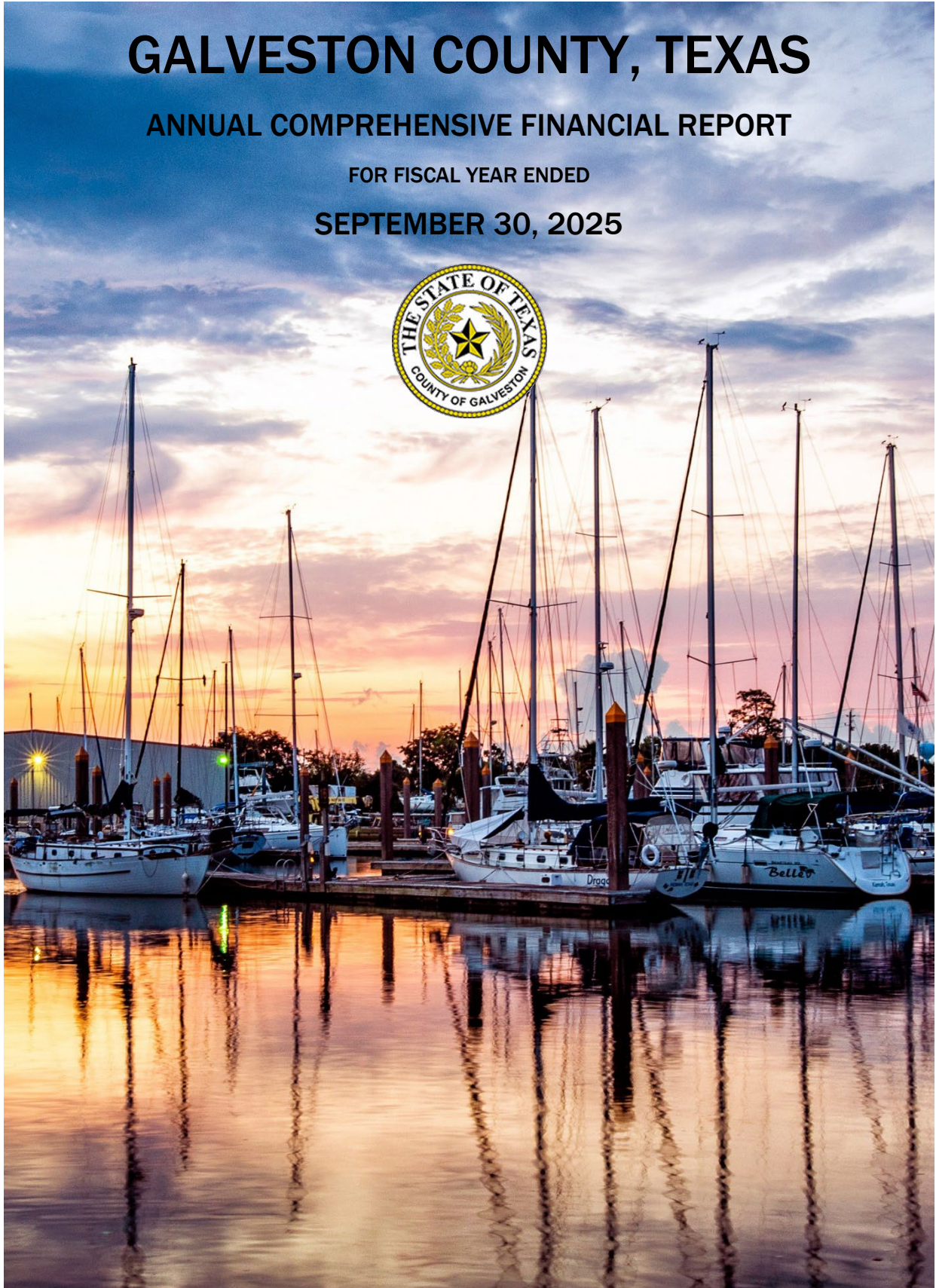


# GALVESTON COUNTY, TEXAS

## ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR FISCAL YEAR ENDED

SEPTEMBER 30, 2025





GALVESTON COUNTY, TEXAS  
ANNUAL COMPREHENSIVE FINANCIAL REPORT  
For the Fiscal Year Ended  
September 30, 2025

Prepared by:  
Office of County Auditor  
Galveston County, Texas

Galveston County, Texas  
 Annual Comprehensive Financial Report  
 For the Fiscal Year Ended September 30, 2025

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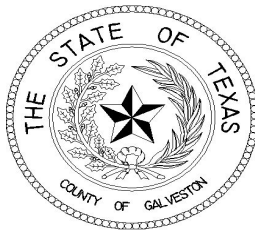
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# Introductory Section

**T**he Introductory Section contains the transmittal letter, which provides an overview of the County of Galveston's finances, economic prospects and achievements. Also included in this section is the Certificate of Achievement for Excellence in Financial Reporting awarded by the Government Finance Officers Association. This is the highest form of recognition in governmental financial reporting.

# GALVESTON COUNTY



## Office of the County Auditor

Sergio Cruz  
County Auditor

Christie Motogbe CPA  
First Assistant County Auditor

P.O. Box 1418, Galveston, Texas 77553

(409) 770-5300

722 Moody Ave, 4<sup>th</sup> Floor, Galveston, TX 77550

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**May 31, 2026**

To the Honorable District Judges of Galveston County  
To the Members of the Galveston County Commissioners Court  
To the Citizens of Galveston County, Texas

The Annual Comprehensive Financial Report (“Annual Report”) of Galveston County, Texas, for the fiscal year ended September 30, 2025, is submitted herewith in accordance with Chapter 114.025 of the State of Texas Local Government Code. The accompanying financial statements were prepared in accordance with generally accepted accounting principles (“GAAP”) in the United States of America as promulgated by the Governmental Accounting Standards Board (“GASB”) and audited in accordance with auditing standards generally accepted in the United States of America by a firm of licensed public accountants.

**Assumption of responsibility.** This report consists of management’s representations concerning the finances of Galveston County, Texas. Management assumes full responsibility for the completeness and reliability of all the information presented in this report.

**Internal control.** To provide a reasonable basis for making these representations, Galveston County (“the county”) has established a comprehensive internal control framework designed for this purpose. Because the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance the financial statements are free of any material misstatements. The county asserts, to the best of its knowledge and belief, this financial report is complete and reliable in all material respects.

**Independent audit.** The county’s financial statements have been audited by Pattillo, Brown & Hill, LLP, a firm of licensed certified public accountants. The objective of the independent audit was to provide reasonable assurance the financial statements of the county for the fiscal year ended September 30, 2025, are free of material misstatements. The independent auditors concluded there was a reasonable basis for rendering an unmodified opinion on the county’s financial statements for the fiscal year ended September 30, 2025, and that they are fairly presented in conformity with GAAP. The independent auditor’s report is located at the front of the Financial Section of this report.

The independent audit of the county’s financial statements is part of a broader annual “Single Audit” which is federally mandated by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements for Federal Awards (Uniform Guidance). The Single Audit Report, designed to meet the special needs of federal grantor agencies, includes a Schedule of Expenditures of Federal Awards. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government’s internal controls and its compliance with legal requirements, especially those which involve the administration of federal awards. The report includes a Schedule of Findings and Questioned Costs. The Single Audit Report is available from the Galveston County Auditor, P.O. Box 1418, Galveston, TX 77553-1418.

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

### ***PROFILE OF THE GOVERNMENT***

**Basic information.** The county operates as specified under the Constitution of the State of Texas and Vernon's Texas Code Annotated. It was established on May 15, 1838, by order of the President of the Republic of Texas, Sam Houston. It is located on the upper Texas coast of the Gulf of Mexico and comprises a land area of 430 square miles and a population of 367,407. The land area includes Galveston Island (the "Island"), thirty-two miles long and situated two miles from the coast; an area of the mainland between the Island and Harris County to the north; and Bolivar Peninsula, just northeast of the Island across the entrance to Galveston Bay. The county seat is the City of Galveston, located on the northern end of the Island and covering slightly more than forty-seven square miles.

The Galveston County, Texas, Commissioners Court is the county's governing body. The Commissioners Court is elected by county voters for staggered four-year terms and comprises the County Judge (the presiding officer) and four commissioners. Each of the four commissioners represents one of four geographical precincts into which the county is divided. The Commissioners Court holds only such powers as are conferred upon it by the Texas Constitution or by statute. These powers include the ability to levy a property tax on real property located within its boundaries.

The county provides a full range of services with regard to judicial, public safety, health and social welfare, culture and recreation, conservation and roads and bridges.

**Component units.** A "component unit" is an organization legally separate from the primary government but subject to significant oversight by the latter, such that to exclude the component unit's financial information from that of the primary government could mislead readers. A component unit is termed either "discretely presented" or "blended" depending upon the greater or lesser degree of autonomy, respectively, with which it functions. The county currently reports no discretely presented component unit.

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

The Standard Life trust for RLR (retiree life insurance), associated with the OPEB Trust Fund, was dissolved in August 2024, when the County shifted its life insurance benefits from paid-up policies with a self-insured program with Standard Life to a fully-insured program with Aflac. Because of this change, the OPEB Trust Fund is no longer a blended component unit under GASB Statement 84. The County continues to have a fiscal obligation to contribute to the OPEB benefits, but funds are no longer held by a separate entity.

Additional information on these component units is located in Note I.A.2 to the Financial Statements on pages 53-54.

**Budget.** The annual budget serves as the foundation for the county's financial planning and control. All departments of the county are required to submit requests for appropriations to the County Budget Office. The budget is prepared by fund, function (e.g., public safety) and department (e.g., corrections).

Once this requirement is met, the Commissioners Court adopts the budget and the tax rate by September 1 or as soon thereafter as is practical. The appropriated budget is adopted by fund by the primary categories of personnel services, supplies, other services and charges, capital outlay and other financing uses. Management cannot overspend the budget at the above-mentioned levels without the approval of Commissioners Court. All non-grant major funds, special revenue funds under Commissioners Court authority and internal services funds are annually appropriated. Budget-to-actual comparisons are provided in this report for the General Fund and all budgeted funds.

#### ***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 an improving economic environment and local indicators point to continued stability.

The region's diversified commercial, industrial and manufacturing base reduces the volatility in its unemployment rate. Major industries represented include oil and gas production, petrochemical processing, maritime shipping, agriculture, fishing, the teaching and practice of medicine, banking, insurance and cruise- and land-based tourism.

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

The mainland cities of Texas City and La Marque have long been home to important industrial corporations. Among those firms are BP Chemical; Dow Chemical; Valero Refining-Texas, LP; Eastman Chemical; Marathon Petroleum Company, LLC; and ISP Technology. In addition to the refineries, Texas City is also home to the Port of Texas City/Texas City Terminal Railway Company, which is the fifteenth largest port in the United States and the fourth largest in Texas, with total water borne tonnage exceeding 40 million net tons per year.

Galveston's deep-water port, located on the Island at the entrance to Galveston Bay, is among the largest dry-cargo ports in the United States and ranked among the top 40 busiest U.S. cargo waterways. The Port of Galveston generated \$79.3 million dollars of revenue in their fiscal year 2024. A wide variety of exports and imports passes through its facilities. In fiscal year 2024, 3.4 million tons of cargo passed through the port. The port owns and operates public wharves, both open and covered storage facilities and multiple freight-handling facilities, including a container terminal and a grain elevator.

Tourism is an important presence in the county's economy, with almost four million visitors each year. Galveston is the fourth busiest cruise port in the U.S., hosting 3.4 million passengers this year. \$60.8 million of generated revenue came from the cruise industry in fiscal year 2024. The Island's seashore, its historic downtown and residential districts and its thriving cruise industry attract growing numbers of visitors to the many hotels, restaurants, shops and museums.

The county enjoys a wealth of year-round cultural, historical and recreational activities. To those seeking outdoor relaxation, the Island offers the amenities of Sea Wolf Park, R.A. Apffel Park, Stewart Beach Park and Galveston Island State Park, as well as free public beaches stretching from 10<sup>th</sup> Street to 61<sup>st</sup> Street along the Island's famous Seawall Boulevard. The amusement park rides, concessions and ambience of the Galveston Island Historic Pleasure Pier at 25<sup>th</sup> Street and Seawall Boulevard, coupled with quality restaurants within walking distance, are a very popular attraction.

The Island is also rich in culture and history and it showcases both in numerous venues which are open to the public. These include the restored mansions of Ashton Villa, the Bishop's Palace and Moody Mansion, along with the Galveston County Museum, Galveston Arts Center and museums such as the Texas Seaport Museum, home to the restored 1877 square-rigged iron barque, *Elissa*.

Other Island attractions include the Downtown/Strand, East End and Silk-Stocking Historical Districts, which exhibit some of the nation's finest collections of restored commercial and residential Victorian architecture. Annual events such as Mardi Gras, the Oleander Festival, the Historic Homes Tour, the ARToberFEST art festival, the Grand 1894 Opera House's Grand Kids Festival, the Lone Star Motorcycle Rally and Dickens on the Strand draw thousands of visitors.

The Island is home to exotic Moody Gardens, which comprises: Moody Gardens Convention Center with 75,000 square feet of meeting space; a 300-room luxury hotel; the ten-story Rainforest Pyramid featuring rainforests of Africa, Asia and the America's; the IMAX 3-D movie theater; the Discovery Pyramid with interactive displays and IMAX "RideFilms"; a fifteen-story saltwater aquarium with several marine habitats, including a King Penguin exhibit; and the popular Palm Beach water park.

Off the Island, the Galveston Bay/Clear Lake region is the "boating capital of Texas". The Kemah Marina has the greatest concentration of boats of any region in Texas and claims the third largest fleet of recreational boats in the United States. In addition, Kemah is home to the Kemah Boardwalk which features a variety of waterfront restaurants, amusements, charming retail stores, festivals and seaside shows daily.

Across the mouth of Galveston Bay from the Island, Port Bolivar and the Bolivar Peninsula are a haven for beachcombers and fishermen.

The Galveston Central Appraisal District reported the county's gross taxable base value for the 2024 tax year at \$69.4 billion, an increase of 6.9% from the prior tax year. The county's net taxable base value, used to calculate tax revenues for the fiscal year 2025, is \$52.7 billion, an increase of 6.7% from fiscal year 2024.

The gross taxable base value for the 2025 tax year is expected to increase by 4.7% to \$72.7 billion, and net taxable base value is expected to increase by 5.3% to \$55.5 billion.

**Long-term financial planning.** Two of the major components of long-term financial planning are debt administration and post-employment benefits.

*Debt administration.* The county funds much of its capital investment by issuing general obligation bonds and certificates of obligation. There was no new or refunding debt issued in fiscal year 2025. During its fiscal year ended September 30, 2025, the county made all of its scheduled principal and interest payments timely. At September 30, 2025, its outstanding bonded debt, including cumulative accretion, totaled \$148,535,098. During the fiscal year then ended, the county paid \$15,600,544 in principal and \$12,013,554 in interest. The county maintains an “Aaa” rating from Moody’s Investors Service, Inc., and an “AA+” rating from Fitch Ratings on its general-obligation debt.

See additional detail in Note III.H to the Financial Statements on pages 80-86 of this report.

*Post-employment benefits.* The county provides post-employment health- and life-insurance benefits to its retirees. At September 30, 2025, the county recognized 555 retirees, 158 of whom are eligible for full health insurance and 397 of whom receive reduced Medicare-supplement insurance. The county follows the provisions of Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pension* with regard to the accounting for post-employment benefits (other than pensions), recognizing an actuarially determined portion of that expense annually as it is deemed to be incurred through employee service. Additional information about the county’s post-employment benefits can be found in Notes IV.F - G to the Financial Statements on pages 90-102 of this report.

**Relevant financial policies.** The county has adopted a comprehensive set of financial policies, including operating budget, capital assets, fund balance, revenue accounting, internal audit, budgeted reserves and debt management. The county, by statute, has adopted an investment policy for several years. Temporary investments may include certificates of deposit, United States government agency securities, money market investment accounts, negotiable order of withdrawal (“NOW”) accounts and local government investment pool facilities. The county earned \$8,551,318 in interest during the year ended September 30, 2025. More information about the county’s deposits and investments can be found in Note III.A to the Financial Statements on pages 67-69 of this report.

**Major initiatives.** The county continues to undertake major initiatives to better serve its citizens. These initiatives include grant funding, information technology, facilities management, records management, parks and cultural services, and road and bridge. Examples follow.

#### *Grant Funding*

- funding by non-disaster-related grants on projects involving:
  - county law enforcement
  - criminal prosecution
  - emergency management
  - social services (indigent defense, mental health, etc.)
- funding related to disaster recovery and mitigation:
  - restoration of beaches and dunes
  - beach accessibility improvements
  - remediation and improvements to infrastructure (stormwater, waterline, etc.)
  - building of and restoring county facilities (buildings, parks, etc.)
  - repairing, rebuilding and elevating homes
- stimulus funding through the American Rescue Plan Act for:
  - stormwater infrastructure improvements

*Department of Enterprise Services, Information Technology*

- replacement of Jail Management/Records Management/CAD system for county law enforcement and consortium agencies
- court case management system upgrade and migration to cloud
- access control system upgrade for the Jail and Crystal Beach
- countywide UPS replacement for business continuity
- VoIP Call Manager upgrade for security and compliance
- multiple security-related implementations, trainings, and upgrades
- cybersecurity and AI governance
- incident response and business continuity updates
- AI pilot case
- bidding and contract management integration with Workday
- implementations:
  - PaymentWorks
  - OpenGov Nuisance and Abatement
  - improved service delivery and management

*Department of Enterprise Services, Facilities Management*

- update countywide space utilization plan
- small renovation and infrastructure updates of multiple County facilities
- implementations:
  - master service agreements for business continuity
  - facility corrective action plan
  - countywide preventative maintenance plan

*Department of Enterprise Services, Records Management*

- re-establish governance and compliance under Texas Library & Archives Commission
- develop retention and disposal policies
- determine electronic records systems

*Parks and Cultural Services*

- ongoing replacements of picnic tables and park benches for all parks
- replacement of restroom trailers on Bolivar for the beach season
- replacement chairs for our indoor facility rentals
- pickleball lines added to tennis courts at Jack Brooks Park
- construction of Bayshore Boat Ramp
- new roof and windows for La Salle Park Concession building
- new dog park at Jack Brooks Park
- revitalizations:
  - revitalization of the archery range of Jack Brooks Park including clearing out the area, removing debris, providing new targets and new target holders
  - pond at Walter Hall Park
- repairs:
  - repainting of all rooms in the Dickinson Community Center
  - pedestrian bridge repair at Jack Brooks Park
  - pedestrian bridge repair at Carbide Park

- Holbrook Park concession building
- fencing at Holbrook Park
- tennis court fence at Carbide Park
- basketball resurfacing at Jack Brooks Park
- renovations:
  - therapeutic garden at Carbide Park
  - restrooms at Bayshore Park
- installations:
  - new basketball rims & backboard at Jack Brooks Park
  - new electrical meter at Bayshore Park installed; will provide power for future lights on small pavilions
  - future Installation of fitness equipment at Jack Brooks Park
  - future installation of historical kiosks at Bayshore Park
- grant-funded park projects and improvements including:
  - construction of Highway 3 boat ramp in Dickinson
  - construction of new restroom, sidewalks, and parking lot at Gregory Park
  - construction of beach pocket park on Bolivar
  - repair of pavilion roof at Hopkins Park
  - repair of playground surfacing at Walter Hall Park
  - repair of sportsplex lighting at Jack Brooks Park
  - replacement of playground shade structure at Fort Travis Park

*Road and Bridge*

- projected road maintenance of:
  - 2.33 miles in Precinct 1
  - 4.10 miles in Precinct 2
  - 0.89 miles in Precinct 3
  - 2.00 miles in Precinct 4
- other maintenance including:
  - 8.5 miles of road rejuvenation in Bolivar

**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 Annual Report for the fiscal year ended September 30, 2024. This was the twenty-eighth consecutive year the county has received this prestigious award. In order to be awarded a Certificate of Achievement, the government had to publish an easily readable and efficiently organized Annual Report that satisfied both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe this Annual Report will meet the Certificate of Achievement Program’s requirements and we will submit it to the GFOA to seek a certificate.

The County of Galveston, Texas, received the GFOA’s Distinguished Budget Presentation Award for its annual budget document for the fiscal year ended September 30, 2025. To qualify for the Distinguished Budget Presentation Award, the government’s budget document had to be judged proficient as a policy document, a financial plan, an operations guide and a communications device.

The Comptroller of the State of Texas awarded a Financial Transparency Star, as well as Transparency Stars in Debt Obligation and Public Pensions, to the County of Galveston, Texas, for its excellence in reporting financial information, debt obligations and public pensions for the fiscal year ended September 30, 2024. This is the ninth consecutive year the County has maintained an award for financial transparency, and the third consecutive year the County has maintained awards for its excellence in debt obligations and public pensions transparency. The Transparency Star program recognizes local governments who go beyond legislative requirements by providing financial, debt and pension information in a variety of formats. Each Transparency Star is valid for a period of one year only. The State Comptroller evaluates the County's website annually to determine Galveston County remains in compliance to maintain achievement of the Financial, Debt Obligation and Pension Plans Transparency Stars for each fiscal year.

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

Respectfully submitted,

A handwritten signature in black ink that reads "Sergio Cruz". The signature is written in a cursive, flowing style.

Sergio Cruz  
County Auditor



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Galveston County  
Texas**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

September 30, 2024

*Christopher P. Morill*

Executive Director/CEO



# Galveston County Organizational Chart

**GALVESTON COUNTY CITIZENS**

**Commissioners Court:**  
County Judge,  
County Commissioners (4)

**District Judges (6)**

County Auditor

**Purchasing Board:**  
Galveston County  
Commissioners Court (2), District Court  
Judges (3)

Purchasing

**Juvenile Justice Board:** County Judge,  
District Court Judges (6), County Court  
Judges (3), Justice of the Peace Judge,  
Municipal Court Judge (10)

Juvenile Justice

**Adult Probation Board:**  
District Judges (6)

Adult Probation

- Alternative Dispute Resolution
- County Engineer
  - Building Inspector
  - Flood Control
  - Right-of-Way Department
- Department of Enterprise Services
  - Environmental Services
  - Facility Services
  - Information Technology
  - Print Center
  - Record Management
  - Road District 1

- Emergency Management
- Human Resources
- Mosquito Control
- Parks and Cultural Services
  - Senior Services
  - Texas A&M AgriLife Extension Service
- Personal Bond Office
  - Collections Office
  - Law Library
  - Magistrates

- Professional Services
  - Child Welfare
  - Contract Services
  - Grant Administration
- Specialty Courts
  - Mental Health Court Program
  - Mental Health Public Defender
  - Veteran's Treatment Court

- Road and Bridge Department
  - Beach Maintenance - Roads & Bridges
  - Fleet Management
  - Flood Control
  - F.M. Lateral Road
  - Seawall Maintenance
- Veteran's Services

**District Courts (6)**

District Court Administration

**County Courts (3)**

County Court Administration

**Probate Court**

**District Attorney**

**District Clerk**

**County Clerk**

**Justice of the Peace (4)**

**Sheriff**

**Constables (4)**

**Tax Assessor - Collector**

**GALVESTON COUNTY, TEXAS**  
**LIST OF ELECTED AND APPOINTED OFFICIALS**  
*September 30, 2025*

***District Officials***

Rebecca Millo	Judge, 10th District Court
Lonnie Cox	Judge, 56th District Court
Jeth Jones	Judge, 122nd District Court
Patricia Grady	Judge, 212th District Court
Emily A. Fisher	Judge, 306th Family District Court
Jared Robinson	Judge, 405th District Court

***Commissioners Court***

Mark Henry	County Judge
Darrell Apffel	County Commissioner, Precinct 1
Joe Giusti	County Commissioner, Precinct 2
Hank Dugie	County Commissioner, Precinct 3
Robin Armstrong	County Commissioner, Precinct 4

***County Officials***

John Grady	Judge, County Court-at-Law 1
Kerri Foley	Judge, County Court-at-Law 2
Jack Ewing	Judge, County Court-at-Law 3
Kimberly Sullivan	Judge, Probate Court
Jimmy Fullen	Sheriff
Dwight Sullivan	County Clerk
Cheryl E. Johnson	Tax Assessor-Collector
Gregory L. Rikard	Justice of the Peace, Pct. 1
Darrel "Blake" Apffel	Justice of the Peace, Pct. 2
Billy A. Williams Jr.	Justice of the Peace, Pct. 3
Kathleen McCumber	Justice of the Peace, Pct. 4
Jack Roady	Criminal District Attorney
John Kinard	District Clerk
Blake Patton	Constable, Pct. 1
Paul Edinburgh	Constable, Pct. 2
Derreck Rose	Constable, Pct. 3
Justin West	Constable, Pct. 4

***Appointed County Officials***

Francisco Rodriguez	Purchasing Agent
Diana Huallpa	Budget Officer
Sergio Cruz	County Auditor

## Financial Section

**T**he Financial Section includes the independent auditors' report, management's discussion and analysis, basic financial statements, including the accompanying notes, required supplementary information and other supplementary information.

## INDEPENDENT AUDITOR'S REPORT

Honorable County Judge  
and Members of the Commissioners' Court  
Galveston County, Texas

### Report on the Audit of the Financial Statements

#### Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Galveston County, Texas (the "County"), as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the County as of September 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### Emphasis of Matter - Change of Accounting Principle

As described in the notes to the financial statements, in fiscal year 2025 the County adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. Our opinion is not modified with respect to this matter.

#### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for twelve months beyond the financial statement due date, including any currently known information that may raise substantial doubt shortly thereafter.

## ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually, or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and pension and OPEB information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

**Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County’s basic financial statements. The combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Information**

Management is responsible for the other information included in the annual comprehensive financial report (ACFR). The other information comprises the introductory section and statistical section but does not include the financial statements and our auditor’s report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated May 29, 2026, on our consideration of the County’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County’s internal control over financial reporting and compliance.

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

Waco, Texas  
May 29, 2026

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# Management's Discussion and Analysis

**T**he Management's Discussion and Analysis subsection provides a narrative introduction to, and overview and analysis of, the basic financial statements. It includes a description of the government-wide and fund financial statements, as well as an analysis of the County of Galveston's overall financial position and results of operations.

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

The County of Galveston, Texas presents the following narrative overview and analysis of the financial activities of Galveston County for the fiscal year ended September 30, 2025. Please read the information presented here in conjunction with the Letter of Transmittal in the preceding Introductory Section and with the Basic Financial Statements which immediately follow.

### FINANCIAL HIGHLIGHTS

- The county's assets and deferred outflows exceeded its liabilities and deferred inflows (net position) by \$198.9 million on a government-wide, full accrual basis at September 30, 2025.
- Of the \$306.5 million in liabilities, noncurrent liabilities due in more than one year are \$246.1 million. These long-term liabilities include long-term debt and total OPEB liability.
- The county's total outstanding long-term debt had a net decrease of \$17.0 million, comprised of a decrease of \$24.0 million in debt service payments and an increase of \$7.0 million. The increase includes \$6.0 million in subscription liabilities as well as lease liabilities and accretion.
- County revenues exclusive of special and extraordinary items totaled \$256.1 million against expenses of \$220.2 million, resulting in an increase in net position of \$35.9 million.
- Net capital assets were \$308.0 million as of September 30, 2025. Net depreciation/amortization expense attributable to assets of governmental activities amounted to \$19.4 million for 2025.
- At September 30, 2025, the county's Governmental Funds reported a combined ending fund balance of \$152.7 million, a decrease of \$0.5 million from September 30, 2024.
- \$59.1 million, or 38.7% of the combined ending fund balance is classified as "unassigned" and available for any use.
- Capital assets increased by \$17.8 million, or 6.15% from the prior year.

### 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* are designed to provide readers with a broad overview of the county's finances, in a manner similar to that of a private-sector business.

The *statement of net position* presents information on all of the county's assets, liabilities and deferred outflows/inflows, with the difference reported as "net position." Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the county is improving or deteriorating.

The *statement of activities* presents information showing how the county's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying events

giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and vacation leave earned but unused).

The government-wide financial statements 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 include general government, judicial, public safety, health and social services, culture and recreation, conservation and roads and bridges. The county currently engages in no business-type activities. The government-wide financial statements can be found on pages 36-39 of this report.

**Fund Financial Statements.** A “fund” is a grouping of related accounts used to maintain control over 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.** *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 and outflows of spendable resources*, as well as the *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government’s near-term financing requirements. The governmental funds financial statements can be found on pages 40-45 of this report.

Because the focus of governmental funds is narrower than the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for governmental activities in the *government-wide financial statements*. By doing so, readers may 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 sixty-two individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances for the following five funds, which the county considers to be “major” funds:

- the General Fund
- the Road and Bridge Fund
- the American Rescue Plan Stimulus Fund
- the Grant Fund
- the Debt Service Fund

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 in the combining and individual fund statements and schedules section of this report.

The county adopts annual appropriated budgets for the General Fund, required Special Revenue Funds, the Grant Fund and the Debt Service Fund. Some Special Revenue Funds do not require budgets, while the budgets of others are not under the jurisdiction of Commissioners Court. Project-length, rather than annual, budgets are adopted for the Capital Projects Funds. A budgetary comparison has been provided for all budgeted governmental funds to demonstrate budgetary compliance, regardless of the basis (annual, project-length or other) on which those budgets are prepared.

**Proprietary Funds.** *Proprietary Funds* include Enterprise Funds and Internal Service Funds.

- *Enterprise Funds* are used to report the same functions that would be presented as business-type activities in the government-wide financial statements. The county currently engages in no business-type activity.
- *Internal Service Funds* are an accounting device used to accumulate and allocate costs entirely among the county's various functions. The county uses four internal service funds to account for: 1) the expenses related to budgeted expenditures of various county departments for group health, unemployment and workers' compensation insurance and 2) general casualty and liability insurance premiums. The Internal Service Funds are combined into a single aggregated presentation in the proprietary funds' financial statements. Individual fund data in the form of combining statements is provided on pages 47-49 of this report.

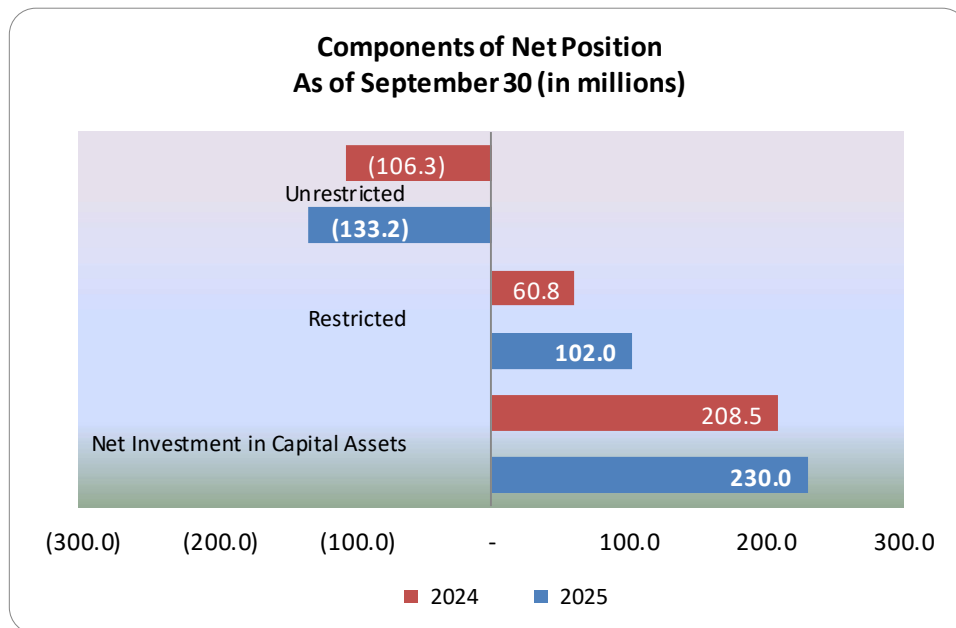
**Fiduciary Funds.** *Fiduciary Funds* are used to account for resources held for the benefit of parties outside of the government. Fiduciary funds are not reported in the government-wide financial statements because the resources of these funds *are not* available to support the county's own programs. The accounting for fiduciary funds is much like that used for proprietary funds. It includes trust and custodial funds. The county presently accounts for one OPEB Trust Fund (Retiree Life Reserve) and fourteen Custodial Funds. Custodial funds include seizures, registry accounts, unclaimed property and other deductions, escrow, special collections, inmate deposits and special committees. The fiduciary fund statements can be found on pages 50-51 of this report.

## **GOVERNMENT-WIDE OVERALL FINANCIAL ANALYSIS**

Net position may serve over time as a useful indicator of a government's financial position. In the case of the county, assets and deferred outflows exceeded liabilities and deferred inflows by \$198.9 million at the close of the fiscal year ended September 30, 2025.

The largest portion of the county's net position, \$230.0 million, reflects its investment in capital assets (e.g., land, infrastructure, buildings and improvements, right-to-use leases, machinery and equipment), less any related outstanding debt that was used to acquire those assets. The county uses these capital assets to provide services to citizens and consequently the assets are not available for future spending. It should be noted the resources used to re-pay this debt must be provided from other sources, since the capital assets themselves cannot be used to do so.

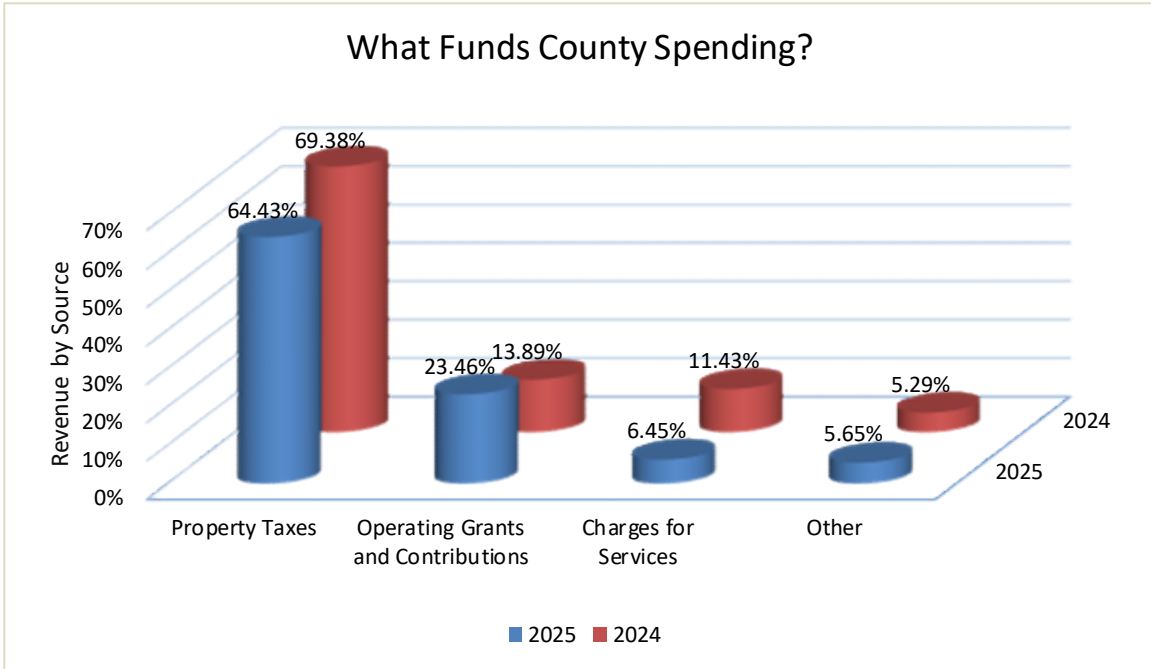
<b>Summary of Net Position</b>		
<b>September 30, 2025 and 2024</b>		
<b>(\$ in millions)</b>		
	<u>2025</u>	<u>2024</u>
<b>Assets:</b>		
Current and Other Assets	\$ 221.9	\$ 240.6
Capital Assets, Net of Accumulated Depreciation	<u>308.0</u>	<u>290.2</u>
Total Assets	<u>529.9</u>	<u>530.8</u>
Total Deferred Outflows of Resources	<u>30.9</u>	<u>39.6</u>
<b>Liabilities:</b>		
Current Liabilities	33.5	48.2
Long-Term Liabilities (Including Current Portion)	<u>272.9</u>	<u>297.2</u>
Total Liabilities	<u>306.5</u>	<u>345.4</u>
Total Deferred Inflows of Resources	<u>55.5</u>	<u>61.9</u>
<b>Net Position:</b>		
Net Investment in Capital Assets	230.0	208.5
Restricted	102.0	60.8
Unrestricted	<u>(133.2)</u>	<u>(106.3)</u>
Total Net Position	<u>\$ 198.9</u>	<u>\$ 163.0</u>



A portion of the county's net position, \$102.0 million, represents resources subject to external restrictions on their use. The remainder, (\$133.2) million, is unrestricted. Because the county incurred long-term liabilities not offset by corresponding assets, unrestricted net position is negative. The largest contributor to the change in net position was from a decrease in the deferred outflow for pension due to changes in the actuarial valuation. See pages 90-95 of the Notes to the Financial Statements for more details about the county's pension plan.

<b>Changes in Net Position</b>		
<b>September 30, 2025 and 2024</b>		
<b>(\$ in millions)</b>		
	<u>2025</u>	<u>2024</u>
<b>Revenues:</b>		
<b>Program Revenues:</b>		
Charges for Services	\$ 16.5	\$ 27.4
Operating Grants and Contributions	60.1	33.3
<b>General Revenues:</b>		
Property Taxes	165.0	166.3
Payments in Lieu of Taxes	2.1	3.2
Unrestricted Investment Earnings	8.7	9.1
Gain on Sale of Capital Assets	1.5	-
Miscellaneous	<u>2.2</u>	<u>0.3</u>
Total Revenues	<u>256.1</u>	<u>239.7</u>
<b>Expenses:</b>		
General Government	57.4	54.3
Judicial	26.9	26.9
Public Safety	89.7	86.7
Health and Social Services	19.4	19.3
Culture and Recreation	5.4	8.1
Conservation	0.6	0.6
Roads, Bridges and Rights-of-Way	14.4	19.4
Interest on Long-term Debt	<u>6.4</u>	<u>7.2</u>
Total Expenses	<u>220.2</u>	<u>222.5</u>
Increase (Decrease) in Net Position	35.9	17.3
Net Position - Beginning	<u>162.9</u>	<u>145.7</u>
Net Position - Ending	<u>\$ 198.9</u>	<u>\$ 162.9</u>

The county's net position increased from current year activities by \$35.9 million (22.0%) between revenues and expenses during the fiscal year ended September 30, 2025. The positive change in net position for current year activity indicates that, on a flow-of-economic-resources basis, current year revenues were more than sufficient to pay current year expenses. Compared to fiscal year 2024, underlying revenues increased by \$16.45 million (6.86%), while underlying expenses decreased by \$2.3 million (1.02%).



Key factors in the net change in revenues include:

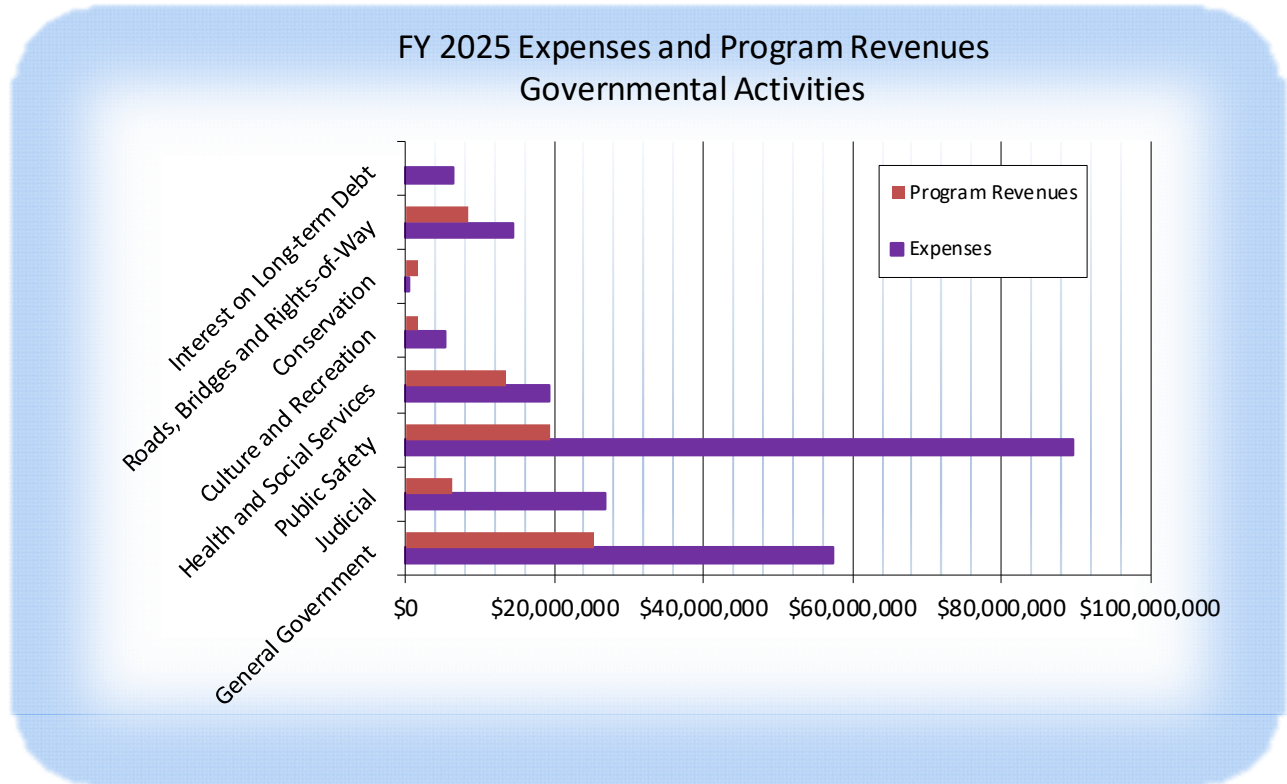
- Charges for Services decreased by \$10.9 total, and \$9.5 million of that was in Public Safety; primarily due to a decrease of \$8.1 million in reimbursements for the Sheriff ISDS division and a decrease of \$1.1 million in jail commissary commissions. We are intentionally reporting the Sheriff ISDS reimbursements under Operating Grants and Contributions, due to the use of interlocal agreements.
- Operating Grants and Contributions increased by \$26.8 million, due to 1) a General Government increase of \$6.7 million, due to an increase of \$7.0 million in federal revenue primarily due to the RESTORE grant and American Rescue Plan Stimulus, an increase of \$2.2 million primarily from lease revenue, as well as a decrease of \$3.0 million in other financial assistance related to the American Rescue Plan Stimulus; 2) a Public Safety increase of \$5.4 million, due to an increase of \$9.0 million in local government reimbursements for the Sheriff ISDS division, a decrease of \$1.4 million in federal revenue mostly related to the ARPA Court Backlog grant, a decrease of \$0.8 million in state revenue mostly related to the Operation Lone Star, a decrease of \$0.3 million related to the American Rescue Plan Stimulus and LATCF grant, and a decrease of \$0.3 million in reimbursements of Sheriff's Office overtime from TxDOT; and 3) a Health and Social Services increase of \$13.3 million, mainly due to an increase of \$12.1 million in federal revenue related to the Mental Health Behavioral Unit project with the American Rescue Stimulus Plan .

Key factors in the net change in expenses include:

- General Government increased by \$3.1 million, mainly due to an increase of \$4.8 million in professional services and \$2.1 million in salaries, and a decrease of \$3.7 million in software licensing and maintenance.

- Public Safety expenses increased by \$3.0 million in large part due to an increase of \$4.5 million in salaries and a decrease of \$1.3 million in commissary expenditures.
- Culture and Recreation decreased by \$2.7 million, mainly due to decreases of \$1.4 million in asset depreciation, \$0.3 million in professional services, \$0.3 million in building maintenance, \$0.2 million in equipment rentals, and \$0.2 million in contract services for the Galveston County Museum.
- Roads, Bridges and Rights-of-Way expenses decreased by \$5.0 million in large part due to a decrease of \$7.6 million in contract services for Unlimited Tax Road Bonds Series 2017 Fund projects, an increase of \$4.8 million in consulting and special studies, and a decrease of \$2.1 million in road materials.
- Interest on Long-term Debt expense decreased by \$0.9 million owing to the re-payment of long-term debts, with no new issuances.

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



## FINANCIAL ANALYSIS OF THE GOVERNMENTAL FUNDS

As noted earlier, Governmental Funds are accounted for as near-term resource inflows and outflows providing funds for county operations. Such information is useful in assessing the county’s financing requirements.

## Changes in Fund Balance – Major Funds

**General Fund.** The *General Fund* is the county's primary operating fund. At September 30, 2025, the General Fund's unassigned fund balance totaled \$60.5 million; total fund balance decreased during the fiscal year to \$65.6 million. As a measure of the General Fund's liquidity, it is useful to compare both unassigned and total fund balances to total expenditures. The General Fund's unassigned fund balance and total fund balance represent 33.3% and 36.1% respectively, of \$181.7 million total expenditures for the fiscal year ended September 30, 2025. This indicates the county's ability to fund operations for roughly four months using fund balance.

Revenues increased from the prior year by \$6.8 million. The change in revenue was mostly due to a \$5.0 million increase in property tax revenue and a \$1.2 million increase in interest and investment revenue.

As shown on the Statement of Revenues, Expenditures and Changes in Fund Balance, the net result of revenues less expenditures and other financing sources was a decrease in fund balance of \$2.1 million. Commissioners Court assigned a portion of fund balance to be utilized in the fiscal year 2025 in the amount of \$34.2 million, to be used as needed for unforeseen expenditures not known at the time the budget was adopted.

**Road and Bridge Fund.** The Road and Bridge Fund has a fund balance at September 30, 2025, of \$2.2 million. The fund balance decreased from the prior year by \$1.2 million. The largest contributors to this decrease was an increase in maintenance and repair expenditures of \$0.9 million and an increase in capital outlay expenditures of \$0.3 million.

**American Rescue Plan Stimulus Fund.** The American Rescue Plan Stimulus Fund has a fund balance of \$1.2 million at September 30, 2025, an increase of \$0.8 million from the prior fiscal year. This increase is due to interest and investment revenue that was earned.

**Grant Fund.** The Grant Fund has a fund balance at September 30, 2025, of \$3.1 million. The fund balance increased by \$7.3 million in the current fiscal year. This change is mostly due to reimbursements received for various disaster projects, as well as \$1.5 million in transfers in for grant match.

**Debt Service Fund.** The Debt Service Fund has a fund balance at September 30, 2025, of \$5.0 million. Its fund balance increased by \$1.0 million from the prior fiscal year, due in large part to a \$4.3 million increase in tax revenue; a \$0.4 decrease in intergovernmental, interest and investment, and miscellaneous revenues; and a \$0.4 million decrease in interest and principal expenditures.

## General Fund Budgetary Highlights

The original adopted budget for General Fund operating expenditures was \$174.9 million, plus transfers out to other funds budgeted at \$1.7 million. Including budgeted reserves of \$34.2 million, the total adopted General Fund budget was \$210.8 million (rounded). During the year, budgeted reserves were reduced by \$21.0 million. The final amended budget for operating expenditures after returning unused budgeted reserves to fund balance was \$194.3 million. The increase in operating budgeted expenditures was primarily due to:

- General Government budgeted expenditures increased by \$7.2 million, mainly due to a \$1.0 million increase in administrative supplies, a \$1.4 million increase in fuel, a \$1.3 million increase in contract services, a \$1.7 increase in professional services, and a \$1.5 million increase in salaries and wages.
- Judicial budgeted expenditures increased by \$0.8 million, mainly due to an increase in court related expenses.
- Public Safety budgeted expenditures increased \$7.8 million, mostly for salaries and fringe benefits, as well as an increase in contract services, equipment, and equipment maintenance and repairs.
- Capital Outlay budgeted expenditures increased by \$1.6 million mainly due to subscription-based IT agreements.
- Health and Social Services budgeted expenditures increased by \$1.8 million, mainly due to an increase in services and charges.

During the year, actual revenues were greater by \$7.8 million and actual expenditures were \$12.6 million less than final budgeted amounts. See table below for significant budget to actual variances for both revenues and expenditures in the General Fund.

**General Fund Budget to Actual Variances**  
**September 30, 2025**  
(\$ in millions)

		<u>Budgeted</u>	<u>Actual</u>	<u>Difference</u>
<b>Revenues</b>				
Taxes	(1)	\$ 133.3	\$ 136.9	\$ 3.6
Licenses and Permits		0.1	0.1	-
Intergovernmental	(2)	21.9	23.7	1.8
Charges for Services		6.8	7.4	0.6
Fines and Forfeitures		1.2	1.4	0.2
Investment Earnings	(3)	3.6	4.9	1.3
Miscellaneous		0.7	0.8	0.1
<b>Total Revenues</b>		<u>\$ 167.6</u>	<u>\$ 175.2</u>	<u>\$ 7.6</u>

(1) Taxes - Increase due to an increase in the property tax base and a higher than expected collection rate.

(2) Intergovernmental - Increase due to an increase in the Sheriff's ISDs salary reimbursements

(3) Investment Earnings - Increase due to the increase of investment activity, leading to a greater than expected interest earnings rate.

		<u>Budgeted</u>	<u>Actual</u>	<u>Difference</u>
<b>Expenditures</b>				
General Government	(1),(2)	\$ 56.0	\$ 46.5	\$ (9.5)
Judicial	(1),(3)	29.0	26.1	(2.9)
Public Safety	(1),(4)	81.3	77.4	(3.9)
Health And Social Services		16.8	16.3	(0.5)
Culture And Recreation		3.2	2.8	(0.4)
Conservation		1.0	0.5	(0.5)
Debt Service	(5)	-	1.6	1.6
Capital Outlay	(6)	7.0	10.4	3.4
<b>Total Expenditures</b>		<u>\$ 194.3</u>	<u>\$ 181.6</u>	<u>\$ (12.7)</u>

(1) General Government, Judicial & Public Safety - Decrease due to county policy related to vacated positions left unfilled for 4 payroll periods.

(2) General Government - Decrease due to lower contract legal services, other contract services, subscription based IT arrangements, salaries & wages, alternate plan employee benefit, and fuel expenditures.

(3) Judicial - Decrease due to fewer than expected family and child protection expenses, salaries & wages, alternate plan employee benefit, and postage expenditures.

(4) Public Safety - Decrease due to lower nuisance abatement expenditures, contract services for volunteer fire department, other contract services, salaries & wages, alternate plan employee benefit, and vehicle make ready expenditures.

(5) Debt Service - Increase due to reclassification of principal and interest payments for leases (GASB 84) and subscription-based IT arrangements (GASB 96) from General Government.

(6) Capital Outlay - Increase due to expenditures for buildings, technology, furniture and fixtures, improvements other than buildings, machinery and equipment, and vehicles.

## Notes to the Financial Statements

The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements. The Notes to the Financial Statements can be found on pages 53-105 of this report.

### Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information (“RSI”) about the budgetary compliance of the county’s General Fund, Road and Bridge Fund, American Rescue Plan Stimulus Fund and Grant Fund. Also included are notes to the RSI, which provides schedules regarding the net pension liability/(asset) and employer contributions for the county’s retirement plan, as well as schedules related to OPEB liability and funding. The RSI and notes to the RSI can be found on pages 106-127 of this report.

### Capital Assets and Debt Administration

**Capital Assets.** The county’s investment in capital assets at September 30, 2025, net of accumulated depreciation/amortization, totaled \$308.0 million, an increase of \$17.8 million (6.15%) from the prior year. Capital assets are classified as land, infrastructure, buildings and improvements, machinery and equipment, improvements other than buildings, right-to-use leases, right-to-use subscriptions and construction in progress. The increase in investment in capital assets occurred mostly in the Construction in Progress and Right-to-Use Subscriptions classes.

