

GALVESTON COUNTY



Office of County Auditor

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August 14, 2024

Honorable Members of Commissioners Court
Galveston County, Texas

Final Statement of Estimated Available Resources Fiscal Year 2025

In accordance with Texas Local Government Code (LGC) §111.063, Subchapter C, the County Auditor has prepared a "Final Statement of Estimated Available Resources" to be used by Commissioners Court and the County Budget Officer in developing the Fiscal Year 2025 Appropriations Budget for Galveston County. Available resources include the estimated fund balance at the beginning of the new fiscal year plus estimated revenues and transfers-in for the upcoming fiscal year.

Per LGC 111.063 (b), the County Auditor is to provide a complete financial statement to the Budget Officer for inclusion in the Budget. The financial statement must show:

- 1) the outstanding obligations of the county
- 2) the cash on hand to the credit of each fund
- 3) funds received from all sources during the preceding year
- 4) the funds and revenue estimated by the auditor to be received from all sources during the preceding fiscal year
- 5) the funds and revenue estimated by the auditor to be received during the ensuing year; and
- 6) a statement of all accounts and contracts on which sums are due to or owed by the county as of the last day of the preceding fiscal year, except for taxes or court costs.

The Galveston County Monthly Financial Report for July 31, 2024, required by LGC §114.023 and §114.025 is presented in the Financial Transparency Pages of the County Website under Financial Reports – Monthly Reports.

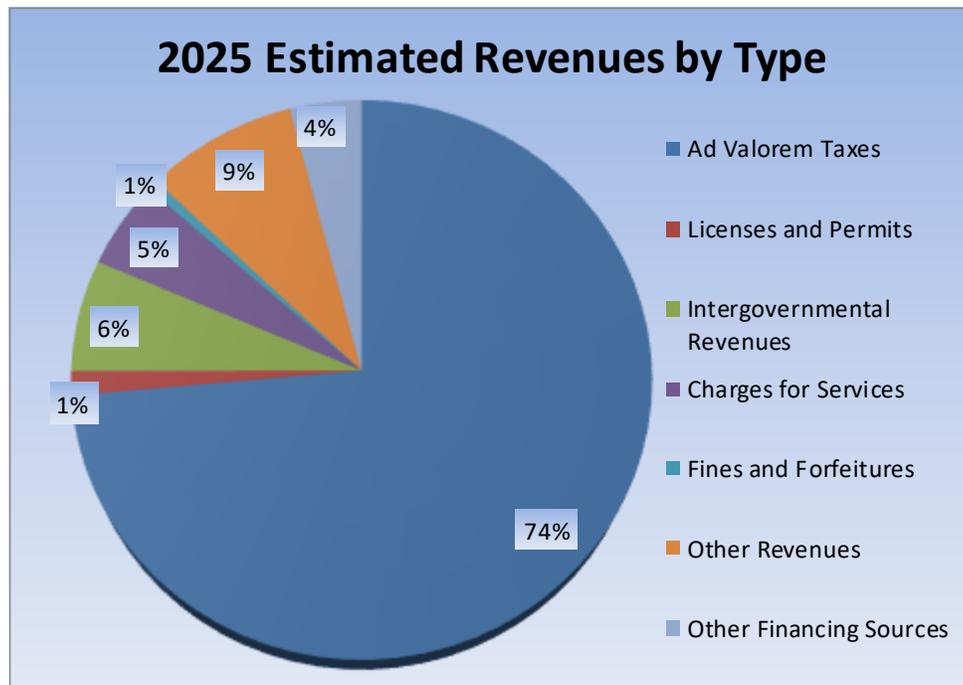
For the "Final Statement of Estimated Available Resources," the September 30, 2023, fund balance amounts are from the audited year end balances from the Annual Comprehensive Financial Report (Annual Report). All other amounts used in the preparation and reports are unaudited and subject to revision. Changes that might occur are not anticipated to materially affect any estimate.

To prepare a forecast that is reasonably accurate, involvement and input from county departments, including the Budget Officer, and information received from other sources such as the Galveston County Central Appraisal District (GCCAD) and the Galveston County Tax Assessor/Collector, is sought and highly valued in validating the available resources process.

ALL OPERATING FUNDS – SUMMARY OF REVENUES

The following table represents revenues by source for all governmental funds (i.e., General and Related Funds, Special Revenue Funds, Capital Project Funds, and Debt Service Fund.) Debt financing is included.

Revenues by Type - Summary All Governmental Funds					% Change 2024 Adopted vs 2025 Projected
	2023 Actual	2024 Adopted	2024 Est Actual	2025 Projected	
Ad Valorem Taxes	\$ 158,476,381	\$ 152,728,528	\$ 165,525,371	\$ 156,928,410	2.7%
Licenses and Permits	3,173,932	2,864,800	2,865,723	2,983,400	4.1%
Intergovernmental Revenues	16,676,770	17,787,018	14,943,416	13,785,580	-22.5%
Charges for Services	11,882,629	9,784,984	10,013,180	10,894,017	11.3%
Fines and Forfeitures	1,476,780	1,376,881	1,259,521	1,308,805	-4.9%
Other Revenues	18,743,969	16,418,597	18,971,769	18,609,136	13.3%
Other Financing Sources	10,014,338	8,142,638	10,979,888	8,779,800	7.8%
	<u>\$ 220,444,799</u>	<u>\$ 209,103,446</u>	<u>\$ 224,558,868</u>	<u>\$ 213,289,148</u>	2.0%



To streamline the way this information was compiled and reduce the amount of time and effort required by the departments, an initial analysis was performed of all revenues, which included an examination of the statutory requirements, and an analysis of the County’s revenues and expenditures for the period 2018-2024, using audited results, estimated results for 2024, and proposed revenue projections for 2025. The result was then tested for reasonableness and accuracy of the estimates.

For More Information Contact

Galveston County Auditor's Office, 722 Moody (21st Street), 4th Floor, Galveston, Texas 77550, 409-770-5301.

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FUND BALANCE AND REVENUE PROJECTIONS
Galveston County General and Related Funds

Shown below is a comparative analysis of the FY 2025 proposed available resources with the FY 2024 final estimates for the County's General and Related Funds (1101-1214). Estimated transfers-in are included in Other Financing Sources but may not be final at the issuance of this report.

