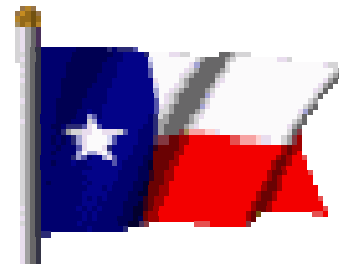
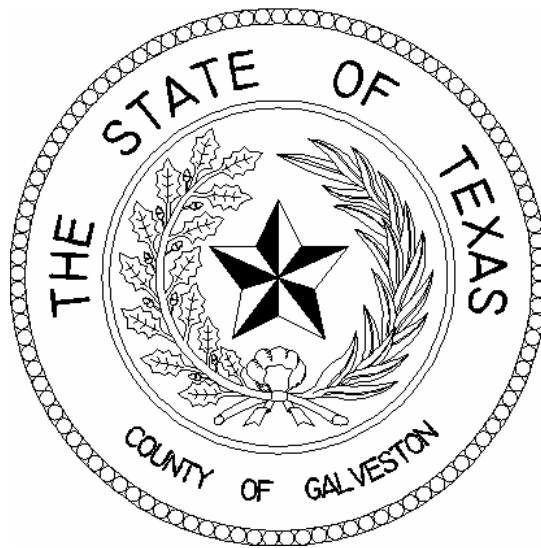


Galveston County, Texas

COMPREHENSIVE

ANNUAL FINANCIAL REPORT



FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2005

GALVESTON COUNTY, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the fiscal year ended
September 30, 2005

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



Architectural Rendering of
The Galveston County Courts Building at
The New Galveston County Justice Center

Galveston County, Texas
 Comprehensive Annual Financial Report
 For the Fiscal Year Ended September 30, 2005

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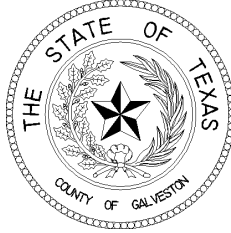
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Cliff Billingsley, CPA
County Auditor

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

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

Freeman Mendell
First Assistant County Auditor–
Director of IT Systems

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

March 24, 2006

To the Honorable District Judges of Galveston County:

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

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

James D. Yarbrough, County Judge
Patrick Doyle, Commissioner - Precinct 1
Edward A. Janek, 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, 2005.

FORMAL TRANSMITTAL OF THE CAFR

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

- (a) The county auditor shall make... annual reports to the commissioners court and to the district judges of the county. Each report must show:
- (1) the aggregate amounts received and disbursed from each county fund;
 - (2) the condition of each account on the books;
 - (3) the amount of county, district, and school funds on deposit in the county depository;
 - (4) the amount of county bonded indebtedness and other indebtedness; and
 - (5) any other fact of interest, information, or suggestion that the auditor considers proper or that the court or district judges require.

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

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

Independent audit. The county's financial statements have been audited by Null-Lairson, PC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the county for the fiscal year ended September 30, 2005, 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, 2005, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the Financial Section of this report.

The independent audit of the county's financial statements was part of a broader annual "Single Audit" which was federally mandated by the Single Audit Act of 1984 and the United States Office of Management and Budget's *Circular No. A-133: Audits of States, Local Governments, and Non-Profit Organizations*. The Single Audit Report, designed to meet the special needs of federal grantor agencies, includes a Schedule of Expenditures of Federal Awards. The standards governing Single-Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, especially those which involve the administration of federal awards. The report therefore also includes a Schedule of Findings and Questioned Costs. The Single Audit Report is available from the Galveston County Auditor's Office, P.O. Box 1418, Galveston, TX 77553-1418.

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

PROFILE OF THE GOVERNMENT

Basic Information. The county is a public corporation and political subdivision, organized and existing under the constitution and laws of the State of Texas. It was established on May 15, 1838, by an article approved by the President of the Republic of Texas, Sam Houston. It is located on the upper Texas coast of the Gulf of Mexico and comprises a land area of 430 square miles and a population in excess of 250,000. The land area includes: Galveston Island (the "Island"), thirty-two miles long and situated two miles off the coast; a portion of the nearby mainland (the "mainland"); and the Bolivar Peninsula, northeast of the Island across the entrance to Galveston Bay. The county seat is the City of Galveston, located on the northern end of the Island and covering slightly more than forty-seven square miles.

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

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

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

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

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

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

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

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

INFORMATION USEFUL IN ASSESSING THE COUNTY'S ECONOMIC CONDITION

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

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

The region's diversified commercial, industrial, and manufacturing base adds to the relative stability of the unemployment rate. Major industries represented within, or in close proximity to, the government's

boundaries include oil and gas production, petrochemical processing, maritime shipping, agriculture, fishing, the teaching and practice of medicine, banking, insurance, and cruise- and land-based tourism.

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

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

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

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

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

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

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

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

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

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

Long-term financial planning.

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

The county also works with its financial advisor to monitor the conditions of the borrowing market so it is prepared to defease older outstanding debt when it can lower its cost of money and/or ease cash flow constraints by spreading debt service payments over a longer time period. As a general rule, the county does not issue refunding debt unless it can obtain a net present value savings of 3% or more by so doing. Rising interest rates in fiscal year 2005 have caused the issuance of refunding debt to be economically unfeasible at present.

At September 30, 2005, the county's outstanding bonded debt, including cumulative accretion-to-date, totaled \$204,330,898. During that fiscal year then ended, the county paid \$5,735,000 in principal and \$8,251,555 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, 2005, the county recognized 316 retirees, 132 of whom were eligible for full health-insurance coverage and 184 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, in the coming years, new accounting pronouncements will require the county to record in its financial statements annually an expense for a portion of this future liability. The county will shortly begin the process of selecting and contracting with a consulting firm that will perform the requisite actuarial computations to determine this future liability that the county must recognize. Additional information on the county's post-employment benefits can be found in Notes IV.G - H. to the Financial Statements on pages 72 through 74 in this report.

Relevant financial policies. The county deposits idle cash into temporary investment vehicles as part of its cash management program and in accordance with its formal investment policy. Temporary investments may include, among others, certificates of deposit, United States government agency securities, money market investment accounts, negotiable order of withdrawal ("N.O.W.") accounts, and Texas Local Investment Pools. During the year ended September 30, 2005, the county earned \$4,738,126 in interest, \$4,206,356 of that from deposits and \$531,770 from certificates of deposit. More information about the county's deposits and investments can be found in Note III.A. to the Financial Statements on pages 59 and 60 in this report.

Major initiatives. The county continues to experience significant, multi-faceted residential and commercial growth.

- Construction of the new Galveston County Justice Center on the Island's Broadway is nearing completion. The county expects to begin to occupy the center in spring, 2006. As personnel relocate from the current courthouse, that building will undergo renovation. Perhaps as early as the summer of 2007, departments presently housed in the county-owned Ray Holbrook Courthouse Annex and in leased space at Shearn Moody Plaza will be consolidated into the older remodeled facility. The new justice center will spur significant economic growth in its environs.
- Residential real estate development is booming in many areas of the county. Growth in the northern section continues to be significant and has caused the population of League City to overtake that of Galveston, the county seat and historically the most populous county municipality. On the Island, the upper stories of former entirely commercial buildings in the historic downtown district continue to be remodeled and sold as upscale loft condominiums.
- Capital investment to build and update infrastructure continues. One noteworthy future project will entail the installation of fiber-optic cable along the Island's Broadway from 59th to 6th Streets. The cable is the first step in upgrading traffic signals along this major thoroughfare in order to enhance traffic flow, a matter of increasing importance as congestion grows with the completion and occupancy of the new county justice center in the coming months.
- The new, 23,500-square-foot Galveston County Emergency Management Facility in League City opened in May, 2005, and immediately faced the most active hurricane season on record. Built to withstand wind speeds exceeding 155 miles per hour, the facility served as the command center for county and municipal response efforts during Hurricanes Katrina and Rita in August and September, 2005, respectively. National Weather Service, 911 Communications District, and state emergency management personnel also office there.
- The county is collaborating with the Texas Department of Transportation to decrease travel time between the Bolivar Peninsula and other areas of the county. Short-term solutions planned include the construction of additional ferry landings and the implementation of a priority-boarding program to afford Bolivar residents and property owners some relief from long ferry lines during peak tourist periods. A long-term solution under consideration is the construction of a bridge to the peninsula.
- Island tourism expects to receive a significant boost to its water-focused offerings in mid-2006 when the "convertible" (indoor/outdoor) Schlitterbahn Galveston Island Waterpark opens. The park will feature a number of tube and speed slides, the twenty-foot-wide circular Torrent River® with a large beach, a children's activity pool and other play areas, an enormous hot tub of 1,100 square feet, uphill water coasters, a wave pool, whitewater rapids, and connecting "rivers."
- The local cruise industry, a major factor in the health of county tourism now for the better part of the past decade, continues to thrive and to grow. Current cruise lines which sail regularly from the Island for four-, five-, and seven-day round trips include Carnival, Celebrity, Princess, and Royal Caribbean. Ports-of-call include Key West, Florida; Georgetown on Grand Cayman Island; Belize City, Belize; and Cancun and Cozumel in Mexico's Yucatan.

Theme: The New Galveston County Justice Center. The theme of this year's Comprehensive Annual Financial Report is the new Galveston County Justice Center, the completion and occupation of which is fast approaching as this report goes to press in late March, 2006. Throughout these pages, photographs help to tell the story of the center's physical evolution.

Background. In 1997, Galveston County initiated a comprehensive study of its facilities to determine related needs and to then incorporate these needs into a long-range facilities master plan. The facilities were evaluated, using both economic and regulatory criteria, to determine their adequacy with respect to

accessibility, air quality, building codes, cost of maintenance, jail standards, operational efficiency, safety, and other factors.

Completed in 1998, the study identified the following needs for county judicial, law-enforcement, and jail operations:

- space for a newly mandated District Court (with the existing courthouse already at capacity);
- the replacement of aging air-conditioning and heating equipment; and
- the correction of variances to bring the jail into compliance with state requirements.

The identification of these needs formed the basis of a June, 2000, proposal for a new Galveston County Justice Center, a project that would comprise approximately 600,000 square feet and entail construction contracts totaling nearly ninety-five million dollars.

Design. The design of the center provides quality and value to the citizenry with:

- a convenient, comfortable, and secure environment for staff and the public;
- the incorporation of flexibility and expandability to allow for change and growth;
- the use of low-maintenance building materials;
- an energy-efficient physical plant with economical life-cycle costs; and
- an appropriately dignified and visually pleasing setting for the administration of justice.

The Judiciary. The judicial portion of the center will accommodate court operations and the county functions which support same, including:

- the offices of the County Clerk, the District Attorney, and the District Clerk;
- courtrooms;
- court support services, such as bailiffs and other security personnel;
- offices for judges, for justice-administration staff, and for pre-trial-collections personnel;
- the jury-assembly room;
- the law library;
- building support facilities; and
- parking for staff, jurors, and visitors.

The Jail. The initial build-out of the jail – projected to meet needs until 2010 or beyond – comprises approximately 1,170 beds of an expandable capacity of 2,400. The jail was designed with Jail Commission recommendations, jail-standards requirements, and economics all in mind. With regard to this last consideration, the design maximized the use of dormitory beds, the option of least cost but which is capped by law at 40% of total beds (approximately 480 beds in the initial build-out). The most costly option, single-bed cells, at first will total 124, including a number for the segregation of inmates with infectious diseases or who are prone to violence. The multi-bed cells will house from two to eight inmates each. Male and female inmates will be housed separately.

In addition to the kitchen, laundry, central plant, in-person visitation areas, and the three medical wards housing from six to eight inmates each, support facilities for the jail include the following functions of the Sheriff's Department:

- administration;
- arraignment;
- bailiffs;
- communications;
- criminal investigation;

- identification;
- mental health;
- staff support;
- training; and
- video visitation.

Partnering with the City of Galveston. The county will lease some 35,000 square feet of the center to the City of Galveston for the use of its Municipal Court and for the following functions of its police department:

- administration;
- communications;
- criminal investigation;
- identification;
- jail;
- juvenile operations;
- patrol-division command; and
- records.

Excess Acreage and Surrounding Development. The property upon which the justice center sits includes excess buffering acreage, the cost of which the county intends to recoup through its sale. The county will furnish underground utility and drainage infrastructure for this excess land and, through developer agreements, will cause the land to be utilized so as to spur economic growth in the area while adhering to the specifications of the Gateway Master Plan developed by the City of Galveston some years back.

In keeping with these aesthetics, the county will construct the bordering Ball, 54th, and 59th Streets as boulevards and will landscape both the justice-center campus and these roads into a “streetscape” that will integrate nicely with other historic Broadway projects and serve as a template for ongoing Island development.

Recognition. The county recognizes Brian Maxwell, Director of Facilities, for providing the information about the new justice center used herein, and Bob Richardson, Senior Finance Manager, for providing the photographs used throughout this report to document the center’s birth and development.

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, 2004. This was the eighth consecutive year that the government has received this prestigious award. In order to be awarded a Certificate of Achievement, the government had to publish an easily readable and efficiently organized CAFR that satisfied both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program’s requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

In addition, the county received the GFOA’s Distinguished Budget Presentation Award for its annual budget document for the fiscal year beginning October 1, 2004. In order to qualify for the Distinguished Budget Presentation Award, the government’s budget document had to be judged proficient as a policy document, a financial plan, an operations guide, and a communications device. The government has

received this award for four consecutive years, and it has submitted its most recent budget document for like consideration.

The production of this CAFR 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 with some loops and flourishes.

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, 2004

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.



Nancy L. Zielle

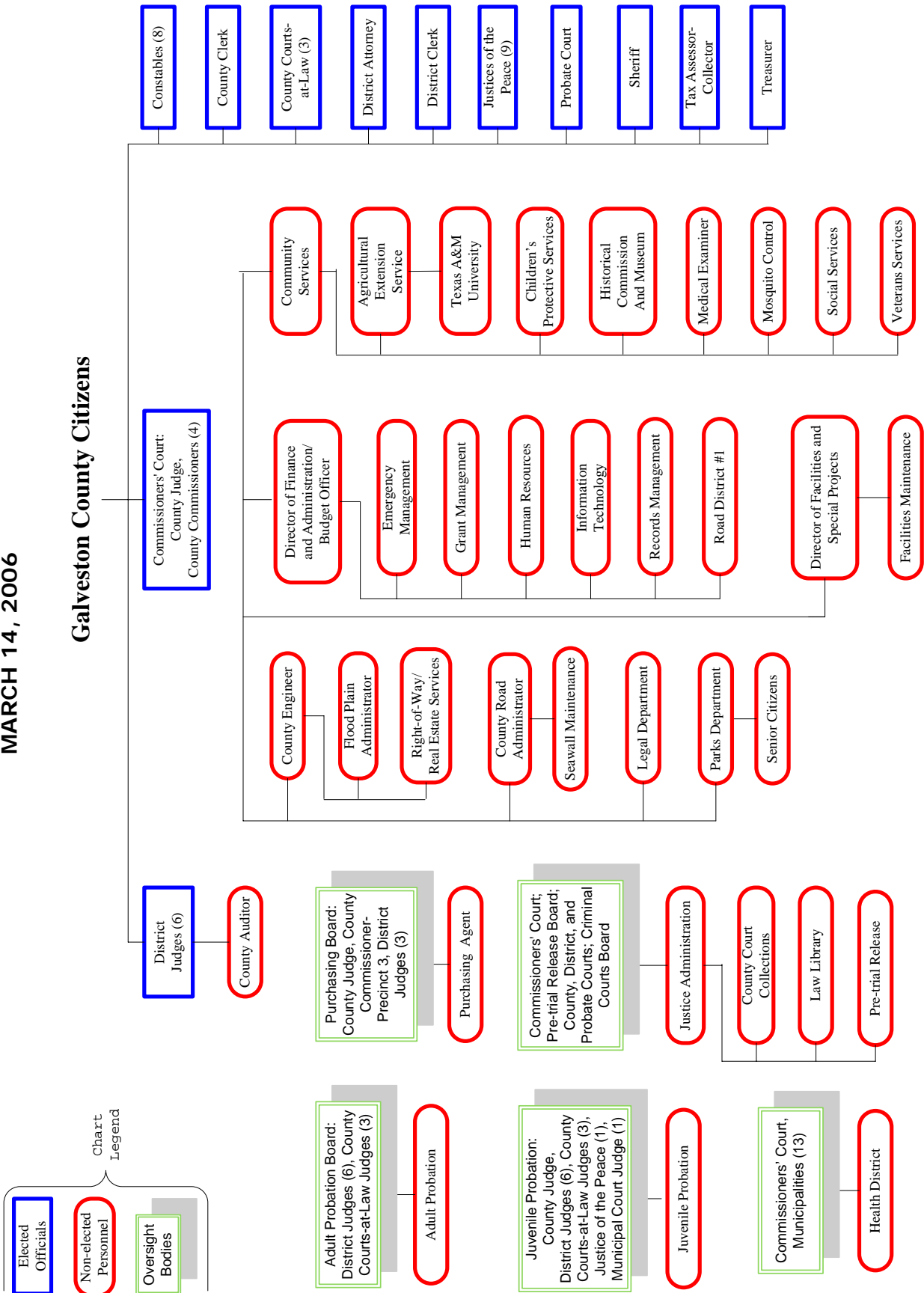
President

Jeffrey R. Emer

Executive Director

GALVESTON COUNTY, TEXAS ORGANIZATIONAL CHART MARCH 14, 2006

Galveston County Citizens

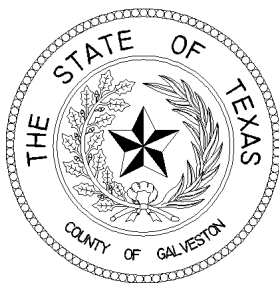


GALVESTON COUNTY, TEXAS
LIST OF ELECTED AND APPOINTED OFFICIALS
September 30, 2005

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



Architectural Rendering of the Entrance to
The Galveston County Jail at
The New Galveston County Justice Center



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



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

Independent Auditors' Report

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

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Galveston County, Texas (the "County"), as of and for the year ended September 30, 2005, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the Galveston County, Texas, as of September 30, 2005, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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

In accordance with *Government Auditing Standards*, we have issued our report dated March 10, 2006, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions or laws, regulations, contracts, and grants. That report, which has been issued separately from this document, is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The Management's Discussion and Analysis on pages 27 through 35, budgetary comparison information on pages 78 through 80 and Required Pension System Supplementary Information on page 81 are not required parts of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

Nell Garrison, P. C.

March 10, 2006
Houston, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS

The County of Galveston, Texas (the "county") presents the following Management's Discussion and Analysis (the "MD&A") of its financial activities for the fiscal year ended September 30, 2005. 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 \$363,572,688 exceeded its liabilities of \$235,225,667 at September 30, 2005, by \$128,347,021 ("net assets").
- Of these net assets of \$128,347,021, \$25,695,334 is available for use to meet the county's ongoing obligations ("unrestricted net assets").
- Of the liabilities of \$235,225,667, \$204,651,742 will not be extinguished in the current year ("long-term liabilities"). These long-term liabilities are primarily debt instruments. The county issued no new long-term debt in the fiscal year ended September 30, 2005.
- The county's revenues of \$128,881,217 exceeded its expenses of \$118,337,209 by \$10,544,008 in this same fiscal year.
- Of these revenues of \$128,881,217, program revenues, such as grant revenues and charges for services, contributed \$33,341,490, while general revenues, such as ad-valorem taxes, contributed \$95,539,727.

Overview of the Financial Statements

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

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

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

Government-wide Financial Statements

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

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

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

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

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

Fund Financial Statements

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

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

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

The county maintains eighty-six individual Governmental Funds. Information is presented separately in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund, and for the Limited Tax Criminal Justice Bonds 2003A and Combination Tax/Revenue Certificates of Obligation Series 2003C Capital Projects Funds, all 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* would be used to report the same functions that would be presented as business-type activities in the government-wide financial statements, but, as previously noted, the county currently engages in no business-type activities and thus maintains no Enterprise Funds. *Internal Service Funds* are an accounting device used to accumulate, and to allocate among the county’s various functions, the costs of services generally provided within the reporting entity rather than to outside users. The county uses three Internal Service Funds, one

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

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

Notes to the Financial Statements

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

Other Information

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

Government-wide Financial Analysis

As noted earlier, net assets can serve over time as a useful indicator of a government's financial position. In the case of the county, assets exceeded liabilities by \$128,347,021 at the close of the fiscal year ended September 30, 2005.

By far the largest portion of the county's net assets (76.31%) comprises capital assets (for example, land, infrastructure, and buildings), net of the outstanding debt issued to finance their acquisition. The county uses these capital assets to provide services to citizens, and consequently the assets are not available for future spending. Although, as mentioned, the county's investment in capital assets is reported net of related debt, it should be noted that the resources to re-pay this debt must be provided from other sources, since the capital assets themselves cannot be used to do so.

The usage of another 3.67% of the county's net assets is subject to external restrictions. The remaining balance (\$25,695,334) is unrestricted and available to meet the government's ongoing obligations to citizens and creditors.

The county's net assets increased by \$11,154,433 during the fiscal year ended September 30, 2005. Approximately one-half of the change is attributable to an 8% increase in the county's certified tax roll, which in turn resulted in an increase in tax revenue and tax collections. The other portion of the increase is due to a 7% decrease in the county's expenses, particularly with regard to capital projects, several of which - the county's new justice center, the San Luis Pass Bridge, and various county road projects - were completed or nearing completion at fiscal year-end.

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

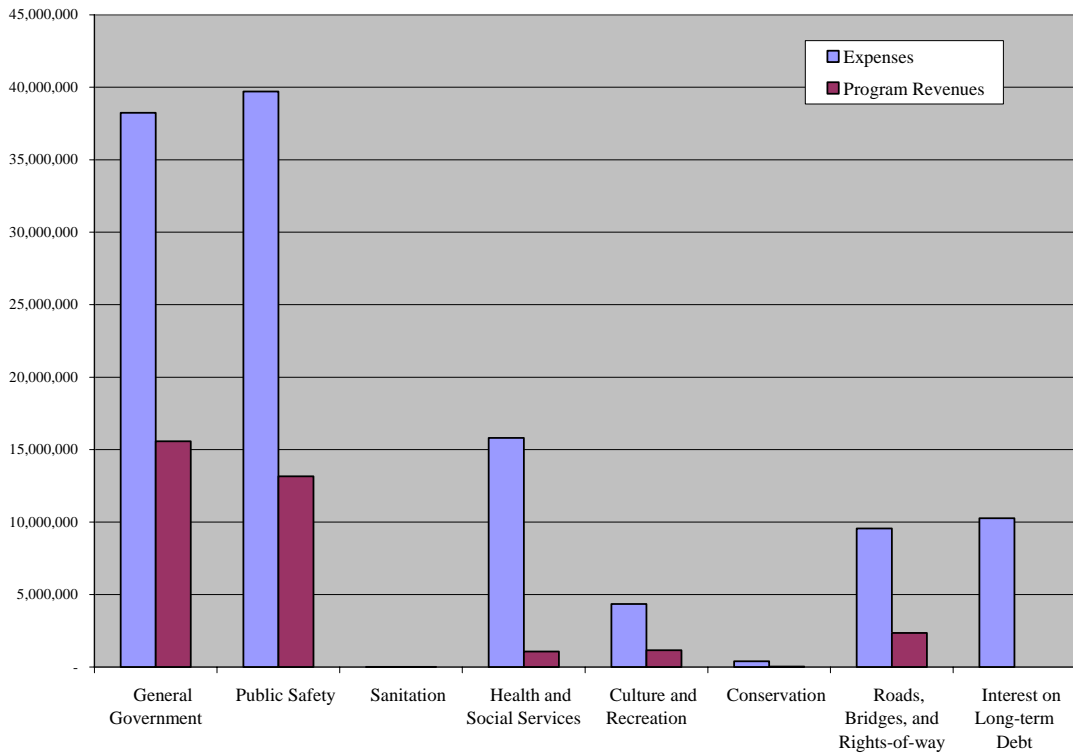
COUNTY OF GALVESTON, TEXAS
Net Assets

	<u>2005</u>	<u>2004</u>
Current and Other Assets	\$ 131,973,806	\$ 177,615,091
Capital Assets	231,598,882	181,493,371
Total Assets	<u>363,572,688</u>	<u>359,108,462</u>
Long-Term Liabilities Outstanding	204,651,742	211,720,119
Other Liabilities	30,573,925	30,195,755
Total Liabilities	<u>235,225,667</u>	<u>241,915,874</u>
Net Assets:		
Invested in Capital Assets, Net of Related Debt	97,944,153	93,039,925
Restricted	4,707,534	4,658,773
Unrestricted	25,695,334	19,493,890
Total Net Assets	<u>\$ 128,347,021</u>	<u>\$ 117,192,588</u>

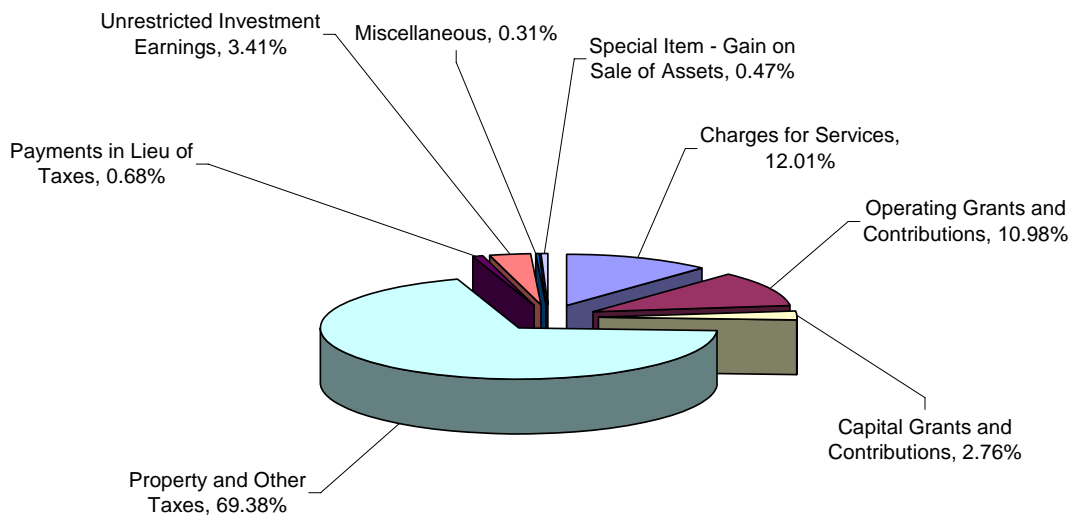
COUNTY OF GALVESTON, TEXAS
Changes in Net Assets

	<u>2005</u>	<u>2004</u>
Revenues:		
Program Revenues:		
Charges for Services	\$ 15,550,866	\$ 16,495,934
Operating Grants and Contributions	14,215,909	11,429,521
Capital Grants and Contributions	3,574,715	3,177,380
General Revenues:		
Property and Other Taxes	89,845,882	82,850,663
Payments in Lieu of Taxes	875,059	758,341
Unrestricted Investment Earnings	4,412,730	5,864,655
Miscellaneous	406,056	221,678
Total Revenues	<u>128,881,217</u>	<u>120,798,172</u>
Expenses:		
General Government	38,234,702	42,501,485
Public Safety	39,716,042	36,420,490
Sanitation	17,820	17,500
Health and Social Services	15,798,540	12,196,142
Culture and Recreation	4,347,126	6,827,328
Conservation	402,540	314,529
Roads, Bridges, and Rights-of-way	9,551,590	19,990,711
Interest on Long-term Debt	10,268,849	10,173,179
Total Expenses	<u>118,337,209</u>	<u>128,441,364</u>
Increase (Decrease) in Net Assets	10,544,008	(7,643,192)
Special Item - Gain on Sale of Assets	610,425	-
Increase (Decrease) in Net Assets	11,154,433	(7,643,192)
Net Assets, 10/1/04	117,192,588	124,835,780
Net Assets, 9/30/05	<u>\$ 128,347,021</u>	<u>\$ 117,192,588</u>

Expenses and Program Revenues - Governmental Activities



Revenues by Source, and Special Item - Governmental Activities



Financial Analysis of the Government's Funds

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

At September 30, 2005, the county's Governmental Funds reported a combined ending fund balance of \$91,605,212, a decrease of \$45,093,802 from September 30, 2004. Approximately 72% (\$66,090,834) of the fund balance constitutes unreserved fund balance, which is available for spending at the government's discretion. The remainder of fund balance is reserved - i.e., not available for new spending because it has already been committed to pay for:

- encumbrances of the current year (\$21,264,647);
- debt service (\$3,585,732);
- inventories and prepaid items (\$623,445); and
- other restricted purposes (\$40,554).

The General Fund is the county's chief operating fund. At September 30, 2005, the General Fund's unreserved fund balance totaled \$18,194,699; its total fund balance increased during the year then ended by \$6,039,880, to \$19,148,170. 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 23.6% and 24.9%, respectively, of its total expenditures for the fiscal year ended September 30, 2005.

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

- an increase in the appraised value of property subject to ad-valorem taxation;
- greater interest yields on investments;
- a decrease in payroll expenditures due to departmental adherence to a county policy of leaving vacated positions unfilled for seven payroll periods (fourteen weeks) unless an exemption is requested of, and approved by, the Commissioners' Court.

The Limited Tax Criminal Justice Center Bonds 2003A Capital Projects Fund has a fund balance of \$5,439,032. This fund was created in the fiscal year ended September 30, 2003, to account for the financial resources used to build, improve, and equip a complex which will house court facilities, a detention center, and law enforcement personnel, and to pay the costs associated with the issuance of related long-term debt.

The Combination Tax/Revenue Certificates of Obligation Series 2003C Capital Projects Fund has a fund balance of \$22,190,424. This fund was created in the fiscal year ended September 30, 2003, to account for the financial resources used: to purchase, among other items, materials, supplies, equipment, machinery, buildings, land, and rights-of-way for authorized needs and purposes; to construct public works; and to pay the costs associated with the issuance of the certificates.

General Fund Budgetary Highlights

The final amended General Fund budget of \$81,846,861 was \$3,535,961 greater than the original budget of \$78,310,900. Reasons for the budget increase included the following:

- an increased subsidy to the Galveston County Health District for indigent health-care expenditures;
- a rise in costs for extradition of prisoners;
- continued increases in group health insurance outflows;

- the purchase of a significant amount of computer hardware and software;
- the costs of participating in an inter-local agreement with the Texas City school system;
- matching contributions toward county parks projects only partially funded through grants;
- rising fuel costs; and
- an increase in electric, telephone, and other utility expenses.

The majority of these increases drew upon unreserved fund balance.

During the year, actual revenues were greater, and actual expenditures were less, than final budgeted amounts, by \$1,341,172 and \$4,870,887, respectively. The positive variance in revenues is attributable in part to an increase in the appraised value of property subject to ad-valorem taxation. The positive variance in expenditures is attributable in part to:

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

Capital Asset and Debt Administration

Capital Assets

The county's investment in capital assets at September 30, 2005, net of accumulated depreciation, totaled \$231,598,882, an increase of \$ \$50,105,511 (27.6%). Capital assets are classified as land, infrastructure, buildings and improvements, machinery and equipment, improvements other than buildings, and construction in progress.

During the fiscal year ended September 30, 2005, improvements to various county buildings, including construction of the new justice center, continued. Construction in progress related to buildings and building improvements totaled \$94,375,057 at September 30, 2005. Work continued on county park improvements and a bridge project, and construction in progress related to these projects totaled \$738,941 at September 30, 2005. Several projects classified as construction in progress at September 30, 2004, were completed in the fiscal year ended September 30, 2005, including the new Galveston County Emergency Management Facility, Carbide Park and Walter Hall Park road and parking-lot improvements, and various park trails. These completed projects were transferred from construction in progress to the infrastructure and buildings-and-improvements asset classes during the fiscal year ended September 30, 2005.

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

	<u>2005</u>	<u>2004</u>
Land	\$ 22,102,031	\$ 21,979,962
Infrastructure	74,371,791	70,452,017
Buildings and Improvements	32,245,207	27,120,746
Machinery and Equipment	7,570,417	7,003,790
Improvements Other than Buildings	195,438	88,137
Construction in Progress	95,113,998	54,848,719
Total	<u>\$ 231,598,882</u>	<u>\$ 181,493,371</u>

Additional information on the county’s capital assets is found in Note III.C. to the Financial Statements on page 61 of this report.

Debt Administration

At September 30, 2005, the county’s outstanding bonded debt with cumulative accretion-to-date totaled \$204,330,898, comprising \$54,860,000 in certificates of obligation and \$149,470,898 in general obligation bonds, all of which is backed by the full faith and credit of the government.

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

	<u>2005</u>	<u>2004</u>
Certificates of Obligation	\$ 54,860,000	\$ 55,545,000
General Obligation Bonds	149,470,898	152,859,544
Total	\$ 204,330,898	\$ 208,404,544

The county’s outstanding bonded debt decreased slightly, by 2.0% (\$4,073,646), during the fiscal year ended September 30, 2005. No new bonded debt was issued during that period. With bond insurance, the county maintains an “AAA” rating from Fitch Ratings and an “Aaa” rating from Moody’s Investors Service, Inc., on its general-obligation debt.

State statute limits the amount of general obligation debt a governmental entity may issue to five percent of the assessed valuation of all taxable property. The current applicable limit for the county is \$941,570,000, which significantly exceeds the amount of the county’s outstanding general-obligation debt. In addition, Article III §52 of the Texas Constitution limits the amount of unlimited tax road bonds a governmental entity may issue to twenty-five percent of the assessed valuation of all taxable real property. The current applicable limit for the county is \$4,180,324,000, which also significantly exceeds the amount of the county’s outstanding unlimited tax road bonds, including the cumulative accretion-to-date on capital-appreciation series.

Additional information concerning the county’s long-term debt can be found in Note III.F. to the Financial Statements on page 66 of this report.

Next Year’s Budgets and Rates

During the fiscal year ended September 30, 2005, the General Fund’s unreserved fund balance increased to \$18,194,699. The county has appropriated \$2,727 of the General Fund unreserved fund balance in its expenditure budget for the fiscal year ending September 30, 2006. The county has also designated \$7,170,161 of the unreserved fund balance for debt service, self-insurance, disaster protection, and other contingencies.

Finally, per an agreement with a major industrial real property owner, an overpayment of 2002 ad-valorem tax was to be refunded by the county in three annual installments commencing in December, 2004. It is anticipated that all of these payments will be funded by tax revenues. The first payment of \$1,185,207 was made on December 6, 2004. The second payment of \$1,111,886 was made on December 8, 2005. The third payment of \$1,111,886 is to be made on or before December 15, 2006.

