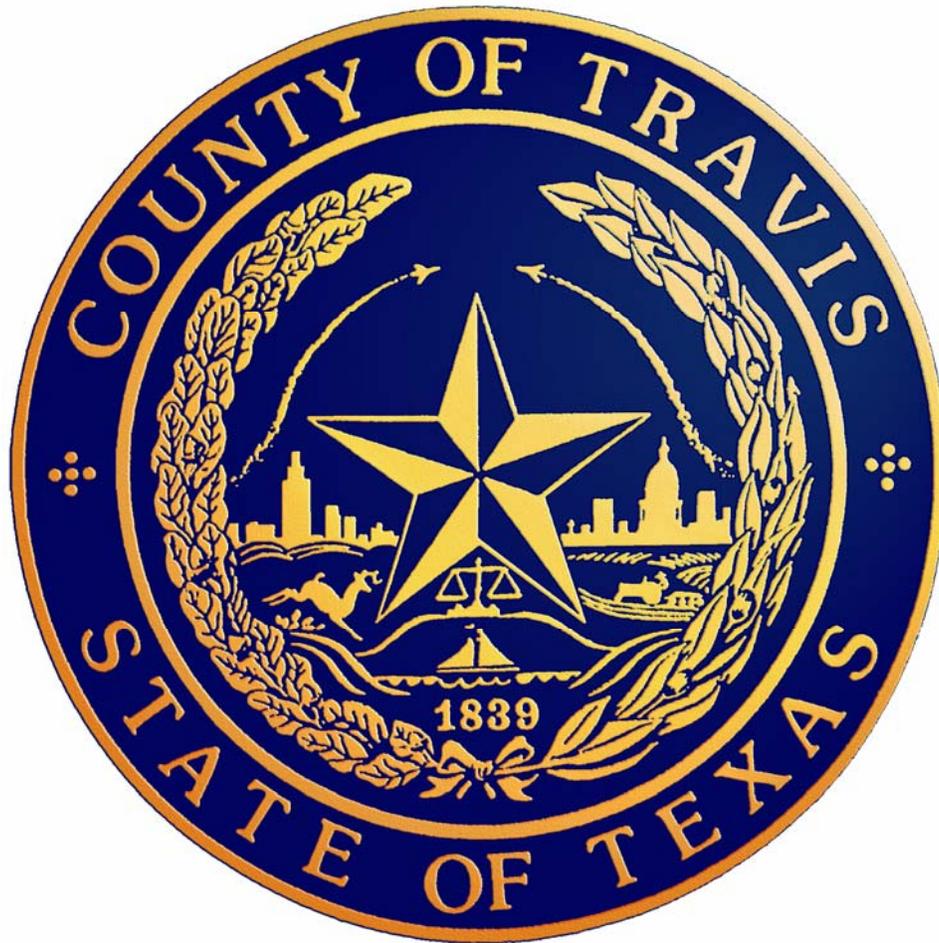


TRAVIS COUNTY, TEXAS



Comprehensive Annual Financial Report
For The Fiscal Year Ended
September 30, 2006

**TRAVIS COUNTY,
TEXAS**

COMPREHENSIVE ANNUAL

FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED

SEPTEMBER 30, 2006

Prepared by the Travis County Auditor's Office

**Susan A. Spataro, CPA, CMA
County Auditor
314 W. 11th Street, Suite 200
Austin, Texas 78701**

**TRAVIS COUNTY, TEXAS
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 Fiscal Year Ended September 30, 2006**

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**TRAVIS COUNTY, TEXAS
INTRODUCTORY SECTION**

TRAVIS COUNTY
AUDITOR'S OFFICE

SUSAN A. SPATARO, CPA,
CMA
COUNTY AUDITOR



TRAVIS COUNTY
ADMINISTRATION BUILDING
P.O. BOX 1748
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February 16, 2007

Honorable District Judges of Travis County, Honorable Members of the Travis County Commissioners' Court, and the Citizens of Travis County:

The County Auditor's Office proudly submits the Comprehensive Annual Financial Report of Travis County, Texas for the fiscal year ended September 30, 2006. This report is submitted in compliance with Texas Local Government Code §114.025.

Responsibility for Financial Statements

This report was prepared by the County Auditor's Office. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the County. We believe the data, as presented, is accurate in all material aspects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the County as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain a reasonable understanding of the County's financial affairs have been included.

The County Auditor serves as the Chief Financial Officer for Travis County. By statute, the Auditor reports to the State District Judges. This provides for an independent review of County financial operations separate from the Commissioners' Court, the legislative and executive branch of county government. The County Auditor is responsible for accounting systems design, audit functions required by law, general control of finances, revenue estimation and certification, and ensuring that the County meets its fiduciary responsibilities to taxpayers with regard to County finances by strictly enforcing the statutes governing County finances as provided by the local government code.

Accounting System and Internal Controls

In developing and evaluating the accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding: (1) the reliability of financial reporting; (2) the effectiveness and efficiency of operations; and (3) compliance with applicable laws and regulations. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the evaluation of costs and benefits requires estimates and judgements by management.

All internal control evaluations occur within the above framework. We believe that the County's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

Independent Audit

In compliance with Texas Local Government Code §115.045, the financial statements and notes contained in this report have been audited by the independent auditors of Deloitte & Touche, LLP. The independent auditors' report is included in the Financial Section of this report. This firm was also engaged to perform an audit of the County's federal and state awards that was designed to meet the requirements of the Federal Single Audit Act and related Office of Management and Budget Circular A-133. The audit reports on federal and state awards are issued separately.

Reporting Standards

The accompanying financial statements have been prepared in conformity with generally accepted accounting principles (GAAP) in the United States of America as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of a Management's Discussion and Analysis (MD&A). The letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found in the Financial Section of this report.

Financial Statement Format

This Comprehensive Annual Financial Report is presented according to the reporting model established by GASB Statement No. 34 and related statements. The report, including all funds of Travis County and its component units, is divided into four sections:

1. Introductory Section – This section includes the letter of transmittal, organizational chart, and list of principal officials.
2. Financial Section – The financial section includes the Independent Auditor's Report, Management's Discussion and Analysis, the Basic Financial Statements, and Required Supplementary Information.
 - a. Basic Financial Statements – This section includes government-wide and fund financial statements as well as the notes to the financial statements. The notes are considered essential to the fair presentation and adequate disclosure for this financial report. They include the Summary of Significant Accounting Policies for the County and other necessary disclosures of important matters relating to the financial position of the County. The notes are treated as an integral part of the financial statements and should be read in conjunction with them.
 - b. Required Supplementary Information – This section is comprised of budgetary comparison schedules for the General Fund and any major special revenue fund with a legally adopted budget. As required, the County presents budgetary comparison schedules for its General Fund and Road and Bridge Fund.
3. Other Supplementary Information – This section includes a variety of schedules to assist users in analyzing the basic financial statements. This section may include, but is not limited to, combining statements, individual fund statements, and schedules focusing on major funds. The County includes combining statements for non-major funds, proprietary funds and fiduciary funds, as well as other budgetary comparison schedules.

4. Statistical Section – Although this section contains substantial financial information, these tables differ from financial statements in that they present some nonaccounting data, cover more than the current fiscal year, and are designed to reflect demographic and economic data, operating information, financial trends, and the fiscal capacity of the County. This information is now more detailed with the implementation of GASB Statement No. 44, “Economic Condition Reporting: The Statistical Section.”

PROFILE OF TRAVIS COUNTY

Geographic Information

Travis County, a public corporation and a subdivision of the State of Texas, was created from Bastrop County in 1840 and organized in 1843. Located in central Texas on the edge of "Hill Country", the County is approximately 200 miles south of the Fort Worth/Dallas area, 160 miles west of Houston, and 80 miles northeast of San Antonio.

The County encompasses 1,022.1 square miles of which 989.3 square miles (96.8%) is land and 32.8 square miles (3.2%) is water area. The water area comes from the Colorado River, which runs northwest to southeast through the County, and Lake Austin and Lake Travis, parts of the Highland Lakes chain.

The mild climate reflects the County's fortunate location. The mean temperature is 68.6 degrees, with the days almost evenly divided among clear, partly cloudy, and cloudy. The growing season averages 270 days long, with the last freeze of the winter coming in early March and the first of the next autumn coming normally around Thanksgiving. Average rainfall is 33.7 inches.

The 2006 population of Travis County is estimated to be 920,544, an increase of 27,249 people (3.1%) over the 2005 estimated population. The principal city in the County is Austin, the County Seat and State Capital. The estimated 2006 population for Austin, including Full and Limited Purpose Areas, is 718,912 or 78.1% of the total for the County.

Governmental Structure

The governing body of the County is the Commissioners' Court, comprised of the County Judge (who is elected at-large and serves as the presiding officer) and four Commissioners, each of whom is elected for a four-year term (unless filling a predecessor's unexpired term) from one of the County's four precincts. The Commissioners' Court has powers expressly granted by the State Legislature. These powers are reflected in the following County functions:

General Government - This category includes budgets for the County Judge and County Commissioners, administrative, financial, and physical support for the County's "line" departments/offices, the Tax Office, Risk Management, the Employee Health Benefits Fund, Civil Service Commission, Election Administration, and certain recording duties of the County Clerk.

Justice System - Activities in this category are associated with the judicial responsibilities of the County. It includes the costs for the County's court systems (Civil Courts and Criminal Courts, which include legally mandated fees, Probate Court, Juvenile Court, and the Justice

of the Peace Courts) and associated offices/departments or parts thereof: District Clerk, County Clerk, District Attorney, County Attorney, the Dispute Resolution Center, Criminal Justice Planning, which includes the Community Justice Center, and the Law Library.

Public Safety - Public Safety includes activities associated with the protection of persons and property within the County including direct enforcement of state statutes. Offices included in this category are the Constables (who serve warrants and other court papers), the Medical Examiner, and divisions of the Sheriff's Office dedicated to law enforcement and public safety. Also included are Emergency Services, Fire Marshall, and Criminal Justice Planning, which provide services for the Combined Transportation, Emergency and Communications Center.

Corrections and Rehabilitation - This category includes activities associated with confinement, probation, counseling, and other related programs available for adult offenders. The Sheriff is in charge of the County jail and County corrections center. Also under this classification are the Community Supervision and Corrections Department (adult probation), Pre-Trial Services, and the Counseling and Educational Services Department, which was created to counsel and correct the behavior of offenders.

Health and Human Services - Activities designed to provide healthcare related services to those in need and promote the conservation and improvement of public health are included in this category. The County provides public assistance (assistance with food, rent, and utility expenses) through its Health and Human Services Department to eligible indigents, including military veterans. This category also includes the Agriculture Extension Service and the Emergency Medical Services Department, which is comprised of StarFlight and ambulance services.

Infrastructure and Environmental Services - Activities in this category are associated with the development and maintenance of the County's transportation systems, sub-division platting and review, conservation and development of natural resources, and activities associated with providing sanitation services within the County through the Transportation and Natural Resources Department.

Community and Economic Development - Included in this category are activities for providing economic development in the County and cultural, recreational, and educational activities for the benefit of County residents and visitors. Specifically, the County owns and operates the Travis County Exposition Center and, in conjunction with the State of Texas, operates the Travis County Historical Commission. In addition, the County operates 43 parks that are either owned or maintained by the County. These parks, which vary from lakes and hills to rivers and prairies, provide facilities for picnics, hiking, camping, swimming, boating, soccer, baseball, and equestrian activities.

Blended Component Units

The Travis County Commissioners' Court serves as the governing body for the below mentioned separate entities. Therefore, in accordance with GASB Statement No. 14, as amended by GASB Statement No. 39, these are presented as blended component units. For more information, refer to Note 1 of the Notes to the Financial Statements.

The Road Districts - Northwest Travis County Road District No. 3 (NWTCRD No. 3) contains approximately 242 acres. The road district is ad valorem tax supported for repayment of debt. Southwest Travis County Road District No. 1 issued special assessment debt in 1994 to advance refund 1990 road bonds of which \$10,000 is remaining unredeemed or

unmatured. Travis County Bee Caves Road District No. 1, approved by the Commissioners' Court in July 2006, encompasses 145 acres in western Travis County, wholly within the corporate limits of the Village of Bee Cave, Texas. Its purpose will be to issue bonds to be used to improve roads to serve the Hill Country Galleria project. This organization had no financial activity during fiscal year 2006. The road districts act as agents for property owners in collecting assessments, forwarding collections to the bondholders, and initiating foreclosure proceedings, if appropriate. The bonded debt of the road districts is not a debt or obligation of the County, nor will the County be liable for payment thereof. The Travis County Commissioners' Court is the statutory governing body of the road districts.

The Corporations – The Capital Health Facilities Development Corporation, Travis County Housing Finance Corporation, Travis County Health Facilities Development Corporation, Capital Industrial Development Corporation, Travis County Development Authority, and Travis County Cultural Education Facilities Finance Corporation have been established by the County under provisions of the Development Corporation Act of 1979 of the State of Texas, the Health Facilities Development Act, the Texas Housing Finance Corporation Act, the Texas Transportation Code, and the Cultural Education Facilities Finance Corporation Act. Through these corporations, eligible applicants are furnished financial assistance through the sale of tax-free bonds. Such debt is issued by the corporations as “conduit or no-commitment debt” for the benefit of private third parties for purposes of public interest without the obligation of the Corporations or the County for repayment. The Travis County Commissioners' Court is the Board of Directors for each corporation.

Discretely Presented Component Unit

On May 15, 2004, Travis County voters approved the formation of the Travis County Hospital District to furnish medical aid and hospital care to indigent and needy persons residing in Travis County. In May 2006, the Commissioners' Court approved, after the appropriate State legislation was passed, a name change to the Travis County Healthcare District. The Healthcare District has a nine member Board of Managers; four are appointed by Travis County, four by the City of Austin and one is a joint appointee. Additionally, the Travis County Commissioners' Court approves the Healthcare District's annual budget and tax rate each year. Because of this relationship, the Healthcare District will be reported as a discretely presented component unit of Travis County for the year ended September 30, 2006. For more information, refer to Note 1 of the Notes to the Financial Statements.

Budget Process

The annual budget serves as the foundation for Travis County's financial planning and control. Activities of the General Fund, certain special revenue and capital projects funds, and the General Purpose Debt Service Fund are included in the appropriated budget. The budget is prepared by fund, office/department and object/sub-object. The level of budgetary control (that is the level at which expenditures cannot legally exceed the appropriated amount) is set by state statute and is at the office/department level. The County's elected/appointed officials, executive managers, and department heads may make transfers of appropriations within an office/department as specified in the Commissioners' Court-approved annual budget rules. Transfers between departments, however, require prior approval of the Commissioners' Court.

The County maintains an encumbrance accounting system as a method to accomplish budgetary control. The County Auditor monitors expenditures of the various offices/ departments to prevent expenditures from exceeding budgeted appropriations and sends a monthly budget report to the Commissioners' Court. The County Auditor also monitors the

revenues received for budget compliance. Purchase orders and contracts are not valid until the County Auditor certifies that money is available to make payment. During fiscal year 2006 there was no fund for which the expenditures exceeded budgeted appropriations.

Year-end encumbrances are rolled into the following year's adopted budget. For all budgeted funds, appropriations that are not encumbered lapse at the end of the fiscal year. Budget to actual comparison schedules are provided in this report for all governmental funds for which the appropriated annual budget has been adopted. The General Fund and Road and Bridge Fund schedules are in the Required Supplementary Information section, while all other budgetary comparison schedules are included in the Other Supplementary Information section. A separate report is generated that demonstrates budgetary compliance at the office/department level and is distributed to the appropriate officials and the general public.

ECONOMIC CONDITION AND OUTLOOK

Local Economy

For many years, Travis County was known largely for two things, state government and the University of Texas. It is true that having one of the nation's largest universities in Austin provides stable employment for many Travis County citizens and offers a steady stream of bright, young minds for the economy. A survey by American City Business Journals Inc. listed Austin as the brainiest city in Texas and third smartest in the country. It is also true that state government remains the largest employer. However, in 2006 these components of the County's economy do not stand alone.

The high tech industry has once again become a very large part of the Travis County economic scene. In 2006, Samsung announced that Austin will be the site of a new \$4 billion semiconductor plant. Chip production at the new factory is scheduled to begin in late 2007 or early 2008. In addition to Samsung; Dell, IBM, Freescale, and Advanced Micro Devices all have a major presence in the Travis County area.

As the downtown area continues its revival, Austin's entertainment industry has grown to be a major player in the local business world. Austin has been called the "Live Music Capital of the World" and boasts many live music clubs, a number of which are located in the famous downtown East Sixth Street Entertainment District. In addition to this area, one can enjoy the growing Warehouse Entertainment District, the Market District, and the Second Street Retail District. As downtown business continues to expand, two new hotels have opened in 2006 with more planned.

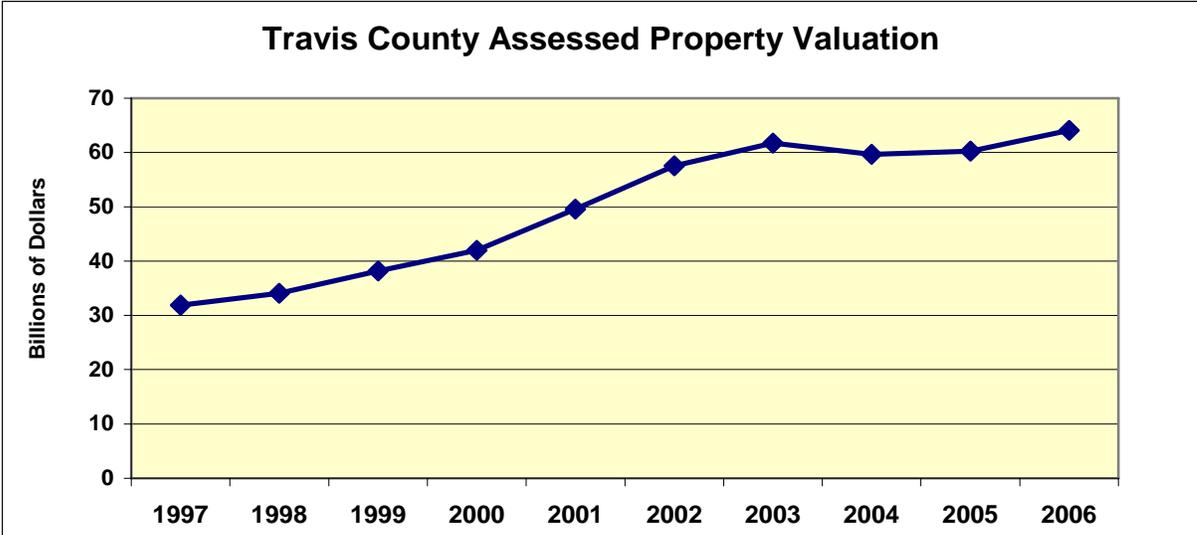
There are two parts of Austin that are being transformed. The site of the old Robert Mueller Airport is being turned into a multi-purpose development with residences, businesses, parks, and a new children's hospital. All this will be beneficial to downtown and the high tech community. Also undergoing a renaissance is the South Congress Avenue area. Just across the Colorado River from downtown, "SoCo" is called by *The Austin American-Statesman* "the city's hip strip" for "upscale living, eating and shopping."

The economy continued to do well in fiscal year 2006. Employment in the County rose 3.5% during the year, to a September total of 508,569; and the County's unemployment rate fell from 4.4% at the end of fiscal year 2005 to 3.9% one year later. Sales tax receipts for the City of Austin for fiscal year 2006 totaled \$129.85 million, an 11.7% increase over fiscal year 2005. Given the strong economy in 2006, it is not surprising that in 2006 Kiplinger.com

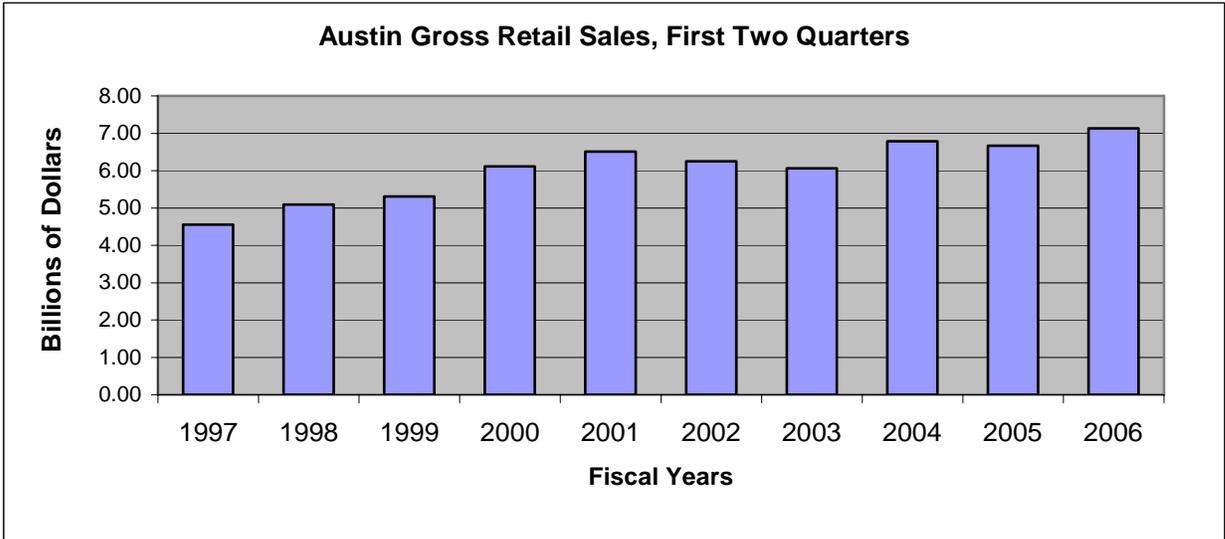
ranked Austin #5 among the Smart Places to Live and Business 2.0 listed Austin #4 among the 10 Hot Cities for job growth for 2005-2015 for metro areas with one million or more people.

The upturn in the economy is reflected in the fiscal year 2006 assessed property valuation. Property values have grown nicely for several years, but fell off in fiscal year 2004. However, a growing economy saw an increase in values by 6.3% in fiscal year 2006.

The chart below shows the changes in assessed property valuation over the last ten years.

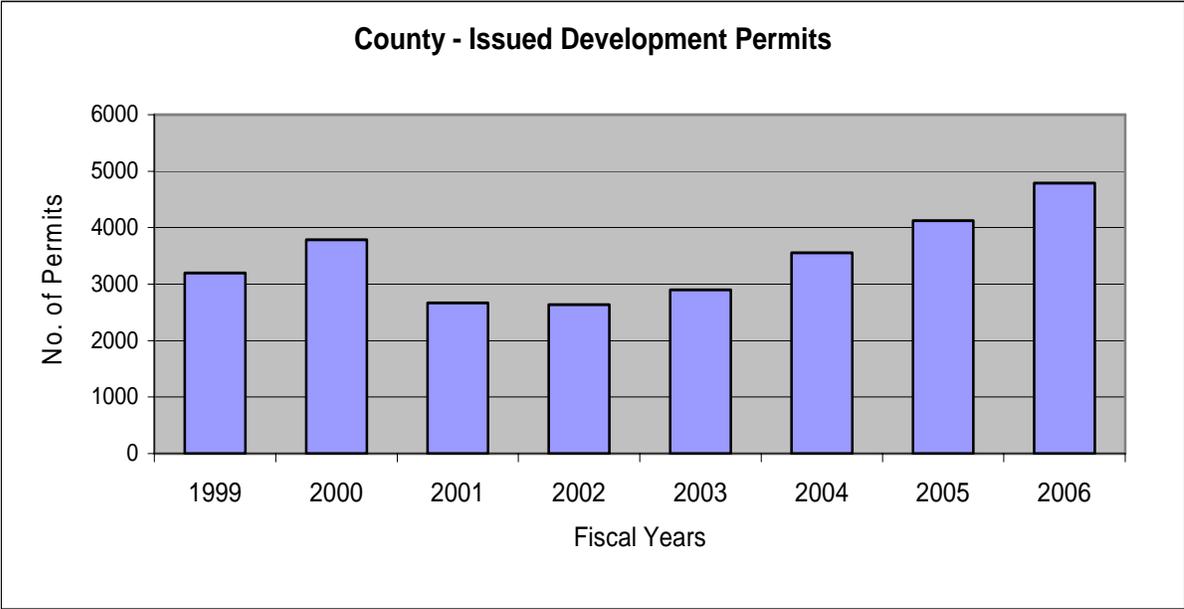


Gross retail sales have also shown a rebound. For the first two quarters of fiscal year 2006, sales reached \$7.14 billion. The graph below shows the changes in gross retail sales for the past ten years:



Housing sales have remained strong. In fiscal year 2006, the number of units sold totaled 29,478; that constitutes a 13.3% increase over fiscal year 2005. County-issued site development permits in fiscal year 2006 for construction in the rural parts of Travis County increased 16.2% over the previous year.

The graph below shows the changes in County-issued site development permits over the past eight years.



Even during the recent downturn, Travis County has maintained its reserve ratio. This is the practice of the County Commissioners' Court to maintain an 11% reserve to support those funds that depend upon property tax revenues, and this level of reserve has been maintained without fail since fiscal year 1996.

The Commissioners' Court set the property tax rate at \$0.4993, an increase of \$0.0121 from fiscal year 2005, to provide funds for general operations and debt service for fiscal year 2006.

Significant budget initiatives in fiscal year 2006 included:

- Additions to the Sheriff's Office and County Attorney's Office to deal with inmate population increases.
- Ten new traffic patrol officers for the Sheriff's Office.
- Increased funding for Workforce Development programs.
- Cost of living adjustments for Social Services Agencies.
- Approval of an after school program for at-risk middle school students.

- Additional staffing for Justice of the Peace and Constable Offices.
- Funding for the new 419th Civil District Court.
- Increased staffing for the Medical Examiner’s Office.

The Commissioners’ Court authorized four issuances of new debt in fiscal year 2006:

Bonds:

Unlimited Tax Road Bonds (for local roads, drainage, bridges and pedestrian access)	\$ 16,110,000
Permanent Improvement Bonds (for parks and jail projects)	44,010,000
Limited Tax Refund Bonds, Series 2005A	9,155,000

Certificates of Obligation (budgeted):

Road/Drainage projects	\$ 8,284,046	
Facility projects	14,540,021	
Ambulances	518,340	
Mobile data computers for Constables	455,091	
Insurance costs	<u>127,502</u>	
Total Certificates of Obligation		\$ 23,925,000

Long-Term Financial Planning

It has been the long-standing intention of the Commissioners’ Court to maintain a sound financial footing, preserve the 11% reserve ratio, and maintain the County’s AAA bond rating. It was these accumulated resources that allowed the County to avoid massive disruptions in services during the years when the local economy took a downturn. In order to ensure that the fiscal year 2007 budget kept these goals in focus, the Commissioners’ Court established “Financial and Budgeting Guidelines” in February 2006. These guidelines called for offices and departments to look internally for resources to fund new programs, to pursue efficiencies, and to search for any untapped non-property tax revenue.

Budgeted revenues and available balances and budgeted expenditures for fiscal year 2007 are summarized as follows:

<u>Budgeted</u>	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Other Funds</u>
Revenues and Available Balances	\$ 401,709,776	\$ 73,645,582	\$ 156,122,261
Expenditures	<u>352,249,088</u>	<u>64,310,578</u>	<u>115,270,970</u>
Ending Fund Balance	<u>\$ 49,460,688</u>	<u>\$ 9,335,004</u>	<u>\$ 40,851,291</u>

Capital project funds are budgeted based on Certificates of Obligation and General Obligation Bond indenture provisions. At the end of fiscal year 2006, actual fund balances were carried over into the new year, and the Planning and Budget Office included a not-to-exceed number of \$85 million in its Recapitulation of the Fiscal Year 2007 Budget.

Included in these figures is \$10,758,138 in transfers among the funds, of which \$174,841 is a transfer to the General Fund from non-budgetary funds and \$5,712,762 is a transfer from the General Fund to the Balcones Canyonlands Preservation Fund. Other funds' budgeted expenditures (including transfers out) consisted of \$23,121,258 in the Road and Bridge Fund and \$92,149,712 in various other funds.

In addition, a portion of the ending fund balances is budgeted as Allocated Reserves, meaning that expenditure of these reserves is possible: \$10,502,755 in the General Fund, and \$40,601,058 in other funds, of which \$31,822,568 is in the Internal Service Funds.

For fiscal year 2007, the assessed taxable property value available at the time of budget approval was \$74,195,052,135 or 16.9% more than the value certified available for the fiscal year 2006 budget process.

RELEVANT FINANCIAL POLICIES

Long-Term Debt

Neither Travis County nor any road district has ever defaulted on the payment of principal or interest on its bonds or certificates of obligation. The County has a bond rating of "AAA" from Standard and Poors and "Aaa" from Moody's Investor Service.

In compliance with requirements of each bond order, the General Purpose Debt Service Fund is maintained to provide available funds to meet all obligations during the year. A separate tax levy is set each year for this purpose.

Debt Policy

The purpose of this policy is to provide guidelines for the Commissioners' Court in deciding whether to issue additional debt and to attempt to keep the debt issuance of the County within established limits. The Commissioners' Court last revised this policy during fiscal year 1999.

General Approach to Debt:

Travis County will maintain a prudent approach to the issuance of debt that includes the following:

- Travis County will ensure that necessary services are provided in this community in a timely and sufficient manner using current revenues.
- Travis County will ensure that necessary equipment and facilities are provided to County offices/departments in a timely manner using the most frugal method of payment available for such expenditures.

- Routine purchases and replacement of capital equipment, such as computer equipment, furniture, and "down payments" on larger capital projects will be financed through the Capital Acquisition Resources Account from current operating revenues. This fund will gradually increase as existing funds become available and as economic circumstances allow. This will eventually eliminate the need for issuing debt or entering into any other financing arrangement for recurring operating equipment purchases.
- Sale of bonds or certificates of obligation will follow general market conventions assuring the best interest rate deemed possible at the time, as determined by the Commissioners' Court, based upon advice from the County's financial advisors.

The Travis County Commissioners' Court will not issue long-term debt (with a repayment period in excess of five years) without the approval of such bond issue by the voters at an election, except under the following circumstances:

- The expenditure is legally required of the County, where penalties or fines could be imposed on the County if the expenditure is not made; or
- The issuance of the debt results in an actual overall tax savings to the voters during, at least, the life of the bonds; or
- The voters have previously approved the issuance of general obligation bonds but, for legal reasons, certificates of obligation must be substituted for such bonds in order to carry out the voters' authorization.

Capital expenditures, particularly those involving the issuance of debt, will be approved only in the context of multi-year planning by the County.

Process to Determine Needs:

Expenditures for capital improvements and equipment will be requested, justified and approved, specifying the recommended method of finance for such expenditures as part of the County's annual budget process, prior to budget adoption.

- Each year as part of the budget process, the Planning and Budget Office will prepare a debt report analyzing all recommended expenditures that are proposed to be financed with debt. The report will explain the impact the proposed new debt will have on the County's debt service tax rate and an analysis of such impact on the average county taxpayer, and the impact of the issuance of the proposed County debt in light of the general obligation debt of other taxing entities in Travis County (schools, cities, special districts).
- Building renovation or construction projects will be reviewed and assessed by Facilities Management prior to consideration by the Commissioners' Court.
- The Transportation and Natural Resources Department will review and assess any project that includes roads, drainage or parks prior to consideration by the Commissioners' Court.

- The Commissioners' Court will decide which projects will be undertaken, the timing of those projects, and the source of funding to be provided for accomplishing those projects.

Debt Policies:

- A debt service reserve of at least 10% of total debt service requirements for the current fiscal year will be maintained to ensure availability of funds to meet the debt service payments in the event of tax revenue shortfalls.
- The term of any debt should not exceed 20 years, and should never exceed the useful life of the asset or the weighted average useful life of a group of assets when multiple assets are funded in a single issuance.
- Except in the case of revenue producing facilities, debt will not be issued for the purpose of making debt service interest payments.
- Delays in repayment of principal will be part of the debt structure only if in a particular circumstance such delay is seen to be in the County's best financial interest.
- Interest earnings on bonds that have been sold will be retained in the project until that project is completed unless the Commissioners' Court has instructed otherwise in a bond covenant or Official Statement. Funds unneeded for the project after its completion will be transferred to the Interest and Sinking Fund in order to mitigate the need to increase the debt service tax rate. Excess funds will not be allowed to increase the scope of the original project without additional justification and analysis.
- Optional debt redemption shall be provided for, based upon the advice of the County's financial advisor.
- Travis County will maintain a ratio of annual short-term debt service payments to total debt service of 25% or less, and short-term debt service payments to total General Fund expenditures of 5% or less.
- Guidelines in the form of industry-standard ratios will be reviewed in conjunction with each debt issuance in order to provide a framework within which to view overall Travis County debt.

Those guideline ratios include:

1. Net bonded debt to taxable value should not exceed the range of 1.0%-1.5%.
2. Net bonded debt to population should not exceed \$500 per capita.
3. Debt service to total expenditures (operating expenditures and debt service combined) shall be approximately 20% or less.
4. A total debt target of 5% of market value for all overlapping debt in Travis County (county, city, school district and other) will be established, in concert with cooperative efforts toward sharing this goal with the other debt-issuing entities.

The debt analysis below will also show the anticipated net bonded debt per taxable value and the net bonded debt per capita that will be shown as a part of an upcoming Official Statement.

	<u>Guidelines</u>	<u>2006</u>	<u>2005</u>
Debt service reserve percentage of total general purpose debt service requirements	10% or >	13.18%	10.75%
Net general purpose bonded debt to assessed valuation	1.0% - 1.5%	0.55%	0.54%
Net general purpose bonded debt per capita	\$500 or <	\$497.15	\$468.86
General purpose debt service expenditure to total general fund plus general purpose debt service expenditures (within ten years)	20% or <	17.11%	18.10%
Short-term debt service expenditures to total general purpose debt service expenditures	25% or <	22.40%	19.08%
Short-term debt service expenditures to total general fund expenditures	5% or <	4.63%	4.22%

Note: Excludes blended component units and discretely presented component unit
Includes Certificates of Obligation

Other Relevant Financial Policies

GASB Interpretation No. 6 (“GASB I-6”), “Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements,” clarified the application of existing standards for distinguishing the respective portions of certain types of liabilities that should be reported as (a) governmental fund liabilities and expenditures and (b) general long-term liabilities of the government (GASB I-6, Intro par 4). The accrued liabilities that GASB specifically discussed in GASB I-6 are compensated absences, claims and judgements, special termination benefits, and landfill closure and postclosure care obligations. According to GASB, the intent of GASB I-6 was to develop an internally consistent interpretation of existing modified accrual standards that could be consistently and comparably applied, rather than to increase or decrease accruals, as such, in the governmental fund financial statements (GASB I-6, App B par 35). The impact, as we see it, is an overstatement of fund balance and an understatement of governmental fund liabilities. We believe this interpretation will result in the citizenry, investors, and creditors of the governmental entity being unable to ascertain from the governmental fund financial statements whether the government has been fiscally responsible in ensuring funds have been set aside for incurred liabilities that are expected to be liquidated with current expendable resources. In addition, users of the governmental fund financial statements that conduct analyses using conventional financial solvency measures such as the current ratio and acid-test ratio, which are indicators of the ability of an entity to meet current maturing obligations, could draw misleading conclusions since not all incurred expenditures that are expected to be liquidated with current expendable resources are reported as liabilities.

For the readers of Travis County’s fiscal year 2006 governmental funds financial statements, the County has not changed its conservative practice of appropriating funds for incurred liabilities in current expendable resources. As it relates to compensated absences leave,

those benefits that are expected to be liquidated with current expendable resources have been reported, to the extent they have matured, as a liability and expenditure, with the remainder being reported as a portion of the fund balance designated for disbursement of near-term compensated absence benefits in the respective governmental funds. The designated fund balance for near-term compensated absence benefits will be unavailable for general budgetary use. For the readers of the government-wide financial statements, all incurred liabilities, both the above-stated current portion and the non-current portion, have been reported as a liability and expense.

AWARDS AND ACKNOWLEDGMENTS

Awards

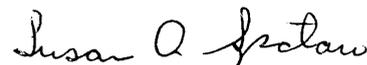
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Travis County for its Comprehensive Annual Financial Report for the fiscal year ended September 30, 2005. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

Acknowledgments

The preparation of this report could not have been accomplished without the dedicated services of the staff of the County Auditor's Office. We express our appreciation to all the members of this office who contributed to its preparation. We want to express our appreciation and thanks to the members of the Commissioners' Court, their staff and all other County officials and employees who have given their support in planning and conducting the financial operations of Travis County in a responsible manner.

Respectfully submitted,



Susan A. Spataro, CPA, CMA
County Auditor

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Travis County
Texas

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
September 30, 2005

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



A handwritten signature in black ink, appearing to read "Ronald J. Hawn".

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emer".