General Fund Summary of Available Resources					
	FY 2023 Actuals	FY 2024 Estimated Actuals	FY 2025 Estimate of Revenues	FY 2024 Estimated Compared to FY 2023 Actuals	FY 2024 Estimated Actuals Compared to FY 2025 Est'd Revenue
Taxes	125,488,943	133,785,000	128,531,438	8,296,057	(5,253,562)
Licenses and Permits	189,772	65,723	83,400	(124,050)	17,678
Intergovernmental	11,390,588	12,596,639	12,448,500	1,206,051	(148,139)
Fees and Charges for Services	7,198,046	6,233,506	6,700,101	(964,540)	466,595
Fines and Forfeitures	1,326,171	1,177,705	1,225,870	(148,466)	48,165
Other Revenues	13,702,026	13,789,992	13,750,180	87,966	(39,812)
Other Financing Sources	<u>8,173,800</u>	<u>10,479,800</u>	<u>8,649,800</u>	<u>2,306,000</u>	<u>(1,830,000)</u>
Total Revenues & Transfers-In	167,469,346	178,128,365	171,389,289	<u>10,659,019</u>	<u>(6,739,076)</u>
Fund Balance at Prior Year End	77,866,273	74,076,673	<u>87,961,597</u>		
Available Resources	245,335,619	252,205,038	259,350,886		
Expenditures	<u>161,508,301</u>	<u>164,243,441</u>			
End of Year Fund Balance	<u>77,694,212</u>	<u>87,961,597</u>			

Revenue Derived by Tax Rate

The primary revenue source is ad valorem taxes, which support several activities, including the General Fund, Road and Bridge Fund, Flood Control District, Debt Service and Mosquito Control.

In the 86th session of the Texas Legislature, Senate Bill 2 brought sweeping changes in the calculation of property tax. Senate Bill 2 required substantial changes, including new tax rate calculations and adjustments. The continuing specter of the COVID-19 pandemic and continuing iterations, inflation and higher prices, and the possibility of recession all put pressure on the tax rate and the annual budget.

In this presentation, the FY 2025 estimated no new revenue tax rate of \$0.333502 was used to project FY 2025 taxes. This rate is \$0.008398 cents (2.5%) less than the FY 2024 adopted rate of \$0.341900.

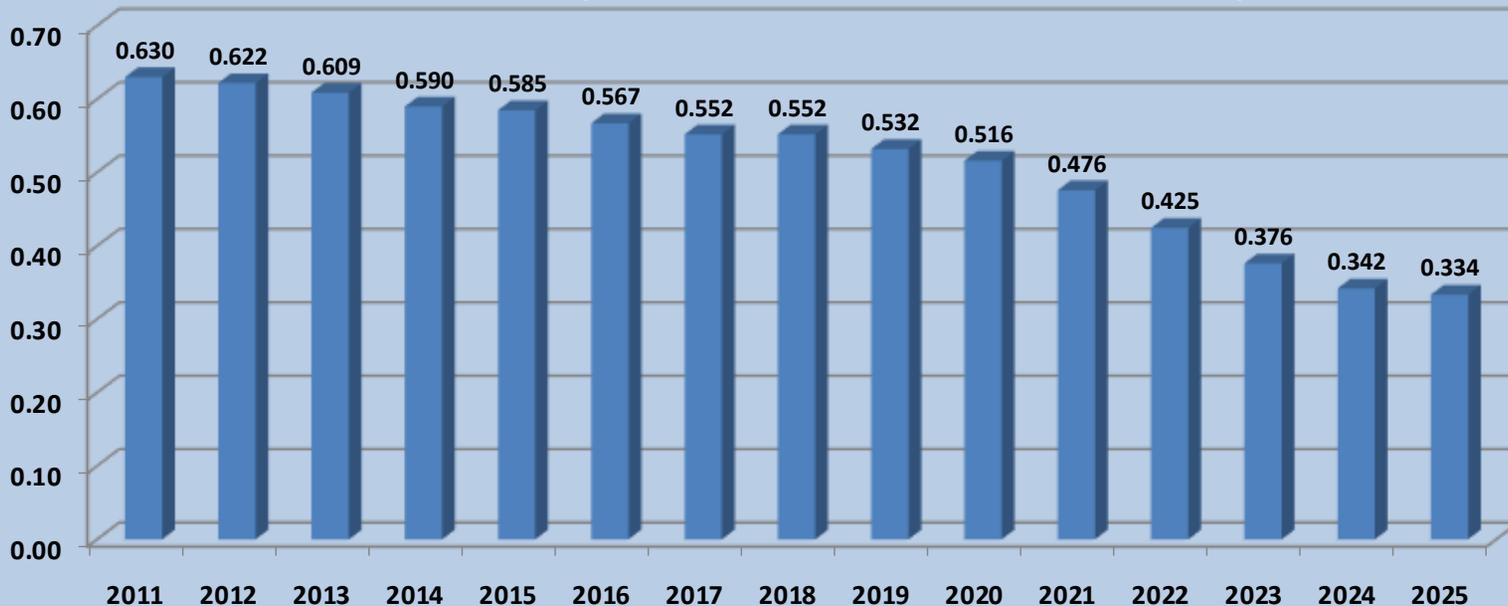
The actual rate will be determined by Commissioners Court. The graph below details how the tax rate has dropped over the past fourteen years, from adopted FY 2011 to proposed FY 2025. The accumulated reduction since 2011 is approximately a 29.65 cent drop/\$100 valuation, or 47.1%, in the county property tax rate.

Galveston County, Texas

Estimated Tax Rate for FY 2025 using the NNR tax rate required by SB 2.