#### Capital Assets (Net of Depreciation/Amortization) At September 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Land	\$ 36,704,796	\$ 38,816,885
Right-to-Use Leased Land	39,862	14,308
Buildings and Improvements	112,480,609	117,759,214
Right-to-Use Leased Buildings	983,032	1,160,913
Improvements Other than Buildings	17,795,677	18,522,543
Machinery and Equipment	26,125,291	21,797,348
Right-to-Use Leased Equipment	89,224	-
Right-to-Use Subscriptions	9,643,700	3,820,463
Infrastructure	51,403,659	54,774,576
Construction in Progress	<u>52,778,599</u>	<u>33,543,845</u>
Total	<u>\$ 308,044,449</u>	<u>\$ 290,210,095</u>

During this fiscal year, \$1.9 million was transferred from “Construction in Progress” to various capital asset categories, including:

- Buildings
  - Jack Brooks Park Sporting Clay Course
  - Jail Kitchen Flooring Replacement
- Equipment
  - Juvenile Justice 140 Ton Chiller
  - Building Automation Project
- Improvements Other Than Buildings
  - Gum Bayou De-Snag

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

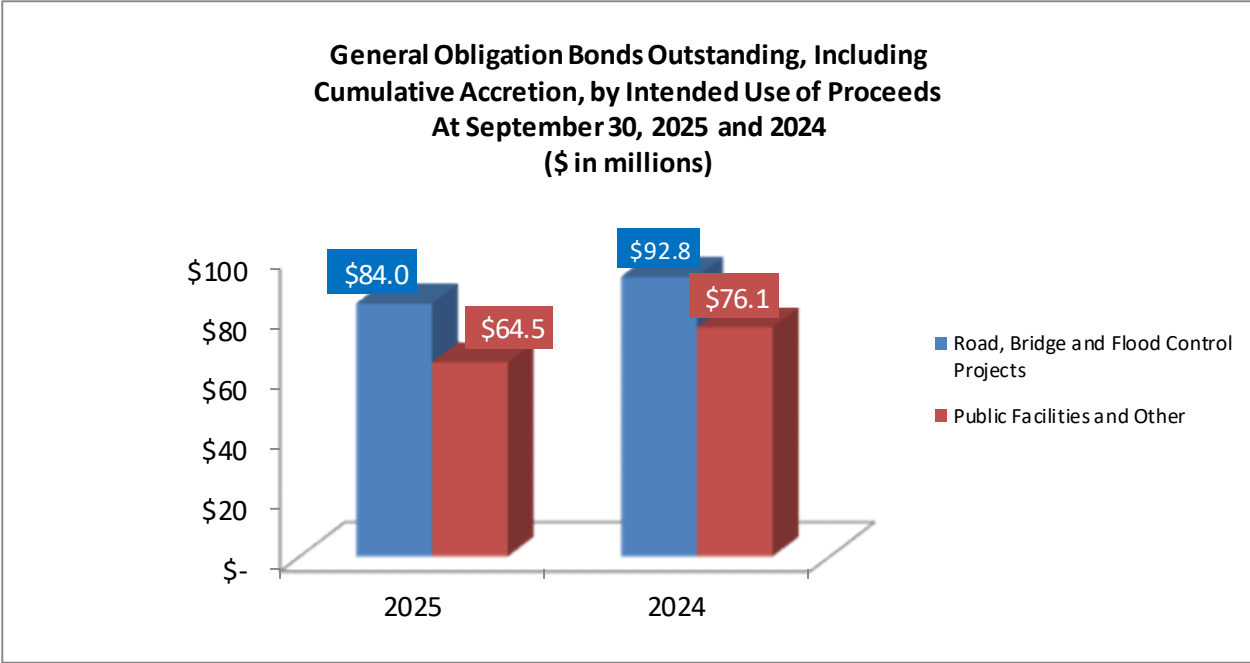
- Land and Land Improvements: \$2.3 Million
- Buildings: \$31.1 Million
- Infrastructure: \$18.0 Million
- Improvements Other Than Buildings: \$0.3 Million
- Equipment: \$0.9 Million

Additional information on the county’s capital assets is found in Note III.E to the Financial Statements on pages 72-74 of this report.

**Long-Term Debt.** At September 30, 2025, the county’s outstanding bonded debt, including accumulated accretion, totaled \$148.5 million, all of which is general obligation bonds. These general obligation bonds are backed by the full faith and credit of the county.

**General Obligation Bonds Outstanding, Including  
Cumulative Accretion, by Intended Use of Proceeds  
At September 30, 2025 and 2024**

	2025	2024
Road, Bridge and Flood Control Projects	\$ 84,002,067	\$ 92,816,447
Public Facilities and Other	64,533,032	76,143,146
Total Long-Term Debt	\$ 148,535,099	\$ 168,959,593



The county’s outstanding bonded debt decreased by a net 12.09%, or \$20.4 million, during the fiscal year ended September 30, 2025. No new debt was added, and scheduled principal payments totaled \$15.6 million. Current-year accretion on capital appreciation bonds added \$0.6 million; this increase was offset by the payment of \$5.4 million, resulting in net accretion of (\$4.8) million.

The county maintains an “Aaa” rating from Moody’s Investors Service, Inc., and an “AA+” rating from Fitch Ratings on its general-obligation debt.

State statute limits the amount of general obligation debt a governmental entity may issue to 5 percent of the assessed full valuation. The current debt limit for the county is \$3.5 billion, which is significantly in excess of the county’s outstanding general obligation debt. In addition, Article III §52 of the Texas Constitution limits the unlimited tax road bonds a governmental entity may issue to 25 percent of the assessed full valuation. The current debt limit for the county is \$16.4 billion, which is significantly in excess of the county’s outstanding unlimited tax road bonds.

Additional information concerning the county’s long-term debt can be found in Note III.H to the Financial Statements on pages 80-87 of this report.

**Economic Factors and Next Year’s Budgets and Rates**

- The total ad valorem tax rate for FY 2026 is \$0.325660 (per \$100.00 of valuation). This is a reduction of \$0.00784 from the FY 2025 tax rate of \$0.333500.
- The reduction in tax rate is due to Senate Bill 2 tax reform legislation, as well as an increase in the county’s net taxable base value from \$52.7 billion in fiscal year 2025 to \$55.5 billion in fiscal year 2026.

- FY 2026 budget figures for the General Fund include revenues of \$182.4 million, expenditures of \$181.4 million and transfers to other funds of \$9.5 million, with an additional \$34.2 million set aside for unanticipated expenditures.
- As reported by the Bureau of Labor Statistics, the unemployment rate in Galveston County for September 2025 was 4.6%, which exceeded the 2025 state unemployment rate of 4.1% by 0.5% and the September 2025 national unemployment rate of 4.3% by 0.3%.
- The U.S. Census Bureau estimated the county's population at July 1, 2024 at 367,407, an increase of 16,723 from the 2020 census figure of 350,684.
- The Real Estate Center at Texas A&M University reported an average of 496 housing sales per month for the county's fiscal year ended September 30, 2025 at an average median sales price of \$340,995 compared to statistics of 473 and \$354,320 respectively, for its fiscal year ended September 30, 2024.
- The U.S. Census Bureau also reported that in 2023, the most recent year of data available, there were 6,597 employer establishments operating within the county, employing 95,225 persons, with a combined annual payroll of \$5.0 billion.

## **REQUESTS FOR INFORMATION**

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

## Basic Financial Statements

**T**he Basic Financial Statements subsection includes the government-wide statements, which incorporates governmental activities of the County of Galveston in order to provide an overview of the financial position and results of operations for the reporting entity. This subsection also includes the fund financial statements of the County and the accompanying notes to the financial statements.

**GALVESTON COUNTY, TEXAS**  
**STATEMENT OF NET POSITION**  
**September 30, 2025**

		<u>Governmental Activities</u>
<b>ASSETS</b>		
Cash and Cash Equivalents	\$	56,686,305
Investments		108,523,419
Receivables (Net of Allowances for Uncollectibles):		
Taxes		11,535,488
Accounts and Other		22,299,052
Lease Receivable		5,462,135
Inventories		1,329,977
Prepaid Expenses		86,035
Net OPEB Asset - Retiree Life Reserve		9,961,210
Net Pension Asset		5,991,032
Capital Assets Not Being Depreciated/Amortized		89,483,395
Capital Assets, Net of Accumulated Depreciation/Amortization		<u>218,561,054</u>
<b>Total Assets</b>		<u><b>529,919,102</b></u>
 <b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred Loss on Refunding		3,772,033
Deferred Outflows - Pension		9,538,793
Deferred Outflows - OPEB - Retiree Life Reserve		234,948
Deferred Outflows - OPEB - Retiree Health Plan		<u>17,308,939</u>
<b>Total Deferred Outflows of Resources</b>		<u><b>30,854,713</b></u>
 <b>LIABILITIES</b>		
Accounts Payable		10,565,458
Salaries Payable		6,674,077
Accrued Interest Payable		3,018,370
Retainage Payable		2,483,229
Estimated Liability - Claims and Judgments		1,330,645
Due to Others		2,646,501
Deposits Payable		351,441
Unearned Revenue		6,457,000
Noncurrent Liabilities:		
Due within One Year		
Long-Term Liabilities		23,822,747
Total OPEB Liability		2,963,248
Due in More Than One Year		
Long-Term Liabilities		149,979,987
Total OPEB Liability		<u>96,166,233</u>
<b>Total Liabilities</b>		<u><b>306,458,936</b></u>

**GALVESTON COUNTY, TEXAS**  
**STATEMENT OF NET POSITION**  
**September 30, 2025**

**Governmental Activities**

**DEFERRED INFLOWS OF RESOURCES**

Deferred Inflows - Leases	5,564,591
Deferred Inflows - Pension	5,999,789
Deferred Inflows - OPEB - Retiree Life Reserve	3,097,840
Deferred Inflows - OPEB - Retiree Health Plan	40,796,553
<b>Total Deferred Inflows of Resources</b>	<b>55,458,773</b>

**NET POSITION**

Net Investment In Capital Assets	230,036,469
Restricted for:	
Statute - Regulation:	
Culture and Recreation	2,191,583
General Government	6,356,219
Health and Social Services	443,221
Judicial	5,358,174
Public Safety	9,135,906
Roads, Bridges, and ROW	7,965,046
Grants	4,302,348
Debt Service	3,857,416
Other Projects	46,442,720
Pension	5,991,032
OPEB - Retiree Life Reserve	9,961,210
Unrestricted	(133,185,238)
<b>Total Net Position</b>	<b>\$ 198,856,106</b>

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

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**GALVESTON COUNTY, TEXAS**  
**STATEMENT OF ACTIVITIES**  
For the Year Ended September 30, 2025

<u>Functions/Programs</u>	<u>Program Revenues</u>				<u>Net (Expense) Revenue and Changes in Net Position</u>
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>
Governmental Activities:					
General Government	\$ 57,416,583	\$ 9,065,475	\$ 16,368,805	\$ -	\$ (31,982,303)
Judicial	26,927,626	4,598,155	1,680,469	-	(20,649,002)
Public Safety	89,674,665	1,522,154	17,996,845	-	(70,155,666)
Health and Social Services	19,386,027	4,913	13,556,359	-	(5,824,755)
Culture and Recreation	5,435,417	1,070,559	755,873	-	(3,608,985)
Conservation	631,698	-	1,689,846	-	1,058,148
Roads, Bridges and Rights-of-Way	14,361,832	264,869	8,043,913	-	(6,053,050)
Interest on Long-term Debt	6,390,878	-	-	-	(6,390,878)
Total Governmental Activities	<u>\$ 220,224,727</u>	<u>\$ 16,526,125</u>	<u>\$ 60,092,110</u>	<u>\$ -</u>	<u>\$ (143,606,492)</u>
General Revenues:					
Property Taxes					165,038,444
Payments in Lieu of Taxes					2,099,926
Unrestricted Investment Earnings					8,655,602
Gain on Sale of Capital Assets					1,518,768
Miscellaneous					2,203,992
Total General Revenues and Other Items					<u>179,516,732</u>
Change In Net Position					35,910,240
<b>Net Position - Beginning</b>					<u>162,945,866</u>
<b>Net Position - Ending</b>					<u>\$ 198,856,106</u>

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

**GALVESTON COUNTY, TEXAS**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**September 30, 2025**

	General	Road and Bridge	American Rescue Plan Stimulus	Grant
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 2,363,759	\$ 1,106,955	\$ 909	\$ 542,280
Investments	48,711,866	1,391,650	8,202,076	333,919
Receivables (Net of Allowance for Uncollectibles):				
Taxes	9,241,434	177,749	-	-
Accounts and Other	13,427,365	61,920	-	7,984,247
Lease Receivable	5,376,867	-	-	-
Due from Other Funds	22,775,380	-	-	-
Inventory at Cost	9,206	282,734	-	-
Prepaid Items	86,035	-	-	-
<b>Total Assets</b>	<b>\$ 101,991,912</b>	<b>\$ 3,021,008</b>	<b>\$ 8,202,985</b>	<b>\$ 8,860,446</b>
<b>LIABILITIES</b>				
Accounts Payable	\$ 5,930,133	\$ 453,772	\$ 136,617	\$ 325,298
Salaries Payable	6,346,546	145,930	-	14,878
Compensated Absences Payable	39,379	-	-	-
Retainage Payable	-	-	831,576	395,151
Due to Others	2,461,501	2,337	-	167,908
Deposits - Held	339,025	-	-	-
Due to Other Funds	-	-	504,000	4,749,280
Unearned Revenue	791,148	14,426	5,483,156	153,219
<b>Total Liabilities</b>	<b>15,907,732</b>	<b>616,465</b>	<b>6,955,349</b>	<b>5,805,734</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenue:				
Property Taxes	9,241,434	177,749	-	-
Charges for Services, Court Fees and Fines	5,731,097	-	-	-
Leases	5,482,224	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>20,454,755</b>	<b>177,749</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES</b>				
Non-Spendable	95,241	282,734	-	-
Restricted	-	1,944,060	1,247,636	3,054,712
Assigned	5,012,000	-	-	-
Unassigned	60,522,184	-	-	-
<b>Total Fund Balances</b>	<b>65,629,425</b>	<b>2,226,794</b>	<b>1,247,636</b>	<b>3,054,712</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 101,991,912</b>	<b>\$ 3,021,008</b>	<b>\$ 8,202,985</b>	<b>\$ 8,860,446</b>

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

**GALVESTON COUNTY, TEXAS**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**September 30, 2025**

Debt Service	Total Nonmajor Governmental Funds	Total Governmental Funds
\$ 3,163,335	\$ 44,430,044	\$ 51,607,282
13,502,152	33,696,847	105,838,510
1,860,729	255,576	11,535,488
229,570	210,925	21,914,027
-	85,268	5,462,135
-	-	22,775,380
-	1,038,037	1,329,977
-	-	86,035
<b>\$ 18,755,786</b>	<b>\$ 79,716,697</b>	<b>\$ 220,548,834</b>
\$ -	\$ 701,195	\$ 7,547,015
-	166,723	6,674,077
-	-	39,379
-	1,256,502	2,483,229
-	7,441	2,639,187
-	12,416	351,441
11,880,000	1,731,100	18,864,380
-	15,051	6,457,000
11,880,000	3,890,428	45,055,708
1,860,729	255,576	11,535,488
-	-	5,731,097
-	82,367	5,564,591
1,860,729	337,943	22,831,176
-	1,038,037	1,416,012
5,015,057	72,138,686	83,400,151
-	3,710,979	8,722,979
-	(1,399,376)	59,122,808
5,015,057	75,488,326	152,661,950
<b>\$ 18,755,786</b>	<b>\$ 79,716,697</b>	<b>\$ 220,548,834</b>

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**GALVESTON COUNTY, TEXAS**  
**RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS**  
**TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION**  
**September 30, 2025**

Total fund balance, governmental funds \$ 152,661,950

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not current financial resources and therefore are not reported in the fund financial statement, but are reported in the governmental activities of the Statement of Net Position. 297,288,631

Leased assets used in governmental activities are not current financial resources and therefore are not reported in the fund financial statement, but are reported in the governmental activities of the Statement of Net Position. 1,112,117

Subscription assets used in governmental activities are not current financial resources and therefore are not reported in the fund financial statement, but are reported in the governmental activities of the Statement of Net Position. 9,643,701

Accrued interest receivable on leases used in governmental activities are not current financial resources and therefore are not reported in the fund financial statement, but are reported in the governmental activities of the Statement of Net Position. 8,452

The net OPEB asset used in governmental activities is not a current financial resource and therefore is not reported in the fund financial statement, but is reported in the governmental activities of the Statement of Net Position. 9,961,210

The net pension asset used in governmental activities is not a current financial resource and therefore is not reported in the fund financial statement, but is reported in the governmental activities of the Statement of Net Position. 5,991,032

The assets and liabilities of internal service funds are not included in the fund financial statement, but are included in the governmental activities of the Statement of Net Position. (126,897)

Deferred losses on refundings are not included in the fund financial statement, but are included in the governmental activities of the Statement of Net Position. 3,772,033

Deferred outflows of resources for pension-related activities are not included in the fund financial statements, but are included in the governmental activities of the Statement of Net Position. 9,538,793

Deferred outflows of resources for OPEB-related activities are not included in the fund financial statements, but are included in the governmental activities of the Statement of Net Position. 17,543,887

Some liabilities, such as Long-term Compensated Absences and Bonds Payable, are not due and payable in the current period and are not included in the fund financial statement, but are reported in the governmental activities of the Statement of Net Position. These are as follows:

Bonds payable	(143,154,091)
Accumulated accretion on capital appreciation bonds	(5,381,008)
Interest on long-term debt	(3,018,370)
Premiums on issuance of debt	(11,070,760)
Compensated absences	(6,804,198)
Total OPEB liability	(99,129,481)
Lease Liability	(1,143,812)
Subscription Liability	(6,209,486)

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. 11,535,488

Court receivables for fines and related costs that have been imposed and are now due, but are not available soon enough to pay for the current period's expenditures, and are therefore deferred in the funds. 5,731,097

Deferred inflows of resources for pension and OPEB-related activities are not included in the fund financial statements, but are included in the governmental activities of the Statement of Net Position. (49,894,182)

Net position of governmental activities \$ 198,856,106

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

**GALVESTON COUNTY, TEXAS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**For the Year Ended September 30, 2025**

	<b>General</b>	<b>Road and Bridge</b>	<b>American Rescue Plan Stimulus</b>	<b>Grant</b>
<b>REVENUES</b>				
Taxes	\$ 136,883,513	\$ 2,289,092	\$ -	\$ -
Licenses and Permits	57,685	3,041,753	-	-
Intergovernmental	23,743,448	443,665	17,930,765	18,975,225
Charges for Services	7,444,984	-	-	92,476
Fines and Forfeitures	1,392,365	-	-	-
Investment Earnings	5,003,286	48,289	942,683	16,222
Miscellaneous	821,817	3,471	-	27,600
<b>Total Revenues</b>	<b>175,347,098</b>	<b>5,826,270</b>	<b>18,873,448</b>	<b>19,111,523</b>
<b>EXPENDITURES</b>				
Current:				
General Government	46,532,807	476,214	762,959	9,748
Judicial	26,111,581	-	-	1,194,799
Public Safety	77,376,409	-	-	5,645,511
Health and Social Services	16,317,467	-	585,322	1,068,363
Culture and Recreation	2,838,309	-	-	99,043
Conservation	530,769	-	-	-
Roads, Bridges and Rights-of-Way	-	5,857,366	4,821,726	1,015
Debt Service:				
Principal Retirement	1,554,026	18,795	-	-
Interest and Fiscal Charges	40,098	1,205	-	-
Capital Outlay	10,371,942	835,725	11,760,758	5,363,669
<b>Total Expenditures</b>	<b>181,673,408</b>	<b>7,189,305</b>	<b>17,930,765</b>	<b>13,382,148</b>
<b>Excess (Deficiency) of Revenues over (under) Expenditures</b>	<b>(6,326,310)</b>	<b>(1,363,035)</b>	<b>942,683</b>	<b>5,729,375</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	88,931	171,744	-	1,535,655
Transfers Out	(2,188,138)	-	(145,859)	-
Issuance of Subscription-based IT Arrangement	5,989,195	-	-	-
Issuance of Lease Agreement	229,315	-	-	-
Sale of Capital Assets	71,170	7,100	-	30,485
<b>Total Other Financing Sources (Uses)</b>	<b>4,190,473</b>	<b>178,844</b>	<b>(145,859)</b>	<b>1,566,140</b>
<b>Net Change in Fund Balances</b>	<b>(2,135,837)</b>	<b>(1,184,191)</b>	<b>796,824</b>	<b>7,295,515</b>
<b>Fund Balances - Beginning</b>	<b>67,765,262</b>	<b>3,410,985</b>	<b>450,812</b>	<b>(4,240,803)</b>
<b>Fund Balances - Ending</b>	<b>\$ 65,629,425</b>	<b>\$ 2,226,794</b>	<b>\$ 1,247,636</b>	<b>\$ 3,054,712</b>

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

**GALVESTON COUNTY, TEXAS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**For the Year Ended September 30, 2025**

<u>Debt Service</u>	<u>Total Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 27,069,821	\$ 920,821	\$ 167,163,247
-	-	3,099,438
677,197	421,736	62,192,036
-	3,943,162	11,480,622
-	322,157	1,714,522
831,915	1,686,129	8,528,524
450	1,350,654	2,203,992
<u>28,579,383</u>	<u>8,644,659</u>	<u>256,382,381</u>
-	950,342	48,732,070
-	625,918	27,932,298
-	4,401,653	87,423,573
-	1,329,663	19,300,815
-	763,121	3,700,473
-	-	530,769
-	2,189,507	12,869,614
15,600,544	263,150	17,436,515
12,016,704	3,285	12,061,292
-	8,806,140	37,138,234
<u>27,617,248</u>	<u>19,332,779</u>	<u>267,125,653</u>
<u>962,135</u>	<u>(10,688,120)</u>	<u>(10,743,272)</u>
-	700,627	2,496,957
-	(162,960)	(2,496,957)
-	-	5,989,195
-	186,959	416,274
-	3,717,989	3,826,744
-	4,442,615	10,232,213
962,135	(6,245,505)	(511,059)
<u>4,052,922</u>	<u>81,733,831</u>	<u>153,173,009</u>
<u>\$ 5,015,057</u>	<u>\$ 75,488,326</u>	<u>\$ 152,661,950</u>

**GALVESTON COUNTY, TEXAS**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCES - GOVERNMENTAL FUNDS TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES**  
**For the Year Ended September 30, 2025**

Net change in fund balances - total governmental funds: \$ (511,059)

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

Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the Statement of Activities reports only a portion of the outlay as expense. The outlay is allocated over the assets' estimated useful lives as depreciation expense for the period. This is the amount by which depreciation/amortization of \$19,416,603 exceeded additions of \$33,798,799 to capital assets in the current period. 14,382,196

Governmental funds report the entire net sales price (proceeds) from sale of an asset as an other financing source because it provides current financial resources. In contrast, the Statement of Activities reports only the gain on the sale of the assets. Thus, the change in the net position differs from the change in fund balance by the undepreciated cost of the asset sold. (2,307,976)

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. (1,893,260)

Governmental funds report bond and other debt 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. 16,311,632

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

Accrued interest not reflected in governmental funds	36,890
Compensated absences	263,826
Amortization of deferred charges	928,404
Other post-employment benefits	2,580,837
Accretion of capital bond interest	4,823,950
Pension cost, net	11,129,289

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 change in net position of internal service funds is reported with governmental activities. (9,834,489)

Change in net position of governmental activities \$ 35,910,240

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

**GALVESTON COUNTY, TEXAS  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
September 30, 2025**

		<b>Governmental Activities <u>Internal Service Funds</u></b>
<b>ASSETS</b>		
Current Assets:		
Cash and Cash Equivalents	\$	5,079,023
Investments		2,684,909
Receivables (Net of Allowances for Uncollectibles):		
Accounts and Other		376,573
<b>Total Assets</b>		<u>8,140,505</u>
<b>LIABILITIES</b>		
Current Liabilities:		
Accounts Payable		3,018,443
Due to Others		7,314
Due to Other Funds		3,911,000
Estimated Liability - Claims		1,330,645
<b>Total Liabilities</b>		<u>8,267,402</u>
<b>NET POSITION</b>		
Unrestricted		<u>(126,897)</u>
<b>Total Net Position</b>	<b>\$</b>	<b><u>(126,897)</u></b>

**GALVESTON COUNTY, TEXAS**  
**STATEMENT OF REVENUES, EXPENSES AND**  
**CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS**  
**For the Year Ended September 30, 2025**

	<b>Governmental Activities Internal Service Funds</b>
<b>OPERATING REVENUES</b>	
Charges for Services	\$ 18,482,552
Reimbursements	3,389,763
Miscellaneous	140,025
<b>Total Operating Revenues</b>	<u>22,012,340</u>
<b>OPERATING EXPENSES</b>	
Contract Services	1,292,275
Insurance	30,681,632
<b>Total Operating Expenses</b>	<u>31,973,907</u>
<b>Operating Income (Loss)</b>	(9,961,567)
<b>NONOPERATING REVENUES (EXPENSES)</b>	
Investment Earnings	<u>127,078</u>
<b>Change In Net Position</b>	(9,834,489)
<b>Total Net Position - Beginning</b>	<u>9,707,592</u>
<b>Total Net Position-Ending</b>	<u><u>\$ (126,897)</u></u>

**GALVESTON COUNTY, TEXAS**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
For the Year Ended September 30, 2025

	<b>Governmental  Activities</b> <u>Internal Service Funds</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from Outside Sources	\$ 19,113,596
Payments to Suppliers	(30,547,304)
Payments to Employees	(6,062)
Due To (Repayment From) Other Funds	3,911,000
Other Operating Revenues	3,528,605
<b>Net Cash Provided by (Used for) Operating Activities</b>	<u>(4,000,165)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Purchase of Investments	(2,684,909)
Matured Investments	2,565,692
Investment Earnings	127,078
<b>Net Cash Provided by (Used for) Investing Activities</b>	<u>7,861</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	(3,992,304)
<b>Cash and Cash Equivalents October 1, 2024</b>	<u>9,071,327</u>
<b>Cash and Cash Equivalents September 30, 2025</b>	<u><u>\$ 5,079,023</u></u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:</b>	
<b>Operating Income (Loss)</b>	<u>\$ (9,961,567)</u>
<b>Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:</b>	
(Increase) Decrease in Accounts Receivable	631,044
Increase (Decrease) in Unearned Revenue	(1,183)
Increase (Decrease) in Accounts Payable	1,426,382
Increase (Decrease) in Salaries Payable	(5,841)
Increase (Decrease) in Due to Other Funds	3,911,000
<b>Total Adjustments</b>	<u>5,961,402</u>
<b>Net Cash Provided by (Used for) Operating Activities</b>	<u><u>\$ (4,000,165)</u></u>

**GALVESTON COUNTY, TEXAS**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**September 30, 2025 and December 31, 2024**

	<b>Custodial Funds</b>	<b>OPEB Trust Fund</b>
	<b>September 30, 2025</b>	<b>December 31, 2024</b>
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 28,802,744	-
Investments:		
Certificates of Deposit	3,971,680	-
Fixed Income	-	16,834,247
Receivables (Net of Allowances for Uncollectibles):		
Accounts and Other	2,690	-
<b>Total Assets</b>	<b>32,777,114</b>	<b>16,834,247</b>
<b>LIABILITIES</b>		
Due to Other Entities	8,149,272	-
<b>NET POSITION</b>		
Restricted For:		
Individuals and Organizations	24,627,842	-
OPEB	-	16,834,247
<b>Total Net Position</b>	<b>\$ 24,627,842</b>	<b>\$ 16,834,247</b>

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

**GALVESTON COUNTY, TEXAS**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**For the Years Ended September 30, 2025 and December 31, 2024**

	<b>Custodial Funds</b>	<b>OPEB Trust Fund</b>
	<b>September 30, 2025</b>	<b>December 31, 2024</b>
<b>ADDITIONS</b>		
Employer Contributions	\$ -	\$ 640,508
Contributions from Judgments	32,183,676	-
County Clerk Fees	120	-
Deposits Held	15,471,889	-
Taxes Collected on Behalf of Taxing Entities	890,902,666	-
Interest Income	-	575,586
	<hr/>	<hr/>
<b>Total Additions</b>	<b>938,558,351</b>	<b>1,216,094</b>
<b>DEDUCTIONS</b>		
Benefit Payments	-	470,820
OPEB Plan Administrative Expense	-	37,524
Deposits Returned	12,739,357	-
Disbursements to Beneficiaries	27,619,612	-
Taxes Disbursed to Taxing Entities	890,902,666	-
	<hr/>	<hr/>
<b>Total Deductions</b>	<b>931,261,635</b>	<b>508,344</b>
<b>Net Increase (Decrease) in Fiduciary Net Position</b>	<b>7,296,716</b>	<b>707,750</b>
<b>Net Position - Beginning</b>	<hr/> <b>17,331,126</b>	<hr/> <b>16,126,497</b>
<b>Net Position - Ending</b>	<b><u>\$ 24,627,842</u></b>	<b><u>\$ 16,834,247</u></b>

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

## Notes to the Financial Statements

## I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### A. Reporting Entity

#### 1. Primary government

Galveston County, Texas was organized and exists under the Constitution and laws of the State of Texas. It was established on May 15, 1838, by the President of the Republic of Texas, Sam Houston. The county is located on the upper Texas coast and comprises a land area of 430 square miles. It is governed by an elected Commissioners Court composed of the County Judge and four County Commissioners. Services related to public safety, health and social programs, culture and recreation, conservation and the construction, improvement, maintenance and acquisition of roads, bridges and rights-of-way are provided.

The county prepares its basic financial statements in conformity with generally accepted accounting principles of the United States promulgated by the Governmental Accounting Standards Board (“GASB”), including:

- Governmental Accounting Standards Board Statement No. 61, *The Financial Reporting Entity: Omnibus – An Amendment of GASB Statements No. 14 and No. 34*, and
- Other authoritative sources identified in Statement on Auditing Standards No. 69, *The Meaning of “Present Fairly in Conformity with Generally Accepted Accounting Principles” in the Independent Auditor’s Report* of the American Institute of Certified Public Accountants.

#### 2. Component units

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

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

#### *Blended Component Units*

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

The county has determined its Road District #1 qualifies for classification as a blended component unit and thus reports its financial data in the Road District #1 Special Revenue Fund. Road District #1 was created and defined under Article III, §52 of the Texas Constitution to construct, maintain and operate macadamized, gravel and paved roads and turnpikes. The Commissioners Court is the statutory governing body of Road District #1 and is authorized to act on its behalf to issue debt, set tax rates and assess tolls.

The county maintains all of the accounting records for Road District #1; separate financial statements are not issued.

The county also determined the OPEB Trust Fund qualifies as a blended component unit and is thus reported as a fiduciary fund. Although the OPEB plan is a legally separate entity, the county has a fiscal obligation to make contributions to the trust until the fund is no longer in existence. More information regarding the implementation of GASB Statement 84 and the OPEB Trust Fund can be found below in the notes.

#### *Discretely Presented Component Units*

Alternatively, a component unit is labeled *discretely presented* when it operates with a greater degree of autonomy with relation to the primary government. The data of such a component unit is presented together with, but distinguishable from, the data of the primary government. The county currently reports no discretely presented component unit.

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

The *government-wide financial statements* (i.e., the Statement of Net Position and the Statement of Activities) report information for non-fiduciary activities of the primary government. The effects of inter-fund services provided and used are not eliminated in the process of consolidation, whereas indirect expense allocations are eliminated from the government-wide financial statements.

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

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

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

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

Separate financial statements are provided for *Governmental Funds*, *Proprietary Funds* and *Fiduciary Funds*, although the fiduciary funds 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 accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of recognition in the financial statements of various kinds of transactions or events.

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

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

Governmental Funds financial statements use the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they become both measurable and available. Revenues are considered to be *measurable* if the transaction amounts can be determined and are considered to be *available* if they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. With regard to this latter criterion, the government considers revenues to be available if they are collected within sixty days of the end of the fiscal period. Expenditures are generally recorded when a liability is incurred, as with accrual accounting. However, debt service principal and interest expenditures on general long-term debt, including lease liabilities, as well as expenditures related to compensated absences and claims and judgments are recorded when due. General capital asset acquisitions, including entering into contracts giving the county the right to use leased assets, are reported as expenditures in governmental funds. Issuance of long-term debt and financing through leases are reported as other financial sources.

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

The county reports the following five major funds, all of which are Governmental Funds:

- The *General Fund* is the primary operating fund. It accounts for all financial resources of the general government except those accounted for in another fund. The principal sources of General Fund revenues are property taxes, charges for services and fines and forfeitures. General Fund expenditures provide services involving public safety, health and social programs, culture and recreation, conservation and capital outlay, in addition to funding general government and judicial administration.
- The *Road and Bridge Fund* was created and is defined under Article 8, Section 9(c) of the *Texas Constitution*, which authorizes an ad valorem tax of \$0.15 per \$100.00 valuation to be levied and collected for the maintenance of public roads. Additionally, Chapter 256 of the *Texas Transportation Code* states these funds are to be used only for public road work or bridge construction, and only by order of the Commissioners Court.
- The *American Rescue Plan Stimulus Fund* is used to account for the American Rescue Plan Act 2021

stimulus funding received from the U.S. Government. This funding is to be used to support the public health responses to the coronavirus pandemic, address the negative economic effects caused by COVID-19, including government services through revenue loss funding, provide funding for public safety and investing in storm water infrastructure.

- The *Grant Fund* is used to aggregate grant funding awarded by the federal and state governments and by private foundations.
- The *Debt Service Fund* is used to account for the accumulation of resources to retire the principal of, and to pay the interest costs and paying-agent fees associated with, the county's long-term debt.

The county reports fifty-seven other Governmental Funds as nonmajor funds in the *Special Revenue* and *Capital Projects* fund types.

The county reports, as Proprietary Funds, four *Internal Service Funds*, three of which account for personnel-related insurance (health, workers' compensation and unemployment), and the fourth of which accounts for the insuring of real property and other tangible assets.

The county also reports, as Fiduciary Funds, one *OPEB Trust Fund* and fourteen *Custodial Funds*. A full listing and description of the county's fiduciary funds can be found in the combining and individual fund statements and schedules.

- The OPEB Trust Fund is used to account for the retiree life reserve plan, which is an irrevocable trust.
- The Custodial Funds are used to account for situations where the government's role is purely custodial, such as the receipt and remittance of fiduciary resources to individuals, private organizations or governments. The largest custodial funds are used to account for monies held in custody for county clerk and district clerk registry funds until a court order determines their disposition, as well as tax collections collected by the Tax Assessor-Collector for other entities until their distribution.

## **D. Assets, Deferred Outflows/Inflows of Resources, Liabilities and Net Position or Fund Balance**

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

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

State statutes authorize investments in United States Treasury, agency and instrumentality obligations; certificates of deposit; repurchase agreements; brokers' acceptances; commercial paper; mutual funds; guaranteed investment contracts; and investment pools. Investments are stated at cost, amortized cost or fair value.

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

#### Intra-reporting entity receivables/payables

Certain activity between funds is representative of lending/borrowing arrangements. The current portions of such balances of intra-reporting entity loans outstanding at fiscal year-end are labeled "due to/from other funds"; the non-current portions are labeled "advances to/from other funds."

#### Ad valorem property tax receivables

The county sets its tax rates annually. The ad valorem property tax receivable is net of an allowance of 6% of the delinquent receivables outstanding at fiscal year-end for estimated uncollectible accounts. The

allowance for interest and penalties depends on the age of the receivables and varies from 6% to 100%. Ad valorem property tax value is assessed at 100% of appraised market value as required by the *Property Tax Code*.

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

### **3. Inventories and prepaid items**

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

Under the consumption method, the county records certain payments to vendors that are reflective of costs applicable to future accounting periods as prepaid items in both government-wide and fund financial statements.

### **4. Capital assets**

The county considers an asset to be a *capital asset* if it has: 1) an initial cost that exceeds a specified threshold, and 2) an *estimated useful life* that is longer than one year. Capital assets may include land, construction in progress, buildings and improvements, improvements other than buildings, machinery and equipment and right-to-use assets through leases and subscriptions. Capital assets may also include *infrastructure* – public-domain, long-lived, immovable assets such as roads, bridges, park trails, the Galveston seawall, dams and levees. With the exception of the right-to-use assets, the county capitalization thresholds are \$5,000 for non-infrastructure capital assets and \$100,000 for infrastructure capital assets.

Capital assets are reported in the government-wide financial statements. With the exception of the right-to-use lease assets (the measurement of which is discussed in note III F. below), they are recorded:

- at historical cost or estimated historical cost, if purchased or constructed; or
- at acquisition cost, which is the price that would be paid to acquire an asset with equivalent service potential at the donation date, if donated.

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

The county's depreciable/amortizable capital assets, including the right-to-use leased land, buildings and equipment, are depreciated/amortized, using the *straight-line method* and assuming no *salvage value*, over the following estimated useful lives. More detail regarding capital assets can be found in note III E.

Asset Type	Years
Right-to-use leased land	10
Dams and levees	60
Bridges	50
Concrete and limestone streets; park trails and pathways; Galveston Seawall	30
Asphalt streets; improvements other than buildings	20
Buildings and improvements	40
Right-to-use buildings	2 to 6
Building components	10 to 40
Portable buildings	10
General and heavy equipment	13
Furniture and fixtures	7
Technological equipment; intangible assets	5
Right-to-use leased equipment	2
Vehicles	5

#### 5. Deferred outflows and inflows of resources

Deferred outflows and inflows of resources are reported as described below.

In addition to assets, the statement of financial position and/or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represent a consumption of net assets that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The county has the following two items that qualify for reporting in this category:

- **Deferred charge on refunding** – Reported in the government-wide Statement of Net Position, this deferred charge on refunding results from the difference between the carrying value of the refunded debt and its reacquisition price. The amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.
- **Deferred outflows of resources for pension/OPEB** – Reported in the government-wide Statement of Net Position, this deferred outflow results from pension plan and OPEB (Other Post-Employment Benefits) contributions made after the measurement date of the net pension and OPEB liability, and from the results of differences between projected and actual earnings and changes in assumptions. The deferred outflows of resources related to pensions and OPEB resulting from county contributions made subsequent to the measurement date will be recognized as a reduction of the net pension and OPEB liability in the next fiscal year. The difference will be amortized over the expected remaining service life, which is currently five years, of both active and inactive employees who do, or will, receive pensions and OPEB through the plan.

In addition to liabilities, the statement of financial position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represent an acquisition of net assets that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The county has the following types of items that qualify for reporting in this category:

- **Deferred inflows of resources for unavailable revenues** – Reported only in the governmental funds Balance Sheet, these unavailable revenues arise under the modified accrual basis of accounting from 1) property taxes, 2) intergovernmental revenue and 3) unpaid charges for services, court fees and fines. The amounts are deferred and recognized as an inflow of resources in the periods in which the amounts become available.
- **Leases** – Reported in the government-wide Statement of Net Position, the county reports deferred inflows related to leases where the county is a lessor. In addition, the deferred inflows of resources related to the leases are recognized as an inflow of resources (revenue) on the straight-line method over the term of the lease in the governmental funds Balance Sheet.
- **Deferred inflows of resources for pension/OPEB** – Reported in the government-wide Statement of Net Position, the county reports deferred inflows related to pension and OPEB. The amounts result primarily from differences between the expected and actual actuarial experience and the difference between projected and actual earnings. The amounts are amortized over a closed five-year period.

## 6. Leases

### *Lessee*

Galveston County is a lessee for noncancelable leases of land, buildings and equipment and recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements.

At the commencement of a lease, the county initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Right-to-use leased assets are amortized over the shorter of the lease term or useful life of the underlying asset using the straight-line method. The current amortization period varies from four to six years.

Key estimates and judgments related to leases include how the county determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term and (3) lease payments.

- The county uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the county generally uses its estimated incremental borrowing rate as the rate for leases.
- The lease term includes the noncancelable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the county is reasonably certain to exercise.

The county monitors changes in circumstances that would require a remeasurement of any lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets, and lease liabilities are reported with long-term debt on the statement of net position.

### *Lessor*

Galveston County is a lessor for several noncancelable leases of land and buildings and recognizes a deferred inflow of the resources in the government-wide and governmental fund financial statements.

At the commencement of a lease, the county initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the county determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term and (3) lease receipts.

- The county uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancelable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The county monitors changes in circumstances that would require remeasurement of any lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

### **7. Subscription-Based Information Technology Arrangements**

The county is a participant in noncancelable subscription-based IT arrangements (SBITAs) and recognizes a liability and an intangible right-to-use asset in the government-wide financial statements.

At the commencement of a SBITA, the county initially measures the liability at the present value of payments expected to be made during the agreement term. Subsequently, the liability is reduced by the principal portion of payments made. The asset is initially measured as the initial amount of the liability, adjusted for payments made at or before the commencement date, plus certain initial direct costs. The asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to SBITAs include how the county determines (1) the discount rate it uses to discount the expected payments to present value, (2) agreement term and (3) agreed upon payments.

- The county uses the interest rate charged by the vendor as the discount rate. When the interest rate charged by the vendor is not provided, the county generally uses its estimated incremental borrowing rate as the discount rate.
- The agreement term includes the noncancelable period of the subscription arrangement.
- The agreed upon payments included in the measurement of the liability are composed of fixed payments and purchase option price that the county is reasonably certain to exercise.

The county monitors changes in circumstances that would require a remeasurement of its subscription arrangement and will remeasure the asset and liability if certain changes occur that are expected to significantly affect the amount of the liability.

These right to use assets are reported with other capital assets and liabilities are reported with long-term debt on the statement of net position.

## **8. Compensated absences**

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

### *Vacation Leave*

An employee accrues vacation leave beginning on the six-month anniversary of date of employment, at a specified number of hours per year which differs with tenure, until, at twenty years of service, two hundred hours (five weeks) of vacation leave are awarded each year. An employee may accumulate up to 150% of the annual vacation accrual; any excess is forfeited at the next anniversary date. Half-time employees accrue vacation leave at one-half the number of hours awarded to full-time employees. Presently, upon termination, employees hired before October 1, 2011, are paid for earned but unused vacation leave up to a maximum of 300 hours, while employees hired on or after October 1, 2011, are paid for earned but unused vacation leave up to a maximum of 120 hours.

### *Sick Leave*

An employee begins to accrue sick leave on the six-month anniversary of the date of employment, at a specified number of hours per year, to a maximum of 720 hours; any excess is forfeited at the next anniversary date. Half-time employees accrue sick leave at one-half the number of hours awarded to full-time employees. If, at termination, employees: 1) qualify to retire (per criteria of the Texas County and District Retirement System), and 2) were hired before October 1, 2011, they are paid for one-half of their accumulated sick-leave balances, presently to a maximum of 360 hours. Employees hired on or after October 1, 2011, receive no compensation at termination for accumulated sick-leave balances.

At September 30, 2025, the total liability for compensated absences was \$6,843,577, of which \$39,379 was recorded in, and payable from, current financial resources of the fund in which the liability was incurred. If current financial resources in that fund are insufficient, or if such treatment is prohibited by grant provisions, the liability is recorded in the General Fund.

## **9. Pensions**

The county reports a liability for pension obligations and related deferred inflows and outflows of resources in accordance with Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27*, and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an Amendment of GASB Statement 68*. Changes in the net pension liability from year to year will be recognized as pension expense on the government-wide Statement of Activities or reported as deferred inflows or outflows of resources on the Statement of Net Position, depending on the nature of the change. Transactions giving rise to deferred inflows and outflows of resources are not entirely recognized in the Statement of Activities in the period in which they arise but are instead amortized over multiple years.

## **10. Other post-employment benefits (OPEB)**

*Retiree Life Reserve (RLR)*: For purposes of measuring the total OPEB liability, OPEB related deferred outflows and inflows of resources, and OPEB expense, benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. To meet long-term funding needs, contributions

are actuarially determined as a percentage of payroll. Information regarding the county's net OPEB asset is obtained from a report prepared by a consulting actuary, Gabriel Roeder Smith & Company.

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

#### **11. Long-term obligations**

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

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

#### **12. Unemployment and workers' compensation benefits**

The county provides unemployment benefits through the Texas Association of Counties ("TAC"), funding premiums, determined periodically by TAC, during the processing of each biweekly county payroll. The county provides workers' compensation benefits through a third-party administrator which pays claims as they become due. Both of these benefits are budgeted and paid from current resources.

#### **13. 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.

#### **14. Equity**

##### *Fund Balance*

In the fund statements, Governmental Funds may report fund balance in as many as five classifications.

- *Nonspendable* fund balance is either not spendable in its present form (e.g., inventory and the long-term portion of notes receivable) or is legally required to be maintained intact (e.g., the corpus of a permanent fund).

- Constraints on the use of *restricted* fund balance are imposed externally (e.g., by creditors, grantors, constitutional provision and enabling legislation).
- The use of *committed* fund balance is restricted via formal action of the government's highest level of decision-making authority - in the county's case, by resolution of its Commissioners Court. A like type of action would be required if the county later desired to modify or rescind the commitment.
- Fund balance amounts classified as *assigned* are constrained by the government's intent to use them for specific purposes, but they are neither restricted nor committed. Authority to assign fund balance rests with Commissioners Court, which does so in adopting the county's annual budget.
- Last, and least restrictive, *unassigned* fund balance is the residual classification for the General Fund for amounts not restricted, committed or assigned within it. In other funds, this classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed or assigned.

At September 30, 2025, the county reports the following classifications of amounts in the fund balances of its Governmental Funds:

	<u>General</u>	<u>Road and Bridge</u>	<u>American Rescue Plan Stimulus</u>	<u>Grant</u>	<u>Debt Service</u>	<u>Total Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Non-Spendable:</b>							
Inventory	\$ 9,206	\$ 282,734	\$ -	\$ -	\$ -	\$ 1,038,037	\$ 1,329,977
Prepaid Items	86,035	-	-	-	-	-	86,035
<b>Total Non-Spendable</b>	<b>95,241</b>	<b>282,734</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,038,037</b>	<b>1,416,012</b>
<b>Restricted:</b>							
<b>Capital Projects:</b>							
Road Construction	-	-	-	-	-	32,463,299	32,463,299
Flood Control	-	-	163,664	-	-	-	163,664
Buildings	-	-	630,108	73,461	-	-	703,569
Other	-	-	24,550	1,150,891	-	396,093	1,571,534
Beach and Parks	-	-	-	22,608	-	2,847,524	2,870,132
General Government	-	-	53,087	2,225	-	3,546,124	3,601,436
Judicial	-	-	-	272,734	-	2,335,562	2,608,296
Public Safety	-	-	-	1,288,688	-	16,424,409	17,713,096
Health/Social Services	-	-	40,727	243,873	-	4,961,529	5,246,129
Road and Bridge	-	1,944,060	335,499	232	-	8,169,967	10,449,758
Debt Service	-	-	-	-	5,015,057	994,180	6,009,237
<b>Total Restricted</b>	<b>-</b>	<b>1,944,060</b>	<b>1,247,636</b>	<b>3,054,712</b>	<b>5,015,057</b>	<b>72,138,686</b>	<b>83,400,151</b>
<b>Assigned:</b>							
Beach and Parks	12,000	-	-	-	-	-	12,000
Self-insurance	1,500,000	-	-	-	-	-	1,500,000
Contingent Liabilities	1,000,000	-	-	-	-	-	1,000,000
Disaster Recovery	2,500,000	-	-	-	-	-	2,500,000
Construction Projects	-	-	-	-	-	3,710,979	3,710,979
<b>Total Assigned</b>	<b>5,012,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,710,979</b>	<b>8,722,979</b>
Unassigned	60,522,184	-	-	-	-	(1,399,376)	59,122,808
<b>Total Fund Balances</b>	<b>\$65,629,425</b>	<b>\$2,226,794</b>	<b>\$1,247,636</b>	<b>\$3,054,712</b>	<b>\$5,015,057</b>	<b>\$75,488,326</b>	<b>\$152,661,950</b>

### 15. Use of estimates

The preparation of financial statements in conformity with GAAP requires management to make assumptions resulting in estimates that may affect:

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

Actual results could differ from such estimates.

## **16. Indirect expense allocation**

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

## **17. Restricted, committed and assigned resources**

Per county policy, when both restricted and unrestricted resources are available to fund an expenditure/expense, the restricted resources are applied first. Within unrestricted resources, when committed, assigned and/or unassigned resources are available to fund an expenditure/expense, any committed resources are applied first, followed by the assigned resources and then lastly by the unassigned resources.

## **18. Implementation of new standards**

In the fiscal year ended September 30, 2025, the county implemented two new standards of the Governmental Accounting Standards Board ("GASB").

The first new standard is GASB Statement No. 101, *Compensated Absences*. The objective of this statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

GASB Statement No. 101 was implemented by the county and appropriate journal entries were recorded and applicable general ledger accounts were updated for the current fiscal year. The county reviewed relevant regulations, policies and applicable accounts' transactions and balances for the prior year and determined there is no material impact which would require a restatement for the beginning net position for the current fiscal year.

The second new standard is GASB Statement No. 102, *Certain Risk Disclosures*. The objective of this statement is to provide users of government financial statements with essential information regarding risks related to a government's vulnerabilities due to certain concentrations or constraints. With this implementation, the county has determined there is no material impact on the county's financial statements.

## **II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

### **A. Budgetary Information**

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

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

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

Some Special Revenue Funds either do not issue budgets or issue budgets that are not adopted through, and are not under the oversight of, Commissioners Court. They include:

Constable Pct 3 Forfeitures <sup>1</sup>	Probate Court Contributions <sup>3</sup>
District Attorney Check Collection Fees <sup>1</sup>	Sheriff's Commissary <sup>4</sup>
District Attorney Forfeitures After 10/89	Sheriff's Forfeitures Post-10/89 <sup>1</sup>
Election Services Contract <sup>2</sup>	CCP Chapter 18 Forfeitures <sup>1</sup>
Election Code Chapter 19 Fund <sup>4</sup>	SO Special Investigations <sup>1</sup>
Law Enforcement Continued Education <sup>4</sup>	Tax Assessor-Collector Special Inventory Tax Escrow <sup>4</sup>

<sup>1</sup> "Receive and File" Commissioners Court agenda items only.

<sup>2</sup> Under the control of the Elections Services Officer.

<sup>3</sup> Under the control of the Probate Court Judge.

<sup>4</sup> Governed by specific statutes; the county records and reports on their financial activity through its accounting system.

Department heads submit annual budget requests during the third quarter of the fiscal year. The budget requested may not exceed the total of the beginning fund balance added to the revenue estimated by the County Auditor for the coming fiscal year. The county budget office reviews budget requests and meets to discuss them with department heads in Commissioners Court workshops. In late summer, a proposed budget is presented to the Commissioners Court; public hearings are held, at which time the Commissioners Court may change the proposed budget. The final budget is adopted in late August or early September by a majority vote of the Commissioners Court at a regularly scheduled meeting. Once the budget is approved, an order is adopted to levy the taxes necessary to collect the budgeted tax revenues. The County Auditor opens the various appropriation accounts and administers the budget during the year.

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

Encumbrance accounting is utilized in Governmental Funds to the extent necessary to assure budgetary control and accountability and to facilitate effective cash planning. Encumbrances are claims against the budget that are created through the issuance of purchase orders and the execution of contracts. Encumbrances outstanding at year-end are reported as restricted or assigned fund balance, as appropriate, and do not constitute expenditures or liabilities because those dollar amounts will be re-appropriated during the subsequent year.

At September 30, 2025, the amount of encumbrances expected to be honored in the following year upon performance by the vendor are as follows:

Major Funds:	Amount
General Fund	\$6,249,634
Road & Bridge Fund	249,127
American Rescue Plan Stimulus Fund	8,081,119
Grant Fund	2,327,820
Nonmajor Funds	<u>6,672,091</u>
Total Encumbrances	<u>\$ 23,579,791</u>

### III. DETAILED NOTES ON ALL FUNDS

#### A. Deposits and Investments

##### *Policies and Practices*

The Commissioners Court is responsible for the selection of county depositories and safe-keeping custodians and for the establishment of the county's investment policy, in accordance with state law.

The county's main depository is Prosperity Bank of Galveston, with the following four "participating banks" as sub-depositories: Bank of America, J.P. Morgan Chase, Moody National Bank of Galveston and Texas First Bank (including branches in Dickinson, Galveston, Hitchcock, Santa Fe and Texas City). The county's depository contracts with these institutions ensure the protection of the county's deposits through the Federal Deposit Insurance Corporation (the "FDIC") and through qualified securities pledged by the institutions holding the deposits. The depository contracts are effective for the two-year period that began October 1, 2023, expiring September 30, 2025.

Pledged securities must meet the criteria of the county's depository contracts and applicable state law. As of September 30, 2025, custodians are the Federal Home Loan of Dallas in Irving, Texas and Prosperity Bank of El Campo, Texas.

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

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

##### *Deposits*

Deposit custodial credit risk is the risk that, in the event of the financial failure of a depository, the county will not be able to recover deposits or collateral securities. The county would be exposed to this kind of risk were its deposits not covered by depository insurance and were they uncollateralized, collateralized with securities held by the pledging financial institution or collateralized with securities held by the pledging financial institution's trust department or agent but not in the county's name. The county's deposits at September 30, 2025, were secured by depository insurance or by collateral held by a third-party custodian in the county's name, and thus were not exposed to custodial credit risk.