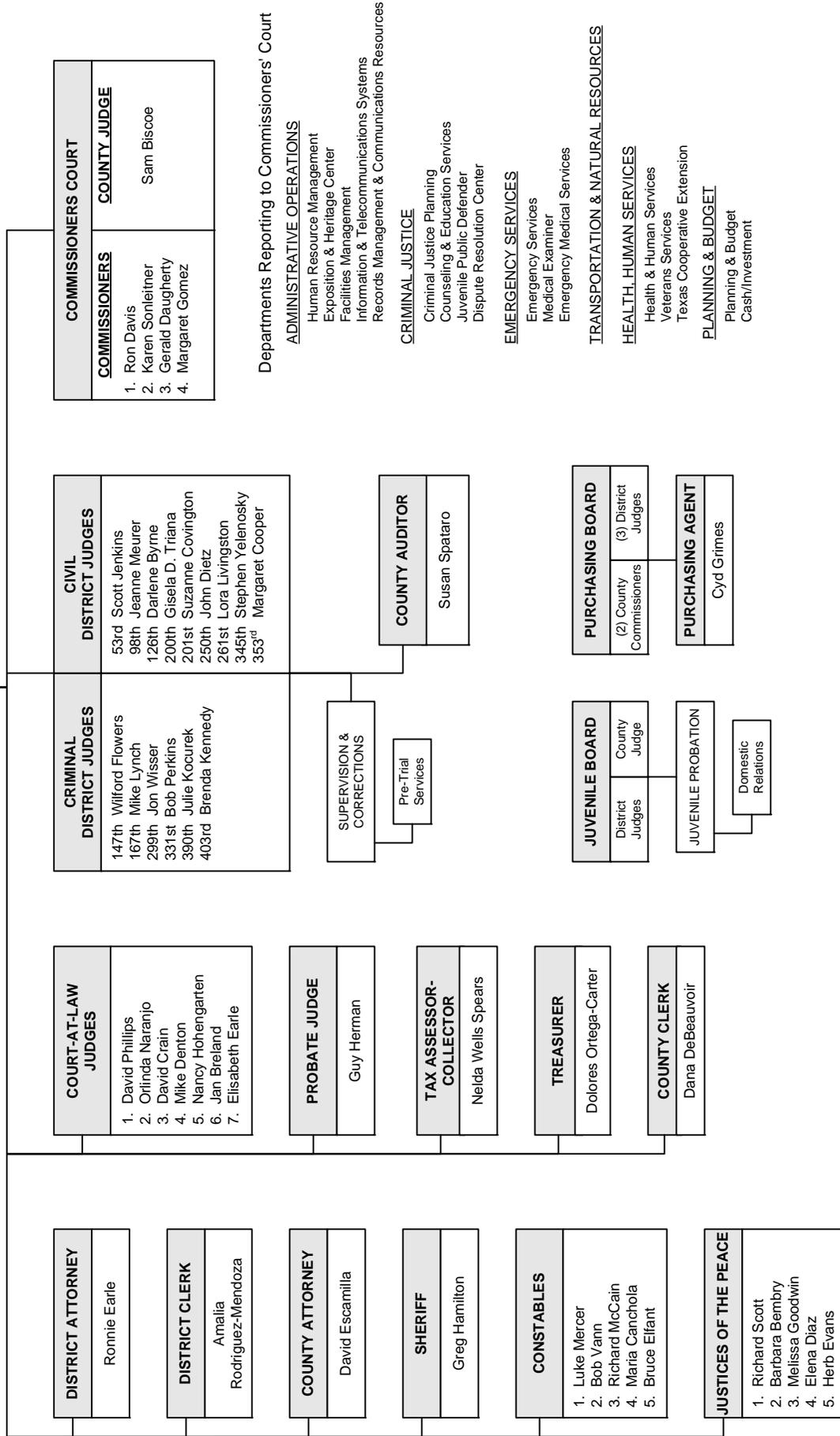
Executive Director



TRAVIS COUNTY

TRAVIS COUNTY VOTERS

September 30, 2006



Independently Elected/Appointed Officials with statutory duties

TRAVIS COUNTY, TEXAS
PRINCIPAL OFFICIALS
September 30, 2006

GOVERNING BODY

Samuel T. Biscoe, County Judge

Ron Davis, Commissioner, Precinct 1

Karen Sonleitner, Commissioner, Precinct 2

Gerald Daugherty, Commissioner, Precinct 3

Margaret Gomez, Commissioner, Precinct 4

OTHER PRINCIPAL OFFICIALS

Nelda Wells Spears, Tax Assessor/Collector

Susan A. Spataro, County Auditor, CPA, CMA

David Escamilla, County Attorney

Ronald Earle, District Attorney

Greg Hamilton, County Sheriff

Dolores Ortega-Carter, County Treasurer

Amalia Rodriguez-Mendoza, District Clerk

Dana DeBeauvoir, County Clerk



**TRAVIS COUNTY, TEXAS
FINANCIAL SECTION**

INDEPENDENT AUDITORS' REPORT

To the Honorable County Judge and Commissioners' Court of
Travis County, Texas

We have audited the accompanying financial statements of the governmental activities, each major fund and aggregate remaining fund information of Travis County, Texas (the "County"), as of and for the year ended September 30, 2006, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Travis County's management. Our responsibility is to express an opinion on these respective financial statements based on our audit. We did not audit the financial statements of the Travis County Healthcare District, the discretely presented component unit of the County, for the year ended September 30, 2006. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Travis County Healthcare District, is based solely on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit, and the report of the other auditors, provides a reasonable basis for our opinion.

In our opinion, based on our audit and the report of the other auditors, the basic financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, discretely presented component unit, each major fund and aggregate remaining fund information of the County as of September 30, 2006; the results of its operations; and cash flows of its proprietary fund for the year then ended in conformity with accounting standards generally accepted in the United States of America.

Management's Discussion and Analysis and the budgetary comparison information, as listed in the table of contents, are not required parts of the basic financial statements, but constitute supplementary information required by the Governmental Accounting Standards Board. This supplementary information is the responsibility of Travis County's management. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the respective financial statements taken as a whole. The combining and individual fund financial statements and schedules listed in the foregoing table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements of the County. These financial statements and schedules are the responsibility of management of Travis County. Such additional information has been subjected to the auditing procedures applied in our audit of basic financial statements and, in our opinion, is fairly stated in all material respects when considered in relation to the basic financial statements taken as a whole.

The introductory section and the statistical data listed in the table of contents are presented for the purpose of additional analysis and are not a required part of the basic financial statements for the County. Such information is the responsibility of Travis County and has not been subjected to the auditing procedures applied in our audit of the basic financial statements, and accordingly, we express no opinion on it.

Deloitte & Touche LLP

February 16, 2007

**TRAVIS COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) (Unaudited)
For The Year Ended September 30, 2006**

The following is a narrative overview and analysis of the financial activities of Travis County (County) for the fiscal year ended September 30, 2006. Please consider the information presented here in conjunction with the transmittal letter, financial statements, and related footnotes.

FINANCIAL HIGHLIGHTS

Government-wide:

- The assets of the County exceeded its liabilities at the close of the fiscal year by \$781.7 million (reported as net assets), an increase of \$43.2 million or 5.9 percent from the prior year. Of the total net assets amount, \$731.2 million is invested in capital assets net of related debt, \$22.7 million is unrestricted, and \$27.8 million is restricted for specific future uses.

Fund Financial Statements:

- As of the close of the fiscal year, the County's governmental funds reported combined ending fund balances of \$237.9 million, an increase of \$48.1 million or 25.4 percent from the previous year. Approximately 84.2 percent of ending fund balances is unreserved and may be used to meet ongoing obligations to citizens and creditors. This is an increase of 32.9 percent from the prior year.
- The fund balance of the General Fund, one of the components of the governmental funds, was \$83.2 million at September 30, 2006, a \$14.2 million increase over last year. The unreserved portion of fund balance was \$72.8 million or 87.5 percent of total fund balance and 23.2 percent of total General Fund expenditures and other financing uses for fiscal year 2006.
- At September 30, 2006, net assets of the County's Internal Service Fund were \$36.3 million, an increase of \$12.6 million or 52.9 percent from the prior year.

Long-term Debt:

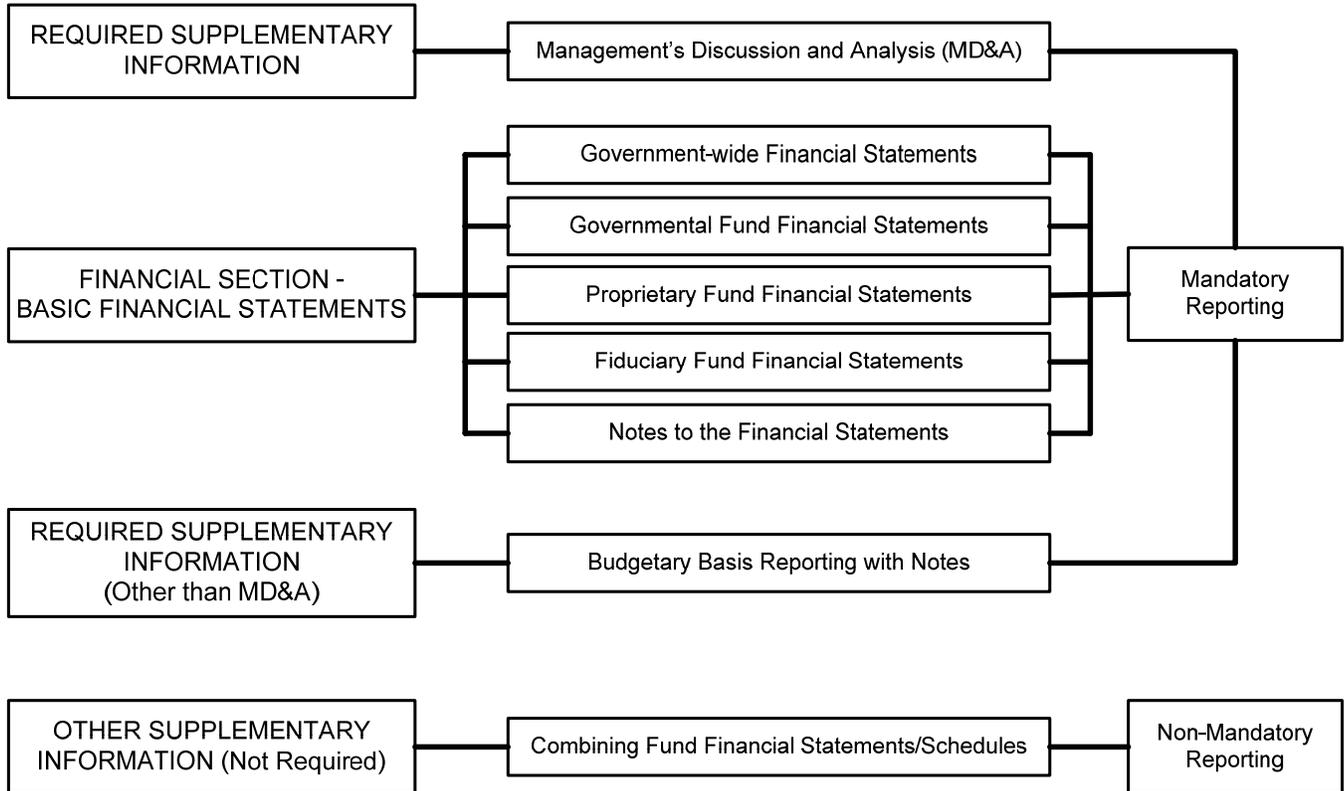
- The County's total bond and certificate debt increased by \$39.3 million or 9.1 percent during the fiscal year increasing total debt outstanding to \$472.2 million, net of deferred amounts and premiums.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements, which are comprised of three components (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains additional required and other supplementary information in addition to the financial statements themselves.

The financial statements presented herein include all of the activities of Travis County using the integrated approach as prescribed by Governmental Accounting Standards Board (GASB) Statement No. 34 and all amendments thereafter.

The following illustration summarizes the sections and reporting requirements of this financial report.



Government-wide Financial Statements (Reporting the County as a Whole)

The *government-wide financial statements* are designed to provide readers with a broad overall view of the financial position of the County. They include a *Statement of Net Assets* and a *Statement of Activities*. Both of these statements are presented using the *full accrual* method of accounting, thereby recognizing revenues and expenses regardless of when cash is received or paid. This accounting method produces a view of financial position similar to that presented by most private-sector companies.

The *Statement of Net Assets* (on page BFS-5) presents information on all County assets and liabilities, with the difference between the two reported as *net assets*. The analysis of net assets over time may serve as a useful indicator of whether the County’s overall financial position is improving or deteriorating. To assess the overall health of the County, however, other factors should be considered, such as changes in the County’s property tax base and the condition of its roads and bridges (infrastructure).

The *Statement of Activities* (on page BFS-6) presents the County’s revenues and expenses for the period, with the difference between the two resulting in the current year *change in net assets*. A change in net assets is reported when the underlying event giving rise to the change occurs, *regardless of the timing of the related cash flows*. Thus, revenues and expenses reported in this statement may result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

In the *Statement of Net Assets* and the *Statement of Activities*, the County reports its basic services as *governmental activities*. These activities include general government, justice system, public safety, corrections and rehabilitation, health and human services, infrastructure and environmental services, and community and economic development. These services are predominantly financed through property taxes, fees, and intergovernmental grants.

The government-wide financial statements include not only the County itself (known as the *primary government*), but also the following legally separate entities known as *component units*, which are blended into the County's financial statements: Northwest Travis County Road District No. 3; Southwest Travis County Road District No. 1 Refunded Bonds Fund; Travis County Bee Caves Road District No. 1; Capital Health Facilities Development Corporation; Travis County Housing Finance Corporation; Travis County Health Facilities Development Corporation; Capital Industrial Development Corporation; Travis County Development Authority; and Travis County Cultural Education Facilities Finance Corporation. In addition, the Travis County Healthcare District (District) is included as a discretely presented component unit, as there is some financial accountability by the District to the Travis County Commissioners' Court. Additional information regarding component units can be found in Note 1 of the Notes to the Financial Statements.

Fund Financial Statements (Reporting the County's Major Funds)

The *fund financial statements* focus on the County's most significant funds individually rather than on the County as a whole. A fund is a group of related accounts used to keep track of specific sources of funding and spending for a particular purpose. Funds are established for various purposes, and the fund financial statements allow the demonstration of resource inflows and outflows and/or related budgetary compliance for individual parts of the County government. All funds of the County are classified into one of three categories: governmental funds, proprietary funds, or fiduciary funds.

Governmental funds – The County's *governmental funds* are used to account for essentially the same basic services reported in the *governmental activities* category of 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 on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating the County's near-term financing requirements.

Also unlike the government-wide financial statements, governmental funds are reported using the *modified accrual* method of accounting, which measures cash and only those assets that can be readily converted to cash. Because governmental fund financial statements do not encompass the additional long-term focus of the government-wide financial statements, additional information is provided that explains the relationship (or differences) between them.

Travis County maintains 51 individual governmental funds (including blended component units), of which seven are considered major funds and are discretely presented in the governmental fund Balance Sheet and governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances beginning on page BFS-12. The major funds are General, Road and Bridge, Grants, General Purpose Debt Service, Capital-General Obligation Bonds, Capital-Certificates of Obligation, and Capital-Road Bonds and Certificates of Obligation. The remaining less significant funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements located in the Other Supplementary Information section of this report beginning on page OSI-1.

Proprietary funds – An *internal service fund*, a type of proprietary fund, reports activities that provide services to the County internally. The County is self-insured and uses an internal service fund to account for general, property and automobile liabilities, error and omissions claims and judgements, workers' compensation claims, and loss from theft and crime. The County's employee medical plan is also self-funded and accounted for in an internal service fund. Because these services predominantly benefit governmental functions, they have been included within *governmental activities* in the government-wide financial statements. Proprietary fund financial statements begin on page BFS-20.

Fiduciary funds – *Fiduciary funds* are used to account for resources held for the benefit of parties other than the County itself. Because the resources from these funds are held for the benefit of others and not available to support the County's own programs, fiduciary funds are *not* reflected in the government-wide financial statements. The County's fiduciary financial information is reported in a separate Statement of Fiduciary Assets and Liabilities on page BFS-23.

Notes to the Financial Statements

The *notes to the financial statements* provide additional information that is essential to the understanding and fair presentation of the data provided in both the government-wide and fund financial statements. Notes to the financial statements begin on page NT-1 of this report.

Required Supplementary Information (Other than MD&A)

Required supplementary information (other than MD&A) includes information concerning the County's General Fund and Road and Bridge special revenue fund budgets. The County adopts an annual appropriation budget for its general fund and various special revenue funds, of which Road and Bridge is a major fund. Budgetary comparison schedules have been provided for the General and Road and Bridge funds to demonstrate compliance with these budgets. Required Supplementary Information begins on page RSI-1 of this report.

Other Supplementary Information

Other supplementary information includes combining and individual fund statements that provide actual and/or budgetary information for certain major funds, non-major governmental funds, internal service funds, and fiduciary funds. Other supplementary information begins on page OSI-1 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Reporting the County as a Whole)

The County is providing condensed financial information for fiscal year 2006 with comparative information for fiscal year 2005. The following schedule was derived from the Statement of Net Assets on page BFS-5 of this report and focuses on the net assets of the County.

Travis County, Texas
Condensed Statement of Net Assets
September 30, 2006
With Comparative Totals For September 30, 2005

	Governmental Activities	
	2006	2005
Current and other assets	\$ 349,561,403	\$ 288,350,601
Capital assets, net of depreciation	988,204,082	964,770,286
Total assets	<u>1,337,765,485</u>	<u>1,253,120,887</u>
Current liabilities	43,665,080	41,709,778
Non-current liabilities	512,348,873	472,895,519
Total liabilities	<u>556,013,953</u>	<u>514,605,297</u>
Net Assets:		
Invested in capital assets, net of related debt	731,245,017	725,154,875
Restricted	27,804,954	28,494,465
Unrestricted (deficit)	22,701,561	(15,133,750)
Total net assets	<u>\$ 781,751,532</u>	<u>\$ 738,515,590</u>

Travis County's assets exceeded liabilities by \$781.7 million at September 30, 2006. The largest portion of the County's net assets in the amount of \$731.2 million reflects its investment in capital assets such as land, buildings, equipment, and infrastructure (roads, bridges and other immovable assets) less any related outstanding debt used to acquire those assets. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Restricted net assets in the amount of \$27.8 million represent County resources that are subject to external restrictions, constitutional provisions, or enabling legislation regarding how they may be used. The classification of net assets in fiscal year 2005 reflects the effects of the implementation of GASB Statement No. 46, "Net Assets Restricted by Enabling Legislation."

The individual components of net assets are analyzed below:

Travis County, Texas
Components of Net Assets
September 30, 2006
With Comparative Totals For September 30, 2005

	2006	2005
<i>Net Assets Invested in Capital Assets, Net of Related Debt</i>		
Some County-owned assets have depreciable lives for financial reporting that are different from the period over which the related debt principal is being repaid. In addition, many assets may not have been funded with debt, or may be fully paid and have a net undepreciated balance.	\$ 731,245,017	\$ 725,154,875
<i>Restricted Net Assets</i>		
Funds legally restricted for capital projects	1,871,616	1,907,893
Funds legally restricted for debt service	1,715,397	602,341
Funds legally restricted in the Permanent School Fund	2,324,928	2,229,120
Funds legally restricted for justice, corrections, and rehabilitative programs	14,922,937	15,572,940
Funds legally restricted for roads, parks, and preserves	6,568,171	7,732,956
Funds restricted to finance other specific activities	401,905	336,626
Total Restricted Net Assets	27,804,954	28,381,876
<i>Unrestricted Net Assets</i>		
The County issued debt for the purpose of purchasing right-of-way land for joint road projects with the State of Texas. The State maintains the property; therefore, the capital asset is not recorded on the County's books. This is the debt outstanding for these non-County owned assets at year end.	(101,010,459)	(105,322,849)
All other unrestricted non-capital assets exceed the total of the County's other liabilities by this amount.	123,712,020	90,301,688
Total Unrestricted Net Assets (deficit)	22,701,561	(15,021,161)
Total Net Assets	\$ 781,751,532	\$ 738,515,590

As shown in the schedule above, the County's total net assets increased from \$738.5 million to \$781.7 million or 5.9 percent over the course of this fiscal year's operations. This increase is primarily due to the following factors:

- Assets were donated to the County in the amount of \$15.5 million – Assets such as roads, sidewalks, and rights-of-way are donated by local developers for ongoing maintenance and have no related expenses.
- Fund balance in the General Fund increased \$14.2 million – A post-budget adjustment to the County's Taxable Assessed Property Value of \$0.6 billion generated unexpected additional property tax revenue. In addition, investment income revenue was over budget due to higher than expected interest rates during the year.

- Fund balance in the Proprietary Fund increased \$12.6 million – Actual claims paid in the Employee Health Benefits Fund were lower than expected. Also, Self Insurance Fund expenditures were under budget due to actuarial changes in estimated liabilities and lower than expected settlement payments.

The difference between total fund balance in the governmental fund Balance Sheet (fund financial statements) and total net assets in the Statement of Net Assets (government-wide) is \$543.9 million. This variance exists because of several items that are presented in the government-wide financial statements that are not presented in the fund financial statements, including capital assets in the amount of \$988.2 million, certain long-term assets in the amount of \$13.8 million, net assets of \$36.3 million in the Internal Service Fund, change in current liabilities of (\$1.0) million, and long-term liabilities of (\$493.4) million. A detailed reconciliation can be found in Note 3 of the Notes to the Financial Statements.

The following condensed financial information was derived from the government-wide Statement of Activities on page BFS-6 of this report and reflects how the County's net assets changed during the fiscal year.

Travis County, Texas
Condensed Statement of Activities
For The Year Ended September 30, 2006
With Comparative Totals For The Year Ended September 30, 2005

	Governmental Activities	
	2006	2005
Revenues:		
Program revenues:		
Fees, fines and charges for services	\$ 92,220,079	\$ 83,267,968
Operating grants, contributions, shared revenues, and entitlements	24,250,537	22,224,795
Capital grants, contributions and donated assets	17,315,873	34,974,873
General revenues:		
Property taxes, ad valorem	322,901,024	297,540,102
Excise taxes from the State of Texas	5,093,749	4,686,760
Grants and contributions not restricted to specific programs	2,111,177	1,537,938
Investment earnings	18,026,783	9,647,663
Miscellaneous	5,408,938	5,680,030
Total revenues	487,328,160	459,560,129
Expenses:		
General government *	83,695,932	80,842,627
Justice system	89,223,427	83,914,875
Public safety	45,638,186	41,136,886
Corrections and rehabilitation	95,254,826	87,272,090
Health and human services	35,419,641	34,812,146
Infrastructure and environmental services	65,733,063	68,946,441
Community and economic development	7,299,040	6,735,409
Interest on long-term debt	21,828,103	21,632,040
Total expenses	444,092,218	425,292,514
Change in net assets	43,235,942	34,267,615
Net assets--beginning of year	738,515,590	704,247,975
Net assets--end of year	\$ 781,751,532	\$ 738,515,590

* Includes Internal Service-Self Insurance Fund expense of \$29,931,523 and \$30,097,606 for FY06 and FY05, respectively.

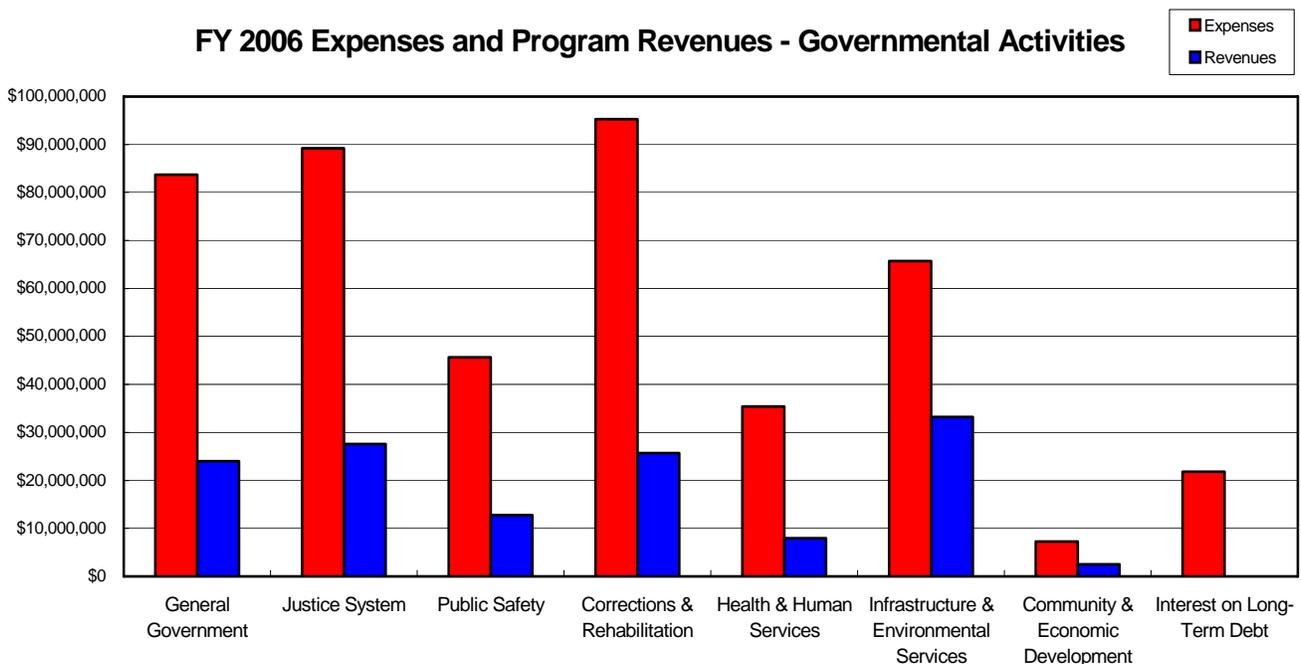
In fiscal year 2006, revenues increased by \$27.8 million or 6.0 percent. The key elements of this increase are as follows:

- Property tax revenue increased \$25.4 million mainly due to a 6.3 percent increase in the County's taxable assessed property values, which includes \$1.9 billion in new construction.
- Investment earnings increased \$8.4 million largely due to an increase in the Federal Reserve rate, which in turn created an increase in the County's overall portfolio yield.
- Fees, fines and charges for services increased \$9.0 million mainly due to a bill that was passed by the Texas legislature increasing recording fees.
- Offsetting the above increases were a decline in donated asset revenue of \$8.7 million and a decrease in monies received to purchase land for the Balcones Canyonlands Conservation Plan in the amount of \$4.0 million.

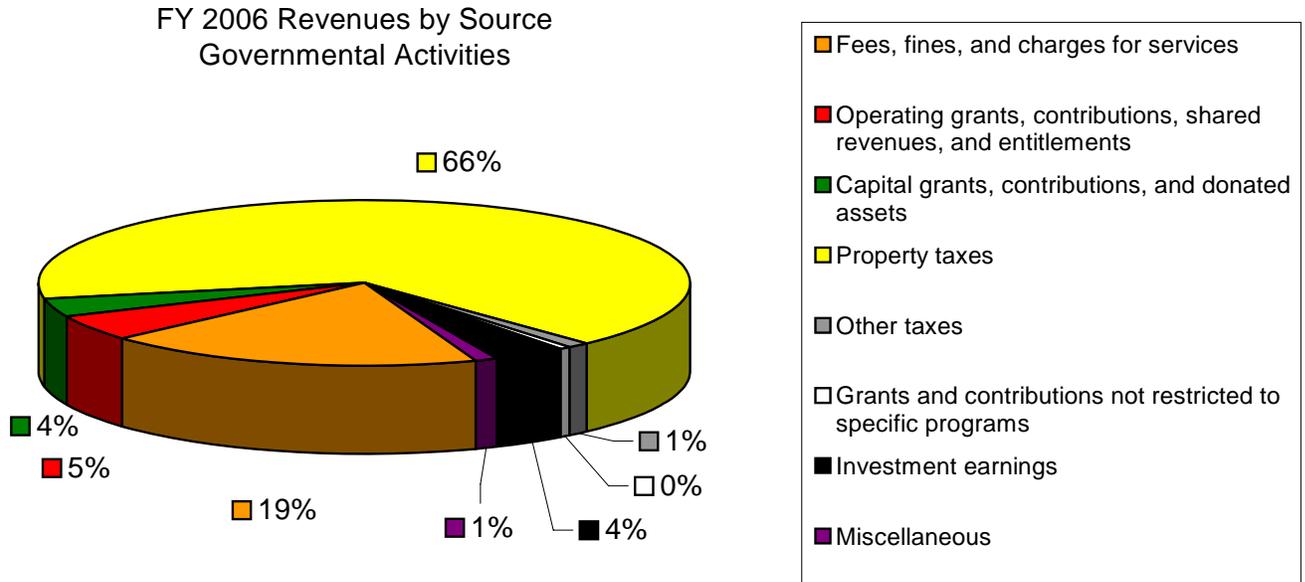
Expenses increased \$18.8 million, a good portion of which can be attributed to a County-wide cost of living salary increase of 3.0 percent and a discretionary performance pay increase of 2.0 percent in fiscal year 2006.

The difference between the governmental funds net change in fund balance in the Statement of Revenues, Expenditures and Changes in Fund Balances (fund financial statements) and the change in net assets in the Statement of Activities (government-wide) is (\$4.9) million. This variance exists partly because certain items are presented in the government-wide financial statements that are not presented in the County's fund financial statements. Conversely, there are certain items that are reported in the fund financial statements that are not presented in the government-wide financial statements. These variances include \$8.1 million of capital outlay expenditures in excess of depreciation, revenues totaling \$15.5 million, items associated with long-term debt in the amount of (\$40.2) million, various expenses in the amount of (\$0.9) million, and the change in net assets of the Internal Service Fund of \$12.6 million. A detailed reconciliation can be found in Note 3 of the Notes to the Financial Statements section of this report.

The following chart depicts expenses and program revenues for fiscal year 2006 for governmental activities (government-wide):



The following chart depicts total revenues of governmental activities (government-wide) for fiscal year 2006:



THE COUNTY'S FUNDS (Reporting the County's Major Funds)

Travis County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the County's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable resources*. Such information is useful in assessing the County's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. The County's governmental functions are contained in the General, Special Revenue, Debt Service, Capital Projects, and Permanent funds.

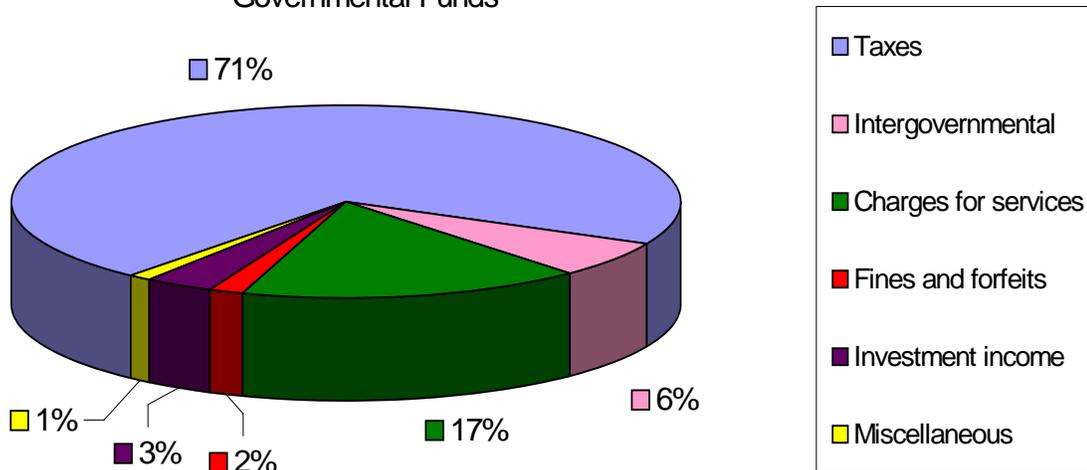
At the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$237.9 million, an increase of \$48.1 million or 25.4 percent from the previous year. Of the total fund balance, \$200.2 million constitutes *unreserved fund balance*, which is available to meet the County's current and future needs of its citizens and creditors. Of this unreserved fund balance, \$5.4 million is designated for compensated absences, \$8.8 million is designated for debt service, and \$86.0 million is designated for capital projects, with the remaining \$100.0 million undesignated. The remaining \$37.7 million of fund balance is *reserved* and is not available for new spending, as it has already been set aside for specific future purposes.

The following schedule summarizes and compares revenues by source of the County's governmental funds for fiscal years ended September 30, 2006 and September 30, 2005.

Travis County, Texas
Revenues Classified by Source
Governmental Funds

Revenues by source:	FY 2006	FY 2005
Taxes	\$ 328,098,773	\$ 302,205,859
Intergovernmental	28,162,319	34,510,489
Charges for services	77,651,363	69,742,078
Fines and forfeits	8,029,767	6,829,689
Investment income	14,983,807	7,461,294
Miscellaneous	5,138,032	5,702,595
Total revenues	\$ 462,064,061	\$ 426,452,004

FY 2006 Revenues by Source
Governmental Funds

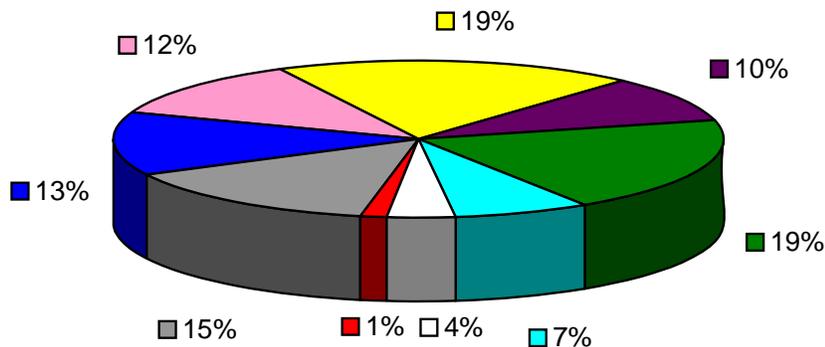


The schedule below summarizes and compares expenditures of the County's governmental funds by function for fiscal years ended September 30, 2006 and September 30, 2005.

Travis County, Texas
Expenditures by Function
Governmental Funds

Current:	FY 2006	FY 2005
General government	\$ 59,867,786	\$ 55,138,365
Justice system	94,672,961	89,034,598
Public safety	47,523,305	42,498,649
Corrections and rehabilitation	98,954,704	90,430,475
Health and human services	35,300,509	34,679,229
Infrastructure and environmental services	18,439,351	20,167,308
Community and economic development	6,354,678	5,738,841
Capital outlay	72,630,959	36,706,409
Debt service	64,571,657	64,402,803
Total expenditures	\$ 498,315,910	\$ 438,796,677

FY 2006 Expenditures by Function
Governmental Funds



General Government	Justice System
Public Safety	Corrections and Rehabilitation
Health and Human Services	Infrastructure and Environmental Services
Community and Economic Development	Capital Outlay
Debt Service	

General Fund. The *General Fund* is the County's chief operating fund. At the end of the current fiscal year, fund balance of the General Fund was \$83.2 million, of which \$72.8 million was unreserved. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures (including other financing uses). Unreserved fund balance and total fund balance constitute 23.2 percent and 26.5 percent, respectively, of total General Fund expenditures and other financing uses combined.

There was an increase in the fund balance of the County's General Fund of \$14.2 million or 20.6 percent during the current fiscal year. The key factors for this increase are as follows:

- Salary and benefit savings were \$4.1 million primarily due to vacant employee positions, most notably in the Justice System and Corrections and Rehabilitation functions. In addition, there was a \$2.1 million reduction in the amount of health premiums transferred to the Employee Health Benefits Fund. Lastly, funding from the State of Texas for visiting judge salaries was greater than anticipated.
- A post-budget increase of \$0.6 billion in taxable assessed property values helped create \$4.8 million of additional property tax revenue.
- Higher than expected interest rates in the County's investment portfolio helped produce \$2.3 million of additional interest income.
- An increase in volume and collection efforts for EMS patient fees helped generate an additional \$1.5 million in unanticipated revenue.

Road and Bridge Fund. The *Road and Bridge fund* is a special revenue fund used to account for funds set aside for operating and maintaining County-owned roads and bridges. At September 30, 2006, the Road and Bridge fund balance was \$10.5 million, an increase of \$0.3 million or 2.9 percent from the previous fiscal year.

Grants Fund. The *Grants fund*, a type of special revenue fund, is used to account for grant contributions from other entities. These contributions are intended to be used or expended for specific purposes designated by the grantor. At the end of the current fiscal year, the Grants fund balance was \$5.1 million, a decrease of \$0.6 million from the previous year. Normally grant funds do not maintain a fund balance. However, the Basic Supervision grant in the Community Supervision and Corrections Department (CSCD) allows for a fund balance to carry over into the following year. Refunds to the grantor for unused contributions are distributed every biennium, which will be in fiscal year 2007.

Debt Service Fund. The *General Purpose Debt Service fund* is used to account for financial resources set aside for the payment of principal and interest on the County's long-term debt obligations. At the end of the current fiscal year, the General Purpose Debt Service fund balance was \$8.4 million, an increase of \$1.6 million or 23.0 percent from the prior fiscal year. This was mostly due to the unexpected rise in the market interest rate affecting the County's short-term investment portfolio, which increased from 3.6 percent to 5.25 percent in fiscal year 2006.

Capital Projects Funds. The County's *Capital Projects funds* are used to account for financial resources set aside for the acquisition or construction of major capital endeavors. At the end of the current fiscal year, the total fund balance for the County's major Capital Projects funds was \$104.4 million, an increase of \$27.2 million or 35.2 percent from the prior year. This increase is essentially due to the issuance of general obligation bonds and certificates of obligation totaling \$84.0 million.