Tax Rate By Fund - Comparative Analysis	Tax Rate FY11	Tax Rate FY12	Tax Rate FY13	Tax Rate FY14	Tax Rate FY15	Tax Rate FY16	Tax Rate FY17	Tax Rate FY18	Tax Rate FY19	Tax Rate FY20	Tax Rate FY21	Tax Rate FY22	Tax Rate FY23	Tax Rate FY 24	Proposed Tax Rate FY 25
General Fund	0.512	0.464	0.457	0.458	0.461	0.455	0.454	0.449	0.429	0.387	0.373	0.331520	0.298778	0.278990	0.273896
Road and Bridge	0.015	0.010	0.015	0.004	0.004	0.006	0.006	0.006	0.011	0.015	0.009	0.009868	0.007279	0.004876	0.004500
Mosquito Control	<u>0.005</u>	<u>0.007</u>	<u>0.008</u>	<u>0.005</u>	<u>0.004</u>	<u>0.004</u>	<u>0.004</u>	<u>0.004</u>	<u>0.002</u>	<u>0.005</u>	<u>0.004</u>	<u>0.001210</u>	<u>0.003686</u>	<u>0.002954</u>	<u>0.001636</u>
M&O Rate total	0.533	0.481	0.479	0.467	0.469	0.465	0.464	0.459	0.442	0.407	0.386	0.342598	0.309743	0.286820	0.280032
Debt Service	<u>0.086</u>	<u>0.132</u>	<u>0.120</u>	<u>0.117</u>	<u>0.110</u>	<u>0.097</u>	<u>0.082</u>	<u>0.087</u>	<u>0.088</u>	<u>0.097</u>	<u>0.079</u>	<u>0.072342</u>	<u>0.057851</u>	<u>0.047327</u>	<u>0.053430</u>
County Rate	0.619	0.613	0.600	0.584	0.579	0.561	0.546	0.546	0.530	0.504	0.465	0.414940	0.367594	0.334147	0.333462
Flood Control	<u>0.011</u>	<u>0.009</u>	<u>0.009</u>	<u>0.006</u>	<u>0.006</u>	<u>0.006</u>	<u>0.006</u>	<u>0.006</u>	<u>0.002</u>	<u>0.012</u>	<u>0.011</u>	<u>0.009560</u>	<u>0.008443</u>	<u>0.007753</u>	<u>0.000040</u>
Total	<u>0.630</u>	<u>0.622</u>	<u>0.609</u>	<u>0.590</u>	<u>0.585</u>	<u>0.567</u>	<u>0.552</u>	<u>0.552</u>	<u>0.532</u>	<u>0.516</u>	<u>0.476</u>	<u>0.424500</u>	<u>0.376037</u>	<u>0.341901</u>	<u>0.333502</u>
Cumulative Rate Reduce		0.008	0.021	0.040	0.045	0.063	0.078	0.078	0.098	0.114	0.154	0.205500	0.253963	0.288099	0.296498
		1.3%	3.4%	6.4%	7.2%	10.0%	12.4%	12.4%	15.6%	18.1%	24.5%	32.6%	40.3%	45.7%	47.1%

Galveston County - Fifteen Year Tax Rate History



The collection rate used for estimating tax revenues for FY 2025 was 98.5%; the actual rate as calculated under Senate Bill 2 (SB2) for FY 2024 is slightly higher at 99.8%. Per SB2 calculations, the last three years have averaged 99.64% collection; this includes delinquencies. In keeping with the change two years ago, the County is including a portion of new improvements and tax ceiling properties, as some amount of those will be collected in FY 2025. For FY 2025, both of those values of property, which are billed at 100% during the year, will be included at 50% in the total expected collections. Changing the collections of taxes on new improvements and tax ceiling properties to 75% would increase tax collections by \$5.8M over all funds, with General Fund increasing by \$4.8M.

Please note the County Auditor, who is statutorily responsible for estimating revenues, does not determine the Tax Rate; that is the responsibility of Commissioners Court. The rate used in the Tax Calculations and the Tax Rate Model - 2025 on the next page is the no-new-revenue tax rate for FY 2025 (TY 2024) established by SB2, as amended, and certified by the County Tax Assessor/Collector. The Galveston County Tax Assessor/Collector creates the Tax Rate Calculation Worksheet. The Galveston County Auditor's Office performs a review of the calculations and uses the calculations by the County Tax Assessor/Collector to create the tax models and estimates in this document. The model includes the transfers-in, if applicable, to determine the available resources to be used by Commissioners Court in preparing the FY 2025 budget.

Galveston County, Texas
Tax Rate Model - 2025

as Certified 08-06-24

<u>Fund Description</u>	<u>FY24 Adopted Tax Rate</u>	<u>FY25 Proposed Tax Rate</u>	<u>Increase/ (Decrease)</u>	<u>Voter Approval Rate</u>	<u>\$</u>
General	0.278990	0.273896	(0.005094)	Per SB 2:	0.412781
Road & Bridge	0.004876	0.004500	(0.000376)	NNR M&O	0.272677
Mosquito Control	0.002954	0.001636	(0.001318)	NNR Debt	0.053430
M & O Rate	0.286820	0.280032	(0.006788)	NNR Flood	0.007395
Debt Service	0.047327	0.053430	0.006103	NNR Rate	0.333502
Flood Control	0.007753	0.000040	(0.007713)	Proposed Rate	0.333502
Total Tax Rate	0.341900	0.333502	(0.008398)	Proposed below NNR	(0.000000)
			-2.5%		

Taxable Values (Galveston County)	
TY24 for FY25	\$ 44,110,664,688
50% of New Imp	\$ 493,766,106
50% of Tax Ceiling	\$ 3,066,943,710
	\$ 47,671,374,504
TY23 for FY24	\$ 41,913,247,101
50% of New Imp	\$ 545,368,366
50% of Tax Ceiling	\$ 2,437,879,888
	\$ 44,896,495,354
% change	6.18%
FY25 New Imprvmt	\$ 987,532,211
FY25 Tx Ceilng Prop	\$ 6,133,887,420

2025 Tax Revenues:	<u>General Fund*</u>	<u>Road & Bridge</u>	<u>Mosquito Control</u>	<u>Flood Control</u>	<u>Lateral Rd</u>	<u>Debt Service</u>
FY25 Proposed Tax Rate	\$ 0.273896	\$ 0.004500	\$ 0.001636	\$ 0.000040	\$ -	\$ 0.053430
Adjusted Taxable Value (000)	\$ 47,671,375	\$ 47,671,375	\$ 47,671,375	\$ 50,574,306	\$ 50,574,306	\$ 47,671,375
Adjusted Taxes Levied	\$ 130,569,988	\$ 2,145,212	\$ 779,933	\$ 20,230	\$ -	\$ 23,835,687
Est. Taxes Collected at 98.5%	\$ 128,611,438	\$ 2,113,034	\$ 768,234	\$ 19,926	\$ -	\$ 25,088,806
Other Tax Revenues	1,865,000	49,300	21,025	57,300	72	318,322
Less TIRZ Reductions	(1,945,000)	-	-	(44,147)	-	-
Total Net Tax Revenues	128,531,438	2,162,334	789,259	33,079	72	25,407,128
Other Revenues:						
Licenses and Permits	83,400	2,900,000	-	-	-	-
Intergovernmental (inc PILT)	12,448,500	606,000	-	-	21,000	496,436
Charges for Services	6,700,101	-	-	100,000	-	-
Fines and Forfeitures	1,225,870	-	-	-	-	-
Other Revenue	13,750,180	35,850	4,970	195,300	30,210	1,102,000
Other Financing Sources (incl. trfrs-in)	8,649,800	-	-	-	-	-
Total Non-Tax Revenues	42,857,851	3,541,850	4,970	295,300	51,210	1,598,436
Total All Revenues	171,389,289	5,704,184	794,229	328,379	51,282	27,005,564
Estimated Fund Balance at 09-30-24*	75,953,631	4,235,435	1,714,208	8,903,892	1,377,083	7,764,279
Available Resources for FY 2025	\$ 247,342,920	\$ 9,939,619	\$ 2,508,437	\$ 9,232,271	\$ 1,428,365	\$ 34,769,843
* Incl Gen. Fund & related						
Tax Revenues per capita	\$ 351.30	\$ 5.77	\$ 2.10	\$ 0.05	\$ -	\$ 68.53
Total Revenues per Capita	\$ 468.15	\$ 15.58	\$ 2.17	\$ 0.90	\$ 0.14	\$ 73.77