Requests for Information

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



Architectural Rendering of
The New Galveston County Justice Center, with
The Galveston County Courts Building at Left
And the Galveston County Jail at Back Right

Basic Financial Statements

GALVESTON COUNTY, TEXAS
STATEMENT OF NET ASSETS
September 30, 2005

	Governmental Activities	Component Unit
ASSETS		
Cash and Cash Equivalents	\$ 106,527,595	\$ 2,909,080
Receivables (Net of Allowances for Uncollectibles):		
Interest	278,612	-
Taxes	12,877,777	-
Accounts and Other	7,020,358	1,509,707
Inventories	349,701	93,216
Prepaid Expenses	394,834	21,272
Deferred Charges	4,252,723	-
Restricted Assets:		
Cash and Cash Equivalents	272,206	-
Capital Assets (Net of Accumulated Depreciation):		
Land	22,102,031	-
Infrastructure	74,371,791	-
Buildings and Improvements	32,245,207	59,118
Machinery and Equipment	7,570,417	266,900
Improvements Other Than Buildings	195,438	471,868
Construction in Progress	95,113,998	-
Total assets	363,572,688	5,331,161
LIABILITIES		
Accounts Payable	10,413,166	1,043,679
Salaries Payable	1,893,224	-
Accrued Interest Payable	1,401,288	-
Retainage Payable	3,844,228	-
Estimated Liability - Claims and Judgements	2,023,000	-
Due to Others	392,295	256,149
Payable from Restricted Assets:		
Escrow Deposits	234,992	-
Unearned Revenues	984,095	-
Long-term liabilities:		
Due within one year	9,387,637	135,952
Due in more than one year	204,651,742	445,688
Total liabilities	235,225,667	1,881,468
NET ASSETS		
Invested in capital assets, net of related debt	97,944,153	661,934
Restricted for:		
Grants	173,262	-
Debt Service	4,534,272	-
Clinic Operations	-	1,188,451
Unrestricted	25,695,334	1,599,308
Total net assets	\$ 128,347,021	\$ 3,449,693

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, 2005

Functions/Programs Primary Government	Net (Expense) Revenue and Changes in Net Assets					
	Expenses	Program Revenues		Primary Government		Component Unit
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	
Governmental Activities						
General Government	\$ 38,234,702	\$ 13,468,851	\$ 2,097,434	\$ -	\$ (22,668,417)	\$ -
Public Safety	39,716,042	1,626,654	8,455,692	3,072,495	(26,561,201)	-
Sanitation	17,820	-	17,820	-	-	-
Health and Social Services	15,798,540	5,147	1,058,646	-	(14,734,747)	-
Culture and Recreation	4,347,126	119,411	536,754	502,220	(3,188,741)	-
Conservation	402,540	-	26,770	-	(375,770)	-
Roads, Bridges, and Rights-of-way	9,551,590	330,803	2,022,793	-	(7,197,994)	-
Interest on Long-term Debt	10,268,849	-	-	-	(10,268,849)	-
Total governmental activities	\$ 118,337,209	\$ 15,550,866	\$ 14,215,909	\$ 3,574,715	\$ (84,995,719)	\$ -
Component Units						
Component Units	\$ 17,499,695	\$ 5,544,705	\$ 5,897,094	\$ -	\$ (6,057,896)	\$ -

General revenues:

Taxes:						
Property taxes, levied for general purposes				75,542,832	75,542,832	-
Property taxes, levied for debt service				14,303,050	14,303,050	-
Payments in lieu of taxes				875,059	875,059	-
Grants and contributions not restricted to specific programs				-	-	6,399,600
Unrestricted investment earnings				4,412,730	4,412,730	91,104
Miscellaneous				406,056	406,056	-
<i>Special item - gain on sale of capital assets</i>				610,425	610,425	-
Total general revenues, special items, and transfers				96,150,152	96,150,152	6,490,704
Change in net assets				11,154,433	11,154,433	432,808
Net assets - beginning				117,192,588	117,192,588	3,016,885
Net assets - ending				\$ 128,347,021	\$ 128,347,021	\$ 3,449,693

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

GALVESTON COUNTY, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2005

	General	Limited Tax Criminal Justice Bonds 2003A	Combination Tax/Revenue Certificates of Obligation Series 2003C	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents	\$ 19,910,132	\$ 10,388,657	\$ 25,390,077	\$ 45,938,526	\$ 101,627,392
Receivables (Net of Allowances for Uncollectibles):					
Interest	86,351	33,185	68,232	85,964	273,732
Taxes	10,570,237	-	-	2,307,540	12,877,777
Accounts and Other	2,016,781	-	-	4,855,754	6,872,535
Due from Other Funds	1,587,788	-	-	-	1,587,788
Inventory at Cost	-	-	-	349,701	349,701
Prepaid Expenditures	273,744	-	-	4,092	277,836
Restricted Assets:					
Cash and Cash Equivalents	33,131	-	-	239,075	272,206
Total assets	\$ 34,478,164	\$ 10,421,842	\$ 25,458,309	\$ 53,780,652	\$ 124,138,967
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$ 3,216,755	\$ 2,477,517	\$ 2,286,957	\$ 2,437,329	\$ 10,418,558
Salaries Payable	1,107,799	-	-	780,920	1,888,719
Compensated Absences Payable	34,346	-	-	240	34,586
Contracts Payable	264,246	-	-	-	264,246
Retainage Payable	943	2,505,293	980,928	357,064	3,844,228
Due to Others	102,536	-	-	296,228	398,764
Liabilities Payable from Restricted Assets:					
Escrow Deposits	-	-	-	199,013	199,013
Deposits - Held	33,131	-	-	2,848	35,979
Due to Other Funds	-	-	-	1,587,788	1,587,788
Deferred Revenues	10,570,238	-	-	3,291,636	13,861,874
Total liabilities	15,329,994	4,982,810	3,267,885	8,953,066	32,533,755
Fund Balances:					
Reserved for:					
Restricted Assets	-	-	-	37,214	37,214
Encumbrances	678,716	5,188,881	9,165,101	6,231,949	21,264,647
Inventory	-	-	-	349,701	349,701
Prepaid Items	273,744	-	-	-	273,744
Outstanding Checks	1,011	-	-	2,329	3,340
Debt Service	-	-	-	3,585,732	3,585,732
Unreserved, Reported in:					
General Fund	18,194,699	-	-	-	18,194,699
Special Revenue Funds	-	-	-	16,781,879	16,781,879
Capital Projects Funds	-	250,151	13,025,323	17,838,782	31,114,256
Total fund balances	19,148,170	5,439,032	22,190,424	44,827,586	91,605,212
Total liabilities and fund balances	\$ 34,478,164	\$ 10,421,842	\$ 25,458,309	\$ 53,780,652	\$ 124,138,967

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, 2005

Total fund balance, governmental funds	\$	91,605,212
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.		
		231,598,882
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.		
		1,943,245
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.		
		3,111,976
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		(197,928,422)
Accumulated accretion on capital appreciation bonds		(6,402,476)
Capital leases payable		(1,488,466)
Compensated absences		(2,094,465)
Claims and judgements payable		(2,223,772)
Interest on long-term debt		(1,359,002)
Premiums on issuance of debt		(3,602,946)
Deferred loss on refunding		2,309,478
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.		
		12,877,777
<hr style="border-top: 1px solid black;"/>		
Net assets of governmental activities in the Statement of Net Assets	\$	<u><u>128,347,021</u></u>

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, 2005

	<u>General</u>	<u>Limited Tax Criminal Justice Bonds 2003A</u>	<u>Combination Tax/Revenue Certificates of Obligation Series 2003C</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES					
Taxes	\$ 72,087,257	\$ -	\$ -	\$ 16,671,997	\$ 88,759,254
Licenses and Permits	31,945	-	-	2,107,668	2,139,613
Intergovernmental	2,208,008	178,173	-	12,734,263	15,120,444
Charges for Services	6,265,865	-	-	2,068,381	8,334,246
Fines and Forfeitures	2,036,543	-	-	749,788	2,786,331
Investment Earnings	1,506,900	749,153	990,128	1,430,281	4,676,462
Miscellaneous	3,627,448	-	-	939,025	4,566,473
Total revenues	<u>87,763,966</u>	<u>927,326</u>	<u>990,128</u>	<u>36,701,403</u>	<u>126,382,823</u>
EXPENDITURES					
Current:					
General Government	38,130,673	-	-	1,138,497	39,269,170
Public Safety	20,976,556	-	-	12,807,922	33,784,478
Sanitation	-	-	-	17,820	17,820
Health and Social Services	12,878,192	-	-	2,100,090	14,978,282
Culture and Recreation	2,040,453	-	-	337,430	2,377,883
Conservation	349,022	-	-	-	349,022
Roads, Bridges and Rights-of-Way	-	-	-	5,022,720	5,022,720
Debt Service:					
Principal	264,246	-	-	5,735,000	5,999,246
Interest and Fiscal Charges	-	-	-	8,253,666	8,253,666
Refund-Prior Year Tax Revenue	-	-	-	159,172	159,172
Capital Outlay	2,601,078	31,745,011	14,291,850	12,691,348	61,329,287
Total expenditures	<u>77,240,220</u>	<u>31,745,011</u>	<u>14,291,850</u>	<u>48,263,665</u>	<u>171,540,746</u>
Excess (deficiency) of revenues over (under) expenditures	<u>10,523,746</u>	<u>(30,817,685)</u>	<u>(13,301,722)</u>	<u>(11,562,262)</u>	<u>(45,157,923)</u>
OTHER FINANCING SOURCES (USES)					
Transfers In	102,609	-	-	4,565,950	4,668,559
Transfers Out	(5,226,214)	-	-	(1,192,024)	(6,418,238)
Sale of Capital Assets	125,679	-	-	956,150	1,081,829
Performance Bonds Forfeited	-	-	136,937	-	136,937
Total other financing sources (uses)	<u>(4,997,926)</u>	<u>-</u>	<u>136,937</u>	<u>4,330,076</u>	<u>(530,913)</u>
Net change in fund balances	5,525,820	(30,817,685)	(13,164,785)	(7,232,186)	(45,688,836)
Fund balances-beginning	13,108,290	36,256,717	35,355,209	51,978,798	136,699,014
Prior period adjustments	514,060	-	-	80,974	595,034
Fund balances-ending	<u>\$ 19,148,170</u>	<u>\$ 5,439,032</u>	<u>\$ 22,190,424</u>	<u>\$ 44,827,586</u>	<u>\$ 91,605,212</u>

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

GALVESTON COUNTY, TEXAS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2005

Net change in fund balances - total governmental funds: \$ (45,688,836)

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

Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the Statement of Activities reports only a portion of the outlay as expense. The outlay is allocated over the assets' estimated useful lives as depreciation expense for the period. This is the amount by which capital assets donated to the county of \$1,814,558 plus capital outlay of \$55,365,029 exceeded depreciation of \$6,602,674 in the current period. 50,576,913

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. (471,404)

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. 1,086,630

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. 7,184,454

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	(60,030)
Compensated absences	(111,015)
Amortization of deferred charges	(293,799)
Accretion of capital bond interest	(1,661,354)

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. 592,874

Change in net assets of governmental activities	\$ 11,154,433
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The notes to the financial statements are an integral part of the statement.

**GALVESTON COUNTY, TEXAS
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
September 30, 2005**

	Governmental Activities - Internal Service Funds
ASSETS	
Current Assets:	
Cash and Cash Equivalents	\$ 4,900,202
Receivables (Net of Allowances for Uncollectibles):	
Interest	4,880
Accounts and Other	147,823
Prepaid Items	116,998
Total current assets	5,169,903
 LIABILITIES	
Current Liabilities:	
Accounts Payable	30,425
Salaries Payable	4,505
Estimated Liability - Claims	2,023,000
Total current liabilities	2,057,930
 NET ASSETS	
Unrestricted	3,111,973
Total net assets	\$ 5,169,903

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, 2005**

	Governmental Activities - Internal Service Funds
OPERATING REVENUES	
Charges for Services	\$ 7,354,438
Insurance Recovery - County	18,015
Reimbursements	370,901
Miscellaneous	28,880
Total operating revenues	7,772,234
OPERATING EXPENSES	
Personal Services	118,312
Contract Services	523,089
Insurance	1,241,786
Claims Paid	7,107,516
Total operating expenses	8,990,703
Operating income (loss)	(1,218,469)
NONOPERATING REVENUES (EXPENSES)	
Investment Earnings	61,664
Income (loss) before transfers	(1,156,805)
Transfers In	1,749,679
Change in net assets	592,874
Total net assets-beginning	2,519,099
Total net assets-ending	\$ 3,111,973

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, 2005**

	Governmental Activities - Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from Users	\$ 7,284,326
Payments to Suppliers	(2,297,006)
Payments to Employees	(116,964)
Payments for Claims	(6,609,010)
Other Operating Revenues	366,156
Net cash provided (used) by operating activities	(1,372,498)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfers in	1,749,679
CASH FLOWS FROM INVESTING ACTIVITIES	
Investment Earnings	61,664
Net increase in cash and cash equivalents	438,845
Cash and Cash Equivalents October 1, 2004	4,461,357
Cash and Cash Equivalents September 30, 2005	\$ 4,900,202
Reconciliation of operating income to net cash provided (used) by operating activities:	
Operating income (loss)	\$ (1,218,469)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
(Increase) Decrease in Accounts Receivable	(116,869)
(Increase) Decrease in Interest Receivable	(4,881)
(Increase) Decrease in Prepaid Items	(62,271)
Increase (Decrease) in Accounts Payable	27,728
Increase (Decrease) in Salaries Payable	2,264
Total adjustments	(154,029)
Net cash provided (used) by operating activities	\$ (1,372,498)

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, 2005

	AGENCY FUNDS
ASSETS	
Cash and Cash Equivalents	\$ 19,898,335
Receivables (Net of Allowances for Uncollectibles):	
Accounts and Other	28,182
Restricted Assets:	
Guardianship Assets	1,603,103
Total assets	\$ 21,529,620
LIABILITIES	
Accounts Payable	\$ 38,460
Due to Others	14,941,445
Due to Other Entities	3,769,156
Deposits Held	1,177,456
Deposits Held for Restricted Assets	1,603,103
Total liabilities	\$ 21,529,620

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



The Galveston County Courts Building at
The New Galveston County Justice Center
March 9, 2006

Galveston County, Texas
Notes to the Financial Statements
September 30, 2005

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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

1. Primary government

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

The county prepares its basic financial statements in conformity with generally accepted accounting principles of the United States promulgated by the Governmental Accounting Standards Board (the “GASB”) and other authoritative sources identified in *Statement on Auditing Standards No. 69: The Meaning of “Present Fairly in Conformity with Generally Accepted Accounting Principles” in the Independent Auditor’s Report* of the American Institute of Certified Public Accountants.

2. Component units

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

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

Blended Component Units

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

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

Discretely Presented Component Units

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

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

B. Government-wide and Fund Financial Statements

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

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

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

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

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

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

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

The government-wide, Proprietary Fund, and Fiduciary Fund financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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

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

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

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

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

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

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

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

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

D. Assets, Liabilities, and Net Assets or Equity

1. Deposits and investments

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

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

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

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

2. Receivables and payables

Intra-reporting-entity receivables/payables

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

Ad-valorem property tax receivables

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

01/01/y1	– property values are assessed
07/25/y1	– the certified tax roll is received from the Galveston County Central Appraisal District
08/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 (\$33,131), and of the Child Welfare (\$2,848), Flood Control (\$37,214), and Emergency Management (\$199,013) Special Revenue Funds, is restricted by contract.

5. Capital assets

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

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

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

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

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

	<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		
Technological equipment; vehicles	5		

6. Compensated absences

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

Vacation Leave

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

vacation leave, presently up to a maximum of three hundred hours, according to policy adopted by the Commissioners' Court.

Sick Leave

An employee accrues sick leave beginning on the six-month anniversary of date of employment, at rates which differ according to tenure, to a maximum of 720 hours; any excess is forfeited at the next anniversary date. Half-time employees accrue 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, 2005 and 2004 , the liabilities for compensated absences comprised the following:

	<u>2005</u>	<u>2004</u>
Earned, Unused Vacation Leave	\$ 1,700,139	\$ 1,578,436
Earned, Unused Sick Leave	428,912	405,013
Total	<u>\$ 2,129,051</u>	<u>\$ 1,983,449</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 Fund financial statements, bond premiums, discounts, and issuance costs are recognized in the current period. The face amount of debt issued and any related premiums are reported as other financing sources, while any related discounts are reported as other financing uses. Issuance costs, whether withheld from gross proceeds or separately disbursed, are reported as current-period expenditures.

8. Fund equity

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

At September 30, 2005 and 2004 , the county reported the following reservations and designations in its Governmental Funds:

Reservations:	<u>2005</u>	<u>2004</u>	Designations:	<u>2005</u>	<u>2004</u>
Restricted assets	\$ 37,214	\$ 50,958	Insecticide	\$ 30,000	\$ 30,000
Encumbrances	21,264,647	64,100,875	Special lateral roads	277,337	225,970
Inventory	349,701	367,198	Debt service	500,050	1,250,000
Prepaid items	273,744	440,712	Self-insurance loss	1,500,000	1,000,000
Outstanding checks	3,340	87,436	Contingent liabilities	1,196,540	1,250,000
Debt service	3,585,732	3,301,484	Disaster protection	2,262,100	1,000,000
Total reservations	<u>\$ 25,514,378</u>	<u>\$ 68,348,663</u>	Capital projects	31,114,256	38,803,368
			Total designations	<u>\$ 36,880,283</u>	<u>\$ 43,559,338</u>

9. Comparative data/reclassifications

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

10. Use of estimates

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

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

at the date of those financial statements and during the reporting period then ended. Actual results could differ from such estimates.

11. Indirect expense allocation

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

12. Restricted resources

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

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

For management control, annual budgets are adopted on a basis consistent with generally accepted accounting principles, using the modified-accrual basis of accounting, for certain Governmental Funds, including the General Fund, nineteen Special Revenue Funds, and all of the Debt Service Funds.

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

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

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" labeled Personal Services, Supplies, Other Services and Charges, Inter-/Intra-governmental Expenditures, Other Expenses, Capital Outlay, Debt Service, and Other Financing Uses.

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

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

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

B. Excess of Expenditures over Appropriations

For the year ended September 30, 2005, in the Sheriff's Commissary Special Revenue Fund, expenditures exceeded appropriations at the departmental level (the level of legal budgetary control) by \$55,949. 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, 2005.

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 six sub-depositories: Texas First Bank-Galveston, Texas First Bank-Texas City, Texas First Bank-Santa Fe, Amegy Bank, Frost Bank, and First Community Bank. The county's depository contracts with these institutions ensure the protection of the county's deposits through the Federal Deposit Insurance Corporation (the "FDIC") and through qualified securities pledged by the institutions holding the deposits. The depository contracts are effective for the three-year period that began October 1, 2004, and expire September 30, 2007. As of September 30, 2005, the county had minimal deposits at Chase Bank which are not subject to contract and are thus protected solely by the FDIC.

The pledged securities have to meet the criteria of the county's depository contracts and applicable state law. As of September 30, 2005, the custodians are Texas Independent Bankers Bank (TIB), the Federal Reserve Bank, and JP Morgan Chase Bank.

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, 2005, the carrying value of the county's deposits totaled \$126,425,929, and the related balances per banks totaled \$128,534,569. The carrying value of the deposits of the Galveston County Health District discretely presented component unit totaled \$2,909,080, and the related balances per banks totaled \$3,222,648. The terms of the county's depository contract apply equally to the Galveston County Health District, and the latter's deposits are therefore likewise secured by the insurance and/or pledged-securities collateral noted above.

Custodial credit risk for deposits 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 are not covered by depository insurance and are:

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

However, the county's deposits at September 30, 2005 were secured by depository insurance or by collateral held by a third-party custodian in the county's name and thus not exposed to custodial credit risk.

Investments

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

Investments consist primarily of United States government securities which have a maturity of one year or less when purchased. The county generally holds investments until maturity. Investments are presented at amortized cost in accordance with *GASB Statement 31: Accounting and Financial Reporting for Certain Investments and for External Investment Pools*.

At September 30, 2005, no holding of the county nor of its discretely presented component unit qualified as an investment per criteria of GASB Statement 3.

B. Receivables

At September 30, 2005, 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, 2004):

	General Fund	Limited Tax Criminal Justice Bonds Series 2003A Fund	Combination Tax/Revenue Certificates of Obligation Series 2003C	Nonmajor Governmental Funds	Internal Service and Fiduciary Funds	Total	Total 2004
Gross Receivables:							
Interest	\$ 86,351	\$ 33,185	\$ 68,232	\$ 85,964	\$ 4,880	\$ 278,612	\$ -
Taxes	11,317,124	-	-	2,473,459	-	13,790,583	12,873,768
Accounts and Other	2,016,781	-	-	4,855,754	176,005	7,048,540	5,545,149
Total Gross Receivables	13,420,256	33,185	68,232	7,415,177	180,885	21,117,735	18,418,917
Less: Allowance for Uncollectibles	(746,887)	-	-	(165,919)	-	(912,806)	(1,082,617)
Net Total Receivables	\$ 12,673,369	\$ 33,185	\$ 68,232	\$ 7,249,258	\$ 180,885	\$ 20,204,929	\$ 17,336,300

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, 2005, the various components of deferred revenue reported in the Governmental Funds were as follows (with summary comparative amounts at September 30, 2004):

	General Fund	Special Revenue Funds	Debt Service Funds	Total 2005	Total 2004
Delinquent Property Taxes Receivable	\$ 10,570,238	\$ 641,872	\$ 1,665,665	\$ 12,877,775	\$ 11,791,148
Grants	-	945,654	-	945,654	1,535,188
Other	-	38,445	-	38,445	38,445
Total Deferred Revenue	\$ 10,570,238	\$ 1,625,971	\$ 1,665,665	\$ 13,861,874	\$ 13,364,781

C. Capital Assets

Primary government

Capital-asset activity for the year ended September 30, 2005, which related solely to governmental activities, was as follows:

	Beginning Balance, 10/1/2004	Additions	Deletions	Ending Balance, 9/30/2005
<u>Primary Government</u>				
Capital Assets Not Being Depreciated:				
Land	\$ 21,979,962	\$ 280,449	\$ (158,380)	\$ 22,102,031
Construction in Progress	54,848,719	51,808,359	(11,543,080)	95,113,998
Total Capital Assets Not Being Depreciated	76,828,681	52,088,808	(11,701,460)	117,216,029
Capital Assets Being Depreciated:				
Buildings and Improvements	48,672,615	6,294,795	-	54,967,410
Improvements Other Than Buildings	436,239	117,083	-	553,322
Machinery and Equipment	20,592,142	3,024,602	(1,652,092)	21,964,652
Infrastructure	133,799,986	7,106,454	-	140,906,440
Total Capital Assets Being Depreciated	203,500,982	16,542,934	(1,652,092)	218,391,824
Less Accumulated Depreciation for:				
Buildings and Improvements	(21,551,869)	(1,170,334)	-	(22,722,203)
Improvements Other Than Buildings	(348,102)	(9,782)	-	(357,884)
Machinery and Equipment	(13,588,352)	(2,235,878)	1,429,995	(14,394,235)
Infrastructure	(63,347,969)	(3,186,680)	-	(66,534,649)
Total Accumulated Depreciation	(98,836,292)	(6,602,674)	1,429,995	(104,008,971)
Total Capital Assets Being Depreciated, Net	104,664,690	9,940,260	(222,097)	114,382,853
Capital Assets, Net	\$ 181,493,371	\$ 62,029,068	\$ (11,923,557)	\$ 231,598,882

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

	<u>2005</u>	<u>2004</u>
General Government	\$ 975,113	\$ 725,561
Public Safety	2,829,499	2,634,275
Roads, Bridges, and Rights-of-way	2,124,487	13,218
Health and Social Services	143,380	2,348,904
Culture and Recreation	510,637	117,684
Conservation	19,558	332,239
Total Depreciation Expense	<u>\$ 6,602,674</u>	<u>\$ 6,171,881</u>

Capital projects of the primary government in progress at September 30, 2005, included building construction and renovation and bridge, park, and pump-station improvements. At that date, construction commitments with contractors comprised the following:

<u>Project</u>	<u>Amount</u>		<u>Remaining</u>
	<u>Authorized</u>	<u>Spent to Date</u>	<u>Commitment</u>
New Galveston County Justice Center	\$ 114,324,412	\$ 93,165,384	\$ 21,159,028
Renovation of Current Courthouse	2,109,972	1,100,695	1,009,277
Bayshore Park Restroom	8,650	1,510	7,140
San Luis Bridge Toll Booth	16,781	12,222	4,559
Texas City Pump Station Improvements	196,500	95,246	101,254
Walter Hall Park Improvements	1,027,692	729,067	298,625
Galveston Railroad Bridge	1,966,977	9,874	1,957,103
Total	<u>\$ 119,650,984</u>	<u>\$ 95,113,998</u>	<u>\$ 24,536,986</u>

The San Luis Bridge Toll Booth, the Texas City Pump Station Improvements, and the Bayshore Park Restroom projects are financed by the county's operating funds, the Walter Hall Park Improvements project is financed by grants, and the remaining projects are financed by long-term borrowings.

Component unit

Capital asset activity for the Galveston County Health District for the year ended September 30, 2005, follows.

<u>Galveston County Health District</u>	Beginning Balance, 10/1/2004	Additions	Deletions	Ending Balance, 9/30/2005
Capital Assets:				
Buildings and Improvements	\$ 76,910	\$ -	\$ -	\$ 76,910
Furniture and Equipment	694,404	205,645	(32,000)	868,049
Vehicles	900,728	191,289	(79,236)	1,012,781
Total Capital Assets being Depreciated	1,672,042	396,934	(111,236)	1,957,740
Less Accumulated Depreciation for:				
Buildings and Improvements	(11,567)	(6,225)	-	(17,792)
Furniture and Equipment	(527,654)	(83,628)	10,133	(601,149)
Vehicles	(512,345)	(103,558)	74,990	(540,913)
Total Accumulated Depreciation	(1,051,566)	(193,411)	85,123	(1,159,854)
Total Capital Assets Being Depreciated, Net	620,476	203,523	(26,113)	797,886
Capital Assets, Net	\$ 620,476	\$ 203,523	\$ (26,113)	\$ 797,886

D. Inter-fund Receivables, Payables, and Transfers

Amounts due to/from funds of the primary government and its discretely presented component unit at September 30, 2005, are as follows (with summary comparative amounts at September 30, 2004):

<u>Payable Reported by:</u>	<u>Receivable Reported by:</u>			<u>Total 2005</u>	<u>Total 2004</u>
	<u>Component Unit - Galveston County Health District</u>	<u>Primary Government - General Fund</u>	<u>Primary Government - Nonmajor Governmental Funds</u>		
Primary Government - General Fund	\$ -	\$ -	\$ -	\$ -	\$ 1,038,892
Primary Government - Non- major Governmental Funds	-	1,587,788	-	1,587,788	937,928
Component Unit - Galveston County Health District	-	-	-	-	283,090
Total	\$ -	\$ 1,587,788	\$ -	\$ 1,587,788	\$ 2,259,910

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

Transfers among the primary government's Governmental and Internal Service Funds for the year ended September 30, 2005, are as follows (with summary comparative amounts for the year ended September 30, 2004):

	Transfers In				
	General Fund	Nonmajor Governmental Funds	Internal Service Funds	Total 2005	Total 2004
<u>Transfers Out</u>					
General Fund	\$ -	\$ 4,184,535	\$ 1,041,679	\$ 5,226,214	\$ 5,934,462
Nonmajor Governmental Funds	102,609	381,415	708,000	1,192,024	2,985,366
Total Transfers Out	<u>\$ 102,609</u>	<u>\$ 4,565,950</u>	<u>\$ 1,749,679</u>	<u>\$ 6,418,238</u>	<u>\$ 8,919,828</u>

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

E. Leases

Operating Leases

The county is engaged in an operating lease of photocopiers under a non-cancelable, five-year contract which began during the fiscal year ended September 30, 2002. Several amendments to this agreement have resulted in a change of the original minimum lease cost of \$22,415 per month to the current minimum lease cost of \$62,042 per month. The lease cost for the year ended September 30, 2005, was \$744,967. The future minimum payments for this lease are as follows:

<u>Year Ending September 30,</u>	<u>Amount</u>
2006	\$ 744,504
2007	558,378
Total	<u>\$ 1,302,882</u>

Capital Leases

The county is engaged in the following capital leases.

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

The value of the assets acquired through capital leases was \$2,052,776, although only \$665,981 of this amount reached the county's threshold for capitalization. At September 30, 2005, the accumulated depreciation related to, and the net book value of, these capital-lease assets were \$253,953 and \$412,028, respectively.

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

Year Ending September 30	Governmental Activities	
	Law-enforcement	Various Departments'
	<u>Computers</u> @ 4.15% interest/year	<u>Computers</u> @ 4.328% interest/year
2005 (see below)	\$ -	\$ 300,062
2006	334,333	300,062
2007	334,333	300,063
2008	334,334	-
Total future lease payments	1,003,000	900,187
Less: interest	(77,830)	(72,645)
	<u>\$ 925,170</u>	<u>\$ 827,542</u>

The capital-lease payment of \$300,062 for fiscal year 2005 was due in August, 2005, but was not paid until October 7, 2005. The principal amount of \$264,246 is reflected as a current liability on the Governmental Funds Balance Sheet and as a long-term liability due within one year on the Statement of Net Assets.

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

With Mainland Children's Partnership, Inc. -

- for the Texas City 4C's medical and dental clinic – five-year lease commenced September 1, 2001, with an option to renew for an additional ten years; minimum lease payments total \$25,860 per month
- for the WIC Program – five-year lease commenced November 1, 2003, with an option to renew the lease three times; minimum lease payments total \$3,019 per month

With the Galveston Housing Authority -

- for the Island Community Center, to administer various public health functions – five-year lease commenced April 1, 2001; minimum lease payments total \$9,945 per month
- for the Island Community Center, to operate the Galveston 4C's medical and dental clinic – five-year lease commenced July 6, 1998, renewed on December 1, 2004; minimum lease payments total \$12,930 per month
- for the Island Community Center, to operate the Women's, Infants', and Children's Program – five-year lease commenced April 1, 2002; minimum lease payments total \$1,490 per month

With the EETCO Texas General Partnership -

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

With the University of Texas Medical Branch –

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

In total, the Galveston County Health District incurred lease expenditures of \$690,352 and \$609,000 during the years ended September 30, 2005 and 2004, respectively. Future minimum lease payments for the next five years are as follows:

<u>Year Ending</u> <u>September 30</u>	<u>Amount</u>
2006	\$ 585,487
2007	549,692
2008	537,772
2009	357,250
2010	77,581
Total	<u>\$ 2,107,782</u>

F. Long-term Debt

General-obligation debt

Primary Government

The county issues general-obligation debt:

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

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

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

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

The amount of general-obligation bonds issued in prior years is \$257,803,939. During the fiscal year ended September 30, 2005, no general-obligation bonds were issued.

General-obligation debt principal currently outstanding is as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
Governmental Activities	2.00-5.66 %	\$ 157,403,434
Governmental Activities - Refunding	3.00-5.50 %	<u>\$ 40,524,988</u>

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

Year Ending		<u>Principal</u>		<u>Interest</u>
<u>September 30,</u>				
2006	\$	6,800,000	\$	8,110,265
2007		7,235,000		7,834,216
2008		7,555,000		7,542,576
2009		7,860,000		7,238,539
2010		8,200,000		6,909,436
2011		8,505,000		6,557,030
2012		8,109,988		6,952,686
2013		9,205,000		5,840,730
2014		9,645,000		5,401,398
2015		10,120,000		4,901,001
2016		10,670,000		4,351,756
2017		7,267,138		7,832,530
2018		7,222,088		7,833,256
2019		7,225,489		7,810,249
2020		7,434,273		7,778,584
2021		7,485,965		7,709,360
2022		7,546,822		7,627,303
2023		7,636,620		7,532,880
2024		7,735,406		7,419,719
2025		7,830,544		7,305,456
2026		7,954,089		7,172,534
2027		13,980,000		1,084,750
2028		14,705,000		367,626
Total	\$	<u>197,928,422</u>	\$	<u>149,113,880</u>

Component Unit

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

- Note Payable dated June, 2005, due in twelve monthly principal payments of \$7,485 including interest at 4.95%. The note is secured by an ambulance and related equipment.
- Note Payable dated August, 2005, due in twelve monthly principal payments of \$6,517 including interest at 4.95%. The note is secured by three animal-control vehicles and related equipment.

Annual debt service requirements to maturity are as follows:

Year Ending <u>September 30</u> 2005	<u>Principal</u> \$135,952	<u>Interest</u> \$3,102	<u>Total</u> \$139,054
	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>

Claims and Judgments

Primary Government

Subsequent to the successful appeal of a major corporate property owner that claimed an excessive 2002 appraised value of its plant, and pursuant to an agreement dated February 23, 2004, between that corporation and the county, the county agreed to refund ad-valorem tax payments totaling \$3,408,979 over a three-year period. The first and second payments of \$1,185,207 and \$1,111,886 were made on December 6, 2004, and December 8, 2005, respectively. The third payment, in the amount of \$1,111,886, is to be made on or before December 15, 2006. The Farm-to-Market Lateral Road and Flood Control Special Revenue Funds liquidated \$73,322 of the first payment; the General Fund liquidated the rest of that first payment and all of the second payment and is expected to fund the entirety of the remaining portion of the refund.

Changes in Long-term Liabilities

Long-term liability activity for the year ended September 30, 2005, was as follows:

	Beginning Balance <u>10/1/2004</u>	<u>Additions</u>	<u>Reductions</u>	Ending <u>Balance</u> <u>9/30/2005</u>	Due Within <u>One Year</u>
<u>Primary Government</u>					
Bonds Payable:					
General Obligation Bonds	\$ 203,663,422	\$ -	\$ 5,735,000	\$ 197,928,422	\$ 6,800,000
Accumulated Accretion	4,741,122	1,661,354	-	6,402,476	-
Plus Deferred Amounts:					
For Issuance Premiums	3,949,923	-	346,977	3,602,946	-
Total Bonds Payable	<u>212,354,467</u>	<u>1,661,354</u>	<u>6,081,977</u>	<u>207,933,844</u>	<u>6,800,000</u>
Claims and Judgments	3,408,979	-	1,185,207	2,223,772	1,111,886
Capital Lease Payable	1,752,712	-	-	1,752,712	835,866
Compensated Absences	<u>1,983,449</u>	<u>656,683</u>	<u>511,081</u>	<u>2,129,051</u>	<u>639,885</u>
Governmental Activity					
Long - term Liabilities	<u>\$ 219,499,607</u>	<u>\$ 2,318,037</u>	<u>\$ 7,778,265</u>	<u>\$ 214,039,379</u>	<u>\$ 9,387,637</u>
 <u>Component Unit</u>					
Notes Payable	\$ 45,611	\$ 163,592	\$ 73,251	\$ 135,952	\$ 135,952
Compensated Absences	<u>421,624</u>	<u>679,416</u>	<u>655,352</u>	<u>445,688</u>	<u>-</u>
Long-term Liabilities	<u>\$ 467,235</u>	<u>\$ 843,008</u>	<u>\$ 728,603</u>	<u>\$ 581,640</u>	<u>\$ 135,952</u>

A capital lease payable of \$264,246 and a compensated-absences liability of \$34,586 are reflected as current liabilities in the Governmental Funds Balance Sheet and as long-term liabilities due within one year in the Statement of Net Assets. Neither payment was made, but both were due and payable, by September 30, 2005.

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

IV. OTHER INFORMATION

A. Risk Management

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

The county's Group Insurance, Workers' Compensation, and Self-Insurance Reserve Internal Service Funds account for the provision of services to the county and its employees for health, workers'-compensation, and casualty and liability (including crime, fidelity, professional liability, and property) insurance benefits. Various county departments participate in these funds' expenses based upon estimates of amounts needed to pay prior and current years' claims. The claims liabilities in the Group Insurance and Workers' Compensation Funds at September 30, 2005, are reported in compliance with *GASB Statement 10: Accounting and Financial Reporting for Risk Financing and Related Insurance Issues* ("GASB 10"). *GASB 10* requires that an entity report a liability for claims of which it becomes aware after the date of the financial statements but before the date of issuance of those financial statements if it is probable that such liability had been incurred by the earlier date and the amount can be reasonably estimated.

The county's self-insurance coverage for employee health claims is limited to \$150,000 per employee and covered dependent to a maximum of \$7,347,185 in aggregate claims. A stop-loss policy with American Stop-Loss Insurance pays claims in excess of the individual \$150,000 limit to a maximum of \$2,000,000 in aggregate claims.

The county's self-insurance coverage for workers' compensation claims provides medical and indemnification benefits for job-related injuries as is required by law. Excess claims are covered by a policy with Safety National Casualty Corporation. The retention (i.e., deductible) is \$300,000 per occurrence (\$600,000 for maritime incidents), in excess of which the policy covers up to \$1,000,000. The aggregate retention for all occurrences is \$2,348,594, in excess of which the policy covers up to \$2,000,000.

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

	Year Ended <u>09/30/2005</u>	Year Ended <u>09/30/2004</u>
Unpaid Claims, Beginning of Fiscal Year	\$ 2,023,000	\$ 1,752,000
Incurred (Including IBNR) Claims	7,107,516	7,508,255
Claim Payments	<u>(7,107,516)</u>	<u>(7,237,255)</u>
Unpaid Claims, End of Fiscal Year	<u>\$ 2,023,000</u>	<u>\$ 2,023,000</u>

B. Defeasance of Debt

The county sometimes issues refunding debt to defease outstanding debt, to take advantage of more favorable interest rates and/or to otherwise improve cash flow. The proceeds of the new debt issuances are placed into irrevocable trusts to provide for all future debt service payments on 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, 2005, \$49.3 million of bonds outstanding are considered defeased. In the aggregate, the refundings have resulted in an economic gain of \$935,994.

C. Arbitrage Compliance

Per Section 148 of the *Internal Revenue Code of 1986* as amended (the “*Code*”), the county must meet certain criteria with regard to interest earnings on its proceeds from long-term debt issuances in order for the interest income paid on those obligations to be considered tax-exempt for the debt holders. Related United States Treasury regulations promulgated under that same *Code* section generally provide that the initial determination of the taxable or tax-exempt status of an obligation is made as of the date such obligation is issued, based on reasonable expectations regarding the use of the resulting proceeds.

Long-term debt that does not initially meet, and continue to meet, the minimum criteria of Section 148 of the *Code* and the related Treasury regulations, and particularly the requirement to rebate certain *arbitrage profits* to the federal government, is considered “arbitrage bonds” and forfeits its tax-exempt status. The county’s obligation to calculate and, if necessary, make rebate payments continues as long as proceeds of debt remain unexpended.

Arbitrage profits result when the interest rate earned on invested debt proceeds is materially greater than that paid to holders of that debt, as calculated beginning on the third anniversary of the debt’s issuance. Accordingly, any proceeds unexpended more than three years after debt issuance is subject to yield restriction. The yield restriction may be satisfied, if necessary, by making yield-reduction payments pursuant to Treasury Regulation Section 1.148-5(c).