Proprietary Fund. The County is self-insured and uses an *internal service fund*, a type of proprietary fund, to account for general, property and automobile liabilities, error and omissions claims and judgements, workers' compensation claims, and loss from theft and crime. The County also uses an internal service fund to self-insure its employee and retiree health and medical claims. Total net assets for the County's Proprietary Fund at the end of the fiscal year were \$36.3 million, an increase of \$12.6 million or 52.9 percent from the prior year. This increase is due mainly to lower than expected litigation and medical claim losses. This additional fund balance will help build the catastrophic reserve that was established when the Employee Health and Benefit Fund was created in 2002.

BUDGETARY HIGHLIGHTS

The County’s budget is prepared according to the budget rules adopted by the Commissioners’ Court. The most significant budgeted fund is the General Fund.

General Fund. The local economy still showed signs of strength during the fiscal year 2006 budget preparation. Employment was solid, housing sales remained strong, and property values had risen significantly from the prior year. Once again the Commissioners’ Court required that the budget maintain the 11.0 percent reserve goal for property tax-supported funds.

The following table summarizes General Fund budgeted and actual amounts for fiscal year 2006.

Travis County, Texas FY 2006 General Fund Budget vs. Actual Amounts (in thousands)			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
<u>Revenues and Transfers In</u>			
Taxes	\$ 258,369	\$ 258,369	\$ 263,732
Intergovernmental	1,242	2,810	3,240
Charges for services	42,716	42,781	46,403
Other	8,113	8,156	11,900
Transfers in	3,301	3,330	3,449
Total	<u>313,741</u>	<u>315,446</u>	<u>328,724</u>
<u>Expenditures and Transfers Out</u>			
Expenditures	321,932	329,863	307,718
Transfers out	6,704	6,895	6,781
Total	<u>328,636</u>	<u>336,758</u>	<u>314,499</u>
Net change in fund balance	<u>\$ (14,895)</u>	<u>\$ (21,312)</u>	<u>\$ 14,225</u>

The General Fund *revised* budget as a whole did not change significantly from the *original* adopted budget for fiscal year 2006, with revenues and transfers in increasing only 0.5 percent and expenditures and transfers out increasing 2.5 percent.

Actual revenues and transfers in were 4.2 percent over the *revised* budget mainly due to the following three factors:

- A post-budget increase of \$0.6 billion in taxable assessed property values helped create \$4.8 million of additional property tax revenue.
- Higher than expected interest rates in the County’s investment portfolio helped produce \$2.3 million of additional interest income.
- An increase in volume and collection efforts for EMS patient fees helped generate an additional \$1.5 million in unanticipated revenue.

Actual expenditures and transfers out were 6.6 percent under the *revised* budget. This is primarily due to the following items:

- Encumbered spending commitments set for disbursement in fiscal year 2007 were \$10.3 million in the General Fund at the end of this fiscal year. This amount encompasses a wide array of expenditures in all of the functions, but the majority is in the General Government and Justice System functions.

- Salary and benefit savings were \$4.1 million primarily due to vacant employee positions, most notably in the Justice System and Corrections and Rehabilitation functions. In addition, there was a \$2.1 million reduction in the amount of health premiums transferred to the Employee Health Benefits Fund. Lastly, funding from the State of Texas for visiting judge salaries was greater than anticipated.
- Operating costs were \$4.6 million lower than expected partly due to delayed projects and renegotiated maintenance agreements, and partly due to lower than expected fees related to the Justice System (e.g., petit jury fees and attorney fees).
- Capital expenditures for various projects were \$1.7 million lower than anticipated.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The capital assets of the County are those assets that are used in the performance of the County's functions including infrastructure assets such as roads, bridges and other immovable assets. As of September 30, 2006, capital assets of the County's governmental activities totaled \$988.2 million, net of accumulated depreciation. The total increase in the County's investment in net capital assets for the current period is 2.4 percent as shown in the table below.

Travis County, Texas Capital Assets (net of accumulated depreciation) September 30, 2006 With Comparative Totals For September 30, 2005			
	Governmental Activities		Increase/ (Decrease) Percent of Change
	2006	2005	
Land and land improvements	\$ 111,721,060	\$ 82,973,944	34.6%
Land infrastructure	55,245,076	54,323,665	1.7%
Property, plant and equipment:			
Buildings	209,408,184	208,852,540	0.3%
Improvements other than buildings	31,066,781	31,130,980	-0.2%
Machinery and equipment	35,423,473	28,143,643	25.9%
Assets under capital lease	1,593,525	1,649,654	-3.4%
Leasehold improvements	16,877	32,866	-48.6%
Infrastructure	479,562,006	509,098,363	-5.8%
Construction in progress	64,167,100	48,564,631	32.1%
Total capital assets, net	<u>\$ 988,204,082</u>	<u>\$ 964,770,286</u>	2.4%

Major capital events during the current fiscal year included the following:

- The County's investment in land increased \$28.7 million in fiscal year 2006. This increase includes land for Milton Reimer Park in the amount of \$9.0 million, Pogue Spring Reserve for \$7.2 million, Hogge Parkland for \$5.4 million, and Reimer Reserve for \$5.0 million.
- Several buildings were purchased during the year totaling \$8.0 million. These include a building for the Constable and Justice of the Peace, Precinct 2 for \$3.9 million and the juvenile court building for \$2.0 million.
- Several road and bridge projects, such as Grand Avenue Parkway, Kennedy Ridge Drainage, and Wells Branch Parkway, totaling \$12.6 million were initiated or ongoing in fiscal year 2006 and were added to Construction in Progress. Also added was \$3.9 million in various building projects.
- A total of \$15.5 million in capital assets was donated to the County. This amount consists of \$13.7 million of added infrastructure, such as roads and sidewalks, and \$1.8 million in land infrastructure. These donated roads, sidewalks, and rights-of-way were built by developers when constructing new subdivisions and donated to the County for ongoing maintenance.
- Increases in assets were offset by depreciation expense of \$63.6 million.

Additional information on the County's capital assets can be found in Note 7 of the Notes to the Financial Statements.

Long-Term Debt

At the end of the current fiscal year, the County had total long-term debt outstanding, net of premiums and deferred amounts of \$472.2 million, an increase of \$39.3 million or 9.1 percent from the previous year. The County's outstanding debt obligations are summarized below:

Travis County, Texas Outstanding Debt September 30, 2006 With Comparative Totals For September 30, 2005			
Governmental Activities	2006	2005	Increase/ (Decrease)
General obligation bonds (voter approved)	\$ 393,780,004	\$ 361,486,881	\$ 32,293,123
Certificates of obligation (Commissioners' Court approved)	76,470,000	68,830,000	7,640,000
Premium, net of deferred amounts	1,968,924	2,613,054	(644,130)
Total	\$ 472,218,928	\$ 432,929,935	\$ 39,288,993

Includes blended component units

During fiscal year 2006, the County, including blended component units, issued general obligation bonds totaling \$69.3 million, which included limited tax refunding bonds in the amount of \$9.2 million used to pay off amounts outstanding on previously issued bonds that carried higher interest costs. The remaining \$60.1 million will largely be utilized for road and bridge construction and park

improvements. Certificates of Obligation were also issued for \$23.9 million. These monies will be utilized to purchase capital assets for several facility and road and bridge projects; to purchase new ambulances for emergency services; and for execution of other authorized capital projects of the County. During the year retirement of debt amounted to \$55.3 million, which included \$9.0 million in refunded debt.

During fiscal year 2006, the County maintained a triple-A bond rating from both Moody's Investors Service, Inc. and Standard & Poor's (S&P) credit rating agencies. The County received its first triple-A rating from S&P in fiscal year 2000 and from Moody's in fiscal year 2001.

State statute limits the amount of debt the County can issue to 5.0 percent of the total property value assessed within the County. Additionally, Travis County is limited on the amount that may be levied to service general law bonds and provide funds for the general operations of the County to \$0.80 annually on the \$100 assessed valuation plus a levy of \$0.15 annually for the maintenance of public roads. The County's outstanding debt is significantly below its current limit of \$4.1 billion.

Other long-term debt of the County includes capital leases, claims and judgements, compensated absences, and other long-term liabilities, which consist of arbitrage and the long-term cost of postclosure care for landfill remediation.

Additional information on the County's long-term debt can be found in Note 8 of the Notes to the Financial Statements.

ECONOMIC FACTORS AND OUTLOOK

The economic situation in Travis County continued its upward trend during fiscal year 2006 based on the following indicators:

- Residential home sales were 13.3 percent higher than the previous year.
- County-issued development permits were 16.2 percent higher than in fiscal year 2005.
- Employment in Travis County increased 3.5 percent from the previous year.
- The County's unemployment rate fell from 4.4 percent at the end of fiscal year 2005 to 3.9 percent at September 30, 2006.
- City of Austin total sales tax receipts in fiscal year 2006 were 11.7 percent higher than last year.
- Passenger traffic at Austin-Bergstrom International Airport in fiscal year 2006 exceeded all prior years since its opening in 1999.
- Assessed property values continued their rebound by increasing 6.3 percent in fiscal year 2006.

Assessed property values used in the budget process for fiscal year 2007 were 16.9 percent higher than for fiscal year 2006. Additionally, commercial property values, which had fallen in the last few years, increased in fiscal year 2006. The value and trend of the tax base is important given that current property taxes comprise 78.0 percent of new revenue for the General Fund and 97.5 percent of new revenue for the Debt Service Fund in the fiscal year 2007 budget. The reserve ratio for tax-supported funds remained at 11.0 percent in both the 2006 and 2007 fiscal year budgets.

REQUESTS FOR INFORMATION

The County's financial statements are designed to give a general overview of the County's finances. Questions concerning any of the information provided in this report or requests for additional financial information may be addressed to the *Travis County Auditor's Office, P.O. Box 1748, Austin, Texas 78767*.

TRAVIS COUNTY, TEXAS

BASIC FINANCIAL STATEMENTS

Government-Wide Financial Statements

Government-wide financial statements are used to provide readers with a broad overview of the County's overall financial position and include all funds except for the Fiduciary Funds.

Fund Financial Statements

Fund financial statements consist of governmental funds, which are used to account for revenues and expenditures of the main government of Travis County. Other funds are required to maintain certain information and are presented separately. The governmental funds included in the County's fund financial statements consist of the following:

General Fund – The General Fund is the principal fund of the County and is used to account for all financial resources except those required to be accounted for by another fund.

Road and Bridge Fund – This is a special revenue fund that accounts for monies received from auto registration fees and traffic fines, which may be used for operating and maintaining County owned roads and bridges.

Grants – This is a special revenue fund that consists of major federal, state and local grants.

General Purpose Debt Service Fund – This fund accounts for the accumulation of resources and the subsequent disbursement of such resources to pay principal and interest on long-term general obligation bonds and certificates of obligation.

Capital General Obligation Bonds – This fund accounts for bond proceeds used for land purchases and construction and improvement projects of County facilities and parks.

Capital Certificates of Obligation – This fund accounts for proceeds from certificates of obligation designated for capital expenditures.

Capital Road Bonds and Certificates of Obligation – This fund accounts for bond and certificates of obligation proceeds issued for the construction of roads.

Other Governmental Funds – These funds include non-major special revenue, debt service, capital projects, and permanent funds. The details of these funds are located in the Other Supplementary Information section of this report.

Fund financial statements also consist of the following funds:

Proprietary Fund – Travis County's proprietary fund consists of two internal service funds. Internal service funds are used to account for the financing of goods or services provided by one department to other departments of the government on a cost reimbursement basis. The details of the County's internal service funds are located in the Other Supplementary Information section of this report.

Fiduciary Funds – Agency Funds, a type of fiduciary fund, are used to account for assets held by the County in a fiduciary capacity as custodian or agent for individuals and other governmental units. The details of the County's agency funds are located in the Other Supplementary Information section of this report.

TRAVIS COUNTY, TEXAS

GOVERNMENT-WIDE

FINANCIAL STATEMENTS

TRAVIS COUNTY, TEXAS
STATEMENT OF NET ASSETS
September 30, 2006

	Primary Government Governmental Activities	Component Unit Healthcare District
<u>ASSETS</u>		
Cash and pooled cash	\$ 309,144,782	\$ 30,593
Investments	10,068,465	54,599,411
Interest receivable	2,433,751	-
Taxes receivable, net	5,217,003	207,657
Accounts receivable, net	15,553,999	10,467,562
Receivable from Healthcare District	63,498	-
Notes receivable	106,667	-
Other receivables	4,936,934	1,023,488
Prepaid items	250,554	63,989
Cash - restricted	91,075	-
Other assets	1,694,675	-
Capital assets:		
Land and land improvements	111,721,060	8,497,335
Land infrastructure	55,245,076	-
Property, plant and equipment	418,630,405	90,405,162
Infrastructure (other than land)	949,849,510	-
Construction in progress	64,167,100	-
Less accumulated depreciation	(611,409,069)	(3,784,990)
Total assets	1,337,765,485	161,510,207
<u>LIABILITIES</u>		
Accounts payable	12,613,672	4,680,457
Interest payable	4,114,697	-
Accrued liabilities	12,385,391	71,635
Other liabilities	4,346,368	-
Due to Travis County	-	63,498
Due to other governmental entities	16,274	-
Deferred revenue	10,188,678	-
Noncurrent liabilities:		
Due within one year:		
Long-term debt obligations	42,959,240	-
Other long-term liabilities	157,870	-
Capital lease obligations	136,208	-
Claims and judgements	8,924,241	-
Compensated absences	10,825,240	-
Due in more than one year:		
Long-term debt obligations	429,259,688	-
Other long-term liabilities	3,195,439	-
Capital lease obligations	805,177	-
Claims and judgements	4,499,323	-
Compensated absences	11,586,447	-
Total liabilities	556,013,953	4,815,590
<u>NET ASSETS</u>		
Invested in capital assets, net of related debt	731,245,017	95,117,507
Restricted for:		
Capital projects	1,871,616	-
Debt service	1,715,397	-
Permanent funds - non-expendable	2,324,928	-
Justice, corrections and rehabilitation programs	14,922,937	-
Roads, parks and preserves	6,568,171	-
Other purposes	401,905	-
Unrestricted	22,701,561	61,577,110
Total net assets	\$ 781,751,532	\$ 156,694,617

See accompanying notes to financial statements.

TRAVIS COUNTY, TEXAS
STATEMENT OF ACTIVITIES
For The Year Ended September 30, 2006

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>
		Fees, Fines, and Charges for Services
Primary government:		
Governmental activities:		
General government	\$ 83,695,932	\$ 23,820,299
Justice system	89,223,427	17,868,607
Public safety	45,638,186	10,762,529
Corrections and rehabilitation	95,254,826	15,926,055
Health and human services	35,419,641	5,382,199
Infrastructure and environmental services	65,733,063	15,961,633
Community and economic development	7,299,040	2,498,757
Interest on long-term debt	21,828,103	-
Total governmental activities	<u>\$ 444,092,218</u>	<u>\$ 92,220,079</u>
Component Unit:		
Healthcare District	<u>\$ 69,233,801</u>	<u>\$ 1,155,396</u>

See accompanying notes to financial statements.

<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Assets</u>	
<u>Operating Grants, Contributions, Shared Revenues, and Entitlements</u>	<u>Capital Grants, Contributions, and Donated Assets</u>	<u>Primary Government Governmental Activities</u>	<u>Component Unit Healthcare District</u>
\$ 147,520	\$ -	\$ (59,728,113)	\$
9,698,991	-	(61,655,829)	
1,994,959	-	(32,880,698)	
9,796,562	-	(69,532,209)	
2,593,112	-	(27,444,330)	
19,393	17,271,386	(32,480,651)	
-	44,487	(4,755,796)	
-	-	(21,828,103)	
<u>\$ 24,250,537</u>	<u>\$ 17,315,873</u>	<u>(310,305,729)</u>	
<u>\$ 36,670,256</u>	<u>\$ -</u>		<u>(31,408,149)</u>

General revenues:

Taxes:

Property taxes, ad valorem	322,901,024	50,107,980
Excise taxes from the State of Texas	5,093,749	-
Grants and contributions not restricted to specific programs	2,111,177	-
Investment earnings	18,026,783	2,803,272
Miscellaneous	5,408,938	4,200,361
Total general revenues	<u>353,541,671</u>	<u>57,111,613</u>
Change in net assets	43,235,942	25,703,464
Net assets - beginning of year	<u>738,515,590</u>	<u>130,991,153</u>
Net assets - end of year	<u>\$ 781,751,532</u>	<u>\$ 156,694,617</u>



TRAVIS COUNTY, TEXAS
FUND FINANCIAL STATEMENTS



**TRAVIS COUNTY, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2006**

	General	Road and Bridge	Grants
Assets			
Cash and pooled cash	\$ 101,659,742	\$ 10,888,066	\$ 14,448,629
Investments	-	-	-
Interest receivable	963,113	83,166	87,296
Due from other funds	4,325,266	397,617	-
Accounts receivable	3,815,201	43,467	-
Receivable from Healthcare District	63,498	-	-
Notes receivable	-	-	-
Intergovernmental and other receivables	-	-	3,200,116
Taxes receivable (net of allowances for estimated uncollectibles)	2,163,919	-	-
Prepaid items	121,974	-	-
Cash - restricted	-	-	68,306
Total assets	\$ 113,112,713	\$ 11,412,316	\$ 17,804,347
Liabilities and Fund Balances			
Liabilities:			
Accounts payable	8,185,734	468,919	756,207
Interest payable	-	-	-
Accrued liabilities	10,899,634	282,781	864,003
Due to other funds	360,506	-	2,615,365
Other liabilities	3,321,931	-	-
Liability for compensated absences	4,890,239	139,369	275,421
Due to other governmental entities	-	-	16,036
Deferred revenue	2,248,039	-	8,146,057
Total liabilities	29,906,083	891,069	12,673,089
Fund balances:			
<i>Reserved for:</i>			
Encumbrances	10,268,182	4,525,513	29,108
Prepaid items	121,974	-	-
County schools	-	-	-
Juveniles	-	-	-
<i>Unreserved, designated for:</i>			
Compensated absences	4,890,239	139,369	275,421
Special revenue funds - compensated absences	-	-	-
Debt service	-	-	-
Capital projects	-	-	-
<i>Unreserved, undesignated, reported in:</i>			
General fund	67,926,235	-	-
Special revenue funds	-	5,856,365	4,826,729
Total fund balances	83,206,630	10,521,247	5,131,258
Total liabilities and fund balances	\$ 113,112,713	\$ 11,412,316	\$ 17,804,347

See accompanying notes to financial statements.

<u>General Purpose Debt Service</u>	<u>Capital General Obligation Bonds</u>	<u>Capital Certificates of Obligation</u>	<u>Capital Road Bonds and Certificates of Obligation</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 9,364	\$ 26,028,944	\$ 26,692,736	\$ 53,040,405	\$ 28,159,836	\$ 260,927,722
9,129,698	-	-	-	938,767	10,068,465
45,047	209,853	217,962	386,521	135,913	2,128,871
102,344	-	29,800	24,467	15,998	4,895,492
-	-	-	-	291,136	4,149,804
-	-	-	-	-	63,498
-	-	106,667	-	-	106,667
-	-	-	-	1,550,673	4,750,789
636,081	-	-	-	17,003	2,817,003
-	-	-	-	-	121,974
-	-	22,769	-	-	91,075
<u>\$ 9,922,534</u>	<u>\$ 26,238,797</u>	<u>\$ 27,069,934</u>	<u>\$ 53,451,393</u>	<u>\$ 31,109,326</u>	<u>\$ 290,121,360</u>
-	284,470	642,178	1,133,602	999,496	12,470,606
327,243	-	-	-	-	327,243
-	3,306	-	15,764	175,463	12,240,951
-	7,555	75,918	102,645	1,733,503	4,895,492
587,964	-	3,656	-	432,817	4,346,368
-	-	-	-	114,926	5,419,955
-	-	-	-	238	16,274
636,081	-	106,667	-	1,384,393	12,521,237
<u>1,551,288</u>	<u>295,331</u>	<u>828,419</u>	<u>1,252,011</u>	<u>4,840,836</u>	<u>52,238,126</u>
-	1,604,264	10,855,260	6,326,840	1,638,182	35,247,349
-	-	-	-	-	121,974
-	-	-	-	2,324,928	2,324,928
-	-	-	-	2,521	2,521
-	-	-	-	-	5,305,029
-	-	-	-	114,926	114,926
8,371,246	-	-	-	424,155	8,795,401
-	24,339,202	15,386,255	45,872,542	440,871	86,038,870
-	-	-	-	-	67,926,235
-	-	-	-	21,322,907	32,006,001
<u>8,371,246</u>	<u>25,943,466</u>	<u>26,241,515</u>	<u>52,199,382</u>	<u>26,268,490</u>	<u>237,883,234</u>
<u>\$ 9,922,534</u>	<u>\$ 26,238,797</u>	<u>\$ 27,069,934</u>	<u>\$ 53,451,393</u>	<u>\$ 31,109,326</u>	<u>\$ 290,121,360</u>



TRAVIS COUNTY, TEXAS
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS
September 30, 2006

Fund balance - total governmental funds	\$	237,883,234
Amounts reported for governmental activities in the Statement of Net Assets are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds (excluding internal service fund).		988,177,218
Other long-term assets are not available to pay for current-period expenditures and, therefore, are not reported in the fund financial statements.		13,804,195
Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service fund is included in governmental activities in the Statement of Net Assets.		36,332,691
Difference due to liabilities for deferred revenue and interest payable (excluding internal service fund).		(1,028,491)
Non-current liabilities, including the portion due within one year, that have not matured would not be reported in the funds (excluding internal service fund).		(493,417,315)
Net assets of governmental activities	<u>\$</u>	<u>781,751,532</u>

See accompanying notes to financial statements.

TRAVIS COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For The Year Ended September 30, 2006

	<u>General</u>	<u>Road and Bridge</u>	<u>Grants</u>
Revenues:			
Taxes	\$ 263,732,282	\$ -	\$ -
Intergovernmental	3,239,744	76,931	23,874,450
Charges for services	46,403,334	12,470,371	7,570,632
Fines and forfeits	948,282	6,444,748	458,793
Investment income	7,952,024	573,913	359,328
Miscellaneous	2,998,919	66,582	63,323
Total revenues	<u>325,274,585</u>	<u>19,632,545</u>	<u>32,326,526</u>
Expenditures:			
Current:			
General government	54,891,756	-	-
Justice system	82,937,178	-	8,977,295
Public safety	42,711,990	-	1,592,323
Corrections and rehabilitation	77,979,476	-	18,299,137
Health and human services	33,078,007	-	2,222,256
Infrastructure and environmental services	5,637,577	11,549,721	21,959
Community and economic development	6,170,055	-	3,070
Capital outlay	4,312,138	5,014,053	1,808,074
Debt service:			
Refunding bond issuance costs	-	-	-
Debt issuance costs	-	-	-
Capital lease principal	-	-	128,942
Principal on general obligation debt	-	-	-
Interest and other charges	-	-	55,589
Total expenditures	<u>307,718,177</u>	<u>16,563,774</u>	<u>33,108,645</u>
Excess (deficiency) of revenues over expenditures	<u>17,556,408</u>	<u>3,068,771</u>	<u>(782,119)</u>
Other financing sources (uses):			
General obligation debt issued	-	-	-
Refunding debt issued	-	-	-
Debt premium	-	-	-
Payment to refunding bond agent	-	-	-
Transfers in	3,448,927	-	241,283
Transfers out	(6,780,793)	(2,775,714)	(65,944)
Total other financing sources (uses)	<u>(3,331,866)</u>	<u>(2,775,714)</u>	<u>175,339</u>
Net change in fund balances	14,224,542	293,057	(606,780)
Fund balances--beginning of year	<u>68,982,088</u>	<u>10,228,190</u>	<u>5,738,038</u>
Fund balances--end of year	<u>\$ 83,206,630</u>	<u>\$ 10,521,247</u>	<u>\$ 5,131,258</u>

See accompanying notes to financial statements.

General Purpose Debt Service	Capital General Obligation Bonds	Capital Certificates of Obligation	Capital Road Bonds and Certificates of Obligation	Other Governmental Funds	Total Governmental Funds
\$ 63,740,907	\$ -	\$ -	\$ -	\$ 625,584	\$ 328,098,773
-	-	-	-	971,194	28,162,319
-	-	-	-	11,207,026	77,651,363
-	-	-	-	177,944	8,029,767
1,231,127	733,919	1,356,396	1,895,618	881,482	14,983,807
-	-	-	-	2,009,208	5,138,032
<u>64,972,034</u>	<u>733,919</u>	<u>1,356,396</u>	<u>1,895,618</u>	<u>15,872,438</u>	<u>462,064,061</u>
-	33,194	708,087	50,530	4,184,219	59,867,786
-	-	7,696	-	2,750,792	94,672,961
-	-	1,124,853	-	2,094,139	47,523,305
-	-	623,922	-	2,052,169	98,954,704
-	-	246	-	-	35,300,509
-	-	-	-	1,230,094	18,439,351
-	34,858	100,175	-	46,520	6,354,678
-	28,865,512	22,294,725	6,968,030	3,368,427	72,630,959
126,921	-	-	-	-	126,921
-	110,600	55,214	62,196	-	228,010
-	-	-	-	-	128,942
40,667,340	-	-	-	450,000	41,117,340
22,741,775	-	-	-	173,080	22,970,444
<u>63,536,036</u>	<u>29,044,164</u>	<u>24,914,918</u>	<u>7,080,756</u>	<u>16,349,440</u>	<u>498,315,910</u>
<u>1,435,998</u>	<u>(28,310,245)</u>	<u>(23,558,522)</u>	<u>(5,185,138)</u>	<u>(477,002)</u>	<u>(36,251,849)</u>
-	44,010,000	23,925,000	16,110,000	-	84,045,000
9,155,000	-	-	-	-	9,155,000
130,991	153,812	35,888	24,516	-	345,207
(9,157,693)	-	-	-	-	(9,157,693)
-	-	-	-	6,605,454	10,295,664
-	-	-	-	(673,213)	(10,295,664)
<u>128,298</u>	<u>44,163,812</u>	<u>23,960,888</u>	<u>16,134,516</u>	<u>5,932,241</u>	<u>84,387,514</u>
1,564,296	15,853,567	402,366	10,949,378	5,455,239	48,135,665
6,806,950	10,089,899	25,839,149	41,250,004	20,813,251	189,747,569
<u>\$ 8,371,246</u>	<u>\$ 25,943,466</u>	<u>\$ 26,241,515</u>	<u>\$ 52,199,382</u>	<u>\$ 26,268,490</u>	<u>\$ 237,883,234</u>



TRAVIS COUNTY, TEXAS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For The Year Ended September 30, 2006

Net change in fund balances--total governmental funds	\$	48,135,665
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays and other capital related transactions in the current period (excluding internal service fund).		8,075,343
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		15,483,717
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, losses on refunding, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. Included is the accrual and accretion of interest on debt which does not require current resources. This amount is the net effect of these differences in the treatment of long-term debt and related items.		(40,222,223)
Some expenses reported in the Statement of Activities do not require the use of current financial resources or have not matured and therefore are not reported as expenditures in governmental funds (excluding internal service fund).		(805,619)
Internal service funds are used by management to charge the costs of certain activities, such as insurance, to individual funds. The net revenue (expense) of the internal service fund is reported in governmental activities.		12,569,059
Change in net assets of governmental activities	<u>\$</u>	<u>43,235,942</u>

See accompanying notes to financial statements.

**TRAVIS COUNTY, TEXAS
STATEMENT OF NET ASSETS
PROPRIETARY FUND
September 30, 2006**

	Governmental Activities
	Internal Service Funds
Assets	
Current assets:	
Pooled cash	\$ 48,217,060
Interest receivable	304,880
Other receivables	186,145
Prepaid items	128,580
Other assets	1,694,675
Total current assets	50,531,340
Noncurrent assets:	
Capital assets	67,835
Less accumulated depreciation	(40,971)
Total noncurrent assets	26,864
Total assets	50,558,204
Liabilities	
Current liabilities:	
Accounts payable	143,066
Deferred revenue	426,404
Accrued and other liabilities	144,440
Claims and judgements	8,924,241
Compensated absences	38,912
Total current liabilities	9,677,063
Noncurrent liabilities:	
Claims and judgements	4,499,323
Compensated absences	49,127
Total noncurrent liabilities	4,548,450
Total liabilities	14,225,513
Net Assets	
Invested in capital assets	26,864
Unrestricted	36,305,827
Total net assets	\$ 36,332,691

See accompanying notes to financial statements.

TRAVIS COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUND
For The Year Ended September 30, 2006

	Governmental Activities
	Internal Service Funds
Operating revenues:	
Insurance premiums-county	\$ 34,159,376
Insurance premiums-employee	6,018,482
Miscellaneous	300,658
Total operating revenues	40,478,516
Operating expenses:	
Incurred losses	25,894,933
Unemployment claims	272,207
Premiums	2,505,620
Professional services	117,017
Depreciation expense	9,899
Administration	1,131,847
Total operating expenses	29,931,523
Operating income	10,546,993
Nonoperating revenues:	
Investment income	2,022,066
Total nonoperating revenue	2,022,066
Change in net assets	12,569,059
Net assets--beginning of year	23,763,632
Net assets--end of year	\$ 36,332,691

See accompanying notes to financial statements.

TRAVIS COUNTY, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
For The Year Ended September 30, 2006

	Governmental Activities
	Internal Service Funds
Cash flows from operating activities	
Cash received from premium revenues	\$ 40,227,365
Cash received from subrogation	245,120
Cash received from insurance proceeds and rebates	300,659
Cash paid for self-insured claims and loss adjustment expenses	(27,248,419)
Cash paid for other operating expenses	(3,096,352)
Cash paid for payroll	(1,045,869)
Net cash provided by operating activities	9,382,504
Cash flows from capital and related financing activities	
Purchase of capital assets	(11,439)
Net cash used by capital and related financing activities	(11,439)
Cash flows from investing activities	
Interest received	1,747,484
Increase in fair value of investments in pooled cash	91,818
Net cash provided by investing activities	1,839,302
Net increase in pooled cash balance	11,210,367
Pooled cash balance--beginning of the year	37,006,691
Pooled cash balance--end of the year	\$ 48,217,058
Reconciliation of operating income to net cash provided by operating activities	
Operating income	\$ 10,546,993
Adjustments to reconcile operating income to net cash provided (used) by operating activities	
Depreciation expense	9,899
(Increase) decrease in other receivables	22,376
(Increase) decrease in prepaid items	(18,576)
Increase (decrease) in claims and judgements	(1,184,951)
Increase (decrease) in other liabilities	6,763
Net cash provided by operating activities	\$ 9,382,504

See accompanying notes to financial statements.

TRAVIS COUNTY, TEXAS
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
September 30, 2006

	Assets	<u>2006</u>
Cash and pooled cash		\$ 42,720,624
Certificates of deposit		13,797,288
Investments		23,573,540
Interest receivable		312,184
Accounts receivable, net		<u>1,607,111</u>
Total assets		<u>82,010,747</u>
Liabilities		
Due to third parties		62,236,954
Civil and probate deposits		472,358
Cash and surety bond deposits combined		10,509,607
Due to other governmental entities		<u>8,791,828</u>
Total liabilities		<u>82,010,747</u>
Net assets		<u>\$ -</u>

See accompanying notes to financial statements.



TRAVIS COUNTY, TEXAS

NOTES TO THE

FINANCIAL STATEMENTS

TRAVIS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2006
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TRAVIS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2006

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Travis County is a public corporation and a subdivision of the State of Texas governed by a Commissioners' Court, made up of an elected county judge and four county precinct commissioners. The financial statements of Travis County, Texas (County) have been prepared in conformity with generally accepted accounting principles (GAAP) in the United States of America as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted primary standard-setting body for establishing governmental accounting and financial reporting principles. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards, which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units. The more significant of these accounting policies are described below.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed by the County and the Travis County Healthcare District (District) in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the GASB.

A. Reporting Entity

In accordance with GASB Statement No. 14 as amended by GASB Statement No. 39, a financial reporting entity consists of the primary government and its component units. Further, GASB Statement No. 14 defines component units as "...legally separate organizations for which the elected officials of the primary government are financially accountable or other organizations for which the nature and significance of their relationship with a primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete." Because of the closeness of the relationship to the primary government, some component units should be blended as though they are part of the primary government; however, most component units should be discretely presented. The discretely presented component unit is reported in a separate column and/or row on the Statement of Net Assets and Statement of Activities to emphasize that it is legally separate from the government. In determining the financial reporting entity for the County, management has considered all potential component units and their relationship to the County.

Blended Component Units - GASB Statement No. 14 in paragraph 53 states that if the component unit's governing body is substantially the same as the governing body of the primary government, the component unit should be included in the reporting entity's financial statements using the blending method. The Travis County Commissioners' Court serves as the governing body of each of the component units described below; therefore, the component units have been blended with the primary government.

Road Districts:

Northwest Travis County Road District No. 3 (NWTCRD No. 3) - Created and established in August 1986, NWTCRD No. 3 contains approximately 242.1 acres consisting of ten separate tracts located in the County. In July 1989, the road district issued \$8.6 million in bonds which were refunded in 2005. The road district is ad valorem tax-supported for repayment of debt.

Southwest Travis County Road District No. 1 Refunded Bonds Fund - Southwest Travis County Road District No. 1 advance refunded bonds in 1990. The monies were placed in an escrow account to be disbursed for payment of the principal and interest for the bonds refunded in 1990.

The County acts as paying agent for the road districts' debt; however, the bonded debt of these road districts is not a debt or obligation of the County, nor will the County be liable for payment thereof. The road districts do not issue separate financial statements.

Travis County Bee Caves Road District No. 1 – Approved by the Commissioners' Court in July 2006, this road district encompasses 144.573 acres in western Travis County, wholly within the corporate limits of the Village of Bee Cave, Texas. Its purpose will be to issue bonds to be used to improve roads to serve the Hill Country Galleria project. This organization had no financial activity during fiscal year 2006.

Corporations:

Capital Health Facilities Development Corporation - The Capital Health Facilities Development Corporation was incorporated on May 25, 1985, as a public nonprofit corporation in accordance with the Health Facilities Development Act, Texas Health and Safety Code Annotated, Chapter 221, as amended. Under that Act, the Capital Health Facilities Development Corporation was created to provide, expand and improve health facilities for residents of Travis County, Texas that the Corporation determines are needed to improve the adequacy, cost, and accessibility of health care, research, and education in the state. The Corporation is authorized to participate in the issuance of bonds for those purposes.

Travis County Housing Finance Corporation - The Travis County Housing Finance Corporation was incorporated on November 19, 1980, as a public nonprofit corporation in accordance with the Texas Housing Finance Corporations Act, Texas Local Government Code Annotated, Chapter 394, as amended. Under that Act, the Travis County Housing Finance Corporation was created to provide decent, safe, and sanitary housing at affordable prices for residents of Travis County, Texas and is authorized to participate in the issuance of bonds for the purpose, among others, of defraying the development cost of multifamily rental housing to be occupied substantially by persons of low and moderate income as determined by the Board of Directors, to provide funds to purchase mortgage loans made to persons of low and moderate income, and to refund bonds previously issued by the Corporation.

Travis County Health Facilities Development Corporation - The Travis County Health Facilities Development Corporation was incorporated on December 18, 1991, as a public nonprofit corporation in accordance with the Health Facilities Development Act, Texas Health and Safety Code Annotated, Chapter 221, as amended. Under that Act, the Travis County Health Facilities Development Corporation was created to provide, expand and improve health facilities for residents of Travis County, Texas that the

Corporation determines are needed to improve the adequacy, cost, and accessibility of health care, research, and education in the state. The Corporation is authorized to participate in the issuance of bonds for those purposes.

Capital Industrial Development Corporation - The Capital Industrial Development Corporation was incorporated on April 29, 1980, as a public nonprofit corporation in accordance with the Development Corporation Act of 1979, Article 5190.6, Vernon's Annotated Civil Statutes. Under that Act, the Capital Industrial Development Corporation was created to provide for the promotion and development of industrial and manufacturing enterprises, to promote and encourage employment and the public welfare, and is authorized to participate in the issuance of bonds for those purposes.

Travis County Development Authority - The Travis County Development Authority was incorporated on December 17, 1999, as a public nonprofit corporation under the provisions of Subchapter D of Chapter 431, Texas Transportation Code and Chapter 394, Vernon's Texas Codes Annotated for the purpose of promoting economic development of Travis County through the creation of new employment opportunities by entering into contracts, grant agreements, leases, and other business arrangements with other corporations, both public and private, for the research and development of technology. The Corporation currently holds no assets or liabilities.

Travis County Cultural Education Facilities Finance Corporation - The Travis County Cultural Education Facilities Finance Corporation was created on August 7, 2001 pursuant to the Cultural Education Facilities Finance Corporation Act, Article 1528m, Vernon's Annotated Texas Civil Statutes for the purpose of promoting the health, education, and general welfare of citizens by providing and financing cultural, health and educational facilities as defined in the Act. The Corporation currently holds no assets or liabilities.

Through the Corporations, eligible applicants are furnished financial assistance through the sale of tax-free bonds. Such debt is issued by the Corporations as "conduit or noncommitment debt" (see Note 9). Neither the Corporations nor the County are liable for the payment of the bonds.

The Corporations do not publish separate financial statements.

Discretely Presented Component Unit – GASB Statement No. 14 requires that legally separate organizations for which the elected officials of the primary government are financially accountable should be presented as component units. Those that do not meet the definition of a blended component unit, as discussed above, should be presented in a separate column to allow users to distinguish between the primary government and its component unit. The relationship of the County's discretely presented component unit is described below.