Galveston County, Texas
Comparative Analysis of Tax Rates & Projected Revenues - Tax Year 2023 (FY 2024) to Tax Year 2024 (FY 2025)
FY 25 Estimate as of July 25, 2024

Estimated Tax Computations - Tax Year 2024

Fiscal Years 2024 and 2025:

	Collection Rate: 98.50%	2024 Budgeted	2024 Est Actual	2024 Adj.	2025 Adj.	2025 Proposed	Proposed 2025	2025 Senior
	Collection per SB2: 99.27%	Tax Revenues	Tax Revenues	Taxable Value	Taxable Value	Tax Rate	Tax Collections	Freeze
General Fund Tax Rate		\$ 123,377,799	\$ 134,000,000	\$44,896,495,354	\$47,671,374,504	0.273896	\$ 128,611,438	\$ 11,145,126
Road & Bridge Tax Rate		2,156,289	2,600,000			0.004500	2,113,034	183,110
Mosquito Control Tax Rate		1,306,458	1,650,000			0.001636	768,234	66,573
Debt Service Tax Rate		<u>20,929,442</u>	<u>23,000,000</u>			<u>0.053430</u>	<u>25,088,806</u>	<u>2,174,129</u>
		147,769,988	161,250,000			0.333462	156,581,512	<u>13,568,938</u>
Flood Control Tax Rate		<u>3,498,652</u>	<u>4,000,000</u>	47,170,764,679	50,574,306,368	<u>0.000040</u>	<u>19,926</u>	
		151,268,640	165,250,000			0.333502	156,601,438	

Estimated Tax Computations - Tax Year 2021

Fiscal Years 2023 and 2024:

	Budget Collection Rate: 98.50%			2023 Adj.	2024 Adj.			
	Collection per SB2: 99.27%	2023 Budgeted	2023 Actual Tax	Taxable Value	Taxable Value	2024 Adopted	2024 Budgeted	2024 Senior
		Tax Revenues	Revenues	per SB2	per SB2	Tax Rate	Ad Val Tax Rev	Freeze
General Fund Tax Rate		\$ 119,178,831	\$ 124,206,814	\$40,496,200,358	\$44,896,495,354	0.278990	\$ 123,377,799	\$ 10,672,353
Road & Bridge Tax Rate		2,903,503	3,025,997			0.004876	2,156,289	186,524
Mosquito Control Tax Rate		1,470,300	1,532,329			0.002954	1,306,458	113,001
Debt Service Tax Rate		<u>23,075,925</u>	<u>24,049,590</u>			<u>0.047327</u>	<u>20,929,442</u>	<u>1,810,425</u>
		146,628,559	152,814,730			0.334147	147,769,988	<u>12,782,303</u>
Flood Control Tax Rate		<u>3,492,607</u>	<u>3,570,980</u>	42,383,462,701	47,170,764,679	<u>0.007753</u>	<u>3,498,652</u>	
		150,121,166	156,385,710			0.341900	151,268,640	

Increase (Decrease) From Prior Fiscal Year

	Budgeted Tax				Change in Tax	Change in Ad	Senior Tax
	Revenues	Tax Revenues	Growth in Taxable Property		Rate	Val Tax Rev	Freeze
	2024 vs 2023	2024 vs 2023	2024 vs 2023	2025 vs 2024	2025 vs 2024	2025 vs 2024	2025 vs 2024
General Fund Tax Rate	\$ 4,198,968	\$ 9,793,186	\$ 4,400,294,996	\$ 2,774,879,149	\$ (0.005094)	\$ 5,233,639	\$ 472,773
Road & Bridge Tax Rate	(747,213)	(425,997)			(0.000376)	(43,256)	(3,414)
Mosquito Control Tax Rate	(163,842)	117,671			(0.001318)	(538,224)	(46,428)
Debt Service Tax Rate	<u>(2,146,484)</u>	<u>(1,049,590)</u>			<u>0.006103</u>	<u>4,159,364</u>	<u>363,705</u>
	1,141,429	8,435,270			(0.000685)	8,811,524	<u>786,636</u>
Flood Control Tax Rate	<u>6,045</u>	<u>429,020</u>	\$ 4,787,301,977	\$ 3,403,541,689	<u>(0.007713)</u>	<u>(3,478,725)</u>	
Totals	1,147,474	8,864,290			(0.008398)	5,332,798	

1 Cent = FY19-\$2,845,235**FY20-2,926,614 **FY21-\$2,976,595**FY22-\$3,463,151**FY23-\$3,992,188**FY24-\$4,423,525 FY25 = \$ 4,695,665