The county presently:

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

The county continues to exercise reasonable diligence to apply any remaining unexpended debt proceeds to qualifying projects and to retire related debt issues still outstanding. The county contracts with Arbitrage Compliance Specialists of Englewood, Colorado, to perform annual arbitrage calculations required under Section 148(f) of the *Code*. The most recent calculations were made through December

31, 2005, 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 judged legally incapable of so doing. The Galveston County Probate Judge appoints the guardians, who, along with the payees and administrators, are employees of the Galveston County Department of Social Services.

The Texas Probate Court defines guardian responsibilities and ward rights. At September 30, 2005 and 2004 , Galveston County Department of Social Services employees were administering approximately \$1,603,103 as follows:

<u>Program</u>	<u>September 30, 2005</u>		<u>September 30, 2004</u>	
	<u>Number of Cases</u>	<u>Approximate Assets Administered</u>	<u>Number of Cases</u>	<u>Approximate Assets Administered</u>
Payee	59	\$ 92,159	50	\$ 106,861
Guardianship	83	1,437,870	85	1,635,998
Administration	2	73,074	2	53,960
Total	144	\$ 1,603,103	137	\$ 1,796,819

E. Contingent Liabilities

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

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

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

F. Deferred Compensation Plan

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

The county pays the entire cost of the disability-insurance and survivorship benefits. The county contributes to the deferred-compensation benefit, and employees fund the remainder under provisions of

Section 457 of the *Internal Revenue Code of 1986* as amended through mandatory tax-deferred payroll deductions. Employees may make optional deferred compensation contributions in excess of the mandatory amounts.

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

Restricted deferred-compensation assets in the custody of third-party administrators at September 30, 2005 and 2004, consisted of the following:

	<u>2005</u>	<u>2004</u>
American United Life Accounts	\$ 38,437,552	\$ 35,863,087
Hibernia (Coastal) Bank Account	7,828	8,030
Lincoln National Account	1,626,428	1,686,964
N.A.C.O. Account	2,063,948	1,676,411
Various Mutual Funds and Certificates of Deposit	521,641	517,072
Total Plan Assets	<u>\$ 42,657,397</u>	<u>\$ 39,751,564</u>

G. Employee Retirement System and Pension Plan

Retirement plan description

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

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

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

Funding policy

The county has elected to follow the variable-rate-plan provisions of the *Act*. The employer contribution rate is actuarially determined each year as a percentage of employee earnings, subject to plan changes (e.g., for cost-of-living benefit increases) adopted by the employer’s governing body within the constraints imposed by the *Act*. The employee contribution rate likewise is a percentage of employee earnings subject to adjustment by the governing body of the employer within the constraints of the *Act*. Funding is provided by monthly contributions from both the employer and, through biweekly payroll deductions, the employee, and by interest earned thereon. The employer contribution rates were 9.62% and 10.01% for the fiscal years ended September 30, 2005 and 2004, respectively. The employee contribution rate was 7% for both of the calendar years ended December 31, 2004 and 2005.

Benefits

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

Benefit amounts are based upon the sum of the employee’s deposits to the plan, the interest earned thereon, and employer-financed monetary credits. The amount of these monetary credits is set by the participating employers’ governing bodies within the actuarial constraints imposed by the *Act*, so that eventual benefits can be expected to be adequately financed by the employer’s commitment to contribute. Upon disability, retirement, or death, benefits are calculated by converting the sum of the employee’s deposits to the 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, 2005, both the cost of the county’s TCDRS pension plan and the county’s actual contributions totaled \$3,872,153. 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, 2003 and 2002, which were the basis for determining the contribution rates for calendar years 2004 and 2003. The most recent actuarial valuation is that of December 31, 2004.

<u>Actuarial Valuation Date</u>	<u>12/31/2004</u>	<u>12/31/2003</u>	<u>12/31/2002</u>
Actuarial Cost Method	Entry Age	Entry Age	Entry Age
Amortization Method	Level Percentage of Payroll, Open	Level Percentage of Payroll, Open	Level Percentage of Payroll, Open
Amortization Period	20	20	20
Asset Valuation Method	Long-term Appreciation, with Adjustment	Long-term Appreciation, with Adjustment	Long-term Appreciation, with Adjustment
Actuarial Assumptions:			
Investment Return	8.0%	8.0%	8.0%
Projected Salary Increases	5.5%	5.5%	5.5%
Inflation	3.5%	3.5%	3.5%
Cost-of-Living Adjustments	-	-	-

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

<u>Fiscal Year Ended</u>	<u>Annual Pension Cost ("APC")</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
September 30, 2005	\$ 4,009,999	100%	-
September 30, 2004	\$ 3,775,050	100%	-
September 30, 2003	\$ 3,872,153	100%	-

H. Other Post-employment Benefits

In addition to pension benefits, the county provides major-medical, prescription-drug, and life-insurance benefits to former employees who have met one of the three criteria for retirement discussed in Note H, “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, 2005, employees, and retirees under the age of sixty-five, who participated in county health-insurance coverage were required to contribute \$85 monthly toward the premium. Dependent health-insurance coverage continues to be available at additional cost to both retirees and employees.

Of the 316 current retirees, 132 are eligible for full health-insurance coverage and 184 receive the reduced Medicare supplement insurance coverage. The plan is funded on a “pay-as-you-go” basis; the county paid \$827,563 for retiree health insurance for the fiscal year ended September 30, 2005.

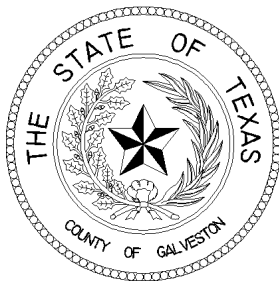
I. Prior-period Adjustments

The beginning balances of the Governmental Funds Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balances have been restated to reflect a change in the reporting of the liability for compensated absences. In the Governmental Funds, the amount reported as a liability for compensated absences is limited to the amount of reimbursable unused vacation leave payable to employees who had terminated their employment as of the end of the fiscal year. The changes to the September 30, 2005, financial statements are as follows:

Fund balance, beginning, 10/01/05	\$ 136,699,014
Add: impact of change in reporting liability for compensated absences	<u>595,034</u>
Fund balance, beginning, restated, 10/01/05	<u><u>\$ 137,294,048</u></u>



The Galveston County Courts Building at
The New Galveston County Justice Center
March 9, 2006



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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, 2005

	Original Budget	Final Budget	Actual	Variance, Actual from Final Budget Positive (Negative)	Actual Prior Year
REVENUES					
Taxes	\$ 72,589,621	\$ 72,404,621	\$ 72,087,257	\$ (317,364)	\$ 67,509,112
Licenses and Permits	24,100	24,100	31,945	7,845	25,827
Intergovernmental	1,922,730	1,922,730	2,208,008	285,278	1,100,790
Charges for Services	6,085,226	6,334,076	6,265,865	(68,211)	6,239,123
Fines and Forfeitures	1,651,500	1,651,500	2,036,543	385,043	1,888,658
Investment	1,250,000	1,250,000	1,506,900	256,900	1,105,175
Miscellaneous	2,737,600	2,835,767	3,627,448	791,681	3,984,817
Total revenues	86,260,777	86,422,794	87,763,966	1,341,172	81,853,502
EXPENDITURES					
General government					
General Government	5,316,100	4,703,282	4,470,997	232,285	3,082,437
County Judge and Commissioners' Court	249,700	261,400	250,365	11,035	234,069
Commissioners' Court	603,900	617,500	599,024	18,476	530,262
County Clerk	2,231,800	2,309,900	2,079,467	230,433	1,809,786
War Veterans Office	66,100	71,000	64,624	6,376	60,338
Bail Bond Board	700	700	639	61	-
District Courts	2,575,500	2,971,257	2,970,942	315	2,737,209
10th District Court	140,900	144,911	141,237	3,674	137,100
56th District Court	140,900	144,911	137,695	7,216	136,291
122nd District Court	169,700	174,574	169,919	4,655	165,014
212th District Court	140,900	143,674	139,557	4,117	129,579
306th District Court	141,000	142,568	138,864	3,704	137,121
405th District Court	141,000	145,011	140,617	4,394	136,529
County Court #1	444,600	450,011	445,957	4,054	419,453
County Court #2	444,600	462,288	462,288	-	418,854
Probate Court	655,400	616,011	517,257	98,754	471,630
County Court #3	415,800	417,471	417,471	-	388,095
Justice Court Precinct #1	171,200	176,400	166,885	9,515	140,717
Justice Court Precinct #2	138,100	142,000	136,438	5,562	129,145
Justice Court Precinct #3	203,600	211,300	191,630	19,670	176,217
Justice Court Precinct #4	236,300	244,400	235,905	8,495	225,942
Justice Court Precinct #5	174,000	178,800	172,518	6,282	156,592
Justice Court Precinct #6	222,300	231,100	200,977	30,123	215,513
Justice Court Precinct #7	204,100	209,400	203,590	5,810	192,564
Justice Court Precinct #8	152,400	155,300	150,332	4,968	142,327
Justice Court Precinct #9	203,400	209,400	200,345	9,055	169,713
Indigent Defense	-	-	-	-	45,346
Jury and Trial Expense	112,900	115,100	76,948	38,152	99,899
District Clerk	2,465,900	2,565,548	2,219,327	346,221	2,156,369
District Attorney	3,535,500	3,688,700	3,488,896	199,804	3,267,262
Pre-Trial Release	280,600	298,702	271,089	27,613	269,884
County Auditor	1,941,400	2,015,500	1,779,842	235,658	1,584,214
Director of Finance/Administration/Budget Officer	778,900	808,900	725,213	83,687	669,313
County Tax Assessor-Collector	2,381,500	2,468,550	2,198,863	269,687	2,084,299
County Treasurer	419,400	434,800	386,315	48,485	380,187
Purchasing Agent	511,900	526,700	481,582	45,118	452,268
Legal Department	573,000	602,800	592,735	10,065	538,850
Human Resources	508,700	529,000	422,049	106,951	388,535
Information Technology	8,083,300	8,888,203	8,888,203	-	7,335,311
Facilities Services	1,617,600	1,657,500	1,439,820	217,680	1,462,585
County Engineer	404,300	446,300	354,251	92,049	394,353
Total general government	39,198,900	40,580,872	38,130,673	2,450,199	33,671,172

(Continued)

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

For the Year Ended September 30, 2005

	Original Budget	Final Budget	Actual	Variance, Actual from Final Budget Positive (Negative)	Actual Prior Year
Public safety					
Sheriff's Department	\$ 18,387,600	\$ 19,323,421	\$ 18,676,360	\$ 647,061	\$ 17,100,268
Constable Precinct #1	222,900	229,100	209,509	19,591	188,555
Constable Precinct #2	209,300	217,100	209,880	7,220	193,405
Constable Precinct #3	210,700	216,800	216,800	-	204,018
Constable Precinct #4	189,800	208,400	181,699	26,701	161,150
Constable Precinct #5	226,000	229,400	214,280	15,120	210,363
Constable Precinct #6	186,800	59,088	59,083	5	219,866
Constable Precinct #7	258,100	281,100	240,626	40,474	230,754
Constable Precinct #8	226,000	344,140	339,631	4,509	206,655
Constable Precinct #9	187,200	190,100	173,232	16,868	165,755
Emergency Management	445,200	517,200	455,456	61,744	415,110
Total public safety	20,749,600	21,815,849	20,976,556	839,293	19,295,899
Health and social services					
Community Services	4,564,600	4,827,350	4,727,455	99,895	2,115,882
Social Services	831,900	905,600	830,326	75,274	783,869
Senior Citizens	674,100	698,567	639,571	58,996	596,614
Public Health	6,387,500	6,680,840	6,680,840	-	9,420,001
Total health and social services	12,458,100	13,112,357	12,878,192	234,165	12,916,366
Culture and recreation					
Beach and Parks Department	2,253,100	2,387,600	2,040,453	347,147	2,182,249
Conservation					
County Extension Service	387,500	409,800	349,022	60,778	300,697
Capital outlay					
Buildings and Improvement	329,100	249,579	161,255	88,324	69,050
Improvements Other Than Buildings	526,400	655,921	410,765	245,156	45,176
Machinery and Equipment	317,200	281,200	136,026	145,174	132,928
Vehicles	951,000	951,000	844,871	106,129	338,438
Technology	1,140,000	1,402,683	1,048,161	354,522	2,494,305
Total capital outlay	3,263,700	3,540,383	2,601,078	939,305	3,079,897
Total expenditures	78,310,900	81,846,861	76,975,974	4,870,887	71,446,280
Excess (deficiency) of revenues over (under) expenditures	7,949,877	4,575,933	10,787,992	6,212,059	10,407,222
OTHER FINANCING SOURCES (USES)					
Transfers In	28,059	102,609	102,609	-	456,844
Transfers Out	(4,875,300)	(5,226,703)	(5,226,214)	489	(5,934,462)
Sale of Capital Assets	100,000	100,000	125,679	25,679	120,834
Capital Leases	-	-	-	-	2,052,776
Capital Lease - Principal Payment	-	(264,246)	(264,246)	-	(300,064)
Transfers and Reserves	(3,354,400)	-	-	-	-
Total other financing sources (uses)	(8,101,641)	(5,288,340)	(5,262,172)	26,168	(3,604,072)
Net change in fund balances	(151,764)	(712,407)	5,525,820	6,238,227	6,803,150
Fund balances-beginning	13,108,290	13,108,290	13,108,290	-	6,305,140
Prior period adjustments			514,060	514,060	-
Fund balances-ending	\$ 12,956,526	\$ 12,395,883	\$ 19,148,170	\$ 6,752,287	\$ 13,108,290

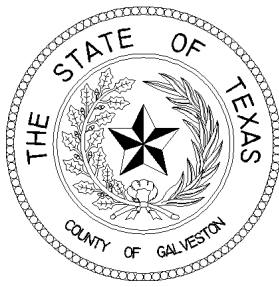
Galveston County, Texas
Notes to the Required Supplementary Information
For the Year Ended September 30, 2005

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, 2005

Actuarial Valuation	Actuarial Value of Assets (AVA)	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio (AVA/ AAL)	Annual Covered Payroll	UAAL as a % of Covered Payroll
12/31/2002	\$ 111,753,581	\$ 128,156,421	\$ 16,402,840	87.20%	\$ 35,926,939	48.22%
12/31/2003	\$ 120,527,640	\$ 136,083,910	\$ 15,556,270	88.56%	\$ 37,292,376	41.71%
12/31/2004	\$ 125,472,004	\$ 140,880,431	\$ 15,408,427	89.06%	\$ 37,588,344	40.99%



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Nonmajor Governmental Funds

GOVERNMENTAL FUNDS

Governmental Funds consist of:

The General Fund

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

Special Revenue Funds

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

Debt Service Funds

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

Capital Projects Funds

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

**GALVESTON COUNTY, TEXAS
COMBINED BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2005**

	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	TOTAL NONMAJOR GOVERNMENTAL FUNDS
ASSETS				
Cash and Cash Equivalents	\$ 17,123,591	\$ 3,551,789	\$ 25,263,146	\$ 45,938,526
Receivables (Net of Allowances for Uncollectibles):				
Interest Receivable	20,576	8,260	57,128	85,964
Taxes	641,871	1,665,669	-	2,307,540
Accounts and Other	4,830,075	25,679	-	4,855,754
Inventory at Cost	349,701	-	-	349,701
Prepaid Expenditures	4,092	-	-	4,092
Restricted Assets:				
Cash and Cash Equivalents	239,075	-	-	239,075
Total assets	\$ 23,208,981	\$ 5,251,397	\$ 25,320,274	\$ 53,780,652
LIABILITIES				
Accounts Payable	\$ 1,376,781	\$ -	\$ 1,060,548	\$ 2,437,329
Salaries Payable	780,920	-	-	780,920
Compensated Absences Payable	240	-	-	240
Retainage Payable	122,240	-	234,824	357,064
Due to Others	296,228	-	-	296,228
Payable from Restricted Assets:				
Escrow Deposits	199,013	-	-	199,013
Deposits - Held	2,848	-	-	2,848
Due to Other Funds	1,586,601	-	1,187	1,587,788
Deferred Revenues	1,625,971	1,665,665	-	3,291,636
Total liabilities	5,990,842	1,665,665	1,296,559	8,953,066
FUND BALANCES				
Reserved:				
Restricted Assets	37,214	-	-	37,214
Encumbrances	47,016	-	6,184,933	6,231,949
Inventory	349,701	-	-	349,701
Outstanding Checks	2,329	-	-	2,329
Debt Service	-	3,585,732	-	3,585,732
Unreserved:				
Designated:				
Insecticide	30,000	-	-	30,000
Special Lateral Roads	277,337	-	-	277,337
Capital Projects	-	-	17,838,782	17,838,782
Undesignated	16,474,542	-	-	16,474,542
Total fund balances	17,218,139	3,585,732	24,023,715	44,827,586
Total liabilities and fund balances	\$ 23,208,981	\$ 5,251,397	\$ 25,320,274	\$ 53,780,652

**GALVESTON COUNTY, TEXAS
 COMBINED STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 For the Year Ended September 30, 2005**

	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	TOTAL NONMAJOR GOVERNMENTAL FUNDS
REVENUES				
Taxes	\$ 2,635,203	\$ 14,036,794	\$ -	\$ 16,671,997
Licenses and Permits	2,107,668	-	-	2,107,668
Intergovernmental	12,714,194	-	20,069	12,734,263
Charges for Services	1,918,381	-	150,000	2,068,381
Fines and Forfeitures	749,788	-	-	749,788
Investment	339,480	153,083	937,718	1,430,281
Miscellaneous	939,025	-	-	939,025
Total revenues	21,403,739	14,189,877	1,107,787	36,701,403
EXPENDITURES				
Current:				
General Government	1,138,497	-	-	1,138,497
Public Safety	12,807,922	-	-	12,807,922
Sanitation	17,820	-	-	17,820
Health and Social Services	2,100,090	-	-	2,100,090
Culture and Recreation	337,430	-	-	337,430
Roads, Bridges and Rights-of-Way	5,022,720	-	-	5,022,720
Capital Outlay	4,717,873	-	7,973,475	12,691,348
Debt Service:				
Principal	-	5,735,000	-	5,735,000
Interest and Fiscal Charges	-	8,253,666	-	8,253,666
Refund-Prior Year Tax Revenue	-	159,172	-	159,172
Total expenditures	26,142,352	14,147,838	7,973,475	48,263,665
Excess (deficiency) of revenues over (under) expenditures	(4,738,613)	42,039	(6,865,688)	(11,562,262)
OTHER FINANCING SOURCES (USES)				
Transfers In	4,313,864	242,209	9,877	4,565,950
Transfers Out	(949,815)	-	(242,209)	(1,192,024)
Sale of Capital Assets	956,150	-	-	956,150
Total other financing sources (uses)	4,320,199	242,209	(232,332)	4,330,076
Net change in fund balances	(418,414)	284,248	(7,098,020)	(7,232,186)
Fund balances-beginning	17,555,579	3,301,484	31,121,735	51,978,798
Prior period adjustments	80,974	-	-	80,974
Fund balances-ending	\$ 17,218,139	\$ 3,585,732	\$ 24,023,715	\$ 44,827,586

NONMAJOR
SPECIAL REVENUE FUNDS

PURPOSE:

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

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

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

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

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

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

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

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

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

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

DISTRICT CLERK RECORDS MANAGEMENT FUND (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 78th Legislature of the State of Texas. The fees collected by the District Clerk are deposited with the County Treasurer into the District Clerk Records Management Fund. These fees are to be used for the specific purpose of records management and automation projects.

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

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

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

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

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

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

FARM-TO-MARKET LATERAL ROAD FUND (FUND #2303) - On March 18, 1967, under Article 8, Section 1.a of the *Texas Constitution*, an election was held which authorized ad-valorem tax of \$.15 per \$100 valuation to be levied. Additionally, Chapter 256, Section 256.044 of the *Texas Transportation Code*, states these funds are to be used only for construction and maintenance of farm-to-market and lateral roads within the county. This fund is under the jurisdiction and control of the Commissioners' Court.

FLOOD CONTROL FUND (FUND #2370) - On March 18, 1967, under Article 8, Section 1.a of the *Texas Constitution*, an election was held which authorized ad-valorem tax of \$.15 per \$100 valuation to be levied. Additionally, Chapter 256, Section 256.044 of the *Texas Transportation Code*, states these funds are to be used only for flood control purposes in the county. This fund is under the jurisdiction and control of the Commissioners' Court.

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

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

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

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

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

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

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

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

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

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

PROBATE COURT CONTRIBUTIONS FUND (FUND #2216) - Effective September 1, 2001, *Local 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 *Local Government Code*. Deposited into this fund is a State annual compensation of \$40,000 plus any excess state mandated fees. These state fees are pro-rated at year-end and returned to the Counties. Expenditures for this fund are to be used for court-related purposes.

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

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

GRANTS

PURPOSE:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

OFFICE OF EMERGENCY MANAGEMENT PROGRAM GRANT (FUND #2891) - Texas Division of Emergency Management, and Texas General Land Office have awarded several grants to Galveston County's Office of Emergency Management. These grants have funded HAZMAT equipment, removal of abandoned boats from Dickinson Bayou, an analysis of sand sources at San Luis Pass, and beach renourishment of Rollover Pass with used dredged materials.

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

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

COASTAL IMPACT ASSISTANCE GRANT (FUND #2913) - The National Oceanic and Atmospheric Administration awarded a grant to Galveston County derived from oil and gas revenues. The County used these funds for West Rollover Pass renourishment, Pirates Beach renourishment, analysis of geotubes' effect on Gulf of Mexico shoreline, and Clear Creek shoreline protection at Walter Hall Park.

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

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

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

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

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

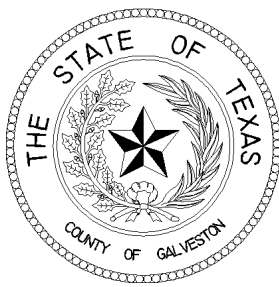
COUNTY BEACH AND PARKS PROJECT GRANTS (FUND #2962) - The Texas General Land Office and the Houston-Galveston Area Council have awarded several grants to help the Galveston County’s Parks Department meet the objectives of the Beach and Parks Master Plan. These grants have funded nature trails in Paul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

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

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

DISASTER RECOVER 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.

HURRICANE KATRINA PUBLIC ASSISTANCE CATEGORY B (FUND #2986) - After Hurricane Katrina hit the Louisiana-Mississippi Gulf Coast area; many citizens of Louisiana and Mississippi were displaced from their homes. The Houston-Galveston area assisted in the relief of this disaster through a grant awarded by the Federal Emergency Management Agency.



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**GALVESTON COUNTY, TEXAS
COMBINING BALANCE SHEET
ALL NONMAJOR SPECIAL REVENUE FUNDS
September 30, 2005
With Comparative Totals at September 30, 2004**

	ROAD AND BRIDGE	PUBLIC HEALTH	JUVENILE JUSTICE	ADULT PROBATION
ASSETS				
Cash and Cash Equivalents	\$ 2,330,068	\$ 25,183	\$ 2,017,567	\$ 648,672
Receivables (Net of Allowances for Uncollectibles):				
Interest	5,776	-	-	1,672
Taxes	23,593	-	-	-
Accounts and Other	1,166,674	-	87,450	88,594
Due from Component Units	-	-	-	-
Inventory at Cost	127,532	-	-	-
Prepaid Expenditures	-	-	-	4,092
Restricted Assets:				
Cash and Cash Equivalents	-	-	-	-
Total assets	<u>\$ 3,653,643</u>	<u>\$ 25,183</u>	<u>\$ 2,105,017</u>	<u>\$ 743,030</u>
LIABILITIES				
Accounts Payable	\$ 299,583	\$ -	\$ 125,498	\$ 39,638
Salaries Payable	44,222	25,183	72,330	52,732
Compensated Absences Payable	240	-	-	-
Retainage Payable	-	-	-	-
Est. Liability/Judgmt Payable	-	-	-	-
Due to Others	-	-	-	-
Payable from Restricted Assets:				
Escrow Deposits	-	-	-	-
Deposits - Held	-	-	-	-
Due to Other Funds	-	-	-	13,639
Deferred Revenues	62,038	-	-	145,905
Total liabilities	<u>406,083</u>	<u>25,183</u>	<u>197,828</u>	<u>251,914</u>
FUND BALANCES				
Reserved:				
Restricted Assets	-	-	-	-
Encumbrances	5,117	-	-	-
Inventory	127,532	-	-	-
Outstanding Checks	-	-	-	731
Unreserved:				
Designated:				
Insecticide	-	-	-	-
Special Lateral Roads	-	-	-	-
Undesignated	3,114,911	-	1,907,189	490,385
Total fund balances	<u>3,247,560</u>	<u>-</u>	<u>1,907,189</u>	<u>491,116</u>
Total liabilities and fund balances	<u>\$ 3,653,643</u>	<u>\$ 25,183</u>	<u>\$ 2,105,017</u>	<u>\$ 743,030</u>

(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>
\$ 439,404	\$ 229,912	\$ 153,421	\$ 599,534	\$ 2,223,904
-	-	-	1,452	-
-	-	-	4,974	-
3,780	29,750	122,123	11	44,363
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	2,848	-	-	-
<u>\$ 443,184</u>	<u>\$ 262,510</u>	<u>\$ 275,544</u>	<u>\$ 605,971</u>	<u>\$ 2,268,267</u>
\$ 4,164	\$ 41,834	\$ 16,624	\$ 40,980	\$ 2,638
1,043	-	2,164	-	4,369
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	2,848	-	-	-
-	-	-	-	-
-	-	-	4,974	-
<u>5,207</u>	<u>44,682</u>	<u>18,788</u>	<u>45,954</u>	<u>7,007</u>
-	-	-	-	-
-	94	477	4,559	-
-	-	-	-	-
66	-	-	-	-
-	-	-	-	-
-	-	-	-	-
437,911	217,734	256,279	555,458	2,261,260
<u>437,977</u>	<u>217,828</u>	<u>256,756</u>	<u>560,017</u>	<u>2,261,260</u>
<u>\$ 443,184</u>	<u>\$ 262,510</u>	<u>\$ 275,544</u>	<u>\$ 605,971</u>	<u>\$ 2,268,267</u>

**GALVESTON COUNTY, TEXAS
COMBINING BALANCE SHEET
ALL NONMAJOR SPECIAL REVENUE FUNDS
September 30, 2005
With Comparative Totals at September 30, 2004**

	COUNTY RECORDS MANAGEMENT	DISTRICT CLERK RECORDS MANAGEMENT	COURTHOUSE SECURITY	MEDIATION SERVICES PROGRAM
ASSETS				
Cash and Cash Equivalents	\$ 105,929	\$ 41,444	\$ 267,298	\$ 176,799
Receivables (Net of Allowances for Uncollectibles):				
Interest	-	-	-	424
Taxes	-	-	-	-
Accounts and Other	2,290	-	6,100	1,300
Due from Component Units	-	-	-	-
Inventory at Cost	-	-	-	-
Prepaid Expenditures	-	-	-	-
Restricted Assets:				
Cash and Cash Equivalents	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u><u>\$ 108,219</u></u>	<u><u>\$ 41,444</u></u>	<u><u>\$ 273,398</u></u>	<u><u>\$ 178,523</u></u>
LIABILITIES				
Accounts Payable	\$ 125	\$ -	\$ 57	\$ 4,309
Salaries Payable	1,189	-	3,684	-
Compensated Absences Payable	-	-	-	-
Retainage Payable	-	-	-	-
Est. Liability/Judgmt Payable	-	-	-	-
Due to Others	-	-	-	-
Payable from Restricted Assets:				
Escrow Deposits	-	-	-	-
Deposits - Held	-	-	-	-
Due to Other Funds	-	-	-	-
Deferred Revenues	-	-	-	-
Total liabilities	<u>1,314</u>	<u>-</u>	<u>3,741</u>	<u>4,309</u>
FUND BALANCES				
Reserved:				
Restricted Assets	-	-	-	-
Encumbrances	-	-	-	-
Inventory	-	-	-	-
Outstanding Checks	-	-	-	-
Unreserved:				
Designated:				
Insecticide	-	-	-	-
Special Lateral Roads	-	-	-	-
Undesignated	106,905	41,444	269,657	174,214
Total fund balances	<u>106,905</u>	<u>41,444</u>	<u>269,657</u>	<u>174,214</u>
Total liabilities and fund balances	<u><u>\$ 108,219</u></u>	<u><u>\$ 41,444</u></u>	<u><u>\$ 273,398</u></u>	<u><u>\$ 178,523</u></u>

(Continued)

<u>TAX COLLECTOR SPECIAL INVENTORY TAX ESCROW</u>	<u>DONATIONS TO GALVESTON COUNTY</u>	<u>MOSQUITO CONTROL DISTRICT</u>	<u>LAW ENFORCEMENT CONTINUED EDUCATION</u>	<u>FARM-TO- MARKET LATERAL ROAD</u>
\$ 86,579	\$ 61,832	\$ 1,044,487	\$ 133,008	\$ 2,559,811
-	-	2,599	-	6,223
-	-	136,943	-	49,642
1,478	-	4,441	-	2,129
-	-	-	-	-
-	-	222,169	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ 88,057</u>	<u>\$ 61,832</u>	<u>\$ 1,410,639</u>	<u>\$ 133,008</u>	<u>\$ 2,617,805</u>
\$ -	\$ -	\$ 28,739	\$ 784	\$ 3,703
-	-	13,668	-	4,796
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	439
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	136,943	-	49,643
<u>-</u>	<u>-</u>	<u>179,350</u>	<u>784</u>	<u>58,581</u>
-	-	-	-	-
-	-	-	-	-
-	-	222,169	-	-
-	-	-	-	-
-	-	30,000	-	-
-	-	-	-	277,337
<u>88,057</u>	<u>61,832</u>	<u>979,120</u>	<u>132,224</u>	<u>2,281,887</u>
<u>88,057</u>	<u>61,832</u>	<u>1,231,289</u>	<u>132,224</u>	<u>2,559,224</u>
<u>\$ 88,057</u>	<u>\$ 61,832</u>	<u>\$ 1,410,639</u>	<u>\$ 133,008</u>	<u>\$ 2,617,805</u>

**GALVESTON COUNTY, TEXAS
COMBINING BALANCE SHEET
ALL NONMAJOR SPECIAL REVENUE FUNDS
September 30, 2005
With Comparative Totals at September 30, 2004**

	FLOOD CONTROL	DISTRICT CLERK CHILD SUPPORT IV-D	D.A. AND OTHER AGENCY FORFEITURES	D.A. CONTRABAND POST-10/89
ASSETS				
Cash and Cash Equivalents	\$ 892,708	\$ 90,154	\$ 13	\$ 91,667
Receivables (Net of Allowances for Uncollectibles):				
Interest	2,249	-	-	-
Taxes	426,719	-	-	-
Accounts and Other	4,064	-	-	-
Due from Component Units	-	-	-	-
Inventory at Cost	-	-	-	-
Prepaid Expenditures	-	-	-	-
Restricted Assets:				
Cash and Cash Equivalents	37,214	-	-	-
	<u>\$ 1,362,954</u>	<u>\$ 90,154</u>	<u>\$ 13</u>	<u>\$ 91,667</u>
Total assets				
LIABILITIES				
Accounts Payable	\$ 144,635	\$ -	\$ -	\$ 6,739
Salaries Payable	17,198	-	-	-
Compensated Absences Payable	-	-	-	-
Retainage Payable	-	-	-	-
Est. Liability/Judgmt Payable	-	-	-	-
Due to Others	-	-	-	-
Payable from Restricted Assets:				
Escrow Deposits	-	-	-	-
Deposits - Held	-	-	-	-
Due to Other Funds	-	-	-	-
Deferred Revenues	426,719	-	-	-
Total liabilities	<u>588,552</u>	<u>-</u>	<u>-</u>	<u>6,739</u>
FUND BALANCES				
Reserved:				
Restricted Assets	37,214	-	-	-
Encumbrances	-	-	-	-
Inventory	-	-	-	-
Outstanding Checks	-	-	-	55
Unreserved:				
Designated:				
Insecticide	-	-	-	-
Special Lateral Roads	-	-	-	-
Undesignated	737,188	90,154	13	84,873
Total fund balances	<u>774,402</u>	<u>90,154</u>	<u>13</u>	<u>84,928</u>
Total liabilities and fund balances	<u>\$ 1,362,954</u>	<u>\$ 90,154</u>	<u>\$ 13</u>	<u>\$ 91,667</u>

(Continued)

<u>D.A. CHECK COLLECTION FEES</u>	<u>SHERIFF'S COMMISSARY</u>	<u>SHERIFF SEIZURES PRE-10/89</u>	<u>SHERIFF SEIZURES POST-10/89</u>	<u>TASK FORCE SEIZURES PRE-10/89</u>
\$ 53,177	\$ 553,350	\$ 2,037	\$ 36,305	\$ 2,943
-	-	-	86	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 53,177</u>	<u>\$ 553,350</u>	<u>\$ 2,037</u>	<u>\$ 36,391</u>	<u>\$ 2,943</u>
\$ 768	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	12,774	2,942
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>768</u>	<u>-</u>	<u>-</u>	<u>12,774</u>	<u>2,942</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	673	-
-	-	-	-	-
-	-	-	-	-
52,409	553,350	2,037	22,944	1
<u>52,409</u>	<u>553,350</u>	<u>2,037</u>	<u>23,617</u>	<u>1</u>
<u>\$ 53,177</u>	<u>\$ 553,350</u>	<u>\$ 2,037</u>	<u>\$ 36,391</u>	<u>\$ 2,943</u>

**GALVESTON COUNTY, TEXAS
COMBINING BALANCE SHEET
ALL NONMAJOR SPECIAL REVENUE FUNDS
September 30, 2005
With Comparative Totals at September 30, 2004**

	<u>UNCLAIMED PROPERTY</u>	<u>JUSTICE COURT TECHNOLOGY</u>	<u>PROBATE COURT CONTRIBUTIONS</u>	<u>EMERGENCY MANAGEMENT</u>
ASSETS				
Cash and Cash Equivalents	\$ 170,654	\$ 164,950	\$ 248,077	\$ 1,006,663
Receivables (Net of Allowances for Uncollectibles):				
Interest	-	-	-	-
Taxes	-	-	-	-
Accounts and Other	-	-	4,210	137
Due from Component Units	-	-	-	-
Inventory at Cost	-	-	-	-
Prepaid Expenditures	-	-	-	-
Restricted Assets:				
Cash and Cash Equivalents	-	-	-	199,013
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u><u>\$ 170,654</u></u>	<u><u>\$ 164,950</u></u>	<u><u>\$ 252,287</u></u>	<u><u>\$ 1,205,813</u></u>
LIABILITIES				
Accounts Payable	\$ -	\$ -	\$ -	\$ 32,327
Salaries Payable	-	-	-	-
Compensated Absences Payable	-	-	-	-
Retainage Payable	-	-	-	3,410
Est. Liability/Judgmnt Payable	-	-	-	-
Due to Others	139,537	-	-	-
Payable from Restricted Assets:				
Escrow Deposits	-	-	-	199,013
Deposits - Held	-	-	-	-
Due to Other Funds	-	-	-	-
Deferred Revenues	-	-	-	-
Total liabilities	<u>139,537</u>	<u>-</u>	<u>-</u>	<u>234,750</u>
FUND BALANCES				
Reserved:				
Restricted Assets	-	-	-	-
Encumbrances	-	-	-	36,769
Inventory	-	-	-	-
Outstanding Checks	-	-	-	-
Unreserved:				
Designated:				
Insecticide	-	-	-	-
Special Lateral Roads	-	-	-	-
Undesignated	31,117	164,950	252,287	934,294
Total fund balances	<u>31,117</u>	<u>164,950</u>	<u>252,287</u>	<u>971,063</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities and fund balances	<u><u>\$ 170,654</u></u>	<u><u>\$ 164,950</u></u>	<u><u>\$ 252,287</u></u>	<u><u>\$ 1,205,813</u></u>

(Continued)

C.I.D. SEIZURES POST-10/89	GRANTS	TOTALS	
		2005	2004
\$ 5,919	\$ 660,122	\$ 17,123,591	\$ 17,660,331
-	95	20,576	-
-	-	641,871	690,171
-	3,261,181	4,830,075	3,752,716
-	-	-	283,090
-	-	349,701	367,198
-	-	4,092	-
-	-	239,075	97,917
<u>\$ 5,919</u>	<u>\$ 3,921,398</u>	<u>\$ 23,208,981</u>	<u>\$ 22,851,423</u>
\$ -	\$ 583,636	\$ 1,376,781	\$ 1,073,741
-	538,342	780,920	257,054
-	-	240	80,974
-	118,830	122,240	24,273
-	-	-	68,200
5,919	134,617	296,228	517,459
-	-	199,013	71,069
-	-	2,848	1,345
-	1,572,962	1,586,601	937,928
-	799,749	1,625,971	2,263,801
<u>5,919</u>	<u>3,748,136</u>	<u>5,990,842</u>	<u>5,295,844</u>
-	-	37,214	25,503
-	-	47,016	170,582
-	-	349,701	367,198
-	804	2,329	2,565
-	-	30,000	30,000
-	-	277,337	225,970
-	172,458	16,474,542	16,733,761
-	173,262	17,218,139	17,555,579
<u>\$ 5,919</u>	<u>\$ 3,921,398</u>	<u>\$ 23,208,981</u>	<u>\$ 22,851,423</u>