In addition to county deposits, various officials are responsible for cash which is not the property of the county, but the accounting for and protection of which the county is responsible. These funds may be seized for a court case, unclaimed property, inmate accounts and legal judgments awarded by a court to minors and other persons, cash bonds and other accounts where the money does not belong to the county. At September 30, 2025, the county's demand deposits were \$63,098,945 and the carrying value of custodial demand deposits maintained by various officials totaled \$28,802,754.

##### *Investments*

The Commissioners Court controls the county's investment portfolio in accordance with state statute and the county's formal investment policy. Applicable statutes include:

- *Texas Government Code*, Chapter 2256, "Public Funds Investment," Subchapter A, "Authorized Investments for Governmental Entities"; and

- *Texas Local Government Code*, Subchapter E, “Depository Accounts,” §116.112, “Investment of Funds.”

The county’s formal investment policy limits portfolio content to United States Treasury bills, strips and notes; United States government agency securities and instrumentalities; certificates of deposit at approved depository banks; repurchase agreements; money-market investment accounts; negotiable-order-of-withdrawal (“NOW”) accounts; and local government investment pools.

The county participates in two Local Government Investment Pools: Texas Class and Texas FIT. These are overseen by a governing board consisting of individuals elected from participating government entities in the pool. The fair value of the county’s position in the pool is the same as the value of the pool shares.

County-owned investments in local government investment pools at September 30, 2025 held a fair value total of \$108,523,419. The county also holds investments in custodial accounts handled through the county and district clerks, who upon court order, invest monies for minors and other persons in those individuals’ names. Such custodial investments at September 30, 2025, consist of certificates of deposit with original maturities of four months or more at the date of acquisition. The fair value of these custodial accounts totaled \$3,971,680. The investments are presented at amortized cost in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*.

**Schedule of Deposits and Investments at September 30, 2025**

	<u>County Accounts</u>	<u>Custodial Accounts</u>	<u>Retiree Life Reserve</u>
Deposits:			
Demand Deposits	\$ 58,488,335	\$ 28,802,754	\$ -
Investments:			
Certificates of Deposits	-	3,971,680	-
Local Government Investment Pools -			
Texas Class	63,098,945	-	-
TexasDaily	-	-	17,168,636
Texas FIT	45,424,474	-	-
Total Investments	<u>108,523,419</u>	<u>3,971,680</u>	<u>17,168,636</u>
Total Deposits and Investments	<u>\$ 167,011,754</u>	<u>\$ 32,774,434</u>	<u>\$ 17,168,636</u>

*Credit Risk*

State law and the county’s investment policy limit investment in all categories to those most highly rated by nationally recognized statistical rating organizations.

*Interest Rate Risk*

Interest rate risk is the risk that changes in interest rates may adversely affect the value of investments. The county’s investment policy limits the maturities of investments and encourages the holding of investments to maturity. In accordance with its investment policy, the county reduces its exposure to declines in fair value by managing the weighted-average maturities of its operating funds’ investment

portfolio. Unless matched to a specific cash flow or specifically authorized by the Commissioners Court, the county will not directly invest in securities maturing more than thirty-six months from the date of purchase.

The county recognizes investment risk can result from changes in interest rates, leading to changes in the fair values of the underlying instruments. Investment officers are expected to display prudence, discretion and intelligence in the selection of securities to minimize such risk. County investments are selected so as to ensure the preservation of capital in the overall portfolio.

*Concentration of Credit Risk*

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

At September 30, 2025, the composition of the county’s investment portfolio was as follows:

<b>Investment Breakout by Type at September 30, 2025</b>				
<u>Investment Type</u>	<u>Fair Value</u>	<u>Percentage Of Total Portfolio</u>	<u>Weighted Average to Maturity in Days ("WAM")</u>	<u>Rating</u>
Local Government Investment Pools -				
Texas Class	\$ 63,098,945	58.14%	17.00	AAAm
Texas FIT	<u>45,424,474</u>	<u>41.86%</u>	<u>18.00</u>	AAAf
Total Investments	<u>\$ 108,523,419</u>	<u>100.00%</u>	<u>17.42</u>	

**B. Receivables**

Amounts other than leases receivables are aggregated into a single receivable (net of allowance for doubtful accounts) line. At September 30, 2025, these receivables, and related allowances for uncollectible accounts, of the government’s individual major funds, and of its nonmajor Governmental Funds and Internal Service and Fiduciary Funds in the aggregate, are as follows:

	Taxes	Accounts and Other	Total Gross Receivables	Less Allowance for Uncollectibles	Total 2025
<b>Governmental Funds:</b>					
<b>Major Funds:</b>					
General Fund	\$ 9,831,313	\$ 13,427,365	\$ 23,258,678	\$ (589,879)	\$ 22,668,799
Road and Bridge	189,094	61,920	251,014	(11,345)	239,669
Grant	-	7,984,247	7,984,247	-	7,984,247
Debt Service	1,979,500	229,570	2,209,070	(118,771)	2,090,299
Nonmajor Funds	<u>271,890</u>	<u>210,925</u>	<u>482,815</u>	<u>(16,314)</u>	<u>466,501</u>
<b>Total Governmental Funds</b>	<b>12,271,797</b>	<b>21,914,027</b>	<b>34,185,824</b>	<b>(736,309)</b>	<b>33,449,515</b>
Internal Service Funds	-	376,573	376,573	-	376,573
Fiduciary Funds	<u>-</u>	<u>2,690</u>	<u>2,690</u>	<u>-</u>	<u>2,690</u>
<b>Total Net Receivables</b>	<b><u>\$ 12,271,797</u></b>	<b><u>\$ 22,293,290</u></b>	<b><u>\$ 34,565,087</u></b>	<b><u>\$ (736,309)</u></b>	<b><u>\$ 33,828,778</u></b>

### C. Lease Receivable

Lease receivables are reported in the Governmental Funds for assets in which the county is a lessor. The detail of the lease receivable amount as of September 30, 2025 is provided in Note III. F. *Lessor* below.

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

Amounts due to/from funds of the county at September 30, 2025, are as follows:

Payable Reported by:	General Fund	Total 2025
American Rescue Plan Stimulus	\$ 504,000	\$ 504,000
Grant Fund	4,749,280	4,749,280
Debt Service Fund	11,880,000	11,880,000
Nonmajor Governmental Funds	1,731,100	1,731,100
Internal Service Funds	<u>3,911,000</u>	<u>3,911,000</u>
<b>Total</b>	<b><u>\$ 22,775,380</u></b>	<b><u>\$ 22,775,380</u></b>

Payables from the various funds exist to offset negative cash balances at fiscal year-end which result from the timing differences between when expenditures are made and when reimbursement is received from third parties, including grantor agencies.

Inter-fund balances in the fund financial statements 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.

Transfers among the Governmental and Internal Service Funds for the year ended September 30, 2025, are as follows:

	Transfers In				Total 2025
	General Fund	Road and Bridge	Grant Fund	Nonmajor Govern- mental Funds	
Transfers Out					
General Fund	\$ -	\$ 171,744	\$ 1,535,655	\$ 480,739	\$ 2,188,138
American Rescue Plan Stimulus	88,931	-	-	56,928	145,859
Nonmajor Governmental Funds	-	-	-	162,960	162,960
Total Transfers Out	<u>\$ 88,931</u>	<u>\$ 171,744</u>	<u>\$ 1,535,655</u>	<u>\$ 700,627</u>	<u>\$ 2,496,957</u>

During the year, transfers are used to: 1) partially fund operations of Internal Service Funds and Special Revenue Funds and 2) finance activity for which the government must account in specific funds, in accordance with budgetary authorization – for example, subsidies, grant matches and funding of state-mandated programs. The total amount of grant matches for the current fiscal year is \$1,535,655.

Further, during the year ended September 30, 2025, the county made several one-time transfers. The largest of those are as follows:

- A transfer from the General Fund to the Road and Bridge Fund in the amount of \$167,206 for vehicles and equipment budgeted for, and encumbered, in FY 2024, but not received until FY 2025.
- Transfers from the American Rescue Plan Stimulus fund to the General Fund to allocate interest earnings in the amounts of 1) \$66,181 to fund software and 2) \$21,751 to fund payment of a COVID-related invoice.
- Transfers from the General Fund to the Grant Fund in the amounts of 1) \$1,399,197 to fund mandatory county match for various grants, most notably \$425,000 for CEPRA Cycle 13 Bolivar Beach and Dune Restoration Phase II and \$329,495 for Mental Health Public Defender Core, 2) \$7,250 to fund discretionary county match related to the Mental Health Public Defender Expansion grant, and 3) \$129,209 to fund part of the Juvenile Justice National School Lunch Program grant.
- Transfers from the General Fund to the County Building Projects Fund in the amount of \$207,667 to assist in funding of a new Road & Bridge facility.

## E. Capital Assets

### Primary Government

Capital asset activity for the year ended September 30, 2025, was as follows:

	Beginning Balance 10/1/2024	Additions	Deletions	Ending Balance 9/30/2025
Governmental Activities - Capital Assets Not Being Depreciated:				
Land	\$ 38,816,885	\$ -	\$ (2,112,089)	\$ 36,704,796
Construction in Progress	33,543,845	21,132,182	(1,897,428)	52,778,599
Total Capital Assets Not Being Depreciated	<u>72,360,730</u>	<u>21,132,182</u>	<u>(4,009,517)</u>	<u>89,483,395</u>
Capital Assets Being Depreciated/Amortized:				
Right-to-Use Leased Land	20,228	120,850	-	141,078
Buildings and Improvements	289,804,069	1,008,253	(368,169)	290,444,153
Right-to-Use Leased Buildings	2,258,819	186,959	-	2,445,778
Improvements Other Than Buildings	27,385,435	774,887	(286,210)	27,874,112
Machinery and Equipment	80,368,651	10,096,828	(1,426,984)	89,038,495
Right-to-Use Leased Equipment	-	108,465	-	108,465
Right-to-Use Subscriptions	5,609,996	8,027,937	(95,751)	13,542,182
Infrastructure	<u>178,168,518</u>	<u>-</u>	<u>-</u>	<u>178,168,518</u>
Total Capital Assets Being Depreciated/ Amortized	<u>583,615,716</u>	<u>20,324,179</u>	<u>(2,177,114)</u>	<u>601,762,781</u>
Less Accumulated Depreciation/ Amortization for:				
Right-to-Use Leased Land	(5,920)	(95,296)	-	(101,216)
Buildings and Improvements	(172,044,855)	(6,261,266)	342,577	(177,963,544)
Right-to-Use Leased Buildings	(1,097,906)	(364,840)	-	(1,462,746)
Improvements Other Than Buildings	(8,862,892)	(1,350,968)	135,425	(10,078,435)
Machinery and Equipment	(58,571,303)	(5,749,375)	1,407,474	(62,913,204)
Right-to-Use Leased Equipment	-	(19,241)	-	(19,241)
Right-to-Use Subscriptions	(1,789,533)	(2,204,700)	95,751	(3,898,482)
Infrastructure	<u>(123,393,942)</u>	<u>(3,370,917)</u>	<u>-</u>	<u>(126,764,859)</u>
Total Accumulated Depreciation/ Amortization	<u>(365,766,351)</u>	<u>(19,416,603)</u>	<u>1,981,227</u>	<u>(383,201,727)</u>
Total Capital Assets Being Depreciated/ Amortized, Net	<u>217,849,365</u>	<u>907,576</u>	<u>(195,887)</u>	<u>218,561,054</u>
Governmental Activities Capital Assets, Net	<u>\$ 290,210,095</u>	<u>\$22,039,758</u>	<u>\$ (4,205,404)</u>	<u>\$ 308,044,449</u>

Depreciation/amortization expense for the year ended September 30, 2025 was charged to the functions/programs of the governmental activities of the primary government as follows:

	<u>2025</u>
General Government	\$ 8,920,954
Judicial	60,070
Public Safety	6,341,917
Roads, Bridges, and Rights-of-Way	2,143,529
Health and Social Services	136,988
Culture and Recreation	1,717,851
Conservation	<u>95,294</u>
Total Depreciation/Amortization Expense	<u><u>\$ 19,416,603</u></u>

Capital projects of the primary government in progress at September 30, 2025, included building construction and renovations, park improvements, infrastructure improvements and software upgrades.

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

Project	Amount		Remaining
	Authorized	Spent to Date	Commitment
Rollover Pass	\$ 5,198,248	\$ 2,338,173	\$ 2,860,075
5121 Hwy 3 - New Road & Bridge Facility	12,693,930	12,287,086	406,844
Texas City County Clerk's Office	4,946,152	4,797,289	148,863
Fort Travis Restrooms	325,017	316,346	8,671
Airport Hangar Bulk Storage	10,000	4,650	5,350
Pelican Island Bridge	2,208,261	1,895,549	312,712
Jackson Ave Paving & Drainage Improvements	2,375,987	2,302,729	73,258
Algoa/Alta Loma Culvert Replacement	2,096,124	2,087,130	8,994
Bacliff 10th St. Drainage Improvements	989,275	977,146	12,129
Bacliff & San Leon Culverts	1,035,520	774,512	261,008
Levee Road Rehabilitation	6,528,960	4,295,090	2,233,870
HMGP Generators	693,290	360,101	333,189
Dickinson Boat Ramp Renovation, Hwy 3	585,269	355,391	229,878
San Luis Vacek Bridge Repairs	1,200,600	179,401	1,021,199
Behavior Health Observation Unit	13,724,243	11,451,132	2,273,111
Santa Fe & San Leon Roads Rehabilitation	5,264,191	4,194,196	1,069,995
Jail Safety Padding	585,734	564,382	21,352
Jail Access Control	2,608,855	1,723,886	884,969
Bacliff Drainage - 16 N Ditch	1,863,222	1,275,105	588,117
Bacliff Drainage 15th Street	306,000	53,718	252,282
Bolivar Beach Access Improvement	91,667	3,784	87,883
New HVAC System - Original Road & Bridge Facility	581,934	541,803	40,131
Total	<u>\$ 65,912,479</u>	<u>\$ 52,778,599</u>	<u>\$ 13,133,880</u>

Due to Hurricane Harvey, several of the county's assets were deemed idle and are therefore temporarily impaired. As of the end of the current fiscal year, most of the repairs have been completed. The only remaining repairs are for two parks' facilities – Bayshore Park Boat Ramp and Paul Hopkins Park. The estimated costs of these repairs are \$243,329. As of September 30, 2025 no insurance proceeds have been received for any of the damages to help offset the incurred and anticipated incurred expenses.

#### F. Leases

##### *Lessee*

Galveston County is a lessee for several leases related to land, buildings and equipment. The value of the leases can be seen in the aggregate in the Capital Assets note III E.

One lease is a 123-month lease for the use of Jones Bay – State Tract 81. An initial lease liability was recorded in the amount of \$20,228. As of September 30, 2025, the value of the lease liability is \$12,751, and the value of the short-term lease liability is \$2,041. The county is required to make annual fixed payments of \$1,626. The lease has an interest rate of 1.604%. The value of the right-to-use land asset as of September 30, 2025 is \$20,228, with an accumulated amortization of \$7,894.

A second lease is a 282-month lease for the use of the City of Galveston airport hangar for Mosquito Control. An initial lease liability was recorded in the amount of \$37,182. As of September 30, 2025, the value of the lease liability is \$188,951, and value of the short-term lease liability is \$8,296. The county is required to make monthly fixed payments of \$787. The lease has an interest rate of 1.635%. The value of the right-to-use building asset as of September 30, 2025 is \$224,142 with accumulated amortization of \$40,899.

A third lease is a 75-month lease for the use of the Shearn Moody Plaza – Blocks 625 & 685. An initial lease liability was recorded in the amount of \$2,221,637. As of September 30, 2025, the value of the lease liability is \$818,837, and the value of the short-term lease liability is \$361,110. The county is required to make monthly fixed payments of \$30,768. The lease has an interest rate of 1.240%. The value of the right-to-use building asset as of September 30, 2025 is \$2,221,637 with accumulated amortization of \$1,421,848. Galveston County is both a lessor and lessee with this building.

A fourth lease is a 60-month lease for the use of Relay 7000 Inserting System Election Printer. An initial lease liability was recorded in the amount of \$108,465. As of September 30, 2025, the value of the lease liability is \$92,814, and value of the short-term lease liability is \$21,021. The county is required to make quarterly fixed payments of \$5,750. The lease has an interest rate of 2.330%. The value of the right-to-use equipment asset as of September 30, 2025 is \$108,465 with accumulated amortization of \$19,241.

The last lease the county has as a lessee is a 12-month lease for the use of Fibertown Bryan Data Center Space. An initial lease liability was recorded in the amount of \$120,850. As of September 30, 2025, the value of the lease liability and short-term lease liability is \$30,459. The county is required to make monthly fixed payments of \$10,197. The lease has an interest rate of 2.600%. The value of the right-to-use land asset as of September 30, 2025 is \$120,850 with accumulated amortization of \$93,323.

Future minimum principal and interest payments expected to be paid for the leases are as follows:

Principal and Interest Requirements to Maturity  
As of September 30, 2025

Fiscal Year	Principal Payments	Interest Payments	Total Payments
2026	\$ 422,928	\$ 13,450	\$ 436,378
2027	397,635	8,151	405,786
2028	124,813	4,061	128,874
2029	33,393	3,178	36,571
2030	16,749	2,571	19,320
2031 - 2035	48,727	10,134	58,861
2036 - 2040	50,476	6,139	56,615
2041 - 2045	49,091	1,862	50,953
Total	<u>\$ 1,143,812</u>	<u>\$ 49,546</u>	<u>\$ 1,193,358</u>

*Lessor*

In addition to being a lessee, Galveston County is also a lessor to several land and building leases.

One lease is a 100-month lease for the use of the Hitchcock Boat Ramp. An initial lease receivable was recorded in the amount of \$95,094. As of September 30, 2025, the value of the lease receivable is

\$51,295, and the value of the short-term lease receivable is \$11,326. The lessee is required to make monthly fixed payments of \$1,000. The lease has an interest rate of 1.462%. The value of the deferred inflow of resources as of September 30, 2025 was \$49,464, and the county recognized lease revenue of \$11,408 during the fiscal year.

A second lease is a 51-month lease for the use of the Emergency Management Facility, Suite 202. An initial lease receivable was recorded in the amount of \$140,455. As of September 30, 2025, the value of the lease receivable is \$7,625, and the value of the short-term lease receivable is \$7,625. The lessee is required to make monthly fixed payments of \$2,545. The lease has an interest rate of 0.916%. The value of the deferred inflow of resources as of September 30, 2025 was \$4,829, and the county recognized lease revenue of \$25,038 during the fiscal year. An additional \$11,443 reduction to the deferred inflows is due to a lease modification/remeasurement, which changed the future lease payment amounts.

A third lease is a 175-month lease for the use of the Fire Department and EMS Services Building. An initial lease receivable was recorded in the amount of \$794,875. As of September 30, 2025, the value of the lease receivable is \$697,129, and the value of the short-term lease receivable is \$59,278. The lessee is required to make monthly fixed payments of \$6,047. The lease has an interest rate of 1.983%. The value of the deferred inflow of resources as of September 30, 2025 was \$669,175, and the county recognized lease revenue of \$63,014 during the fiscal year. The lessee has twenty-two extension options, each for 12 months.

A fourth lease is a 75-month lease for the use of the Shearn Moody Plaza – Blocks 625 & 685. An initial lease receivable was recorded in the amount of \$2,221,637. As of September 30, 2025, the value of the lease receivable is \$818,837, and the value of the short-term lease receivable is \$361,110. The lessee is required to make monthly fixed payments of \$30,768. The lease has an interest rate of 1.240%. The value of the deferred inflow of resources as of September 30, 2025 was \$799,789, and the county recognized lease revenue of \$355,462 during the fiscal year. Galveston County is both a lessor and lessee with this building.

A fifth lease is a 162-month lease for the use of the Emergency Management Facility, 2<sup>nd</sup> Floor. An initial lease receivable was recorded in the amount of \$62,837. As of September 30, 2025, the value of the lease receivable is \$165,205, and the value of the short-term lease receivable is \$16,438. The lessee is required to make monthly fixed payments of \$1,542. The lease has an interest rate of 1.310%. The value of the deferred inflow of resources as of September 30, 2025 was \$176,043, and the county recognized lease revenue of \$18,531 during the fiscal year.

A sixth lease is a 45-month lease for the use of the Galveston County Softball Fields and Concession Building. An initial lease receivable was recorded in the amount of \$13,075. As of September 30, 2025, there is no lease receivable or short-term lease receivable. The lessee is required to make quarterly fixed payments of \$600. The lease has an interest rate of 0.435%. There is no the deferred inflow of resources as of September 30, 2025, and the county recognized lease revenue of \$1,874 during the fiscal year. The lessee has two extension options, each for 12 months.

A seventh lease is a 260-month lease for the use of the Galveston Seawall Right-of-Way, Lot 1 Sandpiper. An initial lease receivable was recorded in the amount of \$97,622. As of September 30, 2025, the value of the lease receivable is \$85,268, and the value of the short-term lease receivable is \$3,197. The lessee is required to make annual fixed payments of \$5,949. The lease has an interest rate of 2.402%. The value of the deferred inflow of resources as of September 30, 2025 was \$82,367, and the county recognized lease revenue of \$4,559 during the fiscal year.

An eighth lease is a 45-month lease for the use of the Galveston County Baseball Fields and Concession Building at 4605 Pack Ave. An initial lease receivable was recorded in the amount of \$15,851. As of September 30, 2025, there is no lease receivable or short-term lease receivable. The lessee is required to make quarterly fixed payments of \$8,000. The lease has an interest rate of 0.435%. There is no the deferred inflow of resources as of September 30, 2025, and the county recognized lease revenue of \$6,239 during the fiscal year. The lessee has two extension options, each for 12 months.

A ninth lease is a 123-month lease for the use of the Mid-County Annex Building. An initial lease receivable was recorded in the amount of \$1,021,524. As of September 30, 2025, the value of the lease receivable is \$1,017,763, and the value of short-term lease receivable is \$156,069. The lessee is required to make monthly fixed payments of \$14,271. The lease has an interest rate of 1.604%. The value of the deferred inflow of resources as of September 30, 2025 was \$1,082,871, and the county recognized lease revenue of \$154,860 during the fiscal year. The lessee has three extension options, each for 60 months.

A tenth lease is a 168-month lease for the use of the Law Enforcement Administration Building. An initial lease receivable was recorded in the amount of \$2,656,352. As of September 30, 2025, the value of the lease receivable is \$2,600,527, and the value of the short-term lease receivable is \$238,326. The lessee is required to make monthly fixed payments of \$23,820. The lease has an interest rate of 1.907%. The value of the deferred inflow of resources as of September 30, 2025 was \$2,681,827, and the county recognized lease revenue of \$268,183 during the fiscal year. The lessee has three extension options, each for 60 months.

An eleventh lease is a 44-month lease for the use of the North County Annex, Suite 900. An initial lease receivable was recorded in the amount of \$16,972. As of September 30, 2025, the value of the lease receivable is \$10,695, and the value of the short-term lease receivable is \$8,531. The lessee is required to make monthly fixed payments of \$724. The lease has an interest rate of 2.310%. The value of the deferred inflow of resources as of September 30, 2025 was \$10,663, and the county recognized lease revenue of \$8,505 during the fiscal year. The lessee had an option to terminate with a 90-day notice, while the lessor had a 30-day notice option to terminate, but neither are expected to occur.

The twelfth and final lease is a 45-month lease for the use of the North County Annex, Suite 1000. An initial lease receivable was recorded in the amount of \$10,184. As of September 30, 2025, the value of the lease receivable is \$7,792, and the value of the short-term lease receivable is \$5,821. The lessee is required to make monthly fixed payments of \$495. The lease has an interest rate of 2.310%. The value of the deferred inflow of resources as of September 30, 2025 was \$7,561, and the county recognized lease revenue of \$5,758 during the fiscal year. Both the lessee and lessor have an option to terminate with a 30-day notice, but neither are expected to occur.

Future minimum principal and interest payments expected to be received for the leases are as follows:

Principal and Interest Requirements to Maturity  
As of September 30, 2025

Fiscal Year	Principal Payments	Interest Payments	Total Payments
2026	\$ 867,721	\$ 89,166	\$ 956,887
2027	863,135	75,640	938,775
2028	594,938	63,297	658,235
2029	511,913	54,018	565,931
2030	514,141	44,790	558,931
2031 - 2035	2,018,999	100,949	2,119,948
2036 - 2040	77,813	4,202	82,015
2041 - 2043	13,475	487	13,962
Total	<u>\$ 5,462,135</u>	<u>\$ 432,549</u>	<u>\$ 5,894,684</u>

**G. Subscription-Based Information Technology Arrangements**

Galveston County is currently in eleven subscription-based IT arrangements. The value of the subscriptions can be seen in the aggregate in the Capital Assets note III E.

One subscription is a 36-month subscription for the use of DebtBook Platform. An initial subscription liability was recorded in the amount of \$19,206. As of September 30, 2025, there is no subscription liability or short-term subscription liability. The county is required to make annual fixed payments of \$9,750. The subscription has an interest rate of 3.121%.

A second subscription is a 58-month subscription for the use of iWorQ Public Works System. An initial subscription liability was recorded in the amount of \$74,383. As of September 30, 2025, the value of the subscription liability and short-term subscription liability is \$19,388. The county is required to make annual fixed payments of \$20,000. The subscription has an interest rate of 3.155%. The value of the right to use asset as of September 30, 2025 of \$89,383, with accumulated amortization of \$55,162, is included with Software on the Subscription Class activities table found below. The county had a termination period of one month as of the subscription commencement.

A third subscription is a 60-month subscription for the use of Fidar Technology Land Records Management System. An initial subscription liability was recorded in the amount of \$114,534. As of September 30, 2025, the value of the subscription liability is \$118,348, and the value of the short-term subscription liability is \$58,255. The county is required to make annual fixed payments of \$61,989. The subscription has an interest rate of 3.155%. The value of the right to use asset as of September 30, 2025 of \$294,855, with accumulated amortization of \$174,646, is included with Software on the Subscription Class activities table found below.

A fourth subscription is a 36-month subscription for the use of ClearGov Budget Book. An initial subscription liability was recorded in the amount of \$60,996. As of September 30, 2025, there is no subscription liability or short-term subscription liability. The county is required to make annual fixed payments of \$20,960. The subscription has an interest rate of 3.121%.

A fifth subscription is a 15-month subscription for the use of VLA Creative Cloud. An initial subscription liability was recorded in the amount of \$33,274. As of September 30, 2025, there is no subscription liability or short-term subscription liability. The county is required to make annual fixed payments of \$41,161. The subscription has an interest rate of 3.121%. The value of the right to use asset as of September 30, 2025 of \$109,425, with accumulated amortization of \$98,143, is included with Software on the Subscription Class activities table found below. The county had a termination period of one month as of the subscription commencement.

A sixth subscription is a 60-month subscription for the use of Boomi SEL Solution. An initial subscription liability was recorded in the amount of \$304,482. As of September 30, 2025, the value of the subscription liability is \$123,595, and the value of the short-term subscription liability is \$60,838. The county is required to make annual fixed payments of \$64,737. The subscription has an interest rate of 3.155%. The value of the right to use asset as of September 30, 2025 of \$304,482, with accumulated amortization of \$170,679, is included with Software on the Subscription Class activities table found below. The county had a termination period of one month as of the subscription commencement.

A seventh subscription is a 36-month subscription for the use of VisioPro Software. An initial subscription liability was recorded in the amount of \$2,313,240. As of September 30, 2025, there is no subscription liability or short-term subscription liability. The county is required to make annual fixed payments of \$788,755. The subscription has an interest rate of 2.310%. The value of the right to use asset as of September 30, 2025 of \$2,313,240, with accumulated amortization of \$1,927,701, is included with Software on the Subscription Class activities table found below.

An eighth subscription is a 24-month subscription for the use of Electask. An initial subscription liability was recorded in the amount of \$13,901. As of September 30, 2025, there is no subscription liability or short-term subscription liability. The county is required to make annual fixed payments of \$7,101. The subscription has an interest rate of 3.712%. The value of the right to use asset as of September 30, 2025 of \$13,901, with accumulated amortization of \$12,626, is included with Software on the Subscription Class activities table found below.

The ninth is a 60-month subscription for the use of Cisco Security Enterprise. An initial subscription liability was recorded in the amount of \$2,429,998. As of September 30, 2025, there is no subscription liability or short-term subscription liability. The county was required to make a one-time fixed payment of \$2,433,300. The subscription has an interest rate of 2.616%. The value of the right to use asset as of September 30, 2025 of \$2,429,998, with accumulated amortization of \$729,000, is included with Software on the Subscription Class activities table found below.

An eleventh and final, entered into on January 2, 2025 is a 98-month subscription for the use of Workday. An initial subscription liability was recorded in the amount of \$5,948,155. As of September 30, 2025, the value of the subscription liability is \$5,948,155, and the value of the short-term subscription liability is \$668,785. The county is required to make annual fixed payments of \$836,865. The subscription has an interest rate of 2.670%. The value of the right to use asset as of September 30, 2025 of \$7,986,899, with accumulated amortization of \$730,525, is included with Software on the Subscription Class activities table found below.

Future minimum principal and interest payments expected to be received for the subscriptions are as follows:

Principal and Interest Requirements to Maturity  
As of September 30, 2025

Fiscal Year	Principal Payments	Interest Payments	Total Payments
2026	\$ 807,266	\$ 176,325	\$ 983,591
2027	818,756	144,835	963,591
2028	714,487	122,378	836,865
2029	733,563	103,302	836,865
2030	753,149	83,716	836,865
2031 - 2033	2,382,265	128,330	2,510,595
Total	<u>\$ 6,209,486</u>	<u>\$ 758,885</u>	<u>\$ 6,968,372</u>

**H. Long-term Debt**

*General Obligation Debt*

General obligation bonds are issued to provide funding for long-term capital improvements. In addition, they are issued to refund outstanding general obligation bonds when market conditions enable the county to achieve significant reductions in its debt service payments. Such bonds are direct obligations of the county, and the full faith and credit of the county are pledged as security. The county is required to submit to public referendum for authority to issue general obligation bonds. The remainder of the long-term debt is leases payable.

**Bonded Debt -**

The county issues bonded debt:

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

The debt is a direct obligation and pledges the full faith and credit of the county. Bonded debt currently outstanding and presented in the financial statements consists only of general-obligation bonds issued after voter approval at general election, although in the past the county has also issued certificates of obligation at the majority will of Commissioners Court, as allowed by the *Certificate of Obligations Act*.

Per requirements of its bond indentures, the county accumulates resources to pay principal and interest from a debt service fund used solely for that purpose. Bond indentures also prescribe various other restrictions related to the obligations, with which the county believes it is in compliance.

Generally, the county's debt-service payments are funded by ad-valorem tax revenues. An exception to this funding norm is the case of the bonds which the county issued in fiscal year 2007 to provide monies to expand a segment of the state highway system located in the county. State subsidies, predicated on vehicular usage of the road, are expected to reimburse the county for a large portion of the related debt service. The original bonds issued were Pass-Through Toll Revenue and Limited Tax Bonds Series 2007;

these were partially advance-refunded in March 2012 by the issuance of \$40,910,000 of Pass-Through Toll Revenue and Limited Tax Refunding Bonds Series 2012.

Although funded primarily by tax revenues, interest on the debt service on one bond series is partially subsidized by the federal government through the Build America Bonds (“BABs”) Program. In September 2009 the county issued approximately \$129.2 million of BABs to finance facilities, road, and flood control capital projects. At the time of issuance, the county expected to receive semiannual subsidies equal to the nominal 35% of the interest it pays on the bonds. However, due to continuing federal budget reductions first triggered on March 1, 2013, this 35% rebate was decreased to 31.96% of the county’s August 1, 2013 BABs interest payments, while the actual rebate percentage has increased slightly, and remains at 33.005% in the current fiscal year.

The rebate percentage for future years’ interest payments is not yet known. In the fiscal year ended September 30, 2025, the county received \$297,569 in such BABs subsidies.

Should the county default on its outstanding bonds, any registered owner of the certificates is entitled to seek a writ of mandamus from a court of proper jurisdiction requiring specific performance from the county.

The county did not issue any new or refunding debt in the fiscal year ended September 30, 2025. The principal of general-obligation bonded debt currently outstanding is as follows:

Purpose	Interest Rates	Total	Amount of Total That Is:	
			Capital-Related	Non-Capital Related
Governmental Activities	3.0% - 5.905%	\$ 73,899,891	\$ 30,736,268	\$ 43,163,623
Governmental Activities - Refunding	3.0% - 5.0%	69,254,200	30,725,000	38,529,200
<b>Total General Obligation Bonds</b>		<b>\$ 143,154,091</b>	<b>\$ 61,461,268</b>	<b>\$ 81,692,823</b>

The following is a detailed description of each outstanding bond as of September 30, 2025.

<b>JUSTICE CENTER AND PUBLIC SAFETY BUILDING BONDS, SERIES 2001</b>					
In March 2001, Commissioners Court issued \$34,822,062.35 to build, improve and equip buildings, jails and court facilities and the purchase of sites, together with related parking facilities.					
<b>Date Issued</b>	<b>Original Amount</b>	<b>Interest Rate</b>	<b>10/1/2024 Beginning Balance</b>	<b>FY2025 Retirements</b>	<b>9/30/2025 Ending Balance</b>
3/7/2021	\$ 34,822,062	4.000%-5.660%	\$ 2,174,163	\$ 1,112,895	\$ 1,061,268
<b>\$ 1,061,268 Total Outstanding at September 30, 2025</b>			<b>Matures</b>	<b>2026</b>	

<b>UNLIMITED TAX ROAD BONDS, SERIES 2001</b>					
In March 2001, Commissioners Court issued \$26,151,371.95 in bonds to build and improve roads within the County.					
<b>Date Issued</b>	<b>Original Amount</b>	<b>Interest Rate</b>	<b>10/1/2024 Beginning Balance</b>	<b>FY2025 Retirements</b>	<b>9/30/2025 Ending Balance</b>
3/7/2001	\$ 26,151,372	4.000%-5.660%	\$ 1,635,472	\$ 837,649	\$ 797,823
<b>\$ 797,823 Total Outstanding at September 30, 2025 Matures 2026</b>					

<b>LIMITED TAX COUNTY BUILDING BONDS, SERIES 2009B</b>					
In September 2009, Commissioners Court issued \$45,000,000.00 in Build America Bonds to purchase, construct, reconstruct, improve, and/or equip buildings or rooms for the housing of offices, courts, records or equipments, or for the conducting of other public business.					
<b>Date Issued</b>	<b>Original Amount</b>	<b>Interest Rate</b>	<b>10/1/2024 Beginning Balance</b>	<b>FY2025 Retirements</b>	<b>9/30/2025 Ending Balance</b>
9/9/2009	\$ 45,000,000	1.248%-5.905%	\$ 16,575,000	\$ 2,935,000	\$ 13,640,000
<b>\$ 13,640,000 Total Outstanding at September 30, 2025 Matures 2029</b>					

<b>LIMITED TAX REFUNDING BONDS, SERIES 2017</b>					
In January 2017, Commissioners Court issued \$62,835,000.00 to refund certain of the County's outstanding General Obligation Refunding Bonds, Series 2007 to achieve a debt service savings.					
<b>Date Issued</b>	<b>Original Amount</b>	<b>Interest Rate</b>	<b>10/1/2024 Beginning Balance</b>	<b>FY2025 Retirements</b>	<b>9/30/2025 Ending Balance</b>
1/11/2017	\$ 62,835,000	2.000%-5.000%	\$ 35,385,000	\$ 4,660,000	\$ 30,725,000
<b>\$ 30,725,000 Total Outstanding at September 30, 2025 Matures 2028</b>					

<b>UNLIMITED TAX ROAD AND REFUNDING BONDS, SERIES 2017</b>					
In December 2017, Commissioners Court issued \$78,805,000.00 to (i) construct, purchase, maintain and/or operate macadamized, graveled and paved roads and turnpikes and (ii) to refund certain outstanding Unlimited Tax Road Bonds, Series 2009A (Build America Bonds), which were issued for the same purpose.					
<b>Date Issued</b>	<b>Original Amount</b>	<b>Interest Rate</b>	<b>10/1/2024 Beginning Balance</b>	<b>FY2025 Retirements</b>	<b>9/30/2025 Ending Balance</b>
12/6/2017	\$ 78,805,000	4.000%-5.000%	\$ 55,160,000	\$ 4,800,000	\$ 50,360,000
<b>\$ 50,360,000 Total Outstanding at September 30, 2025 Matures 2038</b>					

<b>LIMITED TAX FLOOD CONTROL AND REFUNDING BONDS, SERIES 2017</b>					
In December 2017, Commissioners Court issued \$14,465,000.00 to (i) establish, construct, extend, maintain, or improve a seawall, breakwater, levee, floodway and/or drainway and to (ii) refund certain outstanding Limited Tax Flood Control Bonds, Series 2009C-2 (Build America Bonds), which were issued for the same purpose.					
<b>Date Issued</b>	<b>Original Amount</b>	<b>Interest Rate</b>	<b>10/1/2024 Beginning Balance</b>	<b>FY2025 Retirements</b>	<b>9/30/2025 Ending Balance</b>
12/6/2017	\$ 14,465,000	2.000%-4.000%	\$ 10,060,000	\$ 1,005,000	\$ 9,055,000
<b>\$ 9,055,000 Total Outstanding at September 30, 2025 Matures 2038</b>					

<b>LIMITED TAX COUNTY BUILDING BONDS, SERIES 2017A</b>					
In December 2017, Commissioners Court issued \$8,835,000.00 to purchase, construct, reconstruct, improve, and/or equip buildings or rooms for the housing of offices, courts, records or equipment, or for the conducting of other public business.					
<b>Date Issued</b>	<b>Original Amount</b>	<b>Interest Rate</b>	<b>10/1/2024 Beginning Balance</b>	<b>FY2025 Retirements</b>	<b>9/30/2025 Ending Balance</b>
12/6/2017	\$ 8,835,000	2.000%-4.000%	\$ 8,235,000	\$ 100,000	\$ 8,135,000
<b>\$ 8,135,000 Total Outstanding at September 30, 2025 Matures 2038</b>					

<b>LIMITED TAX COUNTY BUILDING BONDS, SERIES 2019</b>					
In February 2019, Commissioners Court issued \$8,200,000.00 to purchase, construct, reconstruct, improve, and/or equip buildings or rooms for the housing of offices, courts, records or equipment, or for the conducting of other public business.					
<b>Date Issued</b>	<b>Original Amount</b>	<b>Interest Rate</b>	<b>10/1/2024 Beginning Balance</b>	<b>FY2025 Retirements</b>	<b>9/30/2025 Ending Balance</b>
2/27/2019	\$ 8,200,000	3.000%-5.000%	\$ 7,950,000	\$ 50,000	\$ 7,900,000
<b>\$ 7,900,000 Total Outstanding at September 30, 2025 Matures 2039</b>					

<b>UNLIMITED TAX ROAD AND REFUNDING BONDS, SERIES 2019</b>					
In February 2019, Commissioners Court issued \$22,080,000.00 to construct, purchase, maintain and/or operate macadamized, graveled and paved roads and turnpikes.					
<b>Date Issued</b>	<b>Original Amount</b>	<b>Interest Rate</b>	<b>10/1/2024 Beginning Balance</b>	<b>FY2025 Retirements</b>	<b>9/30/2025 Ending Balance</b>
2/27/2019	\$ 22,080,000	3.000%-5.000%	\$ 21,580,000	\$ 100,000	\$ 21,480,000
<b>\$ 21,480,000 Total Outstanding at September 30, 2025 Matures 2039</b>					

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

Year Ending September 30,	Principal	Interest
2026	16,194,091	11,516,331
2027	22,720,000	5,041,471
2028	23,975,000	3,913,631
2029	11,325,000	3,072,935
2030	5,675,000	2,675,225
2031-2035	32,355,000	9,388,000
2036-2039	30,910,000	2,489,875
Total	<u>\$ 143,154,091</u>	<u>\$ 38,097,468</u>

The county has several capital projects, as well as non-capital projects, funded by various bonds that have not been completed. As of September 30, 2025, unspent bond proceeds for county-owned capital projects are as follows:

Unspent Bond Proceeds  
For the Fiscal Year Ended September 30, 2025

Fund Name	Balance
Road Bonds 1987	\$ 36,641
Limited Tax Criminal Justice Center Bonds 2003A	81,038
Certificates of Obligation 2008	345,476
Unlimited Tax Road Bonds Series 2009A	12,389
Limited Tax County Building Bonds 2017A	66,551
Limited Tax County Building Bonds 2019	46,447
Total Unspent Bond Proceeds	<u>\$ 588,542</u>

**Leases Payable -**

With the implementation of GASB No. 87, the county now recognizes various leases payable as long-term liabilities. The details of these lease payables are as follows:

	Balance as of 10/1/2024	Additions	Reductions	Balance as of 9/30/2025
<b>Buildings</b>				
Galveston County Mosquito Control Hangar	\$ 9,362	\$ 186,959	\$ 7,370	\$ 188,951
Shearn Moody Plaza - Blocks 625 & 685	1,175,499	-	356,662	818,837
<b>Total Building Leases Payable</b>	<u>1,184,861</u>	<u>186,959</u>	<u>364,032</u>	<u>1,007,788</u>
<b>Land</b>				
Jones Bay - State Tract 81	14,760	-	2,009	12,751
Fibertown Bryan Data Center Space	-	120,850	90,391	30,459
<b>Total Land Leases Payable</b>	<u>14,760</u>	<u>120,850</u>	<u>92,400</u>	<u>43,210</u>
<b>Equipment</b>				
Relay 7000 Inserting System Election Printer	-	108,465	15,651	92,814
<b>Total Equipment Leases Payable</b>	<u>-</u>	<u>108,465</u>	<u>15,651</u>	<u>92,814</u>
<b>Total Leases Payable</b>	<u>\$ 1,199,621</u>	<u>\$ 416,274</u>	<u>\$ 472,083</u>	<u>\$ 1,143,812</u>

**Subscriptions Payable –**

With the implementation of GASB No. 96, the county now recognizes various subscriptions payable as long-term liabilities. The details of these subscription payables are as follows:

	Balance as of 10/1/2024	Additions	Reductions	Balance as of 09/30/25
<b>Software</b>				
DebtBook Platform	\$ 9,749	\$ -	\$ 9,749	\$ -
iWorQ Public Works System	38,184	-	18,796	19,388
Fidlar Technology Land Records Mgmt System	180,321	-	61,973	118,348
ClearGov Budget Book	20,326	-	20,326	-
VLA Creative Cloud	-	41,040	41,040	-
Boomi SEL Solution	182,571	-	58,976	123,595
VisioPro Software	770,946	-	770,946	-
Electask	6,847	-	6,847	-
Workday	-	5,948,155	-	5,948,155
<b>Total Software Subscriptions Payable</b>	<u>1,208,944</u>	<u>5,989,195</u>	<u>988,653</u>	<u>6,209,486</u>
<b>Total Subscriptions Payable</b>	<u>\$ 1,208,944</u>	<u>\$ 5,989,195</u>	<u>\$ 988,653</u>	<u>\$ 6,209,486</u>

*Changes in Long-term Liabilities*

Long-term liability activity for the year ended September 30, 2025, was as follows:

	Beginning Balance <u>10/1/2024</u>	<u>Additions</u>	<u>Reductions</u>	Ending Balance <u>9/30/2025</u>	Due Within <u>One Year</u>
<b>Bonds Payable:</b>					
General Obligation Bonds	\$ 158,754,635	\$ -	\$ 15,600,544	\$ 143,154,091	\$ 16,194,091
Accumulated Accretion	10,204,958	595,506	5,419,456	5,381,008	5,381,008
Issuance Premiums (Discounts)	<u>12,609,083</u>	<u>-</u>	<u>1,538,323</u>	<u>11,070,760</u>	<u>-</u>
Total Bonds Payable	181,568,676	595,506	22,558,323	159,605,859	21,575,099
Leases Payable	1,199,621	416,274	472,083	1,143,812	422,928
Subscriptions Payable	<u>1,208,944</u>	<u>5,989,195</u>	<u>988,653</u>	<u>6,209,486</u>	<u>807,266</u>
Total Long-Term Debt	183,977,241	7,000,975	24,019,059	166,959,157	22,805,293
Compensated Absences	<u>7,078,804</u>	<u>-</u>	<u>235,227</u>	<u>6,843,577</u>	<u>1,017,454</u>
Governmental Activity Total Long-term Liabilities	<u>\$ 191,056,045</u>	<u>\$ 7,000,975</u>	<u>\$ 24,254,286</u>	<u>\$ 173,802,734</u>	<u>\$ 23,822,747</u>

A compensated absences payable of \$39,379 is reflected in the Governmental Funds Balance Sheet. The additions and reductions related to the compensated absences liability are presented as a net change, per GASB No. 101.

**I. Deferred Inflows of Resources**

Governmental Funds report deferred inflows in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period.

**Unavailable Revenue –**

At September 30, 2025, the various components of unavailable revenues reported in the Governmental Funds were as follows:

	Delinquent Property Tax Receivable	Leases	Delinquent Court Collections	Total 2025
<b>Major Funds:</b>				
General Fund	\$ 9,241,434	\$ 5,482,224	\$ 5,731,097	\$ 20,454,755
Road and Bridge	177,749	-	-	177,749
Debt Service Fund	1,860,729	-	-	1,860,729
Nonmajor Governmental Funds	<u>255,576</u>	<u>82,367</u>	<u>-</u>	<u>337,943</u>
Total Deferred Inflows	<u>\$ 11,535,488</u>	<u>\$ 5,564,591</u>	<u>\$ 5,731,097</u>	<u>\$ 22,831,176</u>

**Leases -**

In addition to deferred inflows related to unavailable revenue, the Governmental Funds also reports a deferred inflow or resources for leases in accordance with GASB No. 87. At September 30, 2025, the various components of leases reported in the Governmental Funds were as follows:

	Deferred Inflow - Leases			Balance as of 9/30/2025
	Balance as of 10/1/2024	Additions	Reductions	
<b>Buildings</b>				
Law Enforcement Administration Building	\$ 2,087,134	\$ 862,877	\$ 268,183	\$ 2,681,828
Fire Department & Emergency Medical Services Building	631,761	100,428	63,014	669,175
Mid County Annex	722,542	515,189	154,860	1,082,871
Galveston County Baseball Fields - 4605 Pack Ave	6,239	-	6,239	-
Emergency Management Facility - GCECD	8,977	185,598	18,531	176,044
Galveston County Softball Fields	1,874	-	1,874	-
Emergency Management Facility - NOAA	41,310	-	36,481	4,829
North County Annex, 174 Calder Road, Suite 900	4,950	14,218	8,505	10,663
North County Annex, 174 Calder Road, Suite 1000	1,711	11,608	5,758	7,561
Shearn Moody Plaza - Blocks 625 & 685	<u>1,155,251</u>	<u>-</u>	<u>355,462</u>	<u>799,789</u>
Total Building Deferred Inflow of Resources	<u>4,661,749</u>	<u>1,689,918</u>	<u>918,907</u>	<u>5,432,760</u>
<b>Land</b>				
Galveston Seawall Right of Way - Lot 1 Sandpiper	84,105	2,821	4,559	82,367
Hitchcock Boat Ramp Concession	<u>60,872</u>	<u>-</u>	<u>11,408</u>	<u>49,464</u>
Total Land Deferred Inflow of Resources	<u>144,977</u>	<u>2,821</u>	<u>15,967</u>	<u>131,831</u>
Total Deferred Inflow of Resources - Leases	<u>\$ 4,806,726</u>	<u>\$ 1,692,739</u>	<u>\$ 934,874</u>	<u>\$ 5,564,591</u>

**IV. OTHER INFORMATION****A. Risk Management**

The government is exposed to various risks of loss related to errors, omissions and torts; employee injuries; theft of, damage to and destruction of assets; and natural disasters. The county strives to identify, evaluate and manage risk in order to minimize liability exposure and accidental damage to, and loss of, human resources and property. Claim settlements in the last three years have not exceeded coverage.

The county accounts for various risk-management transactions in the Self-Insurance Reserve Fund. These transactions include the purchase of insurance coverage for damage or loss related to property, professional liability (i.e., public officials' bonds), crime and fidelity. The county self-insures for general and vehicular liability, and for liability resulting from certain claims for property damage. Non-litigated claims are expensed on a "pay-as-you-go" basis. Potential liability arising from the operation of a motorized vehicle is evaluated in accordance with the Texas Tort Claims Act. The county's legal counsel handles claims involving litigation. The county:

- Self-insures for vehicular damage claims.
- Purchases “all other perils” insurance for its facilities, currently for \$50,000,000 in coverage for all locations per occurrence, based on the schedule of valuations, with an annual premium of \$571,317 and a deductible of \$1,000,000.
- Purchases windstorm and hail insurance for fifty-six properties. The insured value is \$135,458,000; the annual premium for the most recent policy year was \$1,665,672, and the deductible is 5% (\$1,000 min.) of the insured value of the building(s) damaged.
- Purchases flood insurance for fifty-four properties with a total insured value of \$32,748,000, for an annual premium of \$292,362, and with deductibles of \$5,000 per building and (if included) \$5,000 contents per building.
- Purchases employee crime and fidelity insurance with a limit of \$1,000,000, an annual premium of \$8,144 and a deductible of \$150,000.

The county self-insures for group health medical and prescription and workers’ compensation insurance claims. As of January 1, 2021, the county participates in fully-funded dental and vision plans. Activity for the various insurances is accounted for in the Employee Benefits and Workers’ Compensation Internal Service Funds, respectively. Various county departments participate in these funds’ expenses based upon estimates of amounts needed to pay prior and current year claims. The claims liabilities in the Employee Benefits and Workers’ Compensation Funds at September 30, 2025, are reported in compliance with GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. GASB Statement No. 62 requires an entity report a liability for claims of which it becomes aware after the date of the financial statements but before the date of issuance of those financial statements if it is probable that such liability had been incurred by the earlier date and the amount can be reasonably estimated.

The county’s self-insurance coverage for employee health claims is limited to \$325,000 per employee and covered dependent, to a maximum of \$18,520,446 in aggregate claims. A stop-loss policy pays claims in excess of the individual \$325,000 limit.

The county’s self-insurance coverage for workers’ compensation claims provides medical and indemnification benefits for job-related injuries, as is required by law.

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

	Year Ended 09/30/2025	Year Ended 09/30/2024
Unpaid Claims, Beginning of Fiscal Year	\$ 1,330,645	\$ 1,330,645
Incurred (including IBNR) Claims	23,284,191	16,603,644
Claim Payments	<u>(23,284,191)</u>	<u>(16,603,644)</u>
Unpaid Claims, End of Fiscal Year	<u>\$ 1,330,645</u>	<u>\$ 1,330,645</u>

**B. Defeasance of Debt**

The county on occasion issues refunding bonds to defease outstanding debt, in order to take advantage of more favorable interest rates, to improve cash flow, etc. Proceeds of the new debt issuances, sufficient

along with the investment earnings thereon to provide for all future debt-service payments for the defeased debt, are placed into irrevocable trusts. In accordance with generally accepted accounting principles, neither the assets in trust nor the liability for the defeased debt are included in the county's financial statements. At September 30, 2025, the county has no outstanding debt considered defeased, because all advance-refunded maturities have been called.

### **C. Arbitrage Compliance**

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

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

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

The county presently:

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

The county exercises reasonable diligence to apply any remaining unexpended debt proceeds to qualifying projects. The county contracts with a compliance specialist to perform annual arbitrage calculations required under Section 148(f) of the *Code*. The most recent calculations were made through December 31, 2024, in which it was opined the county has no filing requirements or arbitrage rebate liability as of that date on any unexpended debt proceeds.

### **D. Contingent Liabilities**

Amounts received through grants are subject to audit and adjustment by grantor agencies. Any disallowed claims may constitute a liability of the applicable funds. The expenditures disallowed by the grantor cannot be determined currently, although the county expects any amounts to be immaterial.

The county becomes party to litigation and claims in the ordinary course of business. Although the outcome of these matters, and of other such actions in which the county is presently or may become involved, are not determinable, it is the opinion of county counsel they will not materially adversely affect the financial condition of the county.

**E. Deferred Compensation Plan**

In lieu of participation in Social Security, the county provides eligible employees a package of disability-insurance, survivorship and deferred-compensation benefits (“the Alternate Plan”). The county pays the entire cost of the disability-insurance and survivorship benefits. It contributes to the deferred-compensation benefit, and employees fund the remainder per provisions of Section 457 of the *Internal Revenue Code of 1986* as amended, through mandatory tax-deferred payroll deductions.

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

Employees may not make optional deferred-compensation contributions to the Alternate Plan in addition to the mandatory payroll deductions, but they may do so into one or more other investment vehicles offered by the county.