Galveston County, Texas
 Governmental Funds
 Resources Available
 FY24-FY25

Tax Levy equals **\$ 0.333502**
 Tax Rate Reduction from 2024 **\$ (0.008398)**

Fund No.	Fund Name	Fiscal Year 2024				Fiscal Year 2025			
		10/01/23 Available Fund Balance	Estimated Revenues at 09/30/24	Estimated Expenditures at 09/30/24	Estimated Available Fund Balance 9/30/2024	Tax Levy @ 98.5% Collection plus Other Taxes & TIRZ	Estimated Other Revenues Before Transfers	FY2025 Budgeted Transfers In	Available Resources for 2025 Budget
1101	General Fund	\$ 57,812,130	\$ 166,012,841	\$ 159,851,944	\$ 63,973,028	\$ 128,531,438	\$ 30,502,370	\$ -	\$ 223,006,836
1201	County Clerk Archive Fee	1,667,969	602,015	368,573	1,901,411	-	562,750	-	2,464,161
1202	Juvenile Justice Fund	936,090	5,734,300	6,547,493	122,897	-	38,000	5,896,800	6,057,697
1203	Indigent Health Care	4,503,349	1,110,800	1,688,439	3,925,710	-	210,800	900,000	5,036,510
1204	Beach Maint-Road & Brdg	99,055	512,590	608,347	3,298	-	595	462,000	465,893
1205	Probate Judicial Educ	68,300	6,474	3,440	71,334	-	6,556	-	77,890
1206	Child Welfare Fund	20,179	270,745	264,105	26,818	-	820	270,000	297,638
1207	Economic Development	905	267,510	122,496	145,919	-	535	267,000	413,454
1208	Specialty Court Fund	377,376	438,300	751,765	63,911	-	22,300	516,000	602,211
1209	GOMESA Coastal Conserv	7,434,752	2,077,000	5,041,113	4,470,639	-	2,086,000	-	6,556,639
1210	CCP Chapter 18 Forfeitures	-	-	-	-	-	-	-	-
1211	Truancy Prev & Diversion	-	-	-	-	-	-	-	-
1212	County Jury Fund	739,832	663,860	586,956	816,736	-	525,540	150,000	1,492,276
1213	Justice Court Support Fund	-	212,560	-	212,560	-	219,680	-	432,240
1214	Language Access Fund	-	219,370	-	219,370	-	42,105	178,000	439,475
	Total Genl&Relatd Funds	\$ 73,659,939	\$ 178,128,365	\$ 175,834,673	\$ 75,953,631	\$ 128,531,438	\$ 34,218,051	\$ 8,639,800	\$ 247,342,920
2101	County Rec Mgmt & Presrv	933,154	170,600	62,052	1,041,702	-	174,400	-	1,216,102
2102	County Clk Rec Mgmt&Pres	2,136,242	609,621	72,500	2,673,363	-	609,621	-	3,282,984
2103	Election Services Contract	1,687,649	943,850	288,295	2,343,204	-	1,286,850	-	3,630,054
2105	Distr Clk Chld Supp IV-d	61,505	3,060	-	64,565	-	3,282	-	67,847
2106	Distr Clerk Records Mgmt	338,036	6,100	65,432	278,704	-	6,750	-	285,454
2107	Election Code Chapter 19 F	63	52,205	67,785	(15,518)	-	54,210	-	38,692
2111	Tax A/C Spec Inv Tax Escrov	68,819	9,554	37,404	40,969	-	9,980	-	50,949
2113	County&Distr Court Tech	115,824	3,905	-	119,729	-	4,210	-	123,939
2121	Donations To Galv Co	14,073	20,650	6,408	28,315	-	20,662	-	48,977
2131	DA Forfeitures After 10/89	95,049	35,690	44,007	86,732	-	35,717	-	122,449
2132	DA Check Collection Fees	1,223	-	-	1,223	-	-	-	1,223
2205	Courthouse Security	280,828	285,570	302,120	264,278	-	162,930	130,000	557,208

Galveston County, Texas
 Governmental Funds
 Resources Available
 FY24-FY25

Tax Levy equals **\$ 0.333502**
 Tax Rate Reduction from 2024 **\$ (0.008398)**

		Fiscal Year 2024				Fiscal Year 2025			
Fund No.	Fund Name	10/01/23 Available Fund Balance	Estimated Revenues at 09/30/24	Estimated Expenditures at 09/30/24	Estimated Available Fund Balance 9/30/2024	Tax Levy @ 98.5% Collection plus Other Taxes & TIRZ	Estimated Other Revenues Before Transfers	FY2025 Budgeted Transfers In	Available Resources for 2025 Budget
2206	Justice Crt Bldg Security	100,044	11,298	-	111,342	-	11,525	-	122,867
2207	Appellate Judicial	249,778	25,786	43,868	231,696	-	26,565	-	258,261
2209	CCP Chapter 18 Forfeitures	237,720	1,710	-	239,430	-	1,770	-	241,200
2210	Court Facility Fee Fund	230,600	97,210	-	327,810	-	99,815	-	427,625
2211	Law Library	277,800	167,613	347,059	98,354	-	170,775	250,000	519,129
2212	Alter. Disp Resolution	890,751	123,320	45,633	968,438	-	126,900	-	1,095,338
2214	Truancy Prev & Diversion	117,993	41,860	-	159,853	-	42,970	-	202,823
2215	Justice Court Tech	368,055	40,960	-	409,015	-	42,270	-	451,285
2216	Probate Court Contribution	491,254	94,520	20,944	564,829	-	95,630	-	660,459
2217	Suppl Crt-Intd Guardnshp	171,639	34,185	37,009	168,814	-	35,295	-	204,109
2218	Pretrial Intervention Prog	229,560	1,710	-	231,270	-	1,765	-	233,035
2219	Court Reporters Service	799,638	136,370	83,258	852,749	-	139,610	-	992,359
2240	Sheriff Commissary Fund	2,127,068	1,309,000	-	3,436,068	-	1,409,200	-	4,845,268
2242	Sheriff Forfeitures Post-10,	634,371	51,973	27,222	659,122	-	53,220	-	712,342
2243	SO Special Investigations	15,761	225	-	15,986	-	225	-	16,211
2250	Law Enforcement Educ Fun	116,887	65,542	7,457	174,972	-	65,542	-	240,514
2254	Constable Pct 3 Forfeitur	12,998	-	-	12,998	-	-	-	12,998
2255	Constable Pct 4 Forfeitur	0	-	-	0	-	-	-	0
2260	Emergency Mgmt	620,137	5,800	-	825,937	-	5,910	-	831,847
2301	Road and Bridge	4,432,887	6,066,873	6,639,528	4,235,435	2,162,334	3,541,850	-	9,939,619
2303	FM/Lateral Rd	1,455,182	49,147	127,247	1,377,083	72	51,210	-	1,428,365
2341	Road District #1	3,729,022	387,700	236,307	3,880,415	-	428,800	-	4,309,215
2370	Flood Control	6,547,400	4,315,713	2,068,597	8,903,892	33,079	295,300	-	9,232,271
2410	Mosquito Control	464,200	1,706,265	1,191,555	1,714,208	789,259	4,970	-	2,508,437
2601	Beach And Parks	2,958,956	833,300	709,225	3,083,031	-	834,850	-	3,917,881
2621	Galveston Co Museum	-	-	-	6,523	-	-	-	6,523
3100	County Capital Projects	3,757,835	695,077	1,666,508	2,786,404	-	18,577	-	2,804,981
3101	Capital Replenishment	2,574,582	165,100	1,582,409	1,157,273	-	14,700	-	1,171,973
4xxx	Debt Service	7,557,268	24,791,500	24,584,489	7,764,279	25,407,128	1,598,436	-	34,769,843
		<u>46,901,852</u>	<u>43,360,562</u>	<u>40,364,319</u>	<u>51,324,493</u>	<u>28,391,872</u>	<u>11,486,292</u>	<u>380,000</u>	<u>91,582,657</u>
	Budgeted Gov'l Funds	<u>\$ 120,561,791</u>	<u>\$ 221,488,927</u>	<u>\$ 216,198,991</u>	<u>\$ 127,278,124</u>	<u>\$ 156,923,310</u>	<u>\$ 45,704,343</u>	<u>\$ 9,019,800</u>	<u>\$ 338,925,577</u>