GALVESTON COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
ALL NONMAJOR SPECIAL REVENUE FUNDS
For the Year Ended September 30, 2005
With Comparative Totals for the Year Ended September 30, 2004

	ROAD AND BRIDGE	PUBLIC HEALTH	JUVENILE JUSTICE	ADULT PROBATION
REVENUES				
Taxes	\$ 2,158	\$ -	\$ -	\$ -
Licenses and Permits	2,107,668	-	-	-
Intergovernmental	1,376,943	-	418,803	2,232,526
Charges for Services	-	-	168	-
Fines and Forfeitures	577,660	-	-	-
Investment Earnings	104,589	-	-	28,281
Miscellaneous	63,891	-	177	5,465
Total revenues	4,232,909	-	419,148	2,266,272
EXPENDITURES				
Current :				
General Government	90,041	-	-	-
Public Safety	-	-	4,071,646	2,199,507
Sanitation	-	-	-	-
Health and Social Services	-	-	-	-
Culture and Recreation	-	-	-	-
Roads, Bridges, and Rights-of-Way	4,208,028	-	-	-
Capital Outlay	574,162	-	146,023	41,926
Total expenditures	4,872,231	-	4,217,669	2,241,433
Excess (deficiency) of revenues over (under) expenditures	(639,322)	-	(3,798,521)	24,839
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	3,660,500	-
Transfers Out	(674,000)	-	(14,100)	(1,795)
Sale of Capital Assets	30,440	-	2,184	-
Total other financing sources (uses)	(643,560)	-	3,648,584	(1,795)
Net change in fund balances	(1,282,882)	-	(149,937)	23,044
Fund balances-beginning	4,514,625	-	2,027,087	468,072
Prior period adjustments	15,817	-	30,039	-
Fund balances-ending	\$ 3,247,560	\$ -	\$ 1,907,189	\$ 491,116

(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>
\$ -	\$ -	\$ -	\$ 222	\$ -
-	-	-	-	-
-	47,594	119,055	-	-
206,575	-	2,466	175,820	951,334
-	-	-	-	-
-	-	-	24,957	-
-	778	254	92,824	-
<u>206,575</u>	<u>48,372</u>	<u>121,775</u>	<u>293,823</u>	<u>951,334</u>
156,718	-	-	-	265,791
-	-	-	-	-
-	-	-	-	-
-	328,380	-	-	-
-	-	313,154	-	-
-	-	-	584,431	-
-	-	-	25,149	3,113
<u>156,718</u>	<u>328,380</u>	<u>313,154</u>	<u>609,580</u>	<u>268,904</u>
<u>49,857</u>	<u>(280,008)</u>	<u>(191,379)</u>	<u>(315,757)</u>	<u>682,430</u>
-	211,900	-	-	-
-	-	-	-	-
-	-	1,456	2,776	-
<u>-</u>	<u>211,900</u>	<u>1,456</u>	<u>2,776</u>	<u>-</u>
49,857	(68,108)	(189,923)	(312,981)	682,430
387,795	285,936	443,429	872,998	1,575,147
325	-	3,250	-	3,683
<u>\$ 437,977</u>	<u>\$ 217,828</u>	<u>\$ 256,756</u>	<u>\$ 560,017</u>	<u>\$ 2,261,260</u>

GALVESTON COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
ALL NONMAJOR SPECIAL REVENUE FUNDS
For the Year Ended September 30, 2005
With Comparative Totals for the Year Ended September 30, 2004

	COUNTY RECORDS MANAGEMENT	DISTRICT CLERK RECORDS MANAGEMENT	COURTHOUSE SECURITY	MEDIATION SERVICES PROGRAM
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for Services	118,235	26,876	200,010	76,866
Fines and Forfeitures	-	-	-	-
Investment Earnings	-	-	-	4,941
Miscellaneous	8,208	-	-	-
Total revenues	126,443	26,876	200,010	81,807
EXPENDITURES				
Current :				
General Government	106,371	-	-	30,260
Public Safety	-	-	156,959	-
Sanitation	-	-	-	-
Health and Social Services	-	-	-	-
Culture and Recreation	-	-	-	-
Roads, Bridges, and Rights-of-Way	-	-	-	-
Capital Outlay	-	-	-	-
Total expenditures	106,371	-	156,959	30,260
Excess (deficiency) of revenues over (under) expenditures	20,072	26,876	43,051	51,547
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Sale of Capital Assets	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	20,072	26,876	43,051	51,547
Fund balances-beginning	83,664	14,568	225,824	122,667
Prior period adjustments	3,169	-	782	-
Fund balances-ending	\$ 106,905	\$ 41,444	\$ 269,657	\$ 174,214

(Continued)

<u>TAX COLLECTOR SPECIAL INVENTORY TAX ESCROW</u>	<u>DONATIONS TO GALVESTON COUNTY</u>	<u>MOSQUITO CONTROL DISTRICT</u>	<u>LAW ENFORCEMENT CONTINUED EDUCATION</u>	<u>FARM-TO- MARKET LATERAL ROAD</u>
\$ 8,221	\$ -	\$ 1,123,402	\$ -	\$ 9,312
-	-	-	-	-
-	-	-	31,345	25,684
-	-	-	-	-
-	-	-	-	-
13,876	-	37,571	-	67,685
-	-	-	-	6,984
<u>22,097</u>	<u>-</u>	<u>1,160,973</u>	<u>31,345</u>	<u>109,665</u>
-	-	-	-	-
-	-	-	16,913	-
-	-	-	-	-
-	-	968,132	-	-
-	-	-	-	-
-	-	-	-	230,261
-	-	23,428	-	4,250
<u>-</u>	<u>-</u>	<u>991,560</u>	<u>16,913</u>	<u>234,511</u>
<u>22,097</u>	<u>-</u>	<u>169,413</u>	<u>14,432</u>	<u>(124,846)</u>
-	-	-	-	-
(28,059)	-	-	-	(38,000)
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>919,294</u>
<u>(28,059)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>881,294</u>
(5,962)	-	169,413	14,432	756,448
94,019	61,832	1,056,802	117,792	1,791,077
-	-	5,074	-	11,699
<u>\$ 88,057</u>	<u>\$ 61,832</u>	<u>\$ 1,231,289</u>	<u>\$ 132,224</u>	<u>\$ 2,559,224</u>

GALVESTON COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
ALL NONMAJOR SPECIAL REVENUE FUNDS
For the Year Ended September 30, 2005
With Comparative Totals for the Year Ended September 30, 2004

	FLOOD CONTROL	DISTRICT CLERK CHILD SUPPORT IV-D	D.A. AND OTHER AGENCY FORFEITURES	D.A. CONTRABAND POST-10/89
REVENUES				
Taxes	\$ 1,491,888	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental	-	4,872	-	-
Charges for Services	134,531	-	-	-
Fines and Forfeitures	-	-	-	54,867
Investment Earnings	35,748	-	-	-
Miscellaneous	51,948	-	-	-
Total revenues	1,714,115	4,872	-	54,867
EXPENDITURES				
Current :				
General Government	61,345	-	269	51,217
Public Safety	1,138,664	-	-	-
Sanitation	-	-	-	-
Health and Social Services	-	-	-	-
Culture and Recreation	-	-	-	-
Roads, Bridges, and Rights-of-Way	-	-	-	-
Capital Outlay	408,057	-	-	1,348
Total expenditures	1,608,066	-	269	52,565
Excess (deficiency) of revenues over (under) expenditures	106,049	4,872	(269)	2,302
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	(15,550)	-	-
Sale of Capital Assets	-	-	-	-
Total other financing sources (uses)	-	(15,550)	-	-
Net change in fund balances	106,049	(10,678)	(269)	2,302
Fund balances-beginning	661,217	100,832	282	82,626
Prior period adjustments	7,136	-	-	-
Fund balances-ending	\$ 774,402	\$ 90,154	\$ 13	\$ 84,928

(Continued)

<u>D.A. CHECK COLLECTION FEES</u>	<u>SHERIFF'S COMMISSARY</u>	<u>SHERIFF SEIZURES PRE-10/89</u>	<u>SHERIFF SEIZURES POST-10/89</u>	<u>TASK FORCE SEIZURES PRE-10/89</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
25,500	-	-	-	-
-	-	-	14,157	-
-	12,762	-	1,037	-
-	118,304	-	-	-
<u>25,500</u>	<u>131,066</u>	<u>-</u>	<u>15,194</u>	<u>-</u>
17,936	-	-	-	-
-	55,949	-	-	75,868
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	1,400	-
<u>17,936</u>	<u>55,949</u>	<u>-</u>	<u>1,400</u>	<u>75,868</u>
<u>7,564</u>	<u>75,117</u>	<u>-</u>	<u>13,794</u>	<u>(75,868)</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>7,564</u>	<u>75,117</u>	<u>-</u>	<u>13,794</u>	<u>(75,868)</u>
44,845	478,233	2,037	9,823	75,869
-	-	-	-	-
<u>\$ 52,409</u>	<u>\$ 553,350</u>	<u>\$ 2,037</u>	<u>\$ 23,617</u>	<u>\$ 1</u>

GALVESTON COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
ALL NONMAJOR SPECIAL REVENUE FUNDS
For the Year Ended September 30, 2005
With Comparative Totals for the Year Ended September 30, 2004

	UNCLAIMED PROPERTY	JUSTICE COURT TECHNOLOGY	PROBATE COURT CONTRIBUTIONS	EMERGENCY MANAGEMENT
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental	-	-	44,211	136
Charges for Services	-	-	-	-
Fines and Forfeitures	-	70,572	-	-
Investment Earnings	3,991	-	-	-
Miscellaneous	-	-	-	150,001
Total revenues	3,991	70,572	44,211	150,137
EXPENDITURES				
Current :				
General Government	-	60,000	5,674	-
Public Safety	-	-	-	237,496
Sanitation	-	-	-	-
Health and Social Services	-	-	-	-
Culture and Recreation	-	-	-	-
Roads, Bridges, and Rights-of-Way	-	-	-	-
Capital Outlay	-	-	-	-
Total expenditures	-	60,000	5,674	237,496
Excess (deficiency) of revenues over (under) expenditures	3,991	10,572	38,537	(87,359)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	100,000
Transfers Out	-	-	(55,000)	-
Sale of Capital Assets	-	-	-	-
Total other financing sources (uses)	-	-	(55,000)	100,000
Net change in fund balances	3,991	10,572	(16,463)	12,641
Fund balances-beginning	27,126	154,378	268,750	958,422
Prior period adjustments	-	-	-	-
Fund balances-ending	\$ 31,117	\$ 164,950	\$ 252,287	\$ 971,063

(Continued)

C.I.D. SEIZURES POST-10/89	GRANTS	TOTALS	
		2005	2004
\$ -	\$ -	\$ 2,635,203	\$ 2,650,203
-	-	2,107,668	2,074,358
-	8,413,025	12,714,194	13,337,957
-	-	1,918,381	2,061,304
-	32,532	749,788	929,539
-	4,042	339,480	333,127
-	440,191	939,025	1,018,951
-	8,889,790	21,403,739	22,405,439
-	292,875	1,138,497	1,192,760
-	4,854,920	12,807,922	13,664,614
-	17,820	17,820	17,500
-	803,578	2,100,090	2,079,718
-	24,276	337,430	862,349
-	-	5,022,720	4,510,147
-	3,489,017	4,717,873	2,723,637
-	9,482,486	26,142,352	25,050,725
-	(592,696)	(4,738,613)	(2,645,286)
-	341,464	4,313,864	4,383,484
-	(123,311)	(949,815)	(1,801,028)
-	-	956,150	62,731
-	218,153	4,320,199	2,645,187
-	(374,543)	(418,414)	(99)
-	547,805	17,555,579	17,555,678
-	-	80,974	-
<u>\$ -</u>	<u>\$ 173,262</u>	<u>\$ 17,218,139</u>	<u>\$ 17,555,579</u>

**GALVESTON COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS - GRANT FUNDS
September 30, 2005
With Comparative Totals at September 30, 2004**

	JUVENILE JUSTICE STATE AID	JUVENILE JUSTICE I.S.P. GRANT	CHILD ABUSE INVESTIGATOR	JUVENILE JUSTICE ALTERNATIVE C.J.D. GRANT
ASSETS				
Cash and Cash Equivalents	\$ 19,884	\$ 6,814	\$ 1,059	\$ 517
Receivables: (Net of Allowance for Uncollectibles)				
Interest	-	-	-	-
Accounts and Other	41,453	33,979	8,415	2,026
Total assets	\$ 61,337	\$ 40,793	\$ 9,474	\$ 2,543
LIABILITIES				
Accounts Payable	\$ 2,144	\$ 1,715	\$ 1,801	\$ -
Salaries Payable	10,589	8,663	-	-
Retainage Payable	-	-	-	-
Due to Others	30,769	17,953	-	517
Due to Other Funds	-	-	7,673	-
Deferred Revenues	17,835	12,462	-	2,026
Total liabilities	61,337	40,793	9,474	2,543
FUND BALANCES				
Reserved:				
Encumbrances	-	-	-	-
Outstanding Checks	-	-	-	-
Unreserved:				
Undesignated	-	-	-	-
Total fund balances	-	-	-	-
Total liabilities and fund balances	\$ 61,337	\$ 40,793	\$ 9,474	\$ 2,543

(Continued)

JUVENILE ACCOUNTABILITY INCENTIVE GRANT	ORGANIZED CRIME CONTROL UNIT C.J.D. GRANT	NARCOTICS TASK FORCE C.J.D. GRANT	ATTORNEY GENERAL VICTIMS ASSISTANCE GRANT	CHILDREN'S JUSTICE ACT PROJECT
\$ 3,614	\$ 1,824	\$ 71,407	\$ -	\$ 1,685
-	-	-	-	-
8,627	-	-	6,529	-
<u>\$ 12,241</u>	<u>\$ 1,824</u>	<u>\$ 71,407</u>	<u>\$ 6,529</u>	<u>\$ 1,685</u>
\$ 3,152	\$ -	\$ -	\$ -	\$ -
-	-	-	1,272	-
-	-	37,757	-	-
-	-	-	528	-
9,089	-	-	-	-
<u>12,241</u>	<u>-</u>	<u>37,757</u>	<u>1,800</u>	<u>-</u>
-	-	-	-	-
-	-	-	-	-
-	1,824	33,650	4,729	1,685
-	1,824	33,650	4,729	1,685
<u>\$ 12,241</u>	<u>\$ 1,824</u>	<u>\$ 71,407</u>	<u>\$ 6,529</u>	<u>\$ 1,685</u>

**GALVESTON COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS - GRANT FUNDS
September 30, 2005
With Comparative Totals at September 30, 2004**

	U.S. DEPT. OF JUSTICE LAW ENFORCEMENT BLOCK GRANT	SENIOR CITIZENS GRANT PROGRAM	COMMUNITY DEVELOPMENT GRANT	ADULT PROBATION COMMUNITY CORRECTIONS
ASSETS				
Cash and Cash Equivalents	\$ 34,841	\$ 47,466	\$ 99,849	\$ 150,249
Receivables: (Net of Allowance for Uncollectibles)				
Interest	87	-	-	-
Accounts and Other	-	3,955	3,677	-
Total assets	\$ 34,928	\$ 51,421	\$ 103,526	\$ 150,249
LIABILITIES				
Accounts Payable	\$ 25,381	\$ -	\$ 3,676	\$ 22,813
Salaries Payable	-	13,515	-	6,399
Retainage Payable	-	-	-	-
Due to Others	-	-	-	31,575
Due to Other Funds	-	-	-	-
Deferred Revenues	7,003	-	99,850	81,647
Total liabilities	32,384	13,515	103,526	142,434
FUND BALANCES				
Reserved:				
Encumbrances	-	-	-	-
Outstanding Checks	-	36	-	-
Unreserved:				
Undesignated	2,544	37,870	-	7,815
Total fund balances	2,544	37,906	-	7,815
Total liabilities and fund balances	\$ 34,928	\$ 51,421	\$ 103,526	\$ 150,249

(Continued)

<u>AUTO CRIME TASK FORCE</u>	<u>INTENSIVE FAMILY PRESERVATION GRANT</u>	<u>COUNTY PARKS/ BEACHES GRANT</u>	<u>OFFICE OF EMERGENCY MANAGEMENT GRANTS</u>	<u>COPS IN SCHOOLS</u>
\$ 1,678	\$ 3,642	\$ -	\$ 115,030	\$ -
-	-	-	-	-
114,752	-	357,284	38,569	-
<u>\$ 116,430</u>	<u>\$ 3,642</u>	<u>\$ 357,284</u>	<u>\$ 153,599</u>	<u>\$ -</u>
\$ 29,528	\$ -	\$ 171,569	\$ 139,800	\$ -
2,858	-	-	-	-
-	-	18,101	11,295	-
-	-	-	-	-
14,982	-	68,254	-	-
-	-	99,360	879	-
<u>47,368</u>	<u>-</u>	<u>357,284</u>	<u>151,974</u>	<u>-</u>
-	-	-	-	-
768	-	-	-	-
68,294	3,642	-	1,625	-
<u>69,062</u>	<u>3,642</u>	<u>-</u>	<u>1,625</u>	<u>-</u>
<u>\$ 116,430</u>	<u>\$ 3,642</u>	<u>\$ 357,284</u>	<u>\$ 153,599</u>	<u>\$ -</u>

**GALVESTON COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS - GRANT FUNDS
September 30, 2005
With Comparative Totals at September 30, 2004**

	LOW INCOME REPAIR ASSISTANCE PROGRAM ("L.I.R.A.P.")	COASTAL IMPACT ASSISTANCE GRANT	SENIOR SERVICES - SPECIAL PROJECTS / SERVICES	DISASTER RECOVERY IV - CLAUDETTE
ASSETS				
Cash and Cash Equivalents	\$ 19,314	\$ -	\$ 932	\$ -
Receivables: (Net of Allowance for Uncollectibles)				
Interest	8	-	-	-
Accounts and Other	-	111,058	-	1,795,813
Total assets	\$ 19,322	\$ 111,058	\$ 932	\$ 1,795,813
LIABILITIES				
Accounts Payable	\$ -	\$ 83,318	\$ -	\$ 31,564
Salaries Payable	-	-	-	-
Retainage Payable	-	-	-	89,434
Due to Others	16,046	-	-	-
Due to Other Funds	-	27,740	-	1,279,632
Deferred Revenues	-	-	-	390,611
Total liabilities	16,046	111,058	-	1,791,241
FUND BALANCES				
Reserved:				
Encumbrances	-	-	-	-
Outstanding Checks	-	-	-	-
Unreserved:				
Undesignated	3,276	-	932	4,572
Total fund balances	3,276	-	932	4,572
Total liabilities and fund balances	\$ 19,322	\$ 111,058	\$ 932	\$ 1,795,813

(Continued)

G.I.S.D. TRUANCY GRANT	STATE CRIMINAL ALIEN ASSISTANCE PROGRAM	STATE HOMELAND SECURITY GRANT	COMMUNITY DEVELOPMENT BLOCK GRANT - MEALS ON WHEELS	COUNTY BEACH AND PARKS PROJECTS GRANT
\$ -	\$ -	\$ -	\$ -	\$ 80,317
-	-	-	-	-
20,460	67,131	-	2,744	4,070
<u>\$ 20,460</u>	<u>\$ 67,131</u>	<u>\$ -</u>	<u>\$ 2,744</u>	<u>\$ 84,387</u>
\$ 14,108	\$ 14,769	\$ -	\$ 888	\$ 5,400
-	-	-	-	-
-	-	-	-	-
6,352	52,362	-	1,856	-
-	-	-	-	78,987
<u>20,460</u>	<u>67,131</u>	<u>-</u>	<u>2,744</u>	<u>84,387</u>
-	-	-	-	-
-	-	-	-	-
<u>\$ 20,460</u>	<u>\$ 67,131</u>	<u>\$ -</u>	<u>\$ 2,744</u>	<u>\$ 84,387</u>

**GALVESTON COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS - GRANT FUNDS
September 30, 2005
With Comparative Totals at September 30, 2004**

	KEMPNER GRANT	TEXAS VINE GRANT	DISASTER RECOVERY V	HURRICANE KATRINA PUBLIC ASSISTANCE CATEGORY B
ASSETS				
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -
Receivables: (Net of Allowance for Uncollectibles)				
Interest	-	-	-	-
Accounts and Other	-	-	636,079	4,560
Total assets	\$ -	\$ -	\$ 636,079	\$ 4,560
LIABILITIES				
Accounts Payable	\$ -	\$ -	\$ 31,864	\$ 146
Salaries Payable	-	-	495,046	-
Retainage Payable	-	-	-	-
Due to Others	-	-	-	-
Due to Other Funds	-	-	109,169	4,414
Deferred Revenues	-	-	-	-
Total liabilities	-	-	636,079	4,560
FUND BALANCES				
Reserved:				
Encumbrances	-	-	-	-
Outstanding Checks	-	-	-	-
Unreserved:				
Undesignated	-	-	-	-
Total fund balances	-	-	-	-
Total liabilities and fund balances	\$ -	\$ -	\$ 636,079	\$ 4,560

(Continued)

TOTALS	
2005	2004
\$ 660,122	\$ 1,812,480
95	-
3,261,181	1,921,609
\$ 3,921,398	\$ 3,734,089
\$ 583,636	\$ 668,458
538,342	43,378
118,830	24,273
134,617	415,547
1,572,962	643,321
799,749	1,391,307
3,748,136	3,186,284
-	3,200
804	873
172,458	543,732
173,262	547,805
\$ 3,921,398	\$ 3,734,089

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, 2005
With Comparative Totals for the Year Ended September 30, 2004

	JUVENILE JUSTICE STATE AID	JUVENILE JUSTICE I.S.P. GRANT	CHILD ABUSE INVESTIGATOR	JUVENILE JUSTICE ALTERNATIVE C.J.D. GRANT
REVENUES				
Intergovernmental	\$ 574,843	\$ 424,933	\$ 58,064	\$ 119,689
Fines and Forfeitures	-	-	-	-
Investment Earnings	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	574,843	424,933	58,064	119,689
EXPENDITURES				
Current :				
General Government	-	-	-	-
Public Safety	600,243	444,133	63,780	121,589
Sanitation	-	-	-	-
Health and Social Services	-	-	-	-
Culture and Recreation	-	-	-	-
Capital Outlay	-	-	-	-
Total expenditures	600,243	444,133	63,780	121,589
Excess (deficiency) of revenues over (under) expenditures	(25,400)	(19,200)	(5,716)	(1,900)
OTHER FINANCING SOURCES (USES)				
Transfers In	25,400	19,200	5,716	1,900
Transfers Out	-	-	-	-
Sale of Capital Assets	-	-	-	-
Total other financing sources (uses)	25,400	19,200	5,716	1,900
Net change in fund balances	-	-	-	-
Fund balances-beginning	-	-	-	-
Fund balances-ending	\$ -	\$ -	\$ -	\$ -

(Continued)

JUVENILE ACCOUNTABILITY INCENTIVE GRANT	ORGANIZED CRIME CONTROL UNIT C.J.D. GRANT	NARCOTICS TASK FORCE C.J.D. GRANT	ATTORNEY GENERAL VICTIMS ASSISTANCE GRANT	CHILDREN'S JUSTICE ACT PROJECT
\$ 45,408	\$ -	\$ -	\$ 45,146	\$ -
-	-	32,532	-	-
-	-	-	-	-
-	-	-	-	-
<u>45,408</u>	<u>-</u>	<u>32,532</u>	<u>45,146</u>	<u>-</u>
20,592	-	-	42,379	-
17,816	-	132,143	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>7,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>45,408</u>	<u>-</u>	<u>132,143</u>	<u>42,379</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>(99,611)</u>	<u>2,767</u>	<u>-</u>
-	-	-	1,100	-
-	-	-	-	-
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>1,100</u>	<u>-</u>
-	-	(99,611)	3,867	-
-	1,824	133,261	862	1,685
<u>-</u>	<u>1,824</u>	<u>133,261</u>	<u>862</u>	<u>1,685</u>
<u>\$ -</u>	<u>\$ 1,824</u>	<u>\$ 33,650</u>	<u>\$ 4,729</u>	<u>\$ 1,685</u>

GALVESTON COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS - GRANT FUNDS
For the Year Ended September 30, 2005
With Comparative Totals for the Year Ended September 30, 2004

	U.S. DEPT. OF JUSTICE LAW ENFORCEMENT BLOCK GRANT	SENIOR CITIZENS GRANT PROGRAM	COMMUNITY DEVELOPMENT GRANT	ADULT PROBATION COMMUNITY CORRECTIONS
REVENUES				
Intergovernmental	\$ 47,457	\$ 573,457	\$ 307,693	\$ 493,407
Fines and Forfeitures	-	-	-	-
Investment Earnings	1,748	-	-	-
Miscellaneous	-	-	-	-
Total revenues	<u>49,205</u>	<u>573,457</u>	<u>307,693</u>	<u>493,407</u>
EXPENDITURES				
Current :				
General Government	-	-	-	-
Public Safety	-	-	-	517,161
Sanitation	-	-	17,820	-
Health and Social Services	-	570,216	-	-
Culture and Recreation	-	-	-	-
Capital Outlay	47,457	-	289,873	7,168
Total expenditures	<u>47,457</u>	<u>570,216</u>	<u>307,693</u>	<u>524,329</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,748</u>	<u>3,241</u>	<u>-</u>	<u>(30,922)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-	15,700	-	1,795
Transfers Out	-	(123,311)	-	-
Sale of Capital Assets	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>(107,611)</u>	<u>-</u>	<u>1,795</u>
Net change in fund balances	<u>1,748</u>	<u>(104,370)</u>	<u>-</u>	<u>(29,127)</u>
Fund balances-beginning	796	142,276	-	36,942
Fund balances-ending	<u>\$ 2,544</u>	<u>\$ 37,906</u>	<u>\$ -</u>	<u>\$ 7,815</u>

(Continued)

AUTO CRIME TASK FORCE	INTENSIVE FAMILY PRESERVATION GRANT	COUNTY PARKS/ BEACHES GRANT	OFFICE OF EMERGENCY MANAGEMENT GRANTS	COPS IN SCHOOLS
\$ 435,621	\$ -	\$ 398,265	\$ 728,547	\$ 112,805
-	-	-	-	-
-	-	-	-	-
1,664	5,060	-	-	96,494
<u>437,285</u>	<u>5,060</u>	<u>398,265</u>	<u>728,547</u>	<u>209,299</u>
-	-	-	-	-
415,850	-	-	872,546	209,299
-	-	-	-	-
-	2,035	-	-	-
-	-	-	-	-
47,262	-	398,265	-	-
<u>463,112</u>	<u>2,035</u>	<u>398,265</u>	<u>872,546</u>	<u>209,299</u>
<u>(25,827)</u>	<u>3,025</u>	<u>-</u>	<u>(143,999)</u>	<u>-</u>
3,342	-	-	144,000	-
-	-	-	-	-
-	-	-	-	-
<u>3,342</u>	<u>-</u>	<u>-</u>	<u>144,000</u>	<u>-</u>
(22,485)	3,025	-	1	-
91,547	617	-	1,624	-
<u>\$ 69,062</u>	<u>\$ 3,642</u>	<u>\$ -</u>	<u>\$ 1,625</u>	<u>\$ -</u>

GALVESTON COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS - GRANT FUNDS
For the Year Ended September 30, 2005
With Comparative Totals for the Year Ended September 30, 2004

	LOW INCOME REPAIR ASSISTANCE PROGRAM ("L.I.R.A.P.")	COASTAL IMPACT ASSISTANCE GRANT	SENIOR SERVICES - SPECIAL PROJECTS / SERVICES	DISASTER RECOVERY IV - CLAUDETTE
REVENUES				
Intergovernmental	\$ 92,665	\$ 330,803	\$ -	\$ 1,571,984
Fines and Forfeitures	-	-	-	-
Investment Earnings	2,294	-	-	-
Miscellaneous	-	-	-	269,842
Total revenues	94,959	330,803	-	1,841,826
EXPENDITURES				
Current :				
General Government	-	-	-	-
Public Safety	-	7,969	-	739,287
Sanitation	-	-	-	-
Health and Social Services	92,666	-	123,311	-
Culture and Recreation	-	9,171	-	-
Capital Outlay	-	321,632	-	1,221,754
Total expenditures	92,666	338,772	123,311	1,961,041
Excess (deficiency) of revenues over (under) expenditures	2,293	(7,969)	(123,311)	(119,215)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	123,311	-
Transfers Out	-	-	-	-
Sale of Capital Assets	-	-	-	-
Total other financing sources (uses)	-	-	123,311	-
Net change in fund balances	2,293	(7,969)	-	(119,215)
Fund balances-beginning	983	7,969	932	123,787
Fund balances-ending	\$ 3,276	\$ -	\$ 932	\$ 4,572

(Continued)

G.I.S.D. TRUANCY FUND	STATE CRIMINAL ALIEN ASSISTANCE PROGRAM	STATE HOMELAND SECURITY GRANT	COMMUNITY DEVELOPMENT BLOCK GRANT - MEALS ON WHEELS	COUNTY BEACH AND PARKS PROJECTS GRANT
\$ 158,484	\$ -	\$ 1,065,089	\$ 12,650	\$ 103,956
-	-	-	-	-
-	-	-	-	-
-	67,131	-	-	-
<u>158,484</u>	<u>67,131</u>	<u>1,065,089</u>	<u>12,650</u>	<u>103,956</u>
158,484	-	-	-	-
-	67,131	5,334	-	-
-	-	-	-	-
-	-	-	12,650	-
-	-	-	-	15,105
-	-	1,059,755	-	88,851
<u>158,484</u>	<u>67,131</u>	<u>1,065,089</u>	<u>12,650</u>	<u>103,956</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, 2005
With Comparative Totals for the Year Ended September 30, 2004

	KEMPNER GRANT	TEXAS VINE GRANT	DISASTER RECOVERY V	HURRICANE KATRINA PUBLIC ASSISTANCE CATEGORY B
REVENUES				
Intergovernmental	\$ -	\$ 71,420	\$ 636,079	\$ 4,560
Fines and Forfeitures	-	-	-	-
Investment Earnings	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	-	71,420	636,079	4,560
EXPENDITURES				
Current :				
General Government	-	71,420	-	-
Public Safety	-	-	636,079	4,560
Sanitation	-	-	-	-
Health and Social Services	2,700	-	-	-
Culture and Recreation	-	-	-	-
Capital Outlay	-	-	-	-
Total expenditures	2,700	71,420	636,079	4,560
Excess (deficiency) of revenues over (under) expenditures	(2,700)	-	-	-
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Sale of Capital Assets	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	(2,700)	-	-	-
Fund balances-beginning	2,700	-	-	-
Fund balances-ending	\$ -	\$ -	\$ -	\$ -

(Continued)

TOTALS	
2005	2004
\$ 8,413,025	\$ 7,234,154
32,532	28,596
4,042	1,887
440,191	3,309
<u>8,889,790</u>	<u>7,267,946</u>
292,875	282,965
4,854,920	4,873,137
17,820	17,500
803,578	722,123
24,276	346,870
<u>3,489,017</u>	<u>1,399,469</u>
<u>9,482,486</u>	<u>7,642,064</u>
<u>(592,696)</u>	<u>(374,118)</u>
341,464	201,764
(123,311)	(214,157)
-	32,136
<u>218,153</u>	<u>19,743</u>
(374,543)	(354,375)
<u>547,805</u>	<u>902,180</u>
<u>\$ 173,262</u>	<u>\$ 547,805</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, 2005
With Comparative Actual Amounts for the Year Ended September 30, 2004

	2005		Variance with Final Budget - Positive (Negative)	2004 Actual
	Final Budgeted Amounts	Actual Amounts		
REVENUES				
Taxes	\$ 2,000	\$ 2,158	\$ 158	\$ 1,849
Licenses and Permits	2,000,000	2,107,668	107,668	2,074,358
Intergovernmental	1,199,000	1,376,943	177,943	2,440,653
Fines and Forfeitures	770,000	577,660	(192,340)	776,096
Investment Earnings	120,000	104,589	(15,411)	121,745
Miscellaneous	-	63,891	63,891	144,084
Total revenues	4,091,000	4,232,909	141,909	5,558,785
EXPENDITURES				
General Government				
Current:				
Other Services and Charges	95,900	90,041	5,859	159,518
Roads, Bridges, & R.O.W:				
Current:				
Personal Services	2,138,500	1,895,832	242,668	1,665,511
Supplies	1,662,500	1,453,738	208,762	1,454,106
Other Services and Charges	777,100	716,813	60,287	472,738
Miscellaneous	145,000	141,645	3,355	128,000
Total Roads, Bridges, & R.O.W:	4,723,100	4,208,028	515,072	3,720,355
Capital Outlay	886,200	574,162	312,038	630,068
Total expenditures	5,705,200	4,872,231	832,969	4,509,941
Excess (deficiency) of revenues over (under) expenditures	(1,614,200)	(639,322)	974,878	1,048,844
OTHER FINANCING SOURCES (USES)				
Transfers Out	(674,000)	(674,000)	-	(1,030,000)
Sale of Capital Assets	-	30,440	30,440	7,062
Total other financing sources (uses)	(674,000)	(643,560)	30,440	(1,022,938)
Net change in fund balances	(2,288,200)	(1,282,882)	1,005,318	25,906
Fund balances-beginning	4,514,625	4,514,625	-	4,488,719
Prior period adjustments	-	15,817	15,817	-
Fund balances-ending	\$ 2,226,425	\$ 3,247,560	\$ 1,021,135	\$ 4,514,625

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, 2005
With Comparative Actual Amounts for the Year Ended September 30, 2004

	<u>2005</u>			<u>2004</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>	
Fund balances-beginning	-	-	-	-
Fund balances-ending	<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, 2005
With Comparative Actual Amounts for the Year Ended September 30, 2004

	<u>2005</u>		Variance with Final Budget - Positive (Negative)	<u>2004 Actual</u>
	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>		
REVENUES				
Intergovernmental	\$ 492,900	\$ 418,803	\$ (74,097)	\$ 845,011
Charges for Services	500	168	(332)	405
Miscellaneous	5,000	177	(4,823)	14,504
Total revenues	<u>498,400</u>	<u>419,148</u>	<u>(79,252)</u>	<u>859,920</u>
EXPENDITURES				
Current:				
Personal Services	3,233,600	2,900,136	333,464	2,718,561
Supplies	59,400	39,361	20,039	42,806
Other Services and Charges	1,273,400	1,132,149	141,251	1,413,172
Capital Outlay	170,008	146,023	23,985	18,567
Total expenditures	<u>4,736,408</u>	<u>4,217,669</u>	<u>518,739</u>	<u>4,193,106</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,238,008)</u>	<u>(3,798,521)</u>	<u>439,487</u>	<u>(3,333,186)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	3,660,500	3,660,500	-	3,453,100
Transfers Out	(14,100)	(14,100)	-	(2,900)
Sale of Capital Assets	-	2,184	2,184	-
Total other financing sources (uses)	<u>3,646,400</u>	<u>3,648,584</u>	<u>2,184</u>	<u>3,450,200</u>
Net change in fund balances	(591,608)	(149,937)	441,671	117,014
Fund balances-beginning	2,027,087	2,027,087	-	1,910,073
Prior period adjustments	-	30,039	30,039	-
Fund balances-ending	<u><u>\$ 1,435,479</u></u>	<u><u>\$ 1,907,189</u></u>	<u><u>\$ 471,710</u></u>	<u><u>\$ 2,027,087</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, 2005
With Comparative Actual Amounts for the Year Ended September 30, 2004