Restricted deferred-compensation assets in the custody of third-party administrators at September 30, 2025, consisted of the following:

	<u>2025</u>	<u>2024</u>
American United Life Accounts	\$ 131,923,500	\$ 129,810,348
Lincoln National Account	287,584	410,793
N.A.C.O. Account	<u>7,893,045</u>	<u>7,530,570</u>
Total	<u>\$ 140,104,129</u>	<u>\$ 137,751,711</u>

**F. Employee Retirement System and Pension Plan**

*Plan Description*

The county provides retirement, disability and death benefits for full-time employees through an agent, multiple-employer, defined-benefit plan. This plan is administered by the state-wide, public-employee Texas County and District Retirement System (“TCDRS”). TCDRS is governed by the TCDRS Board of Trustees and administers the pension plans of approximately 870 counties and districts. It issues in the aggregate, on a calendar-year basis, an annual comprehensive financial report which is available upon request from the TCDRS Board of Trustees at P.O. Box 2034, Austin, TX 78768-2034.

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

Employees qualify to retire:

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

### *Plan Benefits*

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

Benefit amounts are based upon the sum of the employee's deposits to the plan, the interest earned thereon, and employer-financed monetary credits. The amount of these monetary credits is set by the participating employers' governing bodies within the actuarial constraints imposed by the *Act* so that the eventual benefits can be expected to be adequately financed by the employer's commitment to contribute.

Upon disability, retirement or death, benefits are calculated by converting the sum of the employee's deposits to the plan, the interest earned thereon, and the employer-financed monetary credits to a monthly annuity using annuity purchase rates prescribed by the *Act*.

### *Funding Policy*

The county has elected to follow the variable-rate plan provisions of the *Act*. The employer contribution rate is actuarially determined each year as a percentage of employee earnings, subject to plan changes adopted by the employer's governing body within the constraints imposed by the *Act*. The employee contribution rate is a percentage of employee earnings subject to adjustment by the governing body within the constraints of the *Act*. Funding is provided by monthly contributions from the employer with biweekly payroll deductions from the employee and the interest earned thereon.

For the fiscal year ended September 30, 2025, the nominal employer contribution rate was 6.49%. However, due to forfeitures from separating, non-vested employees, the actual percentage rate paid by the county was 11.87%. The employee contribution rate for the period was 7%. If a plan suffers an adverse experience, provisions of the *Act* allow the employer to contribute for twenty-five years at a fixed, increased rate determined actuarially by TCDRS, or to reduce the benefits earned in the future.

### *Actuarial Assumptions*

Updated mortality assumptions were adopted in the actuarial valuation of December 31, 2024. All other actuarial assumptions that determined the total pension liability as of December 31, 2024, were based on the results of an actuarial experience study for the period January 1, 2017, through December 31, 2020, except where Governmental Accounting Standards Board Statement No. 68 required otherwise.

The following are the key assumptions and methods applied to this measurement period:

Valuation Date	December 31, 2024
Actuarial Cost Method	Entry Age (level percent of pay) <sup>(1)</sup>
Amortization Method:	
Recognition of Economic/Demographic Gains or Losses	Straight-Line Amortization over Expected Working Life
Recognition of Assumptions Changes or Inputs	Straight-Line Amortization over Expected Working Life
Asset Valuation Method:	
Smoothing Period	5 years
Recognition Method	Non-Asymptotic
Corridor	None
Inflation	2.50%
Salary Increases	Varies by age and service. 4.7% average over career, including inflation
Investment Rate of Return	7.60% (gross of administrative expenses)
Cost-of-Living Adjustments	Cost-of-living Adjustments for Galveston County are not considered to be substantively automatic under GASB 68. Therefore, no assumption for future cost-of-living adjustments is included in either the GASB calculations or the funding valuation.
Turnover	New employees are assumed to replace any terminated members and have similar entry ages.

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

Note that the replacement life entry age cost method is used for funding actual valuation, which differs from the GASB-required approach in that it assumes that the current benefit provisions always applied.

#### *Discount Rate*

The discount rate for the total pension liability was 7.6%, unchanged from the previous year. The cash flows used to project this discount rate assumed plan members and the employer contributed at the statutorily required rates. Based on that assumption, the pension plan's fiduciary net position was projected to be sufficient to make all future benefit payments. The long-term expected rate of return on pension-plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The assumed long-term investment return of 7.5% is net after investment and administrative expenses. It is assumed returns will equal the nominal rate of 7.5% for calculating the actuarial accrued liability and the normal cost contribution rate for the retirement plan of the county.

Best estimates of geometric real rates of return for each major asset class included in the TCDRS target asset allocation as of December 31, 2024, are summarized below:

Asset Class	Benchmark	Target Allocation <sup>(1)</sup>	Geometric Real Rate of Return <sup>(2)</sup>
US Equities	Dow Jones U.S. Total Stock Market Index	13.00%	5.35%
Global Equities	MSCI World (net) Index	4.00%	5.15%
International Equities - Developed Markets	MSCI World Ex USA (net) index	6.00%	4.75%
International Equities - Emerging Markets	MSCI Emerging Markets (net) index	0.00%	4.75%
Investment-Grade Bonds	Bloomberg Barclays U.S. Aggregate Bond Index	3.00%	2.55%
Strategic Credit	FTSE High-Yield Cash-Pay Capped Index	9.00%	3.70%
Direct Lending	Morningstar LSTA US Leveraged Loan TR USD Index	16.00%	6.85%
Distressed Debt	Cambridge Associates Distressed Securities Index <sup>(3)</sup>	4.00%	6.80%
REIT Equities	67% FTSE NAREIT Equity REITs Index + 33% S&P Global REIT (net) Index	2.00%	3.95%
Master Limited Partnerships (MLPs)	Alerian MLP Index	2.00%	4.95%
Commodities	Bloomberg Commodities Index	2.00%	1.00%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index <sup>(4)</sup>	6.00%	5.75%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index <sup>(5)</sup>	25.00%	8.15%
Hedge Funds	HFR, In.c Fund of Funds Composite Index	6.00%	3.60%
Cash Equivalents	90-Day U.S. Treasury	2.00%	1.10%

<sup>(1)</sup> Target asset allocation adopted at the March 2025 TCDRS Board meeting.

<sup>(2)</sup> Geometric real rates of return equal the expected return for the asset class minus the assumed inflation rate of 2.35%, per Cliffwater's 2025 capital market assumptions.

<sup>(3)</sup> Includes vintage years 2005-present of Quarter Pooled Horizon IRRs.

<sup>(4)</sup> Includes vintage years 2007-present of Quarter Pooled Horizon IRRs.

<sup>(5)</sup> Includes vintage years 2006-present of Quarter Pooled Horizon IRRs.

### Sensitivity of the County's Share of the Net Pension Liability

The following table presents the county's net pension liability/(asset) calculated using three different discount rates: at one percentage point lower than the current rate (6.6%), at the current rate (7.6%), and at one percentage point higher than the current rate (8.6%):

	At Current Discount Rate Minus 1%: 6.6%	At Current Discount Rate: 7.6%	At Current Discount Rate Plus 1%: 8.6%
Total pension liability	\$ 634,745,857	\$ 560,965,101	\$ 499,598,919
Fiduciary net position	566,956,133	566,956,133	566,956,133
Net pension liability/(asset)	<u>\$ 67,789,724</u>	<u>\$ (5,991,032)</u>	<u>\$ (67,357,214)</u>

*Schedule of Changes in Net Pension Liability/(Asset)\**

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability / (Asset) (a) - (b)
Balances at December 31, 2023	\$ 537,848,429	\$ 528,095,128	\$ 9,753,301
Changes for the year:			
Service cost	11,183,525	-	11,183,525
Interest on total pension liability <sup>(1)</sup>	40,593,631	-	40,593,631
Effect of plan changes <sup>(2)</sup>	-	-	-
Effect of economic/demographic gains or losses	1,706,010	-	1,706,010
Effect of assumptions changes or inputs	-	-	-
Refund of contributions	(1,235,393)	(1,235,393)	-
Benefit payments	(29,131,101)	(29,131,101)	-
Administrative expenses	-	(308,628)	308,628
Member contributions	-	6,144,537	(6,144,537)
Net investment income	-	53,538,487	(53,538,487)
Employer contributions	-	10,454,483	(10,454,483)
Other <sup>(3)</sup>	-	(601,379)	601,379
Balances as of December 31, 2024	<u>\$ 560,965,101</u>	<u>\$ 566,956,133</u>	<u>\$ (5,991,032)</u>

\*Amounts may not foot due to rounding

<sup>(1)</sup> Reflects the change in the liability due to the time value of money. TCDRS does not charge fees or interest.

<sup>(2)</sup> No plan changes valued.

<sup>(3)</sup> Relates to allocation of system-wide items.

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

For the year ended September 30, 2025, the county recognized pension income of \$85,889 and deferred inflows/outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,449,916	\$ -
Change of assumptions	-	-
Net difference between projected and actual earnings	-	-
Contributions made subsequent to measurement date	8,088,877	5,999,789
Total	<u>\$ 9,538,793</u>	<u>\$ 5,999,789</u>

An amount of \$8,088,877 is reported as deferred outflows of resources related to pensions resulting from contributions made subsequent to the measurement date and will be recognized as a reduction of the net pension liability for the fiscal year ending September 30, 2026. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending September 30,	Amount
2026	\$ (4,000,776)
2027	8,435,159
2028	(6,194,099)
2029	(2,790,157)
2030	-
Thereafter	-
Total	<u>\$ (4,549,873)</u>

**G. Other Post-Employment Benefits (“OPEB”)**

The county contributes to two other post-employment benefit (“OPEB”) plans: (1) the Retiree Life Reserve Plan (“RLR”), a single-employer plan administered by the county in which the irrevocable funds are considered to be held in trust, and (2) the Retiree Health Plan (“RHP”), a single-employer, defined-benefit OPEB plan for which no advance funding is provided.

As of the fiscal year ended September 30, 2025, the two plans had the following balances reported in the government-wide financial statements:

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability / (Asset)	Net Deferred Outflow of Resources	Net Deferred Inflow of Resources	OPEB Expense / (Income)
RLR	\$ 6,873,037	\$ 16,834,247	\$ (9,961,210)	\$ 234,948	\$ 3,097,840	\$ (1,259,229)
RHP	99,129,481	N/A	N/A	17,308,939	40,796,553	2,175,301
Total OPEB Plans	<u>\$ 106,002,518</u>	<u>\$ 16,834,247</u>	<u>\$ (9,961,210)</u>	<u>\$ 17,543,887</u>	<u>\$ 43,894,393</u>	<u>\$ 916,072</u>

**Retiree Life Reserve**

*Plan Description*

The county voluntarily participates in a single-employer OPEB plan, previously administered by Standard Insurance Company. Effective July 1, 2024, the county became the administrator of the irrevocable funds set aside for the purpose of funding the monthly premiums. The plan is a life insurance plan known as the Retiree Life Reserve. This benefit is a part of The Alternate Plan for Galveston County employees which includes a package of benefits in lieu of Social Security. The Alternate Plan is reviewed annually by Commissioners Court with the approved benefits and contribution rates becoming effective January 1<sup>st</sup> of each calendar year. Payments from this fund are life insurance benefits and are paid in a lump sum payment to the designated beneficiaries upon the receipt of an approved application for payment. The RLR includes coverage for retired members who have met the plan’s requirements. Because assets are set aside in a qualifying trust, the plan qualifies as an OPEB Trust in accordance with paragraph 4 of GASB Statement No. 74.

Although no comprehensive, stand-alone OPEB plan financial report is produced and available for the public, regular reports which present relevant data is available by the county for the retiree life reserve retiree benefits.

*Plan Benefits*

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

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

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

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

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	-
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	-
Active Plan Members	<u>1,303</u>
Total Plan Members	<u><u>1,303</u></u>

*Net OPEB Liability/(Asset)*

The county’s net OPEB asset of (\$9,961,210) was measured as of December 31, 2024 and was determined by an actuarial valuation as of that date.

*Actuarial Assumptions and Other Inputs*

The net OPEB asset in the December 31, 2024 actuarial valuation was determined using the following actuarial assumptions:

Actuarial Cost Method	Individual Entry-Age Normal
Discount Rate	3.00%, as of December 31, 2024
Inflation	2.50%
Salary Increases	0.40% to 5.25%, not including wage inflation of 3.00%

Salary increases were based on a service-related table. For healthy retirees, the Pub-2010 General Retirees Tables for males and females are used with male rates multiplied by 135% and female rates multiplied by 120%. Those rates are projected on a fully generational basis based on 100% of the ultimate rates of mortality improvement scale MP-2021. The actuarial assumptions used in the December 31, 2024 valuation were based on the results of an actuarial experience study for the four-year period ending December 31, 2020, as conducted for TCDRS.

*Discount Rate*

A single discount rate of 3.00% was used to measure the total OPEB liability as of December 31, 2024. This single discount rate was based on the expected rate of return on plan investments of 3.00% and a municipal bond rate of 4.08% (based on Fidelity Index’s “20-Year Municipal GO AA Index” as of December 31, 2024). Based on the stated assumptions and the employer’s funding policy, the plan’s Fiduciary Net Position and the future contributions are sufficient to finance the future benefit payments. The long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

*Investments*

Assets for the RLR plan are 100% invested in TexasDaily Local Government Investment Pool, an interest-bearing account with the goal of principal conservation. Assets for the RLR plan are invested as a trust in which the county holds the irrevocable funds. All participants in the long-term fund earn the same interest rate, which is a weighted average of the interest rates of all plan assets. Interest is accrued daily and compounded quarterly. The long-term expected future rate of return, including inflation, is 3.00% which is comprised of a real rate of return equal to 0.50% plus inflation of 2.50%.

*Schedule of Changes in Net OPEB Liability/(Asset)*

**Galveston County, Texas**  
**Schedule of Changes in Total OPEB Liability/(Asset) and Related Ratios**  
**Retiree Life Reserve Plan for the Employees of Galveston County, Texas**  
**For the Fiscal Year Ending September 30, 2025**

	<b>Total OPEB Liability / (Asset)</b>	<b>Plan Fiduciary Net Position</b>	<b>Net OPEB Liability / (Asset)</b>
Beginning balance, 12/31/2023	\$ 7,739,266	\$ 16,126,497	\$ (8,387,231)
Service cost	902,353	-	902,353
Interest on total OPEB liability	238,587	-	238,587
Changes of benefit terms	(1,532,066)	-	(1,532,066)
Difference between expected / actual experience	-	-	-
Changes of assumptions	-	-	-
Employer contributions	-	644,791	(644,791)
Net investment income	-	575,586	(575,586)
Benefit payments	(475,103)	(475,103)	-
Administrative expense	-	(37,524)	37,524
Net changes	<u>(866,229)</u>	<u>707,750</u>	<u>(1,573,979)</u>
Ending balance, 12/31/2024	<u>\$ 6,873,037</u>	<u>\$ 16,834,247</u>	<u>\$ (9,961,210)</u>
Plan fiduciary net position as a percentage of total OPEB liability			244.93%

In prior years, the net OPEB asset has typically been liquidated by the General Fund.

*Discount Rate Sensitivity Analysis*

The following schedule presents the RLR’s net OPEB asset, calculated using a single discount rate of 3.00% as of December 31, 2024, as well as the impact on the RLR’s net OPEB asset if the discount rate was 1.00% less than and 1.00% greater than the discount rate used:

	At Current Single Discount Rate Minus 1%: <u>2.00%</u>	At Current Single Discount Rate: <u>3.00%</u>	At Current Single Discount Rate Plus 1%: <u>4.00%</u>
Net OPEB Asset	\$ (7,925,338)	\$ (9,961,210)	\$ (11,482,743)

*OPEB Revenue/Expense and Deferred Outflows/Inflows of Resources Related to OPEB*

For the year ended September 30, 2025, the county recognized OPEB revenue of \$1,259,229. There were no changes of benefit terms that affected measurement of the net OPEB during the measurement period. The county reported deferred outflows and inflows of resources related to other post-employment benefits from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience, liability	\$ 3,727	\$ 1,334,813
Changes in assumptions	225,430	1,683,430
Difference between expected and actual experience, assets	-	79,597
Contributions subsequent to measurement date	<u>5,791</u>	<u>-</u>
Total	<u>\$ 234,948</u>	<u>\$ 3,097,840</u>

Deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date, in the amount of \$5,791, will be recognized as an addition of the net OPEB asset for the year ending September 30, 2026. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ending September 30</u>	<u>Net Deferred Outflows/(Inflows)</u>
2026	(442,061)
2027	(441,244)
2028	(439,615)
2029	(438,389)
2030	(421,291)
Thereafter	<u>(686,083)</u>
Total	<u>\$ (2,868,683)</u>

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

### *Plan Description*

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

Plan activity is recorded in the Employee Benefits Internal Service Fund. Plan-member and employer contributions are recorded in the period in which the contributions are due, and benefits and refunds are recognized when due and payable. No comprehensive, stand-alone OPEB plan financial report is produced and available for the public, although the regular reports issued by the third-party administrator for the county’s health plan present such data about retiree benefits discretely from that presented for active employees of the county.

### *Plan Benefits and Contributions*

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

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

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

When retirees become Medicare-eligible, the county converts their major medical coverage to Medicare-supplement coverage, with the county’s insurance becoming secondary. The premium paid by the retiree is based on whether coverage is for the retiree only or retiree and dependent(s). The county subsidizes part of the costs of this benefit. Retirees are responsible for their portions of the premiums for Medicare Parts A and B. The premium for major medical coverage for the surviving spouse of a retiree is the same as the “retiree only” premium. Medicare-eligible retirees participate in a fully-funded, rather than self-funded, plan in which the retiree and county contribute a set amount monthly. Actual claims are covered by the third-party insurance provider.

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

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	540
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	-
Active Plan Members	<u>1,303</u>
Total Plan Members	<u><u>1,843</u></u>

The county's contributions to the RHP for the years ended September 30, 2025 and 2024 were \$2,962,248 and \$3,063,448, respectively.

*Actuarial Methods and Assumptions*

Actuarial valuations involve estimates based upon reported amounts and assumptions about the probability of events for many years ahead. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made for the future. The required schedule of funding progress immediately following the notes to the financial statements presents multi-year trend information showing how the actuarial value of plan assets is increasing, decreasing or remaining constant over time relative to the actuarial accrued liability for benefits. Calculations are based on the types of benefits provided under the terms of the substantive plan in effect at each valuation and on the pattern of sharing of costs between the employer and plan members to that point.

Actuarial calculations reflect a long-term perspective. Consistent with that perspective, the actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in the actuarial value of plan assets and accrued liabilities.

The valuation required the county and actuary to make certain assumptions regarding items such as rates of employee turnover, retirement and mortality, as well as economic assumptions regarding trends of health-care costs and interest rates.

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

<b>Valuation Date</b>	December 31, 2023
<b>Actuarial Cost Method</b>	Individual Entry-Age Normal
<b>Discount Rate</b>	4.08%, as of December 31, 2024
<b>Inflation</b>	2.50%
<b>Salary Increases</b>	0.40% to 5.25%, not including wage inflation of 3.00%
<b>Demographic Assumptions</b>	Based on the experience study covering the four-year period ending December 31, 2020 as conducted for TCDRS
<b>Mortality</b>	For healthy retirees, the Pub-2010 General Retirees Tables for males and females are used with male rates multiplied by 135% and female rates multiplied by 120%. Those rates are projected on a fully generational basis based on 100% of the ultimate rates of mortality improvement scale MP-2021.
<b>Health Care Trend Rates</b>	Pre-65: Initial rate of 7.20% declining to an ultimate rate of 4.25% after 15 years; Post-65: Initial rate of 5.10% declining to an ultimate rate of 4.25% after 9 years.
<b>Participation Rates</b>	85% for members who retire before age 65; 90% for members who retire after age 65
<b>Discount Rate Note</b>	The discount rate changed from 3.77% as of December 31, 2023 to 4.08% as of December 31, 2024.

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

*Discount Rate*

For plans that do not have formal assets, the discount rate should equal the tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date. A single discount rate of 4.08% was used to measure the total OPEB liability. The source of the municipal bond rate was fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index’s “20-year Municipal GO AA Index” as of December 31, 2024. The discount rate was 3.77% as of the prior measurement date.

*Changes in the Total OPEB Liability*

The county’s total OPEB liability of \$99,129,481 was measured and determined by an actuarial valuation as of December 31, 2024. The schedule of changes in total OPEB liability for the fiscal year ended September 30, 2025 is reported below.

	<b>Total OPEB Liability</b>
Beginning balance, 12/31/2023	\$ 96,391,772
Changes for the year:	
Service cost	\$ 6,111,997
Interest on total OPEB liability	3,693,324
Changes of benefit terms	-
Difference between expected / actual experience of the total OPEB liability	(407,868)
Changes in assumptions and other inputs	(3,696,496)
Benefit payments/refunds of contributions	(2,963,248)
Net changes	<u>2,737,709</u>
Ending balance, 12/31/2024	<u>\$ 99,129,481</u>

Changes in assumptions and other inputs reflect a change in the discount rate from 3.77% to 4.08% as of December 31, 2024. In prior years, the OPEB liability has been typically liquidated by the General Fund.

*Discount Rate Sensitivity Analysis*

The following schedule presents the total OPEB liability, calculated using a single discount rate of 4.08%, as well as the impact on the total OPEB liability if the discount rate was 1% less than, and 1% greater than, the discount rate used:

	At Current Discount Rate Minus 1%: 3.08%	At Current Discount Rate: 4.08%	At Current Discount Rate Plus 1%: 5.08%
Total OPEB liability	\$ 111,847,355	\$ 99,129,481	\$ 88,504,566

*Healthcare Cost Trend Rate Sensitivity Analysis*

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

	At Current Healthcare Cost Trend Rate Minus 1%	At Current Healthcare Cost Trend Rate	At Current Healthcare Cost Trend Rate Plus 1%
Total OPEB liability	\$ 85,574,889	\$ 99,129,481	\$ 116,122,908

*OPEB Expense and Deferred Outflows of Resources Related to OPEB*

For the year ended September 30, 2025, the county recognized OPEB expense of \$2,275,301. At September 30, 2025, the county reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 393,884	\$ 15,885,793
Changes in assumptions	14,537,389	24,910,760
Contributions made subsequent to measurement date	2,377,666	-
Total	<u>\$ 17,308,939</u>	<u>\$ 40,796,553</u>

Deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date, in the amount of \$2,377,666, are due to benefit payments the county paid with its own assets and will be recognized as a reduction of the total OPEB liability for the year ending September 30, 2026. Other amounts of the reported as deferred outflows/(inflows) of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending <u>September 30</u>	Net Deferred <u>Outflows/(Inflows)</u>
2026	\$ (6,228,554)
2027	(6,219,911)
2028	(7,804,518)
2029	(4,431,450)
2030	(1,004,041)
Thereafter	<u>(176,806)</u>
Total	<u>\$ (25,865,280)</u>

## **H. Claims and Judgments**

The county is defending four civil rights cases. The first one involves an alleged wrongful death claim and violation of the 4th, 8th and 14th Amendments. An inmate collapsed suddenly while in custody due to medical issues. Medical response was timely but the inmate died. The Court granted the county's motion to dismiss in November of 2022. The 5th Circuit Court of Appeals affirmed the dismissal February 28, 2024. State law claims are expected to be remanded to the 10th District Court, where the county anticipates filing a second motion to dismiss the state law claims based on the final results of the federal claims if the Court does not dismiss the case for want of prosecution now that two years have passed with no activity.

The second civil case the county is facing is a voting rights case arising from the redistricting of the Commissioners' precincts based on the 2020 census, alleging violations of the 14th Amendment and Section 2 of the Voting Rights Act. There are three sets of plaintiffs consolidated into a single case number, including the Department of Justice, NAACP and LULAC, among others. The county lost at trial, but attorney's fees were not awarded, pending appeal. The 5th Circuit Court of Appeals reversed the trial results, but remanded for the trial court to determine whether there was intentional discrimination, where the case remains pending. If the county is found to have discriminated intentionally, the county may be exposed to an award of attorney's fees as high as \$5-\$10 million, in which another appeal would be filed on the grounds that there can be no intentional discrimination without a discriminatory effect.

The third civil case is a §1983 case in which the plaintiff alleges violations of the 4th, 8th and 14th Amendments for claims arising from an alleged motor vehicle stop. The county has been dismissed from the case. The individual officer remains in the case, but the county is responsible only to fund the defense. The dismissal of the county may be subject to appeal after a final verdict.

The fourth civil case is a §1983 case in which the plaintiff alleges violations of the 4th and 14th Amendments resulting from an intoxicated person arrested for being inside a crime scene during a motorcycle rally. Claims include unlawful arrest, denied medical care and excessive force resulting in required hospitalization. At this time, there is no reason to believe the county is liable and no demand has been made, but if the plaintiff were to win, total liability anywhere between \$250,000 to \$1 million is possible.

For all claims insured through TAC, any damages in excess of \$3 million annually in the aggregate and per claim would be absorbed by the county.

In addition to the suits above, the county is also defending an employment case and four material motor vehicle claims.

In the employment case, the plaintiff alleges claims of discrimination on the basis of race based on work duties assigned. This is the second case filed by this plaintiff after dismissal was obtained by the first. The case was dismissed by the trial court on April 28, 2025. An appeal to the 5th Circuit is pending, but it is not expected to change the ultimate outcome.

The first material motor vehicle claim is related to a motor vehicle accident with a Mosquito Control employee, resulting in a collision. No lawsuit has been filed, but there are medical and property damage claims with a demand for bodily injury alone of \$115,000, but the county's exposure cannot exceed \$100,000 for all injuries and \$100,000 for property damages. The plaintiff's attorney letter resigned after receipt of the county's denial letter.

The second material motor claim the county is facing is related to a motor vehicle accident in which multiple occupants of a vehicle were involved in a collision with a Sheriff's deputy unit with active lights and sirens. One of the plaintiffs claims damages in excess of \$200,000; however, through the Tort Claims Act, the claim would be limited to \$100,000. Total liability is possible up to \$300,000 in aggregate across all claimants. No further correspondence has been received from the attorneys after explanation of the denial of claims, and the county believes it will not be held liable because of the duty to yield to an emergency vehicle.

The third material motor claim involves a motor vehicle accident with a Sheriff employee. Property damages have already been settled and the plaintiff is seeking \$100,000 for injuries.

The fourth material motor claim is one in which a county employee returning from training was involved in a collision in Harris County. The petition claims damages in excess of \$250,000. The county has appealed the denial of a dispositive motion and damages will be limited to \$100,000 if the plaintiffs ultimately prevail.

One additional case the county is defending is one in which the plaintiffs allege a property was wrongfully foreclosed in a tax sale, then demolished by the City of Galveston for code violations. The plaintiffs are seeking over \$1 million. The case was dismissed in federal court and then re-filed in state court, in which the case was also dismissed. The plaintiffs have appealed, but the county does not anticipate that the plaintiffs will be successful.

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## Required Supplementary Information

**T**he Required Supplementary Information subsection includes the budgetary comparison schedules for the County of Galveston's General Fund and major special revenue funds. It also includes trend data, including the schedule of funding progress and the schedule of employer contributions related to the pension trust funds of the County of Galveston. The notes to the required supplementary information are also included in this subsection.

(Continued)

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**GENERAL FUND**  
**For the Year Ended September 30, 2025**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>REVENUES</b>				
Taxes	\$ 133,333,640	\$ 133,334,614	\$ 136,883,513	\$ 3,548,899
Licenses and Permits	83,400	83,400	57,685	(25,715)
Intergovernmental	21,857,325	21,857,325	23,743,448	1,886,123
Charges for Services	6,765,876	6,765,076	7,444,984	679,908
Fines and Forfeitures	1,225,870	1,225,870	1,392,365	166,495
Investment Earnings	3,613,160	3,613,160	5,003,286	1,390,126
Miscellaneous	664,190	664,990	821,817	156,827
<b>Total Revenues</b>	<u>167,543,461</u>	<u>167,544,435</u>	<u>175,347,098</u>	<u>7,802,663</u>
<b>EXPENDITURES</b>				
Current:				
General Government:				
General Government:				
Personnel Services	3,382,926	3,405,288	3,394,525	10,763
Supplies	10,000	32,500	11,444	21,056
Other Services and Charges	4,091,700	4,478,177	3,265,256	1,212,921
<b>Total General Government</b>	<u>7,484,626</u>	<u>7,915,965</u>	<u>6,671,225</u>	<u>1,244,740</u>
County Judge:				
Personnel Services	777,266	779,402	758,621	20,781
Supplies	4,600	4,600	3,492	1,108
Other Services and Charges	1,500	1,500	500	1,000
<b>Total County Judge</b>	<u>783,366</u>	<u>785,502</u>	<u>762,613</u>	<u>22,889</u>
Commissioners Court:				
Personnel Services	1,095,812	1,095,812	1,074,446	21,366
Supplies	4,800	4,800	1,807	2,993
Other Services and Charges	2,200	2,200	-	2,200
<b>Total Commissioners Court</b>	<u>1,102,812</u>	<u>1,102,812</u>	<u>1,076,253</u>	<u>26,559</u>
County Clerk:				
Personnel Services	4,199,757	3,975,025	3,697,160	277,865
Supplies	43,500	59,500	51,253	8,247
Other Services and Charges	774,865	1,481,140	843,748	637,392
<b>Total County Clerk</b>	<u>5,018,122</u>	<u>5,515,665</u>	<u>4,592,161</u>	<u>923,504</u>
Veterans Services:				
Personnel Services	229,987	229,987	215,260	14,727
Supplies	2,400	3,200	3,198	2
Other Services and Charges	4,900	4,100	1,245	2,855
<b>Total Veterans Services</b>	<u>237,287</u>	<u>237,287</u>	<u>219,703</u>	<u>17,584</u>

(Continued)

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**GENERAL FUND**  
**For the Year Ended September 30, 2025**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>Economic Development Office:</b>				
Personnel Services	253,365	47,068	45,542	1,526
Supplies	2,250	-	-	-
Other Services and Charges	<u>96,250</u>	<u>4,165</u>	<u>3,709</u>	<u>456</u>
<b>Total Economic Development Office</b>	<u>351,865</u>	<u>51,233</u>	<u>49,251</u>	<u>1,982</u>
<b>County Auditor:</b>				
Personnel Services	2,832,341	2,657,341	2,427,311	230,030
Supplies	14,100	138,378	34,002	104,376
Other Services and Charges	<u>68,094</u>	<u>108,094</u>	<u>43,918</u>	<u>64,176</u>
<b>Total County Auditor</b>	<u>2,914,535</u>	<u>2,903,813</u>	<u>2,505,231</u>	<u>398,582</u>
<b>Professional Services:</b>				
Personnel Services	883,587	812,016	702,817	109,199
Supplies	30,900	35,427	33,344	2,083
Other Services and Charges	<u>67,700</u>	<u>133,881</u>	<u>99,313</u>	<u>34,568</u>
<b>Total Professional Services</b>	<u>982,187</u>	<u>981,324</u>	<u>835,474</u>	<u>145,850</u>
<b>County Tax Assessor-Collector:</b>				
Personnel Services	3,546,857	3,497,638	3,269,828	227,810
Supplies	130,055	131,670	120,638	11,032
Other Services and Charges	<u>81,665</u>	<u>90,150</u>	<u>60,975</u>	<u>29,175</u>
<b>Total County Tax Assessor-Collector</b>	<u>3,758,577</u>	<u>3,719,458</u>	<u>3,451,441</u>	<u>268,017</u>
<b>Purchasing Agent:</b>				
Personnel Services	740,005	740,005	732,898	7,107
Supplies	10,800	10,800	3,203	7,597
Other Services and Charges	<u>37,035</u>	<u>37,085</u>	<u>19,811</u>	<u>17,274</u>
<b>Total Purchasing Agent</b>	<u>787,840</u>	<u>787,890</u>	<u>755,912</u>	<u>31,978</u>
<b>Grant Administration:</b>				
Personnel Services	423,335	608,974	222,867	386,107
Other Services and Charges	<u>353,300</u>	<u>375,056</u>	<u>153,662</u>	<u>221,394</u>
<b>Total Grant Administration</b>	<u>776,635</u>	<u>984,030</u>	<u>376,529</u>	<u>607,501</u>
<b>Legal Department:</b>				
Other Services and Charges	<u>1,150,000</u>	<u>1,150,000</u>	<u>786,778</u>	<u>363,222</u>
<b>Total Legal Department</b>	<u>1,150,000</u>	<u>1,150,000</u>	<u>786,778</u>	<u>363,222</u>

(Continued)

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**GENERAL FUND**  
**For the Year Ended September 30, 2025**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Human Resources:				
Personnel Services	700,407	700,407	598,768	101,639
Supplies	13,949	13,949	9,884	4,065
Other Services and Charges	<u>331,050</u>	<u>331,050</u>	<u>317,252</u>	<u>13,798</u>
Total Human Resources	<u>1,045,406</u>	<u>1,045,406</u>	<u>925,904</u>	<u>119,502</u>
Information Technology:				
Personnel Services	4,733,053	4,965,487	4,217,041	748,446
Supplies	1,035,420	1,252,715	1,038,693	214,022
Other Services and Charges	<u>3,450,845</u>	<u>8,033,804</u>	<u>6,207,195</u>	<u>1,826,609</u>
Total Information Technology	<u>9,219,318</u>	<u>14,252,006</u>	<u>11,462,929</u>	<u>2,789,077</u>
Facilities Services:				
Personnel Services	2,286,433	3,078,550	2,557,433	521,117
Supplies	367,600	139,600	139,371	229
Other Services and Charges	<u>6,190,000</u>	<u>6,998,564</u>	<u>6,363,229</u>	<u>635,335</u>
Total Facilities Services	<u>8,844,033</u>	<u>10,216,714</u>	<u>9,060,033</u>	<u>1,156,681</u>
Fleet Management:				
Personnel Services	1,071,779	1,071,779	915,386	156,393
Supplies	1,437,700	1,287,111	588,658	698,453
Other Services and Charges	<u>1,018,180</u>	<u>468,180</u>	<u>390,198</u>	<u>77,982</u>
Total Fleet Management	<u>3,527,659</u>	<u>2,827,070</u>	<u>1,894,242</u>	<u>932,828</u>
County Engineer:				
Personnel Services	650,140	650,140	634,739	15,401
Supplies	6,260	6,260	3,615	2,645
Other Services and Charges	<u>41,085</u>	<u>817,912</u>	<u>468,774</u>	<u>349,138</u>
Total County Engineer	<u>697,485</u>	<u>1,474,312</u>	<u>1,107,128</u>	<u>367,184</u>
Total General Government	<u>48,681,753</u>	<u>55,950,487</u>	<u>46,532,807</u>	<u>9,417,680</u>
Judicial:				
Mental Health Court Program:				
Personnel Services	332,248	468,027	458,740	9,287
Supplies	4,500	4,500	2,848	1,652
Other Services and Charges	<u>414,861</u>	<u>399,082</u>	<u>348,488</u>	<u>50,594</u>
Total Mental Health Court Program	<u>751,609</u>	<u>871,609</u>	<u>810,076</u>	<u>61,533</u>

(Continued)

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**GENERAL FUND**  
**For the Year Ended September 30, 2025**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Veterans Treatment Court Program:				
Personnel Services	-	35,379	35,098	281
Supplies	3,500	3,500	1,449	2,051
Other Services and Charges	<u>39,550</u>	<u>39,700</u>	<u>20,423</u>	<u>19,277</u>
Total Veterans Treatment Court Program	<u>43,050</u>	<u>78,579</u>	<u>56,970</u>	<u>21,609</u>
10th District Court:				
Personnel Services	275,049	288,165	258,326	29,839
Supplies	1,500	1,600	1,525	75
Other Services and Charges	<u>2,850</u>	<u>2,750</u>	<u>1,023</u>	<u>1,727</u>
Total 10th District Court	<u>279,399</u>	<u>292,515</u>	<u>260,874</u>	<u>31,641</u>
56th District Court:				
Personnel Services	261,958	275,074	237,426	37,648
Supplies	1,500	1,500	802	698
Other Services and Charges	<u>4,593</u>	<u>4,593</u>	<u>1,303</u>	<u>3,290</u>
Total 56th District Court	<u>268,051</u>	<u>281,167</u>	<u>239,531</u>	<u>41,636</u>
122nd District Court:				
Personnel Services	268,804	281,920	266,503	15,417
Supplies	1,500	1,700	1,166	534
Other Services and Charges	<u>2,850</u>	<u>2,650</u>	<u>293</u>	<u>2,357</u>
Total 122nd District Court	<u>273,154</u>	<u>286,270</u>	<u>267,962</u>	<u>18,308</u>
212th District Court:				
Personnel Services	228,777	241,893	210,146	31,747
Supplies	1,500	1,894	1,721	173
Other Services and Charges	<u>2,400</u>	<u>2,006</u>	<u>474</u>	<u>1,532</u>
Total 212th District Court	<u>232,677</u>	<u>245,793</u>	<u>212,341</u>	<u>33,452</u>
306th District Court:				
Personnel Services	307,052	320,168	297,329	22,839
Supplies	1,500	1,500	1,465	35
Other Services and Charges	<u>3,850</u>	<u>3,850</u>	<u>1,905</u>	<u>1,945</u>
Total 306th District Court	<u>312,402</u>	<u>325,518</u>	<u>300,699</u>	<u>24,819</u>
405th District Court:				
Personnel Services	284,230	297,346	276,457	20,889
Supplies	1,500	1,500	1,408	92
Other Services and Charges	<u>4,743</u>	<u>4,743</u>	<u>1,893</u>	<u>2,850</u>
Total 405th District Court	<u>290,473</u>	<u>303,589</u>	<u>279,758</u>	<u>23,831</u>

(Continued)

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**GENERAL FUND**  
**For the Year Ended September 30, 2025**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
District Court Administration Office:				
Personnel Services	482,257	482,257	461,772	20,485
Supplies	25,400	29,100	14,630	14,470
Other Services and Charges	<u>3,771,800</u>	<u>3,971,800</u>	<u>3,451,604</u>	<u>520,196</u>
Total District Court Administration Office	<u>4,279,457</u>	<u>4,483,157</u>	<u>3,928,006</u>	<u>555,151</u>
County Court #1:				
Personnel Services	509,883	528,168	511,892	16,276
Supplies	1,800	1,800	1,809	(9)
Other Services and Charges	<u>4,100</u>	<u>4,100</u>	<u>458</u>	<u>3,642</u>
Total County Court #1	<u>515,783</u>	<u>534,068</u>	<u>514,159</u>	<u>19,909</u>
County Court #2:				
Personnel Services	482,741	500,785	482,431	18,354
Supplies	1,800	2,300	2,271	29
Other Services and Charges	<u>4,100</u>	<u>3,600</u>	<u>1,884</u>	<u>1,716</u>
Total County Court #2	<u>488,641</u>	<u>506,685</u>	<u>486,586</u>	<u>20,099</u>
County Court #3:				
Personnel Services	514,222	532,266	505,010	27,256
Supplies	1,800	1,800	1,115	685
Other Services and Charges	<u>4,300</u>	<u>4,300</u>	<u>293</u>	<u>4,007</u>
Total County Court #3	<u>520,322</u>	<u>538,366</u>	<u>506,418</u>	<u>31,948</u>
Probate Court:				
Personnel Services	718,710	724,854	723,036	1,818
Supplies	3,600	3,600	3,568	32
Other Services and Charges	<u>143,985</u>	<u>145,485</u>	<u>105,677</u>	<u>39,808</u>
Total Probate Court	<u>866,295</u>	<u>873,939</u>	<u>832,281</u>	<u>41,658</u>
County Court Administration:				
Personnel Services	196,310	196,310	187,780	8,530
Supplies	7,500	8,800	8,192	608
Other Services and Charges	<u>998,600</u>	<u>996,100</u>	<u>917,208</u>	<u>78,892</u>
Total County Court Administration	<u>1,202,410</u>	<u>1,201,210</u>	<u>1,113,180</u>	<u>88,030</u>
Justice Court Precinct #1:				
Personnel Services	543,954	543,954	508,656	35,298
Supplies	10,050	10,050	6,158	3,892
Other Services and Charges	<u>9,385</u>	<u>9,385</u>	<u>1,945</u>	<u>7,440</u>
Total Justice Court Precinct #1	<u>563,389</u>	<u>563,389</u>	<u>516,759</u>	<u>46,630</u>

(Continued)

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**GENERAL FUND**  
**For the Year Ended September 30, 2025**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>Justice Court Precinct #2:</b>				
Personnel Services	540,485	542,745	530,136	12,609
Supplies	12,000	12,000	7,108	4,892
Other Services and Charges	<u>8,200</u>	<u>8,200</u>	<u>200</u>	<u>8,000</u>
<b>Total Justice Court Precinct #2</b>	<u>560,685</u>	<u>562,945</u>	<u>537,444</u>	<u>25,501</u>
<b>Justice Court Precinct #3:</b>				
Personnel Services	667,163	667,163	638,175	28,988
Supplies	11,500	11,500	8,987	2,513
Other Services and Charges	<u>7,000</u>	<u>7,000</u>	<u>1,325</u>	<u>5,675</u>
<b>Total Justice Court Precinct #3</b>	<u>685,663</u>	<u>685,663</u>	<u>648,487</u>	<u>37,176</u>
<b>Justice Court Precinct #4:</b>				
Personnel Services	489,655	489,655	459,433	30,222
Supplies	6,000	9,000	8,133	867
Other Services and Charges	<u>3,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Justice Court Precinct #4</b>	<u>498,655</u>	<u>498,655</u>	<u>467,566</u>	<u>31,089</u>
<b>District Clerk:</b>				
Personnel Services	3,491,120	3,491,120	3,201,888	289,232
Supplies	106,650	106,650	32,007	74,643
Other Services and Charges	<u>771,000</u>	<u>771,000</u>	<u>690,288</u>	<u>80,712</u>
<b>Total District Clerk</b>	<u>4,368,770</u>	<u>4,368,770</u>	<u>3,924,183</u>	<u>444,587</u>
<b>District Attorney:</b>				
Personnel Services	8,783,418	8,859,868	7,761,815	1,098,053
Supplies	67,990	50,490	49,890	600
Other Services and Charges	<u>228,393</u>	<u>273,618</u>	<u>239,255</u>	<u>34,363</u>
<b>Total District Attorney</b>	<u>9,079,801</u>	<u>9,183,976</u>	<u>8,050,960</u>	<u>1,133,016</u>
<b>Collections Office:</b>				
Personnel Services	440,207	440,207	428,066	12,141
Supplies	9,100	9,100	8,924	176
Other Services and Charges	<u>12,950</u>	<u>12,950</u>	<u>9,905</u>	<u>3,045</u>
<b>Total Collections Office</b>	<u>462,257</u>	<u>462,257</u>	<u>446,895</u>	<u>15,362</u>
<b>Magistrates:</b>				
Personnel Services	403,739	403,739	360,262	43,477
Supplies	5,100	5,100	4,644	456
Other Services and Charges	<u>256,875</u>	<u>256,875</u>	<u>246,337</u>	<u>10,538</u>
<b>Total Magistrates</b>	<u>665,714</u>	<u>665,714</u>	<u>611,243</u>	<u>54,471</u>

(Continued)

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**GENERAL FUND**  
**For the Year Ended September 30, 2025**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Personal Bond Office:				
Personnel Services	1,131,404	1,131,404	1,037,372	94,032
Supplies	4,250	4,250	4,154	96
Other Services and Charges	<u>100,386</u>	<u>100,386</u>	<u>57,677</u>	<u>42,709</u>
Total Personnel Bond Office	<u>1,236,040</u>	<u>1,236,040</u>	<u>1,099,203</u>	<u>136,837</u>
Total Judicial	<u>28,444,697</u>	<u>29,049,874</u>	<u>26,111,581</u>	<u>2,938,293</u>
Public Safety:				
Sheriff's Office:				
Personnel Services	50,553,116	53,360,116	52,755,287	604,829
Supplies	759,750	1,056,747	888,416	168,331
Other Services and Charges	<u>9,487,127</u>	<u>11,711,146</u>	<u>11,526,650</u>	<u>184,496</u>
Total Sheriff's Office	<u>60,799,993</u>	<u>66,128,009</u>	<u>65,170,353</u>	<u>957,656</u>
Constable Precinct #3:				
Personnel Services	1,045,345	1,182,101	1,111,425	70,676
Supplies	9,000	24,400	21,566	2,834
Other Services and Charges	<u>5,400</u>	<u>5,400</u>	<u>2,809</u>	<u>2,591</u>
Total Constable Precinct #3	<u>1,059,745</u>	<u>1,211,901</u>	<u>1,135,800</u>	<u>76,101</u>
Constable Precinct #2:				
Personnel Services	1,063,810	1,136,327	956,734	179,593
Supplies	15,000	22,213	17,900	4,313
Other Services and Charges	<u>3,000</u>	<u>3,000</u>	<u>451</u>	<u>2,549</u>
Total Constable Precinct #2	<u>1,081,810</u>	<u>1,161,540</u>	<u>975,085</u>	<u>186,455</u>
Constable Precinct #1:				
Personnel Services	746,191	1,003,604	967,500	36,104
Supplies	13,000	156,773	152,539	4,234
Other Services and Charges	<u>1,400</u>	<u>33,136</u>	<u>22,320</u>	<u>10,816</u>
Total Constable Precinct #1	<u>760,591</u>	<u>1,193,513</u>	<u>1,142,359</u>	<u>51,154</u>
Constable Precinct #4:				
Personnel Services	956,030	976,030	842,232	133,798
Supplies	35,341	41,622	27,070	14,552
Other Services and Charges	<u>24,870</u>	<u>26,070</u>	<u>10,220</u>	<u>15,850</u>
Total Constable Precinct #4	<u>1,016,241</u>	<u>1,043,722</u>	<u>879,522</u>	<u>164,200</u>
Fleet Mgmt-SO Vehicles:				
Supplies	-	1,225,489	551,540	673,949
Other Services and Charges	<u>-</u>	<u>506,405</u>	<u>439,974</u>	<u>66,431</u>
Total Fleet Mgmt-SO Vehicles	<u>-</u>	<u>1,731,894</u>	<u>991,514</u>	<u>740,380</u>

(Continued)

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**GENERAL FUND**  
**For the Year Ended September 30, 2025**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget - Positive (Negative)</b>
Drug Court Program:				
Personnel Services	-	297,566	269,239	28,327
Other Services and Charges	68,820	43,820	15,433	28,387
<b>Total Drug Court Program</b>	<u>68,820</u>	<u>341,386</u>	<u>284,672</u>	<u>56,714</u>
Juvenile Justice:				
Personnel Services	5,437,946	5,670,471	4,636,037	1,034,434
Supplies	101,000	101,000	67,889	33,111
Other Services and Charges	1,495,980	1,265,980	1,071,686	194,294
<b>Total Juvenile Justice</b>	<u>7,034,926</u>	<u>7,037,451</u>	<u>5,775,612</u>	<u>1,261,839</u>
Emergency Management:				
Personnel Services	539,650	541,218	410,896	130,322
Supplies	26,400	31,711	28,084	3,627
Other Services and Charges	601,070	601,070	448,082	152,988
<b>Total Emergency Management</b>	<u>1,167,120</u>	<u>1,173,999</u>	<u>887,062</u>	<u>286,937</u>
Nuisance Abatement:				
Personnel Services	237,140	59,172	57,511	1,661
Supplies	10,335	10,335	3,190	7,145
Other Services and Charges	217,060	217,060	73,729	143,331
<b>Total Nuisance Abatement</b>	<u>464,535</u>	<u>286,567</u>	<u>134,430</u>	<u>152,137</u>
<b>Total Public Safety</b>	<u>73,453,781</u>	<u>81,309,982</u>	<u>77,376,409</u>	<u>3,933,573</u>
Health And Social Services:				
Health Administration & Sanitation:				
Other Services and Charges	7,033,422	7,268,422	7,267,078	1,344
<b>Total Health Administration &amp; Sanitation</b>	<u>7,033,422</u>	<u>7,268,422</u>	<u>7,267,078</u>	<u>1,344</u>
Community Services:				
Personnel Services	240,153	355,153	340,086	15,067
Other Services and Charges	6,846,131	8,039,467	7,772,313	267,154
<b>Total Community Services</b>	<u>7,086,284</u>	<u>8,394,620</u>	<u>8,112,399</u>	<u>282,221</u>
Child Welfare:				
Personnel Services	70,372	70,372	69,731	641
Supplies	79,250	79,250	30,623	48,627
Other Services and Charges	201,769	270,769	222,209	48,560
<b>Total Child Welfare</b>	<u>351,391</u>	<u>420,391</u>	<u>322,563</u>	<u>97,828</u>

(Continued)

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**GENERAL FUND**  
**For the Year Ended September 30, 2025**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Senior Citizens:				
Personnel Services	474,507	474,507	409,218	65,289
Supplies	36,250	36,250	36,185	65
Other Services and Charges	<u>222,560</u>	<u>222,560</u>	<u>170,024</u>	<u>52,536</u>
Total Senior Citizens	<u>733,317</u>	<u>733,317</u>	<u>615,427</u>	<u>117,890</u>
Total Health And Social Services	<u>15,204,414</u>	<u>16,816,750</u>	<u>16,317,467</u>	<u>499,283</u>
Culture And Recreation:				
Beach And Parks Department:				
Personnel Services	1,977,520	1,986,477	1,778,686	207,791
Supplies	161,300	165,840	162,753	3,087
Other Services and Charges	<u>605,705</u>	<u>626,130</u>	<u>513,296</u>	<u>112,834</u>
Total Beach And Parks Department	<u>2,744,525</u>	<u>2,778,447</u>	<u>2,454,735</u>	<u>323,712</u>
Beach Maintenance-Road & Bridge:				
Personnel Services	162,266	187,266	178,606	8,660
Supplies	9,800	9,800	7,544	2,256
Other Services and Charges	<u>263,500</u>	<u>238,500</u>	<u>197,424</u>	<u>41,076</u>
Total Beach Maintenance-Road & Bridge	<u>435,566</u>	<u>435,566</u>	<u>383,574</u>	<u>51,992</u>
Total Culture And Recreation	<u>3,180,091</u>	<u>3,214,013</u>	<u>2,838,309</u>	<u>375,704</u>
Conservation:				
Coastal Restoration:				
Other Services and Charges	<u>400,000</u>	<u>9,000</u>	<u>27,952</u>	<u>(18,952)</u>
Total Coastal Restoration	<u>400,000</u>	<u>9,000</u>	<u>27,952</u>	<u>(18,952)</u>
County Extension Service:				
Personnel Services	507,419	516,942	456,651	60,291
Supplies	30,350	30,350	29,510	840
Other Services and Charges	<u>19,575</u>	<u>419,575</u>	<u>16,656</u>	<u>402,919</u>
Total County Extension Service	<u>557,344</u>	<u>966,867</u>	<u>502,817</u>	<u>464,050</u>
Total Conservation:	<u>957,344</u>	<u>975,867</u>	<u>530,769</u>	<u>445,098</u>

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**GENERAL FUND**  
**For the Year Ended September 30, 2025**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Debt Service				
Principal Retirement	-	-	1,554,026	(1,554,026)
Interest And Fiscal Charges	-	-	40,098	(40,098)
Total Debt Service:	<u>-</u>	<u>-</u>	<u>1,594,124</u>	<u>(1,594,124)</u>
Capital Outlay	<u>4,985,893</u>	<u>6,956,503</u>	<u>10,371,942</u>	<u>(3,415,439)</u>
<b>Total Expenditures</b>	<u>174,907,973</u>	<u>194,273,476</u>	<u>181,673,408</u>	<u>12,600,068</u>
<b>Excess (Deficiency) of Revenues over (under) Expenditures</b>	<u>(7,364,512)</u>	<u>(26,729,041)</u>	<u>(6,326,310)</u>	<u>20,402,731</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	196,800	442,604	88,931	(353,673)
Transfers Out	(1,680,000)	(3,719,332)	(2,188,138)	1,531,194
Issuance of Subscription-based IT Arrangement	-	-	5,989,195	5,989,195
Issuance of Lease Arrangement	-	-	229,315	229,315
Sale of Capital Assets	<u>10,000</u>	<u>10,000</u>	<u>71,170</u>	<u>61,170</u>
<b>Total Other Financing Sources (Uses)</b>	<u>(1,473,200)</u>	<u>(3,266,728)</u>	<u>4,190,473</u>	<u>7,457,201</u>
<b>Net Change in Fund Balance</b>	<u>(8,837,712)</u>	<u>(29,995,769)</u>	<u>(2,135,837)</u>	<u>27,859,932</u>
<b>Fund Balance-Beginning</b>	<u>67,765,262</u>	<u>67,765,262</u>	<u>67,765,262</u>	<u>-</u>
<b>Fund Balance-Ending</b>	<u>\$ 58,927,550</u>	<u>\$ 37,769,493</u>	<u>\$ 65,629,425</u>	<u>\$ 27,859,932</u>