Healthcare District

On May 15, 2004, Travis County voters approved the formation of a Hospital District to furnish medical aid and hospital care to indigent and needy persons residing in Travis County. In May 2006, the Commissioners' Court approved, after the appropriate State legislation was passed, a name change to the Travis County Healthcare District. The Healthcare District is a legally separate organization and imposes a separate ad valorem tax on the residents of Travis County, Texas. The District's operations became effective October 1, 2004. Of the District's nine member Board of Managers, four are appointed

by Travis County, four by the City of Austin, and one is a joint appointee. Additionally, the Travis County Commissioners' Court approves the District's annual budget and tax rate each year. Because of this relationship, the Healthcare District is reported as a discretely presented component unit of Travis County for the year ended September 30, 2006.

Complete financial statements for the District may be obtained from:

Travis County Healthcare District
 111 East Caesar Chavez
 Austin, Texas 78702

B. Related and Jointly Governed Organizations

Related organizations and jointly governed organizations provide services within the County that are administered by separate boards or commissions, for which the County is not financially accountable. Such organizations are therefore not component units of the County, even though the Commissioners' Court may appoint the voting majority of an organization's board. Consequently, financial information for these organizations is not included within the scope of these financial statements.

Related Organizations - The Commissioners' Court appoints the members to the various Travis County Fire and EMS Districts. The County's accountability does not extend beyond the board appointment function.

Jointly Governed Organizations - The County is a participant in other jointly governed organizations of which the Commissioners' Court appoints a minority membership of the Board. The Commissioners' Court appoints a member or members of the Capital Metropolitan Transit Authority Board and the Austin-Travis County Mental Health Mental Retardation (ATCMHMR) Board.

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

Government-wide Financial Statements

The government-wide financial statements report on a consolidated level all the activities of the County and its component units, including the discretely presented component unit, except fiduciary activities. The effect of interfund activity within the primary government has been eliminated from these statements.

The government-wide financial statements are presented using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the 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 are met.

The statement of net assets reports all current and non-current assets, including capital assets and infrastructure. It also reports all current and long-term liabilities of the County and the District.

The statement of activities reports program revenues and expenses by function. Program revenues include fees, fines, and charges for services; operating grants,

contributions, shared revenues and entitlements; and capital grants, contributions, and donated assets. Internally dedicated resources are reported as general revenues and include such items as taxes, grants, contributions not restricted to specific programs, and investment earnings. Expenses include those related to non-current assets, such as depreciation expense, and those related to long-term debt activities.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing goods and services in connection with a proprietary fund's principal ongoing operations. The principal ongoing operating revenues of the internal service funds are charges to County offices/departments for insurance premiums related to the healthcare fund, and to reimburse specific claims for general and automobile liability, workers' compensation, and other related insurance activities. Operating expenses for the internal service funds include the specific charges for losses incurred and insurance premiums, where the County is not self-insured for that type or amount of loss. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Operating revenues of the District include those generated from direct patient care and related support services. Non-operating revenues consist of those revenues that are related to financing and investing types of activities and result from non-exchange transactions or investment income.

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources as they are needed.

Fund Financial Statements

The accounts of Travis County are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity/net assets, revenues, and expenditures/expenses.

Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled, as described below. Accordingly, the fund financial statements are presented for governmental funds, proprietary funds, and fiduciary funds.

Like the government-wide financial statements, proprietary fund financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. The fiduciary fund financial statements are also reported using the accrual basis of accounting. The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Under this basis of accounting, revenues are recognized when they become both measurable and available. Revenues are considered measurable when the amount of the transaction can be determined, while revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Taxes, charges for services, fines and forfeits, and most governmental miscellaneous revenues, including investment earnings, are recorded as earned since they are measurable and available. The County defines the time period of availability to be generally 60 days after the fiscal year end.

Expenditures are normally recognized in a governmental fund at the same time that a liability is incurred, except for certain long-term accrued liabilities that normally are not expected to be liquidated with expendable available financial resources. Expenditures for long-term indebtedness such as formal debt issuances, compensated absences, claims and judgements, special termination benefits, landfill closure and post-closure care costs, and “other commitments that are not current liabilities” are recognized in governmental funds to the extent they have matured. Therefore, only current assets and current liabilities are included on the balance sheet of the governmental funds. Capital asset acquisitions are reported as expenditures of the current period. Operating statements of the governmental funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in fund balance.

The County reports the following major governmental funds:

General Fund – primary general operating fund of the County. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Road and Bridge Fund – fund used to account for funds received from auto registration fees and traffic related fines. These fees and fines are used for operating and maintaining County owned roads and bridges.

Grants – consists of federal, state, and local grants used to account for monies received for specific programs and services for the community. Federal grants include those from the U.S. Department of Energy, U.S. Department of Health and Human Services, U.S. Department of Justice, U.S. Department of Transportation, and others. State grants include those sourced from Texas Department of Housing and Community Affairs, Office of the Governor-Criminal Justice Division, Texas Department of Criminal Justice, and others. Local grants include various funds received from the City of Austin and private sources to provide various services to the community.

General Purpose Debt Service Fund – used to accumulate resources for the payment of principal and interest on long-term general obligation bonds and certificates of obligation.

Capital – General Obligation Bonds – used to account for voter approved financial resources specifically designated for the purpose of paying contractual obligations incurred in the construction of public works. Examples of public works include building a courthouse or jail, establishing facilities for serving needy or indigent persons, constructing bridges, and improving and maintaining roads.

Capital – Certificates of Obligation – used to account for Commissioners’ Court-approved financial resources specifically designated for the purpose of paying contractual obligations incurred in the construction of public works; the purchase of materials, supplies, equipment, machinery, buildings, rights-of-way and real property; and for the payment of professional services. Examples of public works include construction and equipping of jails and connecting a bridge to a county road.

Capital – Road Bonds and Certificates of Obligation – used to account for both voter approved bonds and Commissioners’ Court-approved certificates of obligation, financial resources specifically designated for the purpose of paying contractual obligations incurred in the construction, purchase and maintenance of roads or turnpikes; the purchase of road-related materials, supplies, equipment, and real property; and for the payment of road-related professional services.

The County reports the following non-major governmental funds:

Other Special Revenue Funds – used to account for revenues derived from specific revenue sources that are legally restricted to finance specific activities.

Other Capital Projects Funds – used to account for financial resources specifically designated for capital expenditures.

NW Travis County Road District No. 3 Debt Service Fund – used to account for the accumulation of resources and the subsequent disbursement of such resources to pay principal and interest on general long-term debt for the Northwest Travis County Road District No. 3.

Permanent School Fund – used to account for the principal of a trust fund, in which oil royalties are deposited and cannot be expended.

The County reports the following Proprietary and Fiduciary Funds:

Internal Service Funds – used to account for the activities of the County’s self-insurance program for general and automobile liability, theft and crime, error and omissions claims and judgements, workers’ compensation, and employee healthcare services provided to county offices/departments. In the government-wide statements, the internal service funds are included in governmental activities.

Agency Funds – used to account for assets held by the County as custodian or agent for individuals and other governmental units such as cash bail bonds, state revenue fees, Lower Colorado River Authority fees, officials’ fee accounts, inmate trust funds, and other similar arrangements.

D. Budgets and Budgetary Accounting

The Commissioners’ Court appoints a budget officer who is responsible for preparing a proposed budget. The budget is prepared on a GAAP basis and proposed expenditures may not exceed total revenues as estimated by the County Auditor.

The proposed budget, on a fiscal year basis, includes estimated revenues and proposed expenditures (by fund, office/department and object/sub-object) for the General Fund, Debt Service Fund (with the exception of the Road District Debt Service Fund), Capital Project – Joint Road Improvements Fund, Capital Project – Subdivision Parkland Fund and special revenue funds with the exception of Grants, CAPSO/DAPSO Fund, Law Enforcement Fund, Jail Commissary Fund, CSCD Equipment Acquisition Fund, Abandoned Vehicles/Livestock Fund, LEOSE Elected Officials Fund, Unclaimed Property Fund, Gardner House Handicraft Fund, the Capital Health Facilities Development Corporation, the Travis County Housing Finance Corporation, the Travis County Health Facilities Development Corporation, and the Capital Industrial Development Corporation. The Corporations, NWTCRD No. 3 Debt Service Fund, and the Gardner House Handicraft Fund do not have appropriated budgets approved by the Commissioners’ Court. Grants are budgeted based on the grant award and grant fiscal period. The other funds are not appropriated by the Commissioners’ Court due to the source and nature of their revenues or the funds received which, by statute, may be spent solely at the discretion of the County Attorney, District Attorney, Sheriff, or Constables. Budgetary control for capital projects is achieved through the certificates of obligation and general obligation bond indenture provisions. The Permanent School Fund, Juvenile Case Manager Fund and Jury Management Fund do not have an appropriated budget.

Public hearings are conducted to obtain taxpayer comments during the budgetary process. The annual appropriations budget is legally adopted by the Commissioners' Court in the September/October timeframe. There is no difference between the appropriations budget and the Commissioners' Court-approved expenditure budget.

State law provides that the Commissioners' Court "may amend the budget to transfer an amount budgeted for one item to another budgeted item."

The legal level of budgetary control is at the office/department level. The County's elected/appointed officials, executive managers, and department heads may make transfers of appropriations within an office/department as specified in the Commissioners' Court-approved annual budget rules. Transfers of appropriations between offices/departments, as specified in the budget rules, require the specific pre-approval of the Commissioners' Court. A report is generated that demonstrates budgetary compliance at the office/department level and is distributed to the appropriate officials and the general public.

The Commissioners' Court may adopt a supplemental budget for the limited purpose of spending money from grants or intergovernmental contracts for their intended purpose. During fiscal year 2006, there were \$1,705,502 in supplemental budgets adopted by the Commissioners' Court in the General Fund. No fund or office/department exceeded appropriations for fiscal year 2006. All annual appropriations lapse at fiscal year end.

E. Assets, Liabilities and Net Assets or Equity

Deposits and Investments (Cash, Pooled Cash, Certificates of Deposit, and Investments)

Cash refers to amounts in demand deposit accounts. Pooled cash refers to the pooling of cash for investment purposes, therefore pooled cash includes pooled investments.

State statutes authorize the County and the District to invest in obligations of the U.S. Treasury, commercial paper and fully collateralized security repurchase agreements. Investments are stated at fair value, except for specific short-term investments and "2a7 like" external investment pools which are reported at amortized cost. Fair value is the amount at which an investment could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

For the purpose of cash flows, the internal service funds consider pooled cash, certificates of deposit, and all other highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

The County's and the District's depository agreements require collateralization with a fair market value equal to at least 102 percent of County funds in excess of \$200,000 on deposit in the bank.

Receivables and Payables

Outstanding balances of lending and borrowing type activities between funds are classified as "due from other funds" and "due to other funds," respectively, on the fund financial statements. Interfund activity has been eliminated for the government-wide financial statements.

All accounts and taxes receivable are shown net of allowances for uncollectible amounts. Accounts receivable allowances are based upon historical collection trends. Allowances for taxes receivable and tax-related receivables, such as enforcement fees

and penalties and interest, are also based on historical trends by assessment year. The allowance amount is composed of two different calculations: 1) amounts not anticipated to be collected in a timely manner; and 2) amounts that are anticipated never to be collected.

Capital Assets

Travis County and the District define capital assets as assets with an initial, individual cost of at least \$5,000 and an estimated useful life of one year or more. All land and land improvements are capitalized, regardless of cost.

Capital assets are included only in the government-wide financial statements unless they are associated with proprietary or fiduciary funds. Purchased or constructed capital assets are recorded at historical or estimated historical value, while donated capital assets are recorded at estimated fair market value at date of donation. The cost of all purchased, constructed or donated assets is depreciated over the estimated useful life of the specific asset group.

The County’s capital assets are depreciated by group using the straight-line method over the following estimated useful lives of these groups:

<u>Asset Groups</u>	<u>Years</u>
Buildings *	30
Improvements other than buildings	30
Buildings under capital lease	30
Infrastructure **	10 – 45
Machinery, equipment and other assets	3 – 10
Leasehold improvements	5
Equipment under capital lease	5

* Certain major buildings are not included in group depreciation, but are depreciated individually over a 30 year original life.
 ** Denotes multiple groups.

The District records depreciation on the straight-line method over the estimated useful lives of the assets. Estimated useful lives for buildings are up to 50 years and for equipment are 2 to 20 years.

Maintenance or repair costs that do not add to the value or materially extend the useful life of an asset are expensed rather than capitalized. Major outlays for improvements and capital assets are capitalized during the construction phase.

In the fund financial statements, capital asset acquisitions are reported as expenditures of the current period.

Inventory and Prepaid Items

In most cases, inventories and prepaid items are recorded as expenditures at the time of purchase in the governmental fund financial statements. There are, however, cases where payments are recorded as prepaid items. The internal service funds and General Fund have prepayments for workers’ compensation, insurance premiums and flexible spending claims. Such amounts are not significant at year end.

Long-term Debt

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities. Bond premiums and discounts, as well as issuance costs and gain/loss on refunding, 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, deferred loss on refunding, and deferred bond issuance costs.

In the fund financial statements, governmental funds recognize bond premiums, discounts and bond issuance costs in the current period. The face value of the debt issued and any premiums received on the debt issuance are reported as "other financing sources" while discounts on the debt issuance are reported as "other financing uses." All issuance costs, whether or not withheld from the actual debt proceeds, are reported as debt service expenditures.

Note 8 gives detailed information regarding the County's long-term debt service and outstanding debt at September 30, 2006.

Deferred Revenues

In the fund financial statements, the County defers all uncollected property taxes (net of estimated uncollectible amounts), unearned grant revenue, capital projects funds notes receivable, and other advance payments. In the internal service funds, premiums collected in advance from employees are deferred until earned.

Arbitrage

The Tax Recovery Act of 1986 established regulations for the rebate to the federal government of arbitrage earnings on certain local government bonds. Issuing governments must calculate any arbitrage rebate due and remit the amount due at least every five years.

As of September 30, 2006, the County has an estimated arbitrage rebate liability reported on the government-wide financial statements in other long-term debt in the amount of \$521,798. Travis County has elected to account for arbitrage liability as a reduction of revenue rather than a claim or judgement. There will be no recognition in the governmental fund financial statements until rebatable amounts are actually due and payable to the federal government.

Compensated Absences

All full-time employees of the County accumulate vacation benefits in varying annual amounts up to a maximum allowable accumulation of 240 hours, with the exception of law enforcement employees who may accumulate unlimited vacation hours. Sick leave benefits are earned by all full-time employees at a rate of twelve days per year and may be accumulated without limit. In the event of termination, an employee is reimbursed for all accumulated vacation days up to a maximum of 20 days or 160 hours, and for one-half of all accrued sick leave up to a maximum of 30 days or 240 hours.

All compensated absence benefits are accrued when incurred in the government-wide and proprietary fund financial statements.

For governmental funds, an accrued vacation and sick pay liability is recorded as an expenditure and liability in the respective funds to the extent it has matured. In addition to the liability, a portion of the fund balance in these funds has been designated for disbursement of near-term compensated absence benefits.

The District maintains a vacation and sick-leave plan. Under the plan, the cost of all compensated absences is accrued at the time the benefits are earned. At the time of termination, unused vacation benefits may be paid up to a maximum of 1.5 times the annual accrual.

Transactions Between Funds

Transactions between funds that would be accounted for as revenues, expenditures or expenses if they involved organizations external to the County are accounted for as revenues and expenditures in the funds involved. In the fund financial statements, transactions that constitute reimbursements of a fund for expenditures initially made from it, which are properly applicable to another fund, are recorded as expenditures in the reimbursing fund and a reduction of the expenditure in the fund that is reimbursed. All legally authorized transfers are treated as transfers in the financial statements. Interfund activity within the primary government's governmental activities has been eliminated in the government-wide financial statements. Note 5 gives an analysis of the County's interfund transactions for fiscal year 2006.

Premium revenues generated by the internal service funds and the corresponding expenses in those funds in the amount of \$34,159,376 have been eliminated in the government-wide financial statements.

Net Assets/Fund Balance (reserved, restricted, designated, etc.)

For the government-wide financial statements, restricted net assets represent externally imposed restrictions by creditors, grantors, contributors, or laws or regulations of other governments. It may also represent restrictions imposed by law through constitutional provisions or enabling legislation. Invested in capital assets, net of related debt represents capital assets, net of accumulated depreciation and is reduced by outstanding balances for bonds and other debt that is attributed to the acquisition, construction, or improvement of those assets.

For the fund financial statements, reserved fund balances represent those portions of fund equity not available for appropriation or that are legally segregated for a specific future use. Designated fund balances represent tentative plans for future use of financial resources.

Generally, resources that are *reserved* in the fund financial statements are broader in scope than resources that are *restricted*. However, in some instances there may be some resources that would be considered restricted in the government-wide financial statements, but not considered reserved in the fund financial statements.

Pension Plans

It is the policy of the County to fund pension costs, which consist of normal cost and amortization of unfunded prior service cost, if any, from funds provided from current operations.

Tobacco Settlement Revenue – Healthcare District

Tobacco settlement revenue is the result of a settlement between various counties and hospital districts in Texas and the tobacco industry for tobacco-related health care cost. The District recognized \$4,199,541 associated with the settlement in fiscal year 2006. Settlement revenues for fiscal year 2007 and beyond will be based on the investment earnings of the tobacco settlement fund as administered by the Comptroller's Office of the State of Texas. The District is unable to estimate the continuance or level of future distributions.

During the year ended September 30, 2006, the District paid \$1,310,484 of the tobacco settlement revenue to the Daughters of Charity Health Services of Austin (Seton) and \$399,337 to Travis County which represents their respective share of healthcare expenditures claimed.

New Reporting Standards

The GASB issued Statement No. 43 (GASB 43), "Financial Reporting for Post-employment Benefit Plans Other than Pension Plans", which will be effective for the County in the fiscal year ending September 30, 2007. GASB 43 establishes uniform financial reporting standards for other post-employment benefit plans and supersedes the interim guidance included in GASB Statement No. 26, Financial Reporting for Post-employment Healthcare Plans Administered by Defined Benefit Pension Plans.

The GASB issued Statement No. 45 (GASB 45), "Accounting and Financial Reporting by Employers for Post-employment Benefits Other Than Pensions", which will be effective for the County in the fiscal year ending September 30, 2008. GASB 45 requires state and local governments to establish standards for the measurement, recognition, and display of other post-employment benefits expense/expenditures, related liabilities and note disclosures in the financial statements.

The GASB issued Statement No. 47 (GASB 47), "Accounting for Termination Benefits". This is effective for the County in two parts: (1) for those benefits that relate to other post-employment benefits, the County is to implement at the same time as GASB 45 and (2) for other termination benefits, in the current fiscal year for the County. This statement defines the accounting for voluntary and involuntary termination benefits (i.e. early retirement incentives).

The GASB issued Statement No. 48 (GASB 48), "Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues", which establishes criteria that governments use to ascertain whether the proceeds received should be reported as revenue or as a liability. The statement is effective for the County beginning in fiscal year 2008.

GASB Statement No. 49 (GASB 49), "Accounting and Financial Reporting for Pollution Remediation Obligations", was also issued and is effective for the County beginning in fiscal year 2009. This statement identifies the circumstances under which a governmental entity would be required to report a liability related to pollution remediation and would require the entity to estimate its expected outlays for pollution remediation for known polluted sites.

The County is currently reviewing all the above-mentioned GASB Statements and has not determined the impact these statements will have on its financial statements.

2. DISAGGREGATION OF RECEIVABLE BALANCES

Receivables at year-end in the government-wide financial statements, including the applicable allowances, are as follows (amounts in thousands):

	<u>Taxes</u>	<u>Accounts *</u>	<u>Interest</u>	<u>Notes</u>	<u>Other</u>	<u>Total</u>
Governmental Activities:						
General	\$ 22,756	\$ 24,235	\$ 963	\$ -	\$ -	\$ 47,954
Road and Bridge	-	4,289	83	-	-	4,372
Grants	-	-	87	-	3,200	3,287
General Purpose						
Debt Service	2,976	-	45	-	-	3,021
Capital:						
General Obligation Bonds	-	-	210	-	-	210
Certificates of Obligation	-	-	218	107	-	325
Road Bonds and Certificates of Obligation	-	-	387	-	-	387
Non-major						
Governmental Funds	27	3,094	136	-	1,551	4,808
Proprietary Funds	-	-	305	-	186	491
Total - governmental activities	<u>25,759</u>	<u>31,618</u>	<u>2,434</u>	<u>107</u>	<u>4,937</u>	<u>64,855</u>
Less:						
Allow for uncollectibles	(8,616)	(11,071)	-	-	-	(19,687)
Allow for long-term collections	<u>(11,926)</u>	<u>(4,930)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(16,856)</u>
Total - governmental activities, net	<u>\$ 5,217</u>	<u>\$ 15,617</u>	<u>\$ 2,434</u>	<u>\$ 107</u>	<u>\$ 4,937</u>	<u>\$ 28,312</u>
Amounts not scheduled for collection during the subsequent year	<u>\$ 17</u>	<u>\$ 13,391</u>	<u>\$ -</u>	<u>\$ 107</u>	<u>\$ -</u>	<u>\$ 13,515</u>

* Includes Receivable from Healthcare District.

Healthcare District

The District's receivables, including the applicable allowances, are comprised of the following as of September 30, 2006:

	<u>Taxes</u>	<u>Accounts (Due from Other Governments)</u>	<u>Other</u>	<u>Total</u>
Total	\$ 833,676	\$ 10,467,562	\$ 1,023,488	\$ 12,324,726
Less:				
Allowance for uncollectibles	(83,368)	-	-	(83,368)
Allowance for long-term collections	<u>(542,651)</u>	<u>-</u>	<u>-</u>	<u>(542,651)</u>
Total, net	<u>\$ 207,657</u>	<u>\$ 10,467,562</u>	<u>\$ 1,023,488</u>	<u>\$ 11,698,707</u>
Amounts not scheduled for collection during the subsequent year	<u>\$ 397,138</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 397,138</u>

3. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of differences between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Assets

The governmental fund balance sheet includes a reconciliation between the *governmental fund balance* on the fund financial statements and *total net assets of governmental activities* on the government-wide financial statements.

The following schedule gives the details of each of the reconciling items.

Governmental fund balance		\$ 237,883,234
 <u>Difference due to capital assets</u>		
Capital assets (excluding internal service fund)	1,599,545,316	
Depreciation (excluding internal service fund)	<u>(611,368,098)</u>	988,177,218
 <u>Difference due to receivables</u>		
Taxes receivable (including penalties and interest)	2,400,000	
Accounts receivable, net of allowances	<u>11,404,195</u>	13,804,195
 <u>Difference due to Internal Service Fund</u>		
Net asset balance of Self-Insurance Fund	12,545,552	
Net asset balance of Employee Health Benefit Fund	<u>23,787,139</u>	36,332,691
 <u>Difference due to current liabilities</u>		
Deferred revenue (excluding internal service fund)	2,758,963	
Interest payable	<u>(3,787,454)</u>	(1,028,491)
 <u>Difference due to non-current liabilities</u>		
Capital lease obligations	(941,385)	
Landfill remediation	(2,831,511)	
Compensated absences (excluding internal service fund)	(16,903,693)	
Debt payable, including arbitrage*	<u>(472,740,726)</u>	(493,417,315)
* Net of unamortized bond issuance costs, unamortized loss on refunding, and unamortized premiums		
 Government-wide net assets		 <u><u>\$ 781,751,532</u></u>

B. Explanation of differences between the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances and the Government-wide Statement of Activities

The governmental fund statement of revenues, expenditures and changes in fund balances includes a reconciliation between the *change in governmental fund balance* on the fund financial statements and *change in total net assets of governmental activities* on the government-wide financial statements.

The following schedule gives the details of each of the reconciling items.

Change in governmental fund balance		\$ 48,135,665
<u>Amount by which depreciation expense exceeds capital outlays and other capital related transactions</u>		
Capital outlay (excludes internal service funds) ⁽¹⁾	72,675,544	
Depreciation expense (excludes internal service funds)	(63,613,764)	
Land annexed by other governmental entity	<u>(986,437)</u>	8,075,343
<u>Revenues that do not provide current financial resources⁽²⁾</u>		
Excess of capital asset donated revenue over disposal revenue	15,356,914	
Property tax and penalty and interest revenues that do not provide current financial resources and therefore are not reported in the fund financial statements	(104,000)	
Revenue recognized for charges for services*	631,628	
Decrease in revenue due to arbitrage rebate liability *net of allowances	<u>(400,825)</u>	15,483,717
<u>Long-term debt and related items</u>		
Debt Payments (includes capital lease payment)	55,041,545	
Debt issuance and other debt related increases	(93,545,207)	
Amortization of bond premiums	1,421,735	
Deferral of bond issuance costs (amortized over life of debt)	354,931	
Accrued interest expense	(1,062,172)	
Accretion of capital appreciation bond interest	(1,503,033)	
Amortization of debt issuance costs	(276,603)	
Amortization of loss on refunding bonds	<u>(653,419)</u>	(40,222,223)
<u>Expenses that do not require the use of current financial resources⁽²⁾ or have not matured</u>		
Landfill liability adjustments–non-current	65,867	
Compensated absence adjustment–non-current (excludes internal service fund)	<u>(871,486)</u>	(805,619)
<u>Internal service funds change in net assets</u>		
Self-Insurance Fund	3,447,636	
Employee Health Benefit Fund	<u>9,121,423</u>	12,569,059
Change in government-wide net assets		<u>\$ 43,235,942</u>

(1) Capital outlay in the grants funds includes \$44,667 of assets that are owned and maintained by other governmental agencies. The total capital outlay amount of \$72,675,544 includes an elimination of (\$89,252) for fund financial statement presentation.

(2) Revenues that do not provide current financial resources do not include the elimination of \$24,179 for fund financial statement presentation. Expenses that do not require the use of current financial resources do not include the elimination of (\$24,179) for fund financial statement presentation.

4. **AD VALOREM (PROPERTY) TAXES**

The County's property tax is levied each October 1 on the assessed value listed as of the prior January 1, the date a lien attaches, for all real and personal property located in the County. The assessment ratio is 100 percent of fair market value for the roll levied October 1. Taxes are due by January 31 following the October 1 statement date and become delinquent on February 1, at which time they begin accruing penalty and interest. Total

value for County property on the 2005 tax roll was approximately \$64,074,817,858 (net of exemptions) and produced a total levy of \$320,020,012, excluding blended component units. Collections on this levy were recognized as revenue in fiscal year 2006 in the governmental fund financial statements.

The County is permitted by Article VIII, Section 9 of the State of Texas Constitution to levy taxes up to \$0.80 per \$100 of assessed valuation for general governmental services including payment of principal and interest on general obligation long-term debt and maintenance of roads and bridges. Title 6, Chapters 256.052 and 256.054 of Vernon's Texas Transportation Statutes permits the County to collect an additional \$0.15 per \$100 assessed valuation for road and bridge purposes and \$0.30 per \$100 assessed valuation for road and bridge and flood control purposes, respectively. However, for the October 2005 tax roll, all required taxes to be used for general government purposes were levied under Article VIII, Section 9.

At October 1, 2005 (tax levy for fiscal year 2006 revenues) the County tax rate was \$0.4993 per \$100 valuation, of which \$0.0999 was used for payment of long-term debt requirements. The County, therefore, has legal margins of \$0.3007, \$0.1500 and \$0.3000, respectively, and could raise up to \$192,672,977, \$96,112,227 and \$192,224,454 of additional taxes per year from the 2005 tax roll assessed valuation of \$64,074,817,858 before the limit is reached.

The appraisal of property within the County is the responsibility of the Travis Central Appraisal District, which is required under the Property Tax Code to assess all property within the appraisal district on the basis of 100 percent of its appraised value, and is prohibited from applying any assessment ratios. The value of property within the County must be reviewed every three years by the appraisal district unless the County, at its own expense, requires more frequent reviews. The County may challenge the appraised values through various appeals and, if necessary, legal action. Under this legislation, the County continues to set tax rates on county property.

Road Districts

Property tax for the road districts is to be levied each October 1 on the assessed value listed as of the prior January 1 for all property within each road district. The Commissioners' Court will levy and collect taxes within each road district, as required. Debt issued by the road districts is payable from the proceeds of this ad valorem tax to be levied without legal limitation as to rate or amount on all of the taxable property within the road districts. Article III, Section 52 of the State of Texas Constitution, as amended, permits each road district to issue bonds in any amount not to exceed 25 percent of the assessed valuation of the real property of the road district.

As of September 30, 2006, Northwest Travis County Road District No. 3 (NWTCRD No. 3) is the only active road district that is ad valorem tax-supported for repayment of debt. The total value for NWTCRD No. 3 property on the 2005 tax roll was approximately \$376,798,918 and produced a total levy of \$621,718. At October 1, 2005 (tax levy for fiscal year 2006), the NWTCRD No. 3 tax rate was \$0.1650 per \$100 valuation.

Healthcare District

Property taxes are levied as of October 1 in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. On January 1 of each year, a tax lien attaches to property to secure the payment of all taxes and penalties and interest that are ultimately imposed. The assessed value at January 1, 2005, upon which the October 2005 levy was based was \$63,484,891,844. The District levied taxes based on a tax rate of \$0.0779 per \$100 of assessed valuation.

5. INTERFUND TRANSACTIONS

Although all interfund activity within the County is eliminated in the government-wide financial statements, it remains intact in the fund financial statements.

Interfund transfers for the year ended September 30, 2006 were:

	Transfers in:			
	General	Grants	Other Governmental	Total
Transfers out:				
General	\$ -	\$ 241,283	\$ 6,539,510	\$ 6,780,793
Road & Bridge	2,775,714	-	-	2,775,714
Grants	-	-	65,944	65,944
Other governmental	673,213	-	-	673,213
Total	\$ 3,448,927	\$ 241,283	\$ 6,605,454	\$ 10,295,664

Within Other Governmental funds, there was a transfer between Corporations of \$4,509 from Capital Health Facilities Development Corporation to Travis County Health Facilities Development Corporation.

Transfers are used to (1) move revenues from the fund that the statute or budget requires to collect them to the fund that the statute or budget requires to expend them, (2) move residual balances from capital project funds to the debt service fund to pay debt service obligations, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Due from/to other funds at September 30, 2006 were:

	Balance due from other funds (receivable):						Totals
	General	Road and Bridge	General Purpose Debt Service	Capital- Certificates Of Obligation	Capital- Road Bonds & Certificates of Obligation	Other Governmental	
Balance due to other funds (payable):							
General	\$ -	\$314,708	\$ -	\$ 29,800	\$ -	\$ 15,998	\$ 360,506
Grants	2,615,365	-	-	-	-	-	2,615,365
Capital - General Obligation Bonds	-	-	7,555	-	-	-	7,555
Capital - Certificates Of Obligation	865	75,053	-	-	-	-	75,918
Capital - Road Bonds & Certificates Of Obligation	-	7,856	94,789	-	-	-	102,645
Other governmental	1,709,036	-	-	-	24,467	-	1,733,503
Totals	\$4,325,266	\$397,617	\$102,344	\$ 29,800	\$ 24,467	\$ 15,998	\$4,895,492

These balances resulted from the time lag between the dates that interfund services are provided or reimbursable expenditures occur and payments between funds are made.

Interfund balances are expected to be repaid within one year from the date of the financial statements and are routine in nature.

6. DEPOSITS AND INVESTMENTS

Deposits

The Commissioners' Court has developed a formal investment policy for the County that is consistent with State statutes. The District has also developed a formal investment policy in the same manner. These policies state the County and the District will use the "prudent person rule" in investment decisions. The objectives of the County and District policies are to ensure the safety of the principal, maintain adequate liquidity, and yield the highest possible return subject to the first two principles.

The County's depository agreement with JPMorgan Chase Bank requires collateralization with a fair market value equal to at least 102 percent of County funds in excess of \$200,000 on deposit in the bank (\$100,000 for interest bearing accounts, \$100,000 for non-interest bearing accounts). The District's depository agreement with JPMorgan Chase Bank requires collateralization with a fair market value equal to at least 102 percent of County funds in excess of \$100,000 on deposit in the bank (\$100,000 for interest bearing accounts). All of the pledged collateral for the County's and the District's demand deposits and time deposits are U.S. Treasury securities or U.S. Government agency securities. The depository agreements state that collateral shall consist of one or more of the following: United States Treasury securities, Federal National Mortgage Association (FNMA) securities, pools or REMIC CMO's; Federal Farm Credit Bank (FFCB) securities, Federal Home Loan Bank (FHLB) agencies, Federal Home Loan Mortgage Corporation (FHLMC) pools or REMIC CMO's; Government National Mortgage Association (GNMA) pools, obligations of states, agencies, counties, cities, and other political subdivisions of any state that are rated not less than "A" or its equivalent. The REMIC CMO's must not have variable rates or original maturities longer than ten years.

This collateral is held by the Federal Reserve Bank of New York which in the case of default by JPMorgan Chase will act as agent for Travis County and the District, in a fiduciary account held in the name of JPMorgan Chase and Travis County and pledged to Travis County or the District, as appropriate. During fiscal year 2006, there were no instances where the County's bank balances were not fully collateralized at all times. During fiscal year 2006, there was one instance in November 2005 where the District's bank balances were not fully collateralized at all times. As of September 30, 2006, the County's and the District's bank balances in excess of federal depository insurance were fully collateralized.

Deposits, including non-participating interest earning investment contracts, are stated at cost plus accrued interest, if any, and the carrying amounts are displayed on the balance sheet as "Cash", "Certificates of Deposit", or a component of "Pooled Cash". For cash management, the County has pooled cash and certain investments. At year-end, an individual fund may have a negative balance in the pooled cash, in which case the fund reports a "due to" the General Fund. Interest revenue from pooled cash is allocated to participating funds on a monthly average daily balance basis. Deposits of blended component units are stated at cost plus accrued interest, if any, and the carrying amounts are displayed on the balance sheet as "Cash" or a component of "Pooled Cash".

Investments

The County and the District are authorized to purchase, sell, and invest its funds and funds under its control in accordance with the Texas Public Funds Investment Act, Government Code Chapter 2256 and its subsequent amendments. During the fiscal period, the County's investments consisted of U.S. government securities, certificates of deposit, and participation in

two local government investment pools (TexPool and Texas TERM). The carrying amount of investments as of September 30, 2006, is displayed on the balance sheet as “Investments” or as a component of “Pooled Cash”. During the fiscal period, the District’s investments consisted of U.S. government treasury securities, U.S. government agency securities, and participation in two local government investment pools (TexPool and Texas TERM).

The County and District’s adoption of GASB Statement No. 31 requires some investments be reported at fair value. Money market investments and participating interest-earning investment contracts with a remaining maturity at the time of purchase of one year or less are reported at amortized cost. TexPool operates in a manner consistent with the SEC’s Rule 2a7 of the Investment Company Act of 1940. TexPool uses amortized cost rather than market value to report net assets to compute share prices. Accordingly, the fair value of the position in TexPool is the same as the value of TexPool shares. The State Comptroller of Public Accounts exercises oversight responsibility over TexPool. Oversight includes the ability to significantly influence operations, designation of management, and accountability for fiscal matters. Additionally, the State Comptroller has established an advisory board composed of both participants in TexPool and other persons who do not have a business relationship with TexPool. The Advisory Board members review the investment policy and management fee structure.

TexasTERM is organized in conformity with the Interlocal Public Funds Investment Act of the Texas Government Code. It provides for a fixed-rate, fixed-term investment for a period of 60 days to one year and includes TexasDAILY, a portfolio of the Local Government Pool, providing daily access to funds. An Advisory Board, composed of participants in TexasTERM and other parties who do not participate in the Pool, has responsibility for the overall management of the Pool, including formulation and implementation of its Investment and Operating Policies. PFM Asset Management LLC (PFM), a leading national financial and investment advisory firm, is the investment advisor to the Pool.

TexPool and TexasTERM are both rated AAAM by Standard & Poor’s. As a requirement to maintain the rating, weekly portfolio information must be submitted to Standard & Poor’s, as well as the office of the Comptroller of Public Accounts, for review.

As of September 30, 2006, the County had the following investments:

Investment at September 30, 2006	Fair Value	Weighted Average Maturity (Years)
Certificates of Deposit	\$ 13,798,993	N/A
Government Agencies	223,718,873	1.02
Government Treasuries	52,652,116	0.72
Local Government Investment Pools	78,499,686	0.00
Total fair value	\$ 368,669,668	
Portfolio weighted average maturity		0.75

As of September 30, 2006, the District had the following investments:

<u>Investment at September 30, 2006</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>
Local Government Investment Pools	\$ 34,809,260	0.00
Government Treasuries	13,797,151	0.74
Government Agencies	<u>5,993,000</u>	0.82
Total fair value	<u>\$ 54,599,411</u>	
Portfolio weighted average maturity		0.28

Interest Rate Risk. In accordance with its investment policy, the County and the District manage their exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to one year or less. For the County, individual security types are limited as well, with the longest permitted maturity of five years for government treasuries. For the District, individual security types are limited, with the longest permitted maturity of three years for government treasuries and government agencies.

Credit Risk. State law limits investment in municipal bonds to at least an A rating or its equivalent by a nationally recognized investment rating firm. However, the County and the District require AA by Moody's Investors Service or Standard & Poor's Corporation. For commercial paper, state law limits investments to a rating not less than A-1 by Standard and Poor's or P-1 by at least two nationally recognized credit rating agencies. The County and the District's Investment Policy limits commercial paper to a rating not less than A-1 by Standard and Poor's and P-1 by Moody's Investors Service. On September 30, 2006, the County's and District's investments did not consist of any commercial paper. The County and the District do not have credit limits on government agency securities. The County's and District's investments in government agencies carry the implicit guarantee of the U.S. government. The County's and District's Investment Policies require that certificates of deposit be either federally insured or collateralized.