	2005		Variance with Final Budget - Positive (Negative)	2004 Actual
	Final Budgeted Amounts	Actual Amounts		
REVENUES				
Intergovernmental	\$ 4,094,492	\$ 2,232,526	\$ (1,861,966)	\$ 2,409,353
Investment Earnings	36,000	28,281	(7,719)	23,733
Miscellaneous	6,000	5,465	(535)	3,708
Total revenues	4,136,492	2,266,272	(1,870,220)	2,436,794
EXPENDITURES				
Current:				
Personal Services	4,114,422	1,903,857	2,210,565	2,092,475
Supplies	47,000	14,587	32,413	13,888
Other Services and Charges	678,979	281,063	397,916	243,825
Other	67,177	-	67,177	75,182
Capital Outlay	56,000	41,926	14,074	1,444
Total expenditures	4,963,578	2,241,433	2,722,145	2,426,814
Excess (deficiency) of revenues over (under) expenditures	(827,086)	24,839	851,925	9,980
OTHER FINANCING SOURCES (USES)				
Transfers Out	(81,490)	(1,795)	79,695	-
Net change in fund balances	(908,576)	23,044	931,620	9,980
Fund balances-beginning	468,072	468,072	-	458,092
Fund balances-ending	\$ (440,504)	\$ 491,116	\$ 931,620	\$ 468,072

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, 2005
With Comparative Actual Amounts for the Year Ended September 30, 2004

	2005		Variance with Final Budget - Positive (Negative)	2004 Actual
	Final Budgeted Amounts	Actual Amounts		
REVENUES				
Charges for Services	\$ 169,000	\$ 206,575	\$ 37,575	\$ 186,573
Miscellaneous	-	-	-	3,600
Total revenues	<u>169,000</u>	<u>206,575</u>	<u>37,575</u>	<u>190,173</u>
EXPENDITURES				
Current:				
Personal Services	48,300	45,603	2,697	38,052
Supplies	115,000	110,215	4,785	66,725
Other Services and Charges	1,500	900	600	106,900
Total expenditures	<u>164,800</u>	<u>156,718</u>	<u>8,082</u>	<u>211,677</u>
Excess (deficiency) of revenues over (under) expenditures	-	49,857	45,657	(21,504)
Fund balances-beginning	387,795	387,795	-	409,299
Prior period adjustments	-	325	325	-
Fund balances-ending	<u><u>\$ 391,995</u></u>	<u><u>\$ 437,977</u></u>	<u><u>\$ 45,982</u></u>	<u><u>\$ 387,795</u></u>

GALVESTON COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
CHILD WELFARE SPECIAL REVENUE FUND
For the Year Ended September 30, 2005
With Comparative Actual Amounts for the Year Ended September 30, 2004

	2005		Variance with Final Budget - Positive (Negative)	2004 Actual
	Final Budgeted Amounts	Actual Amounts		
REVENUES				
Intergovernmental	\$ -	\$ 47,594	\$ 47,594	\$ 27,751
Miscellaneous	900	778	(122)	1,008
Total revenues	<u>900</u>	<u>48,372</u>	<u>47,472</u>	<u>28,759</u>
EXPENDITURES				
Current:				
Supplies	115,000	84,807	30,193	74,639
Other Services and Charges	250,275	243,573	6,702	439,537
Total expenditures	<u>365,275</u>	<u>328,380</u>	<u>36,895</u>	<u>514,176</u>
Excess (deficiency) of revenues over (under) expenditures	(364,375)	(280,008)	84,367	(485,417)
OTHER FINANCING SOURCES (USES)				
Transfers In	211,900	211,900	-	423,600
Net change in fund balances	(152,475)	(68,108)	84,367	(61,817)
Fund balances-beginning	<u>285,936</u>	<u>285,936</u>	<u>-</u>	<u>347,753</u>
Fund balances-ending	<u><u>\$ 133,461</u></u>	<u><u>\$ 217,828</u></u>	<u><u>\$ 84,367</u></u>	<u><u>\$ 285,936</u></u>

GALVESTON COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
BEACH AND PARKS SPECIAL REVENUE FUND
For the Year Ended September 30, 2005
With Comparative Actual Amounts for the Year Ended September 30, 2004

	2005		Variance with Final Budget - Positive (Negative)	2004 Actual
	Final Budgeted Amounts	Actual Amounts		
REVENUES				
Intergovernmental	\$ 125,000	\$ 119,055	\$ (5,945)	\$ 250,000
Charges for Services	184,630	2,466	(182,164)	78,427
Miscellaneous	-	254	254	3,032
Total revenues	<u>309,630</u>	<u>121,775</u>	<u>(187,855)</u>	<u>331,459</u>
EXPENDITURES				
Current:				
Personal Services	282,400	100,430	181,970	207,433
Supplies	47,700	21,315	26,385	31,161
Other Services and Charges	325,100	191,409	133,691	276,885
Capital Outlay	8,500	-	8,500	14,605
Total expenditures	<u>663,700</u>	<u>313,154</u>	<u>350,546</u>	<u>530,084</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(354,070)</u>	<u>(191,379)</u>	<u>162,691</u>	<u>(198,625)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	118,100
Sale of Capital Assets	-	1,456	1,456	-
Total other financing sources (uses)	<u>-</u>	<u>1,456</u>	<u>1,456</u>	<u>118,100</u>
Net change in fund balances	(354,070)	(189,923)	164,147	(80,525)
Fund balances-beginning	443,429	443,429	-	523,954
Prior period adjustments	-	3,250	3,250	-
Fund balances-ending	<u><u>\$ 89,359</u></u>	<u><u>\$ 256,756</u></u>	<u><u>\$ 167,397</u></u>	<u><u>\$ 443,429</u></u>

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, 2005
With Comparative Actual Amounts for the Year Ended September 30, 2004

	2005			2004 Actual
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)	
REVENUES				
Taxes	\$ 600	\$ 222	\$ (378)	\$ 732
Charges for Services	700,000	175,820	(524,180)	742,415
Investment Earnings	25,000	24,957	(43)	25,956
Miscellaneous	-	92,824	92,824	-
Total revenues	725,600	293,823	(524,601)	769,103
EXPENDITURES				
Current:				
Supplies	10,000	3,725	6,275	2,553
Other Services and Charges	619,600	580,706	38,894	568,418
Capital Outlay	302,300	25,149	277,151	10,000
Total expenditures	931,900	609,580	322,320	580,971
Excess (deficiency) of revenues over (under) expenditures	(206,300)	(315,757)	(202,281)	188,132
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	-	-	(100,000)
Sale of Capital Assets	-	2,776	2,776	-
Total other financing sources (uses)	-	2,776	2,776	(100,000)
Net change in fund balances	(206,300)	(312,981)	(199,505)	88,132
Fund balances-beginning	872,998	872,998	-	784,866
Fund balances-ending	\$ 666,698	\$ 560,017	\$ (199,505)	\$ 872,998

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, 2005
With Comparative Actual Amounts for the Year Ended September 30, 2004

	<u>2005</u>		Variance with Final Budget - Positive (Negative)	2004 Actual
	Final Budgeted Amounts	Actual Amounts		
REVENUES				
Charges for Services	\$ 425,000	\$ 951,334	\$ 526,334	\$ 487,986
EXPENDITURES				
Current:				
Personal Services	211,300	172,047	39,253	127,638
Supplies	48,600	19,331	29,269	18,138
Other Services and Charges	136,400	74,413	61,987	51,910
Capital Outlay	168,700	3,113	165,587	162,124
Total expenditures	<u>565,000</u>	<u>268,904</u>	<u>296,096</u>	<u>359,810</u>
Excess (deficiency) of revenues over (under) expenditures	(140,000)	682,430	822,430	128,176
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	11,920
Net change in fund balances	(140,000)	682,430	822,430	140,096
Fund balances-beginning	1,575,147	1,575,147	-	1,435,051
Prior period adjustments	-	3,683	3,683	-
Fund balances-ending	<u><u>\$ 1,435,147</u></u>	<u><u>\$ 2,261,260</u></u>	<u><u>\$ 826,113</u></u>	<u><u>\$ 1,575,147</u></u>

GALVESTON COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
COUNTY RECORDS MANAGEMENT SPECIAL REVENUE FUND
For the Year Ended September 30, 2005
With Comparative Actual Amounts for the Year Ended September 30, 2004

	2005		Variance with Final Budget - Positive (Negative)	2004 Actual
	Final Budgeted Amounts	Actual Amounts		
REVENUES				
Charges for Services	\$ 99,300	\$ 118,235	\$ 18,935	\$ 112,002
Miscellaneous	2,000	8,208	6,208	7,903
Total revenues	101,300	126,443	25,143	119,905
EXPENDITURES				
Current:				
Personal Services	81,100	72,074	9,026	72,764
Supplies	5,000	382	4,618	844
Other Services and Charges	47,500	33,915	13,585	26,487
Total expenditures	133,600	106,371	27,229	100,095
Excess (deficiency) of revenues over (under) expenditures	(32,300)	20,072	52,372	19,810
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	-	-	(11,920)
Net change in fund balances	(32,300)	20,072	52,372	7,890
Fund balances-beginning	83,664	83,664	-	75,774
Prior period adjustments	-	3,169	3,169	-
Fund balances-ending	\$ 51,364	\$ 106,905	\$ 55,541	\$ 83,664

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, 2005
With Comparative Actual Amounts for the Year Ended September 30, 2004

	<u>2005</u>			<u>2004</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>	
REVENUES	\$ 18,000	\$ 26,876	\$ 8,876	\$ 14,568
EXPENDITURES	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	18,000	26,876	8,876	14,568
Fund balances-beginning	14,568	14,568	-	-
Fund balances-ending	<u>\$ 32,568</u>	<u>\$ 41,444</u>	<u>\$ 8,876</u>	<u>\$ 14,568</u>

GALVESTON COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
COURTHOUSE SECURITY SPECIAL REVENUE FUND
For the Year Ended September 30, 2005
With Comparative Actual Amounts for the Year Ended September 30, 2004

	2005		Variance with Final Budget - Positive (Negative)	2004 Actual
	Final Budgeted Amounts	Actual Amounts		
REVENUES				
Charges for Services	\$ 190,500	\$ 200,010	\$ 9,510	\$ 202,378
EXPENDITURES				
Current:				
Personal Services	172,500	143,765	28,735	142,173
Supplies	5,000	1,695	3,305	4,396
Other Services and Charges	16,900	11,499	5,401	9,047
Total expenditures	194,400	156,959	37,441	155,616
Excess (deficiency) of revenues over (under) expenditures	(3,900)	43,051	46,951	46,762
Fund balances-beginning	225,824	225,824	-	179,062
Prior period adjustments	-	782	782	-
Fund balances-ending	\$ 221,924	\$ 269,657	\$ 47,733	\$ 225,824

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, 2005
With Comparative Actual Amounts for the Year Ended September 30, 2004

	2005			2004 Actual
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)	
REVENUES				
Charges for Services	\$ 68,000	\$ 76,866	\$ 8,866	\$ 74,919
Investment Earnings	2,500	4,941	2,441	3,410
Total revenues	<u>70,500</u>	<u>81,807</u>	<u>11,307</u>	<u>78,329</u>
EXPENDITURES				
Current:				
Other Services and Charges	66,000	30,260	35,740	43,177
Excess (deficiency) of revenues over (under) expenditures	4,500	51,547	47,047	35,152
Fund balances-beginning	<u>122,667</u>	<u>122,667</u>	<u>-</u>	<u>87,515</u>
Fund balances-ending	<u><u>\$ 127,167</u></u>	<u><u>\$ 174,214</u></u>	<u><u>\$ 47,047</u></u>	<u><u>\$ 122,667</u></u>

GALVESTON COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET (NON-GAAP) AND ACTUAL
TAX COLLECTOR SPECIAL INVENTORY TAX ESCROW SPECIAL REVENUE FUND
For the Year Ended September 30, 2005
With Comparative Actual Amounts for the Year Ended September 30, 2004

	2005		Variance with Final Budget - Positive (Negative)	2004 Actual
	Final Budgeted Amounts	Actual Amounts		
REVENUES				
Taxes	\$ -	\$ 8,221	\$ 8,221	\$ 2,600
Investment Earnings	13,000	13,876	876	14,082
Miscellaneous	2,600	-	(2,600)	-
Total revenues	<u>15,600</u>	<u>22,097</u>	<u>6,497</u>	<u>16,682</u>
EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	15,600	22,097	6,497	16,682
OTHER FINANCING SOURCES (USES)				
Transfers Out	<u>(28,059)</u>	<u>(28,059)</u>	<u>-</u>	<u>(60,000)</u>
Net change in fund balances	(12,459)	(5,962)	6,497	(43,318)
Fund balances-beginning	<u>94,019</u>	<u>94,019</u>	<u>-</u>	<u>137,337</u>
Fund balances-ending	<u><u>\$ 81,560</u></u>	<u><u>\$ 88,057</u></u>	<u><u>\$ 6,497</u></u>	<u><u>\$ 94,019</u></u>

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, 2005
With Comparative Actual Amounts for the Year Ended September 30, 2004

	2005		Variance with Final Budget - Positive (Negative)	2004 Actual
	Final Budgeted Amounts	Actual Amounts		
REVENUES	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Current:				
Other Services and Charges	15,000	-	15,000	-
Excess (deficiency) of revenues over (under) expenditures	(15,000)	-	15,000	-
Fund balances-beginning	61,832	61,832	-	61,832
Fund balances-ending	<u>\$ 46,832</u>	<u>\$ 61,832</u>	<u>\$ 15,000</u>	<u>\$ 61,832</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, 2005
With Comparative Actual Amounts for the Year Ended September 30, 2004

	2005		Variance with Final Budget - Positive (Negative)	2004 Actual
	Final Budgeted Amounts	Actual Amounts		
REVENUES				
Taxes	\$ 1,116,628	\$ 1,123,402	\$ 6,774	\$ 1,040,294
Investment Earnings	23,000	37,571	14,571	29,215
Total revenues	<u>1,139,628</u>	<u>1,160,973</u>	<u>21,345</u>	<u>1,069,509</u>
EXPENDITURES				
Current:				
Personal Services	577,900	510,085	67,815	487,552
Supplies	334,000	336,303	(2,303)	250,282
Other Services and Charges	127,200	121,744	5,456	105,585
Capital Outlay	43,000	23,428	19,572	42,816
Total expenditures	<u>1,082,100</u>	<u>991,560</u>	<u>90,540</u>	<u>886,235</u>
Excess (deficiency) of revenues over (under) expenditures	57,528	169,413	111,885	183,274
OTHER FINANCING SOURCES (USES)				
Sale of Capital Assets	5,000	-	(5,000)	5,005
Net change in fund balances	62,528	169,413	106,885	188,279
Fund balances-beginning	1,056,802	1,056,802	-	868,523
Prior period adjustments	-	5,074	5,074	-
Fund balances-ending	<u><u>\$ 1,119,330</u></u>	<u><u>\$ 1,231,289</u></u>	<u><u>\$ 111,959</u></u>	<u><u>\$ 1,056,802</u></u>

GALVESTON COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET (NON-GAAP) AND ACTUAL
LAW ENFORCEMENT CONTINUED EDUCATION SPECIAL REVENUE FUND
For the Year Ended September 30, 2005
With Comparative Actual Amounts for the Year Ended September 30, 2004

	<u>2005</u>		Variance with Final Budget - Positive (Negative)	2004 Actual
	Final Budgeted Amounts	Actual Amounts		
REVENUES				
Intergovernmental	\$ 31,347	\$ 31,345	\$ (2)	\$ 32,047
EXPENDITURES				
Current:				
Inter-/Intragovernmental	149,138	16,913	132,225	17,449
Excess (deficiency) of revenues over (under) expenditures	(117,791)	14,432	132,223	14,598
Fund balances-beginning	117,792	117,792	-	103,194
Fund balances-ending	<u>\$ 1</u>	<u>\$ 132,224</u>	<u>\$ 132,223</u>	<u>\$ 117,792</u>

GALVESTON COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FARM-TO-MARKET LATERAL ROAD SPECIAL REVENUE FUND
For the Year Ended September 30, 2005
With Comparative Actual Amounts for the Year Ended September 30, 2004

	2005		Variance with Final Budget - Positive (Negative)	2004 Actual
	Final Budgeted Amounts	Actual Amounts		
REVENUES				
Taxes	\$ 9,700	\$ 9,312	\$ (388)	\$ 207,977
Intergovernmental	22,000	25,684	3,684	25,784
Investment Earnings	40,000	67,685	27,685	54,494
Miscellaneous	3,600	6,984	3,384	5,673
Total revenues	75,300	109,665	34,365	293,928
EXPENDITURES				
Current:				
Personal Services	187,700	178,987	8,713	168,999
Supplies	3,000	1,031	1,969	1,535
Other Services and Charges	65,100	50,243	14,857	48,287
Capital Outlay	15,000	4,250	10,750	25,000
Total expenditures	270,800	234,511	36,289	243,821
Excess (deficiency) of revenues over (under) expenditures	(195,500)	(124,846)	70,654	50,107
OTHER FINANCING SOURCES (USES)				
Transfers Out	(38,000)	(38,000)	-	(38,000)
Sale of Capital Assets	11,000	919,294	908,294	18,528
Total other financing sources (uses)	(27,000)	881,294	908,294	(19,472)
Net change in fund balances	(222,500)	756,448	978,948	30,635
Fund balances-beginning	1,791,077	1,791,077	-	1,760,442
Prior period adjustments	-	11,699	11,699	-
Fund balances-ending	\$ 1,568,577	\$ 2,559,224	\$ 990,647	\$ 1,791,077

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, 2005
With Comparative Actual Amounts for the Year Ended September 30, 2004

	2005		Variance with Final Budget - Positive (Negative)	2004 Actual
	Final Budgeted Amounts	Actual Amounts		
REVENUES				
Taxes	\$ 1,501,568	\$ 1,491,888	\$ (9,680)	\$ 1,392,337
Charges for Services	125,000	134,531	9,531	132,631
Investment Earnings	30,000	35,748	5,748	32,112
Miscellaneous	42,000	51,948	9,948	51,155
Total revenues	1,698,568	1,714,115	15,547	1,608,235
EXPENDITURES				
General Government:				
Current:				
Other Services and Charges	65,000	61,345	3,655	98,140
Public Safety:				
Current:				
Personal Services	875,200	719,477	155,723	824,473
Supplies	202,500	166,676	35,824	205,605
Other Services and Charges	374,400	252,511	121,889	266,677
Total Public Safety	1,452,100	1,138,664	313,436	1,296,755
Capital Outlay	662,870	408,057	254,813	418,647
Total expenditures	2,179,970	1,608,066	571,904	1,813,542
Excess (deficiency) of revenues over (under) expenditures	(481,402)	106,049	587,451	(205,307)
Fund balances-beginning	661,217	661,217	-	866,524
Prior period adjustments	-	7,136	7,136	-
Fund balances-ending	\$ 179,815	\$ 774,402	\$ 594,587	\$ 661,217

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, 2005
With Comparative Actual Amounts for the Year Ended September 30, 2004

	<u>2005</u>			<u>2004</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>	
REVENUES				
Intergovernmental	\$ 10,750	\$ 4,872	\$ (5,878)	\$ 12,178
EXPENDITURES	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	10,750	4,872	(5,878)	12,178
OTHER FINANCING SOURCES (USES)				
Transfers Out	(15,550)	(15,550)	-	(5,600)
Net change in fund balances	(4,800)	(10,678)	(5,878)	6,578
Fund balances-beginning	100,832	100,832	-	94,254
Fund balances-ending	<u>\$ 96,032</u>	<u>\$ 90,154</u>	<u>\$ (5,878)</u>	<u>\$ 100,832</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, 2005
With Comparative Actual Amounts for the Year Ended September 30, 2004

	2005		Variance with Final Budget - Positive (Negative)	2004 Actual
	Final Budgeted Amounts	Actual Amounts		
REVENUES	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Current:				
Supplies	269	269	-	343
Excess (deficiency) of revenues over (under) expenditures	(269)	(269)	-	(343)
Fund balances-beginning	282	282	-	625
Fund balances-ending	<u>\$ 13</u>	<u>\$ 13</u>	<u>\$ -</u>	<u>\$ 282</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, 2005
With Comparative Actual Amounts for the Year Ended September 30, 2004

	<u>2005</u>		Variance with Final Budget - Positive (Negative)	2004 Actual
	Final Budgeted Amounts	Actual Amounts		
REVENUES				
Fines and Forfeitures	\$ -	\$ 54,867	\$ 54,867	\$ 49,184
EXPENDITURES				
Current:				
Supplies	2,000	659	1,341	1,450
Other Services and Charges	62,918	50,558	12,360	14,997
Capital Outlay	12,000	1,348	10,652	898
Total expenditures	<u>76,918</u>	<u>52,565</u>	<u>24,353</u>	<u>17,345</u>
Excess (deficiency) of revenues over (under) expenditures	(76,918)	2,302	79,220	31,839
Fund balances-beginning	<u>82,626</u>	<u>82,626</u>	-	<u>50,787</u>
Fund balances-ending	<u><u>\$ 5,708</u></u>	<u><u>\$ 84,928</u></u>	<u><u>\$ 79,220</u></u>	<u><u>\$ 82,626</u></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, 2005
With Comparative Actual Amounts for the Year Ended September 30, 2004

	2005		Variance with Final Budget - Positive (Negative)	2004 Actual
	Final Budgeted Amounts	Actual Amounts		
REVENUES				
Charges for Services	\$ -	\$ 25,500	\$ 25,500	\$ 29,000
EXPENDITURES				
Current:				
Supplies	4,000	3,425	575	3,350
Other Services and Charges	15,000	14,511	489	16,880
Total expenditures	19,000	17,936	1,064	20,230
Excess (deficiency) of revenues over (under) expenditures	(19,000)	7,564	26,564	8,770
Fund balances-beginning	44,845	44,845	-	36,075
Fund balances-ending	\$ 25,845	\$ 52,409	\$ 26,564	\$ 44,845

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, 2005
With Comparative Actual Amounts for the Year Ended September 30, 2004

	2005		Variance with Final Budget - Positive (Negative)	2004 Actual
	Final Budgeted Amounts	Actual Amounts		
REVENUES				
Investment Earnings	\$ -	\$ 12,762	\$ 12,762	\$ 10,742
Miscellaneous	-	118,304	118,304	118,428
Total revenues	<u>-</u>	<u>131,066</u>	<u>131,066</u>	<u>129,170</u>
EXPENDITURES				
Current:				
Other Services and Charges	55,949	55,949	-	64,535
Excess (deficiency) of revenues over (under) expenditures	(55,949)	75,117	131,066	64,635
Fund balances-beginning	<u>478,233</u>	<u>478,233</u>	<u>-</u>	<u>413,598</u>
Fund balances-ending	<u><u>\$ 422,284</u></u>	<u><u>\$ 553,350</u></u>	<u><u>\$ 131,066</u></u>	<u><u>\$ 478,233</u></u>

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, 2005
With Comparative Actual Amounts for the Year Ended September 30, 2004

	2005			2004 Actual
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)	
REVENUES	\$ -	\$ -	\$ -	\$ -
EXPENDITURES	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
Fund balances-beginning	2,037	2,037	-	2,037
Fund balances-ending	<u>\$ 2,037</u>	<u>\$ 2,037</u>	<u>\$ -</u>	<u>\$ 2,037</u>

GALVESTON COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET (NON-GAAP) AND ACTUAL
SHERIFF SEIZURES POST-10/89 SPECIAL REVENUE FUND
For the Year Ended September 30, 2005
With Comparative Actual Amounts for the Year Ended September 30, 2004

	2005		Variance with Final Budget - Positive (Negative)	2004 Actual
	Final Budgeted Amounts	Actual Amounts		
REVENUES				
Investment Earnings	\$ -	\$ 1,037	\$ 1,037	\$ 656
Fines and Forfeitures	-	14,157	14,157	-
Total revenues	-	15,194	15,194	656
EXPENDITURES				
Current:				
Supplies	500	-	500	-
Capital Outlay	8,585	1,400	7,185	-
Total expenditures	9,085	1,400	7,685	-
Excess (deficiency) of revenues over (under) expenditures	(9,085)	13,794	22,879	656
Fund balances-beginning	9,823	9,823	-	9,167
Fund balances-ending	\$ 738	\$ 23,617	\$ 22,879	\$ 9,823

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, 2005
With Comparative Actual Amounts for the Year Ended September 30, 2004

	2005		Variance with Final Budget - Positive (Negative)	2004 Actual
	Final Budgeted Amounts	Actual Amounts		
REVENUES				
Investment Earnings	\$ -	\$ -	\$ -	\$ 1,107
EXPENDITURES	75,868	75,868	-	68,073
Excess (deficiency) of revenues over (under) expenditures	(75,868)	(75,868)	-	(66,966)
Fund balances-beginning	75,869	75,869	-	142,835
Fund balances-ending	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 75,869</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, 2005
With Comparative Actual Amounts for the Year Ended September 30, 2004

	<u>2005</u>			<u>2004</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>	
REVENUES				
Investment Earnings	\$ -	\$ 3,991	\$ 3,991	\$ 11,610
EXPENDITURES	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	-	3,991	3,991	11,610
Fund balances-beginning	27,126	27,126	-	15,516
Fund balances-ending	<u>\$ 27,126</u>	<u>\$ 31,117</u>	<u>\$ 3,991</u>	<u>\$ 27,126</u>

GALVESTON COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
JUSTICE COURT TECHNOLOGY SPECIAL REVENUE FUND
For the Year Ended September 30, 2005
With Comparative Actual Amounts for the Year Ended September 30, 2004

	<u>2005</u>		Variance with Final Budget - Positive (Negative)	2004 Actual
	Final Budgeted Amounts	Actual Amounts		
REVENUES				
Fines and Forfeitures	\$ 59,800	\$ 70,572	\$ 10,772	\$ 75,663
EXPENDITURES				
Current:				
Other Services and Charges	60,000	60,000	-	60,000
Total expenditures	60,000	60,000	-	60,000
Excess (deficiency) of revenues over (under) expenditures	(200)	10,572	10,772	15,663
Fund balances-beginning	154,378	154,378	-	138,715
Fund balances-ending	<u>\$ 154,178</u>	<u>\$ 164,950</u>	<u>\$ 10,772</u>	<u>\$ 154,378</u>

GALVESTON COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET (NON-GAAP) AND ACTUAL
PROBATE COURT CONTRIBUTIONS SPECIAL REVENUE FUND
For the Year Ended September 30, 2005
With Comparative Actual Amounts for the Year Ended September 30, 2004

	<u>2005</u>		Variance with Final Budget - Positive (Negative)	2004 Actual
	Final Budgeted Amounts	Actual Amounts		
REVENUES				
Intergovernmental	\$ 36,700	\$ 44,211	\$ 7,511	\$ 61,026
EXPENDITURES				
Current:				
Supplies	1,000	892	108	628
Other Services and Charges	5,700	4,782	918	1,854
Total expenditures	<u>6,700</u>	<u>5,674</u>	<u>1,026</u>	<u>2,482</u>
Excess (deficiency) of revenues over (under) expenditures	30,000	38,537	8,537	58,544
OTHER FINANCING SOURCES (USES)				
Transfers Out	(55,000)	(55,000)	-	(11,000)
Net change in fund balances	(25,000)	(16,463)	8,537	47,544
Fund balances-beginning	<u>268,750</u>	<u>268,750</u>	<u>-</u>	<u>221,206</u>
Fund balances-ending	<u><u>\$ 243,750</u></u>	<u><u>\$ 252,287</u></u>	<u><u>\$ 8,537</u></u>	<u><u>\$ 268,750</u></u>

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, 2005
With Comparative Actual Amounts for the Year Ended September 30, 2004

	2005		Variance with Final Budget - Positive (Negative)	2004 Actual
	Final Budgeted Amounts	Actual Amounts		
REVENUES				
Intergovernmental	\$ -	\$ 136	\$ 136	\$ -
Miscellaneous	-	150,001	150,001	662,547
Total revenues	-	150,137	150,137	662,547
EXPENDITURES				
Current:				
Supplies	27,700	-	27,700	52
Other Services and Charges	810,400	237,496	572,904	586,256
Total expenditures	838,100	237,496	600,604	586,308
Excess (deficiency) of revenues over (under) expenditures	(838,100)	(87,359)	750,605	76,239
OTHER FINANCING SOURCES (USES)				
Transfers In	100,000	100,000	-	175,000
Transfers Out	(19,000)	-	19,000	(122,894)
Total other financing sources (uses)	81,000	100,000	19,000	52,106
Net change in fund balances	(757,100)	12,641	769,605	128,345
Fund balances-beginning	958,422	958,422	-	830,077
Fund balances-ending	\$ 201,322	\$ 971,063	\$ 769,605	\$ 958,422

GALVESTON COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET (NON-GAAP) AND ACTUAL
C.I.D. SEIZURES POST-10/89 SPECIAL REVENUE FUND
For the Year Ended September 30, 2005
With Comparative Actual Amounts for the Year Ended September 30, 2004

	<u>2005</u>			<u>2004</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>	
Fund balances-beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances-ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



Interior View of
The Galveston County Jail at
The New Galveston County Justice Center
March 9, 2006

NONMAJOR
DEBT SERVICE FUNDS

PURPOSE:

ROAD REFUNDING LTD.'91/ROAD'87/GENERAL OBLIGATION SERIES 1999 FUND (FUND #4010)

The General Obligation Refunding Bonds Series 1999 were issued to advance-refund a portion of the county's outstanding debt (specifically, the Refunding and Road Bonds Series 1987 and the Limited Tax Bonds Series 1991) in order to lower the county's overall debt-service requirements.

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

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

LIMITED TAX JUSTICE CENTER BONDS SERIES 2001 FUND (FUND #4215)

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

UNLIMITED TAX ROAD BONDS SERIES 2001 FUND (FUND #4368)

- The Unlimited Tax Road Bonds Series 2001 were issued to build and improve roads within the county.

PARKS ROADS/PARKING LOTS CERTIFICATES OF OBLIGATION SERIES 2002A FUND (FUND #4230)

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

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

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

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

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

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

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

UNLIMITED TAX ROAD BONDS SERIES 2003B FUND (FUND #4369)

- The Unlimited Tax Roads Bonds Series 2003B were issued to build and improve roads within the county.

LIMITED TAX ROAD BONDS SERIES 2003B FUND (FUND #4282)

- The Limited Tax Forward Refunding Bonds Series 2003 were issued to refund a portion of the county's outstanding Limited Refunding Bonds Series 1993.

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

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



View from Inside a Front Window of
The Galveston County Courts Building at
The New Galveston County Justice Center
January 13, 2006

**GALVESTON COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS
September 30, 2005
With Comparative Totals at September 30, 2004**

	ROAD REFUNDING LTD. '91/ ROAD '87/ GENERAL OBLIGATION SERIES 1999	CONSTRUCTION/ IMPROVEMENT TAX/REVENUE CERTIFICATES OF OBLIGATION SERIES 1999	LIMITED TAX JUSTICE CENTER BONDS SERIES 2001	UNLIMITED TAX ROAD BONDS SERIES 2001
ASSETS				
Cash and Cash Equivalents	\$ 134,225	\$ 153,289	\$ 168,799	\$ 268,664
Receivables (Net of Allowances for Uncollectibles):				
Interest	324	370	407	648
Taxes	43,190	43,240	67,103	51,424
Accounts and Other	777	593	939	736
Total assets	\$ 178,516	\$ 197,492	\$ 237,248	\$ 321,472
LIABILITIES				
Interest Payable	\$ -	\$ -	\$ -	\$ -
Deferred Revenues	43,189	43,240	67,104	51,424
Total liabilities	43,189	43,240	67,104	51,424
FUND BALANCES				
Reserved for Debt Service	135,327	154,252	170,144	270,048
Total fund balances	135,327	154,252	170,144	270,048
Total liabilities and fund balances	\$ 178,516	\$ 197,492	\$ 237,248	\$ 321,472

(Continued)

PARK ROADS/ PARKING LOTS CERTIFICATES OF OBLIGATION SERIES 2002A	SAN LUIS PASS BRIDGE CERTIFICATES OF OBLIGATION SERIES 2002	COMBINATION TAX/REVENUE CERTIFICATES OF OBLIGATION SERIES 2003C	LIMITED TAX CRIMINAL JUSTICE CENTER BONDS SERIES 2003A	UNLIMITED TAX ROAD BONDS SERIES 2003B
\$ 390,303	\$ 382,900	\$ 382,033	\$ 453,940	\$ 454,357
651	927	920	1,088	1,093
43,771	37,744	131,934	245,606	497,921
957	628	3,564	6,624	2,680
\$ 435,682	\$ 422,199	\$ 518,451	\$ 707,258	\$ 956,051
\$ -	\$ -	\$ -	\$ -	\$ -
43,771	37,744	131,932	245,606	497,920
43,771	37,744	131,932	245,606	497,920
391,911	384,455	386,519	461,652	458,131
391,911	384,455	386,519	461,652	458,131
\$ 435,682	\$ 422,199	\$ 518,451	\$ 707,258	\$ 956,051

**GALVESTON COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS
September 30, 2005
With Comparative Totals at September 30, 2004**

	LIMITED TAX FORWARD REFUNDING BONDS SERIES 2003	GENERAL OBLIGATION REFUND 99/01 BONDS SERIES 2004	UNLIMITED TAX ROAD REFUNDING BONDS SERIES 2004A	TOTALS	
				2005	2004
ASSETS					
Cash and Cash Equivalents	\$ 184,884	\$ 219,903	\$ 358,492	\$ 3,551,789	\$ 3,377,099
Receivables (Net of Allowances for Uncollectibles):					
Interest	436	530	866	8,260	-
Taxes	361,841	57,922	83,973	1,665,669	1,418,288
Accounts and Other	5,052	1,784	1,345	25,679	22,912
Total assets	\$ 552,213	\$ 280,139	\$ 444,676	\$ 5,251,397	\$ 4,818,299
LIABILITIES					
Interest Payable	\$ -	\$ -	\$ -	\$ -	\$ 98,527
Deferred Revenues	361,841	57,921	83,973	1,665,665	1,418,288
Total liabilities	361,841	57,921	83,973	1,665,665	1,516,815
FUND BALANCES					
Reserved for Debt Service	190,372	222,218	360,703	3,585,732	3,301,484
Total fund balances	190,372	222,218	360,703	3,585,732	3,301,484
Total liabilities and fund balances	\$ 552,213	\$ 280,139	\$ 444,676	\$ 5,251,397	\$ 4,818,299



The Galveston County Courts Building at
The New Galveston County Justice Center
June 22, 2005

GALVESTON COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR DEBT SERVICE FUNDS
For the Year Ended September 30, 2005
With Comparative Totals for the Year Ended September 30, 2004

	ROAD REFUNDING LTD. '91/ ROAD '87/ GENERAL OBLIGATION SERIES 1999	CONSTRUCTION/ IMPROVEMENT TAX/REVENUE CERTIFICATES OF OBLIGATION SERIES 1999	LIMITED TAX JUSTICE CENTER BONDS SERIES 2001	UNLIMITED TAX ROAD BONDS SERIES 2001
REVENUES				
Taxes	\$ 549,722	\$ 198,003	\$ 268,056	\$ 222,774
Investment Earnings	5,063	5,972	8,386	10,690
Total revenues	554,785	203,975	276,442	233,464
EXPENDITURES				
Debt Service:				
Principal Retirement	635,000	-	-	-
Interest and Fiscal Charges	47,493	181,540	335,144	251,618
Bond Issuance Costs	-	-	-	-
Refund-Prior Year Tax Revenue	18	11,174	25,519	18,164
Total expenditures	682,511	192,714	360,663	269,782
Excess (deficiency) of revenues over (under) expenditures	(127,726)	11,261	(84,221)	(36,318)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Face Value - Refunding Issuance	-	-	-	-
Bond Premium	-	-	-	-
Payments to Refunded Bonds Escrow Agent	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	(127,726)	11,261	(84,221)	(36,318)
Fund balances-beginning	263,053	142,991	254,365	306,366
Fund balances-ending	\$ 135,327	\$ 154,252	\$ 170,144	\$ 270,048

(Continued)

PARK ROADS/ PARKING LOTS CERTIFICATES OF OBLIGATION SERIES 2002A	SAN LUIS PASS BRIDGE CERTIFICATES OF OBLIGATION SERIES 2002	COMBINATION TAX/REVENUE CERTIFICATES OF OBLIGATION SERIES 2003C	LIMITED TAX CRIMINAL JUSTICE CENTER BONDS SERIES 2003A	UNLIMITED TAX ROAD BONDS SERIES 2003B
\$ 549,659	\$ 270,752	\$ 2,155,542	\$ 4,179,553	\$ 685,682
5,135	17,777	23,592	28,200	17,032
<u>554,794</u>	<u>288,529</u>	<u>2,179,134</u>	<u>4,207,753</u>	<u>702,714</u>
275,000	385,000	25,000	1,425,000	250,000
201,016	280,761	2,014,763	2,692,450	421,713
-	-	-	-	-
1,092	1,543	-	276	91,610
<u>477,108</u>	<u>667,304</u>	<u>2,039,763</u>	<u>4,117,726</u>	<u>763,323</u>
77,686	(378,775)	139,371	90,027	(60,609)
242,209	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>242,209</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
319,895	(378,775)	139,371	90,027	(60,609)
72,016	763,230	247,148	371,625	518,740
<u>\$ 391,911</u>	<u>\$ 384,455</u>	<u>\$ 386,519</u>	<u>\$ 461,652</u>	<u>\$ 458,131</u>