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**ROAD AND BRIDGE FUND**  
**For the Year Ended September 30, 2025**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>				
Taxes	\$ 2,241,248	\$ 2,241,248	\$ 2,289,092	\$ 47,844
Licenses and Permits	2,900,000	2,900,000	3,041,753	141,753
Intergovernmental	606,000	606,000	443,665	(162,335)
Investment Earnings	35,200	35,200	48,289	13,089
Miscellaneous	<u>650</u>	<u>650</u>	<u>3,471</u>	<u>2,821</u>
<b>Total Revenues</b>	<u>5,783,098</u>	<u>5,783,098</u>	<u>5,826,270</u>	<u>43,172</u>
<b>EXPENDITURES</b>				
Current:				
General Government:				
Supplies	635,000	590,000	240,110	349,890
Other Services and Charges	<u>286,000</u>	<u>286,000</u>	<u>236,104</u>	<u>49,896</u>
Total General Government	<u>921,000</u>	<u>876,000</u>	<u>476,214</u>	<u>399,786</u>
Roads, Bridges and Rights-Of-Way:				
Personnel Services	3,180,610	3,230,148	2,938,122	292,026
Supplies	1,353,000	1,353,000	1,295,212	57,788
Other Services and Charges	<u>1,910,105</u>	<u>1,933,435</u>	<u>1,624,032</u>	<u>309,403</u>
Total Roads, Bridges and Rights-Of-Way	<u>6,443,715</u>	<u>6,516,583</u>	<u>5,857,366</u>	<u>659,217</u>
Debt Service				
Principal Retirement	-	-	18,795	(18,795)
Interest And Fiscal Charges	<u>-</u>	<u>-</u>	<u>1,205</u>	<u>(1,205)</u>
Total Debt Service:	<u>-</u>	<u>-</u>	<u>20,000</u>	<u>(20,000)</u>
Capital Outlay	<u>793,000</u>	<u>953,446</u>	<u>835,725</u>	<u>117,721</u>
<b>Total Expenditures</b>	<u>8,157,715</u>	<u>8,346,029</u>	<u>7,189,305</u>	<u>1,156,724</u>
<b>Excess (Deficiency) of Revenues over (under) Expenditures</b>	<u>(2,374,617)</u>	<u>(2,562,931)</u>	<u>(1,363,035)</u>	<u>1,199,896</u>
<b>Other Financing Sources (Uses)</b>				
Transfers In	-	188,315	171,744	(16,571)
Sale of Capital Assets	<u>-</u>	<u>-</u>	<u>7,100</u>	<u>7,100</u>
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>188,315</u>	<u>178,844</u>	<u>(9,471)</u>
<b>Net Change in Fund Balance</b>	<u>(2,374,617)</u>	<u>(2,374,616)</u>	<u>(1,184,191)</u>	<u>1,190,425</u>
<b>Fund Balance-Beginning</b>	<u>3,410,985</u>	<u>3,410,985</u>	<u>3,410,985</u>	<u>-</u>
<b>Fund Balance-Ending</b>	<u>\$ 1,036,368</u>	<u>\$ 1,036,369</u>	<u>\$ 2,226,794</u>	<u>\$ 1,190,425</u>

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**AMERICAN RESCUE PLAN STIMULUS FUND**  
**For the Year Ended September 30, 2025**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>				
Intergovernmental	\$ 56,895,618	\$ 56,895,618	\$ 17,930,765	\$ (38,964,853)
Investment Earnings	<u>155,137</u>	<u>155,137</u>	<u>942,683</u>	<u>787,546</u>
<b>Total Revenues</b>	<u>57,050,755</u>	<u>57,050,755</u>	<u>18,873,448</u>	<u>(38,177,307)</u>
<b>EXPENDITURES</b>				
Current:				
General Government:				
Personnel Services	2,663,691	2,663,691	-	2,663,691
Supplies	1,663,137	1,663,137	-	1,663,137
Other Services and Charges	<u>9,461,338</u>	<u>7,447,694</u>	<u>762,959</u>	<u>6,684,735</u>
Total General Government	<u>13,788,166</u>	<u>11,774,522</u>	<u>762,959</u>	<u>11,011,563</u>
Roads, Bridges and Rights-of-Way:				
Other Services and Charges	<u>8,342,597</u>	<u>8,342,597</u>	<u>4,821,726</u>	<u>3,520,871</u>
Total Roads, Bridges and Rights-of-Way	<u>8,342,597</u>	<u>8,342,597</u>	<u>4,821,726</u>	<u>3,520,871</u>
Public Safety:				
Supplies	<u>261,766</u>	<u>261,766</u>	-	<u>261,766</u>
Total Public Safety	<u>665,589</u>	<u>665,589</u>	-	<u>665,589</u>
Health and Social Services:				
Other Services and Charges	<u>3,019,785</u>	<u>3,019,785</u>	<u>585,322</u>	<u>2,434,463</u>
Total Health and Social Services	<u>3,019,785</u>	<u>3,019,785</u>	<u>585,322</u>	<u>2,434,463</u>
Capital Outlay	<u>31,079,483</u>	<u>31,079,483</u>	<u>11,760,758</u>	<u>19,318,725</u>
<b>Total Expenditures</b>	<u>56,895,620</u>	<u>54,881,976</u>	<u>17,930,765</u>	<u>36,951,211</u>
<b>Excess (Deficiency) of Revenues over (under) Expenditures</b>	<u>155,135</u>	<u>2,168,779</u>	<u>942,683</u>	<u>(1,226,096)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers Out	<u>(105,029)</u>	<u>(105,029)</u>	<u>(145,859)</u>	<u>(40,830)</u>
<b>Net Change in Fund Balances</b>	50,106	2,063,750	796,824	(1,266,926)
<b>Fund Balance - Beginning</b>	<u>450,812</u>	<u>450,812</u>	<u>450,812</u>	<u>-</u>
<b>Fund Balance - Ending</b>	<u>\$ 500,918</u>	<u>\$ 2,514,562</u>	<u>\$ 1,247,636</u>	<u>\$ (1,266,926)</u>

(Continued)

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

For the Year Ended September 30, 2025

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>REVENUES</b>				
Intergovernmental	\$ 103,976,392	\$ 103,976,392	\$ 18,975,225	\$ (85,001,167)
Charges for Services	3,130,644	3,130,644	92,476	(3,038,168)
Investment Earnings	-	-	16,222	16,222
Miscellaneous	111,820	111,820	27,600	(84,220)
<b>Total Revenues</b>	<u>107,218,856</u>	<u>107,218,856</u>	<u>19,111,523</u>	<u>(88,107,333)</u>
<b>EXPENDITURES</b>				
Current:				
General Government:				
Personnel Services	123,942	123,942	3,225	120,717
Other Services and Charges	27,790,256	27,790,256	6,523	27,783,733
Total General Government	<u>27,914,198</u>	<u>27,914,198</u>	<u>9,748</u>	<u>27,904,450</u>
Judicial:				
Personnel Services	2,147,664	2,147,664	1,122,441	1,025,223
Supplies	5,843	5,843	(304)	6,147
Other Services and Charges	344,312	344,312	72,662	271,650
Total Judicial	<u>2,497,819</u>	<u>2,497,819</u>	<u>1,194,799</u>	<u>1,303,020</u>
Public Safety:				
Personnel Services	8,056,227	8,056,227	3,133,532	4,922,695
Supplies	940,442	940,442	372,143	568,299
Other Services and Charges	39,307,115	39,307,115	2,139,836	37,167,279
Total Public Safety	<u>48,303,784</u>	<u>48,303,784</u>	<u>5,645,511</u>	<u>42,658,273</u>
Health and Social Services:				
Personnel Services	382,367	382,367	282,423	99,944
Supplies	1,192,646	1,192,646	220,479	972,167
Other Services and Charges	14,574,737	14,574,737	565,461	14,009,276
Total Health and Social Services	<u>16,149,750</u>	<u>16,149,750</u>	<u>1,068,363</u>	<u>15,081,387</u>
Culture and Recreation:				
Personnel Services	37,694	37,694	1,110	36,584
Supplies	157,705	157,705	-	157,705
Other Services and Charges	1,784,133	1,784,133	97,933	1,686,200
Total Culture and Recreation	<u>1,979,532</u>	<u>1,979,532</u>	<u>99,043</u>	<u>1,880,489</u>

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**GRANT FUND**  
**For the Year Ended September 30, 2025**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Roads, Bridges and Rights-of-Way:				
Personnel Services	93,416	93,416	1,015	92,401
Supplies	191,998	191,998	-	191,998
Other Services and Charges	120,423	120,423	-	120,423
Total Roads, Bridges and Rights-of-Way	<u>405,837</u>	<u>405,837</u>	<u>1,015</u>	<u>404,822</u>
Capital Outlay	<u>24,728,097</u>	<u>24,728,097</u>	<u>5,363,669</u>	<u>19,364,428</u>
<b>Total Expenditures</b>	<u>121,979,017</u>	<u>121,979,017</u>	<u>13,382,148</u>	<u>108,596,869</u>
<b>Excess (Deficiency) of Revenues over (under) Expenditures</b>	<u>(14,760,161)</u>	<u>(14,760,161)</u>	<u>5,729,375</u>	<u>20,489,536</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	14,814,212	14,814,212	1,535,655	(13,278,557)
Transfers Out	(57,413)	(57,413)	-	57,413
Sale of Capital Assets	-	-	30,485	30,485
<b>Total Other Financing Sources (Uses)</b>	<u>14,756,799</u>	<u>14,756,799</u>	<u>1,566,140</u>	<u>(13,190,659)</u>
<b>Net Change in Fund Balance</b>	(3,362)	(3,362)	7,295,515	7,298,877
<b>Fund Balance-Beginning</b>	<u>(4,240,803)</u>	<u>(4,240,803)</u>	<u>(4,240,803)</u>	<u>-</u>
<b>Fund Balance-Ending</b>	<u>\$ (4,244,165)</u>	<u>\$ (4,244,165)</u>	<u>\$ 3,054,712</u>	<u>\$ 7,298,877</u>

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**Galveston County, Texas**  
**Notes to the Required Supplementary Information**  
**Budgetary Schedules**  
**For the Year Ended September 30, 2025**

Budgetary Basis of Accounting

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

**Galveston County, Texas**  
**Schedule of Changes in Net Pension Liability and Related Ratios**  
**General Employees' Retirement Plan for the Employees of Galveston County, Texas**  
**For the Last Ten Calendar Years**

	Year Ended December 31, 2024	Year Ended December 31, 2023	Year Ended December 31, 2022	Year Ended December 31, 2021	Year Ended December 31, 2020	Year Ended December 31, 2019	Year Ended December 31, 2018	Year Ended December 31, 2017	Year Ended December 31, 2016	Year Ended December 31, 2015
<b>Total Pension Liability</b>										
Service cost	\$ 11,183,525	\$ 10,481,454	\$ 10,494,809	\$ 11,361,657	\$ 9,098,982	\$ 8,666,185	\$ 8,550,427	\$ 8,527,699	\$ 8,514,565	\$ 8,033,265
Interest on total pension liability <sup>(1)</sup>	40,593,631	38,998,688	37,809,700	36,538,855	34,782,150	33,398,575	32,131,066	30,746,745	29,143,719	28,029,902
Effect of plan changes <sup>(2)</sup>	-	-	-	-	3,737,235	-	-	-	-	(1,570,636)
Effect of assumption changes or inputs	-	-	-	(690,293)	26,422,860	-	-	1,117,910	-	3,176,506
Effect of economic/demographic (gains) or losses	1,706,010	937,728	(3,284,850)	(1,476,360)	1,394,791	(523,743)	(1,193,608)	(580,625)	(558,220)	(2,943,467)
Benefit payments/refunds of contributions	(30,366,493)	(29,909,581)	(28,833,567)	(27,481,927)	(25,197,768)	(24,599,178)	(23,336,178)	(22,174,593)	(21,170,801)	(19,704,571)
Net change in total pension liability	23,116,672	20,508,289	16,186,092	18,251,932	50,238,250	16,941,839	16,151,707	17,637,136	15,929,263	15,020,999
Total pension liability, beginning	537,848,429	517,340,139	501,154,047	482,902,115	432,663,865	415,722,026	399,570,319	381,933,183	366,003,920	350,982,921
Total pension liability, ending (a)	\$ 560,965,101	\$ 537,848,429	\$ 517,340,139	\$ 501,154,047	\$ 482,902,115	\$ 432,663,865	\$ 415,722,026	\$ 399,570,319	\$ 381,933,183	\$ 366,003,920
<b>Fiduciary Net Position</b>										
Employer contributions	\$ 10,454,483	\$ 9,701,738	\$ 10,158,417	\$ 9,679,477	\$ 9,595,253	\$ 8,267,728	\$ 7,778,148	\$ 7,458,946	\$ 6,879,586	\$ 6,534,101
Member contributions	6,144,537	5,721,327	5,486,308	5,437,915	5,478,535	4,894,444	4,586,948	4,556,075	4,295,905	4,072,510
Investment income net of investment expenses	53,538,487	53,662,342	(30,215,021)	97,483,401	43,145,674	60,654,735	(7,353,290)	50,641,917	24,668,039	414,224
Benefit payments/refunds of contributions	(30,366,493)	(29,909,581)	(28,833,567)	(27,481,927)	(25,197,768)	(24,599,177)	(23,336,178)	(22,174,593)	(21,170,801)	(19,704,571)
Administrative expenses	(308,628)	(275,753)	(286,897)	(289,378)	(329,478)	(318,415)	(296,607)	(258,132)	(268,351)	(243,373)
Other <sup>(3)</sup>	(601,379)	(374,693)	(1,623,553)	(226,293)	(257,985)	(332,562)	(249,684)	(138,588)	(770,360)	(34,899)
Net change in fiduciary net position	38,861,006	38,525,380	(45,314,313)	84,603,194	32,434,231	48,566,753	(18,870,663)	40,085,625	13,634,018	(8,962,008)
Fiduciary net position, beginning	528,095,128	489,569,747	534,884,060	450,280,866	417,846,635	369,279,882	388,150,545	348,064,920	334,430,902	343,392,910
Fiduciary net position, ending (b)	\$ 566,956,133	\$ 528,095,128	\$ 489,569,747	\$ 534,884,060	\$ 450,280,866	\$ 417,846,635	\$ 369,279,882	\$ 388,150,545	\$ 348,064,920	\$ 334,430,902
Net pension liability / (asset), ending = (a) - (b)	\$ (5,991,032)	\$ 9,753,301	\$ 27,770,392	\$ (33,730,013)	\$ 32,621,249	\$ 14,817,230	\$ 46,442,144	\$ 11,419,774	\$ 33,868,263	\$ 31,573,018
Fiduciary net position as a % of total pension liability	101.07%	98.19%	94.63%	106.73%	93.24%	96.58%	88.83%	97.14%	91.13%	91.37%
Pensionable covered payroll	\$ 87,779,098	\$ 81,733,239	\$ 78,081,711	\$ 77,684,498	\$ 78,264,788	\$ 69,652,436	\$ 65,527,823	\$ 65,086,791	\$ 61,370,078	\$ 58,080,901
Net pension liability as a % of covered payroll	(6.83%)	11.93%	35.57%	(43.42%)	41.68%	21.27%	70.87%	17.55%	55.19%	54.36%

GASB Statements No. 68 and No. 71 were implemented during the fiscal year ended September 30, 2015.

Amounts may not foot due to rounding.

<sup>(1)</sup> Reflects the change in the liability due to the time value of money. TCDRS does not charge fees or interest.

<sup>(2)</sup> Reflects plan changes adopted effective in 2021.

<sup>(3)</sup> Relates to allocation of system-wide items.

**Galveston County, Texas**  
**Schedule of Employer Contributions<sup>(1)</sup>**  
**General Employees' Retirement Plan for the Employees of Galveston County, Texas**  
**Fiscal Year Ending September 30, 2025**

Year Ending September 30,	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Pensionable Covered Payroll <sup>(2)</sup>	Actual Contribution as a % of Covered Payroll
2016	\$ 6,788,319	\$ 6,788,319	-	\$60,509,533	11.22%
2017	7,302,610	7,302,610	-	64,057,982	11.40%
2018	7,705,135	7,705,135	-	65,462,420	11.77%
2019	8,162,339	8,162,339	-	68,764,436	11.87%
2020	9,136,722	9,136,722	-	75,061,458	12.17%
2021	9,359,804	9,359,804	-	75,449,986	12.41%
2022	10,128,199	10,128,199	-	78,802,598	12.85%
2023	9,845,874	9,845,874	-	80,878,628	12.17%
2024	10,166,622	10,166,622	-	85,448,181	11.90%
2025	11,043,535	11,043,535	-	92,915,001	11.89%

*(1) Payroll is calculated based on contributions as reported to TCDRS.*

*GASB Statements No. 68 and 71 were implemented during the fiscal year ended September 30, 2015.*

**Galveston County, Texas**  
**Notes to the Required Supplementary Information**  
**General Employees' Retirement Plan for the Employees of Galveston County, Texas**  
**For the Fiscal Year Ended September 30, 2025**

Valuation Date: Actuarially determined contribution rates are calculated each December 31, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry Age (level percentage of pay)
Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	14.7 years (based on contribution rate calculated in 12/31/2024 valuation)
Asset Valuation Method	5-year smoothed market
Inflation	2.50%
Salary Increases	Varies by age and service. 4.7% average over career including inflation.
Investment Rate of Return	7.50%, net of administrative and investment expenses, including inflation
Retirement Age	Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age at service retirement for recent retirees is 61.
Mortality	135% of the PUB-2010 General Retirees Table for males and 120% of the PUB-2010 General Retirees Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.
Changes in Assumptions and Methods Reflected in the Schedule of Employer Contributions*	2015: New inflation, mortality and other assumptions were reflected. 2017: New mortality assumptions were reflected. 2019: New inflation, mortality and other assumptions were reflected. 2022: New investment return and inflation assumptions were reflected.
Changes in Plan Provisions Reflected in the Schedule*	2015: No changes in plan provisions were reflected in the Schedule. 2016: No changes in plan provisions were reflected in the Schedule. 2017: New Annuity Purchase Rates were reflected for benefits earned after 2017. 2018: No changes in plan provisions were reflected in the Schedule. 2019: No changes in plan provisions were reflected in the Schedule. 2020: No changes in plan provisions were reflected in the Schedule. 2021: Employer contributions reflect that a 2% flat COLA was adopted. 2022: No changes in plan provisions were reflected in the Schedule. 2023: No changes in plan provisions were reflected in the Schedule. 2024: No changes in plan provisions were reflected in the Schedule

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

**Galveston County, Texas**  
**Schedule of Changes in Net OPEB Liability/(Asset) and Related Ratios**  
**Retiree Life Reserve for the Employees of Galveston County, Texas**  
**For the Fiscal Year Ended September 30, 2025\***

	Year Ended December 31, 2024	Year Ended December 31, 2023	Year Ended December 31, 2022	Year Ended December 31, 2021	Year Ended December 31, 2020	Year Ended December 31, 2019	Year Ended December 31, 2018	Year Ended December 31, 2017
<b>Total OPEB Liability</b>								
Service cost	\$ 902,353	\$ 876,071	\$ 1,021,826	\$ 732,934	\$ 714,239	\$ 693,435	\$ 664,479	\$ 645,125
Interest on total OPEB liability	238,587	258,567	241,345	329,456	411,893	398,014	389,779	392,630
Changes of benefit terms	(1,532,066)	-	-	-	-	-	-	-
Difference between expected / actual experience of the total OPEB liability	-	(1,245,655)	-	(589,422)	-	9,235	-	-
Changes of assumptions	-	-	-	(2,778,630)	447,960	-	-	-
Benefit payments	(475,103)	(661,150)	(571,316)	(980,344)	(817,410)	(710,850)	(1,014,858)	(1,222,553)
Net change in total OPEB liability	(866,229)	(772,167)	691,855	(3,286,006)	756,682	389,834	39,400	(184,798)
Total OPEB liability, beginning	7,739,266	8,511,433	7,819,578	11,105,584	10,348,902	9,959,068	9,919,668	10,104,466
Total OPEB liability, ending (a)	<u>\$ 6,873,037</u>	<u>\$ 7,739,266</u>	<u>\$ 8,511,433</u>	<u>\$ 7,819,578</u>	<u>\$ 11,105,584</u>	<u>\$ 10,348,902</u>	<u>\$ 9,959,068</u>	<u>\$ 9,919,668</u>
<b>Plan Fiduciary Net Position</b>								
Employer contributions	\$ 644,791	\$ 1,458,940	\$ 1,399,412	\$ 1,610,424	\$ 1,792,010	\$ 1,373,029	\$ 1,374,395	\$ 1,709,467
OPEB plan net investment income	575,586	467,149	437,116	401,368	371,700	353,289	314,048	273,902
Benefit payments	(475,103)	(661,150)	(571,316)	(980,344)	(817,410)	(710,850)	(1,014,858)	(1,222,553)
OPEB plan administrative expense	(37,524)	(214,262)	(148,657)	-	-	(67,595)	(100,375)	(106,794)
Other	-	-	-	-	-	124,125	-	-
Net change in plan fiduciary net position	707,750	1,050,677	1,116,555	1,031,448	1,346,300	1,071,998	573,210	654,022
Plan fiduciary net position - beginning	16,126,497	15,075,820	13,959,265	12,927,817	11,581,517	10,509,519	9,936,309	9,282,287
Plan fiduciary net position - ending (b)	<u>\$ 16,834,247</u>	<u>\$ 16,126,497</u>	<u>\$ 15,075,820</u>	<u>\$ 13,959,265</u>	<u>\$ 12,927,817</u>	<u>\$ 11,581,517</u>	<u>\$ 10,509,519</u>	<u>\$ 9,936,309</u>
Net OPEB liability/(asset)-ending (a) - (b)	<u>\$ (9,961,210)</u>	<u>\$ (8,387,231)</u>	<u>\$ (6,564,387)</u>	<u>\$ (6,139,687)</u>	<u>\$ (1,822,233)</u>	<u>\$ (1,232,615)</u>	<u>\$ (550,451)</u>	<u>\$ (16,641)</u>
Plan fiduciary net position as a percentage of total OPEB liability	244.78%	208.37%	177.12%	178.52%	116.41%	111.91%	105.53%	100.17%
Covered-employee payroll	\$ 63,112,168	\$ 81,733,596	\$ 78,090,075	\$ 77,689,345	\$ 78,273,362	\$ 69,660,801	\$ 65,534,168	\$ 65,091,251
Net OPEB liability/(asset) as a percentage of covered-employee payroll	(15.78)%	(10.26)%	(8.41)%	(7.90)%	(2.33)%	(1.77)%	(0.84)%	(0.03)%

\*The schedule is intended to show information for 10 years. The county adopted GASB Statement 75 effective October 1, 2017.

FYE25: Changes of benefit terms reflect a change from a self-insured to fully-insured program that will impact those retiring July 1, 2024 and later.

FYE22: Changes of assumptions include updates to the demographic and salary increase assumptions to reflect the 2021 TCDRS experience study and changing the methodology for determining service cost such that the attribution period for the accumulation of service costs is now based only on employment with Galveston County.

FYE21: Changes of assumptions include the decrease to the single discount rate from 4.00% as of December 31, 2019 to 3.00% as of December 31, 2020.

**Galveston County, Texas**  
**Schedule of Changes in Total OPEB Liability and Related Ratios**  
**Retiree Health Care Plan for the Employees of Galveston County, Texas**  
**For the Fiscal Year Ended September 30, 2025\***

	Year Ended December 31, 2024	Year Ended December 31, 2023	Year Ended December 31, 2022	Year Ended December 31, 2021	Year Ended December 31, 2020	Year Ended December 31, 2019	Year Ended December 31, 2018	Year Ended December 31, 2017
<b>Total OPEB Liability</b>								
Service cost	\$ 6,111,997	\$ 5,674,589	\$ 9,305,053	\$ 6,710,858	\$ 12,088,815	\$ 9,906,647	\$ 9,943,859	\$ 8,401,524
Interest on total OPEB liability	3,693,324	4,016,849	2,345,313	2,537,787	7,016,655	8,761,306	7,957,446	7,961,598
Changes of benefit terms	-	-	-	-	(154,233,210)	-	-	-
Difference between expected / actual experience of the total OPEB liability	(407,868)	(14,570,080)	(545,634)	(188,104)	1,256,569	(29,620,515)	(959,424)	-
Changes of assumptions	(3,696,496)	6,457,988	(34,301,385)	(6,844,844)	12,800,859	34,781,118	(16,327,917)	19,320,487
Benefit payments/refunds of contributions	(2,963,248)	(3,063,448)	(3,475,182)	(2,403,838)	(6,601,067)	(5,243,585)	(4,451,979)	(5,576,794)
Net change in total OPEB liability	2,737,709	(1,484,102)	(26,671,835)	(188,141)	(127,671,379)	18,584,971	(3,838,015)	30,106,815
Total OPEB liability, beginning	96,391,772	97,875,874	124,547,709	124,735,850	252,407,229	233,822,258	237,660,273	207,553,458
Total OPEB liability, ending	<u>\$ 99,129,481</u>	<u>\$ 96,391,772</u>	<u>\$ 97,875,874</u>	<u>\$ 124,547,709</u>	<u>\$ 124,735,850</u>	<u>\$ 252,407,229</u>	<u>\$ 233,822,258</u>	<u>\$ 237,660,273</u>
Covered-employee payroll	\$ 63,112,168	\$ 81,733,596	\$ 78,090,075	\$ 77,689,345	\$ 78,273,362	\$ 69,660,801	\$ 65,534,168	\$ 65,091,251
Total OPEB liability as a percentage of covered-employee payroll	157.07%	117.93%	125.34%	160.32%	159.36%	362.34%	356.79%	365.12%

*There are no assets accumulated in a qualifying trust, as defined by GASB Statement No. 75, to pay related benefits.*

*\*The schedule is intended to show information for 10 years. The county adopted GASB Statement 75 effective October 1, 2017.*

*Additional years' information will be displayed as it becomes available.*

**Notes to Schedule:**

Discount Rate	4.08%	3.77%	4.05%	1.84%	2.00%	2.75%	3.71%	3.31%
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Changes of assumptions reflect the effects of changes in the discount rate each period. The discount rate at the beginning of FYE 2018 was 3.81%.

FYE24 - The health care trend rates were updated to reflect the plan's anticipated experience.

FYE22 - The demographic and salary scale assumptions were updated to reflect the 2021 TCDRS Experience Study. Additionally, the participation rate and two-person assumptions have been updated and the methodology for determining service cost was changed such that the attribution period for the accumulation of service costs is now based only on employment with Galveston County.

FYE21 - Changes of benefit terms reflect the effects of a new, fully insured healthcare plan for post-65 retirees.

FYE20 - The health care trend rates were updated to better reflect the plan's anticipated experience and the repeal of the excise tax on high-cost employer health plans. Additionally, the participation rate assumption was increased for both pre-65 and post-65 retirees.

## Other Supplementary Information

**T**he Other Supplementary Information subsection includes the combining and individual fund statements and schedules for the following:

- Governmental Funds
- Internal Service Funds
- Fiduciary Funds

**GALVESTON COUNTY, TEXAS  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
September 30, 2025**

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Nonmajor Governmental Funds</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 28,673,150	\$ 15,756,894	\$ 44,430,044
Investments	518,332	33,178,515	33,696,847
Receivables (Net of Allowances for Uncollectibles):			
Taxes	255,576	-	255,576
Accounts and Other	210,925	-	210,925
Lease Receivable	85,268	-	85,268
Inventory at Cost	1,038,037	-	1,038,037
<b>Total Assets</b>	<b><u>\$ 30,781,288</u></b>	<b><u>\$ 48,935,409</u></b>	<b><u>\$ 79,716,697</u></b>
<b>LIABILITIES</b>			
Accounts Payable	\$ 358,308	\$ 342,887	\$ 701,195
Salaries Payable	166,723	-	166,723
Retainage Payable	-	1,256,502	1,256,502
Due to Others	7,441	-	7,441
Deposits - Held	2,416	10,000	12,416
Due to Other Funds	847,800	883,300	1,731,100
Unearned Revenue	15,051	-	15,051
<b>Total Liabilities</b>	<b><u>1,397,739</u></b>	<b><u>2,492,689</u></b>	<b><u>3,890,428</u></b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable Revenue:			
Property Taxes	255,576	-	255,576
Leases	82,367	-	82,367
<b>Total Deferred Inflows of Resources</b>	<b><u>337,943</u></b>	<b><u>-</u></b>	<b><u>337,943</u></b>
<b>FUND BALANCES</b>			
Non-Spendable	1,038,037	-	1,038,037
Restricted	28,491,689	43,646,997	72,138,686
Assigned	-	3,710,979	3,710,979
Unassigned	(484,120)	(915,256)	(1,399,376)
<b>Total Fund Balances</b>	<b><u>29,045,606</u></b>	<b><u>46,442,720</u></b>	<b><u>75,488,326</u></b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b><u>\$ 30,781,288</u></b>	<b><u>\$ 48,935,409</u></b>	<b><u>\$ 79,716,697</u></b>

**GALVESTON COUNTY, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**For the Year Ended September 30, 2025**

	Special Revenue	Capital Projects	Total Nonmajor Governmental Funds
<b>REVENUES</b>			
Taxes	\$ 920,821	\$ -	\$ 920,821
Intergovernmental	421,736	-	421,736
Charges for Services	3,943,135	27	3,943,162
Fines and Forfeitures	322,157	-	322,157
Investment Earnings	73,882	1,612,247	1,686,129
Miscellaneous	1,350,654	-	1,350,654
<b>Total Revenues</b>	<u>7,032,385</u>	<u>1,612,274</u>	<u>8,644,659</u>
<b>EXPENDITURES</b>			
Current:			
General Government	774,817	175,525	950,342
Judicial	625,918	-	625,918
Public Safety	4,401,653	-	4,401,653
Health and Social Services	1,329,663	-	1,329,663
Culture and Recreation	763,121	-	763,121
Roads, Bridges and Rights-of-Way	291,452	1,898,055	2,189,507
Debt Service:			
Principal Retirement	263,150	-	263,150
Interest and Fiscal Charges	3,285	-	3,285
Capital Outlay	1,705,022	7,101,118	8,806,140
<b>Total Expenditures</b>	<u>10,158,081</u>	<u>9,174,698</u>	<u>19,332,779</u>
<b>Excess (Deficiency) of Revenues over (under) Expenditures</b>	<u>(3,125,696)</u>	<u>(7,562,424)</u>	<u>(10,688,120)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	292,960	407,667	700,627
Transfers Out	(162,960)	-	(162,960)
Issuance of Lease Agreement	186,959	-	186,959
Sale of Capital Assets	11,629	3,706,360	3,717,989
<b>Total Other Financing Sources (Uses)</b>	<u>328,588</u>	<u>4,114,027</u>	<u>4,442,615</u>
<b>Net Change in Fund Balances</b>	(2,797,108)	(3,448,397)	(6,245,505)
<b>Fund Balances - Beginning</b>	<u>31,842,714</u>	<u>49,891,117</u>	<u>81,733,831</u>
<b>Fund Balances - Ending</b>	<u>\$ 29,045,606</u>	<u>\$ 46,442,720</u>	<u>\$ 75,488,326</u>

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**DEBT SERVICE FUND**  
**For the Year Ended September 30, 2025**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
<b>REVENUES</b>				
Taxes	\$ 26,547,555	\$ 26,547,555	\$ 27,069,821	\$ 522,266
Intergovernmental	558,436	558,436	677,197	118,761
Investment Earnings	1,040,000	1,040,000	831,915	(208,085)
Miscellaneous	-	-	450	450
<b>Total Revenues</b>	<u>28,145,991</u>	<u>28,145,991</u>	<u>28,579,383</u>	<u>433,392</u>
<b>EXPENDITURES</b>				
Debt Service:				
Principal Retirement	15,600,545	15,600,545	15,600,544	1
Interest and Fiscal Charges	<u>12,022,555</u>	<u>12,022,555</u>	<u>12,016,704</u>	<u>5,851</u>
<b>Total Expenditures</b>	<u>27,623,100</u>	<u>27,623,100</u>	<u>27,617,248</u>	<u>5,852</u>
<b>Excess (Deficiency) of Revenues over (under) Expenditures</b>	522,891	522,891	962,135	439,244
<b>Fund Balance-Beginning</b>	<u>4,052,922</u>	<u>4,052,922</u>	<u>4,052,922</u>	<u>-</u>
<b>Fund Balance-Ending</b>	<u>\$ 4,575,813</u>	<u>\$ 4,575,813</u>	<u>\$ 5,015,057</u>	<u>\$ 439,244</u>

## NONMAJOR GOVERNMENTAL FUNDS

### SPECIAL REVENUE FUNDS

Special revenue funds are used to account for specific revenue sources that are restricted, committed or assigned to expenditures for particular purposes.

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

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

**ELECTION SERVICES CONTRACT** - The Election Services Contract Fund was established pursuant to *Texas Election Code* Chapter 123 Subchapter B. The County of Galveston and the lessee enter into a lease agreement to use electronic voting equipment and other related supplies and administrative fees incurred in the election services under §31.100(b), *Texas Election Code*. Fees collected by the County Clerk for the county equipment are deposited with the County Treasury into the Election Services Contract Fund.

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

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

**ELECTION CODE CHAPTER 19** - Pursuant to *Election Code* §19.002, this revenue is paid by the secretary of state to the voter registrar and must be used to defray the cost of voter registration, and may be used to pay for any item or service designed to increase the number of registered voters in the state, maintain and report an accurate list of the number of registered voters or increase the efficiency of the voter registration office, including hiring temporary voter registration personnel. These monies may not be used to pay for the normal day to day operation of the office. They must be used within a two-year period or else lapse to the state for distribution to counties with limited technological resources to upgrade voter registration technology.

**DISTRICT CLERK RECORDS MANAGEMENT AND PRESERVATION FUND** - The District Clerk Records Management and Preservation Fund was established pursuant to Senate Bill 1612 changes to Local Government Code §135.154 for money allocated under §135.101 and §135.102(b) from local consolidated civil filing fees. Fees collected by the District Clerk are deposited with the County Treasury as required by §135.151 and may be used by a clerk only to fund records management and preservation services, including automation, performed by the clerk who collects the fee on approval by the Commissioners Court of a budget as provided by Chapter 111. An expenditure from the fund must comply with Subchapter c, Chapter 262.

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

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

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

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

**DISTRICT ATTORNEY CHECK COLLECTION FEES** - Fees collected in connection with processing checks issued or passed in violation of the *Code of Criminal Procedure* Chapter 102.007 are deposited in this fund and are used to defray expenses of the District Attorney's office. Forfeitures are used for law enforcement purposes.

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

**JUSTICE COURT BUILDING SECURITY** - The Justice Court Building Security Fund was created under Chapter 102.017 of the *Code of Criminal Procedure* to finance security personnel, services and items related to buildings that house the operations of the justice courts. The clerks of the respective courts are to collect a \$4.00 security fee as a cost of court and remit them to the County Treasury. The County Treasury is to deposit one-fourth of the court cost into a fund known as the Justice Court Building Security Fund, with the remaining three-fourths being remitted into the Courthouse Security Fund. This fund is under the direction of the Commissioners Court.

**APPELLATE JUDICIAL** - The Appellate Judicial Fund was established as required under *Government Code* 22.2021 for use by any Commissioners Court in the First or Fourteenth Court of Appeals District. A court cost of not more than \$5.00 is collected for each civil suit filed in county court, county court at law, probate court or district court in the county and remitted to the County Treasury to deposit into this fund. The fees collected and deposited into the Appellate Judicial Fund are only to be used to defray costs and expenses incurred for the operation of the courts of appeals. The Commissioners Court shall administer this fund to maintain the system in cooperation with the chief justice of the courts of appeals.

**CCP CHAPTER 18 FORFEITURES** – Pursuant to the *Code of Criminal Procedure* §18.18, forfeitures collected as part of an investigation into illegal gambling. These funds are used to defray the expenditures of the Sheriff’s office.

**COURT FACILITY FEE** – The Court Facility Fee Fund was established pursuant to Senate Bill 41 changes to *Local Government Code* §135.101, §135.102 and §135.152 regarding local consolidated civil filing fees, effective January 1, 2022. Money allocated to this fund may be used by a county only to fund the construction, renovation or improvement of facilities that house the courts or to pay the principal of, interest on and costs of issuance of bonds, including refunding bonds, issued for the construction, renovation or improvement to the facilities.

**LAW LIBRARY** - Under *Local Government Code* Chapter 323, §323.021-323.025, the Commissioners Court of a county may establish and maintain a law library at the county seat. A sum set by Commissioners Court, not to exceed \$35, shall be collected on each civil case filed in the county or District Court. The clerks of the respective court shall collect these fees and pay them to the County Treasury to be deposited into a separate fund known as the Law Library Fund. The Law Library Fund is under the direction of the Commissioners Court.

**ALTERNATIVE DISPUTE RESOLUTION** - The Alternative Dispute Resolution Fund, established under the authority of Chapter 152 of the *Civil Practice and Remedies*, was approved by the Galveston County Commissioners Court January 27, 1992. The program was created to address the needs of both the civil and family courts by providing financially-aided mediation to those families who cannot afford to pay. Funding for the program comes from an additional fee of \$10.00 collected on each civil case filed.

**TRUANCY PREVENTION AND DIVERSION** – Under *Local Government Code* Chapter 134, §134.103 and §134.156, a portion of court costs collected for persons convicted of nonjailable misdemeanor offenses shall be allocated to this fund for the purpose of financing expenses relating to the position of a juvenile justice manager and programs directly related to the duties of the juvenile justice manager.

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

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

**SUPPLEMENTAL COURT-INITIATED GUARDIANSHIP FEE** - Pursuant to *Local Government Code* §118.067, this \$20.00 fee is collected for court-initiated guardianship proceedings and is paid by the persons filing both original and adverse probate actions. It is used to supplement, but not supplant, other monies used to pay guardian and attorney ad litem costs, and to pay for guardianship programs for indigent, incapacitated persons without family members suitable and willing to serve as guardians.

**PRETRIAL INTERVENTION PROGRAM** - This fund was created in accordance with *Texas Code of Criminal Procedures* Article 102.0121 to account for a fee to reimburse the county for expenses related to a defendant's participation in a pretrial intervention program offered by the county. The funds must be used for expenditures related to pretrial intervention programs.

**COURT REPORTER SERVICES** - The Court Reporter Services Fund accounts for the fees collected by the County and District Clerks pursuant to *Government Code* §51.601 to be used to defray the cost of court-reporting services.

**SHERIFF'S COMMISSARY** - This fund, created under *Local Government Code* Chapter 351, §351.0415, accounts for commissary operations. The commissary is controlled by the County Sheriff and is a means for inmates to purchase personal items. The proceeds from operations are used to address the social needs of county inmates.

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

**SO SPECIAL INVESTIGATIONS** – The SO Special Investigations Fund is used to report special investigation activity in which there may be gains that will be set aside for the use of expenses of future investigations.

**LAW ENFORCEMENT CONTINUED EDUCATION** - The Law Enforcement Continued Education Fund consists of annual allocation of payments by the Comptroller of Public Accounts from the law enforcement agencies as directed by Senate Bill 1135, passed by the 74<sup>th</sup> Texas Legislature. These funds are for expenses related to the continued education of persons licensed under *Occupation Code*, Title 10, and Chapter 1701.157.

**CONSTABLE PRECINCT 3 FORFEITURES** – Pursuant to the *Code of Criminal Procedure* §59.06, forfeitures collected by the Precinct 3 Constable are accounted for in this fund. These funds are used to defray expenses of the constable.

**EMERGENCY MANAGEMENT** - The Emergency Management Fund was created in May 2003 by Commissioners Court in order to establish better control and accountability of the various Office of Emergency Management projects. This fund is funded by, and under the jurisdiction and control of, the Commissioners Court.

**FARM-TO-MARKET LATERAL ROAD** - Chapter 256, §256.005 of the *Texas Transportation Code*, states these funds are to be used only for construction and maintenance of farm-to-market and lateral roads within the county. This fund is under the jurisdiction and control of the Commissioners Court.

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

**FLOOD CONTROL** - Chapter 256, §256.006 of the *Texas Transportation Code*, states these funds are to be used only for flood control purposes in the county. This fund is under the jurisdiction and control of the Commissioners Court.

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

**GALVESTON COUNTY BEACH AND PARKS** - Chapter 62 of the *Texas Natural Resource Code* authorizes the Commissioners Court to create a board to operate the Beach Parks program. This board administers through a staff an extensive County Beach Parks System for the citizens of Galveston County.

**MUSEUM AND HISTORICAL COMMUNITY** - The county, under the authority of *Local Government Code* §318, has set up a fund to provide maintenance to the Galveston County Museum collection. Funding is provided through periodic donations, the Galveston Historical Foundation and the Galveston County Community Service operational budget.

#### **MAJOR GOVERNMENTAL FUNDS**

**DEBT SERVICE FUND** – This fund is used to account for the accumulation of resources that are for the payment of principal and interest on Galveston County’s general long-term debt.

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**GALVESTON COUNTY, TEXAS  
COMBINING BALANCE SHEET  
ALL NONMAJOR SPECIAL REVENUE FUNDS  
September 30, 2025**

	County Records Management And Preservation	County Clerk Records Management And Preservation	Election Services Contract	District Clerk Child Support IV-D	District Clerk Records Management
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 981,023	\$ 2,499,056	\$ 2,378,460	\$ 67,169	\$ 197,899
Investments	-	-	-	-	-
Receivables (Net of Allowances for Uncollectibles):					
Taxes	-	-	-	-	-
Accounts and Other	35	105	10,733	-	-
Lease Receivable	-	-	-	-	-
Inventory at Cost	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 981,058</b>	<b>\$ 2,499,161</b>	<b>\$ 2,389,193</b>	<b>\$ 67,169</b>	<b>\$ 197,899</b>
<b>LIABILITIES</b>					
Accounts Payable	\$ -	\$ 355	\$ 105	\$ -	\$ -
Salaries Payable	-	12,495	-	-	-
Due to Others	-	-	-	-	-
Deposits - Held	-	-	-	-	-
Due To Other Funds	-	-	-	-	-
Unearned Revenue	-	-	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>12,850</b>	<b>105</b>	<b>-</b>	<b>-</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable Revenue:					
Property Taxes	-	-	-	-	-
Leases	-	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES</b>					
Non-Spendable	-	-	-	-	-
Restricted	981,058	2,486,311	2,389,088	67,169	197,899
Unassigned	-	-	-	-	-
<b>Total Fund Balances</b>	<b>981,058</b>	<b>2,486,311</b>	<b>2,389,088</b>	<b>67,169</b>	<b>197,899</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 981,058</b>	<b>\$ 2,499,161</b>	<b>\$ 2,389,193</b>	<b>\$ 67,169</b>	<b>\$ 197,899</b>

(Continued)

**GALVESTON COUNTY, TEXAS  
COMBINING BALANCE SHEET  
ALL NONMAJOR SPECIAL REVENUE FUNDS  
September 30, 2025**

	Election Code Chapter 19	District Clerk Records Management And Preservation	Tax Assessor- Collector Special Inventory Tax Escrow	County And District Court Technology	Donations To Galveston County
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 1,448	\$ 306,343	\$ 63,411	\$ 130,008	\$ 26,668
Investments	-	-	-	-	-
Receivables (Net of Allowances for Uncollectibles):					
Taxes	-	-	-	-	-
Accounts and Other	47	-	-	-	-
Lease Receivable	-	-	-	-	-
Inventory at Cost	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 1,495</b>	<b>\$ 306,343</b>	<b>\$ 63,411</b>	<b>\$ 130,008</b>	<b>\$ 26,668</b>
<b>LIABILITIES</b>					
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ 2,185
Salaries Payable	3,079	-	-	-	-
Due to Others	-	-	-	-	-
Deposits - Held	-	-	-	-	-
Due To Other Funds	-	-	-	-	-
Unearned Revenue	-	-	-	-	-
<b>Total Liabilities</b>	<b>3,079</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,185</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable Revenue:					
Property Taxes	-	-	-	-	-
Leases	-	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES</b>					
Non-Spendable	-	-	-	-	-
Restricted	-	306,343	63,411	130,008	24,483
Unassigned	(1,584)	-	-	-	-
<b>Total Fund Balances</b>	<b>(1,584)</b>	<b>306,343</b>	<b>63,411</b>	<b>130,008</b>	<b>24,483</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 1,495</b>	<b>\$ 306,343</b>	<b>\$ 63,411</b>	<b>\$ 130,008</b>	<b>\$ 26,668</b>

(Continued)

**GALVESTON COUNTY, TEXAS  
COMBINING BALANCE SHEET  
ALL NONMAJOR SPECIAL REVENUE FUNDS  
September 30, 2025**

	District Attorney Forfeitures After 10/89	District Attorney Check Collection Fees	Courthouse Security	Justice Court Building Security	Appellate Judicial
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 72,735	\$ 1,223	\$ 209,815	\$ 122,208	\$ 266,603
Investments	-	-	-	-	-
Receivables (Net of Allowances for Uncollectibles):					
Taxes	-	-	-	-	-
Accounts and Other	-	-	120	-	115
Lease Receivable	-	-	-	-	-
Inventory at Cost	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 72,735</b>	<b>\$ 1,223</b>	<b>\$ 209,935</b>	<b>\$ 122,208</b>	<b>\$ 266,718</b>
<b>LIABILITIES</b>					
Accounts Payable	\$ 2,336	\$ -	\$ -	\$ -	\$ 43,341
Salaries Payable	-	-	18,184	-	-
Due to Others	1,437	-	-	-	-
Deposits - Held	-	-	-	-	-
Due To Other Funds	-	-	-	-	-
Unearned Revenue	-	-	-	-	-
<b>Total Liabilities</b>	<b>3,773</b>	<b>-</b>	<b>18,184</b>	<b>-</b>	<b>43,341</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable Revenue:					
Property Taxes	-	-	-	-	-
Leases	-	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES</b>					
Non-Spendable	-	-	-	-	-
Restricted	68,962	1,223	191,751	122,208	223,377
Unassigned	-	-	-	-	-
<b>Total Fund Balances</b>	<b>68,962</b>	<b>1,223</b>	<b>191,751</b>	<b>122,208</b>	<b>223,377</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 72,735</b>	<b>\$ 1,223</b>	<b>\$ 209,935</b>	<b>\$ 122,208</b>	<b>\$ 266,718</b>

(Continued)

**GALVESTON COUNTY, TEXAS  
COMBINING BALANCE SHEET  
ALL NONMAJOR SPECIAL REVENUE FUNDS  
September 30, 2025**

	<b>CCP Chapter 18 Forfeitures</b>	<b>Court Facility Fee Fund</b>	<b>Law Library</b>	<b>Alternative Dispute Resolution</b>	<b>Truancy Prevention &amp; Diversion</b>
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 239,486	\$ 504,301	\$ 237,697	\$ 1,087,743	\$ 203,888
Investments	-	-	-	-	-
Receivables (Net of Allowances for Uncollectibles):					
Taxes	-	-	-	-	-
Accounts and Other	-	-	240	230	-
Lease Receivable	-	-	-	-	-
Inventory at Cost	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 239,486</b>	<b>\$ 504,301</b>	<b>\$ 237,937</b>	<b>\$ 1,087,973</b>	<b>\$ 203,888</b>
<b>LIABILITIES</b>					
Accounts Payable	\$ -	\$ -	\$ -	\$ 1,566	\$ -
Salaries Payable	-	-	-	-	-
Due to Others	-	-	-	200	-
Deposits - Held	-	-	-	-	-
Due To Other Funds	-	-	-	-	-
Unearned Revenue	-	-	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,766</b>	<b>-</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable Revenue:					
Property Taxes	-	-	-	-	-
Leases	-	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES</b>					
Non-Spendable	-	-	-	-	-
Restricted	239,486	504,301	237,937	1,086,207	203,888
Unassigned	-	-	-	-	-
<b>Total Fund Balances</b>	<b>239,486</b>	<b>504,301</b>	<b>237,937</b>	<b>1,086,207</b>	<b>203,888</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 239,486</b>	<b>\$ 504,301</b>	<b>\$ 237,937</b>	<b>\$ 1,087,973</b>	<b>\$ 203,888</b>

(Continued)

**GALVESTON COUNTY, TEXAS  
COMBINING BALANCE SHEET  
ALL NONMAJOR SPECIAL REVENUE FUNDS  
September 30, 2025**

	Justice Court Technology	Probate Court Contributions	Supplemental Court-Initiated Guardianship Fee	Pretrial Intervention Program	Court Reporter Services
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 442,635	\$ 624,845	\$ 202,093	\$ 231,265	\$ 959,648
Investments	-	-	-	-	-
Receivables (Net of Allowances for Uncollectibles):					
Taxes	-	-	-	-	-
Accounts and Other	-	88,088	300	-	195
Lease Receivable	-	-	-	-	-
Inventory at Cost	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 442,635</b>	<b>\$ 712,933</b>	<b>\$ 202,393</b>	<b>\$ 231,265</b>	<b>\$ 959,843</b>
<b>LIABILITIES</b>					
Accounts Payable	\$ -	\$ 3,550	\$ 200	\$ -	\$ 13,374
Salaries Payable	-	-	-	-	-
Due to Others	-	100	-	-	2,536
Deposits - Held	-	-	-	-	-
Due To Other Funds	-	-	-	-	-
Unearned Revenue	-	-	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>3,650</b>	<b>200</b>	<b>-</b>	<b>15,910</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable Revenue:					
Property Taxes	-	-	-	-	-
Leases	-	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES</b>					
Non-Spendable	-	-	-	-	-
Restricted	442,635	709,283	202,193	231,265	943,933
Unassigned	-	-	-	-	-
<b>Total Fund Balances</b>	<b>442,635</b>	<b>709,283</b>	<b>202,193</b>	<b>231,265</b>	<b>943,933</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 442,635</b>	<b>\$ 712,933</b>	<b>\$ 202,393</b>	<b>\$ 231,265</b>	<b>\$ 959,843</b>

(Continued)

GALVESTON COUNTY, TEXAS  
 COMBINING BALANCE SHEET  
 ALL NONMAJOR SPECIAL REVENUE FUNDS  
 September 30, 2025

	Sheriff's Commissary	Sheriff Forfeitures Post-10/89	SO Special Investigations	Law Enforcement Continued Education	Constable Pct 3 Forfeitures
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 1,308,851	\$ 970,432	\$ 16,749	\$ 193,440	\$ 13,095
Investments	-	-	-	-	-
Receivables (Net of Allowances for Uncollectibles):					
Taxes	-	-	-	-	-
Accounts and Other	-	-	-	-	-
Lease Receivable	-	-	-	-	-
Inventory at Cost	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 1,308,851</b>	<b>\$ 970,432</b>	<b>\$ 16,749</b>	<b>\$ 193,440</b>	<b>\$ 13,095</b>
<b>LIABILITIES</b>					
Accounts Payable	\$ -	\$ 52,429	\$ -	\$ -	\$ -
Salaries Payable	-	-	-	-	-
Due to Others	-	-	-	-	-
Deposits - Held	-	-	-	-	-
Due To Other Funds	-	-	-	-	-
Unearned Revenue	-	-	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>52,429</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable Revenue:					
Property Taxes	-	-	-	-	-
Leases	-	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES</b>					
Non-Spendable	-	-	-	-	-
Restricted	1,308,851	918,003	16,749	193,440	13,095
Unassigned	-	-	-	-	-
<b>Total Fund Balances</b>	<b>1,308,851</b>	<b>918,003</b>	<b>16,749</b>	<b>193,440</b>	<b>13,095</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 1,308,851</b>	<b>\$ 970,432</b>	<b>\$ 16,749</b>	<b>\$ 193,440</b>	<b>\$ 13,095</b>

(Continued)

**GALVESTON COUNTY, TEXAS**  
**COMBINING BALANCE SHEET**  
**ALL NONMAJOR SPECIAL REVENUE FUNDS**  
**September 30, 2025**