Galveston County, Texas
 Governmental Funds
 Resources Available
 FY24-FY25

Tax Levy equals **\$ 0.333502**
 Tax Rate Reduction from 2024 **\$ (0.008398)**

		Fiscal Year 2024				Fiscal Year 2025			
		10/01/23	Estimated	Estimated	Estimated	Tax Levy @	Estimated		
Fund	Fund Name	Available Fund	Revenues at	Expenditures	Available Fund	98.5%	Other	FY2025	Available
No.		Balance	09/30/24	at 09/30/24	Balance	Collection plus	Revenues	Budgeted	Resources for
						Other Taxes &	Before	Transfers In	2025 Budget
						TIRZ	Transfers		
INTERNAL SERVICE FUNDS									
6123	Employee Benefits	759,100	19,040,082	13,808,913	5,990,269	-	19,495,000	-	25,485,269
6124	Workers' Compensation Ft	2,727,680	266,451	2,164	2,991,967	-	276,132	-	3,268,099
6125	Unemployment Insurance	1,242,379	208,470	97,394	1,353,454	-	161,435	-	1,514,889
6130	Self-Insured Fund	5,224,677	1,319,227	3,177,515	3,366,389	-	1,364,778	-	4,731,167
	Total Internal Service Funds	\$ 9,953,836	\$ 20,834,230	\$ 17,085,987	\$ 13,702,079	\$ -	\$ 21,297,345	\$ -	\$ 34,999,424

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

- Constable Pct. 3 Forfeitures¹
- Constable Pct. 4 Forfeitures¹
- District Attorney Check Collection Fees¹
- District Attorney Forfeitures after 10/89
- Election Services Contract²
- Election Code Chapter 19 Fund⁴
- Law Enforcement Continued Education⁴
- Probate Court Contributions¹
- Sheriff's Commissary⁴
- Sheriff's Forfeitures Post-10/89¹
- Tax Assessor-Collector Special Inventory Tax Escrow⁴

¹"Receive and File" Commissioners Court agenda items only.

²Under the control of the Elections Services Officer.

³Under the control of the Probate Court Judge.

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

Internal Service Funds operate as funding plans for obligations the Commissioners Court has agreed to provide, such as employee benefits and workers' compensation insurance. For purposes of the county financial system, the Internal Service Funds are also "budgeted" for purposes of tracking and to ensure there is sufficient balance to pay for these services the county has already committed to providing.

ALL OPERATING FUNDS – SUMMARY OF REVENUES

Operating funds include only governmental funds. Governmental funds do not include internal service funds; internal service funds are full-accrual funds and as mentioned above utilize a funding plan. Governmental funds utilize modified-accrual accounting and do have a budget.

Governmental Funds consist of:

General Fund

The General Fund is the chief operating fund of the county. It accounts for all financial resources except those required to be accounted for in another fund. Included in the General Fund are a group of funds referred to as related funds; the relation is established by Government Accounting Standards Board Statement 54 (GASB 54) as the primary funding source of these related funds is a transfer of money from the General Fund. Before GASB 54 these funds were reported separately, so they have been kept separate for management purposes, but for reporting purposes they are combined in the General Fund.

General and Related Funds	2023 Actual	2024 Adopted	2024 Est Actual	2025 Projected	% Change 2024
					Adopted vs 2025 Projected
Ad Valorem Taxes	125,488,943	124,046,729	133,785,000	128,531,438	3.62%
Licenses and Permits	189,772	164,800	65,723	83,400	-49.39%
Intergovernmental Revenues	11,390,588	11,430,961	12,596,639	12,448,500	8.90%
Fees and Charges for Services	7,198,046	6,443,860	6,233,506	6,700,101	3.98%
Fines and Forfeitures	1,326,171	1,260,875	1,177,705	1,225,870	-2.78%
Other Revenues	13,702,026	12,331,455	13,789,992	13,750,180	11.50%
Other Financing Sources*	8,173,800	7,812,638	10,479,800	8,649,800	10.72%
* Includes transfers	<u>\$ 167,469,346</u>	<u>\$ 163,491,318</u>	<u>\$ 178,128,365</u>	<u>\$ 171,389,289</u>	4.83%

Special Revenue Funds

Special Revenue Funds account for revenues legally restricted to being spent for a specific purpose, generally due to statutory requirements. Note Grant Funds (monies received from state or federal agencies; the budget is set by the grantor agency) are not included in the Estimate of Available Resources. The 2024 reduced revenues are due to the pandemic recovery, which affected judicial operations from which most of these funds derive their revenue.

Special Revenue Funds	2023 Actual	2024 Adopted	2024 Est Actual	2025 Projected	% Change 2024
					Adopted vs 2025 Projected
Ad Valorem Taxes	8,290,568	7,030,357	8,333,871	2,989,844	-57.47%
Licenses and Permits	2,984,160	2,700,000	2,800,000	2,900,000	7.41%
Intergovernmental Revenues	567,775	604,145	797,409	840,644	39.15%
Fees and Charges for Services	4,684,583	3,341,124	3,779,674	4,193,916	25.52%
Fines and Forfeitures	150,609	116,006	81,816	82,935	-28.51%
Other Revenues	1,356,194	1,311,229	1,719,963	1,831,984	39.72%
Other Financing Sources*	621,429	130,000	196,152	130,000	0.00%
* Includes transfers	<u>\$ 18,655,318</u>	<u>\$ 15,232,861</u>	<u>\$ 17,708,885</u>	<u>\$ 12,969,323</u>	-14.86%

Capital Projects Funds

Capital Project Funds are usually limited to long-term debt financing for projects. Payment of the debt is from taxes levied on property in the county. The large reduction in FY 2023 is due to a change in the way the county funds short-term projects; instead of transferring money from the General Fund to pay for the project, the projects will be funded in the General Fund. The Capital Project Funds includes the ARP Lost Revenue Funds, which are being used to build a new governmental services facility that meets the requirements of the ARP intended uses.