GALVESTON COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR DEBT SERVICE FUNDS
For the Year Ended September 30, 2005
With Comparative Totals for the Year Ended September 30, 2004

	LIMITED TAX	GENERAL	UNLIMITED	TOTALS	
	FORWARD	OBLIGATION	TAX ROAD		
	REFUNDING	REFUND 99/01	REFUNDING		
	BONDS	BONDS	BONDS		
	SERIES 2003	SERIES 2004	SERIES 2004A	2005	2004
REVENUES					
Taxes	\$ 2,996,932	\$ 1,281,598	\$ 678,521	\$ 14,036,794	\$ 12,647,177
Investment Earnings	6,047	12,610	12,579	153,083	141,032
Total revenues	3,002,979	1,294,208	691,100	14,189,877	12,788,209
EXPENDITURES					
Debt Service:					
Principal Retirement	2,610,000	40,000	90,000	5,735,000	3,815,000
Interest and Fiscal Charges	375,345	1,044,078	407,745	8,253,666	8,163,799
Bond Issuance Costs	-	-	-	-	601,233
Refund-Prior Year Tax Revenue	9,776	-	-	159,172	-
Total expenditures	2,995,121	1,084,078	497,745	14,147,838	12,580,032
Excess (deficiency) of revenues over (under) expenditures	7,858	210,130	193,355	42,039	208,177
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	-	242,209	1,684,338
Transfers Out	-	-	-	-	(562,677)
Face Value - Refunding Issuance	-	-	-	-	42,594,988
Bond Premium	-	-	-	-	3,596,069
Payments to Refunded Bonds Escrow Agent	-	-	-	-	(45,556,308)
Total other financing sources (uses)	-	-	-	242,209	1,756,410
Net change in fund balances	7,858	210,130	193,355	284,248	1,964,587
Fund balances-beginning	182,514	12,088	167,348	3,301,484	1,336,897
Fund balances-ending	\$ 190,372	\$ 222,218	\$ 360,703	\$ 3,585,732	\$ 3,301,484



The Galveston County Courts Building at
The New Galveston County Justice Center
December 14, 2004

GALVESTON COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
ROAD REFUNDING LIMITED SERIES 1991/ROAD BONDS SERIES 1987/
GENERAL OBLIGATION BONDS SERIES 1999 DEBT SERVICE FUND
For the Year Ended September 30, 2005
With Comparative Actual Amounts for the Year Ended September 30, 2004

	2005			2004 Actual Amounts
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)	
REVENUES				
Taxes:				
Ad Valorem Taxes - Current	\$ 542,234	\$ 538,156	\$ (4,078)	\$ 1,111
Ad Valorem Taxes - Delinquent	700	4,563	3,863	734
Penalties and Interest	1,350	7,003	5,653	988
Investment Earnings	10,000	5,063	(4,937)	8,753
Total revenues	<u>554,284</u>	<u>554,785</u>	<u>501</u>	<u>11,586</u>
EXPENDITURES				
Debt Service:				
Principal Retirement	635,000	635,000	-	-
Interest and Fiscal Charges	51,100	47,493	3,607	62,415
Refund-Prior Year Tax Revenue	100	18	82	-
Total expenditures	<u>686,200</u>	<u>682,511</u>	<u>3,689</u>	<u>62,415</u>
Excess (deficiency) of revenues over (under) expenditures	(131,916)	(127,726)	4,190	(50,829)
Fund balances-beginning	<u>263,053</u>	<u>263,053</u>	<u>-</u>	<u>313,882</u>
Fund balances-ending	<u><u>\$ 131,137</u></u>	<u><u>\$ 135,327</u></u>	<u><u>\$ 4,190</u></u>	<u><u>\$ 263,053</u></u>

GALVESTON COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
CONSTRUCTION/IMPROVEMENT TAX/REVENUE
CERTIFICATES OF OBLIGATION SERIES 1999 DEBT SERVICE FUND
For the Year Ended September 30, 2005
With Comparative Actual Amounts for the Year Ended September 30, 2004

	2005			2004 Actual Amounts
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)	
REVENUES				
Taxes:				
Ad Valorem Taxes - Current	\$ 176,485	\$ 175,157	\$ (1,328)	\$ 630,620
Ad Valorem Taxes - Delinquent	15,000	16,185	1,185	16,870
Penalties and Interest	5,100	6,661	1,561	11,235
Investment Earnings	2,500	5,972	3,472	8,154
Total revenues	<u>199,085</u>	<u>203,975</u>	<u>4,890</u>	<u>666,879</u>
EXPENDITURES				
Debt Service:				
Interest and Fiscal Charges	185,200	181,540	3,660	654,255
Refund-Prior Year Tax Revenue	11,200	11,174	26	-
Total expenditures	<u>196,400</u>	<u>192,714</u>	<u>3,686</u>	<u>654,255</u>
Excess (deficiency) of revenues over (under) expenditures	2,685	11,261	8,576	12,624
Fund balances-beginning	<u>142,991</u>	<u>142,991</u>	<u>-</u>	<u>130,367</u>
Fund balances-ending	<u><u>\$ 145,676</u></u>	<u><u>\$ 154,252</u></u>	<u><u>\$ 8,576</u></u>	<u><u>\$ 142,991</u></u>

GALVESTON COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
LIMITED TAX JUSTICE CENTER BONDS SERIES 2001 DEBT SERVICE FUND
For the Year Ended September 30, 2005
With Comparative Actual Amounts for the Year Ended September 30, 2004

	2005			2004 Actual Amounts
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)	
REVENUES				
Taxes:				
Ad Valorem Taxes - Current	\$ 231,636	\$ 229,893	\$ (1,743)	\$1,055,560
Ad Valorem Taxes - Delinquent	23,000	27,811	4,811	30,615
Penalties and Interest	7,700	10,352	2,652	18,779
Investment Earnings	1,500	8,386	6,886	13,755
Total revenues	<u>263,836</u>	<u>276,442</u>	<u>12,606</u>	<u>1,118,709</u>
EXPENDITURES				
Debt Service:				
Interest and Fiscal Charges	338,700	335,144	3,556	1,077,369
Refund-Prior Year Tax Revenue	25,600	25,519	81	-
Total expenditures	<u>364,300</u>	<u>360,663</u>	<u>3,637</u>	<u>1,077,369</u>
Excess (deficiency) of revenues over (under) expenditures	(100,464)	(84,221)	16,243	41,340
Fund balances-beginning	<u>254,365</u>	<u>254,365</u>	<u>-</u>	<u>213,025</u>
Fund balances-ending	<u><u>\$ 153,901</u></u>	<u><u>\$ 170,144</u></u>	<u><u>\$ 16,243</u></u>	<u><u>\$ 254,365</u></u>

GALVESTON COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
UNLIMITED TAX ROAD BONDS SERIES 2001 DEBT SERVICE FUND
For the Year Ended September 30, 2005
With Comparative Actual Amounts for the Year Ended September 30, 2004

	2005			2004 Actual Amounts
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)	
REVENUES				
Taxes:				
Ad Valorem Taxes - Current	\$ 195,586	\$ 194,114	\$ (1,472)	\$ 803,337
Ad Valorem Taxes - Delinquent	19,500	20,644	1,144	22,989
Penalties and Interest	6,000	8,016	2,016	14,201
Investment Earnings	8,000	10,690	2,690	12,788
Total revenues	229,086	233,464	4,378	853,315
EXPENDITURES				
Debt Service:				
Interest and Fiscal Charges	256,200	251,618	4,582	808,768
Refund-Prior Year Tax Revenue	18,200	18,164	36	-
Total expenditures	274,400	269,782	4,618	808,768
Excess (deficiency) of revenues over (under) expenditures	(45,314)	(36,318)	8,996	44,547
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	132,000
Net change in fund balances	(45,314)	(36,318)	8,996	176,547
Fund balances-beginning	306,366	306,366	-	129,819
Fund balances-ending	\$ 261,052	\$ 270,048	\$ 8,996	\$ 306,366

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, 2005
With Comparative Actual Amounts for the Year Ended September 30, 2004

	2005			2004 Actual Amounts
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)	
REVENUES				
Taxes:				
Ad Valorem Taxes - Current	\$ 531,473	\$ 527,472	\$ (4,001)	\$ 455,681
Ad Valorem Taxes - Delinquent	9,500	13,546	4,046	10,221
Penalties and Interest	3,100	8,641	5,541	7,272
Investment Earnings	2,500	5,135	2,635	2,936
Total revenues	546,573	554,794	8,221	476,110
EXPENDITURES				
Debt Service:				
Principal Retirement	275,000	275,000	-	265,000
Interest and Fiscal Charges	204,900	201,016	3,884	210,810
Refund-Prior Year Tax Revenue	2,200	1,092	1,108	-
Total expenditures	482,100	477,108	4,992	475,810
Excess (deficiency) of revenues over (under) expenditures	64,473	77,686	13,213	300
OTHER FINANCING SOURCES (USES)				
Transfers In	274,140	242,209	(31,931)	-
Net change in fund balances	338,613	319,895	(18,718)	300
Fund balances-beginning	72,016	72,016	-	71,716
Fund balances-ending	\$ 410,629	\$ 391,911	\$ (18,718)	\$ 72,016

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, 2005
With Comparative Actual Amounts for the Year Ended September 30, 2004

	2005			2004 Actual Amounts
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)	
REVENUES				
Taxes:				
Ad Valorem Taxes - Current	\$ 251,814	\$ 249,920	\$ (1,894)	\$ 571,113
Ad Valorem Taxes - Delinquent	13,500	14,518	1,018	14,106
Penalties and Interest	4,000	6,314	2,314	9,387
Investment Earnings	2,000	17,777	15,777	8,453
Total revenues	271,314	288,529	17,215	603,059
EXPENDITURES				
Debt Service:				
Principal Retirement	385,000	385,000	-	375,000
Interest and Fiscal Charges	284,600	280,761	3,839	294,543
Refund-Prior Year Tax Revenue	1,600	1,543	57	-
Total expenditures	671,200	667,304	3,896	669,543
Excess (deficiency) of revenues over (under) expenditures	(399,886)	(378,775)	21,111	(66,484)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	721,661
Net change in fund balances	(399,886)	(378,775)	21,111	655,177
Fund balances-beginning	763,230	763,230	-	108,053
Fund balances-ending	\$ 363,344	\$ 384,455	\$ 21,111	\$ 763,230

GALVESTON COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
COMBINATION TAX/REVENUE CERTIFICATES OF OBLIGATION SERIES 2003C DEBT SERVICE FUND
For the Year Ended September 30, 2005
With Comparative Actual Amounts for the Year Ended September 30, 2004

	2005			2004 Actual Amounts
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)	
REVENUES				
Taxes:				
Ad Valorem Taxes - Current	\$ 2,099,391	\$ 2,083,595	\$ (15,796)	\$2,023,959
Ad Valorem Taxes - Delinquent	22,000	41,913	19,913	9,382
Penalties and Interest	23,900	30,034	6,134	24,704
Investment Earnings	20,000	23,592	3,592	19,477
Total revenues	<u>2,165,291</u>	<u>2,179,134</u>	<u>13,843</u>	<u>2,077,522</u>
EXPENDITURES				
Debt Service:				
Principal Retirement	25,000	25,000	-	-
Interest and Fiscal Charges	<u>2,020,600</u>	<u>2,014,763</u>	<u>5,837</u>	<u>1,830,603</u>
Total expenditures	<u>2,045,600</u>	<u>2,039,763</u>	<u>5,837</u>	<u>1,830,603</u>
Excess (deficiency) of revenues over (under) expenditures	119,691	139,371	19,680	246,919
Fund balances-beginning	<u>247,148</u>	<u>247,148</u>	<u>-</u>	<u>229</u>
Fund balances-ending	<u><u>\$ 366,839</u></u>	<u><u>\$ 386,519</u></u>	<u><u>\$ 19,680</u></u>	<u><u>\$ 247,148</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, 2005
With Comparative Actual Amounts for the Year Ended September 30, 2004

	<u>2005</u>			<u>2004</u> <u>Actual</u> <u>Amounts</u>
	<u>Final</u> <u>Budgeted</u> <u>Amounts</u>	<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget-</u> <u>Positive</u> <u>(Negative)</u>	
REVENUES				
Taxes:				
Ad Valorem Taxes - Current	\$ 4,087,133	\$ 4,056,376	\$ (30,757)	\$ 2,724,663
Ad Valorem Taxes - Delinquent	35,000	67,402	32,402	13,865
Penalties and Interest	10,500	55,775	45,275	33,701
Investment Earnings	35,000	28,200	(6,800)	26,464
Total revenues	<u>4,167,633</u>	<u>4,207,753</u>	<u>40,120</u>	<u>2,798,693</u>
EXPENDITURES				
Debt Service:				
Principal Retirement	1,425,000	1,425,000	-	-
Interest and Fiscal Charges	2,698,500	2,692,450	6,050	2,465,358
Refund-Prior Year Tax Revenue	300	276	24	-
Total expenditures	<u>4,123,800</u>	<u>4,117,726</u>	<u>6,074</u>	<u>2,465,358</u>
Excess (deficiency) of revenues over (under) expenditures	43,833	90,027	46,194	333,335
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	37,981
Net change in fund balances	43,833	90,027	46,194	371,316
Fund balances-beginning	<u>371,625</u>	<u>371,625</u>	<u>-</u>	<u>309</u>
Fund balances-ending	<u>\$ 415,458</u>	<u>\$ 461,652</u>	<u>\$ 46,194</u>	<u>\$ 371,625</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, 2005
With Comparative Actual Amounts for the Year Ended September 30, 2004

	2005			2004 Actual Amounts
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)	
REVENUES				
Taxes:				
Ad Valorem Taxes - Current	\$ 557,703	\$ 553,506	\$ (4,197)	\$ 431,977
Ad Valorem Taxes - Delinquent	110,000	84,816	(25,184)	53,663
Penalties and Interest	58,000	47,360	(10,640)	24,109
Investment Earnings	9,750	17,032	7,282	9,133
Total revenues	735,453	702,714	(32,739)	518,882
EXPENDITURES				
Debt Service:				
Principal Retirement	250,000	250,000	-	-
Interest and Fiscal Charges	427,800	421,713	6,087	385,626
Refund-Prior Year Tax Revenue	91,700	91,610	90	-
Total expenditures	769,500	763,323	6,177	385,626
Excess (deficiency) of revenues over (under) expenditures	(34,047)	(60,609)	(26,562)	133,256
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	385,436
Net change in fund balances	(34,047)	(60,609)	(26,562)	518,692
Fund balances-beginning	518,740	518,740	-	48
Fund balances-ending	\$ 484,693	\$ 458,131	\$ (26,562)	\$ 518,740

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, 2005
With Comparative Actual Amounts for the Year Ended September 30, 2004

	2005			2004 Actual Amounts
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)	
REVENUES				
Taxes:				
Ad Valorem Taxes - Current	\$ 2,905,410	\$ 2,883,544	\$ (21,866)	\$ 289,384
Ad Valorem Taxes - Delinquent	40,000	61,417	21,417	13,439
Penalties and Interest	27,000	51,971	24,971	7,576
Investment Earnings	20,000	6,047	(13,953)	21,016
Total revenues	2,992,410	3,002,979	10,569	331,415
EXPENDITURES				
Debt Service:				
Principal Retirement	2,610,000	2,610,000	-	-
Interest and Fiscal Charges	381,500	375,345	6,155	283,912
Bond Issuance Cost	-	-	-	148,103
Refund-Prior Year Tax Revenue	9,800	9,776	24	-
Total expenditures	3,001,300	2,995,121	6,179	432,015
Excess (deficiency) of revenues over (under) expenditures	(8,890)	7,858	16,748	(100,600)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	119,296
Face Value - Refunding Issuance	-	-	-	10,170,000
Bond Premium	-	-	-	426,466
Payments to Refunded Bonds Escrow Agent	-	-	-	(10,432,648)
Total other financing sources (uses)	-	-	-	283,114
Net change in fund balances	(8,890)	7,858	16,748	182,514
Fund balances-beginning	182,514	182,514	-	-
Fund balances-ending	\$ 173,624	\$ 190,372	\$ 16,748	\$ 182,514

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, 2005
With Comparative Actual Amounts for the Year Ended September 30, 2004

	2005			2004 Actual Amounts
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)	
REVENUES				
Taxes:				
Ad Valorem Taxes - Current	\$ 1,267,409	\$ 1,257,871	\$ (9,538)	\$ -
Ad Valorem Taxes - Delinquent	5,000	9,321	4,321	-
Penalties and Interest	8,100	14,406	6,306	-
Investment Earnings	10,000	12,610	2,610	273
Total revenues	1,290,509	1,294,208	3,699	273
EXPENDITURES				
Debt Service:				
Principal Retirement	40,000	40,000	-	-
Interest and Fiscal Charges	1,115,100	1,044,078	71,022	-
Bond Issuance Cost	-	-	-	307,834
Total expenditures	1,155,100	1,084,078	71,022	307,834
Excess (deficiency) of revenues over (under) expenditures	135,409	210,130	74,721	(307,561)
OTHER FINANCING SOURCES (USES)				
Face Value - Refunding Issuance	-	-	-	22,295,000
Bond Premium	-	-	-	2,055,080
Payments to Refunded Bonds Escrow Agent	-	-	-	(24,030,431)
Total other financing sources (uses)	-	-	-	319,649
Net change in fund balances	135,409	210,130	74,721	12,088
Fund balances-beginning	12,088	12,088	-	-
Fund balances-ending	\$ 147,497	\$ 222,218	\$ 74,721	\$ 12,088

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, 2005
With Comparative Actual Amounts for the Year Ended September 30, 2004

	2005		Variance with Final Budget- Positive (Negative)	2004 Actual Amounts
	Final Budgeted Amounts	Actual Amounts		
REVENUES				
Taxes:				
Ad Valorem Taxes - Current	\$ 645,677	\$ 640,818	\$ (4,859)	\$ -
Ad Valorem Taxes - Delinquent	-	23,975	23,975	3,655
Penalties and Interest	-	13,728	13,728	852
Investment Earnings	-	12,579	12,579	891
Total revenues	645,677	691,100	45,423	5,398
EXPENDITURES				
Debt Service:				
Principal Retirement	90,000	90,000	-	-
Interest and Fiscal Charges	443,300	407,745	35,555	-
Bond Issuance Cost	-	-	-	145,296
Total expenditures	533,300	497,745	35,555	145,296
Excess (deficiency) of revenues over (under) expenditures	112,377	193,355	80,978	(139,898)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	155,964
Face Value - Refunding Issuance	-	-	-	10,129,988
Bond Premium	-	-	-	1,114,523
Payments to Refunded Bonds Escrow Agent	-	-	-	(11,093,229)
Total other financing sources (uses)	-	-	-	307,246
Net change in fund balances	112,377	193,355	80,978	167,348
Fund balances-beginning	167,348	167,348	-	-
Fund balances-ending	\$ 279,725	\$ 360,703	\$ 80,978	\$ 167,348

NONMAJOR
CAPITAL PROJECTS FUNDS

PURPOSE:

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

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

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

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

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

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

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

PARK ROADS AND PARKING LOT IMPROVEMENTS COB 2002A (FUND #3273) - Issued in April 2002, in the amount of \$5,115,000 pursuant to the Constitution and general laws of the State of Texas, including Chapter 271, Texas Local Government Code, as amended, and order of Commissioners' Court on March 18, 2002. The proceeds will be used to repair and improve park roads and parking lots within the County and to pay the costs associated with the issuance of the Certificates.

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

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

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

**GALVESTON COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
September 30, 2005
With Comparative Totals at September 30, 2004**

	ROAD BONDS SERIES 1987	CONSTRUCTION/ IMPROVEMENT TAX/REVENUE CERTIFICATES OF OBLIGATION SERIES 1999	JUSTICE CENTER/ PUBLIC SAFETY BUILDING BONDS SERIES 2001	UNLIMITED TAX ROAD BONDS SERIES 2001
ASSETS				
Cash and Cash Equivalents	\$ 1,337,347	\$ 58,317	\$ 6,840,187	\$ 7,085,309
Receivables (Net of Allowances for Uncollectibles):				
Interest	3,359	-	23,237	12,493
Total assets	\$ 1,340,706	\$ 58,317	\$ 6,863,424	\$ 7,097,802
LIABILITIES				
Accounts Payable	\$ -	\$ -	\$ 980,319	\$ 47,318
Retainage Payable	-	-	234,824	-
Due to Other Funds	-	1,187	-	-
Total liabilities	-	1,187	1,215,143	47,318
FUND BALANCES				
Reserved for Encumbrances	-	-	5,521,261	577,488
Unreserved:				
Designated for Capital Projects	1,340,706	57,130	127,020	6,472,996
Total fund balances	1,340,706	57,130	5,648,281	7,050,484
Total liabilities and fund balances	\$ 1,340,706	\$ 58,317	\$ 6,863,424	\$ 7,097,802

(Continued)

PARK ROADS/ PARKING LOT IMPROVEMENTS CERTIFICATES OF OBLIGATION SERIES 2002A	UNLIMITED TAX ROAD BONDS SERIES 2003B	GALVESTON CAUSEWAY RAILROAD BRIDGE PROJECT	COUNTY ROAD AND BRIDGE PROJECTS	TOTALS	
				2005	2004
\$ -	\$ 9,781,738	\$ 9,877	\$ 150,371	\$ 25,263,146	\$ 35,833,288
-	17,675	-	364	57,128	-
\$ -	\$ 9,799,413	\$ 9,877	\$ 150,735	\$ 25,320,274	\$ 35,833,288
\$ -	\$ 23,037	\$ 9,874	\$ -	\$ 1,060,548	\$ 3,865,827
-	-	-	-	234,824	845,726
-	-	-	-	1,187	-
-	23,037	9,874	-	1,296,559	4,711,553
-	86,184	-	-	6,184,933	9,593,327
-	9,690,192	3	150,735	17,838,782	21,528,408
-	9,776,376	3	150,735	24,023,715	31,121,735
\$ -	\$ 9,799,413	\$ 9,877	\$ 150,735	\$ 25,320,274	\$ 35,833,288

GALVESTON COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
For the Year Ended September 30, 2005
With Comparative Totals for the Year Ended September 30, 2004

	ROAD BONDS SERIES 1987	CONSTRUCTION/ IMPROVEMENT TAX/REVENUE CERTIFICATES OF OBLIGATION SERIES 1999	JUSTICE CENTER/ PUBLIC SAFETY BUILDING BONDS SERIES 2001	UNLIMITED TAX ROAD BONDS SERIES 2001
REVENUES				
Intergovernmental	\$ -	\$ 20,069	\$ -	\$ -
Investment Earnings	51,164	2,274	310,903	258,600
Charges for Services	-	-	-	-
Total revenues	51,164	22,343	310,903	258,600
EXPENDITURES				
Capital Outlay	176,336	50,040	5,660,103	1,823,528
Total expenditures	176,336	50,040	5,660,103	1,823,528
Excess (deficiency) of revenues over (under) expenditures	(125,172)	(27,697)	(5,349,200)	(1,564,928)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	(125,172)	(27,697)	(5,349,200)	(1,564,928)
Fund balances-beginning	1,465,878	84,827	10,997,481	8,615,412
Fund balances-ending	\$ 1,340,706	\$ 57,130	\$ 5,648,281	\$ 7,050,484

(Continued)

PARK ROADS/ PARKING LOT IMPROVEMENTS CERTIFICATES OF OBLIGATION SERIES 2002A	UNLIMITED TAX ROAD BONDS SERIES 2003B	GALVESTON CAUSEWAY RAILROAD BRIDGE PROJECT	COUNTY ROAD AND BRIDGE PROJECTS	TOTALS	
				2005	2004
\$ -	\$ -	\$ -	\$ -	\$ 20,069	\$ -
8,939	305,103	-	735	937,718	1,536,655
-	-	-	150,000	150,000	-
8,939	305,103	-	150,735	1,107,787	1,536,655
38,503	215,091	9,874	-	7,973,475	29,955,634
38,503	215,091	9,874	-	7,973,475	29,955,634
(29,564)	90,012	(9,874)	150,735	(6,865,688)	(28,418,979)
-	-	9,877	-	9,877	-
(242,209)	-	-	-	(242,209)	(621,661)
(242,209)	-	9,877	-	(232,332)	(621,661)
(271,773)	90,012	3	150,735	(7,098,020)	(29,040,640)
271,773	9,686,364	-	-	31,121,735	60,162,375
<u>\$ -</u>	<u>\$ 9,776,376</u>	<u>\$ 3</u>	<u>\$ 150,735</u>	<u>\$ 24,023,715</u>	<u>\$ 31,121,735</u>

GALVESTON COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES -
BUDGET (PROJECT-LENGTH) AND ACTUAL
ROAD BONDS SERIES 1987 CAPITAL PROJECTS FUND
From Inception and for the Year Ended September 30, 2005
With Comparative Amounts for the Year Ended September 30, 2004

	TOTAL PROJECT AUTHORIZED	ACTUAL TO SEPTEMBER 30, 2005			COMMITTED BALANCE	LAST YEAR'S ACTUAL
		REPORTED IN PRIOR YEARS	CURRENT YEAR	TOTAL		
REVENUES						
Intergovernmental	\$ 1,360,155	\$ 1,360,155	\$ -	\$ 1,360,155	\$ -	\$ -
Investment Earnings	3,850,920	3,799,756	51,164	3,850,920	-	101,477
Miscellaneous	5,511	5,511	-	5,511	-	-
Total revenues	5,216,586	5,165,422	51,164	5,216,586	-	101,477
EXPENDITURES						
Capital Outlay:						
Highways and Roads	1,629,436	1,196,411	-	1,196,411	433,025	-
S.H. 3	1,836,024	1,645,598	-	1,645,598	190,426	6,835
S.H. 146	207,962	37,617	-	37,617	170,345	-
F.M. 270	612,935	612,935	-	612,935	-	-
F.M. 517	2,636,603	2,380,360	15,932	2,396,292	240,311	9,015
F.M. 528	980,072	980,072	-	980,072	-	-
F.M. 1764	5,950,000	5,619,284	160,404	5,779,688	170,312	1,974,387
F.M. 2094	2,343,776	2,343,776	-	2,343,776	-	-
Loop 197 N.	4,309,000	4,309,000	-	4,309,000	-	-
Total expenditures	20,505,808	19,125,053	176,336	19,301,389	1,204,419	1,990,237
Excess (deficiency) of revenues over (under) expenditures	(15,289,222)	(13,959,631)	(125,172)	(14,084,803)	1,204,419	(1,888,760)
OTHER FINANCING SOURCES (USES)						
Transfers In	4,888,892	4,888,892	-	4,888,892	-	-
Transfers Out	(2,463,383)	(2,463,383)	-	(2,463,383)	-	-
Long Term Debt Issued	13,000,000	13,000,000	-	13,000,000	-	-
Total other financing sources (uses)	15,425,509	15,425,509	-	15,425,509	-	-
Net change in fund balances	\$ 136,287	\$ 1,465,878	(125,172)	\$ 1,340,706	\$ 1,204,419	(1,888,760)
Fund balances-beginning			1,465,878			3,354,638
Fund balances-ending			\$ 1,340,706			\$ 1,465,878

GALVESTON COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES -
BUDGET (PROJECT-LENGTH) AND ACTUAL
CONSTRUCTION/IMPROVEMENT TAX/REVENUE CERTIFICATES OF OBLIGATION SERIES 1999 CAPITAL PROJECTS FUND
From Inception and for the Year Ended September 30, 2005
With Comparative Amounts for the Year Ended September 30, 2004

	TOTAL PROJECT AUTHORIZED	ACTUAL TO SEPTEMBER 30, 2005			COMMITTED BALANCE	LAST YEAR'S ACTUAL
		REPORTED IN PRIOR YEARS	CURRENT YEAR	TOTAL		
REVENUES						
Intergovernmental	\$ 20,069	\$ -	\$ 20,069	\$ 20,069	\$ -	\$ -
Investment Earnings	857,973	855,699	2,274	857,973	-	36,704
Total revenues	878,042	855,699	22,343	878,042	-	36,704
EXPENDITURES						
Capital Outlay:						
Courthouse Renovation - Various Project:	3,733,210	3,684,030	14,889	3,698,919	34,291	342,357
TWC Building Renovations	340,559	340,559	-	340,559	-	-
FM 646 Building Renovations	2,201,225	2,166,074	35,151	2,201,225	-	1,514,070
Crystal Beach County Annex	2,850,395	2,850,395	-	2,850,395	-	-
Health District Building Renovations	177,988	177,988	-	177,988	-	-
Jack Brooks Park Arena Improvements	844,915	844,915	-	844,915	-	-
Carbide Park Capital Projects	2,717,698	2,717,698	-	2,717,698	-	-
Bond Issuance Costs	129,213	129,213	-	129,213	-	-
Total expenditures	12,995,203	12,910,872	50,040	12,960,912	34,291	1,856,427
Excess (deficiency) of revenues over (under) expenditures	(12,117,161)	(12,055,173)	(27,697)	(12,082,870)	34,291	(1,819,723)
OTHER FINANCING SOURCES (USES)						
Long Term Debt Issued	12,140,000	12,140,000	-	12,140,000	-	-
Net change in fund balances	\$ 22,839	\$ 84,827	(27,697)	\$ 57,130	\$ 34,291	(1,819,723)
Fund balances-beginning			84,827			1,904,550
Fund balances-ending			\$ 57,130			\$ 84,827

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, 2005
With Comparative Amounts for the Year Ended September 30, 2004

	TOTAL PROJECT AUTHORIZED	ACTUAL TO SEPTEMBER 30, 2005			COMMITTED BALANCE	LAST YEAR'S ACTUAL
		REPORTED IN PRIOR YEARS	CURRENT YEAR	TOTAL		
REVENUES						
Investment Earnings	\$ 4,179,128	\$ 3,868,225	\$ 310,903	\$ 4,179,128	\$ -	\$ 568,258
Miscellaneous	8,929	8,929	-	8,929	-	-
Total revenues	<u>4,188,057</u>	<u>3,877,154</u>	<u>310,903</u>	<u>4,188,057</u>	<u>-</u>	<u>568,258</u>
EXPENDITURES						
Capital Outlay:						
Courthouse Renovations	56,638	56,638	-	56,638	-	-
Building Construction	26,915,352	23,610,319	2,476,145	26,086,464	828,888	9,645,411
Other Services and Charges	12,217,266	4,231,885	3,183,958	7,415,843	4,801,423	2,364,417
Bond Issuance Costs	272,460	272,460	-	272,460	-	-
Total expenditures	<u>39,461,716</u>	<u>28,171,302</u>	<u>5,660,103</u>	<u>33,831,405</u>	<u>5,630,311</u>	<u>12,009,828</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(35,273,659)</u>	<u>(24,294,148)</u>	<u>(5,349,200)</u>	<u>(29,643,348)</u>	<u>5,630,311</u>	<u>(11,441,570)</u>
OTHER FINANCING SOURCES (USES)						
Long Term Debt Issued	35,291,629	35,291,629	-	35,291,629	-	-
Net change in fund balances	<u>\$ 17,970</u>	<u>\$ 10,997,481</u>	<u>(5,349,200)</u>	<u>\$ 5,648,281</u>	<u>\$ 5,630,311</u>	<u>(11,441,570)</u>
Fund balances-beginning			<u>10,997,481</u>			<u>22,439,051</u>
Fund balances-ending			<u>\$ 5,648,281</u>			<u>\$ 10,997,481</u>

GALVESTON COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES -
BUDGET (PROJECT-LENGTH) AND ACTUAL
UNLIMITED TAX ROAD BONDS SERIES 2001 CAPITAL PROJECTS FUND
From Inception and for the Year Ended September 30, 2005
With Comparative Amounts for the Year Ended September 30, 2004

	TOTAL PROJECT AUTHORIZED	ACTUAL TO SEPTEMBER 30, 2005			COMMITTED BALANCE	LAST YEAR'S ACTUAL
		REPORTED IN PRIOR YEARS	CURRENT YEAR	TOTAL		
REVENUES						
Investment Earnings	\$ 3,308,468	\$ 2,598,305	\$ 258,600	\$ 2,856,905	\$ (451,563)	\$ 474,470
Miscellaneous	825,323	825,323	-	825,323	-	-
Total revenues	4,133,791	3,423,628	258,600	3,682,228	(451,563)	474,470
EXPENDITURES						
Capital Outlay:						
Administration Cost	149,281	-	-	-	149,281	-
Deats	5,598,500	5,109,046	349,007	5,458,053	140,447	4,494,322
Fairwood	2,559,001	2,168,410	87,129	2,255,539	303,462	1,840,879
Sunset	5,700,885	5,545,891	61,758	5,607,649	93,236	285,766
Fort Travis	57,515	2,515	-	2,515	55,000	-
Pearson Road	304,453	304,453	-	304,453	-	-
Baker Street	10,000	10,000	-	10,000	-	-
Vacek Road	95,438	95,438	-	95,438	-	-
Bay Area	41,985	-	-	-	41,985	-
Calder Road	2,389,999	911,712	944,857	1,856,569	533,430	693,279
25th Avenue	4,595,000	36,000	-	36,000	4,559,000	-
Loop 197	1,000,000	1,000,000	-	1,000,000	-	-
Stewart, Jones	3,760,663	3,532,447	216,737	3,749,184	11,479	2,993,274
FM 646	748,329	329,783	144,040	473,823	274,506	194,686
FM 517	250,000	29,635	20,000	49,635	200,365	29,635
SH 99	1,239,333	1,239,000	-	1,239,000	333	413,000
Seawall	795,160	795,160	-	795,160	-	-
Bond Issuance Costs	202,421	202,421	-	202,421	-	-
Total expenditures	29,497,963	21,311,911	1,823,528	23,135,439	6,362,524	10,944,841
Excess (deficiency) of revenues over (under) expenditures	(25,364,172)	(17,888,283)	(1,564,928)	(19,453,211)	5,910,961	(10,470,371)
OTHER FINANCING SOURCES (USES)						
Long Term Debt Issued	26,503,695	26,503,695	-	26,503,695	-	-
Net change in fund balances	\$ 1,139,523	\$ 8,615,412	(1,564,928)	\$ 7,050,484	\$ 5,910,961	(10,470,371)
Fund balances-beginning			8,615,412			19,085,783
Fund balances-ending			\$ 7,050,484			\$ 8,615,412

GALVESTON COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES -
BUDGET (PROJECT-LENGTH) AND ACTUAL
PARK ROADS/PARKING LOT IMPROVEMENTS CERTIFICATES OF OBLIGATION SERIES 2002A CAPITAL PROJECTS FUND
From Inception and for the Year Ended September 30, 2005
With Comparative Amounts for the Year Ended September 30, 2004

	TOTAL PROJECT AUTHORIZED	ACTUAL TO SEPTEMBER 30, 2005			COMMITTED BALANCE	LAST YEAR'S ACTUAL
		REPORTED IN PRIOR YEARS	CURRENT YEAR	TOTAL		
REVENUES						
Investment Earnings	\$ 237,832	\$ 237,789	\$ 8,939	\$ 246,728	\$ 8,896	\$ 45,462
EXPENDITURES						
Capital Outlay:						
Carbide Park Road Project	2,143,917	2,060,628	133	2,060,761	83,156	572,307
Walter Hall Park Road Project	3,082,328	2,909,064	38,370	2,947,434	134,894	2,533,539
Bond Issuance Costs	50,350	50,350	-	50,350	-	-
Total expenditures	5,276,595	5,020,042	38,503	5,058,545	218,050	3,105,846
Excess (deficiency) of revenues over (under) expenditures	(5,038,763)	(4,782,253)	(29,564)	(4,811,817)	226,946	(3,060,384)
OTHER FINANCING SOURCES (USES)						
Transfers Out	(274,140)		(242,209)	(242,209)	31,931	-
Long Term Debt Issued	5,054,026	5,054,026	-	5,054,026	-	-
Net change in fund balances	\$ (258,877)	\$ 271,773	(271,773)	\$ -	\$ 258,877	(3,060,384)
Fund balances-beginning			271,773			3,332,157
Fund balances-ending			\$ -			\$ 271,773

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, 2005
With Comparative Amounts for the Year Ended September 30, 2004

	TOTAL PROJECT AUTHORIZED	ACTUAL TO SEPTEMBER 30, 2005			COMMITTED BALANCE	LAST YEAR'S ACTUAL
		REPORTED IN PRIOR YEARS	CURRENT YEAR	TOTAL		
REVENUES						
Investment Earnings	\$ 617,493	\$ 312,390	\$ 305,103	\$ 617,493	\$ -	\$ 292,707
EXPENDITURES						
Capital Outlay:						
Administration Costs	1,854,657	-	-	-	1,854,657	-
Galv/Signals Various Locations	750,000	20,000	-	20,000	730,000	20,000
Fort Travis Park	442,485	-	-	-	442,485	-
Bay Area Blvd	145,515	-	-	-	145,515	-
FM 646 - IH 45 to FM 270	350,000	-	200,393	200,393	149,607	-
FM 646 - SH 6 to FM 517	1,376,000	-	14,698	14,698	1,361,302	-
FM 518 - FM 2094 to SH 146	975,000	-	-	-	975,000	-
FM 518 Bypass	520,000	-	-	-	520,000	-
SH 96	3,000,000	-	-	-	3,000,000	-
Bond Issuance Costs	154,363	154,363	-	154,363	-	-
Total expenditures	9,568,020	174,363	215,091	389,454	9,178,566	20,000
Excess (deficiency) of revenues over (under) expenditures	(8,950,527)	138,027	90,012	228,039	9,178,566	272,707
OTHER FINANCING SOURCES (USES)						
Face Value - Long Term Debt Issued	9,625,000	9,625,000	-	9,625,000	-	-
Discount - Long Term Debt Issued	(76,663)	(76,663)	-	(76,663)	-	-
Total other financing sources (uses)	9,548,337	9,548,337	-	9,548,337	-	-
Net change in fund balances	\$ 597,810	\$ 9,686,364	90,012	\$ 9,776,376	\$ 9,178,566	272,707
Fund balances-beginning			9,686,364			9,413,657
Fund balances-ending			\$ 9,776,376			\$ 9,686,364

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, 2005
With Comparative Amounts for the Year Ended September 30, 2004

	TOTAL PROJECT AUTHORIZED	ACTUAL TO SEPTEMBER 30, 2005			COMMITTED BALANCE	LAST YEAR'S ACTUAL
		REPORTED IN PRIOR YEARS	CURRENT YEAR	TOTAL		
REVENUES						
Intergovernmental	\$ 1,984,530	\$ -	\$ -	\$ -	\$ (1,984,530)	\$ -
EXPENDITURES						
Capital Outlay:						
Galveston Causeway RR Bridge	1,993,777	-	9,874	9,874	1,983,903	-
Total expenditures	1,993,777	-	9,874	9,874	1,983,903	-
Excess (deficiency) of revenues over (under) expenditures	(9,247)	-	(9,874)	(9,874)	(627)	-
OTHER FINANCING SOURCES (USES)						
Transfers In	9,247	-	9,877	9,877	630	-
Net change in fund balances	\$ -	\$ -	3	\$ 3	\$ 3	-
Fund balances-beginning			-			
Fund balances-ending			\$ 3			\$ -

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, 2005
With Comparative Amounts for the Year Ended September 30, 2004

	TOTAL PROJECT AUTHORIZED	ACTUAL TO SEPTEMBER 30, 2005			COMMITTED BALANCE	LAST YEAR'S ACTUAL
		REPORTED IN PRIOR YEARS	CURRENT YEAR	TOTAL		
REVENUES						
Investment Earnings	\$ -	\$ -	\$ 735	\$ 735	\$ 735	\$ -
Charges for Services			150,000	150,000	150,000	-
Total revenues	<u>-</u>	<u>-</u>	<u>150,735</u>	<u>150,735</u>	<u>150,735</u>	<u>-</u>
EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 150,735</u>	<u>\$ 150,735</u>	<u>\$ 150,735</u>	<u>\$ -</u>
Fund balances-beginning			<u>-</u>			<u>-</u>
Fund balances-ending			<u>\$ 150,735</u>			<u>\$ -</u>



The Galveston County Jail at
The New Galveston County Justice Center
December 14, 2004

Proprietary Funds

PROPRIETARY FUNDS

Proprietary Funds consist of:

Internal Service Funds

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

INTERNAL SERVICE FUNDS

PURPOSE:

GROUP INSURANCE FUND (FUND #6123) - The 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 (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.