	Emergency Management	Farm-to- Market Lateral Road	Galveston County Road District #1	Flood Control	Mosquito Control District
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 826,231	\$ 1,438,226	\$ 4,077,222	\$ 5,489,907	\$ 967
Investments	-	-	-	12,370	505,962
Receivables (Net of Allowances for Uncollectibles):					
Taxes	-	1,521	-	165,154	88,901
Accounts and Other	-	47,699	-	61,107	1,911
Lease Receivable	-	85,268	-	-	-
Inventory at Cost	-	-	-	136,763	901,274
<b>Total Assets</b>	<b><u>\$ 826,231</u></b>	<b><u>\$ 1,572,714</u></b>	<b><u>\$ 4,077,222</u></b>	<b><u>\$ 5,865,301</u></b>	<b><u>\$ 1,499,015</u></b>
<b>LIABILITIES</b>					
Accounts Payable	\$ -	\$ 195	\$ -	\$ 81,677	\$ 101,253
Salaries Payable	-	5,322	-	70,249	42,193
Due to Others	-	10	18	227	130
Deposits - Held	-	-	-	2,416	-
Due To Other Funds	-	-	-	-	847,800
Unearned Revenue	-	-	-	-	-
<b>Total Liabilities</b>	<b><u>-</u></b>	<b><u>5,527</u></b>	<b><u>18</u></b>	<b><u>154,569</u></b>	<b><u>991,376</u></b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable Revenue:					
Property Taxes	-	1,521	-	165,154	88,901
Leases	-	82,367	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b><u>-</u></b>	<b><u>83,888</u></b>	<b><u>-</u></b>	<b><u>165,154</u></b>	<b><u>88,901</u></b>
<b>FUND BALANCES</b>					
Non-Spendable	-	-	-	136,763	901,274
Restricted	826,231	1,483,299	4,077,204	5,408,815	-
Unassigned	-	-	-	-	(482,536)
<b>Total Fund Balances</b>	<b><u>826,231</u></b>	<b><u>1,483,299</u></b>	<b><u>4,077,204</u></b>	<b><u>5,545,578</u></b>	<b><u>418,738</u></b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b><u>\$ 826,231</u></b>	<b><u>\$ 1,572,714</u></b>	<b><u>\$ 4,077,222</u></b>	<b><u>\$ 5,865,301</u></b>	<b><u>\$ 1,499,015</u></b>

**GALVESTON COUNTY, TEXAS  
COMBINING BALANCE SHEET  
ALL NONMAJOR SPECIAL REVENUE FUNDS  
September 30, 2025**

	<b>Galveston County Beach And Parks</b>	<b>Museum And Historical Community</b>	<b>Total Nonmajor Special Revenue Funds</b>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 2,273,837	\$ 6,523	\$ 28,673,150
Investments	-	-	518,332
Receivables (Net of Allowances for Uncollectibles):			
Taxes	-	-	255,576
Accounts and Other	-	-	210,925
Lease Receivable	-	-	85,268
Inventory at Cost	-	-	1,038,037
<b>Total Assets</b>	<b><u>\$ 2,273,837</u></b>	<b><u>\$ 6,523</u></b>	<b><u>\$ 30,781,288</u></b>
<b>LIABILITIES</b>			
Accounts Payable	\$ 55,742	\$ -	\$ 358,308
Salaries Payable	15,201	-	166,723
Due to Others	2,783	-	7,441
Deposits - Held	-	-	2,416
Due To Other Funds	-	-	847,800
Unearned Revenue	15,051	-	15,051
<b>Total Liabilities</b>	<b><u>88,777</u></b>	<b><u>-</u></b>	<b><u>1,397,739</u></b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable Revenue:			
Property Taxes	-	-	255,576
Leases	-	-	82,367
<b>Total Deferred Inflows of Resources</b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>337,943</u></b>
<b>FUND BALANCES</b>			
Non-Spendable	-	-	1,038,037
Restricted	2,185,060	6,523	28,491,689
Unassigned	-	-	(484,120)
<b>Total Fund Balances</b>	<b><u>2,185,060</u></b>	<b><u>6,523</u></b>	<b><u>29,045,606</u></b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b><u>\$ 2,273,837</u></b>	<b><u>\$ 6,523</u></b>	<b><u>\$ 30,781,288</u></b>

**GALVESTON COUNTY, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**ALL NONMAJOR SPECIAL REVENUE FUNDS**  
**For the Year Ended September 30, 2025**

	County Records Management And Preservation	County Clerk Records Management And Preservation	Election Services Contract	District Clerk Child Support IV-D	District Clerk Records Management
<b>REVENUES</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	2,230	-
Charges for Services	44,186	799,394	596,846	-	1,986
Fines and Forfeitures	-	-	-	-	-
Investment Earnings	2,127	3,493	3,044	141	369
Miscellaneous	-	-	-	-	-
<b>Total Revenues</b>	<u>46,313</u>	<u>802,887</u>	<u>599,890</u>	<u>2,371</u>	<u>2,355</u>
<b>EXPENDITURES</b>					
Current:					
General Government	27,287	393,643	235,475	-	-
Judicial	-	-	-	-	49,991
Public Safety	-	-	-	-	-
Health and Social Services	-	-	-	-	-
Culture and Recreation	-	-	-	-	-
Roads, Bridges and Rights-of-Way	-	-	-	-	-
Debt Service:					
Principal Retirement	-	61,973	6,847	-	-
Interest and Fiscal Charges	-	16	254	-	-
Capital Outlay	-	-	94,000	-	-
<b>Total Expenditures</b>	<u>27,287</u>	<u>455,632</u>	<u>336,576</u>	<u>-</u>	<u>49,991</u>
<b>Excess (Deficiency) of Revenues over (under) Expenditures</b>	<u>19,026</u>	<u>347,255</u>	<u>263,314</u>	<u>2,371</u>	<u>(47,636)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	-	33,782	-	-	-
Transfers Out	(162,960)	-	-	-	-
Issuance of Lease Agreement	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>(162,960)</u>	<u>33,782</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	<u>(143,934)</u>	<u>381,037</u>	<u>263,314</u>	<u>2,371</u>	<u>(47,636)</u>
<b>Fund Balances - Beginning</b>	<u>1,124,992</u>	<u>2,105,274</u>	<u>2,125,774</u>	<u>64,798</u>	<u>245,535</u>
<b>Fund Balances - Ending</b>	<u>\$ 981,058</u>	<u>\$ 2,486,311</u>	<u>\$ 2,389,088</u>	<u>\$ 67,169</u>	<u>\$ 197,899</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, 2025**

	Election Code Chapter 19	District Clerk Records Management And Preservation	Tax Assessor- Collector Special Inventory Tax Escrow	County And District Court Technology	Donations To Galveston County
<b>REVENUES</b>					
Taxes	\$ -	\$ -	\$ 22,127	\$ -	\$ -
Intergovernmental	55,669	-	-	-	-
Charges for Services	-	177,026	-	6,884	-
Fines and Forfeitures	-	-	-	-	-
Investment Earnings	205	139	3,866	203	50
Miscellaneous	1,227	-	-	-	15,000
<b>Total Revenues</b>	<u>57,101</u>	<u>177,165</u>	<u>25,993</u>	<u>7,087</u>	<u>15,050</u>
<b>EXPENDITURES</b>					
Current:					
General Government	57,210	-	11,050	-	-
Judicial	-	-	-	-	-
Public Safety	-	-	-	-	-
Health and Social Services	-	-	-	-	15,116
Culture and Recreation	-	-	-	-	-
Roads, Bridges and Rights-of-Way	-	-	-	-	-
Debt Service:					
Principal Retirement	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
Capital Outlay	-	-	-	-	-
<b>Total Expenditures</b>	<u>57,210</u>	<u>-</u>	<u>11,050</u>	<u>-</u>	<u>15,116</u>
<b>Excess (Deficiency) of Revenues over (under) Expenditures</b>	<u>(109)</u>	<u>177,165</u>	<u>14,943</u>	<u>7,087</u>	<u>(66)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	-	129,178	-	-	-
Transfers Out	-	-	-	-	-
Issuance of Lease Agreement	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>129,178</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	(109)	306,343	14,943	7,087	(66)
<b>Fund Balances - Beginning</b>	<u>(1,475)</u>	<u>-</u>	<u>48,468</u>	<u>122,921</u>	<u>24,549</u>
<b>Fund Balances - Ending</b>	<u>\$ (1,584)</u>	<u>\$ 306,343</u>	<u>\$ 63,411</u>	<u>\$ 130,008</u>	<u>\$ 24,483</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, 2025**

	District Attorney Forfeitures After 10/89	District Attorney Check Collection Fees	Courthouse Security	Justice Court Building Security	Appellate Judicial
<b>REVENUES</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-
Charges for Services	-	-	188,294	10,732	34,613
Fines and Forfeitures	56,036	-	-	-	256
Investment Earnings	134	-	503	186	395
Miscellaneous	-	-	-	-	-
<b>Total Revenues</b>	<u>56,170</u>	<u>-</u>	<u>188,797</u>	<u>10,918</u>	<u>35,264</u>
<b>EXPENDITURES</b>					
Current:					
General Government	-	-	-	-	-
Judicial	65,075	-	-	-	43,341
Public Safety	-	-	420,017	-	-
Health and Social Services	-	-	-	-	-
Culture and Recreation	-	-	-	-	-
Roads, Bridges and Rights-of-Way	-	-	-	-	-
Debt Service:					
Principal Retirement	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
Capital Outlay	-	-	-	-	-
<b>Total Expenditures</b>	<u>65,075</u>	<u>-</u>	<u>420,017</u>	<u>-</u>	<u>43,341</u>
<b>Excess (Deficiency) of Revenues over (under) Expenditures</b>	<u>(8,905)</u>	<u>-</u>	<u>(231,220)</u>	<u>10,918</u>	<u>(8,077)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	-	-	130,000	-	-
Transfers Out	-	-	-	-	-
Issuance of Lease Agreement	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>130,000</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	<u>(8,905)</u>	<u>-</u>	<u>(101,220)</u>	<u>10,918</u>	<u>(8,077)</u>
<b>Fund Balances - Beginning</b>	<u>77,867</u>	<u>1,223</u>	<u>292,971</u>	<u>111,290</u>	<u>231,454</u>
<b>Fund Balances - Ending</b>	<u>\$ 68,962</u>	<u>\$ 1,223</u>	<u>\$ 191,751</u>	<u>\$ 122,208</u>	<u>\$ 223,377</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, 2025**

	CCP Chapter 18 Forfeitures	Court Facility Fee Fund	Law Library	Alternative Dispute Resolution	Truancy Prevention & Diversion
<b>REVENUES</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-
Charges for Services	-	141,192	243,764	156,450	42,747
Fines and Forfeitures	-	-	-	-	-
Investment Earnings	386	670	227	1,648	285
Miscellaneous	-	-	-	-	-
<b>Total Revenues</b>	<u>386</u>	<u>141,862</u>	<u>243,991</u>	<u>158,098</u>	<u>43,032</u>
<b>EXPENDITURES</b>					
Current:					
General Government	-	-	-	-	-
Judicial	-	-	252,848	56,457	-
Public Safety	-	-	-	-	-
Health and Social Services	-	-	-	-	-
Culture and Recreation	-	-	-	-	-
Roads, Bridges and Rights-of-Way	-	-	-	-	-
Debt Service:					
Principal Retirement	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
Capital Outlay	-	-	-	-	-
<b>Total Expenditures</b>	<u>-</u>	<u>-</u>	<u>252,848</u>	<u>56,457</u>	<u>-</u>
<b>Excess (Deficiency) of Revenues over (under) Expenditures</b>	<u>386</u>	<u>141,862</u>	<u>(8,857)</u>	<u>101,641</u>	<u>43,032</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	-	-	-	-	-
Transfers Out	-	-	-	-	-
Issuance of Lease Agreement	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	386	141,862	(8,857)	101,641	43,032
<b>Fund Balances - Beginning</b>	<u>239,100</u>	<u>362,439</u>	<u>246,794</u>	<u>984,566</u>	<u>160,856</u>
<b>Fund Balances - Ending</b>	<u>\$ 239,486</u>	<u>\$ 504,301</u>	<u>\$ 237,937</u>	<u>\$ 1,086,207</u>	<u>\$ 203,888</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, 2025**

	Justice Court Technology	Probate Court Contributions	Supplemental Court-Initiated Guardianship Fee	Pretrial Intervention Program	Court Reporter Services
<b>REVENUES</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	172,088	-	-	-
Charges for Services	35,892	-	35,189	-	174,319
Fines and Forfeitures	-	-	-	-	-
Investment Earnings	677	934	297	373	1,471
Miscellaneous	-	-	-	-	-
<b>Total Revenues</b>	<u>36,569</u>	<u>173,022</u>	<u>35,486</u>	<u>373</u>	<u>175,790</u>
<b>EXPENDITURES</b>					
Current:					
General Government	-	-	-	-	-
Judicial	-	26,582	8,403	-	123,221
Public Safety	-	-	-	-	-
Health and Social Services	-	-	-	-	-
Culture and Recreation	-	-	-	-	-
Roads, Bridges and Rights-of-Way	-	-	-	-	-
Debt Service:					
Principal Retirement	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
Capital Outlay	-	-	-	-	-
<b>Total Expenditures</b>	<u>-</u>	<u>26,582</u>	<u>8,403</u>	<u>-</u>	<u>123,221</u>
<b>Excess (Deficiency) of Revenues over (under) Expenditures</b>	<u>36,569</u>	<u>146,440</u>	<u>27,083</u>	<u>373</u>	<u>52,569</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	-	-	-	-	-
Transfers Out	-	-	-	-	-
Issuance of Lease Agreement	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	36,569	146,440	27,083	373	52,569
<b>Fund Balances - Beginning</b>	<u>406,066</u>	<u>562,843</u>	<u>175,110</u>	<u>230,892</u>	<u>891,364</u>
<b>Fund Balances - Ending</b>	<u>\$ 442,635</u>	<u>\$ 709,283</u>	<u>\$ 202,193</u>	<u>\$ 231,265</u>	<u>\$ 943,933</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, 2025**

	Sheriff's Commissary	Sheriff Forfeitures Post-10/89	SO Special Investigations	Law Enforcement Continued Education	Constable Pct 3 Forfeitures
<b>REVENUES</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	68,245	-
Charges for Services	-	-	-	-	-
Fines and Forfeitures	-	265,755	110	-	-
Investment Earnings	7,685	1,250	26	283	21
Miscellaneous	1,246,818	2,876	665	-	-
<b>Total Revenues</b>	<u>1,254,503</u>	<u>269,881</u>	<u>801</u>	<u>68,528</u>	<u>21</u>
<b>EXPENDITURES</b>					
Current:					
General Government	-	-	-	-	-
Judicial	-	-	-	-	-
Public Safety	1,962,424	56,788	-	27,362	-
Health and Social Services	-	-	-	-	-
Culture and Recreation	-	-	-	-	-
Roads, Bridges and Rights-of-Way	-	-	-	-	-
Debt Service:					
Principal Retirement	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
Capital Outlay	-	38,996	-	-	-
<b>Total Expenditures</b>	<u>1,962,424</u>	<u>95,784</u>	<u>-</u>	<u>27,362</u>	<u>-</u>
<b>Excess (Deficiency) of Revenues over (under) Expenditures</b>	<u>(707,921)</u>	<u>174,097</u>	<u>801</u>	<u>41,166</u>	<u>21</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	-	-	-	-	-
Transfers Out	-	-	-	-	-
Issuance of Lease Agreement	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	(707,921)	174,097	801	41,166	21
<b>Fund Balances - Beginning</b>	<u>2,016,772</u>	<u>743,906</u>	<u>15,948</u>	<u>152,274</u>	<u>13,074</u>
<b>Fund Balances - Ending</b>	<u>\$ 1,308,851</u>	<u>\$ 918,003</u>	<u>\$ 16,749</u>	<u>\$ 193,440</u>	<u>\$ 13,095</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, 2025**

	Emergency Management	Farm-to-Market Lateral Road	Galveston County Road District #1	Flood Control	Mosquito Control District
<b>REVENUES</b>					
Taxes	\$ -	\$ 42	\$ -	\$ 59,188	\$ 839,464
Intergovernmental	-	23,172	-	100,332	-
Charges for Services	-	-	263,291	99,566	-
Fines and Forfeitures	-	-	-	-	-
Investment Earnings	1,333	2,402	6,529	12,105	16,571
Miscellaneous	-	82,183	-	1,885	-
<b>Total Revenues</b>	<u>1,333</u>	<u>107,799</u>	<u>269,820</u>	<u>273,076</u>	<u>856,035</u>
<b>EXPENDITURES</b>					
Current:					
General Government	-	-	-	50,152	-
Judicial	-	-	-	-	-
Public Safety	-	-	-	1,935,062	-
Health and Social Services	-	-	-	-	1,314,547
Culture and Recreation	-	-	-	-	-
Roads, Bridges and Rights-of-Way	-	122,063	169,389	-	-
Debt Service:					
Principal Retirement	-	-	-	-	194,330
Interest and Fiscal Charges	-	-	-	-	3,015
Capital Outlay	-	-	-	997,245	61,422
<b>Total Expenditures</b>	<u>-</u>	<u>122,063</u>	<u>169,389</u>	<u>2,982,459</u>	<u>1,573,314</u>
<b>Excess (Deficiency) of Revenues over (under) Expenditures</b>	<u>1,333</u>	<u>(14,264)</u>	<u>100,431</u>	<u>(2,709,383)</u>	<u>(717,279)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	-	-	-	-	-
Transfers Out	-	-	-	-	-
Issuance of Lease Agreement	-	-	-	-	186,959
Sale of Capital Assets	-	-	-	3,029	-
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,029</u>	<u>186,959</u>
<b>Net Change in Fund Balances</b>	1,333	(14,264)	100,431	(2,706,354)	(530,320)
<b>Fund Balances - Beginning</b>	<u>824,898</u>	<u>1,497,563</u>	<u>3,976,773</u>	<u>8,251,932</u>	<u>949,058</u>
<b>Fund Balances - Ending</b>	<u>\$ 826,231</u>	<u>\$ 1,483,299</u>	<u>\$ 4,077,204</u>	<u>\$ 5,545,578</u>	<u>\$ 418,738</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, 2025**

	<b>Galveston County Beach And Parks</b>	<b>Museum And Historical Community</b>	<b>Total Nonmajor Special Revenue Funds</b>
<b>REVENUES</b>			
Taxes	\$ -	\$ -	\$ 920,821
Intergovernmental	-	-	421,736
Charges for Services	890,764	-	3,943,135
Fines and Forfeitures	-	-	322,157
Investment Earnings	3,854	-	73,882
Miscellaneous	-	-	1,350,654
<b>Total Revenues</b>	<u>894,618</u>	<u>-</u>	<u>7,032,385</u>
<b>EXPENDITURES</b>			
Current:			
General Government	-	-	774,817
Judicial	-	-	625,918
Public Safety	-	-	4,401,653
Health and Social Services	-	-	1,329,663
Culture and Recreation	763,121	-	763,121
Roads, Bridges and Rights-of-Way	-	-	291,452
Debt Service:			
Principal Retirement	-	-	263,150
Interest and Fiscal Charges	-	-	3,285
Capital Outlay	<u>513,359</u>	<u>-</u>	<u>1,705,022</u>
<b>Total Expenditures</b>	<u>1,276,480</u>	<u>-</u>	<u>10,158,081</u>
<b>Excess (Deficiency) of Revenues over (under) Expenditures</b>	<u>(381,862)</u>	<u>-</u>	<u>(3,125,696)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	-	-	292,960
Transfers Out	-	-	(162,960)
Issuance of Lease Agreement	-	-	186,959
Sale of Capital Assets	<u>8,600</u>	<u>-</u>	<u>11,629</u>
<b>Total Other Financing Sources (Uses)</b>	<u>8,600</u>	<u>-</u>	<u>328,588</u>
<b>Net Change in Fund Balances</b>	(373,262)	-	(2,797,108)
<b>Fund Balances - Beginning</b>	<u>2,558,322</u>	<u>6,523</u>	<u>31,842,714</u>
<b>Fund Balances - Ending</b>	<u>\$ 2,185,060</u>	<u>\$ 6,523</u>	<u>\$ 29,045,606</u>

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**COUNTY RECORDS MANAGEMENT AND PRESERVATION SPECIAL REVENUE FUND**  
**For the Year Ended September 30, 2025**

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>			
Charges for Services	\$ 168,000	\$ 44,186	\$ (123,814)
Investment Earnings	<u>6,400</u>	<u>2,127</u>	<u>(4,273)</u>
<b>Total Revenues</b>	<u>174,400</u>	<u>46,313</u>	<u>(128,087)</u>
<b>EXPENDITURES</b>			
Current:			
General Government:			
Personnel Services	<u>65,779</u>	<u>27,287</u>	<u>38,492</u>
<b>Excess (Deficiency) of Revenues over (under) Expenditures</b>	<u>108,621</u>	<u>19,026</u>	<u>(89,595)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers Out	<u>(100,000)</u>	<u>(162,960)</u>	<u>(62,960)</u>
<b>Net Change in Fund Balance</b>	8,621	(143,934)	(152,555)
<b>Fund Balance - Beginning</b>	<u>1,124,992</u>	<u>1,124,992</u>	<u>-</u>
<b>Fund Balance - Ending</b>	<u><u>\$ 1,133,613</u></u>	<u><u>\$ 981,058</u></u>	<u><u>\$ (152,555)</u></u>

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**COUNTY CLERK RECORDS MANAGEMENT AND PRESERVATION SPECIAL REVENUE FUND**  
**For the Year Ended September 30, 2025**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>REVENUES</b>			
Charges for Services	\$ 593,696	\$ 799,394	\$ 205,698
Investment Earnings	<u>15,925</u>	<u>3,493</u>	<u>(12,432)</u>
<b>Total Revenues</b>	<u>609,621</u>	<u>802,887</u>	<u>193,266</u>
<b>EXPENDITURES</b>			
Current:			
General Government:			
Personnel Services	243,810	233,208	10,602
Supplies	78,000	38,394	39,606
Other Services and Charges	<u>257,700</u>	<u>122,041</u>	<u>135,659</u>
Total General Government	579,510	393,643	185,867
Debt Service:			
Principal	-	61,973	(61,973)
Interest and Fiscal Charges	<u>-</u>	<u>16</u>	<u>(16)</u>
Total Debt Service	-	61,989	(61,989)
Capital Outlay	<u>300,000</u>	<u>-</u>	<u>300,000</u>
<b>Total Expenditures</b>	<u>879,510</u>	<u>455,632</u>	<u>423,878</u>
<b>Excess (Deficiency) of Revenues over (under) Expenditures</b>	<u>(269,889)</u>	<u>347,255</u>	<u>617,144</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	<u>-</u>	<u>33,782</u>	<u>33,782</u>
<b>Net Change in Fund Balance</b>	(269,889)	381,037	650,926
<b>Fund Balance - Beginning</b>	<u>2,105,274</u>	<u>2,105,274</u>	<u>-</u>
<b>Fund Balance - Ending</b>	<u>\$ 1,835,385</u>	<u>\$ 2,486,311</u>	<u>\$ 650,926</u>

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET (NON-GAAP) AND ACTUAL**  
**ELECTION SERVICES CONTRACT SPECIAL REVENUE FUND**  
**For the Year Ended September 30, 2025**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>REVENUES</b>			
Charges for Services	\$ 1,275,000	\$ 596,846	\$ (678,154)
Investment Earnings	<u>11,850</u>	<u>3,044</u>	<u>(8,806)</u>
<b>Total Revenues</b>	<u>1,286,850</u>	<u>599,890</u>	<u>(686,960)</u>
<b>EXPENDITURES</b>			
Current:			
General Government:			
Personnel Services	345,000	-	345,000
Supplies	40,000	3,772	36,228
Other Services and Charges	<u>504,910</u>	<u>231,703</u>	<u>273,207</u>
Total General Government	889,910	235,475	654,435
Debt Service:			
Principal	-	6,847	(6,847)
Interest and Fiscal Charges	<u>-</u>	<u>254</u>	<u>(254)</u>
Total Debt Service	-	7,101	(7,101)
Capital Outlay	<u>370,000</u>	<u>94,000</u>	<u>276,000</u>
<b>Total Expenditures</b>	<u>1,259,910</u>	<u>336,576</u>	<u>923,334</u>
<b>Excess (Deficiency) of Revenues over (under) Expenditures</b>	26,940	263,314	236,374
<b>Fund Balance - Beginning</b>	<u>2,125,774</u>	<u>2,125,774</u>	<u>-</u>
<b>Fund Balance - Ending</b>	<u>\$ 2,152,714</u>	<u>\$ 2,389,088</u>	<u>\$ 236,374</u>

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**DISTRICT CLERK CHILD SUPPORT IV-D SPECIAL REVENUE FUND**  
**For the Year Ended September 30, 2025**

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>			
Intergovernmental	\$ 2,800	\$ 2,230	\$ (570)
Investment Earnings	<u>482</u>	<u>141</u>	<u>(341)</u>
<b>Total Revenues</b>	<u>3,282</u>	<u>2,371</u>	<u>(911)</u>
<b>EXPENDITURES</b>			
Current:			
Judicial:			
Personnel Services	<u>51,048</u>	<u>-</u>	<u>51,048</u>
<b>Excess (Deficiency) of Revenues over (under) Expenditures</b>	(47,766)	2,371	50,137
<b>Fund Balance - Beginning</b>	<u>64,798</u>	<u>64,798</u>	<u>-</u>
<b>Fund Balance - Ending</b>	<u><u>\$ 17,032</u></u>	<u><u>\$ 67,169</u></u>	<u><u>\$ 50,137</u></u>

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**DISTRICT CLERK RECORDS MANAGEMENT SPECIAL REVENUE FUND**  
**For the Year Ended September 30, 2025**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>REVENUES</b>			
Charges for Services	\$ 4,300	\$ 1,986	\$ (2,314)
Investment Earnings	<u>2,450</u>	<u>369</u>	<u>(2,081)</u>
<b>Total Revenues</b>	<u>6,750</u>	<u>2,355</u>	<u>(4,395)</u>
<b>EXPENDITURES</b>			
Current:			
Judicial:			
Other Services and Charges	<u>100,000</u>	<u>49,991</u>	<u>50,009</u>
<b>Excess (Deficiency) of Revenues over (under) Expenditures</b>	(93,250)	(47,636)	45,614
<b>Fund Balance - Beginning</b>	<u>245,535</u>	<u>245,535</u>	<u>-</u>
<b>Fund Balance - Ending</b>	<u><u>\$ 152,285</u></u>	<u><u>\$ 197,899</u></u>	<u><u>\$ 45,614</u></u>

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**ELECTION CODE CHAPTER 19 SPECIAL REVENUE FUND**  
**For the Year Ended September 30, 2025**

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>			
Intergovernmental	\$ 54,000	\$ 55,669	\$ 1,669
Investment Earnings	210	205	(5)
Miscellaneous	<u>-</u>	<u>1,227</u>	<u>1,227</u>
<b>Total Revenues</b>	<u>54,210</u>	<u>57,101</u>	<u>2,891</u>
<b>EXPENDITURES</b>			
Current:			
General Government:			
Personnel Services	75,300	51,924	23,376
Supplies	2,500	207	2,293
Other Services and Charges	<u>11,034</u>	<u>5,079</u>	<u>5,955</u>
Total General Government	88,834	57,210	31,624
<b>Total Expenditures</b>	<u>88,834</u>	<u>57,210</u>	<u>31,624</u>
<b>Excess (Deficiency) of Revenues over (under) Expenditures</b>	<u>(34,624)</u>	<u>(109)</u>	<u>34,515</u>
<b>Fund Balance - Beginning</b>	<u>(1,475)</u>	<u>(1,475)</u>	<u>-</u>
<b>Fund Balance - Ending</b>	<u><u>\$ (36,099)</u></u>	<u><u>\$ (1,584)</u></u>	<u><u>\$ 34,515</u></u>

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET (NON-GAAP) AND ACTUAL**  
**DISTRICT CLERK RECORDS MANAGEMENT AND PRESERVATION SPECIAL REVENUE FUND**  
**For the Year Ended September 30, 2025**

	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>REVENUES</b>			
Charges for Services	\$ -	\$ 177,026	\$ 177,026
Investment Earnings	-	139	139
<b>Total Revenues</b>	-	177,165	177,165
<b>EXPENDITURES</b>			
	-	-	-
<b>Excess (Deficiency) of Revenues over (under) Expenditures</b>	-	177,165	177,165
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	(100,000)	129,178	229,178
<b>Net Change in Fund Balances</b>	(100,000)	306,343	406,343
<b>Fund Balance - Beginning</b>	-	-	-
<b>Fund Balance - Ending</b>	<u>\$ (100,000)</u>	<u>\$ 306,343</u>	<u>\$ 406,343</u>

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET (NON-GAAP) AND ACTUAL**  
**TAX ASSESSOR-COLLECTOR SPECIAL INVENTORY TAX ESCROW SPECIAL REVENUE FUND**  
**For the Year Ended September 30, 2025**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>REVENUES</b>			
Taxes	\$ 5,100	\$ 22,127	\$ 17,027
Investment Earnings	<u>4,880</u>	<u>3,866</u>	<u>(1,014)</u>
<b>Total Revenues</b>	<u>9,980</u>	<u>25,993</u>	<u>16,013</u>
<b>EXPENDITURES</b>			
Current:			
General Government:			
Personnel Services	39,225	9,308	29,917
Supplies	1,000	-	1,000
Other Services and Charges	<u>7,800</u>	<u>1,742</u>	<u>6,058</u>
Total General Government	48,025	11,050	36,975
<b>Total Expenditures</b>	<u>48,025</u>	<u>11,050</u>	<u>36,975</u>
<b>Excess (Deficiency) of Revenues over (under) Expenditures</b>	<u>(38,045)</u>	<u>14,943</u>	<u>52,988</u>
<b>Fund Balance - Beginning</b>	<u>48,468</u>	<u>48,468</u>	<u>-</u>
<b>Fund Balance - Ending</b>	<u><u>\$ 10,423</u></u>	<u><u>\$ 63,411</u></u>	<u><u>\$ 52,988</u></u>

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**COUNTY AND DISTRICT COURT TECHNOLOGY SPECIAL REVENUE FUND**  
**For the Year Ended September 30, 2025**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>REVENUES</b>			
Charges for Services	\$ 3,300	\$ 6,884	\$ 3,584
Investment Earnings	<u>910</u>	<u>203</u>	<u>(707)</u>
<b>Total Revenues</b>	<u>4,210</u>	<u>7,087</u>	<u>2,877</u>
<b>EXPENDITURES</b>			
	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess (Deficiency) of Revenues over (under) Expenditures</b>	<u>4,210</u>	<u>7,087</u>	<u>2,877</u>
<b>Fund Balance - Beginning</b>	<u>122,921</u>	<u>122,921</u>	<u>-</u>
<b>Fund Balance - Ending</b>	<u><b>\$ 127,131</b></u>	<u><b>\$ 130,008</b></u>	<u><b>\$ 2,877</b></u>

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**DONATIONS TO GALVESTON COUNTY SPECIAL REVENUE FUND**  
**For the Year Ended September 30, 2025**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>REVENUES</b>			
Investment Earnings	\$ 162	\$ 50	\$ (112)
Miscellaneous	<u>20,500</u>	<u>15,000</u>	<u>(5,500)</u>
<b>Total Revenues</b>	<u>20,662</u>	<u>15,050</u>	<u>(5,612)</u>
<b>EXPENDITURES</b>			
Current:			
Health and Social Services:			
Other Services and Charges	<u>15,116</u>	<u>15,116</u>	<u>-</u>
<b>Excess (Deficiency) of Revenues over (under) Expenditures</b>	<u>5,546</u>	<u>(66)</u>	<u>(5,612)</u>
<b>Fund Balance - Beginning</b>	<u>24,549</u>	<u>24,549</u>	<u>-</u>
<b>Fund Balance - Ending</b>	<u><u>\$ 30,095</u></u>	<u><u>\$ 24,483</u></u>	<u><u>\$ (5,612)</u></u>

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET (NON-GAAP) AND ACTUAL**  
**DISTRICT ATTORNEY FORFEITURES AFTER 10/89 SPECIAL REVENUE FUND**  
**For the Year Ended September 30, 2025**

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>			
Fines and Forfeitures	\$ 35,000	\$ 56,036	\$ 21,036
Investment Earnings	<u>717</u>	<u>134</u>	<u>(583)</u>
<b>Total Revenues</b>	<u>35,717</u>	<u>56,170</u>	<u>20,453</u>
<b>EXPENDITURES</b>			
Current:			
Judicial:			
Supplies	100	87	13
Other Services and Charges	<u>85,675</u>	<u>64,988</u>	<u>20,687</u>
Total Judicial	85,775	65,075	20,700
<b>Total Expenditures</b>	<u>85,775</u>	<u>65,075</u>	<u>20,700</u>
<b>Excess (Deficiency) of Revenues over (under) Expenditures</b>	<u>(50,058)</u>	<u>(8,905)</u>	<u>41,153</u>
<b>Fund Balance - Beginning</b>	<u>77,867</u>	<u>77,867</u>	<u>-</u>
<b>Fund Balance - Ending</b>	<u><u>\$ 27,809</u></u>	<u><u>\$ 68,962</u></u>	<u><u>\$ 41,153</u></u>

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET (NON-GAAP) AND ACTUAL**  
**DISTRICT ATTORNEY CHECK COLLECTION FEES SPECIAL REVENUE FUND**  
**For the Year Ended September 30, 2025**

	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES	\$ -	\$ -	\$ -
EXPENDITURES	-	-	-
Excess (Deficiency) of Revenues over (under) Expenditures	-	-	-
Fund Balance - Beginning	1,223	1,223	-
Fund Balance - Ending	<u>\$ 1,223</u>	<u>\$ 1,223</u>	<u>\$ -</u>

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**COURTHOUSE SECURITY SPECIAL REVENUE FUND**  
**For the Year Ended September 30, 2025**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>REVENUES</b>			
Charges for Services	\$ 161,100	\$ 188,294	\$ 27,194
Investment Earnings	<u>1,830</u>	<u>503</u>	<u>(1,327)</u>
<b>Total Revenues</b>	<u>162,930</u>	<u>188,797</u>	<u>25,867</u>
<b>EXPENDITURES</b>			
Current:			
Public Safety:			
Personnel Services	<u>434,762</u>	<u>420,017</u>	<u>14,745</u>
<b>Excess (Deficiency) of Revenues over (under) Expenditures</b>	<u>(271,832)</u>	<u>(231,220)</u>	<u>40,612</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	<u>156,000</u>	<u>130,000</u>	<u>(26,000)</u>
<b>Net Change in Fund Balance</b>	(115,832)	(101,220)	14,612
<b>Fund Balance - Beginning</b>	<u>292,971</u>	<u>292,971</u>	<u>-</u>
<b>Fund Balance - Ending</b>	<u><u>\$ 177,139</u></u>	<u><u>\$ 191,751</u></u>	<u><u>\$ 14,612</u></u>

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**JUSTICE COURT BUILDING SECURITY SPECIAL REVENUE FUND**  
**For the Year Ended September 30, 2025**

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>			
Charges for Services	\$ 10,800	\$ 10,732	\$ (68)
Investment Earnings	<u>725</u>	<u>186</u>	<u>(539)</u>
<b>Total Revenues</b>	<u>11,525</u>	<u>10,918</u>	<u>(607)</u>
<b>EXPENDITURES</b>			
	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess (Deficiency) of Revenues over (under) Expenditures</b>	<u>11,525</u>	<u>10,918</u>	<u>(607)</u>
<b>Fund Balance - Beginning</b>	<u>111,290</u>	<u>111,290</u>	<u>-</u>
<b>Fund Balance - Ending</b>	<u>\$ 122,815</u>	<u>\$ 122,208</u>	<u>\$ (607)</u>

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**APPELLATE JUDICIAL SPECIAL REVENUE FUND**  
**For the Year Ended September 30, 2025**

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>			
Charges for Services	\$ 24,400	\$ 34,613	\$ 10,213
Fines and Forfeitures	335	256	(79)
Investment Earnings	<u>1,830</u>	<u>395</u>	<u>(1,435)</u>
<b>Total Revenues</b>	<u>26,565</u>	<u>35,264</u>	<u>8,699</u>
<b>EXPENDITURES</b>			
Current:			
Judicial:			
Personnel Services	<u>70,000</u>	<u>43,341</u>	<u>26,659</u>
<b>Total expenditures</b>	70,000	43,341	26,659
<b>Excess (Deficiency) of Revenues over (under) Expenditures</b>	<u>(43,435)</u>	<u>(8,077)</u>	<u>35,358</u>
<b>Fund Balance - Beginning</b>	<u>231,454</u>	<u>231,454</u>	<u>-</u>
<b>Fund Balance - Ending</b>	<u><b>\$ 188,019</b></u>	<u><b>\$ 223,377</b></u>	<u><b>\$ 35,358</b></u>

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**CHAPTER 18 FORFEITURES SPECIAL REVENUE FUND**  
**For the Year Ended September 30, 2025**

	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>REVENUES</b>			
Investment Earnings	\$ -	\$ 386	\$ 386
<b>EXPENDITURES</b>	-	-	-
<b>Excess (Deficiency) of Revenues     over (under) Expenditures</b>	-	386	386
<b>Fund Balance - Beginning</b>	239,100	239,100	-
<b>Fund Balance - Ending</b>	<u>\$ 239,100</u>	<u>\$ 239,486</u>	<u>\$ 386</u>

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**COURT FACILITY FEE FUND**  
**For the Year Ended September 30, 2025**

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>			
Charges for Services	\$ 98,000	\$ 141,192	\$ 43,192
Investment Earnings	<u>1,815</u>	<u>670</u>	<u>(1,145)</u>
<b>Total Revenues</b>	<u>99,815</u>	<u>141,862</u>	<u>42,047</u>
<b>EXPENDITURES</b>			
	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess (Deficiency) of Revenues over (under) Expenditures</b>	<u>99,815</u>	<u>141,862</u>	<u>42,047</u>
<b>Fund Balance - Beginning</b>	<u>362,439</u>	<u>362,439</u>	<u>-</u>
<b>Fund Balance - Ending</b>	<u><u>\$ 462,254</u></u>	<u><u>\$ 504,301</u></u>	<u><u>\$ 42,047</u></u>

**GALVESTON COUNTY, TEXAS  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
LAW LIBRARY SPECIAL REVENUE FUND  
For the Year Ended September 30, 2025**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>REVENUES</b>			
Charges for Services	\$ 169,675	\$ 243,764	\$ 74,089
Investment Earnings	<u>1,100</u>	<u>227</u>	<u>(873)</u>
<b>Total Revenues</b>	<u>170,775</u>	<u>243,991</u>	<u>73,216</u>
<b>EXPENDITURES</b>			
Current:			
Judicial:			
Supplies	<u>261,627</u>	<u>252,848</u>	<u>8,779</u>
<b>Excess (Deficiency) of Revenues over (under) Expenditures</b>	<u>(90,852)</u>	<u>(8,857)</u>	<u>81,995</u>
<b>Fund Balance - Beginning</b>	<u>246,794</u>	<u>246,794</u>	<u>-</u>
<b>Fund Balance - Ending</b>	<u><u>\$ 155,942</u></u>	<u><u>\$ 237,937</u></u>	<u><u>\$ 81,995</u></u>

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**ALTERNATIVE DISPUTE RESOLUTION SPECIAL REVENUE FUND**  
**For the Year Ended September 30, 2025**

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>			
Charges for Services	\$ 120,350	\$ 156,450	\$ 36,100
Investment Earnings	6,550	1,648	(4,900)
<b>Total Revenues</b>	<b>126,900</b>	<b>158,098</b>	<b>31,198</b>
<b>EXPENDITURES</b>			
Current:			
Judicial:			
Other Services and Charges	275,000	56,457	218,543
<b>Excess (Deficiency) of Revenues over (under) Expenditures</b>	<b>(148,100)</b>	<b>101,641</b>	<b>249,741</b>
<b>Fund Balance - Beginning</b>	<b>984,566</b>	<b>984,566</b>	<b>-</b>
<b>Fund Balance - Ending</b>	<b>\$ 836,466</b>	<b>\$ 1,086,207</b>	<b>\$ 249,741</b>

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**TRUANCY PREVENTION & DIVERSION**  
**For the Year Ended September 30, 2025**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>REVENUES</b>			
Charges for Services	\$ 42,000	\$ 42,747	\$ 747
Investment Earnings	970	285	(685)
<b>Total Revenues</b>	<u>42,970</u>	<u>43,032</u>	<u>62</u>
<b>EXPENDITURES</b>			
	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess (Deficiency) of Revenues over (under) Expenditures</b>	<u>42,970</u>	<u>43,032</u>	<u>62</u>
<b>Fund Balance - Beginning</b>	<u>160,856</u>	<u>160,856</u>	<u>-</u>
<b>Fund Balance - Ending</b>	<u>\$ 203,826</u>	<u>\$ 203,888</u>	<u>\$ 62</u>

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**JUSTICE COURT TECHNOLOGY SPECIAL REVENUE FUND**  
**For the Year Ended September 30, 2025**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>REVENUES</b>			
Charges for Services	\$ 39,500	\$ 35,892	\$ (3,608)
Investment Earnings	<u>2,770</u>	<u>677</u>	<u>(2,093)</u>
<b>Total Revenues</b>	<u>42,270</u>	<u>36,569</u>	<u>(5,701)</u>
<b>EXPENDITURES</b>			
	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess (Deficiency) of Revenues over (under) Expenditures</b>	<u>42,270</u>	<u>36,569</u>	<u>(5,701)</u>
<b>Fund Balance - Beginning</b>	<u>406,066</u>	<u>406,066</u>	<u>-</u>
<b>Fund Balance - Ending</b>	<u><u>\$ 448,336</u></u>	<u><u>\$ 442,635</u></u>	<u><u>\$ (5,701)</u></u>

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET (NON-GAAP) AND ACTUAL**  
**PROBATE COURT CONTRIBUTIONS SPECIAL REVENUE FUND**  
**For the Year Ended September 30, 2025**

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>			
Intergovernmental	\$ 92,000	\$ 172,088	\$ 80,088
Investment Earnings	<u>3,630</u>	<u>934</u>	<u>(2,696)</u>
<b>Total Revenues</b>	<u>95,630</u>	<u>173,022</u>	<u>77,392</u>
<b>EXPENDITURES</b>			
Current:			
Judicial:			
Supplies	4,800	4,709	91
Other Services and Charges	<u>55,700</u>	<u>21,873</u>	<u>33,827</u>
Total Judicial	<u>60,500</u>	<u>26,582</u>	<u>33,918</u>
<b>Total Expenditures</b>	<u>60,500</u>	<u>26,582</u>	<u>33,918</u>
<b>Excess (Deficiency) of Revenues over (under) Expenditures</b>	<u>35,130</u>	<u>146,440</u>	<u>111,310</u>
<b>Fund Balance - Beginning</b>	<u>562,843</u>	<u>562,843</u>	<u>-</u>
<b>Fund Balance - Ending</b>	<u><u>\$ 597,973</u></u>	<u><u>\$ 709,283</u></u>	<u><u>\$ 111,310</u></u>

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**SUPPLEMENTAL COURT-INITIATED GUARDIANSHIP FEE SPECIAL REVENUE FUND**  
**For the Year Ended September 30, 2025**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>REVENUES</b>			
Charges for Services	\$ 34,005	\$ 35,189	\$ 1,184
Investment Earnings	<u>1,290</u>	<u>297</u>	<u>(993)</u>
<b>Total Revenues</b>	<u>35,295</u>	<u>35,486</u>	<u>191</u>
<b>EXPENDITURES</b>			
Current:			
Judicial:			
Other Services and Charges	<u>30,000</u>	<u>8,403</u>	<u>21,597</u>
<b>Excess (Deficiency) of Revenues over (under) Expenditures</b>	<u>5,295</u>	<u>27,083</u>	<u>21,788</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	5,295	27,083	21,788
<b>Fund Balance - Beginning</b>	<u>175,110</u>	<u>175,110</u>	<u>-</u>
<b>Fund Balance - Ending</b>	<u>\$ 180,405</u>	<u>\$ 202,193</u>	<u>\$ 21,788</u>

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**PRETRIAL INTERVENTION PROGRAM SPECIAL REVENUE FUND**  
**For the Year Ended September 30, 2025**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>REVENUES</b>			
Investment Earnings	\$ 1,765	\$ 373	\$ (1,392)
<b>EXPENDITURES</b>	-	-	-
<b>Excess (Deficiency) of Revenues     over (under) Expenditures</b>	<u>1,765</u>	<u>373</u>	<u>(1,392)</u>
<b>Fund Balance - Beginning</b>	<u>230,892</u>	<u>230,892</u>	<u>-</u>
<b>Fund Balance - Ending</b>	<u>\$ 232,657</u>	<u>\$ 231,265</u>	<u>\$ (1,392)</u>

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**COURT REPORTER SERVICES SPECIAL REVENUE FUND**  
**For the Year Ended September 30, 2025**

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>			
Charges for Services	\$ 133,690	\$ 174,319	\$ 40,629
Investment Earnings	5,920	1,471	(4,449)
<b>Total Revenues</b>	<b>139,610</b>	<b>175,790</b>	<b>36,180</b>
<b>EXPENDITURES</b>			
Current:			
Judicial:			
Other Services and Charges	184,000	123,221	60,779
<b>Excess (Deficiency) of Revenues over (under) Expenditures</b>	<b>(44,390)</b>	<b>52,569</b>	<b>96,959</b>
<b>Fund Balance - Beginning</b>	<b>891,364</b>	<b>891,364</b>	<b>-</b>
<b>Fund Balance - Ending</b>	<b>\$ 846,974</b>	<b>\$ 943,933</b>	<b>\$ 96,959</b>

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET (NON-GAAP) AND ACTUAL**  
**SHERIFF'S COMMISSARY SPECIAL REVENUE FUND**  
**For the Year Ended September 30, 2025**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>REVENUES</b>			
Investment Earnings	\$ 9,200	\$ 7,685	\$ (1,515)
Miscellaneous	<u>1,400,000</u>	<u>1,246,818</u>	<u>(153,182)</u>
<b>Total Revenues</b>	<u>1,409,200</u>	<u>1,254,503</u>	<u>(154,697)</u>
<b>EXPENDITURES</b>			
Current:			
Public Safety:			
Other Services and Charges	<u>1,800,000</u>	<u>1,962,424</u>	<u>(162,424)</u>
<b>Excess (Deficiency) of Revenues over (under) Expenditures</b>	<u>(390,800)</u>	<u>(707,921)</u>	<u>(317,121)</u>
<b>Fund Balance - Beginning</b>	<u>2,016,772</u>	<u>2,016,772</u>	<u>-</u>
<b>Fund Balance - Ending</b>	<u><u>\$ 1,625,972</u></u>	<u><u>\$ 1,308,851</u></u>	<u><u>\$ (317,121)</u></u>

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET (NON-GAAP) AND ACTUAL**  
**SHERIFF FORFEITURES POST-10/89 SPECIAL REVENUE FUND**  
**For the Year Ended September 30, 2025**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>REVENUES</b>			
Fines and Forfeitures	\$ 47,600	\$ 265,755	\$ 218,155
Investment Earnings	5,120	1,250	(3,870)
Miscellaneous	<u>500</u>	<u>2,876</u>	<u>2,376</u>
<b>Total Revenues</b>	<u>53,220</u>	<u>269,881</u>	<u>216,661</u>
<b>EXPENDITURES</b>			
Current:			
Public Safety:			
Supplies	60,000	26,552	33,448
Other Services and Charges	<u>80,780</u>	<u>30,236</u>	<u>50,544</u>
Total Public Safety	140,780	56,788	83,992
Capital Outlay	<u>49,220</u>	<u>38,996</u>	<u>10,224</u>
<b>Total Expenditures</b>	<u>190,000</u>	<u>95,784</u>	<u>94,216</u>
<b>Excess (Deficiency) of Revenues over (under) Expenditures</b>	<u>(136,780)</u>	<u>174,097</u>	<u>310,877</u>
<b>Fund Balance - Beginning</b>	<u>743,906</u>	<u>743,906</u>	<u>-</u>
<b>Fund Balance - Ending</b>	<u><u>\$ 607,126</u></u>	<u><u>\$ 918,003</u></u>	<u><u>\$ 310,877</u></u>

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET (NON-GAAP) AND ACTUAL**  
**SO SPECIAL INVESTIGATIONS**  
**For the Year Ended September 30, 2025**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>REVENUES</b>			
Fines and Forfeitures	\$ 120	\$ 110	\$ (10)
Investment Earnings	105	26	(79)
Miscellaneous	<u>-</u>	<u>665</u>	<u>665</u>
<b>Total Revenues</b>	<u>225</u>	<u>801</u>	<u>576</u>
<b>EXPENDITURES</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess (Deficiency) of Revenues over (under) Expenditures</b>	<u>225</u>	<u>801</u>	<u>576</u>
<b>Fund Balance - Beginning</b>	<u>15,948</u>	<u>15,948</u>	<u>-</u>
<b>Fund Balance - Ending</b>	<u>\$ 16,173</u>	<u>\$ 16,749</u>	<u>\$ 576</u>

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET (NON-GAAP) AND ACTUAL**  
**LAW ENFORCEMENT CONTINUED EDUCATION SPECIAL REVENUE FUND**  
**For the Year Ended September 30, 2025**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>REVENUES</b>			
Intergovernmental	\$ 68,245	\$ 68,245	\$ -
Investment Earnings	<u>4,260</u>	<u>283</u>	<u>(3,977)</u>
<b>Total Revenues</b>	<u>72,505</u>	<u>68,528</u>	<u>(3,977)</u>
<b>EXPENDITURES</b>			
Current:			
Public Safety:			
Other Services and Charges	<u>220,519</u>	<u>27,362</u>	<u>193,157</u>
<b>Excess (Deficiency) of Revenues over (under) Expenditures</b>	<u>(148,014)</u>	<u>41,166</u>	<u>189,180</u>
<b>Fund Balance - Beginning</b>	<u>152,274</u>	<u>152,274</u>	<u>-</u>
<b>Fund Balance - Ending</b>	<u><u>\$ 4,260</u></u>	<u><u>\$ 193,440</u></u>	<u><u>\$ 189,180</u></u>

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET (NON-GAAP) AND ACTUAL**  
**CONSTABLE PCT 3 FORFEITURES SPECIAL REVENUE FUND**  
**For the Year Ended September 30, 2025**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>REVENUES</b>			
Investment Earnings	\$ -	\$ 21	\$ 21
<b>EXPENDITURES</b>	-	-	-
<b>Excess (Deficiency) of Revenues     over (under) Expenditures</b>	-	21	21
<b>Fund Balance - Beginning</b>	13,074	13,074	-
<b>Fund Balance - Ending</b>	<u>\$ 13,074</u>	<u>\$ 13,095</u>	<u>\$ 21</u>

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**EMERGENCY MANAGEMENT SPECIAL REVENUE FUND**  
**For the Year Ended September 30, 2025**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>REVENUES</b>			
Investment Earnings	\$ 5,910	\$ 1,333	\$ (4,577)
<b>EXPENDITURES</b>	-	-	-
<b>Excess (Deficiency) of Revenues     over (under) Expenditures</b>	<u>5,910</u>	<u>1,333</u>	<u>(4,577)</u>
<b>Fund Balance - Beginning</b>	<u>824,898</u>	<u>824,898</u>	-
<b>Fund Balance - Ending</b>	<u><u>\$ 830,808</u></u>	<u><u>\$ 826,231</u></u>	<u><u>\$ (4,577)</u></u>

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FARM-TO-MARKET LATERAL ROAD SPECIAL REVENUE FUND**  
**For the Year Ended September 30, 2025**

	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>REVENUES</b>			
Taxes	\$ 72	\$ 42	\$ (30)
Intergovernmental	21,000	23,172	2,172
Investment Earnings	9,210	2,402	(6,808)
Miscellaneous	21,000	82,183	61,183
<b>Total Revenues</b>	<b>51,282</b>	<b>107,799</b>	<b>56,517</b>
<b>EXPENDITURES</b>			
Current:			
Roads, Bridges and Rights-of-Way:			
Personnel Services	101,325	100,136	1,189
Supplies	3,260	1,132	2,128
Other Services and Charges	57,020	20,795	36,225
Total Roads, Bridges and Rights-of-Way	161,605	122,063	39,542
<b>Total Expenditures</b>	<b>161,605</b>	<b>122,063</b>	<b>39,542</b>
<b>Excess (Deficiency) of Revenues over (under) Expenditures</b>	<b>(110,323)</b>	<b>(14,264)</b>	<b>96,059</b>
<b>Fund Balance - Beginning</b>	<b>1,497,563</b>	<b>1,497,563</b>	<b>-</b>
<b>Fund Balance - Ending</b>	<b>\$ 1,387,240</b>	<b>\$ 1,483,299</b>	<b>\$ 96,059</b>

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**GALVESTON COUNTY ROAD DISTRICT #1 SPECIAL REVENUE FUND**  
**For the Year Ended September 30, 2025**

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>			
Charges for Services	\$ 400,000	\$ 263,291	\$ (136,709)
Investment Earnings	<u>28,800</u>	<u>6,529</u>	<u>(22,271)</u>
<b>Total Revenues</b>	<u>428,800</u>	<u>269,820</u>	<u>(158,980)</u>
<b>EXPENDITURES</b>			
Current:			
Roads, Bridges and Rights-of-Way:			
Personnel Services	280,832	168,699	112,133
Other Services and Charges	<u>1,000</u>	<u>690</u>	<u>310</u>
Total Roads, Bridges and Rights-of-Way	281,832	169,389	112,443
<b>Total Expenditures</b>	<u>281,832</u>	<u>169,389</u>	<u>112,443</u>
<b>Excess (Deficiency) of Revenues over (under) Expenditures</b>	<u>146,968</u>	<u>100,431</u>	<u>(46,537)</u>
<b>Fund Balance - Beginning</b>	<u>3,976,773</u>	<u>3,976,773</u>	<u>-</u>
<b>Fund Balance - Ending</b>	<u><u>\$ 4,123,741</u></u>	<u><u>\$ 4,077,204</u></u>	<u><u>\$ (46,537)</u></u>

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FLOOD CONTROL SPECIAL REVENUE FUND**  
**For the Year Ended September 30, 2025**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>REVENUES</b>			
Taxes	\$ 33,177	\$ 59,188	\$ 26,011
Intergovernmental	145,000	100,332	(44,668)
Charges for Services	100,000	99,566	(434)
Investment Earnings	50,300	12,105	(38,195)
Miscellaneous	-	1,885	1,885
<b>Total Revenues</b>	<u>328,477</u>	<u>273,076</u>	<u>(55,401)</u>
<b>EXPENDITURES</b>			
Current:			
General Government:			
Other Services and Charges	<u>80,000</u>	<u>50,152</u>	<u>29,848</u>
Public Safety:			
Personnel Services	1,488,846	1,382,652	106,194
Supplies	287,500	226,348	61,152
Other Services and Charges	<u>429,437</u>	<u>326,062</u>	<u>103,375</u>
Total Public Safety	2,205,783	1,935,062	270,721
Capital Outlay	<u>1,122,227</u>	<u>997,245</u>	<u>124,982</u>
<b>Total Expenditures</b>	<u>3,408,010</u>	<u>2,982,459</u>	<u>425,551</u>
<b>Excess (Deficiency) of Revenues over (under) Expenditures</b>	<u>(3,079,533)</u>	<u>(2,709,383)</u>	<u>370,150</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Sale of Capital Assets	<u>-</u>	<u>3,029</u>	<u>3,029</u>
<b>Net Change in Fund Balance</b>	<u>(3,079,533)</u>	<u>(2,706,354)</u>	<u>373,179</u>
<b>Fund Balance - Beginning</b>	<u>8,251,932</u>	<u>8,251,932</u>	<u>-</u>
<b>Fund Balance - Ending</b>	<u>\$ 5,172,399</u>	<u>\$ 5,545,578</u>	<u>\$ 373,179</u>

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**MOSQUITO CONTROL DISTRICT SPECIAL REVENUE FUND**  
**For the Year Ended September 30, 2025**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>REVENUES</b>			
Taxes	\$ 817,950	\$ 839,464	\$ 21,514
Investment Earnings	<u>4,970</u>	<u>16,571</u>	<u>11,601</u>
<b>Total Revenues</b>	<u>822,920</u>	<u>856,035</u>	<u>33,115</u>
<b>EXPENDITURES</b>			
Current:			
Health and Social Services:			
Personnel Services	935,002	785,208	149,794
Supplies	728,300	397,003	331,297
Other Services and Charges	<u>239,640</u>	<u>132,336</u>	<u>107,304</u>
Total Health and Social Services	1,902,942	1,314,547	588,395
Debt Service:			
Principal	-	194,330	(194,330)
Interest and Fiscal Charges	<u>-</u>	<u>3,015</u>	<u>(3,015)</u>
Total Debt Service	-	197,345	(197,345)
Capital Outlay	<u>176,450</u>	<u>61,422</u>	<u>115,028</u>
<b>Total Expenditures</b>	<u>2,079,392</u>	<u>1,573,314</u>	<u>506,078</u>
<b>Excess (Deficiency) of Revenues over (under) Expenditures</b>	<u>(1,256,472)</u>	<u>(717,279)</u>	<u>539,193</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Issuance of Lease Agreement	<u>-</u>	<u>186,959</u>	<u>186,959</u>
<b>Net Change in Fund Balance</b>	(1,256,472)	(530,320)	726,152
<b>Fund Balance - Beginning</b>	<u>949,058</u>	<u>949,058</u>	<u>-</u>
<b>Fund Balance - Ending</b>	<u>\$ (307,414)</u>	<u>\$ 418,738</u>	<u>\$ 726,152</u>

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**GALVESTON COUNTY BEACH AND PARKS SPECIAL REVENUE FUND**  
**For the Year Ended September 30, 2025**

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>			
Charges for Services	\$ 816,100	\$ 890,764	\$ 74,664
Investment Earnings	<u>18,750</u>	<u>3,854</u>	<u>(14,896)</u>
<b>Total Revenues</b>	<u>834,850</u>	<u>894,618</u>	<u>59,768</u>
<b>EXPENDITURES</b>			
Current:			
Culture and Recreation:			
Personnel Services	927,649	231,449	696,200
Supplies	66,500	47,607	18,893
Other Services and Charges	<u>659,300</u>	<u>484,065</u>	<u>175,235</u>
Total Culture and Recreation	1,653,449	763,121	890,328
Capital Outlay	<u>663,211</u>	<u>513,359</u>	<u>149,852</u>
<b>Total Expenditures</b>	<u>2,316,660</u>	<u>1,276,480</u>	<u>1,040,180</u>
<b>Excess (Deficiency) of Revenues over (under) Expenditures</b>	<u>(1,481,810)</u>	<u>(381,862)</u>	<u>1,099,948</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Sale of Capital Assets	<u>-</u>	<u>8,600</u>	<u>8,600</u>
<b>Net Change in Fund Balance</b>	(1,481,810)	(373,262)	1,108,548
<b>Fund Balance - Beginning</b>	<u>2,558,322</u>	<u>2,558,322</u>	<u>-</u>
<b>Fund Balance - Ending</b>	<u><u>\$ 1,076,512</u></u>	<u><u>\$ 2,185,060</u></u>	<u><u>\$ 1,108,548</u></u>

**GALVESTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**MUSEUM AND HISTORICAL COMMUNITY SPECIAL REVENUE FUND**  
**For the Year Ended September 30, 2025**

	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>REVENUES</b>	\$ -	\$ -	\$ -
<b>EXPENDITURES</b>	-	-	-
<b>Fund Balance - Beginning</b>	6,523	6,523	-
<b>Fund Balance - Ending</b>	\$ 6,523	\$ 6,523	\$ -

NONMAJOR  
CAPITAL PROJECT FUNDS

**UNLIMITED TAX ROAD BONDS SERIES 2017** – This fund accounts for the costs of planned, current, and future major projects for the acquisition and construction of infrastructure, and related improvements, as well as traffic projects.