Travis County <u>Investment at September 30, 2006</u>	<u>Standard & Poor's Rating</u>
Certificates of Deposit	N/A
Fannie Mae (Federal National Mortgage Association)	AAA
Fannie Mae (Federal National Mortgage Association) – Short Term	A-1+
Freddie Mac (Federal Home Loan Mortgage Corporation)	AAA
Freddie Mac (Federal Home Loan Mortgage Corporation)–Short Term	A-1+
Federal Home Loan Bank	AAA
Federal Home Loan Bank – Short Term	AAA
Federal Farm Credit Bureau	AAA
Local Government Investment Pools	AAAm

Travis County Healthcare District Investment at September 30, 2006	Standard & Poor's Rating
Fannie Mae (Federal National Mortgage Association)	AAA
Freddie Mac (Federal Home Loan Mortgage Corporation)	AAA
Federal Home Loan Bank	AAA
Local Government Investment Pools	AAAm

Concentration of Credit Risk. The County's Investment Policy limits the percentage of the combined portfolios for each type of eligible investment to reduce the risk of principal loss.

Travis County Investment at September 30, 2006	% of Portfolio	Portfolio Limit
Certificates of Deposit	4%	50%
Government Agencies	61%	75%

Individual investments that make up at least 5 percent of the County's investment portfolio are in Fannie Mae, Freddie Mac, Federal Home Loan Bank, and Federal Farm Credit Bureau. These investments as of September 30, 2006 are as follows:

Travis County Issuer	Fair Value	% of Portfolio
Fannie Mae	\$ 59,392,595	16%
Freddie Mac	66,771,790	18%
Federal Home Loan Bank	63,173,853	17%
Federal Farm Credit Bureau	34,380,635	9%

The District's Investment Policy limits the percentage of the combined portfolios for each type of eligible investment to reduce the risk of principal loss. No individual investment made up at least 5 percent of the District's investment portfolio.

Travis County Healthcare District Investment at September 30, 2006	% of Portfolio	Portfolio Limit
Local Government Investment Pool – TexPool	41%	80%
Other Government Investment Pools	23%	40%
U.S. Government Treasuries	25%	100%
U.S. Government Agencies	11%	75%

7. CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2006 is as follows:

	Beginning Balance	Increases	(Decreases)	Ending Balance
<u>Governmental Activities</u>				
Capital assets not being depreciated:				
Land and land improvements	\$ 82,973,944	\$ 28,747,116	\$ -	\$ 111,721,060
Land infrastructure	54,323,665	1,817,848	(896,437)	55,245,076
Construction in progress	48,564,631	15,602,469	-	64,167,100
Total capital assets not being depreciated	<u>185,862,240</u>	<u>46,167,433</u>	<u>(896,437)</u>	<u>231,133,236</u>
Capital assets being depreciated:				
Property, plant and equipment:				
Buildings	278,035,731	8,015,461	-	286,051,192
Improvements other than buildings	38,287,622	970,607	-	39,258,229
Machinery and equipment	91,323,303	15,641,503	(15,832,746)	91,132,060
Assets under capital lease	2,104,806	-	-	2,104,806
Leasehold improvements	81,631	2,487	-	84,118
Infrastructure	<u>934,421,930</u>	<u>17,428,938</u>	<u>(2,001,358)</u>	<u>949,849,510</u>
Total capital assets being depreciated	<u>1,344,255,023</u>	<u>42,058,996</u>	<u>(17,834,104)</u>	<u>1,368,479,915</u>
Less accumulated depreciation:				
Property, plant and equipment:				
Buildings	(69,183,191)	(7,469,817)	10,000	(76,643,008)
Improvements other than buildings	(7,156,642)	(1,034,806)	-	(8,191,448)
Machinery and equipment	(63,179,660)	(8,079,141)	15,550,213	(55,708,588)
Assets under capital lease	(455,152)	(56,129)	-	(511,281)
Leasehold improvements	(48,765)	(18,476)	-	(67,241)
Infrastructure	<u>(425,323,567)</u>	<u>(46,965,294)</u>	<u>2,001,358</u>	<u>(470,287,503)</u>
Total accumulated depreciation	<u>(565,346,977)</u>	<u>(63,623,663)</u>	<u>17,561,571</u>	<u>(611,409,069)</u>
Total capital assets being depreciated, net	<u>778,908,046</u>	<u>(21,564,667)</u>	<u>(272,533)</u>	<u>757,070,846</u>
Governmental activities capital assets, net	<u>\$ 964,770,286</u>	<u>\$ 24,602,766</u>	<u>\$ (1,168,970)</u>	<u>\$ 988,204,082</u>

Note: Decreases include retirements and other adjustments.

Depreciation expense in fiscal year 2006 was charged to functions/programs of the primary government as follows:

Governmental Activities	Depreciation Expense
General government	\$ 3,281,547
Justice system	2,525,026
Public safety	1,889,909
Corrections and rehabilitation	3,696,224
Health and human services	1,396,134
Infrastructure and environmental services	49,293,154
Community and economic development	1,541,669
Total depreciation expense	<u>\$ 63,623,663</u>

Construction in progress consists of the following at September 30, 2006:

Description	Amount
Builder's Square Building - Phase 2	\$ 1,539,058
East Metropolitan Park	8,460,084
East Side Service Center Construction Plan	50,600
Haverty's Building - 5555 Airport Boulevard	3,046,567
Reimers Park	16,112
Land infrastructure	7,228,252
Infrastructure	43,826,427
Total construction in progress	<u>\$ 64,167,100</u>

The County has \$35,247,349 of outstanding construction and other commitments as of September 30, 2006 which are funded by Grants for \$29,108, by Debt proceeds for \$18,786,364 and funded by other sources for \$16,431,877.

Healthcare District

The District's capital assets consist of the following as of September 30, 2006:

	Beginning Balance	Increases	(Decreases)	Ending Balance
Capital assets not being depreciated:				
Land	\$ 8,497,335	\$ -	\$ -	\$ 8,497,335
Capital assets being depreciated:				
Building and improvements	90,002,665	-	-	90,002,665
Equipment and furniture	402,497	-	-	402,497
Total capital assets being depreciated	<u>90,405,162</u>	<u>-</u>	<u>-</u>	<u>90,405,162</u>
Less accumulated depreciation:				
Building and improvements	(1,824,543)	(1,824,543)	-	(3,649,086)
Equipment and furniture	(67,952)	(67,952)	-	(135,904)
Total accumulated depreciation	<u>(1,892,495)</u>	<u>(1,892,495)</u>	<u>-</u>	<u>(3,784,990)</u>
Total capital assets being depreciated, net	<u>88,512,667</u>	<u>(1,892,495)</u>	<u>-</u>	<u>86,620,172</u>
Governmental activities capital assets, net	<u>\$ 97,010,002</u>	<u>\$ (1,892,495)</u>	<u>\$ -</u>	<u>\$ 95,117,507</u>

8. LONG-TERM DEBT

The following is a summary of long-term debt transactions of the County, including blended component units, for the year ended September 30, 2006.

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<u>Governmental Activities</u>					
Debt payable:					
General obligation bonds ¹	\$ 361,486,881	\$ 70,778,033	\$ (38,484,910)	\$ 393,780,004	\$ 29,044,240
Certificates of obligation	68,830,000	23,925,000	(16,285,000)	76,470,000	13,915,000
	<u>430,316,881</u>	<u>94,703,033</u>	<u>(54,769,910)</u>	<u>470,250,004</u>	<u>42,959,240</u>
Less deferred amounts:					
For issuance costs	(2,276,279)	(354,931)	276,603	(2,354,607)	-
On refunding	(6,993,621)	(142,693)	653,419	(6,482,895)	-
Add:					
Unamortized premium	11,882,954	345,207	(1,421,735)	10,806,426	-
Total debt payable	<u>432,929,935</u>	<u>94,550,616</u>	<u>(55,261,623)</u>	<u>472,218,928</u>	<u>42,959,240</u>
Capital leases	1,070,327	-	(128,942)	941,385	136,208
Claims and judgements	14,608,515	26,063,468	(27,248,419)	13,423,564	8,924,241
Compensated absences	21,268,391	21,120,807	(19,977,511)	22,411,687	10,825,240
Other long-term liabilities:					
Arbitrage	120,973	400,825	-	521,798	36,359
Landfill post-closure care	2,897,378	-	(65,867)	2,831,511	121,511
Total long-term liabilities	<u>\$ 472,895,519</u>	<u>\$ 142,135,716</u>	<u>\$ (102,682,362)</u>	<u>\$ 512,348,873</u>	<u>\$ 63,002,799</u>

(1) Additions to General Obligation Bonds include debt issuance and \$1,503,033 for accretion of interest on capital appreciation bonds.

At September 30, 2006, \$8,795,401 was available in the debt service funds (including the blended component unit amount of \$424,155) to service the long-term debt requirements. The general obligation debt payable in the government-wide financial statements includes cumulative accretion of interest on capital appreciation bonds in the amount of \$33,239,996. The unaccreted interest on the capital appreciation bonds is \$2,357,801.

The internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities, including claims and judgements and compensated absences, reported in that fund are included as part of the above totals for governmental activities. At year end, \$88,039 of the internal service funds compensated absences was included in the above amounts. As they relate to the governmental funds, the liabilities for arbitrage and landfill post-closure care are typically liquidated by capital projects funds and liabilities for compensated absences are typically liquidated by the General Fund and special revenue funds.

Long-Term Debt

Long-term debt of the County consists of various issues of general obligation bonds and certificates of obligation. General obligation bonds require voter approval at a public election before issuance, while certificates of obligation are issued upon the vote of the Commissioners' Court. General obligation bonds and certificates of obligation are backed by the full faith and credit of the County. Debt service is primarily paid from ad valorem taxes.

TRAVIS COUNTY

Issue	Original Balance	Interest Rate Range (%)	Maturity Dates	Outstanding Balance
General Obligation Bonds				
<u>Unlimited Tax Road Bonds</u>				
Refunding, Series 1985-A	\$ 12,899,997	* 9.40	2004 - 2009	
Premium Capital Appreciation Road Bonds				
Principal				\$ 554,582
Accretion of interest				7,039,686
CAB Series Maturities				<u>(3,906,969)</u>
Series 1996 Serial Bonds	2,820,000	5.00 - 7.00	1999 - 2016	140,000
Series 1997 Serial Bonds	2,900,000	5.00 - 7.00	1999 - 2017	135,000
Series 1998 Serial Bonds	7,195,000	4.00 - 6.00	1999 - 2018	3,435,000
Series 1998-A Serial Bonds	7,470,000	4.30 - 6.25	1999 - 2018	2,185,000
Series 1999 Serial Bonds	12,805,000	3.63 - 5.63	2000 - 2019	3,855,000
Series 2000 Serial Bonds	9,255,000	5.20 - 7.20	2001 - 2020	2,130,000
Series 2001 Serial Bonds	5,630,000	4.63 - 5.00	2002 - 2021	3,105,000
Series 2002 Serial Bonds	14,000,000	4.70 - 5.50	2003 - 2022	8,485,000
Series 2002-A Serial Bonds	100,000,000	2.25 - 5.13	2003 - 2022	57,350,000
Series 2003 Serial Bonds	31,660,000	3.00 - 5.00	2004 - 2023	26,660,000
Series 2004 Serial Bonds	7,830,000	3.38 - 4.38	2005 - 2024	7,530,000
Series 2005 Serial Bonds	1,150,000	3.75 - 4.38	2006 - 2025	1,115,000
Series 2006 Serial Bonds	16,110,000	4.00 - 5.00	2007 - 2026	16,110,000
<u>Permanent Improvement Bonds</u>				
Series 1996 Serial Bonds	18,580,000	4.75 - 6.75	1998 - 2016	930,000
Series 1998 Serial Bonds	10,890,000	4.00 - 6.00	1999 - 2018	3,000,000
Series 1998-A Serial Bonds	22,825,000	4.25 - 6.25	1999 - 2018	4,365,000
Series 1999 Serial Bonds	25,005,000	4.38 - 6.00	2000 - 2019	10,995,000
Series 2000 Serial Bonds	725,000	5.30 - 7.25	2002 - 2020	130,000
Series 2002 Serial Bonds	13,000,000	4.70 - 5.13	2003 - 2022	11,600,000
Series 2003 Serial Bonds	4,335,000	2.70 - 4.70	2004 - 2023	3,535,000
Series 2004 Serial Bonds	4,090,000	3.30 - 4.30	2005 - 2024	3,935,000
Series 2005 Serial Bonds	3,940,000	3.25 - 4.25	2006 - 2025	3,810,000
Series 2006 Serial Bonds	44,010,000	4.00 - 5.00	2007 - 2026	44,010,000
<u>Limited Tax Refunding Bonds</u>				
Series 1985-B	33,079,014	* 9.30	2001 - 2009	
Capital Appreciation Bonds				
Principal				1,378,947
Accretion of interest				26,200,310
CAB Series Maturities				<u>(18,406,552)</u>
Series 1999 Serial Bonds	20,399,949	3.90 - 4.80	1999 - 2015	16,565,000
Series 2002 Serial Bonds	38,540,000	3.00 - 5.00	2003 - 2009	15,010,000
Series 2004 Serial Bonds	33,455,000	2.50 - 5.00	2005 - 2020	33,185,000
Series 2005 Serial Bonds	30,745,000	3.50 - 5.50	2008 - 2016	30,745,000
Series 2005-A Serial Bonds	9,155,000	3.50 - 5.00	2006 - 2011	8,970,000
<u>Unlimited Tax Refunding Bonds</u>				
Refunding, Series 2005	53,670,000	3.50 - 5.50	2008 - 2022	53,670,000
Series 2005-Serial Bonds (NWTCRD #3)	4,765,000	3.00 - 4.00	2005 - 2014	4,230,000
	<u>602,933,960</u>			<u>393,780,004</u>
Certificates of Obligation				
<u>Limited Tax</u>				
Series 1994-A	12,815,000	3.00 - 5.00	1995 - 2014	745,000
Series 1998	65,340,000	4.00 - 5.00	1999 - 2018	12,295,000
Series 1998-A	10,500,000	4.00 - 5.00	1999 - 2018	475,000
Series 2000	14,800,000	5.10 - 7.10	2001 - 2020	2,050,000
Series 2001	27,300,000	4.00 - 4.90	2002 - 2021	5,020,000
Series 2001-A	19,235,000	5.00 - 5.00	2003 - 2007	4,240,000
Series 2003	23,325,000	3.00 - 5.00	2004 - 2023	16,525,000
Series 2004	1,800,000	2.00 - 2.25	2005 - 2009	1,130,000
Series 2005	12,400,000	2.75 - 3.00	2006 - 2010	10,065,000
Series 2006	23,925,000	4.00 - 4.40	2007 - 2026	23,925,000
	<u>211,440,000</u>			<u>76,470,000</u>
Total Bonds and Certificates of Obligation Payable	<u>\$ 814,373,960</u>			<u>\$ 470,250,004</u>

* effective interest rate

Note: This chart includes blended component units

Debt Service Requirements:

The annual debt service requirements for all general obligation bonds and certificates of obligation outstanding at September 30, 2006, including blended component units, are as follows:

Maturity	General Obligation Bonds		Certificates of Obligation		Total
	Principal	Interest	Principal	Interest	
2007	\$ 29,044,240	\$ 18,723,291	\$ 13,915,000	\$ 3,244,376	\$ 64,926,907
2008	30,092,216	16,855,027	10,555,000	2,287,034	59,789,277
2009	26,923,548	16,129,989	9,370,000	1,905,540	54,329,077
2010	26,195,000	13,926,727	7,150,000	1,592,622	48,864,349
2011	25,215,000	12,779,562	4,035,000	1,382,752	43,412,314
2012-2016	118,930,000	46,910,863	8,785,000	5,663,425	180,289,288
2017-2021	98,050,000	19,858,516	16,305,000	2,687,278	136,900,794
2022-2026	39,330,000	3,195,489	6,355,000	573,067	49,453,556
	<u>\$ 393,780,004</u>	<u>\$ 148,379,464</u>	<u>\$ 76,470,000</u>	<u>\$ 19,336,094</u>	<u>\$ 637,965,562</u>

Defeased Debt:

In fiscal year 2006 and in prior years, the County has issued refunding bonds to advance refund certain general obligation bonds and certificates of obligation. The proceeds of the refunding bonds were deposited in an irrevocable trust with an escrow agent. The funds were used to purchase government securities, which will provide for all future debt service requirements.

On September 30, 2006 defeased bonds remaining unredeemed or unmatured from the 1986, 2004 and 2005 refunding issuances amounted to \$5,310, \$20,270,000 and \$86,140,000, respectively.

In prior years, the Southwest Travis County Road District No. 1 (SWTCRD No. 1) issued refunding bonds to advance refund certain tax road bonds. The proceeds of the refunding bonds were deposited in an irrevocable trust with an escrow agent. The funds were used to purchase government securities, which will provide for all future debt service requirements. On September 30, 2006 defeased bonds remaining unredeemed or unmatured from the SWTCRD No. 1 issuance amounted to \$10,000.

Refunding Debt:

In November 2005, the County issued Limited Tax Refunding Bonds, Series 2005A in the amount of \$9,155,000. Proceeds from the sale were used to provide monies to refund certain outstanding County debt. The County realized an economic gain of \$227,924 on savings of \$259,603 for the Limited Tax Series 2005A Refunding.

New Debt:

In March 2006, the County issued \$16,110,000 in Unlimited Tax Road Bonds, Series 2006. This issuance is part of both the \$156.4 million authorization approved by the voters on November 6, 2001 and the \$65.2 million authorization approved on November 1, 2005. These bonds carry interest rates ranging from 4.00 percent to 5.00 percent. The road bonds mature in varying amounts in each of the years 2007 to 2026.

The County also issued \$44,010,000 of Limited Tax Permanent Improvement Bonds, Series 2006. This issuance is part of both the \$28.6 million authorization approved by the voters November 6, 2001 and the \$85.6 million authorization approved on November 1, 2005. These bonds carry interest rates ranging from 4.00 percent to 5.00 percent and mature in varying amounts in each of the years 2007 to 2026.

In addition to the bonds, the County also issued \$23,925,000 in Limited Tax Certificates of Obligation, Series 2006. The proceeds are to be used for the following:

1. \$10,950,057 for authorized capital project needs for the County for fiscal year 2006 (to be repaid over a period of five years);
2. \$518,340 for an EMS ambulance;
3. \$10,140,101 for Building Purchases (to be repaid over 20 years);
4. \$2,189,000 for Road Extension Project (to be repaid over 20 years);
5. \$127,502 for cost of issuance.

The certificates, bearing an interest rate ranging from 4.00 percent to 4.40 percent, will mature in varying amounts in each of the years 2007 to 2026.

Future Borrowing:

In a county-wide bond election held on November 7, 2000 (2000 Election), the electorate authorized the County to issue an additional \$28,000,000 of unlimited tax road bonds. Of the total of the County's \$27,300,000 Certificates of Obligation, Series 2001 (Series 2001 Certificates), \$4,000,000 was issued for road building purposes in lieu of a like amount of road bonds authorized by the 2000 Election. The County agreed and covenanted that it would not issue a like amount of the voter authorized road bonds, thereby leaving \$24,000,000 of the road bonds authorized by the 2000 Election remaining to be issued in the future and unencumbered by such "in-lieu-of" covenants. In 2002, \$22,000,000 of unlimited tax road bonds was issued as part of Series 2002-A pursuant to the 2000 Election, thereby leaving \$2,000,000 of the road bonds authorized by the 2000 Election to be issued in the future.

In a county-wide bond election held on November 6, 2001 (2001 Election), the electorate authorized the County to issue an additional \$156,355,000 of unlimited tax road bonds of which \$89,330,000 was issued in 2002, \$31,660,000 in 2003, \$7,830,000 in 2004, \$1,150,000 in 2005, and \$3,345,000 in 2006, thereby leaving \$23,040,000 to be issued in the future. Also authorized by the electorate in the 2001 Election were \$28,600,000 limited tax permanent improvement bonds for County parks, of which \$13,000,000 was issued in 2002, \$4,335,000 in 2003, \$4,090,000 in 2004, \$3,940,000 in 2005, and \$3,035,000 in 2006, thereby leaving \$200,000 to be issued in the future.

In a county-wide bond election held on November 1, 2005 (2005 Election), the electorate authorized the County to issue an additional \$65,225,000 of unlimited tax road bonds of which \$12,765,000 was issued in 2006, thereby leaving \$52,460,000 to be issued in the future. Also authorized by the electorate in the 2005 Election were \$85,650,000 limited tax permanent improvement bonds for County parks and jail facilities, of which \$40,975,000 was issued in 2006, thereby leaving \$44,675,000 to be issued in the future.

Other Debt

Capital Leases:

The County leases a building under a capital lease that expires in 2012. The Texas Department of Criminal Justice Grant Fund provides revenue for lease payments.

Assets acquired under capital lease are as follows:

	<u>Governmental Activities</u>
Asset under capital lease:	
Building	\$ 2,104,806
Less: accumulated depreciation	(511,281)
Total	<u>\$ 1,593,525</u>

Future minimum lease payments under this capital lease are:

2007	\$ 184,532
2008	184,532
2009	184,532
2010	184,532
2011	184,532
2012	184,531
Total minimum lease payments	<u>1,107,191</u>
Less amount representing interest	<u>(165,806)</u>
Present value of net minimum lease payments	<u>\$ 941,385</u>

Landfill Remediation:

State and federal laws and regulations require the County to place final covers on its landfill sites when waste acceptance has stopped and to perform certain maintenance and monitoring functions after closure. All County landfills have reached 100 percent capacity and are no longer accepting waste. The County has estimated the current cost of post-closure care to be \$2,899,420. Of this amount, \$67,909 is recorded as a current liability in the fund financial statements, including \$64,253 in agency funds, with the remainder in other short-term and long-term liabilities in the government-wide financial statements. The nature of the cost estimates includes ground water monitoring, annual maintenance, and development of a permanent leachate treatment/disposal system. Actual costs may be higher due to inflation, changes in technology, or changes in regulations. There are currently no assets restricted for payment of landfill costs. Future costs may be covered by the County's various general revenue sources, statutorily allowed debt issuances, or both.

9. CONDUIT DEBT OBLIGATIONS

From time to time the Corporations established by Travis County have issued conduit debt in the name of the Corporations to provide financial assistance to private sector entities for various purposes of public interest. The obligation for repayment of the debt rests with the private party benefiting from the proceeds of such debt. Neither the County nor the

Corporations are obligated in any manner for repayment of the debt. Accordingly, the borrowings are not reported as liabilities in the accompanying financial statements. These obligations typically include private entities providing credit enhancements collateralized by underlying assets.

The estimated amount of conduit debt outstanding at September 30, 2006 is as follows:

Travis County Housing Finance Corporation	\$ 251,497,909
Travis County Health Facilities Development Corporation	418,160,000
Capital Industrial Development Corporation	11,860,000
Total	<u><u>\$ 681,517,909</u></u>

10. OPERATING LEASES

Travis County is committed under various leases for buildings and office space. These leases are considered for accounting purposes to be operating leases. Lease expenditures for the year ended September 30, 2006 amounted to \$1,820,790. Future minimum lease payments for these leases are as follows:

2007	\$ 969,705
2008	384,799
2009	249,372
2010	241,219
2011	247,654
2012-2016	1,106,408
2017-2021	133,600
2022-2026	133,596
2027-2031	133,596
2032-2036	133,596
Total	<u><u>\$ 3,733,545</u></u>

11. RETIREMENT PLAN

Plan Description

Travis County provides retirement, disability, and death benefits for all of its regular employees through a nontraditional defined benefit pension plan in the statewide Texas County and District Retirement System (TCDRS). The Board of Trustees of TCDRS is responsible for the administration of the statewide agent multiple-employer public employee retirement system consisting of 575 nontraditional defined benefit pension plans. TCDRS in the aggregate issues a comprehensive annual financial report (CAFR) on a calendar year basis. The CAFR is available upon written request from the TCDRS Board of Trustees at P.O. Box 2034, Austin, Texas 78768-2034, and online at www.tcdrs.org.

The plan provisions are adopted by the governing body of the employer, within the options available in the Texas state statutes (TCDRS Act) governing TCDRS. Members can retire at ages 60 and above with eight or more years of service, with 30 years of service regardless of age, or when the sum of their age and years of service equals seventy five or more. Generally, members are vested after eight years of service, but must leave their accumulated contributions in the plan to receive any employer-financed benefit. Additionally, members with prior service at certain qualifying organizations may also be considered vested. Members who withdraw their personal contributions in a lump sum are not entitled to any amounts contributed by their employer.

Benefit amounts are determined by the sum of the employee's contributions to the plan, with interest, and employer-financed monetary credits. The level of these monetary credits is adopted by the governing body of the employer within the actuarial constraints imposed by the TCDRS Act so that the resulting benefits can be expected to be adequately financed by the employer's commitment to contribute. At retirement, death, or disability, the benefit is calculated by converting the sum of the employee's accumulated contributions and the employer-financed monetary credits to a monthly annuity using annuity purchase rates prescribed by the TCDRS Act.

Funding Policy

The County has elected the annually determined contribution rate plan provisions of the TCDRS Act. The Commissioner's Court adopted an Annually-Determined Contribution Rate (ADCR) plan with an effective date of January 1, 1995 for which the employer contribution rate is actuarially determined as a part of the annual actuarial valuation. The rate applicable for a calendar year consists of the normal cost contribution rate plus the rate required to amortize the unfunded actuarial liability over the plan's 20-year amortization period which began January 1, 1998 using the entry age actuarial cost method. The plan is funded by monthly contributions from both employee members and the employer based on the covered payroll of employee members. Under the TCDRS Act, the contribution rate of the employer is actuarially determined annually. The employer's contribution was based on the actuarially determined rate of 9.64 percent for the months of the accounting year in 2005, and 9.74 percent for the months of the accounting year in 2006. The contribution rate payable by the employee members for calendar year 2006 is the rate of 7.00 percent as adopted by the Commissioners' Court.

Annual Pension Cost

For the employer's accounting year ended September 30, 2006, the annual pension cost for the TCDRS plan for its employees and the actual contributions were \$18,656,298. The annual required contributions were actuarially determined as a percent of the covered payroll of the participating employees, and were in compliance with GASB Statement No. 27 parameters based on the actuarial valuations as of December 31, 2003 and December 31, 2004, the basis for determining the contribution rates for calendar years 2005 and 2006. The December 31, 2005 actuarial valuation is the most recent valuation.

Actuarial Valuation Information

Actuarial valuation date	12/31/2003	12/31/2004	12/31/2005
Actuarial cost method	Entry age	Entry age	Entry age
Amortization method	Level percentage of payroll, open	Level percentage of payroll, open	Level percentage of payroll, open
Amortization period	20	20	20
Asset valuation method	Long-term appreciation with adjustment	Long-term appreciation with adjustment	Long-term appreciation with adjustment
Actuarial Assumptions:			
Investment return	8.00%	8.00%	8.00%
Projected salary increases	5.50%	5.50%	5.30%
Inflation	3.50%	3.50%	3.50%
Cost-of-living adjustments	0.00%	0.00%	0.00%

For the Retirement Plan for the Employees of Travis County

Accounting <u>Year Ending</u>	Annual Pension <u>Cost (APC)</u>	Percentage of APC <u>Contributed</u>	Net Pension <u>Obligation</u>
2004	\$16,215,854	100%	\$0
2005	\$17,251,346	100%	\$0
2006	\$18,656,298	100%	\$0

Schedule of Funding Progress for the Retirement Plan

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Fiscal Year Annual Covered Payroll	UAAL as a Percentage of Covered Payroll
12/31/2003	385,469,400	436,142,758	50,673,358	88.38%	164,846,218	30.74%
12/31/2004	425,756,317	483,187,607	57,431,290	88.11%	168,471,901	34.09%
12/31/2005	469,129,341	531,477,958	62,348,617	88.27%	181,110,876	34.43%

Note: The AAL and UAAL have been adjusted to reflect provision changes made by the County as part of the budget process and are reflected in supplementary information provided by TCDRS.

12. POST-EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS

The County is self-insured for employee and retiree health care. During 2006, the County incurred \$3,281,725 in health insurance claims for 431 retirees and their dependents. Retiree contributions for 2006 totaled \$830,172, and the County paid the remaining amount of the claims. The claims are paid from current operating funds. To be eligible for this benefit, one must be a County retiree or dependent of a County retiree. The County is under no legal obligation to pay these premiums and the decision to provide this benefit is made by the Commissioners' Court on a year-to-year basis. As of September 30, 2006, 803 retirees and their beneficiaries qualify for retirement benefits.

13. SELF-INSURANCE

The County has financed its risk of loss through risk retention (self-insurance) for general and automobile liability, and error and omissions claims and judgements since January 1, 1989.

From October 1, 1994 to September 30, 2001, the County purchased insurance for employee accident and health claims. On October 1, 2001, the County began financing employee health through risk retention (self-insurance) for employee and retiree health care coverage, which are reported in an internal service fund, the Travis County Hospital and Insurance Fund-County Employees. On August 16, 2005 the Commissioners' Court dissolved the Travis County Hospital and Insurance Fund-County Employees and transferred all assets, liabilities, and claims to the newly formed Employee Health and Benefit Fund effective October 1, 2005. The new fund operates under Texas Local Government Code Annotated, Chapter 157.101. The primary change as a result of this event was to increase the annual stop-loss retention of the fund from \$125,000 to \$150,000. The other significant provisions of the fund remained unchanged. The fund charges premiums to other funds for servicing and payment of claims. The fund also charges employee dependents and retirees a premium for their participation in the health plan.

Risk management activities, other than employee health, are reported in an internal service fund, the Travis County Self-Insurance Fund. The fund charges premiums to other funds for servicing and payment of claims, including the establishment of a reserve for catastrophic losses.

On November 1, 1997 the County implemented a Rolling Owner Controlled Insurance Program (ROCIP). This program provides workers' compensation, general liability, excess liability and builder's risk coverage to contractors. The ROCIP program ended in November 2000; however, some claims and expenses are still expected to be processed.

The County is fully self-insured for general and automobile liability, workers' compensation, and theft and crime losses. The County purchases insurance coverage for aviation damage and liability, public dishonesty and property damage. Also, stop-loss insurance is carried on employee health, workers' compensation and ROCIP. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. There have been no significant reductions in coverage from the prior year. The unrestricted portion of net assets at September 30, 2006 in the amount of \$36,305,827 has been designated by management for catastrophic losses for employee health, workers' compensation, general liability and ROCIP.

Liabilities are accrued and reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. Liabilities, which have been actuarially determined, include an amount for claims incurred but not yet reported.

Unpaid claims and judgements at September 30, 2006 and September 30, 2005 are composed of the following categories:

	<u>2006</u>	<u>2005</u>
Employee health	\$ 4,393,646	\$ 4,270,983
General liability	4,721,364	6,163,048
Automobile liability	1,081,249	986,484
Workers' compensation	2,958,125	2,902,626
Property	269,180	285,374
Totals	<u>\$ 13,423,564</u>	<u>\$ 14,608,515</u>

Changes in the balances of unpaid claims and judgements during fiscal years 2005 and 2006 were as follows:

	Beginning of Fiscal Year Liability	Claims and Changes in Estimates	Claims Payments	Balance at Fiscal Year End
2005	\$ 15,678,274	\$ 26,801,506	\$ (27,871,265)	\$ 14,608,515
2006	\$ 14,608,515	\$ 26,063,468	\$ (27,248,419)	\$ 13,423,564

14. CONTINGENT LIABILITIES

A number of claims against the County, as well as certain matters in litigation, are pending with respect to various matters arising in the normal course of the County’s operations. The County’s various legal counsel are of the opinion that the settlement of these claims and pending litigation will not have a material effect on the County’s financial statements.

The County receives various grant monies which are subject to audit and adjustment by the grantor agencies. Any disallowed expenditures will become a liability of the County. The amount cannot be determined at this time although the County expects such amounts, if any, to be immaterial.

15. DISPROPORTIONATE SHARE III AND UPPER PAYMENT LIMIT PROGRAMS – HEALTHCARE DISTRICT

The Disproportionate Share III (DSH) program was created in fiscal year 1992 by the State of Texas to access additional federal matching funds. These funds are distributed to selected hospitals that provide services to low-income and uninsured patients. According to the DSH program guidelines, the District may use the funds for the benefit of the indigent in either the immediate period or future periods.

The Upper Payment Limit (UPL) program was created in May 2002 with an effective date of July 2001. The UPL program uses federal matching funds to raise state Medicaid reimbursement rates to 100 percent of equivalent Medicare rates for certain public hospital systems.

The District recognizes all funds received under the DSH and UPL programs as operating revenues in the period of receipt of the funds.

A portion of the DSH and UPL payment received are due to Seton under the operating lease discussed in Note 16. This payment is to be reduced by the charity care payment to the University of Texas Medical Branch (UTMB). During the year ended September 30, 2006, the District paid \$15,700,205 to Seton which is net of the \$3,877,048 paid to the UTMB discussed in Note 17. The DSH/UPL program revenue of \$36,670,256 is netted by the \$15,700,205 paid to Seton.

16. OPERATING LEASE WITH SETON – HEALTHCARE DISTRICT

Effective October 1, 2004, the District assumed the rights and obligation from the City of Austin related to a long-term lease agreement with Seton. Under the terms of the lease, Seton will operate Brackenridge/Children’s Hospital and will provide all necessary medical services for residents of Travis County regardless of their ability to pay. The lease term is for 60 years through 2055 with an optional 30 year extension. The breach of contract penalty is \$50 million and Seton is required to spend a minimum of \$50 million for capital

improvements at Brackenridge/Children’s Hospital by 2023; of which \$30 million must be spent by 2013.

At September 30, 2006, the District’s investment in Brackenridge/Children’s Hospital consists of land valued at \$8,013,662 and buildings and improvements valued at \$85,786,338 less accumulated depreciation of \$3,431,454. For the year ended September 30, 2006, lease revenue of \$1,096,656 was recognized under this lease.

Pursuant to the terms of the lease, the District will reimburse Seton for services provided through three programs. Under the Charity Care Program, the District will reimburse Seton a maximum of \$6,484,548 annually for providing medical care to the medically indigent; provided however, that Seton must first provide charity care in the amount of 4 percent of net revenues as required by State law.

Under the Physicians Services Program, the District paid Seton \$5,898,192 for the year ended September 30, 2006 for providing physician services to patients in the first two programs. Under the Home Health Services Program, the District paid Seton \$250,000 for the year ended September 30, 2006 for home health services for the medically indigent of Travis County.

Under the Medical Assistance Program (MAP), the District paid Seton \$18,717,918 for the year ended September 30, 2006 for patients enrolled in this program. The payments through February 2006 were made through the interlocal agreement with the City of Austin discussed in Note 18 as the City of Austin was the party responsible for the MAP contract with Seton until that time. At the end of that contract period, the District assumed responsibility for MAP payments, contracted with and made payments to Seton directly.

The future minimum lease payments to be received from Seton are as follows:

2007	\$	1,096,656
2008		1,096,656
2009		1,096,656
2010		1,096,656
2011		1,096,656
Thereafter		<u>15,653,184</u>
Total	\$	<u><u>21,136,464</u></u>

17. LEASE AGREEMENT WITH THE UNIVERSITY OF TEXAS MEDICAL BRANCH AT GALVESTON – HEALTHCARE DISTRICT

Effective October 1, 2004, the District assumed the rights and obligation from the City of Austin related to the lease agreement with UTMB at Galveston. Under the terms of the agreement, UTMB will operate Austin Women’s Hospital for an initial term of five years through January 2009 with an option to renew. For the year ended September 30, 2006, lease revenue of \$58,740 was recognized under this lease. Pursuant to the terms of the lease, the District paid UTMB \$3,877,048 for the year ended September 30, 2006 for charity care provided at Austin Women’s Hospital. At September 30, 2006, UTMB owes \$263,000 to the District of excess operating income of the Austin Women’s Hospital.

At September 30, 2006, the District's investment in Austin Women's Hospital consists of buildings and improvements valued at \$3,400,000 less accumulated depreciation of \$136,000.

The future minimum lease payments to be received from UTMB are as follows:

2007	\$ 58,740
2008	58,740
2009	<u>19,580</u>
Total	<u>\$ 137,060</u>

18. INTERLOCAL AGREEMENT WITH THE CITY OF AUSTIN – HEALTHCARE DISTRICT

Effective October 1, 2004, the District entered into an agreement with the City of Austin to operate the Federally Qualified Health Centers (health clinics) and administer MAP which were previously the responsibility of the City of Austin and Travis County. The agreement term is for one year with annual renewal possibility for four years. Under the agreement, payments are due monthly from the District. For the year ended September 30, 2006, the District recorded \$34,140,236 of health care delivery expense related to this agreement. Any excess of revenues over expenses of the clinic operations is due to the District at the end of the agreement term. At September 30, 2006, the District has recorded a receivable from the City of Austin of \$2,204,513 related to this excess although this amount will remain with the City of Austin for clinic operations in the following year.