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

GALVESTON COUNTY, TEXAS
COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS
September 30, 2005

	<u>GROUP INSURANCE</u>	<u>SELF- INSURANCE RESERVE</u>	<u>WORKER'S COMPENSATION</u>	<u>TOTAL</u>
ASSETS				
Cash and Cash Equivalents	\$ 1,684,392	\$ 1,284,024	\$ 1,931,786	\$ 4,900,202
Receivables (Net of Allowances for Uncollectibles):				
Interest	-	-	4,880	4,880
Accounts and Other	136,271	5,667	5,885	147,823
Prepaid Items	-	116,998	-	116,998
Total Assets	<u>1,820,663</u>	<u>1,406,689</u>	<u>1,942,551</u>	<u>5,169,903</u>
LIABILITIES				
Accounts Payable	\$ 20,792	\$ 9,633	\$ -	\$ 30,425
Salaries Payable	-	3,518	987	4,505
Estimated Liability - Claims	945,000	-	1,078,000	2,023,000
Total liabilities	<u>965,792</u>	<u>13,151</u>	<u>1,078,987</u>	<u>2,057,930</u>
NET ASSETS				
Unrestricted	<u>854,871</u>	<u>1,393,538</u>	<u>863,564</u>	<u>3,111,973</u>
Total net assets	<u><u>\$ 1,820,663</u></u>	<u><u>\$ 1,406,689</u></u>	<u><u>\$ 1,942,551</u></u>	<u><u>\$ 5,169,903</u></u>

GALVESTON COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET ASSETS
INTERNAL SERVICE FUNDS
For the Year Ended September 30, 2005

	GROUP INSURANCE	SELF- INSURANCE RESERVE	WORKER'S COMPENSATION	TOTAL
OPERATING REVENUES				
Charges for Services	\$ 7,354,438	\$ -	\$ -	\$ 7,354,438
Insurance Recovery - County	-	18,015	-	18,015
Reimbursements	366,157	-	4,744	370,901
Miscellaneous	-	28,880	-	28,880
Total operating revenues	7,720,595	46,895	4,744	7,772,234
OPERATING EXPENSES				
Personal Services	-	118,312	-	118,312
Contract Services	\$ 458,006	\$ 1,000	\$ 64,083	\$ 523,089
Insurance	460,676	675,954	105,156	1,241,786
Claims Paid	6,525,097	48,965	533,454	7,107,516
Total operating expenses	7,443,779	844,231	702,693	8,990,703
Operating income (loss)	276,816	(797,336)	(697,949)	(1,218,469)
NON-OPERATING REVENUES				
Investment Earnings	5,884	-	55,780	61,664
Income (loss) before transfers	282,700	(797,336)	(642,169)	(1,156,805)
Transfers In	436,679	730,000	583,000	1,749,679
Change in net assets	719,379	(67,336)	(59,169)	592,874
Total net assets-beginning	135,492	1,460,874	922,733	2,519,099
Total net assets-ending	\$ 854,871	\$ 1,393,538	\$ 863,564	\$ 3,111,973

**GALVESTON COUNTY, TEXAS
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended September 30, 2005**

	GROUP INSURANCE	SELF- INSURANCE RESERVE	WORKER'S COMPENSATION	TOTAL
Cash flows from operating activities:				
Receipts from Users	\$ 7,243,235	\$ 41,227	\$ (136)	\$ 7,284,326
Payments to Suppliers	(897,889)	(697,340)	(701,777)	(2,297,006)
Payments to Employees	-	(116,964)	-	(116,964)
Payments for Claims	(6,525,097)	(83,913)	-	(6,609,010)
Other Operating Revenues	366,156	-	-	366,156
Net cash provided (used) by operating activities	186,405	(856,990)	(701,913)	(1,372,498)
Cash flows from noncapital financing activities:				
Transfers in	436,679	730,000	583,000	1,749,679
Cash flows from investing activities:				
Investment Earnings	5,884	-	55,780	61,664
Net increase (decrease) in cash and cash equivalents	628,968	(126,990)	(63,133)	438,845
Cash and Cash Equivalents October 1, 2004	1,055,424	1,411,014	1,994,919	4,461,357
Cash and Cash Equivalents September 30, 2005	\$ 1,684,392	\$ 1,284,024	\$ 1,931,786	\$ 4,900,202
Income (loss) before transfers provided (used) by operating activities:				
Operating income (loss)	\$ 276,816	\$ (797,336)	\$ (697,949)	\$ (1,218,469)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
(Increase) Decrease in Accounts Receivable	(111,203)	(5,666)	-	(116,869)
(Increase) Decrease in Interest Receivable	-	-	(4,881)	(4,881)
(Increase) Decrease in Prepaid Items	-	(62,271)	-	(62,271)
Increase (Decrease) in Accounts Payable	20,792	6,936	-	27,728
Increase (Decrease) in Salaries Payable	-	1,347	917	2,264
Total adjustments	(90,411)	(59,654)	(3,964)	(154,029)
Net cash provided (used) by operating activities	\$ 186,405	\$ (856,990)	\$ (701,913)	\$ (1,372,498)

Fiduciary Funds

FIDUCIARY FUNDS

Fiduciary Funds consist of:

Agency Funds

Agency Funds report assets held in an agency capacity for others; these assets therefore cannot be used to support the government's own programs. Agency Funds are used to account for situations where the government's role is purely custodial, such as the receipt, temporary investment, and remittance of fiduciary resources to individuals, private organizations, and other governments.

AGENCY FUNDS

PURPOSE:

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

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

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

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

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

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

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

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

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

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

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

**GALVESTON COUNTY, TEXAS
COMBINING BALANCE SHEET
AGENCY FUNDS
September 30, 2005
With Comparative Amounts as of September 30, 2004**

	PAYROLL	ESCROW	CHILDREN'S PROTECTIVE SERVICES ESCROW	INMATE DEPOSITS
ASSETS				
Cash and Cash Equivalents	\$ 699,375	\$ 998,975	\$ 191,929	\$ 38,150
Receivables (Net of Allowances for Uncollectibles):				
Accounts and Other	-	27,517	-	-
Restricted Assets:				
Guardianship Assets	-	1,603,103	-	-
Total Assets	\$ 699,375	\$ 2,629,595	\$ 191,929	\$ 38,150
LIABILITIES				
Accounts Payable	\$ 32,490	\$ 5,970	\$ -	\$ -
Due to Others	-	35,660	-	38,150
Due to Other Entities	666,885	-	-	-
Deposits Held	-	984,862	191,929	-
Deposits Held for Restricted Assets	-	1,603,103	-	-
Total Liabilities	\$ 699,375	\$ 2,629,595	\$ 191,929	\$ 38,150

(Continued)

APPELLATE JUDICIAL SYSTEM FEES	DISTRICT CLERK TRUST	COUNTY CLERK TRUST	TAX ASSESSOR- COLLECTOR UNDISTRIBUTED COLLECTION	OFFICERS' UNDISTRIBUTED FEES
\$ -	\$ 9,256,499	\$ 5,575,089	\$ 3,067,013	\$ 8,954
665	-	-	-	-
-	-	-	-	-
\$ 665	\$ 9,256,499	\$ 5,575,089	\$ 3,067,013	\$ 8,954
\$ -	\$ -	\$ -	\$ -	\$ -
-	9,256,499	5,575,089	-	-
665	-	-	3,067,013	8,954
-	-	-	-	-
\$ 665	\$ 9,256,499	\$ 5,575,089	\$ 3,067,013	\$ 8,954

**GALVESTON COUNTY, TEXAS
COMBINING BALANCE SHEET
AGENCY FUNDS
September 30, 2005
With Comparative Amounts as of September 30, 2004**

	ADULT PROBATION UNDISTRIBUTED COLLECTION	BOND ESCROW	TOTALS	
			2005	2004
ASSETS				
Cash and Cash Equivalents	\$ 26,304	\$ 36,047	\$ 19,898,335	\$ 15,656,676
Receivables (Net of Allowances for Uncollectibles):				
Accounts and Other	-	-	28,182	38,057
Restricted Assets:				
Guardianship Assets	-	-	1,603,103	1,796,819
Total Assets	\$ 26,304	\$ 36,047	\$ 21,529,620	\$ 17,491,552
LIABILITIES				
Accounts Payable	\$ -	\$ -	\$ 38,460	\$ 42,764
Due to Others	-	36,047	14,941,445	11,909,977
Due to Other Entities	26,304	-	3,769,156	3,016,820
Deposits Held	-	-	1,177,456	725,172
Deposits Held for Restricted Assets	-	-	1,603,103	1,796,819
Total Liabilities	\$ 26,304	\$ 36,047	\$ 21,529,620	\$ 17,491,552

GALVESTON COUNTY, TEXAS
COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
For the Year Ended September 30, 2005

	<u>BALANCE</u> <u>10/1/04</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>9/30/05</u>
PAYROLL FUND				
ASSETS				
Cash and Cash Equivalents	\$ 757,729	\$ 100,106,047	\$ 100,164,401	\$ 699,375
LIABILITIES				
Accounts Payable	\$ 27,436	\$ 4,847,368	\$ 4,842,314	\$ 32,490
Due to Others	9,847	-	9,847	-
Due to Other Entities	720,446	18,316,059	18,369,620	666,885
Total liabilities	\$ 757,729	\$ 23,163,427	\$ 23,221,781	\$ 699,375
ESCROW FUND				
ASSETS				
Cash and Cash Equivalents	\$ 482,064	\$ 4,965,878	\$ 4,448,967	\$ 998,975
Receivables (Net of Allowances for Uncollectibles):				
Accounts and Other	37,902	203,343	213,728	27,517
Guardianship Assets	1,796,819	-	193,716	1,603,103
Total assets	\$ 2,316,785	\$ 5,169,221	\$ 4,856,411	\$ 2,629,595
LIABILITIES				
Accounts Payable	\$ 15,328	\$ 2,136,310	\$ 2,145,668	\$ 5,970
Due to Others	93	43,940	8,373	35,660
Deposits Held	504,545	4,569,242	4,088,925	984,862
Deposits Held for Restricted Assets	1,796,819	-	193,716	1,603,103
Total liabilities	\$ 2,316,785	\$ 6,749,492	\$ 6,436,682	\$ 2,629,595
CHILDREN'S PROTECTIVE SERVICES ESCROW FUND				
ASSETS				
Cash and Cash Equivalents	\$ 191,348	\$ 581	\$ -	\$ 191,929
LIABILITIES				
Deposits Held	\$ 191,348	\$ 581	\$ -	\$ 191,929
INMATE DEPOSITS FUND				
ASSETS				
Cash and Cash Equivalents	\$ 31,183	\$ 6,967	\$ -	\$ 38,150
LIABILITIES				
Due to Others	\$ 31,183	\$ 6,967	\$ -	\$ 38,150

(Continued)

GALVESTON COUNTY, TEXAS
COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
For the Year Ended September 30, 2005

	<u>BALANCE</u> <u>10/1/04</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>9/30/05</u>
APPELLATE JUDICIAL SYSTEM FEES FUND				
ASSETS				
Cash and Cash Equivalents	\$ 29,124	\$ 31,248	\$ 60,372	\$ -
Receivables:				
Accounts and Other	155	665	155	665
Total assets	\$ 29,279	\$ 31,913	\$ 60,527	\$ 665
LIABILITIES				
Deposits Held	\$ 29,279	\$ 31,758	\$ 60,372	\$ 665
DISTRICT CLERK TRUST FUND				
ASSETS				
Cash and Cash Equivalents	\$ 7,854,398	\$ 1,947,950	\$ 545,849	\$ 9,256,499
LIABILITIES				
Due to Others	\$ 7,854,398	\$ 1,402,101	-	\$ 9,256,499
COUNTY CLERK TRUST FUND				
ASSETS				
Cash and Cash Equivalents	\$ 3,978,409	\$ 1,596,680	-	\$ 5,575,089
LIABILITIES				
Due to Others	\$ 3,978,409	\$ 1,596,680	-	\$ 5,575,089
TAX ASSESSOR-COLLECTOR UNDISTRIBUTED COLLECTION FUND				
ASSETS				
Cash and Cash Equivalents	\$ 2,250,773	\$ 816,240	-	\$ 3,067,013
LIABILITIES				
Due to Other Entities	\$ 2,250,773	\$ 816,240	-	\$ 3,067,013
OFFICERS' UNDISTRIBUTED FEES FUND				
ASSETS				
Cash and Cash Equivalents	\$ 14,416	-	\$ 5,462	\$ 8,954
LIABILITIES				
Due to Other Entities	\$ 14,416	-	\$ 5,462	\$ 8,954

(Continued)

GALVESTON COUNTY, TEXAS
COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
For the Year Ended September 30, 2005

	<u>BALANCE</u> <u>10/1/04</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>9/30/05</u>
ADULT PROBATION				
UNDISTRIBUTED COLLECTION				
FUND				
ASSETS				
Cash and Cash Equivalents	\$ 31,185	\$ -	\$ 4,881	\$ 26,304
LIABILITIES				
Due to Other Entities	\$ 31,185	\$ -	\$ 4,881	\$ 26,304
BOND ESCROW FUND				
ASSETS				
Cash and Cash Equivalents	\$ 36,047	\$ -	\$ -	\$ 36,047
LIABILITIES				
Due to Others	\$ 36,047	\$ -	\$ -	\$ 36,047
DEFERRED COMPENSATION FUND				
TOTALS - ALL AGENCY FUNDS				
ASSETS				
Cash and Cash Equivalents	\$ 15,656,676	\$ 109,471,591	\$ 105,229,932	\$ 19,898,335
Receivables (Net of Allowances for Uncollectibles):				
Accounts and Other	38,057	204,008	213,883	28,182
Guardianship Assets	1,796,819	-	193,716	1,603,103
Total assets	\$ 17,491,552	\$ 109,675,599	\$ 105,637,531	\$ 21,529,620
LIABILITIES				
Accounts Payable	\$ 42,764	\$ 6,983,678	\$ 6,987,982	\$ 38,460
Due to Others	11,909,977	3,049,688	18,220	14,941,445
Due to Other Entities	3,016,820	19,132,299	18,379,963	3,769,156
Deposits Held	725,172	4,601,581	4,149,297	1,177,456
Deposits Held for Restricted Assets	1,796,819	-	193,716	1,603,103
Total liabilities	\$ 17,491,552	\$ 33,767,246	\$ 29,729,178	\$ 21,529,620



The Galveston County Courts Building at
The New Galveston County Justice Center
October 1, 2004

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, 2005 and 2004

	2005	2004
GOVERNMENTAL FUNDS CAPITAL ASSETS		
Land	\$ 22,102,031	\$ 21,979,962
Buildings and Improvements	54,967,410	48,672,615
Improvements Other Than Buildings	553,322	436,239
Machinery and Equipment	21,964,652	20,592,142
Infrastructure	140,906,440	133,799,986
Construction in Progress	95,113,998	54,848,719
Total governmental funds capital assets	\$ 335,607,853	\$ 280,329,663
 INVESTMENT IN GOVERNMENTAL FUNDS CAPITAL ASSETS BY SOURCE		
General Fund	\$ 18,667,205	\$ 17,359,421
Special Revenue Funds and Grants	14,278,853	13,743,694
Capital Projects Funds	300,803,977	249,180,063
Gifts	1,857,818	46,485
Total governmental funds capital assets	\$ 335,607,853	\$ 280,329,663

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 Galveston County Courts Building at
The New Galveston County Justice Center
October 1, 2004

GALVESTON COUNTY, TEXAS
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY FUNCTION AND ACTIVITY
 September 30, 2005

FUNCTION AND ACTIVITY	LAND	BUILDINGS	IMPROVEMENTS			MACHINERY & EQUIPMENT	INFRASTRUCTURE	CONSTRUCTION IN PROGRESS
			BUILDINGS	OTHER THAN BUILDINGS				
General government:								
General Government	\$ 10,700,029	\$ 19,123,634	\$	289,580	\$	-	\$	94,266,078
County Clerk	-	-	-	-	736,652	-	-	-
County Records Management	-	-	-	-	149,962	-	-	-
Justice Courts	48,220	171,621	-	-	-	-	-	-
District Clerk	-	-	-	-	131,492	-	-	-
District Attorney	-	-	-	-	94,889	-	-	-
County Auditor	-	-	-	-	19,697	-	-	-
Director of Finance and Administration	-	-	-	-	51,758	-	-	-
Tax Assessor-Collector	-	-	-	-	110,591	-	-	-
Information Technology	-	-	-	-	3,482,501	-	-	-
Facilities Services	-	-	-	-	912,916	-	-	-
Maintenance and Repairs	-	-	-	-	96,485	-	-	-
County Engineer	-	-	-	-	-	-	-	9,874
Total general government	10,748,249	19,295,255	289,580	5,786,943	-	-	94,275,952	
Public safety:								
Sheriff	527,177	18,424,136	75,360	8,031,487	-	-	-	
Medical Examiner	-	409,641	-	-	-	-	-	
Juvenile Justice	18,047	5,910,873	-	238,415	-	-	-	
Emergency Management	-	-	-	67,487	-	-	-	
Flood Control	1,065,717	345,002	-	229,940	77,846,864	-	95,246	
Total public safety	1,610,941	25,089,652	75,360	8,567,329	77,846,864	-	95,246	
Roads, bridges, and right-of-way:								
Road Department	234,034	417,802	-	4,945,573	47,644,615	-	-	
Road District #1	-	-	-	21,552	9,705,186	-	12,222	
Rights of Way Department	1,881,834	-	-	10,000	-	-	-	
Total roads, bridges, and rights-of-way	2,115,868	417,802	-	4,977,125	57,349,801	-	12,222	

GALVESTON COUNTY, TEXAS
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY FUNCTION AND ACTIVITY
September 30, 2005

FUNCTION AND ACTIVITY	IMPROVEMENTS				CONSTRUCTION IN PROGRESS
	LAND	BUILDINGS	OTHER THAN BUILDINGS	MACHINERY & EQUIPMENT	
Health and social services:					
Health Administration and Sanitation	378,794	1,320,808	-	-	-
Mosquito Control District	-	-	-	660,559	-
Senior Citizens	42,595	1,042,943	-	235,282	-
Total health and social services	421,389	2,363,751	-	895,841	-
Culture and recreation:					
Museum	20,677	62,352	-	-	-
Beach and Parks Department	7,184,907	7,738,598	188,382	1,200,164	730,578
Beach Maintenance-Road and Bridge	-	-	-	435,697	-
Total culture and recreation	7,205,584	7,800,950	188,382	1,635,861	730,578
Conservation	-	-	-	101,553	-
Total governmental funds capital assets	\$ 22,102,031	\$ 54,967,410	\$ 553,322	\$ 21,964,652	\$ 95,113,998

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.

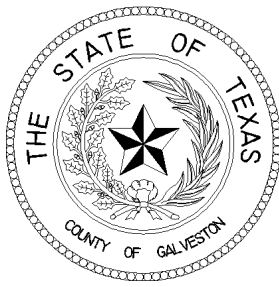
GALVESTON COUNTY, TEXAS
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY
For the Fiscal Year Ended September 30, 2005

FUNCTIONS AND ACTIVITY	GOVERNMENTAL FUNDS CAPITAL ASSETS				GOVERNMENTAL FUNDS CAPITAL ASSETS
	OCTOBER 1, 2004	ADDITIONS	DEDUCTIONS	TRANSFERS	SEPTEMBER 30, 2005
General government:					
General Government	\$ 73,324,726	\$ 57,211,031	\$ (6,147,950)	(8,486)	\$ 124,379,321
County Clerk	788,069	-	(23,667)	(27,750)	736,652
County Records Management	149,962	-	-	-	149,962
Justice Courts	219,841	-	-	-	219,841
District Clerk	131,492	-	-	-	131,492
District Attorney	94,889	-	-	-	94,889
County Auditor	19,697	-	-	-	19,697
Director of Finance & Administration	28,200	25,758	(2,200)	-	51,758
Tax Assessor-Collector	110,591	-	-	-	110,591
Information Technology	2,963,268	178,187	(99,096)	440,142	3,482,501
Facilities Services	892,336	20,580	-	-	912,916
Maintenance and Repairs	108,985	-	(12,500)	-	96,485
County Engineer	6,661	9,874	-	(6,661)	9,874
Total general governmental	78,838,717	57,445,430	(6,285,413)	397,245	130,395,979
Public safety:					
Sheriff's Department	26,348,259	1,683,304	(546,890)	(426,513)	27,058,160
Justice Administration	-	-	(28,202)	28,202	-
Constables Precinct #9	-	-	-	-	-
Medical Examiner	390,779	18,862	-	-	409,641
Juvenile Justice	6,100,201	152,430	(85,296)	-	6,167,335
Emergency Management	36,572	11,433	-	19,482	67,487
Flood Control	79,835,405	125,739	(378,375)	-	79,582,769
Total public safety	112,711,216	1,991,768	(1,038,763)	(378,829)	113,285,392
Roads, bridges, and right-of-way:					
Road Department	51,497,879	2,364,324	(602,189)	(17,990)	53,242,024
Road District #1	9,728,407	25,150	(14,597)	-	9,738,960
Rights-of-Way Department	1,870,917	21,000	(83)	-	1,891,834
Total roads, bridges, and rights-of-way	63,097,203	2,410,474	(616,869)	(17,990)	64,872,818
Health and social services:					
Health Administration and Sanitation	1,699,602	-	-	-	1,699,602
Mosquito Control District	638,309	22,250	-	-	660,559
Senior Citizens	1,293,285	45,525	(17,990)	-	1,320,820
Total health and social services	3,631,196	67,775	(17,990)	-	3,680,981
Culture and recreation:					
Museum	83,029	-	-	-	83,029
Beach and Parks Department	21,407,277	6,695,425	(5,349,872)	(426)	22,752,404
Beach Maintenance- Road and Bridge	465,201	-	(29,504)	-	435,697
Total culture and recreation	21,955,507	6,695,425	(5,379,376)	(426)	23,271,130
Conservation	95,824	20,870	(15,141)	-	101,553
Total governmental funds capital assets	\$ 280,329,663	\$ 68,631,742	\$ (13,353,552)	\$ -	\$ 335,607,853

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.



Early Construction at
The New Galveston County Justice Center -
Workers Drive Pilings on March 8, 2004



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Government-wide Information

GALVESTON COUNTY, TEXAS
GOVERNMENT-WIDE EXPENSES BY FUNCTION
LAST TEN FISCAL YEARS
(amounts expressed in thousands)

Fiscal Year	General Government	Public Safety	Sanitation	Health and Social Services	Culture and Recreation & Other	Conservation	Roads, Bridges, Rights-of-Way	Interest on Long Term Debt	Total
2003*	\$ 41,671	\$ 35,293	\$ -	\$ 5,885	\$ 3,037	\$ 328	\$ 17,077	\$ 5,841	\$ 109,132
2004	42,501	36,420	18	12,196	6,827	315	19,991	10,173	128,441
2005	38,235	39,716	18	15,798	4,347	402	9,552	10,269	118,337

* The first year of implementation of the Governmental Accounting Standards Board's Statement No. 34. Therefore, government-wide financial information for years prior to fiscal year 2003 is not available.

**GALVESTON COUNTY, TEXAS
GOVERNMENT-WIDE REVENUES
LAST TEN FISCAL YEARS
(amounts expressed in thousands)**

Fiscal Year	PROGRAM REVENUES			GENERAL REVENUES				Total
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Taxes	Payments in Lieu of Taxes	Unrestricted Investment Earnings	Miscellaneous	
2003*	\$ 15,311	\$ 11,904	\$ 1,232	\$ 74,853	\$ 1,064	\$ 3,657	\$ 94	\$ 108,115
2004	16,496	11,430	3,177	82,851	758	5,865	221	120,798
2005	15,551	14,216	3,575	89,846	875	4,413	406	128,882

* The first year of implementation of the Governmental Accounting Standards Board's Statement No. 34. Therefore, government-wide financial information for years prior to fiscal year 2003 is not available.



Site of the Future
Galveston County Justice Center
2003

Fund Information

GALVESTON COUNTY, TEXAS
GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION
LAST TEN FISCAL YEARS (1)
(amounts expressed in thousands)

Fiscal Year	General Government	Public Safety	Sanitation	Health and Social Services	Conservation	Culture and Recreation & Other	Road, Bridges, Rights - of Way	Capital Outlay (Including Capital Projects)	Debt Service	Total
1995-96	22,001	20,312	550	6,006	141	2,404	5,396	11,295	6,311	74,416
1996-97	22,278	26,161	566	3,922	134	690	6,135	11,015	6,311	77,212
1997-98	24,830	29,119	343	3,624	142	261	5,409	9,232	6,295	79,255
1998-99	32,899	23,827	380	4,283	155	1,588	5,535	9,327	6,291	84,285
1999-00	28,242	28,221	115	4,669	198	2,706	5,430	4,772	6,735	81,088
2000-01	31,585	28,430	-	5,420	242	3,005	4,379	10,974	6,937	90,972
2001-02	32,512	28,359	-	5,065	246	2,332	4,938	14,370	9,767	97,589
2002-03	36,937	30,751	-	5,624	310	2,351	4,308	36,342	11,707	128,330
2003-04	34,864	32,960	18	14,996	301	3,045	4,510	64,751	12,580	168,025
2004-05	39,269	33,785	18	14,978	349	2,378	5,023	61,329	14,412	171,541

(1) Includes General, Special Revenue, Debt Service, and Capital Projects Funds.

GALVESTON COUNTY, TEXAS
GENERAL GOVERNMENTAL REVENUES BY SOURCE
LAST TEN FISCAL YEARS (1)
(amounts expressed in thousands)

Fiscal Year	Taxes	Licenses and Permits	Inter-Governmental Revenues	Charges for Services	Fines and Forfeitures	Investment Income	Miscellaneous	Total
1995-96	50,965	1,850	9,702	6,482	1,667	2,478	2,295	75,439
1996-97	52,044	1,869	10,272	6,863	1,766	2,642	2,070	77,526
1997-98	53,390	1,847	9,477	8,553	2,153	2,861	2,387	80,668
1998-99	54,760	2,050	8,696	7,624	3,184	2,282	7,634	86,230
1999-00	58,035	2,061	11,494	7,898	3,414	3,002	4,776	90,665
2000-01	60,713	2,028	11,913	8,210	3,136	3,922	3,008	92,930
2001-02	68,843	2,088	9,749	8,858	3,024	4,290	2,948	99,800
2002-03	74,072	2,058	11,560	8,262	2,679	3,657	5,046	107,334
2003-04	82,990	2,100	14,476	8,117	2,818	5,992	5,188	121,681
2004-05	88,759	2,140	15,121	8,334	2,786	4,676	4,567	126,383

(1) Includes General, Special Revenue, Debt Service, and Capital Projects Funds.

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

<u>Year of Levy</u>	<u>Total Adjusted Tax Roll (2)</u>	<u>Collection of Current Year's Taxes During Fiscal Period (3) (4)</u>	<u>% of Taxes Levied</u>	<u>Collection of Prior Years' Taxes During Fiscal Period (4)</u>	<u>Total Collection (4)</u>	<u>Ratio of Collected To Tax Levy</u>
1995-96	50,866	49,297	96.92	2,921	52,218	102.66
1996-97	52,463	50,969	97.15	2,848	53,817	102.58
1997-98	53,033	51,444	97.00	3,120	54,564	102.89
1998-99	57,323	54,959	95.88	2,986	57,945	101.09
1999-00	59,947	58,219	97.12	3,253	61,472	102.54
2000-01	67,524	65,210	96.57	3,501	68,711	101.76
2001-02	71,938	68,925	95.81	3,755	72,680	101.03
2002-03	81,794	78,926	96.49	3,914	82,840	101.28
2003-04	89,754	85,261	95.42	4,563	89,825	100.52
2004-05	94,608	Not available at the time of publication				

- (1) Tax levied in September, collections begin October 1st. Amounts include Farm-to-Market Lateral Road and Flood Control levies and collections. Collections for 1999 and 2000 began in September.
Source: County Tax Assessor-Collector.
- (2) July 1st to June 30th, 2000; July 1, 2000 to July 31, 2001, August 1, 2001 to July 31, 2002.
- (3) October 1st to June 30th, following September levy; for years beginning 8/1/2001 and after, the year runs 8/1/XX to the following 7/31/XX.
- (4) Collection amounts include overpayments which may be, or have been, refunded to taxpayers.

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

Fiscal Year (2)	Real Property	Personal Property	Utilities Pipelines, and Boats	Intangibles	Total
1995-96	10,002,935	1,482,424	86,712	-	11,572,071
1996-97	10,383,915	1,524,202	83,964	-	11,992,081
1997-98	10,626,988	1,560,846	78,102	-	12,265,935
1998-99	11,156,707	1,443,559	75,250	-	12,675,516
1999-00	11,711,898	1,431,205	75,538	-	13,218,641
2000-01	12,825,566	1,590,201	55,637	-	14,471,404
2001-02	13,336,144	1,550,788	75,690	-	14,962,622
2002-03	14,332,527	1,621,379	79,972	-	16,033,878
2003-04	15,251,686	1,784,979	66,875	-	17,103,540
2004-05	16,721,295	2,037,032	73,070	-	18,831,397

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

Estimated value is 100% of actual value.

Source: Texas Property Code, Section 1.04 (9)

(2) The year shown above is the year of the tax levy without regard to the entity 's fiscal year.

