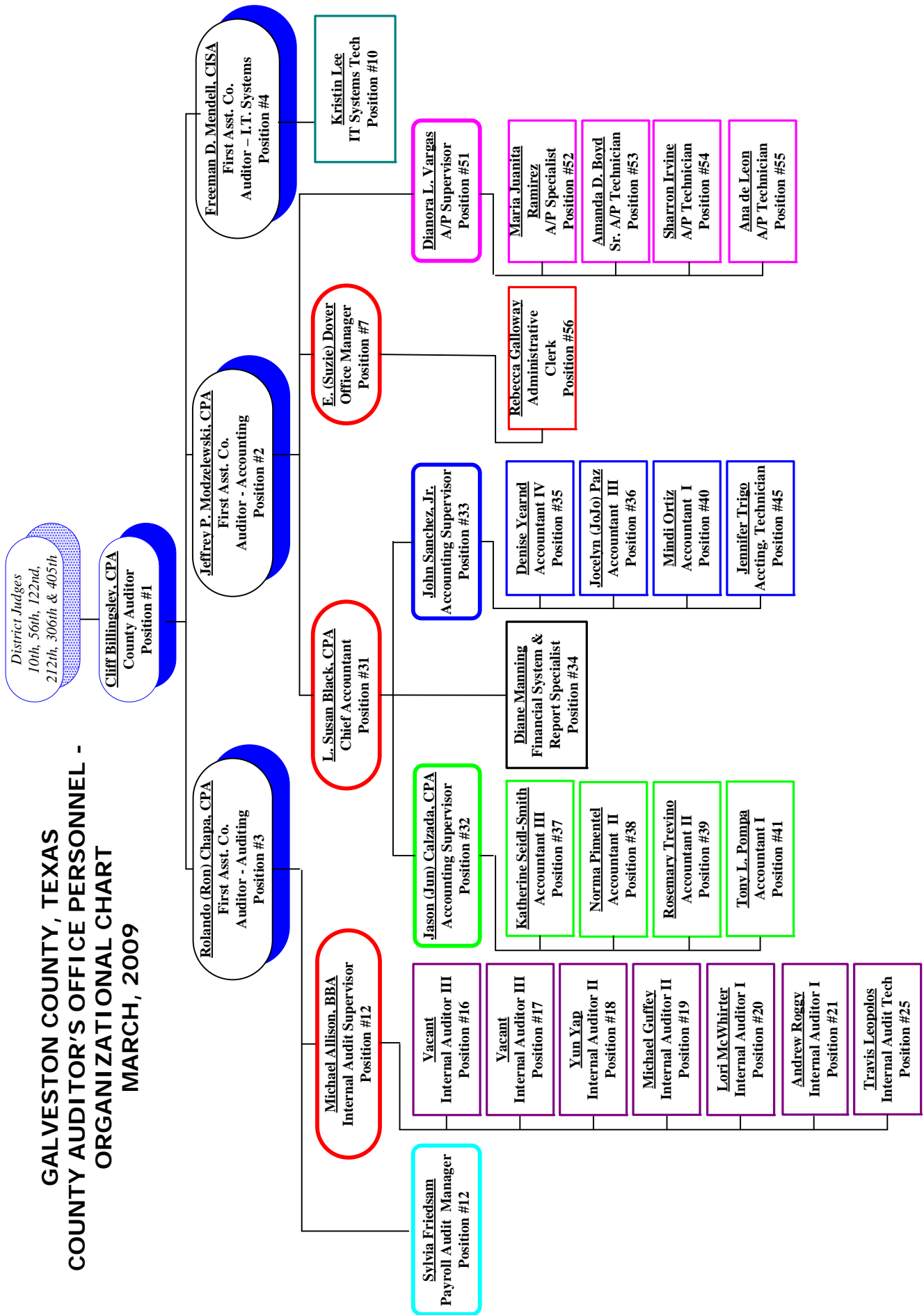
<i>Michael Allison, BBA.....</i>	<i>Internal Audit Supervisor</i>
<i>L. Susan Black, BBA, CPA.....</i>	<i>Chief Accountant</i>
<i>Amanda D. Boyd.....</i>	<i>Senior Accounts Payable Technician</i>
<i>Jason (Jun) Calzada, BA, BS, CPA.....</i>	<i>Accounting Supervisor</i>
<i>Ana de Leon.....</i>	<i>Accounts Payable Technician</i>
<i>E. (Suzie) Dover.....</i>	<i>Office Manager</i>
<i>Jennifer Trigo, AA, BS.....</i>	<i>Accounting Technician</i>
<i>Sylvia Friedsam.....</i>	<i>Payroll Audit Manager</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>Kristin Lee.....</i>	<i>I.T. Systems Technician</i>
<i>Travis Leopulos, AA.....</i>	<i>Internal Auditor Tech</i>
<i>Diane Manning, MS, CISA.....</i>	<i>Financial System &amp; Report Specialist</i>
<i>Lori McWhirter, BS.....</i>	<i>Internal Auditor I</i>
<i>Mindi Ortiz.....</i>	<i>Accountant I</i>
<i>Jocelyn (Jojo) Paz, AS.....</i>	<i>Accountant III</i>
<i>Norma Pimentel, AS.....</i>	<i>Accountant II</i>
<i>Tony L. Pompa, AAS.....</i>	<i>Accountant I</i>
<i>Maria Juanita Ramirez.....</i>	<i>Accounts Payable Specialist</i>
<i>Andrew Roggy, BS.....</i>	<i>Internal Auditor I</i>
<i>John Sanchez, Jr., AS, BS.....</i>	<i>Accounting Supervisor</i>
<i>Katherine Seidl-Smith, BS.....</i>	<i>Accountant III</i>
<i>Rosemary Trevino.....</i>	<i>Accountant II</i>
<i>Dianora L.Vargas.....</i>	<i>Accounts Payable Supervisor</i>
<i>Yun Yap, BS.....</i>	<i>Internal Auditor I</i>
<i>Denise Yearnd, BS.....</i>	<i>Accountant IV</i>



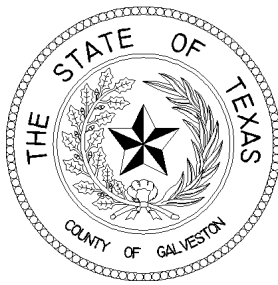
The Texas National Guard manned supply distribution points for Galveston County Hurricane Ike victims.

(Photograph courtesy of John Simsen.)

**GALVESTON COUNTY, TEXAS  
COUNTY AUDITOR'S OFFICE PERSONNEL -  
ORGANIZATIONAL CHART  
MARCH, 2009**







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