The receivable from the City of Austin is comprised of the following at September 30, 2006:

Operating revenues:	
Medicare	\$ 1,288,899
Medicaid	5,397,685
Managed Medicare	-
CHIP	72,898
Net patient service revenue	731,093
Grant revenue	912,007
Interest income	<u>332,773</u>
Total operating revenues	8,735,355
Operating expenses:	
Salaries and benefits	20,911,762
Contracted services	15,562,057
Purchased goods	<u>2,997,259</u>
Total operating expenses	39,471,078
Other revenues (expenses):	
Payments received from the District	34,140,236
Construction in progress payment	<u>(1,200,000)</u>
Total other revenues	32,940,236
Excess of revenues over expenses	<u>\$ 2,204,513</u>

19. DEFERRED COMPENSATION PLAN – HEALTHCARE DISTRICT

The District offers its employees a deferred compensation plan established in accordance with Internal Revenue Service Code Section 457. Assets and income of the District's plan are administered by a private corporation under contract with the District and are held for the exclusive benefit of the participants and their beneficiaries. Accordingly, the plan's assets and liabilities are not recorded in the District's basic financial statements. The District contributed \$29,065 to the plan during the year ended September 30, 2006.

20. RISK MANAGEMENT – HEALTHCARE DISTRICT

The District's risk management program includes coverages through third party insurance providers for officers' professional liability and workers compensation. During the year ended September 30, 2006, there were no reductions in insurance coverage from coverage in the prior year and there have been no claims.

21. INTERLOCAL AGREEMENT WITH TRAVIS COUNTY – HEALTHCARE DISTRICT

The District entered into an interlocal agreement with Travis County in which Travis County provides legal and other services for the District along with tax collections services. For the year ended September 30, 2006, \$331,342 is included in other purchased goods and services for the legal and other services. For the year ended September 30, 2006, \$332,904 is recorded for the tax collections services. At September 30, 2006, \$63,498 is included in due to Travis County (other governments) related to this agreement.

During fiscal year 2006, the District entered into an interlocal agreement with Travis County in which Travis County provides supplemental dental, life, and disability insurance. For the year ended September 30, 2006, fees of \$3,844 were included in other purchased goods and services related to this agreement.

22. SUBSEQUENT EVENTS**Refunding Debt**

In November 2006, the County issued \$23,784,987 in unlimited tax refunding bonds, with interest rates ranging from 4.00 percent to 4.38 percent. The refunding bonds mature in varying amounts in each of the years 2007 to 2022. The refunding bonds provide the funds to refund certain amounts of the County's outstanding unlimited tax debt.

In March 1, 2007, the County anticipates issuing \$35,725,000 in Unlimited Tax Road Bonds, Series 2007. This issuance is part of the authorizations approved by the voters on November 6, 2001 and November 8, 2005. These bonds carry interest rates ranging from 4.00 percent to 4.50 percent. The road bonds mature in varying amounts in each of the years 2008 to 2027.

The County also anticipates issuing \$21,005,000 of Limited Tax Permanent Improvement Bonds, Series 2007. This issuance is part of the authorization approved by the voters November 8, 2005. These bonds carry interest rates ranging from 4.00 percent to 5.00 percent and mature in varying amounts in each of the years 2008 to 2027.

In addition to the bonds, the County also anticipates issuing \$26,705,000 in Limited Tax Certificates of Obligation, Series 2007. The proceeds are to be used for various capital projects for the County. The certificates, bearing interest rates ranging from 4.00 percent to 4.40 percent, will mature in varying amounts in each of the years 2008 to 2027.



TRAVIS COUNTY, TEXAS
REQUIRED SUPPLEMENTARY
INFORMATION
(Unaudited)

TRAVIS COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
GENERAL FUND

For The Year Ended September 30, 2006

(Unaudited)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes	\$ 258,368,723	\$ 258,368,723	\$ 263,732,282	\$ 5,363,559
Intergovernmental	1,241,749	2,809,853	3,239,744	429,891
Charges for services	42,716,333	42,781,333	46,403,334	3,622,001
Fines and forfeits	755,000	755,000	948,282	193,282
Investment income	5,635,425	5,635,425	7,952,024	2,316,599
Miscellaneous	1,722,053	1,765,451	2,998,919	1,233,468
Total revenues	<u>310,439,283</u>	<u>312,115,785</u>	<u>325,274,585</u>	<u>13,158,800</u>
Expenditures:				
Current:				
General government	58,723,237	59,534,951	54,891,756	4,643,195
Justice system	86,489,825	88,486,643	82,937,178	5,549,465
Public safety	44,215,331	44,626,326	42,711,990	1,914,336
Corrections and rehabilitation	78,275,205	80,320,511	77,979,476	2,341,035
Health and human services	34,623,869	34,947,210	33,078,007	1,869,203
Infrastructure and environmental services	6,796,637	7,033,202	5,637,577	1,395,625
Community and economic development	6,374,488	6,717,530	6,170,055	547,475
Capital outlay	6,433,173	8,196,307	4,312,138	3,884,169
Total expenditures	<u>321,931,765</u>	<u>329,862,680</u>	<u>307,718,177</u>	<u>22,144,503</u>
Excess (deficiency) of revenues over expenditures	<u>(11,492,482)</u>	<u>(17,746,895)</u>	<u>17,556,408</u>	<u>35,303,303</u>
Other financing sources (uses):				
Transfers in	3,301,461	3,330,461	3,448,927	118,466
Transfers out	<u>(6,704,369)</u>	<u>(6,895,175)</u>	<u>(6,780,793)</u>	<u>114,382</u>
Total other financing sources (uses)	<u>(3,402,908)</u>	<u>(3,564,714)</u>	<u>(3,331,866)</u>	<u>232,848</u>
Net change in fund balance	(14,895,390)	(21,311,609)	14,224,542	35,536,151
Fund balance--beginning of year	<u>68,982,088</u>	<u>68,982,088</u>	<u>68,982,088</u>	<u>-</u>
Fund balance--end of year	<u>\$ 54,086,698</u>	<u>\$ 47,670,479</u>	<u>\$ 83,206,630</u>	<u>\$ 35,536,151</u>

Note: The budget is prepared on a GAAP basis. See Note 1 of the financial statements.

TRAVIS COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
ROAD AND BRIDGE FUND
For The Year Ended September 30, 2006
(Unaudited)

	Budgeted Amounts ⁽¹⁾		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 75,600	\$ 75,600	\$ 76,931	\$ 1,331
Charges for services	11,575,000	11,575,000	12,470,371	895,371
Fines and forfeits	6,515,405	6,515,405	6,444,748	(70,657)
Investment income	275,000	275,000	573,913	298,913
Miscellaneous	42,000	42,000	66,582	24,582
Total revenues	<u>18,483,005</u>	<u>18,483,005</u>	<u>19,632,545</u>	<u>1,149,540</u>
Expenditures:				
Current:				
Infrastructure and environmental services (TNR)	17,518,520	13,970,916	11,549,721	2,421,195
Capital outlay	<u>5,872,646</u>	<u>9,445,532</u>	<u>5,014,053</u>	<u>4,431,479</u>
Total expenditures	<u>23,391,166</u>	<u>23,416,448</u>	<u>16,563,774</u>	<u>6,852,674</u>
Excess (deficiency) of revenues over expenditures	<u>(4,908,161)</u>	<u>(4,933,443)</u>	<u>3,068,771</u>	<u>8,002,214</u>
Other financing sources (uses):				
Transfers out	<u>(2,775,714)</u>	<u>(2,775,714)</u>	<u>(2,775,714)</u>	<u>-</u>
Total other financing sources (uses)	<u>(2,775,714)</u>	<u>(2,775,714)</u>	<u>(2,775,714)</u>	<u>-</u>
Net change in fund balance	(7,683,875)	(7,709,157)	293,057	8,002,214
Fund balance--beginning of year	<u>10,228,190</u>	<u>10,228,190</u>	<u>10,228,190</u>	<u>-</u>
Fund balance--end of year	<u>\$ 2,544,315</u>	<u>\$ 2,519,033</u>	<u>\$ 10,521,247</u>	<u>\$ 8,002,214</u>

Notes:

1. The budget is prepared on a GAAP basis. See Note No. 1 of the financial statements.
2. The Road and Bridge Fund is the only major special revenue fund with a budget adopted by the Commissioners' Court. While the Grants fund is considered a major special revenue fund, it does not have a budget adopted by the Commissioners' Court.

**TRAVIS COUNTY, TEXAS
OTHER SUPPLEMENTARY
INFORMATION**

TRAVIS COUNTY, TEXAS
NON-MAJOR GOVERNMENTAL FUNDS

Special Revenue Funds: These funds are used to account for revenues derived from specific taxes, grant revenues and other revenue sources that are legally restricted to finance specific activities.

Law Library Fund - To account for the cost of operating and maintaining a law library for public use. Financing is provided through fees charged as part of court costs for civil cases processed through the District and County Courts.

County Attorney and District Attorney Processing Sight Orders (CAPSO-DAPSO) Fund - To account for fees assessed for the processing and collection of insufficient checks. These funds may be used for expenditures of the prosecutors' offices.

Law Enforcement Fund - To account for monies resulting from the sale of forfeited property confiscated in arrests and the allowable expenditures of these monies.

Dispute Resolution Center Fund - To account for monies resulting from a fee charged on each District, County, and Justice Court civil case filed and expenditures of the Alternative Dispute Resolution Center. The purpose of the Center is to resolve disputes that do not require formal court action.

Counseling Center Fund - To account for monies resulting from class participation fees charged to individuals offered pre-trial diversion to education in lieu of prosecution. Revenues realized in excess of costs fund grants to various agencies serving victims of violence.

Juvenile Fee Fund - To account for monies resulting from a court-ordered probation fee to be used to provide services for juvenile probationers.

County and District Clerk Records Management and Preservation Fund To account for monies resulting from fees assessed for the recording of documents by the County and District Clerks' offices (real estate transactions, assumed names, etc.). Monies are to be used for the records management and preservation services performed by these offices.

Records Management and Preservation Fund - To account for monies resulting from fees assessed for County and District Court records, including civil, probate and criminal court actions. Monies are to be used for the records management and preservation services performed by the County.

Courthouse Security Fund - To account for monies resulting from fees charged as part of court costs for the purpose of providing security services for buildings housing a district, county or justice court.

LCRA Parks CIP Fund - To account for the 15% of LCRA park revenues that are designated for capital improvement projects (CIP).

Justice Court Building Security Fund - To account for monies resulting from fees charged as part of court costs for the purpose of providing security services for a justice court located in a building that is not the county courthouse.

Juvenile Justice Alternative Education Program - To account for monies collected for the state mandated program to provide alternative education for juveniles in Travis County or in other counties, under contractual agreement, who have been expelled from school under Texas Education Code Sec 37.007 (a), (d), and (e). The monies are being collected from the participating school districts and state agencies.

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TRAVIS COUNTY, TEXAS

Special Revenue Funds, continued

Jail Commissary Fund - To account for revenues generated by the sale of personal items to jail inmates and the expenditure of those funds for the benefit of the inmates as required by state law.

Court Reporter Service Fund - To account for monies resulting from the court reporter service fee assessed in each civil case filed with the County or District Clerk to maintain a court reporter who is available for assignment in the court. The monies are to be used to assist in the payment of court-reporter-related services.

CSCD Equipment Acquisition Fund - To account for funds received by the Department of Information and Telecommunications for computer services provided to the Community Supervision and Corrections Department (CSCD). These funds are used to offset computer hardware and software costs incurred by the County in operating the CSCD.

Juvenile Deferred Prosecution Fund - To account for monies from a court-ordered deferred prosecution fee to be used for juvenile probation or community-based juvenile corrections services.

Balcones Canyonlands Fund - To account for monies received from participation certificate sales to be used for land acquisition and preserve system needs. Travis County and the City of Austin are joint permit holders of the preserve system land. Permits may be sold to the private sector and the funds will provide a funding mechanism for the management and additional purchase of preserve system land.

Abandoned Vehicles/Livestock Fund - To account for monies collected from the sale of abandoned motor vehicles and livestock. The proceeds shall be used for the reimbursement of expenditures incurred in the placement of vehicles/livestock into custody and any notice and publication costs incurred.

LEOSE Elected Officials Fund - To account for monies received from the State Comptroller's pro-rata distribution of funds designated for law enforcement officers' education. The monies in this fund are to be used for the continuing education of law enforcement personnel under the discretion of the County Attorney, District Attorney, Constables 1 through 5, and the Sheriff.

LEOSE Commissioners' Court Fund - To account for monies received from the State Comptroller's pro-rata distribution of funds designated for law enforcement officers' education. The monies in this fund are to be used for the continuing education of law enforcement under the discretion of the Commissioners' Court.

Juvenile Delinquency Prevention Fund - To account for funds resulting from a fee charged per person convicted of a graffiti offense. These monies are used to repair damages, provide educational and intervention programs, and for public awards leading to the conviction of such offenders.

Unclaimed Property Fund - To account for funds resulting from unclaimed property held by the County that is presumed to be abandoned.

Professional Prosecutors Fund - To account for monies received from the State of Texas as salary supplement for the County prosecutor. Monies are to be used for expenses of the County prosecutor's office as per waiver under HB 804, 76th Legislature.

Mary Quinlan Park Fund - To account for monies collected for the purpose of maintaining and improving Mary Quinlan Park.

Probate Judiciary Fee Fund - To account for monies collected under HB 1220 relating to payments made to the County from the judicial fund for the support of the statutory probate court in the County.

TRAVIS COUNTY, TEXAS

Special Revenue Funds, continued

Justice Court Technology Fund - To account for monies collected as fees for anyone convicted of a misdemeanor to be used for technology improvements in the Justice of the Peace Courts of the County.

Jury Management Fund - To account for monies collected by the District Clerk's office for jury fees.

Capital Health Facilities Development Corporation - The Capital Health Facilities Development Corporation was created to provide, expand and improve health facilities for residents of Travis County, Texas that the Corporation determines are needed to improve the adequacy, cost, and accessibility of health care, research, and education in the state. The Corporation provides conduit financing for for-profit facilities.

Travis County Housing Finance Corporation - The Travis County Housing Finance Corporation was created to provide decent, safe, and sanitary housing at affordable prices for residents of Travis County, Texas. It is authorized to issue bonds for the purpose, among others, of defraying the development cost of multi-family rental housing to be occupied substantially by persons of low and moderate income as determined by the Board of Directors; to provide funds to purchase mortgage loans made to persons of low and moderate income; and to refund bonds previously issued by the Corporation.

Travis County Health Facilities Development Corporation - The Travis County Health Facilities Development Corporation was created to provide, expand and improve health facilities for residents of Travis County, Texas that the Corporation determines are needed to improve the adequacy, cost, and accessibility of health care, research, and education in the state. The Corporation provides conduit financing for non-profit health facilities.

Capital Industrial Development Corporation - The Capital Industrial Development Corporation was created for the promotion and development of industrial and manufacturing enterprises to promote and encourage employment and the public welfare, and is authorized to issue bonds for those purposes.

Truancy Court Fund - To account for monies collected by the Juvenile Probation Department from the City of Austin and Austin Independent School District. Monies are used to provide supervision, referrals to community services, and regular reviews of student progress in an effort to reduce truancy.

County Clerk Archival Fund - To account for monies received when a public document is presented by a person, excluding a state agency, to the County Clerk for recording or filing. These monies are used for preservation and restoration services performed by the County Clerk in connection with maintaining their records archive.

Family Protection Fund - To account for monies collected as a fee at the time a suit for dissolution of a marriage is filed. These monies are to be used to fund a non-profit organization located in the County or an adjacent County that provides family violence prevention, intervention, mental health, counseling, legal, and marriage preservation services to families that have experienced, or are at risk of experiencing family violence, or child abuse or neglect.

Elections Contract Fund - To account for the reimbursement of election services provided by the County to other jurisdictions and the related expenditures.

TRAVIS COUNTY, TEXAS

Special Revenue Funds, continued

Vital Statistic Preservation Fund - To account for monies collected by the local registrar for the preservation of vital statistics records maintained by the registrar.

Fire Code Fund - To account for monies collected as fees for fire safety inspections on new or substantially renovated commercial property and multi-family housing and the related expenditures.

Juvenile Case Manager Fund - To account for monies collected as fees in fine-only misdemeanor offenses to finance the salary and benefits of a juvenile case manager.

Gardner House Handicraft Fund - To account for donated monies to be used for juveniles in the custody of Travis County at the County juvenile home.

Debt Service Funds: These funds account for the accumulation of resources and the subsequent disbursement of such resources to pay principal and interest on long-term general obligation bonds, certificates of obligation, and capital leases.

NWTCRD No. 3 Fund - To account for the accumulation of resources and the subsequent disbursement of such resources to pay principal and interest on general long-term debt for Northwest Travis County Road District No. 3.

Capital Projects Funds: These funds are used to account for financial resources set aside for the acquisition or construction of major capital endeavors.

Joint Road Improvements Fund - To account for contractual agreements with other governmental entities for the construction, expansion, or improvement of roads.

Subdivision Parkland Fund - To account for monies received from developers for the acquisition or improvement of parks near new subdivision developments and the related expenditures.

Grants Fund - To account for capital grant monies received by the County from other governmental entities and the expenditures of these monies for specific purposes designated by the grantor.

Permanent Funds: These funds are used to report resources that are legally restricted to the extent that only earnings, and not principal, may be used for the benefit of the County or its citizens.

Permanent School Fund - To account for the principal of a trust fund, which cannot be expended. Oil royalties are deposited into this fund, which increase the principal.



**TRAVIS COUNTY, TEXAS
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
September 30, 2006**

	Special Revenue				
	Law Library	CAPSO DAPSO	Law Enforcement	Dispute Resolution Center	Counseling Center
Assets					
Cash and pooled cash	\$ 672,230	\$ 282,028	\$ 526,387	\$ 89,231	\$ 15,272
Investments	-	-	-	-	-
Interest receivable	4,468	-	-	469	-
Due from other funds	-	-	-	-	-
Accounts receivable	-	-	9,961	8	-
Intergovernmental and other receivables	-	-	-	-	-
Taxes receivable (net of allowances for estimated uncollectibles)	-	-	-	-	-
Total assets	\$ 676,698	\$ 282,028	\$ 536,348	\$ 89,708	\$ 15,272
Liabilities and Fund Balances					
Liabilities:					
Accounts payable	48,149	-	-	61,303	3,938
Accrued liabilities	14,193	-	-	-	11,334
Due to other funds	-	68,907	35,615	-	-
Other liabilities	-	-	1,078	-	-
Liability for compensated absences	8,241	-	-	-	-
Due to other governmental entities	-	-	-	-	-
Deferred revenue	-	-	-	-	-
Total liabilities	70,583	68,907	36,693	61,303	15,272
Fund balances:					
<i>Reserved for:</i>					
Encumbrances	17,853	-	-	-	-
County schools	-	-	-	-	-
Juveniles	-	-	-	-	-
<i>Unreserved, designated for:</i>					
Compensated absences	8,241	-	-	-	-
Debt service	-	-	-	-	-
Capital projects	-	-	-	-	-
<i>Unreserved, undesignated, reported in:</i>					
Special revenue funds	580,021	213,121	499,655	28,405	-
Total fund balances	606,115	213,121	499,655	28,405	-
Total liabilities and fund balances	\$ 676,698	\$ 282,028	\$ 536,348	\$ 89,708	\$ 15,272

Special Revenue

Juvenile Fee	County and District Clerk Records Management & Preservation	Records Management & Preservation	Courthouse Security	LCRA Parks CIP	Justice Court Building Security
\$ 274,895	\$ 788,092	\$ 220,719	\$ 313,626	\$ 2,285,445	\$ 24,119
-	-	-	-	-	-
1,802	4,483	1,284	1,349	16,095	52
-	-	-	4,300	-	-
-	-	13	81	-	21
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 276,697</u>	<u>\$ 792,575</u>	<u>\$ 222,016</u>	<u>\$ 319,356</u>	<u>\$ 2,301,540</u>	<u>\$ 24,192</u>
-	68,129	1,077	-	-	-
-	32,313	8,777	64,215	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	14,059	5,879	57,957	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	114,501	15,733	122,172	-	-
-	14,799	-	-	83,387	-
-	-	-	-	-	-
-	-	-	-	-	-
-	14,059	5,879	57,957	-	-
-	-	-	-	-	-
-	-	-	-	-	-
276,697	649,216	200,404	139,227	2,218,153	24,192
<u>276,697</u>	<u>678,074</u>	<u>206,283</u>	<u>197,184</u>	<u>2,301,540</u>	<u>24,192</u>
<u>\$ 276,697</u>	<u>\$ 792,575</u>	<u>\$ 222,016</u>	<u>\$ 319,356</u>	<u>\$ 2,301,540</u>	<u>\$ 24,192</u>

(continued)

TRAVIS COUNTY, TEXAS
 COMBINING BALANCE SHEET, continued
 NON-MAJOR GOVERNMENTAL FUNDS
 September 30, 2006

	Special Revenue				
	Juvenile Justice Alternative Education Program	Jail Commissary	Court Reporter Service	CSCD Equipment Acquisition	Juvenile Deferred Prosecution
Assets					
Cash and pooled cash	\$ 1,776,074	\$ 880,639	\$ 198,689	\$ 1,112	\$ 32,554
Investments	-	-	-	-	-
Interest receivable	10,675	-	1,254	-	193
Due from other funds	-	-	-	-	-
Accounts receivable	11,623	-	-	-	-
Intergovernmental and other receivables	-	-	-	-	-
Taxes receivable (net of allowances for estimated uncollectibles)	-	-	-	-	-
Total assets	<u>\$ 1,798,372</u>	<u>\$ 880,639</u>	<u>\$ 199,943</u>	<u>\$ 1,112</u>	<u>\$ 32,747</u>
Liabilities and Fund Balances					
Liabilities:					
Accounts payable	80,851	20,439	-	-	-
Accrued liabilities	5,272	-	13,942	-	-
Due to other funds	-	54,025	-	-	-
Other liabilities	-	3,736	-	-	-
Liability for compensated absences	3,439	-	4,693	-	-
Due to other governmental entities	-	-	-	-	-
Deferred revenue	-	-	-	-	-
Total liabilities	<u>89,562</u>	<u>78,200</u>	<u>18,635</u>	<u>-</u>	<u>-</u>
Fund balances:					
<i>Reserved for:</i>					
Encumbrances	1,270	-	-	-	-
County schools	-	-	-	-	-
Juveniles	-	-	-	-	-
<i>Unreserved, designated for:</i>					
Compensated absences	3,439	-	4,693	-	-
Debt service	-	-	-	-	-
Capital projects	-	-	-	-	-
<i>Unreserved, undesignated, reported in:</i>					
Special revenue funds	1,704,101	802,439	176,615	1,112	32,747
Total fund balances	<u>1,708,810</u>	<u>802,439</u>	<u>181,308</u>	<u>1,112</u>	<u>32,747</u>
Total liabilities and fund balances	<u>\$ 1,798,372</u>	<u>\$ 880,639</u>	<u>\$ 199,943</u>	<u>\$ 1,112</u>	<u>\$ 32,747</u>

Special Revenue

Balcones Canyonlands Preservation	Abandoned Vehicles/ Livestock	LEOSE Elected Officials	LEOSE Commissioners' Court	Juvenile Delinquency Prevention	Unclaimed Property
\$ 11,107,398	\$ 53,104	\$ 61,956	\$ 273	\$ 93	\$ 19,878
-	-	-	-	-	-
57,304	-	-	-	1	-
-	-	475	-	-	-
192,111	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 11,356,813</u>	<u>\$ 53,104</u>	<u>\$ 62,431</u>	<u>\$ 273</u>	<u>\$ 94</u>	<u>\$ 19,878</u>
19,031	2,231	-	-	-	-
4,840	-	-	-	-	-
-	-	-	-	-	-
-	1,805	3,039	-	-	19,878
2,634	-	-	-	-	-
-	238	-	-	-	-
-	-	-	-	-	-
<u>26,505</u>	<u>4,274</u>	<u>3,039</u>	<u>-</u>	<u>-</u>	<u>19,878</u>
59,062	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
2,634	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
11,268,612	48,830	59,392	273	94	-
<u>11,330,308</u>	<u>48,830</u>	<u>59,392</u>	<u>273</u>	<u>94</u>	<u>-</u>
<u>\$ 11,356,813</u>	<u>\$ 53,104</u>	<u>\$ 62,431</u>	<u>\$ 273</u>	<u>\$ 94</u>	<u>\$ 19,878</u>

(continued)

TRAVIS COUNTY, TEXAS
COMBINING BALANCE SHEET, continued
NON-MAJOR GOVERNMENTAL FUNDS
September 30, 2006

	Special Revenue				
	Professional Prosecutors	Mary Quinlan Park	Probate Judiciary Fee	Justice Court Technology	Jury Management
Assets					
Cash and pooled cash	\$ 4	\$ 271,055	\$ 298,612	\$ 639,478	\$ 956,624
Investments	-	-	-	-	-
Interest receivable	-	-	1,605	3,804	-
Due from other funds	-	-	-	5,489	-
Accounts receivable	-	-	-	100	-
Intergovernmental and other receivables	-	-	-	-	-
Taxes receivable (net of allowances for estimated uncollectibles)	-	-	-	-	-
Total assets	<u>\$ 4</u>	<u>\$ 271,055</u>	<u>\$ 300,217</u>	<u>\$ 648,871</u>	<u>\$ 956,624</u>
Liabilities and Fund Balances					
Liabilities:					
Accounts payable	-	381	3,635	-	-
Accrued liabilities	-	-	2,615	-	-
Due to other funds	-	-	-	-	-
Other liabilities	-	-	-	-	-
Liability for compensated absences	-	-	1,968	-	-
Due to other governmental entities	-	-	-	-	-
Deferred revenue	-	-	-	-	956,624
Total liabilities	<u>-</u>	<u>381</u>	<u>8,218</u>	<u>-</u>	<u>956,624</u>
Fund balances:					
<i>Reserved for:</i>					
Encumbrances	-	1,125	2,681	13,675	-
County schools	-	-	-	-	-
Juveniles	-	-	-	-	-
<i>Unreserved, designated for:</i>					
Compensated absences	-	-	1,968	-	-
Debt service	-	-	-	-	-
Capital projects	-	-	-	-	-
<i>Unreserved, undesignated, reported in:</i>					
Special revenue funds	4	269,549	287,350	635,196	-
Total fund balances	<u>4</u>	<u>270,674</u>	<u>291,999</u>	<u>648,871</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 4</u>	<u>\$ 271,055</u>	<u>\$ 300,217</u>	<u>\$ 648,871</u>	<u>\$ 956,624</u>

Special Revenue

Capital Health Facilities Development Corporation	Travis County Housing Finance Corporation	Travis County Health Facilities Development Corporation	Capital Industrial Development Corporation	Truancy Court	County Clerk Archival
\$ -	\$ 32,374	\$ 41,487	\$ 12,193	\$ 37,176	\$ 524,994
-	342,750	172,510	-	-	-
-	-	-	-	282	5,175
-	-	-	-	-	-
-	42,900	-	-	33,108	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ 418,024</u>	<u>\$ 213,997</u>	<u>\$ 12,193</u>	<u>\$ 70,566</u>	<u>\$ 530,169</u>
-	-	-	-	2,195	363,836
-	-	-	-	6,519	11,443
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	2,349	4,285
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,063</u>	<u>379,564</u>
-	-	-	-	164	5,939
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	2,349	4,285
-	-	-	-	-	-
-	-	-	-	-	-
-	418,024	213,997	12,193	56,990	140,381
<u>-</u>	<u>418,024</u>	<u>213,997</u>	<u>12,193</u>	<u>59,503</u>	<u>150,605</u>
<u>\$ -</u>	<u>\$ 418,024</u>	<u>\$ 213,997</u>	<u>\$ 12,193</u>	<u>\$ 70,566</u>	<u>\$ 530,169</u>

(continued)

TRAVIS COUNTY, TEXAS
 COMBINING BALANCE SHEET, continued
 NON-MAJOR GOVERNMENTAL FUNDS
 September 30, 2006

Special Revenue

	Family Protection	Elections Contract	Vital Statistic Preservation	Fire Code	Juvenile Case Manager
Assets					
Cash and pooled cash	\$ 53,324	\$ 292,885	\$ 13,874	\$ 72,529	\$ 114,671
Investments	-	-	-	-	-
Interest receivable	340	3,059	75	636	257
Due from other funds	-	-	-	-	5,734
Accounts receivable	-	1,098	8	-	104
Intergovernmental and other receivables	-	-	-	-	-
Taxes receivable (net of allowances for estimated uncollectibles)	-	-	-	-	-
Total assets	<u>\$ 53,664</u>	<u>\$ 297,042</u>	<u>\$ 13,957</u>	<u>\$ 73,165</u>	<u>\$ 120,766</u>
Liabilities and Fund Balances					
Liabilities:					
Accounts payable	-	5,005	-	-	-
Accrued liabilities	-	-	-	-	-
Due to other funds	-	-	-	-	-
Other liabilities	-	-	-	-	-
Liability for compensated absences	-	9,422	-	-	-
Due to other governmental entities	-	-	-	-	-
Deferred revenue	41,440	-	-	-	119,906
Total liabilities	<u>41,440</u>	<u>14,427</u>	<u>-</u>	<u>-</u>	<u>119,906</u>
Fund balances:					
<i>Reserved for:</i>					
Encumbrances	-	7,482	-	-	-
County schools	-	-	-	-	-
Juveniles	-	-	-	-	-
<i>Unreserved, designated for:</i>					
Compensated absences	-	9,422	-	-	-
Debt service	-	-	-	-	-
Capital projects	-	-	-	-	-
<i>Unreserved, undesignated, reported in:</i>					
Special revenue funds	12,224	265,711	13,957	73,165	860
Total fund balances	<u>12,224</u>	<u>282,615</u>	<u>13,957</u>	<u>73,165</u>	<u>860</u>
Total liabilities and fund balances	<u>\$ 53,664</u>	<u>\$ 297,042</u>	<u>\$ 13,957</u>	<u>\$ 73,165</u>	<u>\$ 120,766</u>

<u>Special Revenue</u>		<u>Debt Service</u>	<u>Capital Projects</u>		
<u>Gardner House Handicraft</u>	<u>Total</u>	<u>NW Travis County Road District No. 3</u>	<u>Joint Road Improvements</u>	<u>Subdivision Parkland</u>	<u>Grants</u>
\$ 2,504	\$ 22,987,598	\$ 648	\$ 2,142,092	\$ 456,402	\$ 248,168
-	515,260	423,507	-	-	-
17	114,679	-	17,950	2,032	1,252
-	15,998	-	-	-	-
-	291,136	-	-	-	-
-	-	-	-	-	1,550,673
-	-	17,003	-	-	-
<u>\$ 2,521</u>	<u>\$ 23,924,671</u>	<u>\$ 441,158</u>	<u>\$ 2,160,042</u>	<u>\$ 458,434</u>	<u>\$ 1,800,093</u>
-	680,200	-	319,112	-	184
-	175,463	-	-	-	-
-	158,547	-	24,467	-	1,550,489
-	29,536	-	390,104	13,177	-
-	114,926	-	-	-	-
-	238	-	-	-	-
-	1,117,970	17,003	-	-	249,420
-	<u>2,276,880</u>	<u>17,003</u>	<u>733,683</u>	<u>13,177</u>	<u>1,800,093</u>
-	207,437	-	1,426,359	4,386	-
-	-	-	-	-	-
2,521	2,521	-	-	-	-
-	114,926	-	-	-	-
-	-	424,155	-	-	-
-	-	-	-	440,871	-
-	21,322,907	-	-	-	-
<u>2,521</u>	<u>21,647,791</u>	<u>424,155</u>	<u>1,426,359</u>	<u>445,257</u>	<u>-</u>
<u>\$ 2,521</u>	<u>\$ 23,924,671</u>	<u>\$ 441,158</u>	<u>\$ 2,160,042</u>	<u>\$ 458,434</u>	<u>\$ 1,800,093</u>

(continued)

TRAVIS COUNTY, TEXAS
COMBINING BALANCE SHEET, continued
NON-MAJOR GOVERNMENTAL FUNDS
September 30, 2006

	<u>Capital Projects</u>	<u>Permanent Fund</u>	<u>Total Non-Major Governmental Funds</u>
Assets	Total	Permanent School Fund	
Cash and pooled cash	\$ 2,846,662	\$ 2,324,928	\$ 28,159,836
Investments	-	-	938,767
Interest receivable	21,234	-	135,913
Due from other funds	-	-	15,998
Accounts receivable	-	-	291,136
Intergovernmental and other receivables	1,550,673	-	1,550,673
Taxes receivable (net of allowances for estimated uncollectibles)	-	-	17,003
Total assets	<u>\$ 4,418,569</u>	<u>\$ 2,324,928</u>	<u>\$ 31,109,326</u>
Liabilities and Fund Balances			
Liabilities:			
Accounts payable	319,296	-	999,496
Accrued liabilities	-	-	175,463
Due to other funds	1,574,956	-	1,733,503
Other liabilities	403,281	-	432,817
Liability for compensated absences	-	-	114,926
Due to other governmental entities	-	-	238
Deferred revenue	249,420	-	1,384,393
Total liabilities	<u>2,546,953</u>	<u>-</u>	<u>4,840,836</u>
Fund balances:			
<i>Reserved for:</i>			
Encumbrances	1,430,745	-	1,638,182
County schools	-	2,324,928	2,324,928
Juveniles	-	-	2,521
<i>Unreserved, designated for:</i>			
Compensated absences	-	-	114,926
Debt service	-	-	424,155
Capital projects	440,871	-	440,871
<i>Unreserved, undesignated, reported in:</i>			
Special revenue funds	-	-	21,322,907
Total fund balances	<u>1,871,616</u>	<u>2,324,928</u>	<u>26,268,490</u>
Total liabilities and fund balances	<u>\$ 4,418,569</u>	<u>\$ 2,324,928</u>	<u>\$ 31,109,326</u>

(concluded)



TRAVIS COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
For The Year Ended September 30, 2006

	<u>Special Revenue</u>				
	<u>Law Library</u>	<u>CAPSO DAPSO</u>	<u>Law Enforcement</u>	<u>Dispute Resolution Center</u>	<u>Counseling Center</u>
Revenues:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	31,462	-	-	-
Charges for services	864,147	232,821	-	315,106	432,363
Fines and forfeits	-	-	177,944	-	-
Investment income	29,940	-	19,321	3,136	6,446
Miscellaneous	-	-	342	2,365	-
Total revenues	<u>894,087</u>	<u>264,283</u>	<u>197,607</u>	<u>320,607</u>	<u>438,809</u>
Expenditures:					
Current:					
General government	-	-	-	-	-
Justice system	813,294	224,212	98,235	367,816	2,419
Public safety	-	-	36,541	-	-
Corrections and rehabilitation	-	-	-	-	461,593
Infrastructure and environmental services	-	-	-	-	-
Community and economic development	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal on general obligation debt	-	-	-	-	-
Interest and other charges	-	-	-	-	-
Total expenditures	<u>813,294</u>	<u>224,212</u>	<u>134,776</u>	<u>367,816</u>	<u>464,012</u>
Excess (deficiency) of revenues over expenditures	<u>80,793</u>	<u>40,071</u>	<u>62,831</u>	<u>(47,209)</u>	<u>(25,203)</u>
Other financing sources (uses):					
Transfers in	-	-	-	41,665	32,000
Transfers out	-	(62,820)	(11,429)	-	(139,467)
Total other financing sources (uses)	<u>-</u>	<u>(62,820)</u>	<u>(11,429)</u>	<u>41,665</u>	<u>(107,467)</u>
Net change in fund balances	80,793	(22,749)	51,402	(5,544)	(132,670)
Fund balances--beginning of year	<u>525,322</u>	<u>235,870</u>	<u>448,253</u>	<u>33,949</u>	<u>132,670</u>
Fund balances--end of year	<u>\$ 606,115</u>	<u>\$ 213,121</u>	<u>\$ 499,655</u>	<u>\$ 28,405</u>	<u>\$ -</u>

Special Revenue

Juvenile Fee	County and District Clerk Records Management & Preservation	Records Management & Preservation	Courthouse Security	LCRA Parks CIP	Justice Court Building Security
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
20,447	1,358,392	312,360	570,361	222,256	24,021
-	-	-	-	-	-
12,198	29,815	8,468	8,133	114,788	171
-	-	-	-	-	-
<u>32,645</u>	<u>1,388,207</u>	<u>320,828</u>	<u>578,494</u>	<u>337,044</u>	<u>24,192</u>
-	1,200,949	278,861	-	-	-
-	76,935	-	-	-	-
-	-	-	1,805,475	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	41,772	-	-	584,023	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>1,319,656</u>	<u>278,861</u>	<u>1,805,475</u>	<u>584,023</u>	<u>-</u>
<u>32,645</u>	<u>68,551</u>	<u>41,967</u>	<u>(1,226,981)</u>	<u>(246,979)</u>	<u>24,192</u>
-	2,400	-	1,362,005	-	-
-	-	-	-	-	-
<u>-</u>	<u>2,400</u>	<u>-</u>	<u>1,362,005</u>	<u>-</u>	<u>-</u>
32,645	70,951	41,967	135,024	(246,979)	24,192
244,052	607,123	164,316	62,160	2,548,519	-
<u>\$ 276,697</u>	<u>\$ 678,074</u>	<u>\$ 206,283</u>	<u>\$ 197,184</u>	<u>\$ 2,301,540</u>	<u>\$ 24,192</u>

(continued)

TRAVIS COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES, continued
NON-MAJOR GOVERNMENTAL FUNDS
For The Year Ended September 30, 2006