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

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

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

**CAPITAL REPLENISHMENT FUND** - This fund was created in the fiscal year ended September 30, 2011. The Capital Replenishment Fund is funded by resources other than bond proceeds to accumulate reserves for major repairs of county owned facilities.

**LIMITED TAX COUNTY BUILDING BONDS SERIES 2009B** - This fund was created in fiscal year 2009 to account for the financial resources used to purchase, construct, reconstruct, improve and/or equip buildings or rooms for the housing of offices, courts, records or equipment and to pay for professional services rendered in connection with the projects.

**COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION SERIES 2003C** - Issued September 4, 2003 in the amount of \$40,890,000; proceeds used to purchase materials, supplies, equipment, machinery, buildings, land and rights-of-way for authorized needs and purposes and the construction of public works and to pay the costs associated with the issuance of the Certificates.

**LIMITED TAX COUNTY BUILDING BONDS SERIES 2019** - This fund was created in fiscal year 2019 to account for proceeds of \$9,000,000 from a March 19, 2019 bond issuance to be used to purchase, construct, reconstruct, improve and/or equip buildings or rooms for the housing of offices, courts, records or equipment, or for the conducting of other public business.

**COUNTY BUILDING PROJECTS** - This fund was created in fiscal year 2021 to account for building the new Road & Bridge Building on Hwy 3 in Dickinson, TX. This project is funded by the American Rescue Plan Act (ARPA) grant.

**LIMITED TAX CRIMINAL JUSTICE CENTER BONDS SERIES 2003A** - Issued September 4, 2003 in the amount of \$57,245,000; proceeds used to build, improve and equip buildings, jails and court facilities and to pay the costs associated with the issuance of the bonds.

**PARKS DEPARTMENT CAPITAL PROJECTS FUND** - Fund created to account for the net proceeds from the sale of the Bayshore RV Park and Spillway Fishing Pier in fiscal year 2007 and for the reinvestment of those proceeds into other county park land and facilities. The park and fishing pier were originally developed using federal land and water conservation funds, requiring the county to expend the sale proceeds as per federal and state regulations relating to the conversion of park lands to private purposes.

**ROAD BONDS SERIES 1987** - Issued for the purpose of constructing and improving county roads.

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

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

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

**UNLIMITED TAX ROAD BONDS SERIES 2003B** - Issued September 4, 2003, in the amount of \$9,625,000 to be used to build and improve roads within the county and to pay the costs associated with the issuance of the bonds.

**UNLIMITED TAX ROAD BONDS SERIES 2001** - Issued in March 2001 in the amount of \$26,151,372 as the initial installment of the total authorization of \$36,300,000 (\$35,000,000 for road and \$1,300,000 for the Grand Parkway) approved by the voters in November 2000. Proceeds used to build and improve roads within the county.

**PASS-THROUGH TOLL REVENUE AND LIMITED TAX BONDS SERIES 2007** - Fund created in fiscal year 2007 to account for the financial resources used to design, develop, finance, construct, extend, expand and improve a non-toll project or facility for Farm-to-Market Road 646, a part of the state highway system located in the county.

**UNLIMITED TAX ROAD BONDS SERIES 2009A** - Fund created in fiscal year 2009 to account for the financial resources used to construct, purchase, maintain and/or operate macadamized, graveled and paved roads and turnpikes, and to pay for professional services rendered in connection with the aforementioned projects. These projects were funded by a dedicated bond issue.

**UNLIMITED TAX ROAD BONDS SERIES 2019** – This fund was created to account for proceeds of \$24,000,000 from a March 19, 2019 bond issuance to be used to construct, purchase, maintain and/or operate macadamized, graveled and paved roads and turnpikes.

**COUNTY ROAD AND BRIDGE PROJECTS** - This fund was created in fiscal year 2005 to account for various county road and bridge projects. The fund is used to account for the road repair project on Texas City Seawall associated with the Grand Cay Harbor development.

**LIMITED TAX FLOOD CONTROL BONDS SERIES 2009C** - Issued in September 2009 in the amount of \$15,000,000 to be used to: 1) establish, construct, extend, maintain or improve a seawall, breakwater, levee, floodway and/or drainage; 2) pay for the professional services rendered in connection with the aforementioned projects; 3) pay the costs associated with the issuance of the Series 2009C Bonds; and 4) pay a portion of the interest on the Series 2009C Bonds.

**CERTIFICATES OF OBLIGATION SERIES 2008** - Issued in March 2008 in the amount of \$7,000,000 to be used to pay all or part of the contractual obligations to be incurred for the construction of public works: 1) levee improvements and improvements to various pump stations; 2) improvements to the Texas City Dike and the Texas City Dike road; 3) improvements to various City of Texas City roads in the San Leon portion of the county; and 4) for the professional services rendered in connection with the above listed projects.

(Continued)

**GALVESTON COUNTY, TEXAS  
COMBINING BALANCE SHEET  
NONMAJOR CAPITAL PROJECTS FUNDS  
September 30, 2025**

	Unlimited Tax Road Bonds Series 2017	Limited Tax Flood Control Series 2017	Limited Tax Building Bonds Series 2017A	County Capital Projects Fund	Capital Replenishment Fund	Limited Tax County Building Bonds Series 2009B	Combination Tax and Revenue Certificates of Obligation Series 2003C	Limited Tax County Building Bonds 2019
<b>ASSETS</b>								
Cash and Cash Equivalents	771	\$ 10	\$ 33	\$ 758,687	\$ 2,947,591	\$ 1,145	\$ 132,589	\$ 56,447
Investments	7,561,221	5,378,289	102,212	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 7,561,992</b>	<b>\$ 5,378,299</b>	<b>\$ 102,245</b>	<b>\$ 758,687</b>	<b>\$ 2,947,591</b>	<b>\$ 1,145</b>	<b>\$ 132,589</b>	<b>\$ 56,447</b>
<b>LIABILITIES</b>								
Accounts Payable	2,622	-	-	91,794	-	-	-	-
Retainage Payable	514,826	-	33,394	172,389	-	19,994	-	-
Deposits - Held	-	-	-	-	-	-	-	10,000
Due to Other Funds	102,000	-	2,300	-	-	-	-	-
<b>Total Liabilities</b>	<b>619,448</b>	<b>-</b>	<b>35,694</b>	<b>264,183</b>	<b>-</b>	<b>19,994</b>	<b>-</b>	<b>10,000</b>
<b>FUND BALANCES</b>								
Restricted	6,942,544	5,378,299	66,551	-	-	-	132,589	46,447
Assigned	-	-	-	494,504	2,947,591	-	-	-
Unassigned	-	-	-	-	-	(18,849)	-	-
<b>Total Fund Balances</b>	<b>6,942,544</b>	<b>5,378,299</b>	<b>66,551</b>	<b>494,504</b>	<b>2,947,591</b>	<b>(18,849)</b>	<b>132,589</b>	<b>46,447</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 7,561,992</b>	<b>\$ 5,378,299</b>	<b>\$ 102,245</b>	<b>\$ 758,687</b>	<b>\$ 2,947,591</b>	<b>\$ 1,145</b>	<b>\$ 132,589</b>	<b>\$ 56,447</b>

(Continued)

GALVESTON COUNTY, TEXAS  
COMBINING BALANCE SHEET  
NONMAJOR CAPITAL PROJECTS FUNDS  
September 30, 2025

	County Building Projects	Limited Tax Criminal Justice Center Bonds Series 2003A	Parks Department Capital Projects Fund	Road Bonds Series 1987	Unlimited Tax Road Bonds Series 2003B	Unlimited Tax Road Bonds Series 2001	Pass-through Toll Revenue and Limited Tax Bonds Series 2007	Unlimited Tax Road Bonds Series 2009A
<b>ASSETS</b>								
Cash and Cash Equivalents	\$ 132	\$ 81,038	\$ 596,156	\$ 36,641	\$ 1,922,303	\$ 3,789,450	\$ 4,121,926	\$ 281,967
Investments	-	-	-	-	-	-	-	-
<b>Total Assets</b>	<u>\$ 132</u>	<u>\$ 81,038</u>	<u>\$ 596,156</u>	<u>\$ 36,641</u>	<u>\$ 1,922,303</u>	<u>\$ 3,789,450</u>	<u>\$ 4,121,926</u>	<u>\$ 281,967</u>
<b>LIABILITIES</b>								
Accounts Payable	248,471	-	-	-	-	-	-	-
Retainage Payable	99,068	-	-	-	-	144,013	-	226,732
Deposits - Held	-	-	-	-	-	-	-	-
Due to Other Funds	549,000	-	-	-	-	-	-	-
<b>Total Liabilities</b>	<u>896,539</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>144,013</u>	<u>-</u>	<u>226,732</u>
<b>FUND BALANCES</b>								
Restricted	-	81,038	596,156	36,641	1,922,303	3,645,437	4,121,926	55,235
Assigned	-	-	-	-	-	-	-	-
Unassigned	(896,407)	-	-	-	-	-	-	-
<b>Total Fund Balances</b>	<u>(896,407)</u>	<u>81,038</u>	<u>596,156</u>	<u>36,641</u>	<u>1,922,303</u>	<u>3,645,437</u>	<u>4,121,926</u>	<u>55,235</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 132</u>	<u>\$ 81,038</u>	<u>\$ 596,156</u>	<u>\$ 36,641</u>	<u>\$ 1,922,303</u>	<u>\$ 3,789,450</u>	<u>\$ 4,121,926</u>	<u>\$ 281,967</u>

**GALVESTON COUNTY, TEXAS  
COMBINING BALANCE SHEET  
NONMAJOR CAPITAL PROJECTS FUNDS  
September 30, 2025**

	Unlimited Tax Road Bonds Series 2019	County Road and Bridge Projects	Limited Tax Flood Control Series 2009C	Certificates of Obligation Series 2008	Total Nonmajor Capital Projects Funds
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 432	\$ 268,884	\$ 415,216	\$ 345,476	\$ 15,756,894
Investments	20,136,793	-	-	-	33,178,515
<b>Total Assets</b>	<b><u>\$ 20,137,225</u></b>	<b><u>\$ 268,884</u></b>	<b><u>\$ 415,216</u></b>	<b><u>\$ 345,476</u></b>	<b><u>\$ 48,935,409</u></b>
<b>LIABILITIES</b>					
Accounts Payable	-	-	-	-	342,887
Retainage Payable	46,086	-	-	-	1,256,502
Deposits - Held	-	-	-	-	10,000
Due to Other Funds	230,000	-	-	-	883,300
<b>Total Liabilities</b>	<b><u>276,086</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>2,492,689</u></b>
<b>FUND BALANCES</b>					
Restricted	19,861,139	-	415,216	345,476	43,646,997
Assigned	-	268,884	-	-	3,710,979
Unassigned	-	-	-	-	(915,256)
<b>Total Fund Balances</b>	<b><u>19,861,139</u></b>	<b><u>268,884</u></b>	<b><u>415,216</u></b>	<b><u>345,476</u></b>	<b><u>46,442,720</u></b>
<b>Total Liabilities and Fund Balances</b>	<b><u>\$ 20,137,225</u></b>	<b><u>\$ 268,884</u></b>	<b><u>\$ 415,216</u></b>	<b><u>\$ 345,476</u></b>	<b><u>\$ 48,935,409</u></b>

(Continued)

**GALVESTON COUNTY, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES**  
**NONMAJOR CAPITAL PROJECTS FUNDS**  
**CAPITAL PROJECTS FUNDS**  
**For the Year Ended September 30, 2025**

	Unlimited Tax Road Bonds Series 2017	Limited Tax Flood Control Series 2017	Limited Tax Building Bonds Series 2017A	County Capital Projects Fund	Capital Replenishment Fund	Limited Tax County Building Bonds Series 2009B	Combination Tax and Revenue Certificates of Obligation Series 2003C	Limited Tax County Building Bonds 2019
<b>REVENUES</b>								
Charges for Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment Earnings	409,168	238,820	9,148	6,100	4,563	31	214	91
<b>Total Revenues</b>	<u>409,168</u>	<u>238,820</u>	<u>9,148</u>	<u>6,100</u>	<u>4,563</u>	<u>31</u>	<u>214</u>	<u>91</u>
<b>EXPENDITURES</b>								
Current:								
General Government	-	-	-	175,525	-	-	-	-
Roads, Bridges and Rights-of-Way	613,111	-	-	-	-	-	-	-
Capital Outlay	-	-	106,605	4,461,614	-	19,994	-	-
<b>Total Expenditures</b>	<u>613,111</u>	<u>-</u>	<u>106,605</u>	<u>4,637,139</u>	<u>-</u>	<u>19,994</u>	<u>-</u>	<u>-</u>
<b>Excess (Deficiency) of Revenues over (under) Expenditures</b>	<u>(203,943)</u>	<u>238,820</u>	<u>(97,457)</u>	<u>(4,631,039)</u>	<u>4,563</u>	<u>(19,963)</u>	<u>214</u>	<u>91</u>
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers In	-	-	-	-	200,000	-	-	-
Sale of Capital Assets	-	-	-	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>200,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	<u>(203,943)</u>	<u>238,820</u>	<u>(97,457)</u>	<u>(4,631,039)</u>	<u>204,563</u>	<u>(19,963)</u>	<u>214</u>	<u>91</u>
<b>Fund Balances-Beginning</b>	<u>7,146,487</u>	<u>5,139,479</u>	<u>164,008</u>	<u>5,125,543</u>	<u>2,743,028</u>	<u>1,114</u>	<u>132,375</u>	<u>46,356</u>
<b>Fund Balances-Ending</b>	<u>\$ 6,942,544</u>	<u>\$ 5,378,299</u>	<u>\$ 66,551</u>	<u>\$ 494,504</u>	<u>\$ 2,947,591</u>	<u>\$ (18,849)</u>	<u>\$ 132,589</u>	<u>\$ 46,447</u>

(Continued)

**GALVESTON COUNTY, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES**  
**NONMAJOR CAPITAL PROJECTS FUNDS**  
**CAPITAL PROJECTS FUNDS**  
**For the Year Ended September 30, 2025**

	<u>County Building Projects</u>	<u>Limited Tax Criminal Justice Center Bonds Series 2003A</u>	<u>Parks Department Capital Projects Fund</u>	<u>Road Bonds Series 1987</u>	<u>Unlimited Tax Road Bonds Series 2003B</u>	<u>Unlimited Tax Road Bonds Series 2001</u>	<u>Pass-through Toll Revenue and Limited Tax Bonds Series 2007</u>	<u>Unlimited Tax Road Bonds Series 2009A</u>
<b>REVENUES</b>								
Charges for Services	\$ -	\$ -	\$ 27	\$ -	\$ -	\$ -	\$ -	\$ -
Investment Earnings	113	131	998	59	3,113	1,813	6,650	909
<b>Total Revenues</b>	<u>113</u>	<u>131</u>	<u>1,025</u>	<u>59</u>	<u>3,113</u>	<u>1,813</u>	<u>6,650</u>	<u>909</u>
<b>EXPENDITURES</b>								
Current:								
General Government	-	-	-	-	-	-	-	-
Roads, Bridges and Rights-of-Way	-	-	-	-	-	72,007	-	113,366
Capital Outlay	<u>1,428,183</u>	<u>-</u>	<u>22,479</u>	<u>-</u>	<u>2,411</u>	<u>-</u>	<u>-</u>	<u>1,052,858</u>
<b>Total Expenditures</b>	<u>1,428,183</u>	<u>-</u>	<u>22,479</u>	<u>-</u>	<u>2,411</u>	<u>72,007</u>	<u>-</u>	<u>1,166,224</u>
<b>Excess (Deficiency) of Revenues over (under) Expenditures</b>	<u>(1,428,070)</u>	<u>131</u>	<u>(21,454)</u>	<u>59</u>	<u>702</u>	<u>(70,194)</u>	<u>6,650</u>	<u>(1,165,315)</u>
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers In	207,667	-	-	-	-	-	-	-
Sale of Capital Assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,706,360</u>	<u>-</u>	<u>-</u>
<b>Total Other Financing Sources (Uses)</b>	<u>207,667</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,706,360</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	<u>(1,220,403)</u>	<u>131</u>	<u>(21,454)</u>	<u>59</u>	<u>702</u>	<u>3,636,166</u>	<u>6,650</u>	<u>(1,165,315)</u>
<b>Fund Balances-Beginning</b>	<u>323,996</u>	<u>80,907</u>	<u>617,610</u>	<u>36,582</u>	<u>1,921,601</u>	<u>9,271</u>	<u>4,115,276</u>	<u>1,220,550</u>
<b>Fund Balances-Ending</b>	<u>\$ (896,407)</u>	<u>\$ 81,038</u>	<u>\$ 596,156</u>	<u>\$ 36,641</u>	<u>\$ 1,922,303</u>	<u>\$ 3,645,437</u>	<u>\$ 4,121,926</u>	<u>\$ 55,235</u>

**GALVESTON COUNTY, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES**  
**NONMAJOR CAPITAL PROJECTS FUNDS**  
**CAPITAL PROJECTS FUNDS**  
**For the Year Ended September 30, 2025**

	Unlimited Tax Road Bonds Series 2019	County Road and Bridge Projects	Limited Tax Flood Control Series 2009C	Certificates of Obligation Series 2008	Total Nonmajor Capital Projects Funds
<b>REVENUES</b>					
Charges for Services	\$ -	\$ -	\$ -	\$ -	\$ 27
Investment Earnings	928,665	434	670	557	1,612,247
<b>Total Revenues</b>	<u>928,665</u>	<u>434</u>	<u>670</u>	<u>557</u>	<u>1,612,274</u>
<b>EXPENDITURES</b>					
Current:					
General Government	-	-	-	-	175,525
Roads, Bridges and Rights-of-Way	1,099,571	-	-	-	1,898,055
Capital Outlay	6,974	-	-	-	7,101,118
<b>Total Expenditures</b>	<u>1,106,545</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,174,698</u>
<b>Excess (Deficiency) of Revenues over (under) Expenditures</b>	<u>(177,880)</u>	<u>434</u>	<u>670</u>	<u>557</u>	<u>(7,562,424)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	-	-	-	-	407,667
Sale of Capital Assets	-	-	-	-	3,706,360
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,114,027</u>
<b>Net Change in Fund Balances</b>	(177,880)	434	670	557	(3,448,397)
<b>Fund Balances-Beginning</b>	<u>20,039,019</u>	<u>268,450</u>	<u>414,546</u>	<u>344,919</u>	<u>49,891,117</u>
<b>Fund Balances-Ending</b>	<u>\$ 19,861,139</u>	<u>\$ 268,884</u>	<u>\$ 415,216</u>	<u>\$ 345,476</u>	<u>\$ 46,442,720</u>

# Proprietary Funds

## PROPRIETARY FUNDS

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

### Enterprise Funds

Enterprise Funds are used to report the same functions that would be presented as business-type activities in the government-wide financial statements. The county currently engages in no business-type activity and therefore maintains no Enterprise Funds.

### Internal Service Funds

Internal Service Funds may be used to report any activity that provides goods or services to other funds, departments or agencies of the primary government or its component units, or to other governments, on a cost-reimbursement basis. The county maintains the following Internal Service Funds:

**EMPLOYEE BENEFITS** - The Employee Benefits Fund accounts for the administration of the health insurance benefits that are provided to current and former county employees. Primarily the county self-insures against these risks, but in instances it also pays premiums on insurance policies in order to obtain additional coverage.

**WORKERS' COMPENSATION** - The Workers' Compensation Fund was established for the purpose of paying Worker's Compensation claims.

**UNEMPLOYMENT** - The Unemployment Fund accounts for unemployment insurance.

**SELF-INSURANCE RESERVE** – The Self-Insurance Reserve Fund provides for general liability and casualty loss coverage.

**GALVESTON COUNTY, TEXAS**  
**COMBINING STATEMENT OF NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**September 30, 2025**

	<u>Employee Benefits</u>	<u>Workers' Compensation</u>	<u>Unemployment</u>	<u>Self- Insurance Reserve</u>	<u>Total Internal Service Funds</u>
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 23,009	\$ 3,159,723	\$ 1,264,939	\$ 631,352	\$ 5,079,023
Investments	-	-	-	2,684,909	2,684,909
Receivables (Net of Allowances for Uncollectibles):					
Accounts and Other	374,527	2,046	-	-	376,573
<b>Total Assets</b>	<u>397,536</u>	<u>3,161,769</u>	<u>1,264,939</u>	<u>3,316,261</u>	<u>8,140,505</u>
<b>LIABILITIES</b>					
Accounts Payable	3,013,716	4,727	-	-	3,018,443
Due to Others	366	3,143	3,805	-	7,314
Due to Other Funds	3,911,000	-	-	-	3,911,000
Estimated Liability - Claims	883,745	446,900	-	-	1,330,645
<b>Total Liabilities</b>	<u>7,808,827</u>	<u>454,770</u>	<u>3,805</u>	<u>-</u>	<u>8,267,402</u>
<b>NET POSITION</b>					
Unrestricted	(7,411,291)	2,706,999	1,261,134	3,316,261	(126,897)
<b>Total Net Position</b>	<u>\$ (7,411,291)</u>	<u>\$ 2,706,999</u>	<u>\$ 1,261,134</u>	<u>\$ 3,316,261</u>	<u>\$ (126,897)</u>

**GALVESTON COUNTY, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENSES AND**  
**CHANGES IN NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**For the Year Ended September 30, 2025**

	<u>Employee Benefits</u>	<u>Workers' Compensation</u>	<u>Unemployment</u>	<u>Self- Insurance Reserve</u>	<u>Total Internal Service Funds</u>
<b>OPERATING REVENUES</b>					
Charges for Services	\$ 16,493,903	\$ 314,160	\$ 19,479	\$ 1,655,010	\$ 18,482,552
Reimbursements	3,373,600	5	16,158	-	3,389,763
Miscellaneous	140,000	-	-	25	140,025
<b>Total Operating Revenues</b>	<u>20,007,503</u>	<u>314,165</u>	<u>35,637</u>	<u>1,655,035</u>	<u>22,012,340</u>
<b>OPERATING EXPENSES</b>					
Contract Services	\$ 1,245,157	\$ 47,118	\$ -	\$ -	\$ 1,292,275
Insurance	27,602,536	299,617	115,368	2,664,111	30,681,632
<b>Total Operating Expenses</b>	<u>28,847,693</u>	<u>346,735</u>	<u>115,368</u>	<u>2,664,111</u>	<u>31,973,907</u>
<b>Operating Income (Loss)</b>	<u>(8,840,190)</u>	<u>(32,570)</u>	<u>(79,731)</u>	<u>(1,009,076)</u>	<u>(9,961,567)</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>					
Investment Earnings	755	4,952	2,154	119,217	127,078
<b>Change In Net Position</b>	(8,839,435)	(27,618)	(77,577)	(889,859)	(9,834,489)
<b>Total Net Position - Beginning</b>	<u>1,428,144</u>	<u>2,734,617</u>	<u>1,338,711</u>	<u>4,206,120</u>	<u>9,707,592</u>
<b>Total Net Position - Ending</b>	<u>\$ (7,411,291)</u>	<u>\$ 2,706,999</u>	<u>\$ 1,261,134</u>	<u>\$ 3,316,261</u>	<u>\$ (126,897)</u>

**GALVESTON COUNTY, TEXAS**  
**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
**For the Year Ended September 30, 2025**

	<b>Employee Benefits</b>	<b>Workers' Compensation</b>	<b>Unemployment</b>	<b>Self- Insurance Reserve</b>	<b>Total Internal Service Funds</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>					
Receipts from Outside Sources	\$ 17,124,929	\$ 314,178	\$ 19,479	\$ 1,655,010	\$ 19,113,596
Payments to Suppliers	(27,426,197)	(345,433)	(111,563)	(2,664,111)	(30,547,304)
Payments to Employees	-	(221)	(5,841)	-	(6,062)
Due To (Repayment From) Other Funds	3,911,000	-	-	-	3,911,000
Other Operating Revenues	3,512,417	5	16,158	25	3,528,605
<b>Net Cash Provided by (Used for) Operating Activities</b>	<u>(2,877,851)</u>	<u>(31,471)</u>	<u>(81,767)</u>	<u>(1,009,076)</u>	<u>(4,000,165)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>					
Purchase of Investments	-	-	-	(2,684,909)	(2,684,909)
Matured Investments	-	-	-	2,565,692	2,565,692
Investment Earnings	755	4,952	2,154	119,217	127,078
<b>Net Cash Provided by (Used for) Investing Activities</b>	<u>755</u>	<u>4,952</u>	<u>2,154</u>	<u>-</u>	<u>7,861</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	(2,877,096)	(26,519)	(79,613)	(1,009,076)	(3,992,304)
<b>Cash and Cash Equivalents October 1, 2024</b>	<u>2,900,105</u>	<u>3,186,242</u>	<u>1,344,552</u>	<u>1,640,428</u>	<u>9,071,327</u>
<b>Cash and Cash Equivalents September 30, 2025</b>	<u>\$ 23,009</u>	<u>\$ 3,159,723</u>	<u>\$ 1,264,939</u>	<u>\$ 631,352</u>	<u>\$ 5,079,023</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:</b>					
<b>Operating Income (Loss)</b>	<u>\$ (8,840,190)</u>	<u>\$ (32,570)</u>	<u>\$ (79,731)</u>	<u>\$ (1,009,076)</u>	<u>\$ (9,961,567)</u>
<b>Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:</b>					
(Increase) Decrease in Accounts Receivable	631,026	18	-	-	631,044
Increase (Decrease) in Unearned Revenue	(1,183)	-	-	-	(1,183)
Increase (Decrease) in Accounts Payable	1,421,496	1,081	3,805	-	1,426,382
Increase (Decrease) in Salaries Payable	-	-	(5,841)	-	(5,841)
Increase (Decrease) in Due to Other Funds	3,911,000	-	-	-	3,911,000
<b>Total Adjustments</b>	<u>5,962,339</u>	<u>1,099</u>	<u>(2,036)</u>	<u>-</u>	<u>5,961,402</u>
<b>Net Cash Provided by (Used for) Operating Activities</b>	<u>\$ (2,877,851)</u>	<u>\$ (31,471)</u>	<u>\$ (81,767)</u>	<u>\$ (1,009,076)</u>	<u>\$ (4,000,165)</u>

# Fiduciary Funds

## FIDUCIARY FUNDS

Fiduciary Funds consist of:

### Pension (and Other Employee Benefit) Trust Funds

Pension (and Other Employee Benefit) Trust Funds exist when the government takes place as the trustee for a designated pension fund. This might also include the case where the government takes charge of different employment-related funds that are created in this regard. The government is defined as a qualifying trust where the government is not considered as a beneficiary of the pension fund itself, but rather acts as a trustee in managing those funds in order to ensure that the funds are safe to be dispersed when needed by the rightful owner of those funds. The county currently participates in one Pension (and Other Employee Benefit) Trust Fund.

### Custodial Funds

Custodial Funds are similar to Trust Funds but do not involve a formal trust arrangement. Custodial 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. The county currently participates in thirteen Custodial Funds.

## CUSTODIAL FUNDS

**DA SEIZED FUNDS** – To account for monies seized by the District Attorney’s Office per *Code of Criminal Procedure* Chapters 18.09 and 59.06 and held until court order determines their disposition.

**SHERIFF SEIZED FUNDS** – To account for monies seized by the Sheriff’s Department per *Code of Criminal Procedure* Chapters 18.09 and 59.06 and held until court order determines their disposition.

**CRIMINAL INVESTIGATIVE DIVISION SEIZURES POST-10/89** – To account for monies seized by the Criminal Investigative Division per *Code of Criminal Procedure* Chapters 18.09 and 59.06 and held until court order determines their disposition.

**TASK-FORCE SEIZURES PRE-10/89** – To account for monies seized by task force prior to the enactment of *Code of Criminal Procedure* Chapter 59.06 and held until court order determines their disposition.

**CONSTABLE SEIZED FUNDS** - To account for monies seized by the Constable's Department per *Code of Criminal Procedure* Chapters 18.09 and 59.06 and held until court order determines their disposition.

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

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

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

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

**COUNTY CLERK REGISTRY** – To account for registry funds remanded to the custody of the County Clerk for minors and other persons until a court order determines their disposition.

**DISTRICT CLERK REGISTRY** – To account for registry funds remanded to the custody of the District Clerk for minors and other persons until a court order determines their disposition.

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

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

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

(Continued)

**GALVESTON COUNTY, TEXAS  
COMBINING STATEMENT OF FIDUCIARY NET POSITION  
CUSTODIAL FUNDS  
September 30, 2025**

	<u>DA Seized Funds</u>	<u>Sheriff Seized Funds</u>	<u>Criminal Investigative Division Seizures Post-10/89</u>	<u>Task-Force Seizures Pre-10/89</u>	<u>Constable Seized Funds</u>	<u>Unclaimed Property</u>	<u>Escrow</u>	<u>Bond Escrow</u>
<b>ASSETS</b>								
Cash and Cash Equivalents	\$ 303,646	\$ 2,631,589	\$ 6,203	\$ 15,047	\$ 157,380	\$ 224,102	\$ 1,151,895	\$ 5,311
Investments	-	-	-	-	-	-	-	-
Receivables (Net of Allowances for Uncollectibles):								
Accounts and Other	-	-	-	-	-	-	2,690	-
<b>Total Assets</b>	<u><u>\$ 303,646</u></u>	<u><u>\$ 2,631,589</u></u>	<u><u>\$ 6,203</u></u>	<u><u>\$ 15,047</u></u>	<u><u>\$ 157,380</u></u>	<u><u>\$ 224,102</u></u>	<u><u>\$ 1,154,585</u></u>	<u><u>\$ 5,311</u></u>
<b>LIABILITIES</b>								
Due to Other Entities	-	-	-	-	-	-	-	-
<b>NET POSITION</b>								
Restricted for:								
Individuals and Organizations	303,646	2,631,589	6,203	15,047	157,380	224,102	1,154,585	5,311
<b>Total Net Position</b>	<u><u>\$ 303,646</u></u>	<u><u>\$ 2,631,589</u></u>	<u><u>\$ 6,203</u></u>	<u><u>\$ 15,047</u></u>	<u><u>\$ 157,380</u></u>	<u><u>\$ 224,102</u></u>	<u><u>\$ 1,154,585</u></u>	<u><u>\$ 5,311</u></u>

**GALVESTON COUNTY, TEXAS**  
**COMBINING STATEMENT OF FIDUCIARY NET POSITION**  
**CUSTODIAL FUNDS**  
**September 30, 2025**

	<u>Tax Assessor- Collector Undistributed Collections</u>	<u>County Clerk Registry</u>	<u>District Clerk Registry</u>	<u>Inmate Deposits</u>	<u>Children's Protective Services - Escrow</u>	<u>Dickinson Bayou Steering Committee</u>	<u>Total Custodial Funds</u>
<b>ASSETS</b>							
Cash and Cash Equivalents	\$ 8,149,272	\$ 11,099,283	\$ 4,779,061	\$ 208,445	\$ 10,223	\$ 61,287	\$ 28,802,744
Investments	-	1,941,507	2,030,173	-	-	-	3,971,680
Receivables (Net of Allowances for Uncollectibles):							
Accounts and Other	-	-	-	-	-	-	2,690
<b>Total Assets</b>	<b><u>\$ 8,149,272</u></b>	<b><u>\$ 13,040,790</u></b>	<b><u>\$ 6,809,234</u></b>	<b><u>\$ 208,445</u></b>	<b><u>\$ 10,223</u></b>	<b><u>\$ 61,287</u></b>	<b><u>\$ 32,777,114</u></b>
<b>LIABILITIES</b>							
Due to Other Entities	<u>8,149,272</u>	-	-	-	-	-	<u>8,149,272</u>
<b>NET POSITION</b>							
Restricted for:							
Individuals and Organizations	-	<u>13,040,790</u>	<u>6,809,234</u>	<u>208,445</u>	<u>10,223</u>	<u>61,287</u>	<u>24,627,842</u>
<b>Total Net Position</b>	<b><u>\$ -</u></b>	<b><u>\$ 13,040,790</u></b>	<b><u>\$ 6,809,234</u></b>	<b><u>\$ 208,445</u></b>	<b><u>\$ 10,223</u></b>	<b><u>\$ 61,287</u></b>	<b><u>\$ 24,627,842</u></b>

(Continued)

**GALVESTON COUNTY, TEXAS**  
**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**CUSTODIAL FUNDS**  
**For the Year Ended September 30, 2025**

	<u>DA Seized Funds</u>	<u>Sheriff Seized Funds</u>	<u>Criminal Investigative Division Seizures Post-10/89</u>	<u>Task-Force Seizures Pre-10/89</u>	<u>Constable Seized Funds</u>	<u>Unclaimed Property</u>	<u>Escrow</u>	<u>Bond Escrow</u>
<b>ADDITIONS</b>								
Contributions from Judgments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fines and Fees Collected	-	-	-	-	-	-	-	-
Deposits Held	185,702	2,440,857	12	29	157,394	24,605	6,441,713	-
Taxes Collected on Behalf of Taxing Entities	-	-	-	-	-	-	-	-
<b>Total Additions</b>	<b><u>\$ 185,702</u></b>	<b><u>\$ 2,440,857</u></b>	<b><u>\$ 12</u></b>	<b><u>\$ 29</u></b>	<b><u>\$ 157,394</u></b>	<b><u>\$ 24,605</u></b>	<b><u>\$ 6,441,713</u></b>	<b><u>\$ -</u></b>
<b>DEDUCTIONS</b>								
Deposits Returned	\$ 35,113	\$ 81,489	\$ 2	\$ 5	\$ 14	\$ 1,564	\$ 6,404,080	\$ -
Disbursements to Beneficiaries	-	-	-	-	-	-	-	-
Taxes Disbursed to Taxing Entities	-	-	-	-	-	-	-	-
<b>Total Deductions</b>	<b><u>35,113</u></b>	<b><u>81,489</u></b>	<b><u>2</u></b>	<b><u>5</u></b>	<b><u>14</u></b>	<b><u>1,564</u></b>	<b><u>6,404,080</u></b>	<b><u>-</u></b>
<b>Net Increase (Decrease) in Fiduciary Net Position</b>	<b>150,589</b>	<b>2,359,368</b>	<b>10</b>	<b>24</b>	<b>157,380</b>	<b>23,041</b>	<b>37,633</b>	<b>-</b>
<b>Net Position - Beginning</b>	<b><u>153,057</u></b>	<b><u>272,221</u></b>	<b><u>6,193</u></b>	<b><u>15,023</u></b>	<b><u>-</u></b>	<b><u>201,061</u></b>	<b><u>1,116,952</u></b>	<b><u>5,311</u></b>
<b>Net Position - Ending</b>	<b><u>\$ 303,646</u></b>	<b><u>\$ 2,631,589</u></b>	<b><u>\$ 6,203</u></b>	<b><u>\$ 15,047</u></b>	<b><u>\$ 157,380</u></b>	<b><u>\$ 224,102</u></b>	<b><u>\$ 1,154,585</u></b>	<b><u>\$ 5,311</u></b>

**GALVESTON COUNTY, TEXAS**  
**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**CUSTODIAL FUNDS**  
**For the Year Ended September 30, 2025**

	<u>Tax Assessor- Collector Undistributed Collections</u>	<u>County Clerk Registry</u>	<u>District Clerk Registry</u>	<u>Inmate Deposits</u>	<u>Children's Protective Services - Escrow</u>	<u>Dickinson Bayou Steering Committee</u>	<u>Total Custodial Funds</u>
<b>ADDITIONS</b>							
Contributions from Judgments	\$ -	\$ 27,802,992	\$ 4,380,684	\$ -	\$ -	\$ -	\$ 32,183,676
Fines and Fees Collected	-	-	-	-	-	120	120
Deposits Held	-	-	-	6,221,577	-	-	15,471,889
Taxes Collected on Behalf of Taxing Entities	890,902,666	-	-	-	-	-	890,902,666
<b>Total Additions</b>	<b><u>\$ 890,902,666</u></b>	<b><u>\$ 27,802,992</u></b>	<b><u>\$ 4,380,684</u></b>	<b><u>\$ 6,221,577</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 120</u></b>	<b><u>\$ 938,558,351</u></b>
<b>DEDUCTIONS</b>							
Deposits Returned	\$ -	\$ -	\$ -	\$ 6,217,069	\$ -	\$ 21	\$ 12,739,357
Disbursements to Beneficiaries	-	23,904,474	3,715,138	-	-	-	27,619,612
Taxes Disbursed to Taxing Entities	890,902,666	-	-	-	-	-	890,902,666
<b>Total Deductions</b>	<b><u>890,902,666</u></b>	<b><u>23,904,474</u></b>	<b><u>3,715,138</u></b>	<b><u>6,217,069</u></b>	<b><u>-</u></b>	<b><u>21</u></b>	<b><u>931,261,635</u></b>
<b>Net Increase (Decrease) in Fiduciary Net Position</b>	<b>-</b>	<b>3,898,518</b>	<b>665,546</b>	<b>4,508</b>	<b>-</b>	<b>99</b>	<b>7,296,716</b>
<b>Net Position - Beginning</b>	<b>-</b>	<b>9,142,272</b>	<b>6,143,688</b>	<b>203,937</b>	<b>10,223</b>	<b>61,188</b>	<b>17,331,126</b>
<b>Net Position - Ending</b>	<b><u>\$ -</u></b>	<b><u>\$ 13,040,790</u></b>	<b><u>\$ 6,809,234</u></b>	<b><u>\$ 208,445</u></b>	<b><u>\$ 10,223</u></b>	<b><u>\$ 61,287</u></b>	<b><u>\$ 24,627,842</u></b>

# Statistical Section

**T**he Statistical Section provides financial statement users with additional historical perspective, context and detail to assist in using the information in the financial statements, including the accompanying notes, and required supplementary information to understand and assess the county's economic condition. Information is presented in the following five categories:

1. Financial trends information
2. Revenue capacity information
3. Debt capacity information
4. Demographic and economic information
5. Operating information

## Statistical Section

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

<b>Contents</b>	<b>Section</b>
<u>Financial Trends</u>	1
<i>Financial trends information is intended to assist readers in understanding and assessing how the county's financial position has changed over time.</i>	
Table 1.1 - Net Position by Component	
Table 1.2 - Changes in Net Position	
Table 1.3 - Fund Balances, Governmental Funds	
Table 1.4 - Changes in Fund Balances, Governmental Funds	
<u>Revenue Capacity</u>	2
<i>Revenue capacity information is intended to assist readers in understanding and assessing the factors affecting the county's ability to generate its own source revenues.</i>	
Table 2.1 - Estimated Market Value and Assessed Taxable Value of Property	
Table 2.2 - Property Tax Rates – Direct and All Overlapping Governments	
Table 2.3 - Principal Taxpayers	
Table 2.4 - Property Tax Levies and Collections	
Table 2.5 - Governmental Activities Tax Revenue by Source	
<u>Debt Capacity</u>	3
<i>Debt capacity information is intended to assist readers in understanding and assessing the county's debt burden and its ability to issue additional debt in the future.</i>	
Table 3.1 - Ratio of Outstanding Debt by Type	
Table 3.2 - Ratio of General Bonded Debt Outstanding	
Table 3.3 - Computation of Direct and Overlapping Bonded Debt	
Table 3.4 - Legal Debt Margin Information	
<u>Demographic and Economic Information</u>	4
<i>Demographic and economic information is intended to assist readers in understanding the socioeconomic environment within which the county operates and to provide information to facilitate comparisons of financial statement information.</i>	
Table 4.1 - Demographic and Economic Statistics	
Table 4.2 - Principal Employers	
<u>Operating Information</u>	5
<i>Operating information is intended to provide statistical information about the county's operations and resources to assist readers in using financial statement information.</i>	
Table 5.1 - County Employees by Function	
Table 5.2 - Operating Indicators by Function	
Table 5.3 - Capital Asset Statistics by Function	

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

# Financial Trends

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**GALVESTON COUNTY, TEXAS**  
**TABLE 1.1 - NET POSITION BY COMPONENT**  
**LAST TEN FISCAL YEARS**  
**(accrual basis of accounting)**  
**(amounts expressed in thousands)**

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Net Position - Governmental Activities										
Net Investment In Capital Assets	\$ 230,036	\$ 208,482	\$ 194,625	\$ 176,527	\$ 146,932	\$ 144,612	\$ 144,736	\$ 154,623	\$ 137,224	\$ 130,815
Restricted for:										
Statute - Regulation	31,451	49,160	24,175	34,178	30,361	18,658	17,455	16,442	17,157	13,311
Grants	4,302	-	-	-	-	706	2,123	3,015	5,601	5,069
Debt Service	3,857	3,264	6,036	5,935	6,897	8,463	6,239	6,801	5,810	10,198
Other Projects	46,443	-	-	-	-	7,260	4,806	3,349	793	3,327
Pension	5,991	-	-	-	-	-	-	-	-	-
OPEB - Retiree Life Reserve	9,961	8,387	3,860	-	-	-	-	-	-	-
Unrestricted	<u>(133,185)</u>	<u>(106,347)</u>	<u>(83,014)</u>	<u>(82,812)</u>	<u>(94,187)</u>	<u>(236,078)</u>	<u>(222,026)</u>	<u>(221,424)</u>	<u>(90,768)</u>	<u>(94,174)</u>
Total Net Position-Governmental Activities (1)	<u>\$ 198,856</u>	<u>\$ 162,946</u>	<u>\$ 145,681</u>	<u>\$ 133,828</u>	<u>\$ 90,002</u>	<u>\$ (56,378)</u>	<u>\$ (46,667)</u>	<u>\$ (37,194)</u>	<u>\$ 75,817</u>	<u>\$ 68,546</u>

(1) Columns may not foot due to rounding.

(Continued)

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
<b>Expenses</b>										
<b>Governmental Activities:</b>										
General Government	\$ 57,417	\$ 54,283	\$ 60,206	\$ 54,231	\$ 51,191	\$ 54,282	\$ 80,602	\$ 74,555	\$ 74,200	\$ 73,577
Judicial	26,928	26,925	26,570	25,242	27,831	26,562	-	-	-	-
Public Safety	89,675	86,669	93,049	78,226	88,427	89,303	83,274	76,056	77,594	68,332
Health and Social Services	19,386	19,270	19,787	21,455	20,115	18,144	17,238	17,038	17,025	15,875
Culture and Recreation	5,435	8,105	7,628	7,120	7,100	6,990	7,019	6,813	6,306	5,344
Conservation	632	553	621	690	734	1,019	802	719	732	429
Roads, Bridges and Rights-of-Way	14,362	19,404	20,906	17,076	18,389	17,688	15,545	9,318	8,014	15,645
Interest on Long-term Debt	6,391	7,246	8,187	9,184	10,342	11,715	13,654	8,947	13,482	15,060
<b>Total Governmental Activities Expenses (1)</b>	<b>220,225</b>	<b>222,455</b>	<b>236,953</b>	<b>213,223</b>	<b>224,128</b>	<b>225,703</b>	<b>218,134</b>	<b>193,447</b>	<b>197,353</b>	<b>194,261</b>
<b>Program Revenues</b>										
<b>Governmental Activities:</b>										
<b>Charges for Services:</b>										
General Government	9,065	10,765	11,554	12,112	12,922	11,160	14,888	14,819	12,946	14,393
Judicial	4,598	4,026	4,030	3,812	3,367	2,916	-	-	-	-
Public Safety	1,522	11,038	9,417	11,760	7,560	8,910	8,454	9,229	3,701	2,174
Health and Social Services	5	1	12	3	54	-	4	1	32	7
Culture and Recreation	1,071	980	1,151	1,196	995	976	981	1,053	920	841
Roads, Bridges and Rights-of-Way	265	616	609	838	647	606	626	637	604	594
Operating Grants and Contributions	60,092	33,255	52,305	66,377	29,843	32,428	30,190	29,892	42,412	57,227
<b>Total Governmental Activities Program Revenues (1)</b>	<b>76,618</b>	<b>60,681</b>	<b>79,079</b>	<b>96,098</b>	<b>55,388</b>	<b>56,996</b>	<b>55,142</b>	<b>55,631</b>	<b>60,615</b>	<b>75,236</b>
<b>Net (Expense) Revenue-Governmental Activities</b>	<b>(143,606)</b>	<b>(161,774)</b>	<b>(157,874)</b>	<b>(117,125)</b>	<b>(168,740)</b>	<b>(168,707)</b>	<b>(162,992)</b>	<b>(137,815)</b>	<b>(136,738)</b>	<b>(119,025)</b>
<b>Total Primary Government Net Expense</b>	<b>\$ (143,606)</b>	<b>\$ (161,774)</b>	<b>\$ (157,874)</b>	<b>\$ (117,125)</b>	<b>\$ (168,740)</b>	<b>\$ (168,707)</b>	<b>\$ (162,992)</b>	<b>\$ (137,815)</b>	<b>\$ (136,738)</b>	<b>\$ (119,025)</b>

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

	<b>2025</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes	165,038	166,334	158,026	153,848	156,181	152,991	146,335	148,073	141,341	133,944
Payments in Lieu of Taxes	2,100	3,241	2,051	862	1,737	1,131	1,540	1,101	846	744
Unrestricted Investment Earnings	8,656	9,120	9,113	1,798	1,730	4,480	5,251	2,290	842	796
Gain on Sale of Capital Assets	1,519	-	273	77	178	158	186	100	109	6
Miscellaneous	2,204	345	106	163	61	235	208	338	775	366
Special Item - Change in RHP Benefit Terms	-	-	-	-	154,233	-	-	-	-	-
Extraordinary Item - Insurance Advance for Remediation of Damage	-	-	-	-	1,000	-	-	-	-	-
Extraordinary Item - Insurance Proceeds for Damage Remediation/Restoration	-	-	159	4,203	-	-	-	-	-	-
Total Governmental Activities (1)	<u>179,517</u>	<u>179,039</u>	<u>169,728</u>	<u>160,951</u>	<u>315,121</u>	<u>158,995</u>	<u>153,520</u>	<u>151,902</u>	<u>143,913</u>	<u>135,856</u>
Change in Net Position-Governmental Activities (1)	<u>\$ 35,910</u>	<u>\$ 17,265</u>	<u>\$ 11,853</u>	<u>\$ 43,825</u>	<u>\$ 146,381</u>	<u>\$ (9,712)</u>	<u>\$ (9,472)</u>	<u>\$ 14,087</u>	<u>\$ 7,175</u>	<u>\$ 16,831</u>

(1) Columns may not foot due to rounding.