Capital Project Funds	2023 Actual	2024 Adopted	2024 Est Actual	2025 Projected	% Change 2024 Adopted vs 2025 Projected
Ad Valorem Taxes	-	-	-	-	0.00%
Licenses and Permits	-	-	-	-	0.00%
Intergovernmental Revenues	1,376,522	182,000	627,221	-	-100.00%
Fees and Charges for Services	-	-	-	-	0.00%
Fines and Forfeitures	-	-	-	-	0.00%
Other Revenues	2,571,055	2,084,433	2,015,334	1,924,972	-7.65%
Other Financing Sources*	1,219,109	200,000	303,936	-	-100.00%
* Includes transfers	<u>\$ 5,166,686</u>	<u>\$ 2,466,433</u>	<u>\$ 2,946,491</u>	<u>\$ 1,924,972</u>	-21.95%

Debt Service Funds

The Debt Service Fund is used to accumulate resources to pay principal and interest costs and pay fiscal agent fees. Revenues include both taxes and other revenues such as toll-road fees, lease payments, etc.

Debt Service Funds	2023 Actual	2024 Adopted	2024 Est Actual	2025 Projected	% Change 2024 Adopted vs 2025 Projected
Ad Valorem Taxes	24,696,870	21,651,442	23,406,500	25,407,128	17.35%
Licenses and Permits	-	-	-	-	-
Intergovernmental Revenues	3,341,885	5,569,912	922,147	496,436	-91.09%
Fees and Charges for Services	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-
Other Revenues	1,114,694	691,480	1,446,480	1,102,000	59.37%
Other Financing Sources	-	-	-	-	-
	<u>\$ 29,153,449</u>	<u>\$ 27,912,834</u>	<u>\$ 25,775,127</u>	<u>\$ 27,005,564</u>	-3.25%

OUTSTANDING DEBT

The County continues to actively manage its outstanding debt, with FY 2025 payments for principal and interest expected to be \$28.04M. Principal remaining on outstanding debt as of September 30, 2024 will be \$158.8 M. The following tables show the debt and debt service by issuance name and type.

GALVESTON COUNTY, TX

Debt Profile Summary as of 09/30/24

Series	Dated Date	Original Par Amount	Outstanding Par Amount	Final Maturity	Series Description	Type	Purpose
2001	03/01/01	26,151,372	1,635,472	02/01/26	General Obligation Unlimited Tax Road Bonds	Unlimited Tax (General Obligation)	Road
2001	03/01/01	34,822,062	2,174,163	02/01/26	General Obligation Justice Center and Public Safety Building Bonds	General Obligation	Equip Building, Jail and Court Facility
2009 B	09/01/09	45,000,000	16,575,000	02/01/29	General Obligation Limited Tax County Building Bonds	Limited Tax (General Obligation)	Equip Building, Office, Court, Record and Conducting Public Business
2017	12/28/17	14,465,000	10,060,000	02/01/38	General Obligation Limited Tax Flood Control and Refunding Bonds	Limited Tax (General Obligation)	Refunding 2009C-2, Seawall, Breakwater, Levee, Floodway and Drainway
2017	12/28/17	78,805,000	55,160,000	02/01/38	General Obligation Unlimited Tax Road and Refunding Bonds	Unlimited Tax (General Obligation)	Refunding 2009A, Operate Macadamized, Graveled, Paved Road and Turnpikes
2017 A	12/28/17	8,835,000	8,235,000	02/01/38	General Obligation Limited Tax County Building Bonds	Limited Tax (General Obligation)	Equip Building, Office, Court, Record and Conducting Public Business
2017 B	01/31/17	62,835,000	35,385,000	02/01/28	General Obligation Limited Tax Refunding Bonds	Limited Tax (General Obligation)	Refunding 2007
2019	03/19/19	8,200,000	7,950,000	02/01/39	General Obligation Limited Tax County Building Bonds	Limited Tax (General Obligation)	Equip Building, Office, Court, Record and Conducting Public Business
2019	03/19/19	22,080,000	21,580,000	02/01/39	General Obligation Unlimited Tax Road Bonds	Unlimited Tax (General Obligation)	Operate Macadamized, Graveled, Paved Road and Turnpikes
Total Outstanding Par Amount			158,754,635				

Receivables and Payables

Receivables and payables play a part in the development of the overall economic resources available. The largest General Fund receivable is for delinquent property taxes; overall, grant funds have the highest total. Many of the grants require the County to pay expenditures up front and then seek reimbursement from the grantor. Included in the monthly financial statements mentioned earlier is the Statement of Cash on Hand to the Credit of Each Fund at 07-31-23.

COUNTY OF GALVESTON, TEXAS
STATEMENT OF ACCOUNTS RECEIVABLES AND LIABILITIES
AS OF JUNE 30, 2024

	<u>GOVERNMENTAL FUND TYPES</u>				<u>PROPRIETARY FUND TYPE</u>	<u>FIDUCIARY FUND TYPE</u>	<u>Total</u>
	<u>General and Related Funds</u>	<u>Special Revenue Funds</u>	<u>Debt Service Funds</u>	<u>Capital Project Funds</u>	<u>Internal Service Funds</u>	<u>Trust and Agency Funds</u>	
<u>RECEIVABLES:</u>							
Receivables (Net of Allowances for Uncollectibles):							
Taxes	\$ 7,497,641	\$ 412,506	\$ 1,559,700	\$ -	\$ -	\$ -	\$ 9,469,847
Accounts and Other	3,561,893	13,107,691	148,893	47,201	450,866	1,506	17,318,050
Due from Other Funds	5,250,000	-	-	-	-	-	5,250,000
TOTAL RECEIVABLES	<u>\$ 16,309,533</u>	<u>\$ 13,520,198</u>	<u>\$ 1,708,594</u>	<u>\$ 47,201</u>	<u>\$ 450,866</u>	<u>\$ 1,506</u>	<u>\$ 32,037,897</u>
<u>PAYABLES:</u>							
Accounts Payable	\$ 1,176,616	\$ 296,360	\$ -	\$ 108,764	\$ 1,707	\$ 18,170	\$ 1,601,618
Retainage Payable	-	427,509	-	1,124,015	-	-	1,551,524
Est Liab-Claims/Jdgmts Pyble	-	-	-	-	1,330,645	-	1,330,645
Due to Others	342,321	166,859	-	-	438	24,930,784	25,440,402
Undistributed Funds	1,237	-	-	-	-	-	1,237
Escrow Deposits/Deposits Held	461,582	2,416	-	-	-	17,234,861	17,698,860
Due to Other Funds	-	-	5,250,000	-	-	-	5,250,000
TOTAL PAYABLES	<u>\$ 1,981,757</u>	<u>\$ 893,144</u>	<u>\$ 5,250,000</u>	<u>\$ 1,232,779</u>	<u>\$ 1,332,790</u>	<u>\$ 42,183,815</u>	<u>\$ 52,874,285</u>

Fund Balance as a Percentage of Expenditures – The policy below was passed by Commissioners Court on 08-30-11.