	Special Revenue				
	Juvenile Justice Alternative Education Program	Jail Commissary	Court Reporter Service	CSCD Equipment Acquisition	Juvenile Deferred Prosecution
Revenues:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	363,012	-	-	-	-
Charges for services	-	1,490,511	360,059	-	8,370
Fines and forfeits	-	-	-	-	-
Investment income	70,922	31,823	8,461	5	1,264
Miscellaneous	-	-	-	-	-
Total revenues	<u>433,934</u>	<u>1,522,334</u>	<u>368,520</u>	<u>5</u>	<u>9,634</u>
Expenditures:					
Current:					
General government	-	-	-	-	-
Justice system	436,772	-	344,094	-	-
Public safety	-	-	-	-	-
Corrections and rehabilitation	-	1,590,576	-	-	-
Infrastructure and environmental services	-	-	-	-	-
Community and economic development	-	-	-	-	-
Capital outlay	-	8,070	-	-	-
Debt service:					
Principal on general obligation debt	-	-	-	-	-
Interest and other charges	-	-	-	-	-
Total expenditures	<u>436,772</u>	<u>1,598,646</u>	<u>344,094</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(2,838)</u>	<u>(76,312)</u>	<u>24,426</u>	<u>5</u>	<u>9,634</u>
Other financing sources (uses):					
Transfers in	160,758	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	<u>160,758</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	157,920	(76,312)	24,426	5	9,634
Fund balances--beginning of year	1,550,890	878,751	156,882	1,107	23,113
Fund balances--end of year	<u>\$ 1,708,810</u>	<u>\$ 802,439</u>	<u>\$ 181,308</u>	<u>\$ 1,112</u>	<u>\$ 32,747</u>

Special Revenue

Balcones Canyonlands Preservation	Abandoned Vehicles/ Livestock	LEOSE Elected Officials	LEOSE Commissioners' Court	Juvenile Delinquency Prevention	Unclaimed Property
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	85,157	892	-	-
886,727	-	-	-	8	-
-	-	-	-	-	-
354,276	2,040	2,499	-	4	-
17,978	44,695	-	-	-	-
<u>1,258,981</u>	<u>46,735</u>	<u>87,656</u>	<u>892</u>	<u>12</u>	<u>-</u>
-	-	-	-	-	-
-	-	940	-	-	-
-	22,051	82,024	1,365	-	-
-	-	-	-	-	-
257,635	-	-	-	-	-
-	-	-	-	-	-
259,138	10,512	-	-	-	-
-	-	-	-	-	-
<u>516,773</u>	<u>32,563</u>	<u>82,964</u>	<u>1,365</u>	<u>-</u>	<u>-</u>
<u>742,208</u>	<u>14,172</u>	<u>4,692</u>	<u>(473)</u>	<u>12</u>	<u>-</u>
4,855,940	-	-	-	-	-
-	(29,000)	-	-	-	-
<u>4,855,940</u>	<u>(29,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
5,598,148	(14,828)	4,692	(473)	12	-
5,732,160	63,658	54,700	746	82	-
<u>\$ 11,330,308</u>	<u>\$ 48,830</u>	<u>\$ 59,392</u>	<u>\$ 273</u>	<u>\$ 94</u>	<u>\$ -</u>

(continued)

TRAVIS COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES, continued
NON-MAJOR GOVERNMENTAL FUNDS
For The Year Ended September 30, 2006

	<u>Special Revenue</u>				
	<u>Professional</u>	<u>Mary</u>	<u>Probate</u>	<u>Justice</u>	<u>Jury</u>
	<u>Prosecutors</u>	<u>Quinlan</u>	<u>Judiciary</u>	<u>Court</u>	<u>Management</u>
		<u>Park</u>	<u>Fee</u>	<u>Technology</u>	
Revenues:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-
Charges for services	-	-	141,148	206,658	-
Fines and forfeits	-	-	-	-	-
Investment income	-	-	10,971	25,046	-
Miscellaneous	-	10,000	-	-	-
Total revenues	<u>-</u>	<u>10,000</u>	<u>152,119</u>	<u>231,704</u>	<u>-</u>
Expenditures:					
Current:					
General government	-	-	-	5,792	-
Justice system	50,847	-	73,211	35,612	-
Public safety	-	-	-	-	-
Corrections and rehabilitation	-	-	-	-	-
Infrastructure and environmental services	-	-	-	-	-
Community and economic development	-	3,069	-	-	-
Capital outlay	-	-	-	22,300	-
Debt service:					
Principal on general obligation debt	-	-	-	-	-
Interest and other charges	-	-	-	-	-
Total expenditures	<u>50,847</u>	<u>3,069</u>	<u>73,211</u>	<u>63,704</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(50,847)</u>	<u>6,931</u>	<u>78,908</u>	<u>168,000</u>	<u>-</u>
Other financing sources (uses):					
Transfers in	50,850	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	<u>50,850</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	3	6,931	78,908	168,000	-
Fund balances--beginning of year	1	263,743	213,091	480,871	-
Fund balances--end of year	<u>\$ 4</u>	<u>\$ 270,674</u>	<u>\$ 291,999</u>	<u>\$ 648,871</u>	<u>\$ -</u>

Special Revenue

Capital Health Facilities Development Corporation	Travis County Housing Finance Corporation	Travis County Health Facilities Development Corporation	Capital Industrial Development Corporation	Truancy Court	County Clerk Archival
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	133,075	-	-	-	-
-	156,846	301,480	-	132,431	1,239,916
-	-	-	-	-	-
17	16,841	18,951	203	2,220	37,168
-	22	-	-	-	-
<u>17</u>	<u>306,784</u>	<u>320,431</u>	<u>203</u>	<u>134,651</u>	<u>1,277,084</u>
-	269,483	5,738	135	-	1,830,696
-	-	-	-	178,705	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>269,483</u>	<u>5,738</u>	<u>135</u>	<u>178,705</u>	<u>1,830,696</u>
<u>17</u>	<u>37,301</u>	<u>314,693</u>	<u>68</u>	<u>(44,054)</u>	<u>(553,612)</u>
-	-	-	*	33,892	-
(5,465)	(77,813)	(336,937)	*	(2,580)	(7,702)
<u>(5,465)</u>	<u>(77,813)</u>	<u>(336,937)</u>	<u>(2,580)</u>	<u>33,892</u>	<u>(7,702)</u>
(5,448)	(40,512)	(22,244)	(2,512)	(10,162)	(561,314)
5,448	458,536	236,241	14,705	69,665	711,919
<u>\$ -</u>	<u>\$ 418,024</u>	<u>\$ 213,997</u>	<u>\$ 12,193</u>	<u>\$ 59,503</u>	<u>\$ 150,605</u>

(continued)

* Transfer-in of \$4,509 to TCHFDC from CHFDC eliminated within TCHFDC.

TRAVIS COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES, continued
NON-MAJOR GOVERNMENTAL FUNDS
For The Year Ended September 30, 2006

	<u>Special Revenue</u>				
	<u>Family Protection</u>	<u>Elections Contract</u>	<u>Vital Statistic Preservation</u>	<u>Fire Code</u>	<u>Juvenile Case Manager</u>
Revenues:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-
Charges for services	11,190	650,583	5,442	120,676	-
Fines and forfeits	-	-	-	-	-
Investment income	2,269	23,708	479	4,725	860
Miscellaneous	-	-	-	-	-
Total revenues	<u>13,459</u>	<u>674,291</u>	<u>5,921</u>	<u>125,401</u>	<u>860</u>
Expenditures:					
Current:					
General government	-	589,512	-	-	-
Justice system	47,700	-	-	-	-
Public safety	-	23,364	-	123,319	-
Corrections and rehabilitation	-	-	-	-	-
Infrastructure and environmental services	-	-	-	-	-
Community and economic development	-	-	-	-	-
Capital outlay	-	18,000	-	-	-
Debt service:					
Principal on general obligation debt	-	-	-	-	-
Interest and other charges	-	-	-	-	-
Total expenditures	<u>47,700</u>	<u>630,876</u>	<u>-</u>	<u>123,319</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(34,241)</u>	<u>43,415</u>	<u>5,921</u>	<u>2,082</u>	<u>860</u>
Other financing sources (uses):					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(34,241)	43,415	5,921	2,082	860
Fund balances--beginning of year	46,465	239,200	8,036	71,083	-
Fund balances--end of year	<u>\$ 12,224</u>	<u>\$ 282,615</u>	<u>\$ 13,957</u>	<u>\$ 73,165</u>	<u>\$ 860</u>

<u>Special Revenue</u>		<u>Debt Service</u>	<u>Capital Projects</u>		
<u>Gardner House Handicraft</u>	<u>Total</u>	<u>NW Travis County Road District No. 3</u>	<u>Joint Road Improvements</u>	<u>Subdivision Parkland</u>	<u>Grants</u>
\$ -	\$ -	\$ 625,584	\$ -	\$ -	\$ -
-	613,598	-	-	-	357,596
-	10,064,319	-	879,782	262,925	-
-	177,944	-	-	-	-
116	847,284	34,198	-	-	-
-	75,402	-	1,837,998	-	-
<u>116</u>	<u>11,778,547</u>	<u>659,782</u>	<u>2,717,780</u>	<u>262,925</u>	<u>357,596</u>
-	4,181,166	3,053	-	-	-
-	2,750,792	-	-	-	-
-	2,094,139	-	-	-	-
-	2,052,169	-	-	-	-
-	257,635	-	972,459	-	-
-	3,069	-	42,900	551	-
-	943,815	-	2,001,072	-	423,540
-	-	450,000	-	-	-
-	-	173,080	-	-	-
-	<u>12,282,785</u>	<u>626,133</u>	<u>3,016,431</u>	<u>551</u>	<u>423,540</u>
<u>116</u>	<u>(504,238)</u>	<u>33,649</u>	<u>(298,651)</u>	<u>262,374</u>	<u>(65,944)</u>
-	6,539,510	-	-	-	65,944
-	(673,213)	-	-	-	-
-	<u>5,866,297</u>	-	-	-	<u>65,944</u>
116	5,362,059	33,649	(298,651)	262,374	-
2,405	16,285,732	390,506	1,725,010	182,883	-
<u>\$ 2,521</u>	<u>\$ 21,647,791</u>	<u>\$ 424,155</u>	<u>\$ 1,426,359</u>	<u>\$ 445,257</u>	<u>\$ -</u>

(continued)

TRAVIS COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES, continued
NON-MAJOR GOVERNMENTAL FUNDS
For The Year Ended September 30, 2006

	<u>Capital Projects</u>	<u>Permanent Fund</u>	<u>Total Non-Major Governmental Funds</u>
	<u>Total</u>	<u>Permanent School Fund</u>	
Revenues:			
Taxes	\$ -	\$ -	\$ 625,584
Intergovernmental	357,596	-	971,194
Charges for services	1,142,707	-	11,207,026
Fines and forfeits	-	-	177,944
Investment income	-	-	881,482
Miscellaneous	1,837,998	95,808	2,009,208
Total revenues	<u>3,338,301</u>	<u>95,808</u>	<u>15,872,438</u>
Expenditures:			
Current:			
General government	-	-	4,184,219
Justice system	-	-	2,750,792
Public safety	-	-	2,094,139
Corrections and rehabilitation	-	-	2,052,169
Infrastructure and environmental services	972,459	-	1,230,094
Community and economic development	43,451	-	46,520
Capital outlay	2,424,612	-	3,368,427
Debt service:			
Principal on general obligation debt	-	-	450,000
Interest and other charges	-	-	173,080
Total expenditures	<u>3,440,522</u>	<u>-</u>	<u>16,349,440</u>
Excess (deficiency) of revenues over expenditures	<u>(102,221)</u>	<u>95,808</u>	<u>(477,002)</u>
Other financing sources (uses):			
Transfers in	65,944	-	6,605,454
Transfers out	-	-	(673,213)
Total other financing sources (uses)	<u>65,944</u>	<u>-</u>	<u>5,932,241</u>
Net change in fund balances	(36,277)	95,808	5,455,239
Fund balances--beginning of year	1,907,893	2,229,120	20,813,251
Fund balances--end of year	<u>\$ 1,871,616</u>	<u>\$ 2,324,928</u>	<u>\$ 26,268,490</u>

(concluded)

TRAVIS COUNTY, TEXAS
BUDGETARY COMPARISON
SCHEDULES

TRAVIS COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
GENERAL PURPOSE DEBT SERVICE FUND
For The Year Ended September 30, 2006

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes	\$ 62,595,970	\$ 62,595,970	\$ 63,740,907	\$ 1,144,937
Investment income	690,616	690,616	1,231,127	540,511
Total revenues	<u>63,286,586</u>	<u>63,286,586</u>	<u>64,972,034</u>	<u>1,685,448</u>
Expenditures:				
Debt service:				
Refunding bond issuance cost	-	128,299	126,921	1,378
Principal on general obligation debt	40,482,340	40,667,340	40,667,340	-
Interest and other charges	<u>22,988,935</u>	<u>22,803,935</u>	<u>22,741,775</u>	<u>62,160</u>
Total expenditures	<u>63,471,275</u>	<u>63,599,574</u>	<u>63,536,036</u>	<u>63,538</u>
Excess (deficiency) of revenues over expenditures	<u>(184,689)</u>	<u>(312,988)</u>	<u>1,435,998</u>	<u>1,748,986</u>
Other financing sources (uses):				
Refunding debt issued	-	9,155,000	9,155,000	-
Refunding premium	-	130,992	130,991	(1)
Payment to refunding bond agent	<u>-</u>	<u>(9,157,693)</u>	<u>(9,157,693)</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>128,299</u>	<u>128,298</u>	<u>(1)</u>
Net change in fund balance	(184,689)	(184,689)	1,564,296	1,748,985
Fund balance--beginning of year	<u>6,806,950</u>	<u>6,806,950</u>	<u>6,806,950</u>	<u>-</u>
Fund balance--end of year	<u>\$ 6,622,261</u>	<u>\$ 6,622,261</u>	<u>\$ 8,371,246</u>	<u>\$ 1,748,985</u>

TRAVIS COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET (GAAP BASIS) AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
For The Year Ended September 30, 2006

	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
<u>Law Library</u>			
Revenues:			
Charges for services	\$ 798,000	\$ 864,147	\$ 66,147
Investment income	12,000	29,940	17,940
Total revenues	<u>810,000</u>	<u>894,087</u>	<u>84,087</u>
Expenditures:			
Current:			
Justice system	864,348	813,294	51,054
Total expenditures	<u>864,348</u>	<u>813,294</u>	<u>51,054</u>
Excess (deficiency) of revenues over expenditures	<u>(54,348)</u>	<u>80,793</u>	<u>135,141</u>
Net change in fund balance	(54,348)	80,793	135,141
Fund balance--beginning of year	<u>525,322</u>	<u>525,322</u>	<u>-</u>
Fund balance--end of year	<u>\$ 470,974</u>	<u>\$ 606,115</u>	<u>\$ 135,141</u>
<u>Dispute Resolution Center</u>			
Revenues:			
Charges for services	\$ 291,958	\$ 315,106	\$ 23,148
Investment income	600	3,136	2,536
Miscellaneous	2,000	2,365	365
Total revenues	<u>294,558</u>	<u>320,607</u>	<u>26,049</u>
Expenditures:			
Current:			
Justice system	367,816	367,816	-
Total expenditures	<u>367,816</u>	<u>367,816</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(73,258)</u>	<u>(47,209)</u>	<u>26,049</u>
Other financing sources (uses):			
Transfers in	41,665	41,665	-
Total other financing sources (uses)	<u>41,665</u>	<u>41,665</u>	<u>-</u>
Net change in fund balance	(31,593)	(5,544)	26,049
Fund balance--beginning of year	<u>33,949</u>	<u>33,949</u>	<u>-</u>
Fund balance--end of year	<u>\$ 2,356</u>	<u>\$ 28,405</u>	<u>\$ 26,049</u>

	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
<u>Counseling Center</u>			
Revenues:			
Charges for services	\$ 466,790	\$ 432,363	\$ (34,427)
Investment income	4,300	6,446	2,146
Total revenues	<u>471,090</u>	<u>438,809</u>	<u>(32,281)</u>
Expenditures:			
Current:			
Justice system	2,669	2,419	250
Corrections and rehabilitation	462,520	461,593	927
Total expenditures	<u>465,189</u>	<u>464,012</u>	<u>1,177</u>
Excess (deficiency) of revenues over expenditures	<u>5,901</u>	<u>(25,203)</u>	<u>(31,104)</u>
Other financing sources (uses):			
Transfers in	32,000	32,000	-
Transfers out	(139,467)	(139,467)	-
Total other financing sources (uses)	<u>(107,467)</u>	<u>(107,467)</u>	<u>-</u>
Net change in fund balance	(101,566)	(132,670)	(31,104)
Fund balance--beginning of year	<u>132,670</u>	<u>132,670</u>	<u>-</u>
Fund balance--end of year	<u>\$ 31,104</u>	<u>\$ -</u>	<u>\$ (31,104)</u>
<u>Juvenile Fee</u>			
Revenues:			
Charges for services	\$ 17,392	\$ 20,447	\$ 3,055
Investment income	5,000	12,198	7,198
Total revenues	<u>22,392</u>	<u>32,645</u>	<u>10,253</u>
Expenditures:			
Current:			
Justice system	266,444	-	266,444
Total expenditures	<u>266,444</u>	<u>-</u>	<u>266,444</u>
Excess (deficiency) of revenues over expenditures	<u>(244,052)</u>	<u>32,645</u>	<u>276,697</u>
Net change in fund balance	(244,052)	32,645	276,697
Fund balance--beginning of year	<u>244,052</u>	<u>244,052</u>	<u>-</u>
Fund balance--end of year	<u>\$ -</u>	<u>\$ 276,697</u>	<u>\$ 276,697</u>

(continued)

TRAVIS COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET (GAAP BASIS) AND ACTUAL, continued
NON-MAJOR SPECIAL REVENUE FUNDS
For The Year Ended September 30, 2006

	<u>Budgeted Amounts Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
County and District Clerk			
<u>Records Management & Preservation</u>			
Revenues:			
Charges for services	\$ 1,197,000	\$ 1,358,392	\$ 161,392
Investment income	14,300	29,815	15,515
Total revenues	<u>1,211,300</u>	<u>1,388,207</u>	<u>176,907</u>
Expenditures:			
Current:			
General government	1,279,261	1,200,949	78,312
Justice system	209,903	76,935	132,968
Capital outlay	44,800	41,772	3,028
Total expenditures	<u>1,533,964</u>	<u>1,319,656</u>	<u>214,308</u>
Excess (deficiency) of revenues over expenditures	<u>(322,664)</u>	<u>68,551</u>	<u>391,215</u>
Other financing sources (uses):			
Transfers in	2,400	2,400	-
Total other financing sources (uses)	<u>2,400</u>	<u>2,400</u>	<u>-</u>
Net change in fund balance	(320,264)	70,951	391,215
Fund balance--beginning of year	<u>607,123</u>	<u>607,123</u>	<u>-</u>
Fund balance--end of year	<u>\$ 286,859</u>	<u>\$ 678,074</u>	<u>\$ 391,215</u>

Note: Budget is adopted at office/department level - see note 10. Expenditure budget was transferred between County and District Clerk Records Management & Preservation Fund and County Clerk Archival Fund.

Records Management & Preservation

Revenues:			
Charges for services	\$ 301,000	\$ 312,360	\$ 11,360
Investment income	3,400	8,468	5,068
Total revenues	<u>304,400</u>	<u>320,828</u>	<u>16,428</u>
Expenditures:			
Current:			
General government	290,537	278,861	11,676
Total expenditures	<u>290,537</u>	<u>278,861</u>	<u>11,676</u>
Excess (deficiency) of revenues over expenditures	<u>13,863</u>	<u>41,967</u>	<u>28,104</u>
Net change in fund balance	13,863	41,967	28,104
Fund balance--beginning of year	<u>164,316</u>	<u>164,316</u>	<u>-</u>
Fund balance--end of year	<u>\$ 178,179</u>	<u>\$ 206,283</u>	<u>\$ 28,104</u>

	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
<u>Courthouse Security</u>			
Revenues:			
Charges for services	\$ 544,149	\$ 570,361	\$ 26,212
Investment income	4,000	8,133	4,133
Total revenues	<u>548,149</u>	<u>578,494</u>	<u>30,345</u>
Expenditures:			
Current:			
Public safety	1,953,654	1,805,475	148,179
Total expenditures	<u>1,953,654</u>	<u>1,805,475</u>	<u>148,179</u>
Excess (deficiency) of revenues over expenditures	<u>(1,405,505)</u>	<u>(1,226,981)</u>	<u>178,524</u>
Other financing sources (uses):			
Transfers in	1,362,005	1,362,005	-
Total other financing sources (uses)	<u>1,362,005</u>	<u>1,362,005</u>	<u>-</u>
Net change in fund balance	(43,500)	135,024	178,524
Fund balance--beginning of year	62,160	62,160	-
Fund balance--end of year	<u>\$ 18,660</u>	<u>\$ 197,184</u>	<u>\$ 178,524</u>

LCRA Parks CIP

Revenues:			
Charges for services	\$ 238,815	\$ 222,256	\$ (16,559)
Investment income	50,000	114,788	64,788
Total revenues	<u>288,815</u>	<u>337,044</u>	<u>48,229</u>
Expenditures:			
Capital outlay	949,548	584,023	365,525
Total expenditures	<u>949,548</u>	<u>584,023</u>	<u>365,525</u>
Excess (deficiency) of revenues over expenditures	<u>(660,733)</u>	<u>(246,979)</u>	<u>413,754</u>
Net change in fund balance	(660,733)	(246,979)	413,754
Fund balance--beginning of year	2,548,519	2,548,519	-
Fund balance--end of year	<u>\$ 1,887,786</u>	<u>\$ 2,301,540</u>	<u>\$ 413,754</u>

(continued)

TRAVIS COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET (GAAP BASIS) AND ACTUAL, continued
NON-MAJOR SPECIAL REVENUE FUNDS
For The Year Ended September 30, 2006

	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
<u>Justice Court Building Security</u>			
Revenues:			
Charges for services	\$ 32,389	\$ 24,021	\$ (8,368)
Investment income	-	171	171
Total revenues	<u>32,389</u>	<u>24,192</u>	<u>(8,197)</u>
Expenditures:			
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>32,389</u>	<u>24,192</u>	<u>(8,197)</u>
Net change in fund balance	32,389	24,192	(8,197)
Fund balance--beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance--end of year	<u>\$ 32,389</u>	<u>\$ 24,192</u>	<u>\$ (8,197)</u>
<u>Juvenile Justice Alternative Education Program</u>			
Revenues:			
Intergovernmental	\$ 50,000	\$ 363,012	\$ 313,012
Investment income	12,000	70,922	58,922
Total revenues	<u>62,000</u>	<u>433,934</u>	<u>371,934</u>
Expenditures:			
Current:			
Justice system	1,757,628	436,772	1,320,856
Total expenditures	<u>1,757,628</u>	<u>436,772</u>	<u>1,320,856</u>
Excess (deficiency) of revenues over expenditures	<u>(1,695,628)</u>	<u>(2,838)</u>	<u>1,692,790</u>
Other financing sources (uses):			
Transfers in	160,758	160,758	-
Total other financing sources (uses)	<u>160,758</u>	<u>160,758</u>	<u>-</u>
Net change in fund balance	(1,534,870)	157,920	1,692,790
Fund balance--beginning of year	<u>1,550,890</u>	<u>1,550,890</u>	<u>-</u>
Fund balance--end of year	<u>\$ 16,020</u>	<u>\$ 1,708,810</u>	<u>\$ 1,692,790</u>

	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
<u>Court Reporter Service</u>			
Revenues:			
Charges for services	\$ 327,000	\$ 360,059	\$ 33,059
Investment income	3,000	8,461	5,461
Total revenues	<u>330,000</u>	<u>368,520</u>	<u>38,520</u>
Expenditures:			
Current:			
Justice system	<u>357,516</u>	<u>344,094</u>	<u>13,422</u>
Total expenditures	<u>357,516</u>	<u>344,094</u>	<u>13,422</u>
Excess (deficiency) of revenues over expenditures	<u>(27,516)</u>	<u>24,426</u>	<u>51,942</u>
Net change in fund balance	(27,516)	24,426	51,942
Fund balance--beginning of year	<u>156,882</u>	<u>156,882</u>	<u>-</u>
Fund balance--end of year	<u>\$ 129,366</u>	<u>\$ 181,308</u>	<u>\$ 51,942</u>

Juvenile Deferred Prosecution

Revenues:			
Charges for services	\$ 7,243	\$ 8,370	\$ 1,127
Investment income	400	1,264	864
Total revenues	<u>7,643</u>	<u>9,634</u>	<u>1,991</u>
Expenditures:			
Current:			
Justice system	<u>30,756</u>	<u>-</u>	<u>30,756</u>
Total expenditures	<u>30,756</u>	<u>-</u>	<u>30,756</u>
Excess (deficiency) of revenues over expenditures	<u>(23,113)</u>	<u>9,634</u>	<u>32,747</u>
Net change in fund balance	(23,113)	9,634	32,747
Fund balance--beginning of year	<u>23,113</u>	<u>23,113</u>	<u>-</u>
Fund balance--end of year	<u>\$ -</u>	<u>\$ 32,747</u>	<u>\$ 32,747</u>

(continued)

TRAVIS COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET (GAAP BASIS) AND ACTUAL, continued
NON-MAJOR SPECIAL REVENUE FUNDS
For The Year Ended September 30, 2006

	<u>Budgeted Amounts Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
<u>Balcones Canyonlands Preservation</u>			
Revenues:			
Charges for services	\$ 1,392,100	\$ 886,727	\$ (505,373)
Investment income	30,000	354,276	324,276
Miscellaneous	-	17,978	17,978
Total revenues	<u>1,422,100</u>	<u>1,258,981</u>	<u>(163,119)</u>
Expenditures:			
Current:			
Infrastructure and environmental services	436,694	257,635	179,059
Capital outlay	<u>7,959,261</u>	<u>259,138</u>	<u>7,700,123</u>
Total expenditures	<u>8,395,955</u>	<u>516,773</u>	<u>7,879,182</u>
Excess (deficiency) of revenues over expenditures	<u>(6,973,855)</u>	<u>742,208</u>	<u>7,716,063</u>
Other financing sources (uses):			
Transfers in	<u>4,855,940</u>	<u>4,855,940</u>	-
Total other financing sources (uses)	<u>4,855,940</u>	<u>4,855,940</u>	-
Net change in fund balance	(2,117,915)	5,598,148	7,716,063
Fund balance--beginning of year	<u>5,732,160</u>	<u>5,732,160</u>	-
Fund balance--end of year	<u>\$ 3,614,245</u>	<u>\$ 11,330,308</u>	<u>\$ 7,716,063</u>
<u>LEOSE Commissioners' Court</u>			
Revenues:			
Intergovernmental	\$ 2,434	\$ 892	\$ (1,542)
Total revenues	<u>2,434</u>	<u>892</u>	<u>(1,542)</u>
Expenditures:			
Current:			
Public safety	3,180	1,365	1,815
Total expenditures	<u>3,180</u>	<u>1,365</u>	<u>1,815</u>
Excess (deficiency) of revenues over expenditures	<u>(746)</u>	<u>(473)</u>	<u>273</u>
Net change in fund balance	(746)	(473)	273
Fund balance--beginning of year	<u>746</u>	<u>746</u>	-
Fund balance--end of year	<u>\$ -</u>	<u>\$ 273</u>	<u>\$ 273</u>

	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
<u>Juvenile Delinquency Prevention</u>			
Revenues:			
Charges for services	\$ 25	\$ 8	\$ (17)
Investment income	-	4	4
Total revenues	<u>25</u>	<u>12</u>	<u>(13)</u>
Expenditures:			
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>25</u>	<u>12</u>	<u>(13)</u>
Net change in fund balance	25	12	(13)
Fund balance--beginning of year	<u>82</u>	<u>82</u>	<u>-</u>
Fund balance--end of year	<u>\$ 107</u>	<u>\$ 94</u>	<u>\$ (13)</u>
 <u>Professional Prosecutors</u>			
Revenues:			
Total revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Expenditures:			
Current:			
Justice system	50,850	50,847	3
Total expenditures	<u>50,850</u>	<u>50,847</u>	<u>3</u>
Excess (deficiency) of revenues over expenditures	<u>(50,850)</u>	<u>(50,847)</u>	<u>3</u>
Other financing sources (uses):			
Transfers in	50,850	50,850	-
Total other financing sources (uses)	<u>50,850</u>	<u>50,850</u>	<u>-</u>
Net change in fund balance	-	3	3
Fund balance--beginning of year	<u>1</u>	<u>1</u>	<u>-</u>
Fund balance--end of year	<u>\$ 1</u>	<u>\$ 4</u>	<u>\$ 3</u>

(continued)

TRAVIS COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET (GAAP BASIS) AND ACTUAL, continued
NON-MAJOR SPECIAL REVENUE FUNDS
For The Year Ended September 30, 2006

	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
<u>Mary Quinlan Park</u>			
Revenues:			
Miscellaneous	\$ 5,000	\$ 10,000	\$ 5,000
Total revenues	<u>5,000</u>	<u>10,000</u>	<u>5,000</u>
Expenditures:			
Current:			
Community and economic development	5,110	3,069	2,041
Total expenditures	<u>5,110</u>	<u>3,069</u>	<u>2,041</u>
Excess (deficiency) of revenues over expenditures	<u>(110)</u>	<u>6,931</u>	<u>7,041</u>
Net change in fund balance	(110)	6,931	7,041
Fund balance--beginning of year	<u>263,743</u>	<u>263,743</u>	<u>-</u>
Fund balance--end of year	<u><u>\$ 263,633</u></u>	<u><u>\$ 270,674</u></u>	<u><u>\$ 7,041</u></u>
<u>Probate Judiciary Fee</u>			
Revenues:			
Charges for services	\$ 120,000	\$ 141,148	\$ 21,148
Investment income	<u>5,000</u>	<u>10,971</u>	<u>5,971</u>
Total revenues	<u>125,000</u>	<u>152,119</u>	<u>27,119</u>
Expenditures:			
Current:			
Justice system	82,105	73,211	8,894
Total expenditures	<u>82,105</u>	<u>73,211</u>	<u>8,894</u>
Excess (deficiency) of revenues over expenditures	<u>42,895</u>	<u>78,908</u>	<u>36,013</u>
Net change in fund balance	42,895	78,908	36,013
Fund balance--beginning of year	<u>213,091</u>	<u>213,091</u>	<u>-</u>
Fund balance--end of year	<u><u>\$ 255,986</u></u>	<u><u>\$ 291,999</u></u>	<u><u>\$ 36,013</u></u>

	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
<u>Justice Court Technology</u>			
Revenues:			
Charges for services	\$ 211,956	\$ 206,658	\$ (5,298)
Investment income	4,000	25,046	21,046
Total revenues	<u>215,956</u>	<u>231,704</u>	<u>15,748</u>
Expenditures:			
Current:			
General government	56,669	5,792	50,877
Justice system	79,912	35,612	44,300
Capital outlay	22,300	22,300	-
Total expenditures	<u>158,881</u>	<u>63,704</u>	<u>95,177</u>
Excess (deficiency) of revenues over expenditures	<u>57,075</u>	<u>168,000</u>	<u>110,925</u>
Net change in fund balance	57,075	168,000	110,925
Fund balance--beginning of year	<u>480,871</u>	<u>480,871</u>	<u>-</u>
Fund balance--end of year	<u>\$ 537,946</u>	<u>\$ 648,871</u>	<u>\$ 110,925</u>
<u>Truancy Court</u>			
Revenues:			
Charges for services	\$ 130,615	\$ 132,431	\$ 1,816
Investment income	1,500	2,220	720
Total revenues	<u>132,115</u>	<u>134,651</u>	<u>2,536</u>
Expenditures:			
Current:			
Justice system	235,672	178,705	56,967
Total expenditures	<u>235,672</u>	<u>178,705</u>	<u>56,967</u>
Excess (deficiency) of revenues over expenditures	<u>(103,557)</u>	<u>(44,054)</u>	<u>59,503</u>
Other financing sources (uses):			
Transfers in	33,892	33,892	-
Total other financing sources (uses)	<u>33,892</u>	<u>33,892</u>	<u>-</u>
Net change in fund balance	(69,665)	(10,162)	59,503
Fund balance--beginning of year	<u>69,665</u>	<u>69,665</u>	<u>-</u>
Fund balance--end of year	<u>\$ -</u>	<u>\$ 59,503</u>	<u>\$ 59,503</u>

(continued)

TRAVIS COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET (GAAP BASIS) AND ACTUAL, continued
NON-MAJOR SPECIAL REVENUE FUNDS
For The Year Ended September 30, 2006

	<u>Budgeted Amounts Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
<u>County Clerk Archival</u>			
Revenues:			
Charges for services	\$ 1,100,000	\$ 1,239,916	\$ 139,916
Investment income	20,000	37,168	17,168
Total revenues	<u>1,120,000</u>	<u>1,277,084</u>	<u>157,084</u>
Expenditures:			
Current:			
General government	1,978,647	1,830,696	147,951
Total expenditures	<u>1,978,647</u>	<u>1,830,696</u>	<u>147,951</u>
Excess (deficiency) of revenues over expenditures	<u>(858,647)</u>	<u>(553,612)</u>	<u>305,035</u>
Other financing sources (uses):			
Transfers out	<u>(7,702)</u>	<u>(7,702)</u>	-
Total other financing sources (uses)	<u>(7,702)</u>	<u>(7,702)</u>	-
Net change in fund balance	(866,349)	(561,314)	305,035
Fund balance--beginning of year	<u>711,919</u>	<u>711,919</u>	-
Fund balance--end of year	<u>\$ (154,430)</u>	<u>\$ 150,605</u>	<u>\$ 305,035</u>

Note: Budget is adopted at office/department level - see note 10. Expenditure budget was transferred between County and District Clerk Records Management & Preservation Fund and County Clerk Archival Fund.

Family Protection

Revenues:			
Charges for services	\$ 50,000	\$ 11,190	\$ (38,810)
Investment income	<u>1,200</u>	<u>2,269</u>	<u>1,069</u>
Total revenues	<u>51,200</u>	<u>13,459</u>	<u>(37,741)</u>
Expenditures:			
Current:			
Justice system	47,700	47,700	-
Total expenditures	<u>47,700</u>	<u>47,700</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>3,500</u>	<u>(34,241)</u>	<u>(37,741)</u>
Net change in fund balance	3,500	(34,241)	(37,741)
Fund balance--beginning of year	<u>46,465</u>	<u>46,465</u>	-
Fund balance--end of year	<u>\$ 49,965</u>	<u>\$ 12,224</u>	<u>\$ (37,741)</u>

	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
<u>Elections Contract</u>			
Revenues:			
Charges for services	\$ 772,052	\$ 650,583	\$ (121,469)
Investment income	5,000	23,708	18,708
Total revenues	<u>777,052</u>	<u>674,291</u>	<u>(102,761)</u>
Expenditures:			
Current:			
General government	622,373	589,512	32,861
Public safety	23,367	23,364	3
Capital outlay	18,001	18,000	1
Total expenditures	<u>663,741</u>	<u>630,876</u>	<u>32,865</u>
Excess (deficiency) of revenues over expenditures	<u>113,311</u>	<u>43,415</u>	<u>(69,896)</u>
Net change in fund balance	113,311	43,415	(69,896)
Fund balance--beginning of year	<u>239,200</u>	<u>239,200</u>	<u>-</u>
Fund balance--end of year	<u>\$ 352,511</u>	<u>\$ 282,615</u>	<u>\$ (69,896)</u>
<u>Vital Statistics Preservation</u>			
Revenues:			
Charges for services	\$ 4,541	\$ 5,442	\$ 901
Investment income	100	479	379
Total revenues	<u>4,641</u>	<u>5,921</u>	<u>1,280</u>
Expenditures:			
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>4,641</u>	<u>5,921</u>	<u>1,280</u>
Net change in fund balance	4,641	5,921	1,280
Fund balance--beginning of year	<u>8,036</u>	<u>8,036</u>	<u>-</u>
Fund balance--end of year	<u>\$ 12,677</u>	<u>\$ 13,957</u>	<u>\$ 1,280</u>

(continued)

TRAVIS COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET (GAAP BASIS) AND ACTUAL, continued
NON-MAJOR SPECIAL REVENUE FUNDS
For The Year Ended September 30, 2006

<u>Fire Code</u>	<u>Budgeted Amounts Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Charges for services	\$ 145,982	\$ 120,676	\$ (25,306)
Investment income	-	4,725	4,725
Total revenues	<u>145,982</u>	<u>125,401</u>	<u>(20,581)</u>
Expenditures:			
Current:			
Public safety	145,982	123,319	22,663
Total expenditures	<u>145,982</u>	<u>123,319</u>	<u>22,663</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>2,082</u>	<u>2,082</u>
Net change in fund balance	-	2,082	2,082
Fund balance--beginning of year	<u>71,083</u>	<u>71,083</u>	<u>-</u>
Fund balance--end of year	<u>\$ 71,083</u>	<u>\$ 73,165</u>	<u>\$ 2,082</u>

(concluded)

TRAVIS COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
NON-MAJOR CAPITAL PROJECTS FUNDS
For The Year Ended September 30, 2006

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Joint Road Improvements</u>				
Revenues:				
Charges for services	\$ 770,774	\$ 1,259,646	\$ 879,782	\$ (379,864)
Miscellaneous	7,605,006	8,780,449	1,837,998	(6,942,451)
Total revenues	<u>8,375,780</u>	<u>10,040,095</u>	<u>2,717,780</u>	<u>(7,322,315)</u>
Expenditures:				
Current:				
Infrastructure and environmental services	3,173,673	3,261,014	972,459	2,288,555
Community and economic development	-	42,900	42,900	-
Capital outlay	6,927,117	8,461,191	2,001,072	6,460,119
Total expenditures	<u>10,100,790</u>	<u>11,765,105</u>	<u>3,016,431</u>	<u>8,748,674</u>
Excess (deficiency) of revenues over expenditures	<u>(1,725,010)</u>	<u>(1,725,010)</u>	<u>(298,651)</u>	<u>1,426,359</u>
Net change in fund balance	(1,725,010)	(1,725,010)	(298,651)	1,426,359
Fund balance--beginning of year	<u>1,725,010</u>	<u>1,725,010</u>	<u>1,725,010</u>	<u>-</u>
Fund balance--end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,426,359</u>	<u>\$ 1,426,359</u>
<u>Subdivision Parkland</u>				
Revenues:				
Charges for services	\$ 98,073	\$ 405,585	\$ 262,925	\$ (142,660)
Total revenues	<u>98,073</u>	<u>405,585</u>	<u>262,925</u>	<u>(142,660)</u>
Expenditures:				
Current:				
Community and economic development	2,917	41,848	550	41,298
Capital outlay	95,156	363,737	-	363,737
Total expenditures	<u>98,073</u>	<u>405,585</u>	<u>550</u>	<u>405,035</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>262,375</u>	<u>262,375</u>
Net change in fund balance	-	-	262,375	262,375
Fund balance--beginning of year	<u>182,883</u>	<u>182,883</u>	<u>182,883</u>	<u>-</u>
Fund balance--end of year	<u>\$ 182,883</u>	<u>\$ 182,883</u>	<u>\$ 445,258</u>	<u>\$ 262,375</u>



TRAVIS COUNTY, TEXAS
PROPRIETARY FUND

Internal service funds, a type of proprietary fund, are used to account for the financing of goods or services provided by one department to other departments of the government on a cost reimbursement basis. The County's proprietary fund consists of the following:

Self-Insurance Fund - This fund is used to account for the activities of the County's self-insurance program for general, property and automobile liabilities, error and omissions claims and judgements, workers' compensation claims, and loss from theft and crime.