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**GALVESTON COUNTY, TEXAS**  
**TABLE 1.3 - FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(modified accrual basis of accounting)**  
**(amounts expressed in thousands)**

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
<i>General Fund</i>										
Non-spendable:										
Inventory	\$ 9	\$ 3	\$ 14	\$ 17	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Prepaid Items	86	-	-	2	14	8	7	6	8	88
Restricted										
Assigned:										
Beach and Parks	12	12	12	12	12	12	12	12	12	12
Self-insurance	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
Contingent Liability	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Disaster Protection	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
Adopted Budget Utilization of Fund										
Balance	-	-	-	-	-	-	-	25,475	24,750	24,835
Unassigned	60,522	62,750	69,051	72,623	82,867	77,892	86,011	61,575	51,622	38,733
<b>Total General Fund (1)</b>	<b>\$ 65,629</b>	<b>\$ 67,765</b>	<b>\$ 74,077</b>	<b>\$ 77,655</b>	<b>\$ 87,893</b>	<b>\$ 82,912</b>	<b>\$ 91,029</b>	<b>\$ 92,068</b>	<b>\$ 81,392</b>	<b>\$ 68,668</b>
<i>All Other Governmental Funds</i>										
Non-spendable:										
Inventory	\$ 1,321	\$ 1,201	\$ 1,220	\$ 888	\$ 1,093	\$ 1,120	\$ 867	\$ 916	\$ 843	\$ 673
Prepaid Items	-	-	-	13	2	-	-	-	-	-
Restricted:										
General Government	3,601	3,189	5,782	2,458	5,046	14,092	16,684	7,892	6,739	7,450
Judicial	2,608	1,964	1,374	1,429	2,532	2,492	-	-	-	-
Public Safety	17,713	10,521	9,041	7,212	11,142	12,939	8,396	6,269	7,774	6,721
Health and Social Services	5,246	4,704	3,296	3,588	4,276	4,689	191	297	291	443
Culture and Recreation	2,870	2,594	2,488	2,063	3,060	2,725	5,078	4,000	4,048	3,480
Roads, Bridges and Rights-of-Way	10,450	36,122	39,104	26,656	48,389	43,264	67,565	35,972	20,787	3,234
Debt Service	6,009	4,256	7,655	7,328	8,250	9,798	7,584	8,151	7,178	11,574
County Building Projects	34,902	16,960	25,629	53,617	24,737	25,591	14,953	31,889	831	19,778
Assigned:										
Other Construction Projects	3,711	8,137	6,599	7,681	3,045	2,986	3,059	4,020	5,957	5,764
Unassigned	(1,399)	(4,241)	(11,102)	(13,505)	(6,694)	-	(2)	(89)	-	-
<b>Total All Other Governmental Funds (1)</b>	<b>\$ 87,032</b>	<b>\$ 85,407</b>	<b>\$ 91,086</b>	<b>\$ 99,430</b>	<b>\$ 104,878</b>	<b>\$ 119,696</b>	<b>\$ 124,375</b>	<b>\$ 99,317</b>	<b>\$ 54,448</b>	<b>\$ 59,117</b>

(1) Columns may not foot due to rounding.

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

REVENUES	2025	2024	2023	2022	2021
Taxes	\$ 167,163	\$ 162,143	\$ 158,476	\$ 154,402	\$ 155,824
Licenses and Permits	3,099	2,996	3,174	3,197	3,234
Intergovernmental	62,192	48,639	60,552	71,150	30,423
Charges for Services	11,481	10,863	11,935	12,357	12,217
Fines and Forfeitures	1,715	1,284	1,477	1,704	1,391
Investment Earnings	8,529	8,920	8,810	1,750	1,641
Miscellaneous	2,204	6,316	4,287	5,660	6,251
Total Revenues (1)	<u>256,382</u>	<u>241,161</u>	<u>248,711</u>	<u>250,218</u>	<u>210,982</u>
<b>EXPENDITURES</b>					
Current:					
General Government	48,732	50,778	54,036	51,331	43,265
Judicial	27,932	27,669	25,922	25,418	23,974
Public Safety	87,424	81,800	83,732	71,988	69,214
Health and Social Services	19,301	18,268	18,795	19,048	18,833
Culture and Recreation	3,700	4,205	3,724	3,544	3,379
Conservation	531	464	495	574	525
Roads, Bridges and Rights-of-Way	12,870	18,356	18,566	14,878	15,697
Debt Service:					
Principal	17,437	19,437	17,791	20,471	19,186
Interest and Fiscal Charges	12,061	12,553	12,986	13,533	14,099
Bond Issuance Costs	-	-	-	-	-
Capital Outlay	37,138	20,197	25,378	49,155	11,130
Total Expenditures (1)	<u>267,126</u>	<u>253,727</u>	<u>261,426</u>	<u>269,941</u>	<u>219,302</u>
Excess (Deficiency) of Revenues over (under) Expenditures (1)	<u>(10,743)</u>	<u>(12,567)</u>	<u>(12,716)</u>	<u>(19,723)</u>	<u>(8,320)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	2,497	12,874	3,500	15,368	4,432
Transfers Out	(2,497)	(14,888)	(3,170)	(15,676)	(7,207)
Issuance of Subscription-based IT Arrangement	5,989	140	-	-	-
Issuance of Lease Agreement	416	2,444	-	-	-
Sale of Capital Assets	3,827	-	312	145	257
Face Value - Long Term Debt Issued	-	-	-	-	-
Premium - Long Term Debt Issued	-	-	-	-	-
Refunded Bonds - Escrow Agent Payments	-	-	-	-	-
Total Other Financing Sources (Uses) (1)	<u>10,232</u>	<u>569</u>	<u>642</u>	<u>(163)</u>	<u>(2,518)</u>
Extraordinary Item - Insurance Advance for Remediation of Damage	-	-	-	-	1,000
Extraordinary Item - Insurance Proceeds for Damage Remediation/Restoration	-	-	159	4,203	-
Net Change in Fund Balances (1)	<u>\$ (511)</u>	<u>\$ (11,998)</u>	<u>\$ (11,915)</u>	<u>\$ (15,684)</u>	<u>\$ (9,838)</u>
<b>Debt Service as a Percentage of</b>					
Noncapital Expenditures	12.8%	13.7%	13.0%	15.4%	16.0%
Non Capital Expenditures	<u>229,987</u>	<u>233,530</u>	<u>236,049</u>	<u>220,786</u>	<u>208,173</u>

(1) Columns may not foot due to rounding.

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

	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
\$	153,763	\$ 145,968	\$ 147,646	\$ 141,092	\$ 133,954
	3,008	3,154	3,052	2,741	2,869
	31,456	29,386	28,904	40,687	54,616
	10,219	10,904	10,951	10,797	11,378
	1,440	1,565	1,626	1,997	2,152
	4,263	4,993	2,202	813	797
	<u>12,119</u>	<u>12,323</u>	<u>10,246</u>	<u>4,837</u>	<u>4,784</u>
	<u>216,268</u>	<u>208,294</u>	<u>204,629</u>	<u>202,962</u>	<u>210,550</u>
	46,486	69,710	67,719	60,385	68,720
	23,215	-	-	-	-
	71,325	64,679	60,616	61,972	59,802
	16,854	15,891	15,759	15,724	14,916
	3,300	3,375	3,315	3,142	2,901
	515	632	556	530	486
	14,835	12,523	6,692	5,148	13,086
	18,644	18,040	17,532	17,767	20,960
	15,115	13,811	12,529	14,088	10,806
	-	361	944	524	-
	<u>12,492</u>	<u>16,408</u>	<u>10,665</u>	<u>15,667</u>	<u>17,881</u>
	<u>222,781</u>	<u>215,431</u>	<u>196,327</u>	<u>194,947</u>	<u>209,559</u>
	<u>(6,513)</u>	<u>(7,137)</u>	<u>8,302</u>	<u>8,015</u>	<u>991</u>
	6,417	40,515	51,066	3,770	2,560
	(13,042)	(43,008)	(51,920)	(4,709)	(2,714)
	-	-	-	-	-
	-	-	-	-	-
	342	280	132	266	117
	-	30,280	102,105	62,835	-
	-	3,090	10,594	9,812	-
	-	-	(64,743)	(72,020)	-
	<u>(6,283)</u>	<u>31,157</u>	<u>47,234</u>	<u>(47)</u>	<u>(38)</u>
	-	-	-	-	-
	-	-	-	-	-
\$	<u>(12,796)</u>	<u>\$ 24,019</u>	<u>\$ 55,535</u>	<u>\$ 7,968</u>	<u>\$ 953</u>
	16.1%	16.0%	16.2%	17.8%	16.6%
	<u>210,289</u>	<u>199,023</u>	<u>185,662</u>	<u>179,279</u>	<u>191,678</u>

# Revenue Capacity

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

Fiscal Year	Real Property			Personal Property	Utilities Pipelines, and Boats	Total	Tax Rate (2)
	Residential Property	Commercial and Industrial Property	Other Property				
2025	\$ 54,802,396	\$ 9,451,576	\$ 1,392,340	\$ 3,284,346	\$ 1,208,395	\$ 70,139,053	\$ 0.3335
2024	53,937,326	9,453,769	1,072,480	2,680,940	1,154,275	68,298,790	0.3419
2023	42,815,358	7,566,892	610,217	2,749,427	1,002,389	54,744,283	0.3760
2022	37,551,656	6,583,559	517,667	2,107,864	900,233	47,660,979	0.4245
2021	32,237,661	5,920,253	513,203	2,269,632	832,198	41,772,947	0.4759
2020	28,581,990	5,213,542	467,360	2,191,220	820,098	37,274,210	0.5161
2019	26,266,154	4,926,685	466,744	2,226,765	743,801	34,630,149	0.5319
2018	26,031,016	4,702,538	484,333	2,045,337	754,142	34,017,366	0.5519
2017	23,397,810	4,873,131	464,472	1,973,315	691,739	31,400,467	0.5520
2016	21,478,627	4,953,958	487,918	2,333,462	645,749	29,899,714	0.5670

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

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

(Continued)

Taxing Jurisdiction	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
<b><u>Galveston County Direct Rates</u></b>										
Maintenance & Operations	\$ 0.280030	\$ 0.286820	\$ 0.309736	\$ 0.342598	\$ 0.386228	\$ 0.407396	\$ 0.441888	\$ 0.459075	\$ 0.464209	\$ 0.464731
Debt Service	0.053430	0.047327	0.036128	0.049087	0.053537	0.065516	0.061696	0.061023	0.057963	0.068392
Special Road Levy	-	-	0.021723	0.023255	0.025363	0.031484	0.026247	0.026049	0.024076	0.028124
Farm to Market Lateral Road/Flood	0.000040	0.007753	0.008443	0.009560	0.010772	0.011741	0.002067	0.005753	0.005753	0.005757
Total Direct Rate	\$ 0.333500	\$ 0.341900	\$ 0.376030	\$ 0.424500	\$ 0.475900	\$ 0.516137	\$ 0.531898	\$ 0.551900	\$ 0.552000	\$ 0.567004
<b><u>Cities</u></b>										
Galveston	0.408850	0.408850	0.444500	0.498500	0.560000	0.579885	0.561000	0.561000	0.526000	0.529000
Friendswood	0.514172	0.500728	0.487314	0.487314	0.487314	0.521439	0.532391	0.527349	0.546000	0.568700
Hitchcock	0.540000	0.495000	0.500000	0.530000	0.550131	0.585000	0.500000	0.500000	0.413202	0.413202
Jamaica Beach	0.145748	0.139594	0.165613	0.170497	0.186181	0.193253	0.197135	0.193754	0.198590	0.225678
La Marque	0.398501	0.418058	0.461628	0.550764	0.550764	0.550764	0.490764	0.490764	0.490764	0.490764
League City	0.369000	0.395000	0.415526	0.465526	0.515000	0.548581	0.563800	0.565000	0.570000	0.573500
Texas City	0.488635	0.490000	0.490000	0.490000	0.510000	0.540000	0.550000	0.577179	0.497183	0.449210
Tiki Island	0.415276	0.435746	0.472668	0.276883	0.319150	0.319150	0.319150	0.319150	0.333170	0.282210
Bayou Vista	0.422273	0.422273	0.392485	0.382485	0.378100	0.385000	0.385000	0.385000	0.385000	0.355000
Dickinson	0.368200	0.366870	0.388139	0.404583	0.471819	0.443830	0.455000	0.408610	0.408610	0.408610
Kemah	0.199900	0.185560	0.179300	0.179300	0.179300	0.202838	0.202838	0.193000	0.219214	0.254011
Santa Fe	0.246097	0.238600	0.238602	0.265515	0.294043	0.326200	0.326200	0.326200	0.326200	0.345000
<b><u>School and Junior College Districts</u></b>										
Galveston	0.844900	0.847500	1.035000	0.963200	1.026400	1.085000	1.155000	1.155000	1.155000	1.155000
Friendswood	1.040000	1.080000	1.209400	1.239400	1.259400	1.259400	1.367000	1.367000	1.387000	1.367000
Hitchcock	1.066900	1.069200	1.204600	1.072000	1.136400	1.380000	1.520000	1.520000	1.540000	1.540000
La Marque (3)	Dissolved	Dissolved	Dissolved	Dissolved	Dissolved	Dissolved	Dissolved	Dissolved	Dissolved	1.220000
Texas City	1.100500	1.164200	1.311300	1.351300	1.360700	1.413250	1.514900	1.434900	1.440500	1.429800
Clear Creek	0.969000	0.974600	1.114600	1.179700	1.265900	1.310000	1.400000	1.400000	1.400000	1.400000
Dickinson	1.136000	1.178000	1.294000	1.312000	1.344000	1.450000	1.520000	1.520000	1.540000	1.540000
High Island	1.236900	1.207600	1.224600	1.053440	1.074620	1.218400	1.320000	1.270000	1.320000	1.270000
Santa Fe	1.141400	1.100300	1.216900	1.234300	1.281600	1.332300	1.402300	1.402300	1.402300	1.416700
College of the Mainland	0.267100	0.268500	0.267620	0.267700	0.241963	0.204254	0.212755	0.216791	0.208376	0.202307
Galveston College	0.119500	0.124000	0.132000	0.146188	0.159188	0.171188	0.175190	0.166188	0.170250	0.178750

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

(Continued)

Taxing Jurisdiction	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
<b><u>Special Districts</u></b>										
Bacliff MUD	0.227800	0.172600	0.195100	0.230000	0.269991	0.297621	0.331174	0.331174	0.376890	0.401964
Bayview MUD	0.385800	0.395500	0.323000	0.350600	0.384700	0.450000	0.150000	0.150000	0.150000	0.234700
South Shore MUD #6	Dissolved	Dissolved	Dissolved	Dissolved	Dissolved	Dissolved	Dissolved	Dissolved	Dissolved	Dissolved
South Shore Harbour MUD#7	0.390000	0.411200	0.378850	0.382400	0.383000	0.380000	0.390000	0.390000	0.450000	0.490000
Tara Glen MUD	Dissolved	Dissolved	Dissolved	Dissolved	0.240000	0.430000	0.490000	0.550000	0.560000	0.570000
Flamingo Isles MUD	0.660000	0.566000	0.566000	0.573000	0.580000	0.570000	0.570000	0.570000	0.580000	0.580000
Bay Colony West MUD	0.890000	0.900000	0.930000	0.980000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000
GC Fresh Water Supply District #6	0.170129	0.172010	0.184903	0.170805	0.196752	0.203530	0.215354	0.215791	0.222002	0.235237
Galveston County Consolidated Drainage Dist.	0.112000	0.118620	0.129800	0.132000	0.113100	0.112200	0.108000	0.108000	0.112000	0.115000
Galveston County EMS District #1	0.084730	0.082716	0.084377	0.084605	0.086207	0.092500	0.085000	0.082000	0.084000	0.850000
Galveston County EMS District #2	0.058024	0.058175	0.068264	0.076387	0.082981	0.083741	0.083741	0.084000	0.078877	0.085000
Galveston County Management District #1	0.950000	0.950000	0.950000	0.950000	0.950000	0.950000	0.950000	0.900000	0.800000	0.800000
Galveston County MUD #2	Dissolved	Dissolved	Dissolved	Dissolved	Dissolved	Dissolved	Dissolved	Dissolved	Dissolved	Dissolved
Galveston County MUD #3	Dissolved	Dissolved	Dissolved	Dissolved	Dissolved	Dissolved	Dissolved	Dissolved	Dissolved	Dissolved
Galveston County MUD #6	0.103800	0.110000	0.120000	0.197000	0.210000	0.230000	0.250000	0.420000	0.460000	0.460000
Galveston County MUD #12	0.200090	0.200090	0.203604	0.209035	0.213237	0.223047	0.239511	0.239511	0.246319	0.244265
Galveston County MUD #13	Dissolved	Dissolved	Dissolved	Dissolved	Dissolved	Dissolved	Dissolved	Dissolved	0.295000	0.360000
Galveston County MUD #14	0.248000	0.360000	0.395000	0.420000	0.540000	0.590000	0.680000	0.690000	0.690000	0.710000
Galveston County MUD #15	Dissolved	Dissolved	Dissolved	0.315000	0.430000	0.460000	0.510000	0.570000	0.580000	0.660000
Galveston County MUD #30	0.140000	0.150000	0.165000	0.180000	0.220000	0.240000	0.250000	0.250000	0.270000	0.330000
Galveston County MUD #31	0.800000	0.800000	0.820000	0.820000	0.860000	0.880000	0.900000	0.920000	0.920000	0.940000
Galveston County MUD #32	0.650000	0.660000	0.750000	0.750000	0.750000	0.750000	0.750000	0.750000	0.750000	0.750000
Galveston County MUD #35	1.150000	-	-	-	-	-	-	-	-	-
Galveston County MUD #36	1.150000	1.150000	1.000000	1.000000	1.000000	-	-	-	-	-
Galveston County MUD #39	0.380000	0.405000	0.450000	0.500000	0.530000	0.570000	0.610000	0.620000	0.680000	0.800000

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

Taxing Jurisdiction	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
<b>Special Districts (Continued)</b>										
Galveston County MUD #43	0.450000	0.500000	0.570000	0.600000	0.650000	0.730000	0.730000	0.770000	0.960000	1.000000
Galveston County MUD #44	0.550000	0.650000	0.750000	0.760000	0.780000	0.800000	0.800000	0.800000	0.800000	0.800000
Galveston County MUD #45	0.730000	0.760000	0.800000	0.830000	0.850000	0.900000	0.930000	0.950000	1.000000	1.000000
Galveston County MUD #46	0.565000	0.600000	0.670000	0.730000	0.790000	0.850000	0.870000	0.930000	0.970000	0.980000
Galveston County MUD #52	1.390000	1.330000	1.340000	1.390000	1.440000	1.470000	1.500000	1.500000	1.500000	1.500000
Galveston County MUD #53	1.000000	1.000000	-	-	-	-	-	-	-	-
Galveston County MUD #54	0.540000	0.540000	0.540000	0.540000	0.540000	0.540000	0.540000	0.540000	0.540000	0.540000
Galveston County MUD #56	0.940000	0.940000	0.955000	0.980000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000
Galveston County MUD #57	0.900000	0.900000	0.900000	-	-	-	-	-	-	-
Galveston County MUD #59	0.980000	0.980000	0.980000	0.850000	0.850000	0.850000	-	-	-	-
Galveston County MUD #66	0.900000	0.920000	0.940000	0.950000	0.965000	0.980600	1.000000	1.000000	1.000000	1.000000
Galveston County MUD #68	0.864000	0.864000	0.864000	0.864000	0.864000	0.870000	0.915000	0.915000	0.915000	0.950000
Galveston County MUD #73	1.000000	1.000000	1.000000	1.000000	-	-	-	-	-	-
Galveston County MUD #76	0.930000	0.930000	0.930000	0.930000	0.930000	0.930000	-	-	-	-
Galveston County MUD #79	1.000000	1.000000	1.000000	1.000000	-	-	-	-	-	-
Galveston County MUD #82	1.150000	-	-	-	-	-	-	-	-	-
Galveston County Navigation District #1	0.023932	0.025419	0.028357	0.033835	0.040485	0.044389	0.042922	0.040474	0.041673	0.452920
Kemah Management District #1	1.000000	1.000000	-	-	-	-	-	-	-	-
West Ranch Management District #1	0.220000	0.245000	0.300000	0.330000	0.430000	0.450000	0.450000	0.500000	0.550000	0.650000
Westwood Management District	0.960000	0.970000	0.990000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000
Water Control Improvement Dist. #1	0.256991	0.256991	0.135681	0.112606	0.116554	0.121479	0.128011	0.124608	0.168300	0.200500
Water Control Improvement Dist. #8	0.282262	0.299782	0.283541	0.292891	0.297520	0.294700	0.291300	0.270000	0.248500	0.263800
Water Control Improvement Dist. #12	0.181200	0.193300	0.214800	0.229900	0.249380	0.260000	0.260000	0.260000	0.260000	0.280000
Water Control Improvement Dist. #19	0.429441	0.450000	0.401618	0.444187	0.464000	0.464000	0.480000	0.479576	0.489378	0.489378
San Leon MUD	0.462900	0.471000	0.476000	0.516800	0.560000	0.630000	0.450000	0.450000	0.450000	0.450000
Drainage District #1	0.066500	0.066750	0.069000	0.077000	0.082000	0.860000	0.087000	0.089000	0.100000	0.110000
Drainage District #2	0.044140	0.044553	0.046088	0.048552	0.050245	0.552310	0.056400	0.056400	0.063021	0.063021

(1) Source: Galveston Central Appraisal District; Public Data; Taxing Units.

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

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

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

Taxpayer	2025			2016		
	Taxable Assessed Value	Rank	% of Total Taxable Assessed Value	Taxable Assessed Value	Rank	% of Total Taxable Assessed Value
Blanchard Refining Company, LLC	\$ 1,708,210	1	2.44%	\$ 1,152,354	1	3.85%
Valero Refining-Texas LP	438,856	2	0.63%	615,880	2	2.06%
Texas-New Mexico Power Company	342,373	3	0.49%	145,785	6	0.49%
Centerpoint Energy, Inc	183,300	4	0.26%	97,269	8	0.33%
Linde Inc	140,142	5	0.20%	-	-	-
Union Carbide Corp (Property)	138,138	6	0.20%	219,121	3	0.73%
Ineos US Chemicals Company	114,515	7	0.16%	-	-	-
Fertitta Hospitality Inc	104,825	8	0.15%	-	-	-
Union Carbide Corp (Plant Inventory)	98,621	9	0.14%	-	-	-
Galveston Outlets LLC	83,864	10	0.12%	87,604	9	0.29%
Praxair Inc	-	-	-	211,265	4	0.71%
Marathon Petroleum Company LLC	-	-	-	192,058	5	0.64%
BP Amoco Chemical Company	-	-	-	139,603	7	0.47%
South Houston Green Power, LP	-	-	-	81,283	10	0.27%
Totals	<u>\$ 3,352,844</u>		<u>4.79%</u>	<u>\$ 2,942,222</u>		<u>9.84%</u>

(1) Source: Galveston Central Appraisal District Top Taxpayer Report.  
Report shows only top ten (10) taxpayers for tax year 2024. Total assessed value = \$70,139,053.

**GALVESTON COUNTY, TEXAS**  
**TABLE 2.4 - PROPERTY TAX LEVIES AND COLLECTIONS (1)**  
**LAST TEN FISCAL YEARS**  
**(amounts expressed in thousands)**

Fiscal Year	Total Adjusted Tax Levy	Collected Within the Fiscal Year of the Levy		Collected in Subsequent Years (3)	Total Collected to Date	
		Amount (2)	Percentage of Levy		Amount (4)(5)	Percentage of Levy
2025	\$ 168,969	\$ 166,452	98.51%	\$ -	\$ 166,452	98.51%
2024	163,406	161,701	98.96%	608	162,309	99.33%
2023	158,307	157,204	99.30%	473	157,677	99.60%
2022	156,172	154,463	98.91%	1,226	155,688	99.69%
2021	154,380	153,881	99.68%	105	153,985	99.74%
2020	153,083	151,764	99.14%	962	152,726	99.77%
2019	147,546	145,750	98.78%	1,465	147,216	99.78%
2018	148,755	146,867	98.73%	1,630	148,497	99.83%
2017	140,396	138,501	98.65%	1,674	140,176	99.84%
2016	135,766	134,108	98.78%	1,458	135,566	99.85%

- (1) Source: Galveston County Tax Assessor-Collector.
- (2) Collected from October 1 through September 30.
- (3) Fiscal Years 2020 and 2021 collections include large refunds paid out per a Fiscal Year 2022 lawsuit settlement.
- (4) Collection amounts include overpayments which may be, or have been, refunded to taxpayers.
- (5) May not foot due to rounding.

**GALVESTON COUNTY, TEXAS**  
**TABLE 2.5 - GOVERNMENTAL ACTIVITIES TAX REVENUE BY SOURCE**  
**LAST TEN FISCAL YEARS**  
**(accrual basis of accounting)**  
**(amounts expressed in thousands)**

<b>Fiscal Year</b>	<b>Property Tax (General Purposes)</b>	<b>Property Tax (Debt Service)</b>	<b>Total</b>
2025	\$ 137,969	\$ 27,070	\$ 165,038
2024	143,011	23,323	166,334
2023	133,447	24,579	158,026
2022	131,821	24,360	156,181
2021	123,765	29,227	152,992
2020	121,727	24,608	146,335
2019	124,326	23,747	148,073
2018	120,285	21,056	141,341
2017	110,591	23,353	133,944
2016	103,736	24,797	128,533

# Debt Capacity

**GALVESTON COUNTY, TEXAS**  
**TABLE 3.1 - RATIO OF OUTSTANDING DEBT BY TYPE**  
**LAST TEN FISCAL YEARS**  
**(amounts expressed in thousands, except per capita amount)**

Fiscal Year	Governmental Activities			Total	Percentage of Personal Income	Per Capita
	Leases (1)	Subscriptions (2)	General Obligation Bonds			
2025	\$ 1,144	\$ 6,209	\$ 159,606	\$ 166,959	10.11%	\$ 454
2024	1,200	1,209	181,568	183,977	11.53%	509
2023	1,690	1,949	203,116	204,806	13.46%	573
2022	2,729	-	224,931	249,985	18.76%	704
2021	-	-	249,985	274,009	21.22%	781
2020	-	-	274,009	297,022	24.49%	868
2019	-	-	297,023	283,313	24.76%	838
2018	-	-	283,313	254,353	23.18%	759
2017	-	-	254,353	270,900	26.04%	822
2016	-	-	270,900	287,665	28.77%	893

(1) Due to the implementation of GASB Statement 87, the county reports liabilities for right-to-use leases beginning in FY2022.

(2) Due to the implementation of GASB Statement 96, the county reports liabilities for right-to-use subscriptions beginning in FY2023.

**GALVESTON COUNTY, TEXAS**  
**TABLE 3.2 - RATIO OF NET GENERAL OBLIGATION BONDED DEBT**  
**TO ASSESSED VALUE AND NET GENERAL OBLIGATION BONDED DEBT PER CAPITA**  
**LAST TEN FISCAL YEARS**  
**(amounts expressed in thousands, except per capita amount)**

<b>Fiscal Year</b>	<b>Population (1)</b>	<b>Assessed Value</b>	<b>Original-Issue Bonded Debt (2)</b>	<b>Refunding Bonded Debt (2)</b>	<b>Issuance Premiums/ (Discounts)</b>	<b>Total Bonded Debt (2)</b>	<b>Less: Net Position Restricted for Debt Service</b>	<b>Net Bonded Debt</b>	<b>Ratio of Net Bonded Debt to Assessed Value</b>	<b>Net Bonded Debt Per Capita</b>
2025	367,407	\$ 70,139,053	\$ 79,281	\$ 69,254	\$ 11,071	\$ 159,606	\$ 577	\$ 159,029	0.23%	\$ 433
2024	361,744	68,298,790	91,282	77,677	12,609	181,568	3,264	178,304	0.26%	493
2023	357,117	54,744,283	102,558	86,247	14,311	203,116	6,036	197,080	0.36%	552
2022	355,062	47,660,979	113,635	94,980	16,316	224,931	5,935	218,996	0.46%	617
2021	350,682	41,772,947	124,056	107,581	18,348	249,985	6,896	243,089	0.58%	693
2020	342,139	37,274,210	133,865	119,765	20,379	274,009	8,463	265,546	0.71%	776
2019	337,890	34,630,149	141,295	133,317	22,411	297,023	6,239	290,784	0.84%	861
2018	335,036	34,017,366	124,851	139,390	19,072	283,313	6,801	276,512	0.81%	825
2017	329,431	31,400,467	148,814	92,855	12,684	254,353	5,810	248,543	0.79%	754
2016	322,225	29,899,714	157,288	112,321	1,291	270,900	10,198	260,702	0.87%	809

(1) Source: U.S. Census Bureau.

(2) This is the general bonded debt, net of original issuance discounts and premiums.

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**GALVESTON COUNTY, TEXAS**  
**TABLE 3.3 - COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT (1)(2)**  
**GENERAL OBLIGATION BONDS**  
**September 30, 2025**  
**(amounts expressed in thousands)**

(Continued)

<u>Governmental Unit</u>	<b>General Obligation Bonded Debt Outstanding</b>	<b>Percentage Applicable to Government</b>	<b>Amount Applicable to Government</b>
<b>Galveston County</b>	\$ 166,959	100%	\$ 166,959
Total Direct Debt	<u>166,959</u>		<u>166,959</u>
<b><u>Cities</u></b>			
Dickinson	5,410	100%	5,410
Friendswood	79,310	82.86%	65,716
Galveston	196,755	100%	196,755
Hitchcock	26,810	100%	26,810
La Marque	34,217	100%	34,217
League City	247,670	97.58%	241,676
Santa Fe	2,760	100%	2,760
Texas City	80,055	100%	80,055
Tiki Island	6,055	100%	6,055
Total Cities	<u>679,042</u>		<u>659,455</u>
<b><u>School Districts</u></b>			
Dickinson	435,580	100%	435,580
Friendswood	180,565	99.23%	179,175
Galveston	319,315	100%	319,315
High Island	33,600	100%	33,600
Hitchcock	64,335	100%	64,335
Santa Fe	67,240	100%	67,240
Texas City	281,980	100%	281,980
Total School Districts	<u>1,382,615</u>		<u>1,381,225</u>
<b><u>County-Line School Districts</u></b>			
Clear Creek	<u>1,151,620</u>	39.55%	<u>455,466</u>
<b><u>Other</u></b>			
Bacliff MUD	25,195	100%	25,195
Bay Colony West MUD	28,440	100%	28,440
Bayview MUD	3,415	100%	3,415
Flamingo Isle MUD	3,620	100%	3,620
Galveston County FWSD #6	8,655	100%	8,655
Galveston Co Management District #1	2,860	100%	2,860
Galveston County MUD #6	1,870	100%	1,870
Galveston County MUD #12	3,970	100%	3,970
Galveston County MUD #14	1,900	100%	1,900
Galveston County MUD #30	1,945	100%	1,945
Galveston County MUD #31	21,500	100%	21,500
Galveston County MUD #32	16,550	100%	16,550
Galveston County MUD #36	20,510	100%	20,510
Galveston County MUD #39	12,125	100%	12,125
Galveston County MUD #43	22,380	100%	22,380
Galveston County MUD #44	25,960	100%	25,960
Galveston County MUD #45	47,240	100%	47,240
Galveston County MUD #46	28,995	100%	28,995
Galveston County MUD #52	5,770	100%	5,770
Galveston County MUD #54	19,770	100%	19,770

**GALVESTON COUNTY, TEXAS**  
**TABLE 3.3 - COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT (1)(2)**  
**GENERAL OBLIGATION BONDS**  
**September 30, 2025**  
**(amounts expressed in thousands)**

<u>Governmental Unit</u>	<u>General Obligation Bonded Debt Outstanding</u>	<u>Percentage Applicable to Government</u>	<u>Amount Applicable to Government</u>
Galveston County MUD #56	89,995	100%	89,995
Galveston County MUD #59	28,250	100%	28,250
Galveston County MUD #66	11,140	100%	11,140
Galveston County MUD #68	18,170	100%	18,170
Galveston County MUD #73	10,905	100%	10,905
Galveston County MUD #79	4,440	100%	4,440
College of the Mainland	142,695	100%	142,695
San Leon MUD	31,555	100%	31,555
Galveston WCID #1	37,180	100%	37,180
Galveston WCID #8	12,620	100%	12,620
Galveston WCID #12	21,050	100%	21,050
Kemah municipal Management District #1	8,740	100%	8,740
South Shore Harbor MUD #7	15,875	100%	15,875
West Ranch Management Dist	15,385	100%	15,385
Westwood Management Dist	42,475	100%	42,475
Total Others	<u>793,145</u>		<u>793,145</u>
Total Overlapping Debt	<u>\$ 4,006,422</u>		<u>\$ 3,289,290</u>
Total Direct and Overlapping Debt	<u>\$ 4,173,381</u>		<u>\$ 3,456,248</u>
Ratio of Direct and Overlapping Debt to 2025 Gross Taxable Assessed Valuation			4.93%
Per Capita Direct and Overlapping Debt (2025 estimated population = 367,407) (3)			9,407
Gross Taxable Assessed Valuation			\$ 70,139,053

(1) Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the county. The percentage of overlapping debt applicable is estimated using the taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the county's boundaries and dividing it by the total assessed value of the overlapping government.

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

(3) 2025 Estimated County Population and Per Capita Direct and Overlapping Debt amounts are not rounded to thousands.

**GALVESTON COUNTY, TEXAS**  
**TABLE 3.4 - LEGAL DEBT MARGIN INFORMATION**  
**LAST TEN FISCAL YEARS**  
**(amounts expressed in thousands)**

(Continued)

**Bonds Issued Under Texas General Laws**

Assessed value of all taxable property (excluding exemptions)	\$ 70,139,053
Debt limit rate (5% of assessed value)	x 5%
Dollar amount of debt limit	<u>3,506,953</u>
Amount of debt applicable to constitutional debt limit:	
Total general bonded debt, including cumulative accretion	\$148,535
Less: Amount restricted for debt service	<u>(1,854)</u>
Total debt applicable to limitation	<u>146,681</u>
Legal debt margin	<u>\$ 3,360,272</u>

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Debt limit	\$ 3,506,953	\$ 3,414,940	\$ 2,737,214	\$ 2,383,049	\$ 2,088,647	\$ 1,863,711	\$ 1,731,507	\$ 1,700,868	\$ 1,570,023	\$ 1,494,986
Total net debt applicable to limit	<u>146,681</u>	<u>164,907</u>	<u>181,337</u>	<u>202,680</u>	<u>224,740</u>	<u>245,166</u>	<u>268,373</u>	<u>257,440</u>	<u>235,859</u>	<u>259,411</u>
Legal debt margin	<u>\$ 3,360,272</u>	<u>\$ 3,250,033</u>	<u>\$ 2,555,877</u>	<u>\$ 2,180,369</u>	<u>\$ 1,863,907</u>	<u>\$ 1,618,545</u>	<u>\$ 1,463,134</u>	<u>\$ 1,443,428</u>	<u>\$ 1,334,164</u>	<u>\$ 1,235,575</u>
Total net debt applicable to the limit as a percentage of debt limit	4.18%	4.83%	6.62%	8.51%	10.76%	13.15%	15.50%	15.14%	15.02%	17.35%

**Constitutional Tax Limitations:**

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

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

**GALVESTON COUNTY, TEXAS**  
**TABLE 3.4 - LEGAL DEBT MARGIN INFORMATION**  
**LAST TEN FISCAL YEARS**  
**(amounts expressed in thousands)**

**Bonds Issued Under Article 3, §52**

Assessed value of real property (excluding exemptions)	\$ 65,646,312
Debt limit rate	<u>X 25%</u>
Amount of Debt Limit	16,411,578
Total Road Bonds Outstanding, including cumulative accretion	<u>(74,947)</u>
Legal debt margin	<u><u>\$ 16,336,631</u></u>

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Debt limit	16,411,578	\$ 16,115,894	\$ 12,748,117	\$ 11,163,221	\$ 9,667,779	\$ 8,565,723	\$ 7,914,896	\$ 7,804,472	\$ 7,183,853	\$ 6,730,126
Less: Road bonds outstanding	<u>(74,947)</u>	<u>(82,756)</u>	<u>(90,094)</u>	<u>(97,002)</u>	<u>(103,507)</u>	<u>(109,636)</u>	<u>(115,413)</u>	<u>(98,680)</u>	<u>(78,040)</u>	<u>(81,256)</u>
Legal debt margin	<u><u>\$ 16,336,631</u></u>	<u><u>\$ 16,033,138</u></u>	<u><u>\$ 12,658,023</u></u>	<u><u>\$ 11,066,219</u></u>	<u><u>\$ 9,564,272</u></u>	<u><u>\$ 8,456,087</u></u>	<u><u>\$ 7,799,483</u></u>	<u><u>\$ 7,705,792</u></u>	<u><u>\$ 7,105,813</u></u>	<u><u>\$ 6,648,870</u></u>

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

## Demographic and Economic Information

**GALVESTON COUNTY, TEXAS**  
**TABLE 4.1 - DEMOGRAPHIC AND ECONOMIC STATISTICS**  
**LAST TEN FISCAL YEARS**

<b>Fiscal Year</b>	<b>Population (1)</b>	<b>Personal Income (1)</b>	<b>Per Capita Personal Income (1)</b>	<b>Median Age (1)</b>	<b>School Enrollment (1)</b>	<b>Unemployment Rate (2)</b>
2025	367,407	\$ 16,513,475	\$ 44,946	39.7	93,362	4.60%
2024	361,744	15,961,231	44,123	39.3	89,957	4.40%
2023	357,117	15,214,256	42,603	38.8	92,594	4.40%
2022	355,062	13,325,477	37,530	38.2	91,342	4.50%
2021	350,682	12,911,761	36,819	38.2	87,657	5.80%
2020	342,139	12,128,143	35,448	37.7	88,470	9.30%
2019	337,890	11,444,334	33,870	37.6	86,408	3.80%
2018	335,036	10,974,439	32,756	37.6	86,408	4.10%
2017	329,431	10,405,078	31,585	37.5	85,201	4.60%
2016	322,225	9,998,642	31,030	37.5	84,391	4.40%

(1) Source: U.S. Census Bureau as of July 2024.

(2) Source: Bureau of Labor Statistics as of September 2024.

**GALVESTON COUNTY, TEXAS**  
**TABLE 4.2 - PRINCIPAL EMPLOYERS**  
**CURRENT YEAR AND NINE YEARS AGO**

Employer	2025			2016		
	Number of Employees	Rank	% of Principal-Employer Employees	Number of Employees	Rank	% of Principal-Employer Employees
University of Texas Medical Branch	(1) 14,486	1	47.1%	12,448	1	41.5%
Clear Creek Independent School District	(2) 5,014	2	16.3%	4,963	2	16.5%
Landry's Seafood Inc.	(3) 2,400	3	7.8%	1,300	10	4.3%
Dickinson Independent School District	(2) 1,807	4	5.9%	1,350	9	4.5%
Galveston Bay Refinery	(4) 1,550	5	5.0%	1,900	3	6.3%
Galveston County Government	(5) 1,425	6	4.6%	1,425	7	4.7%
Texas City Independent School District	(2)(6) 1,366	7	4.4%	1,899	4	6.3%
Galveston Independent School District	(2) 986	8	3.2%	1,360	8	4.5%
City of Galveston	(3) 909	9	3.0%	-	-	-
Moody Gardens	(3) 802	10	2.6%	-	-	-
Walmart	-	-	-	1,775	5	5.9%
American National Insurance Company	-	-	-	1,600	6	5.3%
<b>Total</b>	<b>30,745</b>		<b>100.0%</b>	<b>30,020</b>		<b>100.0%</b>

- (1) UTMB Facts and Figures for fiscal year 2025.
- (2) Texas Education Agency Staff Salaries and FTE Counts 2024-2025.
- (3) *Developer Profile 2025*, Galveston Economic Development Partnership.
- (4) Galveston Bay Refinery website Overview.
- (5) Professional Services Budget Office budgeted positions for fiscal year 2025.
- (6) Effective July 1, 2016, Texas City ISD annexed La Marque ISD.

# Operating Information

**GALVESTON COUNTY, TEXAS**  
**TABLE 5.1 - COUNTY EMPLOYEES BY FUNCTION (1)(2)**  
**LAST TEN FISCAL YEARS**

Function	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
General Government	303	299	272	267	263	275	511	516	506	492
Judicial	254	253	250	258	243	238	-	-	-	-
Public Safety	716	763	713	740	724	737	735	722	705	695
Road and Bridges, and Rights-of-Way	52	52	51	51	51	51	51	51	51	51
Health and Social Services	31	32	34	35	34	34	35	36	37	38
Culture and Recreation	56	58	59	60	60	61	63	60	58	49
Conservation	13	12	12	12	11	12	12	12	12	12
<b>Total</b>	<b>1,425</b>	<b>1,469</b>	<b>1,391</b>	<b>1,423</b>	<b>1,386</b>	<b>1,408</b>	<b>1,407</b>	<b>1,397</b>	<b>1,369</b>	<b>1,337</b>

(1) Source: Galveston County Professional Services Department.

(2) Judicial employees were previously reported under General Government.

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

(Continued)

<b>Function /Program</b>	<b>2025</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
<b>General Government</b>										
<i>Tax Assessor- Collector</i>										
Ad-Valorem Accounts	211,524	210,000	200,200	215,000	210,000	198,000	194,230	198,000	195,085	193,692
Vehicle Registration/Licenses	375,774	359,664	364,000	365,500	377,500	365,500	330,482	346,345	365,770	293,964
Entities for which we collect	41	38	37	36	37	36	36	36	39	39
Beer and Wine Permits	201	400	400	1,200	1,200	1,200	722	831	728	854
Special Inventory Tax Accounts	184	205	205	212	207	184	190	184	205	182
Coin Operated Machines	2,714	3,000	3,000	3,000	3,000	3,000	3,338	2,040	3,647	2,034
TX Parks & Wildlife Boat Reg. & Titles	1,231	1,200	1,200	4,000	4,000	3,300	2,203	2,582	-	-
<i>County Clerk</i>										
Record Property/Govt	62,160	205,128	61,672	77,052	98,526	78,330	70,617	81,367	76,418	76,388
Marriage License	2,705	2,791	2,481	2,707	3,642	3,451	2,258	2,300	2,574	2,419
Assumed Names (Business Names)	1,426	910	1,802	1,930	3,229	2,822	3,006	2,730	3,049	2,882
Number of Criminal Cases Filed	2,606	6,674	6,240	5,698	6,299	6,232	7,487	5,681	7,362	8,586
Number of Civil Suits Filed	1,230	1,347	1,487	1,675	1,536	2,285	3,288	2,318	2,793	2,127
Number of Probate Cases Filed	251	1,117	1,171	1,296	1,336	1,065	1,048	892	1,055	1,003
Number of Registered Voters (2)	243,618	240,573	239,000	231,000	230,000	228,573	217,032	210,700	206,947	207,701
Probate Mental Health Cases filed	132	276	260	185	106	125	175	110	231	227
Elections Held	4	7	5	6	38	5	18	30	3	7
<i>District Clerk</i>										
Civil Cases	7,064	6,950	7,134	6,461	7,634	8,579	7,289	3,929	6,049	1,528
Criminal Cases	7,674	5,200	3,468	3,498	3,355	3,470	4,844	4,740	3,250	2,688
Tax Cases Processed	846	853	795	698	905	789	644	922	639	556
CPS Cases Processed	89	119	99	111	154	222	168	223	143	111
Juvenile Cases	881	991	363	342	803	622	752	609	381	419
Jurors Summoned	21,399	23,142	22,366	22,728	15,505	14,696	23,499	42,076	65,000	56,953

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

(Continued)

<b>Function /Program</b>	<b>2025</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
<b>General Government</b>										
<i>Human Resources</i>										
Applications Accepted	8,156	8,103	5,069	5,633	4,695	4,879	4,573	3,869	4,210	6,116
Positions Filled	446	458	269	401	447	301	225	221	210	219
<b>Judicial</b>										
<i>Justice of the Peace (3)(4)</i>										
<i>Precinct #1</i>										
Civil Cases Filed	1,725	2,710	2,513	2,164	2,154	1,702	2,003	1,568	1,468	1,511
Civil Cases Disposed	1,353	1,204	2,820	2,727	1,495	1,462	1,846	1,553	1,460	1,483
Civil Cases Appealed	-	1	-	5	5	12	14	11	4	2
Criminal Cases Filed	3,020	3,528	4,023	5,386	4,881	2,610	2,338	3,681	4,273	3,422
Criminal Cases Disposed	2,766	2,776	3,527	4,466	3,281	2,281	2,456	2,775	2,003	4,121
Criminal Cases Appealed	-	1	3	7	5	-	-	-	-	23
<i>Precinct #2</i>										
Civil Cases Filed	2,122	2,837	2,435	1,919	1,990	1,441	1,676	1,573	1,380	1,404
Civil Cases Disposed	2,120	2,643	2,345	2,456	1,225	1,243	1,607	1,604	1,388	1,654
Civil Cases Appealed	1	8	18	18	18	21	27	15	19	18
Criminal Cases Filed	3,917	3,890	4,224	4,190	3,961	3,373	4,032	5,725	5,884	5,771
Criminal Cases Disposed	3,539	3,592	4,475	2,426	1,765	1,996	2,966	4,013	3,834	9,840
Criminal Cases Appealed	4	1	-	4	9	8	12	19	27	45

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

(Continued)

<b>Function /Program</b>	<b>2025</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
<b>Judicial</b>										
<i>Precinct #3</i>										
Civil Cases Filed	898	1,490	1,468	1,471	1,419	1,106	1,225	967	929	987
Civil Cases Disposed	790	1,482	1,595	1,808	1,221	1,149	1,244	1,092	945	967
Civil Cases Appealed	5	50	54	27	15	16	18	16	21	12
Criminal Cases Filed	4,145	3,897	3,412	4,604	3,669	3,367	2,303	2,094	2,484	2,187
Criminal Cases Disposed	3,544	3,008	3,464	3,193	2,326	1,827	1,598	1,974	1,815	13,044
Criminal Cases Appealed	1	1	1	2	23	14	11	29	6	9
<i>Precinct #4</i>										
Civil Cases Filed	1,421	1,832	1,676	1,217	1,479	1,086	1,255	1,107	1,142	943
Civil Cases Disposed	632	1,534	1,524	1,375	1,269	1,047	1,042	1,324	1,080	804
Civil Cases Appealed	3	36	35	32	12	12	16	12	14	15
Criminal Cases Filed	4,401	3,799	2,769	2,249	1,605	1,063	1,690	1,963	3,233	4,039
Criminal Cases Disposed	3,103	2,775	1,938	1,756	1,612	1,406	2,149	2,351	3,062	4,583
Criminal Cases Appealed	3	2	16	3	11	5	21	24	43	83
<b>Public Safety</b>										
<i>Sheriff</i>										
Daily average in County Jail	1,095	978	971	1,000	999	1,059	1,063	1,129	1,126	1,015
Number of persons booked	16,070	14,797	15,082	15,111	15,542	13,688	16,503	16,377	17,359	17,032
Number of Civil Processes	4,477	4,833	3,729	4,073	6,105	2,023	6,145	8,820	4,029	3,727

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
<b>Function /Program</b>										
<b>Road, Bridges &amp; Right-of-Way</b>										
<i>County Maintained Roads</i>										
Precinct #1	98.3 mi	98.3 mi	100.2 mi	112.6 mi	102.9 mi	211.5 mi	211.9 mi	212.7 mi	208.9 mi	209 mi
Precinct #2	168.8 mi	168.8 mi	171.8 mi	196.8 mi	184.3 mi	113.2 mi	111.3 mi	113.4 mi	107.8 mi	108 mi
Precinct #3	16.8 mi	16.8 mi	17.4 mi	20.5 mi	18.1 mi	12.5 mi	12.5 mi	12.4 mi	11.1 mi	13.5 mi
Precinct #4	55 mi	55 mi	56.1 mi	63.8 mi	60.9 mi	4.8 mi	4.8 mi	4.8 mi	2.7 mi	2.7 mi
<b>Health and Social Services</b>										
<i>Community Services</i>										
Community Clinics	2	3	2	2	2	2	2	2	2	2
Employees' On-Site Clinics	-	-	-	3	3	3	3	3	3	3
<b>Culture and Recreation</b>										
<i>County Parks Department</i>										
Park Permits Approved	575	607	599	554	507	273	530	552	549	1,045
Festival & Special Events Hosted	78	55	50	62	30	18	99	92	57	46
Vehicle Permits Sold	84,163	74,557	90,661	95,925	83,903	83,538	77,789	81,584	75,176	59,614
Golf Cart Permits Sold	11,377	10,609	11,846	11,664	10,882	10,781	10,039	9,511	8,163	7,847

(1) Source: Various county departments.

(2) Registered voters were previously reported under General Government Tax Assessor- Collector.

(3) Source: Texas State Courts Website: <https://card.txcourts.gov/AdHocSearchNew.aspx>.

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

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

(Continued)

<b>Function</b>	<b>2025</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
<b>General Government</b>										
Number of buildings	20	20	20	20	20	20	20	19	18	18
<b>Judicial</b>										
Number of courtrooms	20	20	20	20	20	20	20	20	20	20
<b>Public Safety</b>										
Jail capacity/number of beds (1)	1,223	1,187	1,187	1,187	1,187	1,187	1,187	1,187	1,187	1,187
Stations / substations	4	4	4	4	4	4	4	4	4	4
Sheriff's Department vehicles	142	142	164	218	194	186	186	184	174	173
Boats / seacrafts	5	5	5	6	6	6	6	6	6	8
Training facility	1	1	1	1	1	1	1	1	1	1
Animal facility	1	1	1	1	1	1	1	1	1	1
Sheriff's Department buildings	4	4	3	3	3	3	3	3	3	3
Medical Examiner building	1	1	1	1	1	1	1	1	1	1
Juvenile Justice buildings	4	4	4	4	4	4	4	4	4	4
Emergency Management buildings	2	2	2	2	2	2	2	2	1	1
Flood Control buildings	4	4	4	4	4	4	4	4	4	4
<b>Roads, Bridges, &amp; R.O.W.</b>										
Miles of county roads	339	339	346	394	366	342	340	343	331	333
Bridges	23	23	21	19	19	19	19	19	18	22
Motor Vehicles	20	22	21	20	16	16	16	18	18	27
Heavy and General Equipment	78	68	68	64	64	61	63	64	66	58
<b>Health and Social Services</b>										
Employee Clinics	4	4	4	3	3	3	3	3	3	3
Animal Shelter	1	1	1	1	1	1	1	1	1	1
Mosquito Control vehicles	20	24	22	19	19	20	21	19	22	19
Airplanes	2	2	2	2	2	2	2	2	2	2
Airboat	1	1	1	1	1	1	1	1	1	1
Spray units	13	13	13	13	13	13	13	13	13	13
Senior Citizens centers	3	3	3	3	3	3	3	3	3	3
Senior Citizens vehicles	9	10	10	10	10	9	11	12	13	15

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

	<b>2025</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
<b>Culture and Recreation</b>										
Museum	1	1	1	1	1	1	1	1	-	-
Parks	22	22	23	23	24	24	24	24	24	23
Park acreage	1,319	1,319	1,339	1,367	1,395	1,395	1,395	1,395	1,395	1,385
Park buildings	22	22	25	18	18	18	13	12	12	11
Community centers	3	2	3	3	3	3	3	3	3	3
Athletic fields & courts	46	46	46	46	48	48	48	48	48	47
Boat launches	10	10	10	10	10	10	10	10	10	10
Campground sites	-	-	-	-	-	-	-	-	9	9
Trails (feet) (2)	31,680	31,680	31,680	31,680	31,680	31,680	31,680	31,680	31,680	31,680
Equestrian trails (feet) (2)	12,576	12,576	12,576	12,576	12,576	12,576	12,576	12,576	12,576	12,576
Vehicles	33	32	32	30	31	32	30	30	25	26
Parks heavy & general equipment	83	88	98	92	90	77	81	75	66	68
Beach maintenance equipment	18	9	6	7	7	6	8	9	11	12
<b>Conservation</b>										
Extension service vehicles	5	5	5	5	5	5	5	5	5	5

(1) Source: Texas Commission on Jail Standards website.

(2) Source: Galveston County Parks and Cultural Services Department. Trails data includes hiking, biking and walking.