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

Taxing Jurisdiction	2005	2004	2003	2002	2001
<u>Galveston County</u>	\$0.638750	\$0.640000	\$0.000000	\$0.565400	\$0.545000
<u>Cities</u>					
Galveston	0.541700	0.541700	0.554900	0.559100	0.548600
Friendswood	0.638500	0.638500	0.638500	0.638500	0.638500
Hitchcock	0.538900	0.581380	0.568400	0.567000	0.567000
Jamaica Beach	0.345400	0.420820	0.460900	0.479930	0.522499
La Marque	0.540300	0.510340	0.536100	0.536100	0.546100
League City	0.630000	0.640000	0.650000	0.662500	0.667500
Texas City	0.456240	0.456240	0.357500	0.333500	0.328750
Tiki Island	0.175900	0.165890	0.169100	0.159600	0.164288
Bayou Vista	0.354000	0.340000	0.375000	0.370100	0.378077
Clear Lake Shores	0.238600	0.241810	0.262633	0.329600	0.339507
Crystal Beach	0.000000	0.000000	0.000000	0.000000	0.000000
Dickinson	0.414500	0.391500	0.373000	0.390000	0.350574
Kemah	0.170200	0.150000	0.071200	0.092600	0.095000
Santa Fe	0.274700	0.271900	0.000000	0.262000	0.352100
#					
School and Junior College Districts					
Galveston	1.710000	1.560000	1.570000	1.520000	1.520000
Friendswood	1.637000	1.637000	1.637000	1.617000	1.585000
Hitchcock	1.710000	1.710000	1.710000	1.710000	1.705900
La Marque	1.743000	1.730000	1.650000	1.625000	1.625005
Texas City	1.613000	1.623400	1.604700	1.611900	1.611800
Clear Creek	1.745000	1.730000	1.740000	1.725000	1.700840
Dickinson	1.738000	1.743000	1.764000	1.747000	1.754000
High Island	1.709100	1.770000	1.500000	1.500000	1.500000
Santa Fe	1.570000	1.570000	1.570000	1.510000	1.422000
College of the Mainland	0.245250	0.263060	0.231870	0.218000	0.218000
Galveston College	0.195200	0.195200	0.195200	0.195200	0.197800
Special Districts					
Bacliff MUD	0.243700	0.238260	0.165000	0.070000	0.080000
Bayview MUD	0.220000	0.220000	0.236800	0.240000	0.237800

(Continued)

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

<u>Taxing Jurisdiction</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>
<u>Galveston County</u>	\$0.545000	\$0.520000	\$0.000000	\$0.520000	\$0.520000
<u>Cities</u>					
Galveston	0.549850	0.549400	0.547200	0.546900	0.548000
Friendswood	0.638500	0.612500	0.596100	0.615600	0.663000
Hitchcock	0.567000	0.567000	0.585000	0.600000	0.600000
Jamaica Beach	0.597420	0.597420	0.597420	0.633000	0.633000
La Marque	0.523000	0.533000	0.523000	0.495000	0.460000
League City	0.670000	0.725000	0.750000	0.775000	0.755000
Texas City	0.298750	0.285000	0.269000	0.252000	0.252000
Tiki Island	0.163352	0.168632	0.159299	0.160915	0.171797
Bayou Vista	0.402377	0.407397	0.353176	0.362698	0.359000
Clear Lake Shores	0.339507	0.328701	0.316654	0.301140	0.305570
Crystal Beach	0.000000	0.000000	0.000000	0.000000	0.000000
Dickinson	0.351112	0.351112	0.341112	0.314732	0.307262
Kemah	0.163790	0.260000	0.277428	0.320000	0.274880
Santa Fe	0.354100	0.374500	0.000000	0.372700	0.384200
<u>School and Junior College Districts</u>					
Galveston	1.520000	1.520000	1.500000	1.500000	1.500000
Friendswood	1.535000	1.672000	1.575000	1.590000	1.609000
Hitchcock	1.705900	1.710000	1.693500	1.710000	1.710000
La Marque	1.615959	1.644100	1.614100	1.654068	1.663316
Texas City	1.608000	1.520000	1.490000	1.490000	1.490000
Clear Creek	1.598560	1.641520	1.590000	1.470000	1.470000
Dickinson	1.751000	1.710000	1.710000	1.716700	1.716700
High Island	1.500000	1.500000	1.500000	1.490000	1.490000
Santa Fe	1.367000	1.494000	1.444000	1.360000	1.394300
College of the Mainland	0.215762	0.198815	0.198815	0.186476	0.173399
Galveston College	0.197800	0.187800	0.187800	0.177500	0.177500
<u>Special Districts</u>					
Bacliff MUD	0.185000	0.202000	0.240000	0.250400	0.258700
Bayview MUD	0.232900	0.238400	0.250000	0.150000	0.150000

(Continued)

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

<u>Taxing Jurisdiction</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
<u>Special Districts (Continued)</u>					
South Shore MUD #2	0.450000	0.520000	0.570000	0.000000	0.570000
South Shore MUD #3	0.220000	0.240000	0.300000	0.300000	0.325000
South Shore MUD #6	1.000000	1.000000	0.380000	0.400000	0.460000
Tara Glen MUD	0.700000	0.700000	0.725000	0.750000	0.800000
Clear Creek Drainage District	0.150000	0.150000	0.155000	0.155000	0.155000
Fresh Water Supply District #6	0.249600	0.245080	0.282700	0.219500	0.257210
Galveston County EMS District	0.085800	0.085800	0.095390	0.095060	0.094199
Galveston County MUD #1	0.460000	0.460000	0.460000	0.460000	0.445282
Galveston County MUD #2	0.365000	0.390000	0.430000	0.460000	0.560000
Galveston County MUD #3	0.250000	0.320000	0.390000	0.430000	0.450000
Galveston County MUD #6	0.700000	0.700000	0.700000	0.750000	0.860000
Galveston County MUD #12	0.220100	0.258620	0.252862	0.188400	0.245468
Galveston County MUD #13	0.760000	0.860000	0.915000	0.965000	0.965000
Galveston County MUD #14	0.920000	0.970000	1.000000	1.000000	1.000000
Galveston County MUD #15	0.830000	0.860000	0.870000	0.870000	0.870890
Galveston County MUD #29	0.175000	0.175000	0.175000	0.175000	0.188758
Galveston County MUD #39	0.900000	0.900000	0.000000	0.000000	0.000000
Galveston County Navigation District	0.040900	0.042000	0.042000	0.040600	0.041136
Road District #1	0.000000	0.000000	0.000000	0.000000	0.000000
Water Control Improvement Dist. #1	0.262500	0.262620	0.310000	0.330000	0.350000
Water Control Improvement Dist. #8	0.250000	0.250000	0.250000	0.250000	0.250000
Water Control Improvement Dist. #12	0.420000	0.470000	0.520000	0.526900	0.526900
Water Control Improvement Dist. #19	0.170800	0.150170	0.152700	0.153100	0.156102
San Leon MUD	0.449100	0.450500	0.488000	0.446000	0.287000
Drainage District #1	0.090100	0.090100	0.095800	0.097200	0.088061
Drainage District #2	0.058800	0.058800	0.058800	0.056600	0.056273
Drainage District #3	0.000000	0.000000	0.000000	0.216100	0.234694
Drainage District #4	0.000000	0.000000	0.000000	0.000000	0.000000
Galveston Co Consolidated Dr Dist #8 (3)	0.000000	0.000000	0.150000	0.000000	0.000000

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

<u>Taxing Jurisdiction</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>
<u>Special Districts (Continued)</u>					
South Shore MUD #2	0.600000	0.610000	0.620000	0.570000	0.570000
South Shore MUD #3	0.335000	0.335000	0.343000	0.430000	0.430000
South Shore MUD #6	0.510000	0.580000	0.620000	0.720000	0.720000
Tara Glen MUD	0.800000	0.820000	0.826300	0.860000	0.900000
Clear Creek Drainage District	0.150000	0.150000	0.142500	0.141000	0.143000
Fresh Water Supply District #6	0.255028	0.285953	0.305711	0.393870	0.460000
Galveston County EMS District	0.092571	0.095720	0.099740	0.099740	0.100000
Galveston County MUD #1	0.475325	0.475661	0.480000	0.424400	0.432587
Galveston County MUD #2	0.615000	0.685000	0.785000	0.950000	0.983000
Galveston County MUD #3	0.480000	0.540000	0.604000	0.630000	0.670000
Galveston County MUD #6	0.860000	0.900000	0.900000	0.900000	0.900000
Galveston County MUD #12	0.305565	0.334035	0.406895	0.388076	0.400810
Galveston County MUD #13	0.965000	0.969000	0.990000	0.990000	1.150000
Galveston County MUD #14	0.186150	0.186150	0.200000	0.000000	0.000000
Galveston County MUD #15	0.870890	0.880400	0.880840	0.000000	0.000000
Galveston County MUD #29	0.205000	0.203000	0.000000	0.199275	0.250300
Galveston County MUD #39	0.000000	0.000000	0.000000	0.000000	0.000000
Galveston County Navigation District	0.040032	0.039610	0.036290	0.032190	0.029200
Road District #1	0.000000	0.000000	0.000000	0.000000	0.000000
Water Control Improvement Dist. #1	0.370000	0.380000	0.380000	0.400000	0.400000
Water Control Improvement Dist. #8	0.182500	0.210510	0.250000	0.250000	0.239200
Water Control Improvement Dist. #12	0.567600	0.567600	0.567600	0.570000	0.631140
Water Control Improvement Dist. #19	0.367270	0.367790	0.384226	0.415435	0.468006
San Leon MUD	0.287000	0.290000	0.320000	0.258300	0.258300
Drainage District #1	0.088022	0.096819	0.100517	0.098350	0.101504
Drainage District #2	0.054294	0.054419	0.052586	0.049173	0.046581
Drainage District #3	0.234694	0.275190	0.314069	0.350320	0.329241
Drainage District #4	0.000000	0.000000	0.000000	0.000000	0.000000
Galveston Co Consolidated Dr Dist #8 (3)	0.000000	0.000000	0.000000	0.000000	0.000000

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

Source: Taxpayer's Research Council of Galveston County.

(2) Rates are for the 12 months preceding September 30th, that year (October 1st to September 30th).

(3) Drainage District #3 and Clear Creek Drainage District consolidated as of February, 2002.

**GALVESTON, COUNTY TEXAS
PRINCIPAL TAXPAYERS (1)
September 30, 2005
(amounts expressed in thousands)**

<u>Taxpayer</u>	<u>Assessed Value</u>	<u>% of Total Tax Roll</u>
1. B.P. Products (NA), Inc.	\$ 1,164,541	6.18%
2. Valero Refining-Texas LP	464,394	2.47%
3. Union carbide Corporation	278,761	1.48%
4. Sterling Chemicals	184,490	0.98%
5. Marathon Petroleum Company LLC	139,368	0.74%
6. BP Amoco Chemical Company	135,779	0.72%
7. South Houston Green Power, LP	130,081	0.69%
8. Centerpoint Energy, Inc.	105,351	0.56%
9. Praxair Incorporated	113,092	0.60%
10. Innovene LLC	88,783	0.47%
11. Texas-New Mexico Power Company	88,580	0.47%
12. B.A.S.F. Corporation	60,218	0.32%
13. Calpine Central LP	55,614	0.30%
14. ISP Technologies, Incorporated	51,514	0.27%
15. Southwestern Bell Telephone Company	44,512	0.24%
16. GTE Southwest Incorporated	39,641	0.21%
17. Praxair Hydrogen Supply Incorporated	36,558	0.19%
18. Lyondell-CITGO Refining LP	35,118	0.19%
19. Texas and Kansas City Cable Partners	31,959	0.17%
20. Texas City Terminal Railway Company	26,930	0.14%
Totals	<u>\$ 3,275,284</u>	<u>17.39%</u>

(1) Source: Galveston Central Appraisal District. Total assessed value = 18,831,397

GALVESTON COUNTY, TEXAS
COMPUTATION OF THE LEGAL DEBT MARGIN
September 30, 2005
(amounts expressed in thousands)

Bonds Issued Under Texas General Laws

Assessed value of all taxable property (excluding exemptions)		\$	18,831,397
Debt limit rate		X	5%
Amount of debt limit			941,570
Amount of debt applicable to constitutional debt limit:			
Total general bonded debt, including cumulative accretion	\$		204,331
Debt Service fund balance			(3,586)
Total debt applicable to limitation			200,745
Legal debt margin		\$	740,825

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.

Bonds Issued Under Article 3, Section 52

Assessed value of real property (excluding exemptions)		\$	16,721,295
Debt limit rate		X	25%
Amount of debt limit			4,180,324
Road bonds outstanding, including cumulative accretion			(38,225)
Legal debt margin		\$	4,142,099

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

Fiscal Year	Population (1)	Assessed Value *	Gross Bonded Debt *	Less Debt Service Funds*	Net Bonded Debt *	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
1995-96	217,399	11,572,071	34,448	3,569	30,879	0.27	142
1996-97	217,399	11,992,081	30,865	1,956	28,910	0.24	133
1997-98	217,399	12,265,935	27,496	1,536	25,960	0.21	119
1998-99	217,399	12,675,516	24,456	1,305	23,151	0.18	107
1999-00	248,469	13,218,641	41,978	1,251	40,727	0.31	164
2000-01	250,158	14,471,404	98,817	1,721	97,096	0.67	388
2001-02	250,158	14,962,622	107,449	1,728	105,721	0.71	423
2002-03	250,158	16,033,878	210,661	1,337	209,324	1.31	837
2003-04	250,158	17,103,540	208,405	2,773	205,632	1.20	822
2004-05	261,219	18,831,397	204,331	3,586	200,745	1.07	770

* Amounts expressed in thousands.

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

GALVESTON COUNTY, TEXAS
RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR GENERAL OBLIGATION
BONDED DEBT TO TOTAL GENERAL GOVERNMENTAL EXPENDITURES
LAST TEN FISCAL YEARS
(amounts expressed in thousands)

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest and Fiscal Charges</u>	<u>Total Debt Service</u>	<u>Total General Governmental Expenditures</u>	<u>Ratio of Debt Service to General Governmental Expenditures</u>
1995-96	3,506	2,805	6,311	74,416	8.48
1996-97	3,583	2,728	6,311	77,212	8.17
1997-98	3,369	2,926	6,295	79,255	7.95
1998-99	3,040	3,251	6,291	84,285	7.46
1999-00	3,667	3,068	6,735	81,088	8.31
2000-01	3,937	3,000	6,937	90,972	7.66
2001-02	5,030	4,620	9,650	97,593	9.89
2002-03	5,685	4,478	10,163	128,331	7.86
2003-04	3,815	8,164	11,979	168,025	7.13
2004-05	5,735	8,254	13,989	171,541	8.15

GALVESTON, COUNTY TEXAS
COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT (1)
GENERAL OBLIGATION BONDS
September 30, 2005
(amounts expressed in thousands)

<u>Jurisdiction</u>	<u>Net General Obligation Bonded Debt Outstanding</u>	<u>Percentage Applicable to Government</u>	<u>Amount Applicable to Government</u>
Galveston County (2)	\$ 197,928 *	100%	\$ 197,928
<u>Cities</u>			
Dickinson	2,983	100%	2,983
Friendswood	21,370	80.44%	17,190
Galveston	21,269	100%	21,269
Hitchcock	2,460	100%	2,460
Jamaica Beach	-	100%	-
La Marque	3,895	100%	3,895
League City	89,290	99.01%	88,406
Texas City	48,065	100%	48,065
Total Cities	<u>189,332</u>		<u>184,268</u>
<u>School Districts</u>			
Dickinson	77,508	100%	77,508
Friendswood	24,020	100%	24,020
Galveston	84,005	100%	84,005
High Island	2,070	100%	2,070
Hitchcock	7,366	100%	7,366
La Marque	32,743	100%	32,743
Sante Fe	16,699	100%	16,699
Texas City	48,065	100%	48,065
Total School Districts	<u>292,476</u>		<u>292,476</u>
<u>Co-Line School Districts</u>			
Clear Creek	<u>520,725</u>	19.41%	<u>101,073</u>
<u>Other</u>			
Baycliff Mud	9,370	100%	9,370
Bayview Mud	495	100%	495
Galveston County FWSD #6	3,085	100%	3,085
Galveston County MUD #1	-	100%	-
Galveston County MUD #2	7,215	100%	7,215

(Continued)

GALVESTON, COUNTY TEXAS
COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT (1)
GENERAL OBLIGATION BONDS
September 30, 2005
(amounts expressed in thousands)

<u>Jurisdiction</u>	<u>Net General Obligation Bonded Debt Outstanding</u>	<u>Percentage Applicable to Government</u>	<u>Amount Applicable to Government</u>
<u>Other (Continued)</u>			
Galveston County MUD #3	8,875	100%	8,875
Galveston County MUD #6	20,175	100%	20,175
Galveston County MUD #12	1,670	100%	1,670
Galveston County MUD #13	10,355	100%	10,355
Galveston County MUD #14	14,995	100%	14,995
Galveston County MUD #15	11,475	100%	11,475
Galveston County MUD #29	4,095	100%	-
Galveston County MUD #39	10,205	100%	10,205
San Leon MUD	4,165	100%	4,165
Galveston WCID #1	11,103	100%	11,103
Galveston WCID #8	675	100%	675
Galveston WCID #12	17,315	100%	17,315
South Shore Harbor MUD #2	7,660	100%	7,660
South Shore Harbor MUD #3	4,755	100%	4,755
South Shore Harbor MUD #6	9,445	100%	9,445
South Shore Harbor MUD #7	14,250	100%	14,250
Tara Glen MUD	4,325	100%	4,325
Total Other	<u>175,703</u>		<u>171,608</u>
Total Gross and Overlapping Debt	<u>\$ 1,376,164</u>		<u>\$ 947,353</u>
Ratio of Direct and Overlapping Debt to 2005 Net Taxable Assessed Valuation			6.13%
Per Capita Direct and Overlapping Debt (2003 population of 261,219)			\$ 3,642
Net Taxable Assessed Valuation			\$ 15,508,998

* Excludes the Refunding Obligations , includes the Bonds; preliminary, subject to change.

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

(2) Amounts include the "Bonds."

**GALVESTON COUNTY, TEXAS
DEMOGRAPHIC STATISTICS
September 30, 2005**

Population (1)

Galveston County		Incorporated Cities	
Census Year	Population	City	2000 Population
1940	81,173	Galveston	57,355
1950	113,006		
1960	140,364	Clear Lake Shores	1,254
1970	169,812		
1980	195,940	Dickinson	17,749
1990	217,399		
2000	250,158	Friendswood	32,717
		Hitchcock	7,147
		Jamaica Beach	1,105
		Kemah	2,377
		La Marque	13,733
	250158	League City	57,981
	261219	Santa Fe	10,371
		Texas City	43,535
		Tiki Island	1,148

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

Date	Civilian Labor Force	Total Unemployment	Percent Unemployment	Total Employed
1996	126,002	10,102	8.0	115,900
1997	128,200	9,300	7.2	118,900
1998	125,894	8,351	6.6	117,543
1999	123,949	7,075	5.7	116,574
2000	119,800	5,477	4.6	114,278
2001	116,800	6,978	6.0	109,803
2002	118,300	8,130	6.9	110,249
2003	124,100	9,675	7.8	114,369
2004	139,701	9,523	6.8	130,178
2005	139,686	8,001	5.7	131,685

(1) Source: Texas Workforce Commission in cooperation with Bureau of Labor Statistics, U.S. Department of Labor

**GALVESTON COUNTY, TEXAS
DEMOGRAPHIC STATISTICS
September 30, 2005**

Number of Non-Agricultural Wage and Salary Jobs (1)

<u>Industry</u>	<u>September 30, 2005</u>	<u>September 30, 2004</u>	<u>September 30, 2003</u>
Manufacturing	5,735	6,314	6,900
Mining and Natural Resources	540	469	-
Construction	3,827	4,352	5,800
Trade, Transportation, & Utilities	13,946	14,314	14,900
Finance, Insurance, & Real Estate	5,560	5,693	5,800
Services & Miscellaneous	28,973	772	27,700
Government	28,521	27,571	25,000
Total	<u>87,102</u>	<u>59,485</u>	<u>86,100</u>

(1) Source: Texas Workforce Commission.

Galveston Wharves (2)

<u>Year</u>	<u>Tonnage</u>
1996	8,169,806
1997	6,080,568
1998	6,113,772
1999 (3)	3,381,461
2000	7,360,577
2001	4,270,734
2002	3,356,568
2003	3,429,084
2004	3,385,119
2005	4,550,014

(2) Source: Port of Galveston, Marketing Department (total tonnage handled by facilities in short tons).

(3) Through June 1999 (six months).

(Continued)

**GALVESTON COUNTY, TEXAS
DEMOGRAPHIC STATISTICS
September 30, 2005**

The University of Texas Medical Branch (1)

	Fiscal Year		
	2004-05	2003-04	2002-03
Total Assets	\$ 1,342,000,000	\$ 1,239,000,000	\$ 1,136,000,000
Annual Expenditures	\$ 1,402,000,000	\$ 1,322,000,000	\$ 1,298,000,000
Annual Payroll	\$ 894,300,000	\$ 851,400,000	\$ 830,500,000
Research-All Area Gifts and Federal Grants	\$ 548,978,851	\$ 268,600,000	\$ 99,273,036
Number of Employees	13,393	12,302	12,292
Faculty (All Four Schools)			
Full-Time	1,216	1,239	1,221
Part-Time/Volunteer	1,213	1,096	915
Physicians Graduated (Cumulative)	12,772	11,977	11,787
House Staff (Residents, Interns, Fellows)	565	566	556
Student			
Medical School	830	824	820
Graduate School	341	361	320
Allied Health School	428	369	356
Nursing School	573	567	562
Hospitals	6	7	6
Total Beds Available	762	816	774
Percentage of Occupancy	74%	74%	75%
Major Buildings	54	54	54
Size of Campus	85 acres	85 acres	85 acres
In-Patients Treated (Admissions)	42,294	40,452	37,190
Out-Patients Treated	858,141	845,210	857,428
Emergency Room Visits (2)	65,658	68,273	70,817

(1) Source: Office of Institutional Analysis, U.T.M.B.

(2) Also includes episodic care visits.

GALVESTON COUNTY, TEXAS
PROPERTY VALUE, CONSTRUCTION, AND BANK DEPOSITS
LAST TEN FISCAL YEARS
(amounts expressed in thousands)

Fiscal Year	Property Value (1)				Commercial & Residential Construction 100% Value	Bank Deposits (3)
	Commercial	Residential	Exemption	Total		
1996	3,709,193	5,400,311	3,357,755	5,751,749	152,120	1,969,755
1997 (2)	3,797,171	5,839,783	3,562,756	6,074,198	190,024	2,291,639
1998	3,773,444	5,946,662	3,583,101	6,137,005	224,221	2,401,528
1999	3,748,029	6,430,836	3,440,347	6,738,518	234,319	2,592,467
2000	3,645,971	7,053,804	4,232,085	6,467,691	306,144	2,123,358
2001	3,950,567	7,895,755	4,172,761	7,673,562	315,755	2,206,000
2002	3,763,650	8,484,161	4,233,780	8,014,031	389,935	2,357,161
2003 (2)	3,624,020	9,628,716	4,604,170	8,648,566	513,464	2,532,091
2004 (2)	3,774,979	10,350,099	4,717,473	9,407,606	482,952	2,756,542
2005 (2)	3,831,707	11,621,267	5,700,016	9,752,957	522,517	2,782,000

(1) Based on "County Report of Values" as submitted to the State Property Tax Board

(2) Based on Assessing Taxmaster File Value Statistics per Galveston Central Appraisal District Statistics and values utilized in the effective tax rate calculations.

(3) Based on Federal Deposit Insurance Corporation - Deposits of all FDIC-Insured Institutions - State totals by County as of June 30, 2005.

**GALVESTON COUNTY, TEXAS
MISCELLANEOUS STATISTICS
September 30, 2005**

Date of Incorporation	May 15, 1838
Form of Government	Commissioners' Court
Area in Square Miles	430
Number of County Employees	1,266
School Districts	9
Junior Colleges	2

Presidential Election, November, 2002

Number of Registered Voters (1)	182,389
Number of Votes Cast (2)	106,763
Percentage of Registered Votes Cast	58.54%

County Parks and Recreation (3)

Park Acres	1,201
Miles of Beach	33
Developed Parks	18
Undeveloped Beach Parks	2
Boat Ramps	11
Park Permits Issued *City of Galveston Park Board	1,138
Festivals or Special Events Hosted	15
Permit/Special Event Fees Collected	81,955
Beach Pocket Park Gate Revenues*	-
Beach Pocket Park Fees Collected*	-
Beach Pocket Park Concession Revenues*	-
Other Concession and Miscellaneous Revenue	112,038

County Law Enforcement

Number of Constables	46
Number of Sheriff's Department Employees (4)	210
Civilians	96
Part-time Uniformed Officers	60
Full-time Uniformed Officers	192

(1) Source: Voter Registration.

(2) Source: County Clerk.

(3) Source: County Department of Parks & Senior Services

(4) Source: County Sheriff's Department (figures approximate).

*Revenue figures drop in 2005 due to a number of construction/improvement projects throughout the park system which affected facility reservations and subsequently rental revenues booked.

(Continued)

**GALVESTON COUNTY, TEXAS
MISCELLANEOUS STATISTICS
September 30, 2005**

City Sales and Use Tax Comparison Study

<u>City</u>	<u>2005 Payments to Date (1)</u>	<u>2004 Payments to Date (1)</u>	<u>Amount of Increase (Decrease)</u>	<u>Percent of Increase (Decrease)</u>
Clear Lake Shores (2)	\$ 1,322,044	\$ 1,053,307	\$ 268,737	25.51 %
Dickinson	4,583,593	3,851,689	731,904	19.00
Friendswood	3,062,076	2,863,223	198,853	6.95
Galveston	13,924,456	13,175,740	748,716	5.68
Hitchcock	436,526	395,941	40,585	10.25
Jamaica Beach	86,728	84,137	2,591	3.08
Kemah	2,636,635	2,408,447	228,188	9.47
La Marque	2,953,455	2,935,338	18,117	0.62
League City	5,618,072	5,162,944	455,128	8.82
Santa Fe	# 1,473,713	1,397,409	76,304	5.46
Texas City	11,738,783	11,445,665	293,118	2.56
Village of Bayou Vista	27,606	28,376	(770)	(2.71)
Village of Tiki Island	<u>26,333</u>	<u>27,524</u>	<u>(1,191)</u>	<u>(4.33)</u>
County Total	<u>\$ 47,890,020</u>	<u>\$ 44,829,740</u>	<u>\$ 3,060,280</u>	<u>6.83 %</u>

(1) Reflects taxes collected on sales made from October 1, previous year, through September 30th of year indicated.

(2) The Clear Lake Shores sales tax rate of 1.00% increased to 1.50% effective October 1, 1996.



Site of the Future
Galveston County Justice Center
2003

Other Information

**GALVESTON COUNTY, TEXAS
TAX LEVIES PER BUDGET (1)
LAST TEN FISCAL YEARS
(amounts expressed in thousands)**

Fiscal Year	Year of Levy	Total	General Fund	Special Tax Bonds	Interest and Debt Retirement Funds			Mosquito Control District
					Constitutional Bonds	Road Bonds	Special Road & Flood	
1995-96	1995	50,664	43,158	1,208	1,407	3,678	1,213	-
1996-97	1996	53,662	45,498	1,005	2,514	2,534	1,235	876
1997-98	1997	53,719	46,038	1,008	1,730	3,185	825	933
1998-99	1998	57,136	48,656	1,264	1,663	2,831	1,780	942
1999-00	1999	60,301	51,958	1,358	1,709	2,958	2,318	977
2000-01	2000	62,130	49,512	1,312	2,951	5,574	1,833	948
2001-02	2001	77,326	64,509	-	3,731	6,463	1,634	989
2002-03	2002	85,582	69,753	-	10,092	2,730	1,973	1,034
2003-04	2003	90,785	75,422	-	12,804	1,493	-	1,066
2004-05	2004	98,689	82,441	-	13,670	1,502	-	1,076

(1) Source: County Tax Assessor-Collector and County Auditor.

GALVESTON COUNTY, TEXAS
SALARIES AND SURETY BONDS OF PRINCIPAL OFFICIALS
September 30, 2005

<u>Official Title</u>	<u>Incumbent</u>	<u>Salary</u>	<u>Amount of Surety Bond</u>
County Judge	James D. Yarbrough	\$ 111,000	\$ 10,000
Commissioner, Precinct #1	Patrick Doyle	76,275	3,000
Commissioner, Precinct #2	Edward Janek	76,275	3,000
Commissioner, Precinct #3	Stephen Holmes	76,275	3,000
Commissioner, Precinct #4	Kenneth D. Clark	76,275	3,000
Assessor-Collector of Taxes	Cheryl Johnson	76,275	200,000
County Auditor	Cliff Billingsley	100,000	20,000
County Clerk	Mary Ann Daigle	76,275	365,000
County Treasurer	Kevin C. Walsh	76,275	100,000
District Attorney	Kurt Sistrunk	9,300 (1)	5,000 (1) (2)
District Clerk	Latonia D. Wilson	76,275	100,000
Sheriff	Marley E. "Gean" Leonard, Jr.	101,700	30,000

- (1) Pursuant to the Government Code, Section 46.003, the District Attorney received \$101,700 in compensation from the State of Texas and \$9,300 from the County of Galveston.
- (2) Pursuant to the Government Code, Section 43.002, before assuming the duties of the office, a district attorney must give bond that is in the sum of \$5,000.

**GALVESTON, COUNTY TEXAS
PRINCIPAL EMPLOYERS (1)**

<u>Taxpayer</u>	<u>Type of Business</u>	<u>Number of Employees</u>
University of Texas Medical Branch	University	12,318
Clear Creek Independent School District	School District	4,037
BP-Amoco Oil Company Texas City	Refinery	2,000
American National Insurance Company	Insurance	1,500
Galveston Independent School District	School District	1,286
Galveston County	County	1,266
Landry's Seafood Inc.	Restaurants	1,245
Wal-Mart Associates	Retail Outlet	975
Texas City Independent School District	School District	879
Mainland Medical Center	Hospital	750
City of Galveston	City	736
Moody Gardens	Entertainment	732
Fertitta Hospitality, Inc.	Hotels, Restaurants	687
Friendswood Independent School District	School District	654
Santa Fe Independent School District	School District	594
La Marque Independent School District	School District	525
Valero Refinery	Refinery	500
Sterling Chemicals, Inc.	Chemical	450
Union Carbide Corporation	Refinery	450
Gulf Greyhound Partners, LTD.	Greyhound Racing	350

(1) Source: Texas Workforce Commission and each listed employer (employer list prepared by the Labor Market Information Department), as of December 2005.

**GALVESTON COUNTY, TEXAS
TAX RATES (1)
LAST TEN FISCAL YEARS**

<u>Fiscal Year</u>	<u>Year of Levy</u>	<u>Total</u>	<u>General Fund (2)</u>	<u>Special Road & Flood (5)</u>	<u>Mosquito Control District (6)</u>	<u>Interest and Debt Retirement Funds</u>		
						<u>Special Tax Bond (3)</u>	<u>Constitutional Bonds (1)</u>	<u>Road Bonds (4)</u>
1995-96	1995	0.5200	0.4546	0.0125	0.00790	0.0083	0.0033	0.0333
1996-97	1996	0.5200	0.4513	0.0145	0.00920	0.0055	0.0242	0.0153
1997-98	1997	0.5200	0.4438	0.0100	0.00920	0.0118	0.0222	0.0229
1998-99	1998	0.5200	0.4438	0.0100	0.00920	0.0129	0.0171	0.0270
1999-00	1999	0.5450	0.4676	0.0124	0.00800	0.0161	0.0132	0.0277
2000-01	2000	0.5450	0.4616	0.0124	0.00800	0.0217	0.0154	0.0260
2001-02	2001	0.5654	0.4648	0.0124	0.00800	0.0000	0.0245	0.0557
2002-03	2002	0.6063	0.5039	0.0124	0.00800	0.0000	0.0300	0.0520
2003-04	2003	0.6440	0.5217	0.0124	0.00800	0.0000	0.0771	0.0208
2004-05	2004	0.6388	0.5197	0.0108	0.00800	0.0000	0.0899	0.0104

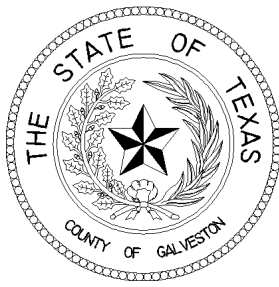
- (1) Tax rates are per \$100 of assessed value.
 Taxes due October 1st.
 Taxes delinquent, February 1st, year following levy.
 Taxes added to delinquent rolls, July 1st, year following levy.
 Tax lien and assessment, January 1st, year of levy.
 No discount allowed.
 Source: County Tax Assessor-Collector.

- (2) Taxes levied under Article 8, Section 9 of the Texas Constitution.
 (3) Seawall and Flood capital projects.
 (4) Debt Service for Road Bonds, Unlimited.
 (5) Special Road and Flood taxes levied under Vernon's Civil Statutes, Road, Bridges and Ferries, Article 6702-1 Section 4.103 of the Texas Laws and Constitution.
 (6) Mosquito Control District created and taxes levied under the Revised Vernon's Civil Statutes, Article 4477-2 of the Texas Laws and Constitution.

GALVESTON COUNTY, TEXAS
CONSTRUCTION VALUES FOR CITIES IN GALVESTON COUNTY (1)
LAST TEN FISCAL YEARS
(amounts expressed in thousands)

<u>Fiscal Year</u>	<u>Galveston</u>	<u>League City</u>	<u>Texas City</u>	<u>LaMarque</u>	<u>Friendswood</u>	<u>Hitchcock</u>	<u>Dickinson</u>
1996	18,289	68,000	16,001	1,570	30,451	3,677	7,786
1997	71,718	82,489	26,979	330	41,528	2,078	7,700
1998	64,352	78,543	28,211	3,798	45,657	1,896	6,754
1999	58,742	79,536	22,998	4,617	41,498	2,312	9,474
2000	26,478	126,086	32,139	2,563	97,086	2,525	9,278
2001	65,531	228,894	31,869	3,382	112,238	5,090	9,082
2002	156,953	273,462	26,976	19,174	95,792	4,601	14,276
2003	133,671	274,624	46,349	19,049	87,556	6,205	17,328
2004	549,311	525,376	48,871	21,541	66,543	12,676	15,769
2005	272,310	431,740	55,305	26,149	62,900	24,634	32,960

(1) Source: Building-permit departments by city.



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Railroad Tracks Covered with Debris between Loading
Docks at the Former Moody Cotton Compress,
Site of the Future Galveston County Justice Center
2003

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

March 14, 2006

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

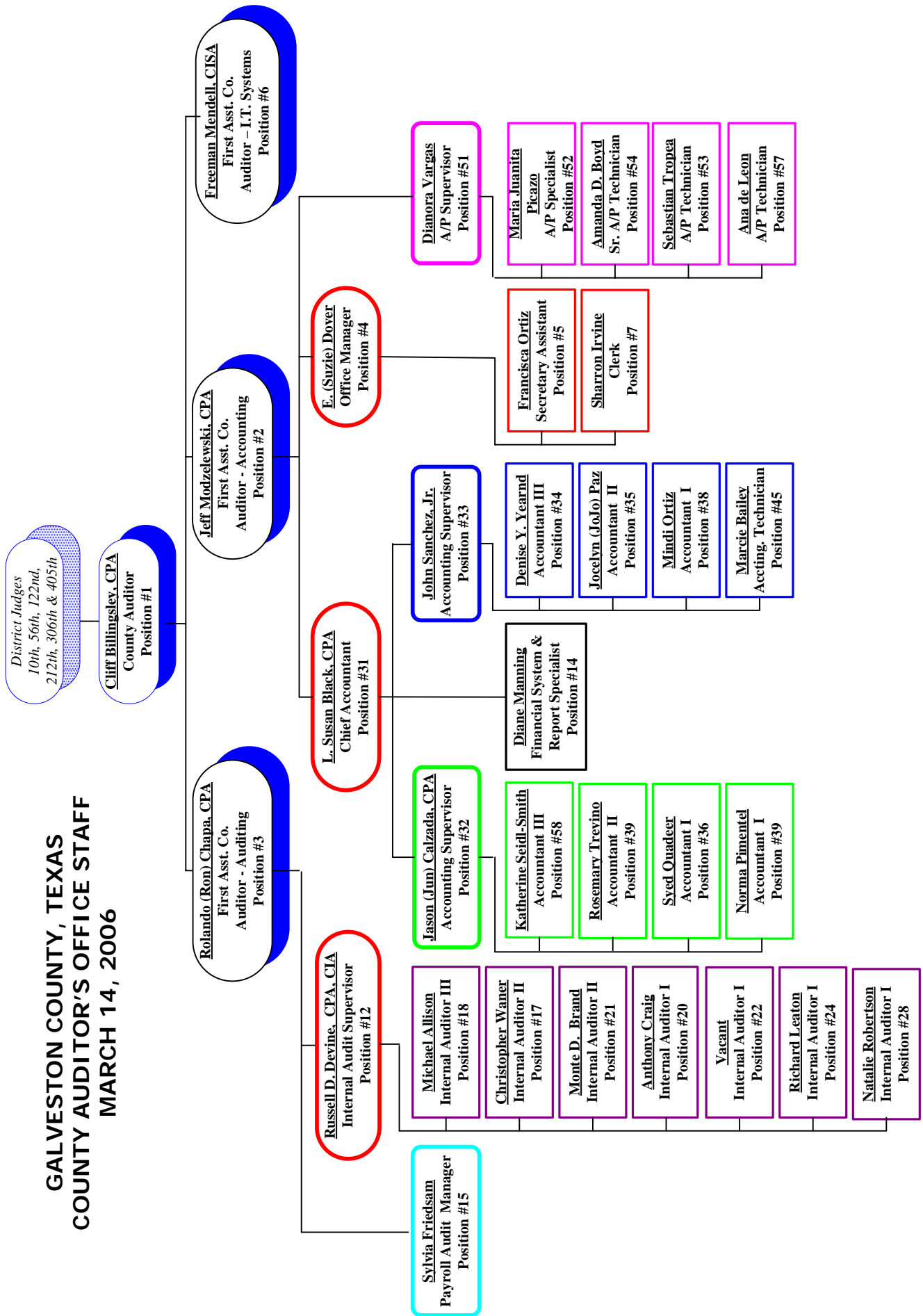
*Rolando (Ron) Chapa, BBA, CPA
First Assistant County Auditor - Director of Auditing*

*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*

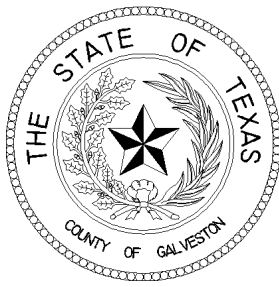
Michael Allison, BBA..... Internal Auditor III
Marcie Bailey..... Accounting Technician
Susan Black, BBA, CPA..... Chief Accountant
Amanda D. Boyd..... Senior Accounts Payable Technician
Monte D. Brand, BA, MBA, CIO..... Internal Auditor II
Jason Calzada, BA, BS, CPA..... Accounting Supervisor
Anthony Craig, BS..... Internal Auditor I
Ana de Leon..... Accounts Payable Technician
Russell R. Devine, BA, CPA, CIA..... Internal Audit Supervisor
Elizabeth (Suzie) J. Dover..... Office Manager
Sylvia Friedsam..... Payroll Audit Manager/Internal Auditor III
Sharron Irvine..... Clerk
Richard Leaton, BS..... Internal Auditor I
Diane Manning, BBA, BS, MS..... Financial System & Report Specialist
Frances Ortiz..... Administrative Clerk
Mindi Ortiz..... Accountant I
Jocelyn C. Paz, AS..... Accountant II
Maria Juanita Picazo..... Accounts Payable Specialist
Norma Pimentel, AS..... Accountant I
Syed Quadeer, BCOM..... Accountant I
Natalie Robertson, BBA..... Internal Auditor I
John Sanchez, Jr., AS, BS..... Accounting Supervisor
Katherine Seidl-Smith, BS..... Accountant III
Rosemary Trevino..... Accountant II
Sebastian Tropea, BA..... Accounts Payable Technician
Dianora L.Vargas..... Accounts Payable Supervisor
Chris Waner, BS..... Internal Auditor II
Denise Yearnd, BS..... Accountant III

GALVESTON COUNTY, TEXAS COUNTY AUDITOR'S OFFICE STAFF MARCH 14, 2006





Looking North across the Broadway Esplanade at the
Exterior Walls of the Former Moody Cotton Compress,
Site of the Future Galveston County Justice Center
2003



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