FUND BALANCE POLICY

COUNTY OF GALVESTON, TEXAS

Purpose The purpose of this policy is to establish operating and reporting guidelines for the fund balances of the governmental funds of Galveston County, Texas

Fund Balance Classification The county governmental-fund financial statements will present fund balances classified in a hierarchy based on the strength of the constraints governing how those balances can be spent. These classifications are listed below in descending order of restrictiveness:

- **Nonspendable** This classification includes amounts that cannot be spent because they (a) are not in spendable form (e.g., inventories and prepaid items), (b) are not expected to be converted into cash within the current period or at all (e.g., long-term receivables), or (c) are legally or contractually required to be maintained intact (e.g., the non-spendable corpus of an endowment)
- **Restricted** This classification includes amounts subject to usage constraints that have either been (a) externally imposed by creditors (e.g., through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation
- **Committed** This classification includes amounts that are constrained to use for specific purposes pursuant to formal action of Commissioners Court¹. These amounts cannot be used for other purposes unless the Court removes or changes the constraints via the same type of action used to initially commit them
- **Assigned** This classification includes amounts intended by the county for use for a specific purpose but which do not qualify for classification as either restricted or committed. The intent can be expressed by Commissioners Court or by a Court designee (e.g., a department head)². This classification applies to the positive unrestricted and uncommitted fund balances of all governmental funds except the General Fund
- **Unassigned** This classification applies to the residual fund balance of the General Fund and to any deficit fund balances of other governmental funds

Order of Spending Where appropriate, Galveston County will typically use restricted, committed, and/or assigned fund balances, in that order, prior to using unassigned resources, but it reserves the right to deviate from this general strategy

Minimum Fund Balances Galveston County generally aims to maintain the following minimum fund balances:

- **General Fund** Unassigned fund balance of approximately 20% - 30% of budgeted expenditures for the fiscal year, to be used for unanticipated needs
- **Debt Service Funds** Restricted fund balances of approximately 10% - 20% of the following year's debt service requirements, to be used for debt service

¹ A commitment of fund balance requires formal action as to purpose but not as to amount, the latter may be determined and ratified by the Court at a later date. This is often important near year-end, when a purpose or need is known but a cost is not

² An assignment of fund balance implies an intent of Commissioners Court, but operationally the ability to implement the intent may be delegated to one or more persons. Designees may be listed in this document or, alternatively, in the county's budgetary policy

Revenues Not Budgeted at the Beginning of the Year

In a case where the County receives grant or aid money, regardless of the source, the budget may be amended to show receipt of the funds; Texas LGC Section 111.0706 states:

The County Auditor shall certify to the Commissioners Court the receipt of all public or private grant or aid money that is available for disbursement in a fiscal year but not included in the budget for that fiscal year. On certification, the court shall adopt a special budget for the limited purpose of spending the grant or aid money for its intended purpose.

In the event of revenue received from intergovernmental contracts such as funds earned by the County from an agreement with a local city, the County Auditor shall inform the Commissioners Court of the receipt of the funds and certify the funds as available to be budgeted; LGC Section 111.0707 states:

The County Auditor shall certify to the Commissioners Court the receipt of all revenue from an intergovernmental contract that is available for disbursement in a fiscal year but not included in the budget for that fiscal year. On certification, the Court shall adopt a special budget for the limited purpose of spending the revenue from intergovernmental contracts for its intended purpose.

Governmental Fund Accounting

The main purpose of governmental accounting is to provide a consistent and reliable base for recording, summarizing, and analyzing financial information. Revenues are a key portion of the overall record of financial results, with all participants striving for a stable tax rate and appropriate levels for fees and charges for services as prescribed by approved and formalized financial objectives. The annual audit, internal audits and review of financial reports assure the accomplishment of financial objectives.

All County accounts are organized based on funds; each is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts. Using these accounts, the revenues and expenditures/expenses are approved before the beginning of each fiscal year by a budget adopted by the Commissioners Court. Currently, all county funds are grouped into two types, general governmental and special revenue fund types. Examples of general governmental funds include the general fund, debt service fund and capital projects fund. Examples of special revenue funds are the road and bridge and county records management fund.

Accounting System

The County's accounting records for governmental fund types and agency funds are maintained on a modified accrual basis, with the revenues being recorded when available and measurable, and expenditures recorded when the services or goods are received, and the liabilities are incurred.

In addition, encumbrances are recorded during the year. Property tax revenues are susceptible to accrual and are considered available to the extent collected within sixty days after the end of the fiscal year. Proprietary/internal service funds are accounted for using the accrual basis of accounting. Revenues are recognized when earned and expenses when they are incurred.

As part of the annual revenue estimate process, an estimate of total available resources must be provided. Available resources include the beginning cash balance, the estimated actual revenues for the current year, and the upcoming fiscal year estimated revenues to determine a final balance for total available resources.

On the following pages are the detailed estimates of revenue for each type of governmental fund, each fund within that type and each account within that fund for which an estimate is deemed appropriate. A funding plan with a detailed estimated is also provided for each account with each internal service fund following.

Conclusion

I wish to express my appreciation to County officials, especially the Budget Officer and the Tax Assessor-Collector, for their assistance in providing information for the "Final Statement of Estimated Available Resources." From my office, I also want to thank Madeline Walker CPA CFE, Lauren Swift, and Christie Motogbe for their assistance in the accounting review and gathering of information. The review of the Tax Rate Calculation Worksheets, especially considering Senate Bill 2 and the significant changes in the calculation and presentation of the tax rates, was carried out by Jordan Speer CIA CISA. Her efforts have been invaluable. Errors, opinions, and mistakes are all mine.

Questions concerning the schedules, tables, graphs, and data presented in or contained within this report may be addressed to the County Auditor's Office.

Sincerely,

Randall Rice CPA

Randall Rice CPA CISA CIO
County Auditor