Employee Health and Benefit Fund - This fund is used to account for the activities of the County's self-insurance program for paying health claims for county employees, retirees, and their dependents who are eligible members of the plan.

TRAVIS COUNTY, TEXAS
COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS
September 30, 2006

	<u>Self-Insurance</u>	<u>Employee Health & Benefits</u>	<u>Total</u>
Assets			
Current assets:			
Pooled cash	\$ 21,148,136	\$ 27,068,924	\$ 48,217,060
Interest receivable	137,341	167,539	304,880
Other receivables	146,679	39,466	186,145
Prepaid items	124,771	3,809	128,580
Other assets	<u>321,000</u>	<u>1,373,675</u>	<u>1,694,675</u>
Total current assets	<u>21,877,927</u>	<u>28,653,413</u>	<u>50,531,340</u>
Noncurrent assets:			
Capital assets	50,000	17,835	67,835
Less accumulated depreciation	<u>(39,170)</u>	<u>(1,801)</u>	<u>(40,971)</u>
Total noncurrent assets	<u>10,830</u>	<u>16,034</u>	<u>26,864</u>
Total assets	<u>21,888,757</u>	<u>28,669,447</u>	<u>50,558,204</u>
Liabilities			
Current liabilities:			
Accounts payable	134,962	8,104	143,066
Deferred revenue	-	426,404	426,404
Accrued and other liabilities	121,699	22,741	144,440
Claims and judgements	4,530,595	4,393,646	8,924,241
Compensated absences	<u>22,440</u>	<u>16,472</u>	<u>38,912</u>
Total current liabilities	<u>4,809,696</u>	<u>4,867,367</u>	<u>9,677,063</u>
Noncurrent liabilities:			
Claims and judgements	4,499,323	-	4,499,323
Compensated absences	<u>34,186</u>	<u>14,941</u>	<u>49,127</u>
Total noncurrent liabilities	<u>4,533,509</u>	<u>14,941</u>	<u>4,548,450</u>
Total liabilities	<u>9,343,205</u>	<u>4,882,308</u>	<u>14,225,513</u>
Net Assets			
Invested in capital assets	10,830	16,034	26,864
Unrestricted	<u>12,534,722</u>	<u>23,771,105</u>	<u>36,305,827</u>
Total net assets	<u>\$ 12,545,552</u>	<u>\$ 23,787,139</u>	<u>\$ 36,332,691</u>

TRAVIS COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET ASSETS
INTERNAL SERVICE FUNDS
For The Year Ended September 30, 2006

	<u>Self-Insurance</u>	<u>Employee Health & Benefits</u>	<u>Total</u>
Operating revenues:			
Insurance premiums-county	\$ 5,281,629	\$ 28,877,747	\$ 34,159,376
Insurance premiums-employee	-	6,018,482	6,018,482
Miscellaneous	-	300,658	300,658
Total operating revenues	<u>5,281,629</u>	<u>35,196,887</u>	<u>40,478,516</u>
Operating expenses:			
Incurred losses	864,512	25,030,421	25,894,933
Unemployment claims	272,207	-	272,207
Premiums	1,004,102	1,501,518	2,505,620
Professional services	5,500	111,517	117,017
Depreciation expense	8,546	1,353	9,899
Administration	609,840	522,007	1,131,847
Total operating expenses	<u>2,764,707</u>	<u>27,166,816</u>	<u>29,931,523</u>
Operating income	<u>2,516,922</u>	<u>8,030,071</u>	<u>10,546,993</u>
Nonoperating revenues:			
Investment income	930,714	1,091,352	2,022,066
Total nonoperating revenue	<u>930,714</u>	<u>1,091,352</u>	<u>2,022,066</u>
Change in net assets	3,447,636	9,121,423	12,569,059
Net assets--beginning of year	9,097,916	14,665,716	23,763,632
Net assets--end of year	<u>\$ 12,545,552</u>	<u>\$ 23,787,139</u>	<u>\$ 36,332,691</u>

TRAVIS COUNTY, TEXAS
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For The Year Ended September 30, 2006

	<u>Self-Insurance</u>	<u>Employee Health & Benefits</u>	<u>Total</u>
Cash flows from operating activities			
Cash received from premium revenues	\$ 5,281,629	\$ 34,945,736	\$ 40,227,365
Cash received from subrogation	245,120	-	245,120
Cash received from insurance proceeds and rebates	-	300,659	300,659
Cash paid for self-insured claims and loss adjustment expenses	(2,340,660)	(24,907,759)	(27,248,419)
Cash paid for other operating expenses	(1,392,691)	(1,703,661)	(3,096,352)
Cash paid for payroll	(586,754)	(459,115)	(1,045,869)
Net cash provided by operating activities	<u>1,206,644</u>	<u>8,175,860</u>	<u>9,382,504</u>
Cash flows from capital and related financing activities			
Purchase of capital assets	-	(11,439)	(11,439)
Net cash used by capital and related financing activities	-	(11,439)	(11,439)
Cash flows from investing activities			
Interest received	788,362	959,122	1,747,484
Increase in fair value of investments in pooled cash	72,610	19,208	91,818
Net cash provided by investing activities	<u>860,972</u>	<u>978,330</u>	<u>1,839,302</u>
Net increase in pooled cash balance	2,067,616	9,142,751	11,210,367
Pooled cash balance--beginning of the year	<u>19,080,520</u>	<u>17,926,171</u>	<u>37,006,691</u>
Pooled cash balance--end of the year	<u>\$ 21,148,136</u>	<u>\$ 27,068,922</u>	<u>\$ 48,217,058</u>
Reconciliation of operating income to net cash provided by operating activities			
Operating income	<u>\$ 2,516,922</u>	<u>\$ 8,030,071</u>	<u>\$ 10,546,993</u>
Adjustments to reconcile operating income to net cash provided (used) by operating activities			
Depreciation expense	8,546	1,353	9,899
(Increase) decrease in other receivables	(19,987)	42,363	22,376
(Increase) decrease in prepaid items	(14,767)	(3,809)	(18,576)
Increase (decrease) in claims and judgements	(1,307,614)	122,663	(1,184,951)
Increase (decrease) in other liabilities	23,544	(16,781)	6,763
Net cash provided by operating activities	<u>\$ 1,206,644</u>	<u>\$ 8,175,860</u>	<u>\$ 9,382,504</u>



TRAVIS COUNTY, TEXAS
FIDUCIARY FUNDS

Agency funds, a type of fiduciary fund, are used to account for assets held by the County in a fiduciary capacity as custodian or agent for individuals and other governmental units.

Agency Funds

County Officials' Escrow Fund - To account for cash bail bonds deposited prior to January 1, 1984 for which there have been no requests for refunds.

Cash Bond Fund - To account for cash bail bonds deposited after January 1, 1984.

Surety Bail Bond Fund - To account for collateral deposits required of surety bail bond individuals.

State Revenue Fund - To account for fees collected on various court cases and jury contributions, which are remitted to the State of Texas. For some of the fees collected, the County receives a 10% commission, which is deposited into the General Fund.

LCRA Escrow Fund - To account for fees collected at LCRA parks operated by the County that are transferred to the General Fund as park fee revenue upon the approval of the Commissioners' Court.

Officials' Fee Account Fund - To account for monies held in elected and appointed officials' bank accounts, as well as accounts for DRO and CSCD. County officials each have a bank account into which they deposit their collections. From these accounts they disburse monies to the County, State, other governmental entities, and individuals.

District and County Clerk Invested Trust Fund - To provide a compilation of all invested trust funds for reporting purposes.

Road District Indemnification Fees Fund - To account for deposits required of road districts to ensure contract compliance.

TNR Escrow Fund - To account for fees requiring refunds and deposits required of road contractors to ensure contract compliance.

District and County Attorney Forfeited Property Fund - To account for funds seized related to criminal cases awaiting adjudication. Based on the decision in the case, the funds are either returned to the defendant or distributed to the applicable justice system organizations.

Travis County Refunded Bonds Fund - To account for monies received from escrow agent and disbursed for payment of principal and interest on refunded bonds.

Road Districts Refunded Bonds Fund - Southwest Travis County Road District No. 1 has advance refunded bonds. The monies were placed in an escrow account to be disbursed for payment of the principal and interest for the bonds refunded. The County acts as the paying agent for these bonds.

Inmate Trust Fund - Funds belonging to jail inmates are accounted for in this fund until such time as they are expended on behalf of or returned to the inmates upon discharge.

DNA Testing Fund - To account for court costs for convictions of offenses requiring DNA testing.

Available School Fund - To account for funds, other than oil royalties, from land owned by Travis County school districts; and to account for the annual distribution of these monies to school districts.

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TRAVIS COUNTY, TEXAS
COMBINING STATEMENT OF ASSETS AND LIABILITIES
AGENCY FUNDS
September 30, 2006

	<u>County Officials' Escrow</u>	<u>Cash Bond</u>	<u>Surety Bail Bond</u>
Assets			
Cash and pooled cash	\$ 246,163	\$ 5,810,474	\$ 13,188
Certificates of deposit	-	-	62,428
Investments	-	-	-
Interest receivable	-	-	-
Accounts receivable, net	-	8,000	-
Total assets	<u>246,163</u>	<u>5,818,474</u>	<u>75,616</u>
Liabilities			
Due to third parties	7,365	10,070	-
Civil and probate deposits	-	-	-
Cash and surety bond deposits combined	238,798	5,808,404	75,616
Due to other governmental entities	-	-	-
Total liabilities	<u>246,163</u>	<u>5,818,474</u>	<u>75,616</u>
Net assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

<u>State Revenue</u>	<u>LCRA Escrow</u>	<u>Officials' Fee Account</u>	<u>District and County Clerk Invested Trust Fund</u>	<u>Road District Indemnification Fees</u>
\$ 1,637,252	\$ 12,405	\$ 12,611,114	\$ 15,841,798	\$ 136,088
-	-	-	13,734,860	-
-	-	15,206,924	8,366,616	-
-	2,808	-	267,760	919
539,052	-	1,060,059	-	-
<u>2,176,304</u>	<u>15,213</u>	<u>28,878,097</u>	<u>38,211,034</u>	<u>137,007</u>
-	15,213	17,710,476	38,211,034	\$ 137,007
-	-	472,358	-	-
-	-	4,386,789	-	-
2,176,304	-	6,308,474	-	-
<u>2,176,304</u>	<u>15,213</u>	<u>28,878,097</u>	<u>38,211,034</u>	<u>137,007</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(continued)

TRAVIS COUNTY, TEXAS
COMBINING STATEMENT OF ASSETS AND LIABILITIES, continued
AGENCY FUNDS
September 30, 2006

	<u>TNR Escrow</u>	<u>District and County Attorney Forfeited Property</u>	<u>Travis County Refunded Bonds</u>
Assets			
Cash and pooled cash	\$ 3,558,109	\$ 1,510,836	\$ 5,316
Certificates of deposit	-	-	-
Investments	-	-	-
Interest receivable	23,537	-	-
Accounts receivable, net	-	-	-
Total assets	<u>3,581,646</u>	<u>1,510,836</u>	<u>5,316</u>
Liabilities			
Due to third parties	3,581,646	1,507,479	5,316
Civil and probate deposits	-	-	-
Cash and surety bond deposits combined	-	-	-
Due to other governmental entities	-	3,357	-
Total liabilities	<u>3,581,646</u>	<u>1,510,836</u>	<u>5,316</u>
Net assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Road Districts Refunded Bonds	Inmate Trust Fund	DNA Testing	Available School Fund	Total Agency Funds
\$ 924,996	\$ 126,352	\$ 1,080	\$ 285,453	\$ 42,720,624
-	-	-	-	13,797,288
-	-	-	-	23,573,540
-	-	-	17,160	312,184
-	-	-	-	1,607,111
<u>924,996</u>	<u>126,352</u>	<u>1,080</u>	<u>302,613</u>	<u>82,010,747</u>
924,996	126,352	-	-	62,236,954
-	-	-	-	472,358
-	-	-	-	10,509,607
-	-	1,080	302,613	8,791,828
<u>924,996</u>	<u>126,352</u>	<u>1,080</u>	<u>302,613</u>	<u>82,010,747</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(concluded)

TRAVIS COUNTY, TEXAS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
September 30, 2006

	Balance October 1, 2005	Additions	Deletions	Balance September 30, 2006
<u>County Officials' Escrow</u>				
Assets:				
Cash and pooled cash	\$ 246,163	\$ -	\$ -	\$ 246,163
Total assets	<u>246,163</u>	<u>-</u>	<u>-</u>	<u>246,163</u>
Liabilities:				
Due to third parties	7,365	-	-	7,365
Cash and surety bond deposits combined	238,798	-	-	238,798
Total liabilities	<u>\$ 246,163</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 246,163</u>
<u>Cash Bond</u>				
Assets:				
Cash and pooled cash	\$ 5,414,042	\$ 1,891,301	\$ 1,494,869	\$ 5,810,474
Accounts receivable, net	8,000	750	750	8,000
Total assets	<u>5,422,042</u>	<u>1,892,051</u>	<u>1,495,619</u>	<u>5,818,474</u>
Liabilities:				
Due to third parties	10,070	-	-	10,070
Cash and surety bond deposits combined	5,411,972	1,890,551	1,494,119	5,808,404
Total liabilities	<u>\$ 5,422,042</u>	<u>\$ 1,890,551</u>	<u>\$ 1,494,119</u>	<u>\$ 5,818,474</u>
<u>Surety Bail Bond</u>				
Assets:				
Cash and pooled cash	\$ 13,188	\$ -	\$ -	\$ 13,188
Certificates of deposit	62,027	401	-	62,428
Total assets	<u>75,215</u>	<u>401</u>	<u>-</u>	<u>75,616</u>
Liabilities:				
Cash and surety bond deposits combined	75,215	401	-	75,616
Total liabilities	<u>\$ 75,215</u>	<u>\$ 401</u>	<u>\$ -</u>	<u>\$ 75,616</u>
<u>State Revenue</u>				
Assets:				
Cash and pooled cash	\$ 1,171,346	\$ 7,507,865	\$ 7,041,959	\$ 1,637,252
Accounts receivable, net	222,782	27,891,827	27,575,557	539,052
Total assets	<u>1,394,128</u>	<u>35,399,692</u>	<u>34,617,516</u>	<u>2,176,304</u>
Liabilities:				
Due to other governmental entities	1,394,128	19,039,741	18,257,565	2,176,304
Total liabilities	<u>\$ 1,394,128</u>	<u>\$ 19,039,741</u>	<u>\$ 18,257,565</u>	<u>\$ 2,176,304</u>

	Balance October 1, 2005	Additions	Deletions	Balance September 30, 2006
<u>LCRA Escrow</u>				
Assets:				
Cash and pooled cash	\$ 12,307	\$ 2,162,017	\$ 2,161,919	\$ 12,405
Interest receivable	1,588	2,808	1,588	2,808
Total assets	<u>13,895</u>	<u>2,164,825</u>	<u>2,163,507</u>	<u>15,213</u>
Liabilities:				
Due to third parties	13,895	2,190,155	2,188,837	15,213
Total liabilities	<u>\$ 13,895</u>	<u>\$ 2,190,155</u>	<u>\$ 2,188,837</u>	<u>\$ 15,213</u>
<u>Officials' Fee Account</u>				
Assets:				
Cash and pooled cash	\$ 12,075,147	\$ 2,879,065,800	\$ 2,878,529,833	\$ 12,611,114
Investments	12,259,987	602,006,987	599,060,050	15,206,924
Accounts receivable, net	1,105,473	5,932,214	5,977,628	1,060,059
Total assets	<u>25,440,607</u>	<u>3,487,005,001</u>	<u>3,483,567,511</u>	<u>28,878,097</u>
Liabilities:				
Due to third parties	15,961,153	1,346,279,760	1,344,530,437	17,710,476
Civil and probate deposits	382,906	327,999	238,547	472,358
Cash and surety bond deposits combined	3,731,708	3,481,214	2,826,133	4,386,789
Due to other governmental entities	5,364,840	158,983,881	158,040,247	6,308,474
Total liabilities	<u>\$ 25,440,607</u>	<u>\$ 1,509,072,854</u>	<u>\$ 1,505,635,364</u>	<u>\$ 28,878,097</u>
<u>District and County Clerk Invested Trust Fund</u>				
Assets:				
Cash and pooled cash	\$ 15,059,895	\$ 19,890,809	\$ 19,108,906	\$ 15,841,798
Certificates of deposit	15,181,910	9,662,315	11,109,365	13,734,860
Investments	8,149,660	217,781	825	8,366,616
Interest receivable	220,469	267,760	220,469	267,760
Total assets	<u>38,611,934</u>	<u>30,038,665</u>	<u>30,439,565</u>	<u>38,211,034</u>
Liabilities:				
Due to third parties	38,611,934	30,038,665	30,439,565	38,211,034
Total liabilities	<u>\$ 38,611,934</u>	<u>\$ 30,038,665</u>	<u>\$ 30,439,565</u>	<u>\$ 38,211,034</u>
<u>Road District Indemnification Fees</u>				
Assets:				
Cash and pooled cash	\$ 130,236	\$ 19,067	\$ 13,215	\$ 136,088
Interest receivable	486	919	486	919
Total assets	<u>130,722</u>	<u>19,986</u>	<u>13,701</u>	<u>137,007</u>
Liabilities:				
Due to third parties	130,722	18,581	12,296	137,007
Total liabilities	<u>\$ 130,722</u>	<u>\$ 18,581</u>	<u>\$ 12,296</u>	<u>\$ 137,007</u>

(continued)

TRAVIS COUNTY, TEXAS
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES, continued
 AGENCY FUNDS
 September 30, 2006

	Balance October 1, 2005	Additions	Deletions	Balance September 30, 2006
<u>TNR Escrow</u>				
Assets:				
Cash and pooled cash	\$ 2,705,378	\$ 2,326,450	\$ 1,473,719	\$ 3,558,109
Interest receivable	9,566	23,537	9,566	23,537
Total assets	<u>2,714,944</u>	<u>2,349,987</u>	<u>1,483,285</u>	<u>3,581,646</u>
Liabilities:				
Due to third parties	2,714,944	3,910,948	3,044,246	3,581,646
Total liabilities	<u>\$ 2,714,944</u>	<u>\$ 3,910,948</u>	<u>\$ 3,044,246</u>	<u>\$ 3,581,646</u>
<u>District and County Attorney Forfeited Property</u>				
Assets:				
Cash and pooled cash	\$ 1,335,596	\$ 592,945	\$ 417,705	\$ 1,510,836
Total assets	<u>1,335,596</u>	<u>592,945</u>	<u>417,705</u>	<u>1,510,836</u>
Liabilities:				
Due to third parties	1,334,724	593,015	420,260	1,507,479
Due to other governmental entities	872	173,423	170,938	3,357
Total liabilities	<u>\$ 1,335,596</u>	<u>\$ 766,438</u>	<u>\$ 591,198</u>	<u>\$ 1,510,836</u>
<u>Travis County Refunded Bonds</u>				
Assets:				
Cash and pooled cash	\$ 5,316	\$ 27,461,575	\$ 27,461,575	\$ 5,316
Total assets	<u>5,316</u>	<u>27,461,575</u>	<u>27,461,575</u>	<u>5,316</u>
Liabilities:				
Due to third parties	5,316	54,923,150	54,923,150	5,316
Total liabilities	<u>\$ 5,316</u>	<u>\$ 54,923,150</u>	<u>\$ 54,923,150</u>	<u>\$ 5,316</u>
<u>Road Districts Refunded Bonds</u>				
Assets:				
Cash and pooled cash	\$ 926,524	\$ 23,472	\$ 25,000	\$ 924,996
Total assets	<u>926,524</u>	<u>23,472</u>	<u>25,000</u>	<u>924,996</u>
Liabilities:				
Due to third parties	926,524	48,472	50,000	924,996
Total liabilities	<u>\$ 926,524</u>	<u>\$ 48,472</u>	<u>\$ 50,000</u>	<u>\$ 924,996</u>

	Balance October 1, 2005	Additions	Deletions	Balance September 30, 2006
<u>Inmate Trust Fund</u>				
Assets:				
Cash and pooled cash	\$ 126,826	\$ 6,223,606	\$ 6,224,080	\$ 126,352
Total assets	<u>126,826</u>	<u>6,223,606</u>	<u>6,224,080</u>	<u>126,352</u>
Liabilities:				
Due to third parties	126,826	3,101,623	3,102,097	126,352
Total liabilities	<u>\$ 126,826</u>	<u>\$ 3,101,623</u>	<u>\$ 3,102,097</u>	<u>\$ 126,352</u>
<u>DNA Testing</u>				
Assets:				
Cash and pooled cash	\$ 572	\$ 4,299	\$ 3,791	\$ 1,080
Total assets	<u>572</u>	<u>4,299</u>	<u>3,791</u>	<u>1,080</u>
Liabilities:				
Due to other governmental entities	572	34,188	33,680	1,080
Total liabilities	<u>\$ 572</u>	<u>\$ 34,188</u>	<u>\$ 33,680</u>	<u>\$ 1,080</u>
<u>Available School Fund</u>				
Assets:				
Cash and pooled cash	\$ 185,661	\$ 534,872	\$ 435,080	\$ 285,453
Interest receivable	8,985	17,160	8,985	17,160
Total assets	<u>194,646</u>	<u>552,032</u>	<u>444,065</u>	<u>302,613</u>
Liabilities:				
Due to other governmental entities	194,646	525,887	417,920	302,613
Total liabilities	<u>\$ 194,646</u>	<u>\$ 525,887</u>	<u>\$ 417,920</u>	<u>\$ 302,613</u>
<u>Total - All Agency Funds</u>				
Assets:				
Cash and pooled cash	\$ 39,408,197	\$ 2,947,704,078	\$ 2,944,391,651	\$ 42,720,624
Certificates of deposit	15,243,937	9,662,716	11,109,365	13,797,288
Investments	20,409,647	602,224,768	599,060,875	23,573,540
Interest receivable	241,094	312,184	241,094	312,184
Accounts receivable, net	1,336,255	33,824,791	33,553,935	1,607,111
Total assets	<u>76,639,130</u>	<u>3,593,728,537</u>	<u>3,588,356,920</u>	<u>82,010,747</u>
Liabilities:				
Due to third parties	59,843,473	1,441,104,369	1,438,710,888	62,236,954
Civil and probate deposits	382,906	327,999	238,547	472,358
Cash and surety bond deposits combined	9,457,693	5,372,166	4,320,252	10,509,607
Due to other governmental entities	6,955,058	178,757,120	176,920,350	8,791,828
Total liabilities	<u>\$ 76,639,130</u>	<u>\$ 1,625,561,654</u>	<u>\$ 1,620,190,037</u>	<u>\$ 82,010,747</u>

(concluded)



**GENERAL FUND
EXPENDITURES BUDGET
AND ACTUAL DETAIL**



TRAVIS COUNTY, TEXAS
SCHEDULE OF EXPENDITURES BY FUNCTION, SUB-FUNCTION AND OFFICE/DEPARTMENT
BUDGET (GAAP BASIS) AND ACTUAL
GENERAL FUND
For The Year Ended September 30, 2006

	Budgeted Amounts ^{2,3}		Actual Amounts ³	Variance with Final Budget
	Original	Final		Positive (Negative)
General Government:				
General Administration				
County Judge	\$ 371,124	\$ 371,124	\$ 330,620	\$ 40,504
County Commissioner Precinct #1	289,039	289,039	286,125	2,914
County Commissioner Precinct #2	297,636	297,636	293,153	4,483
County Commissioner Precinct #3	279,044	279,044	262,292	16,752
County Commissioner Precinct #4	291,806	291,806	258,378	33,428
Commissioners' Court General Administration	366,130	362,991	1,955,041	(1,592,050) ¹
Human Resource Management	8,270,426	8,278,920	8,140,856	138,064
Information Systems and Telecommunications	16,325,088	16,783,151	14,006,637	2,776,514
County Clerk - Recording	2,179,300	1,976,244	1,916,554	59,690
Justice of the Peace #2	-	1,030	1,028	2
Civil Service Commission	73,759	73,759	69,760	3,999
Records Management and Communication	3,813,274	3,964,440	3,822,184	142,256
Centralized Computer Systems and Services (ITS)	89,369	89,604	80,628	8,976
Centralized Rent and Utilities (Facilities)	603,100	447,619	447,551	68
Centralized Fleet Services (TNR)	17,624	14,203	11,717	2,486
Total General Administration	33,266,719	33,520,610	31,882,524	1,638,086
Financial Administration				
County Auditor	6,258,997	6,258,997	5,461,444	797,553
County Treasurer	407,862	408,222	402,957	5,265
Planning and Budget	1,308,206	1,314,111	1,236,109	78,002
Purchasing and Inventory Management	2,363,703	2,432,721	2,215,654	217,067
Centralized Computer Systems and Services (ITS)	6,820	6,820	6,659	161
Centralized Rent and Utilities (Facilities)	96,175	96,737	96,736	1
Centralized Fleet Services (TNR)	423	457	450	7
Total Financial Administration	10,442,186	10,518,065	9,420,009	1,098,056
Tax Administration				
Tax Collector	5,897,357	5,876,918	5,264,610	612,308
Centralized Computer Systems and Services (ITS)	27,911	27,471	20,061	7,410
Centralized Rent and Utilities (Facilities)	40,115	46,497	46,497	-
Total Tax Administration	5,965,383	5,950,886	5,331,168	619,718
Facilities Management				
Facilities Management	9,025,772	9,644,195	6,687,712	2,956,483
Centralized Computer Systems and Services (ITS)	7,020	7,020	5,983	1,037
Centralized Rent and Utilities (Facilities)	17,199	32,662	30,644	2,018
Centralized Fleet Services (TNR)	113,452	124,223	123,129	1,094
Total Facilities Management	9,163,443	9,808,100	6,847,468	2,960,632
Election Administration				
County Clerk - Election Administration	2,326,561	2,848,231	2,714,633	133,598
Centralized Rent and Utilities (Facilities)	64,385	86,204	84,512	1,692
Total Election Administration	2,390,946	2,934,435	2,799,145	135,290
Total General Government	61,228,677	62,732,096	56,280,314	6,451,782

¹ Healthcare premium costs are budgeted in each County office/department. Estimated savings for declined coverage is centrally budgeted. Therefore, there is an offsetting positive variance in the various County offices/departments.

² The budget is prepared on a GAAP basis. See Note 1 of the financial statements.

³ Departmental expenditures include capital outlay.

	Budgeted Amounts ^{2,3}		Actual Amounts ³	Variance with Final Budget
	Original	Final		Positive
				(Negative)
Justice System:				
Criminal Justice				
Tax Collector	195,746	494,816	342,221	152,595
County Attorney	4,931,040	4,869,438	4,469,163	400,275
County Clerk	1,588,631	1,580,907	1,538,178	42,729
District Clerk	1,617,738	1,737,562	1,591,702	145,860
District Attorney	9,985,955	10,066,517	9,482,975	583,542
Criminal Courts	5,376,543	5,373,941	4,853,694	520,247
Justice of the Peace #1	389,072	385,017	357,406	27,611
Justice of the Peace #2	904,292	991,092	863,276	127,816
Justice of the Peace #3	743,654	760,306	696,949	63,357
Justice of the Peace #4	480,144	526,266	478,840	47,426
Justice of the Peace #5	408,430	455,155	387,677	67,478
Criminal Justice Planning	634,680	690,611	460,958	229,653
Facilities Management	288,681	319,221	253,160	66,061
Centralized Computer Systems and Services (ITS)	148,796	156,666	134,685	21,981
Centralized Rent and Utilities (Facilities)	823,810	754,222	754,214	8
Centralized Fleet Services (TNR)	8,101	9,126	9,030	96
Legally Mandated Fees	6,165,236	6,165,236	5,819,536	345,700
Total Criminal Justice	34,690,549	35,336,099	32,493,664	2,842,435
Civil Justice				
County Attorney	6,270,114	6,332,424	5,952,964	379,460
County Clerk	1,160,792	1,239,463	1,218,090	21,373
District Clerk	4,282,752	4,399,227	3,765,150	634,077
Civil Courts	4,976,265	4,673,441	4,317,621	355,820
District Attorney	2,043,779	2,313,642	2,203,623	110,019
Probate Court	1,343,608	1,382,953	1,327,970	54,983
Justice of the Peace #1	278,582	296,458	275,092	21,366
Justice of the Peace #2	374,724	418,527	388,944	29,583
Justice of the Peace #3	259,696	262,385	247,087	15,298
Justice of the Peace #4	230,919	298,646	290,711	7,935
Justice of the Peace #5	260,999	276,673	257,485	19,188
Centralized Computer Systems and Services (ITS)	56,283	55,733	31,953	23,780
Centralized Rent and Utilities (Facilities)	228,188	368,575	364,553	4,022
Centralized Fleet Services (TNR)	18,427	22,809	22,655	154
Legally Mandated Fees	1,897,781	2,183,477	2,083,991	99,486
Total Civil Justice	23,682,909	24,524,433	22,747,889	1,776,544
Juvenile Services				
County Judge	5,641	5,641	5,634	7
Juvenile Public Defender	1,030,201	1,028,927	983,785	45,142
Juvenile Court	24,865,465	25,238,880	24,398,557	840,323
Child Protective Services (HHS)	1,452,677	1,502,812	1,366,117	136,695
Facilities Management	14,234	600,581	545,058	55,523
Centralized Computer Systems and Services (ITS)	269,465	269,135	242,771	26,364
Centralized Rent and Utilities (Facilities)	779,673	950,758	950,752	6
Centralized Fleet Services (TNR)	93,920	90,131	88,354	1,777
Total Juvenile Services	28,511,276	29,686,865	28,581,028	1,105,837
Total Justice System	86,884,734	89,547,397	83,822,581	5,724,816

(continued)

TRAVIS COUNTY, TEXAS
SCHEDULE OF EXPENDITURES BY FUNCTION, SUB-FUNCTION AND OFFICE/DEPARTMENT
BUDGET (GAAP BASIS) AND ACTUAL
GENERAL FUND
For The Year Ended September 30, 2006

	Budgeted Amounts ^{2,3}		Actual Amounts ³	Variance with Final Budget Positive (Negative)
	Original	Final		
Public Safety:				
Law Enforcement				
Constable #1	918,618	925,945	898,666	27,279
Constable #2	1,175,460	1,180,507	1,144,503	36,004
Constable #3	1,348,912	1,365,295	1,310,980	54,315
Constable #4	873,839	957,092	860,577	96,515
Constable #5	2,964,105	2,961,391	2,803,968	157,423
Sheriff	28,294,485	28,390,907	27,716,532	674,375
Medical Examiner	2,617,473	2,711,063	2,541,683	169,380
Centralized Computer Systems and Services (ITS)	229,789	243,052	150,341	92,711
Centralized Rent and Utilities (Facilities)	416,188	415,153	350,969	64,184
Centralized Fleet Services (TNR)	1,603,184	1,946,308	1,870,844	75,464
Total Law Enforcement	40,442,053	41,096,713	39,649,063	1,447,650
Emergency Management Services				
Emergency Management Services	4,321,386	4,267,853	3,423,031	844,822
Combined Transportation/Emergency Com Center (CJP)	102,052	102,052	6,000	96,052
Centralized Computer Systems and Services (ITS)	17,426	17,426	17,147	279
Centralized Rent and Utilities (Facilities)	92,195	107,195	105,992	1,203
Total Emergency Management Services	4,533,059	4,494,526	3,552,170	942,356
Total Public Safety	44,975,112	45,591,239	43,201,233	2,390,006
Corrections and Rehabilitation:				
Housing and Booking				
Sheriff	71,717,110	73,603,103	71,529,930	2,073,173
Centralized Computer Systems and Services (ITS)	328,020	331,195	313,790	17,405
Centralized Rent and Utilities (Facilities)	374,687	468,303	468,277	26
Centralized Fleet Services (TNR)	145,153	154,272	143,826	10,446
Total Housing and Booking	72,564,970	74,556,873	72,455,823	2,101,050
Supervision				
Community Supervision and Corrections	466,376	457,459	441,808	15,651
Travis County Counseling Center/SACA	2,084,054	2,091,153	1,904,906	186,247
Pre-Trial Services	2,667,100	2,663,900	2,412,792	251,108
Centralized Computer Systems and Services (ITS)	84,785	84,455	74,939	9,516
Centralized Rent and Utilities (Facilities)	866,227	839,577	839,551	26
Centralized Fleet Services (TNR)	2,887	2,607	2,536	71
Total Supervision	6,171,429	6,139,151	5,676,532	462,619
Total Corrections and Rehabilitation	78,736,399	80,696,024	78,132,355	2,563,669
Health and Human Services:				
Healthcare				
Combined Transportation/Emergency Com Center (CJP)	127,363	127,363	57,830	69,533
Health Services (HHS)	1,430,423	1,832,575	1,652,365	180,210
Emergency Medical Services	12,989,380	13,141,785	12,932,443	209,342
Centralized Computer Systems and Services (ITS)	51,025	51,025	49,398	1,627
Centralized Rent and Utilities (Facilities)	156,655	231,053	229,059	1,994
Centralized Fleet Services (TNR)	36,758	44,332	43,966	366
Total Healthcare	14,791,604	15,428,133	14,965,061	463,072
Public Health				
Public Health (HHS)	852,579	892,432	849,969	42,463
Facilities Management	325,614	335,513	67,362	268,151
Centralized Computer Systems and Services (ITS)	25,074	25,074	23,796	1,278
Centralized Rent and Utilities (Facilities)	16,093	13,770	13,769	1
Centralized Fleet Services (TNR)	23,782	25,689	25,283	406
Total Public Health	1,243,142	1,292,478	980,179	312,299

	Budgeted Amounts ^{2,3}		Actual Amounts ³	Variance with Final Budget
	Original	Final		Positive (Negative)
Human Services				
Veteran Services	270,919	293,055	248,701	44,354
County Cooperative (Agricultural) Extension Service	951,814	807,157	731,746	75,411
Human Services (HHS)	18,360,100	18,245,941	16,899,035	1,346,906
Centralized Computer Systems and Services (ITS)	186,453	186,453	129,596	56,857
Centralized Rent and Utilities (Facilities)	96,482	113,125	109,168	3,957
Centralized Fleet Services (TNR)	26,210	28,636	28,172	464
Total Human Services	19,891,978	19,674,367	18,146,418	1,527,949
Total Health and Human Services	35,926,724	36,394,978	34,091,658	2,303,320
Infrastructure and Environmental Services:				
Roads and Bridges				
Transportation and Roads	3,366,251	3,570,202	2,428,923	1,141,279
Centralized Computer Systems and Services (ITS)	58,178	58,178	23,397	34,781
Centralized Rent and Utilities (Facilities)	42,998	51,792	48,335	3,457
Centralized Fleet Services (TNR)	20,123	52,641	52,359	282
Total Roads and Bridges	3,487,550	3,732,813	2,553,014	1,179,799
Drainage				
Transportation and Roads - Stormwater Management	875,941	839,637	555,732	283,905
Centralized Rent and Utilities (Facilities)	6,026	7,622	7,621	1
Centralized Fleet Services (TNR)	571	539	530	9
Total Drainage	882,538	847,798	563,883	283,915
Development and Regulation				
Centralized Computer Systems and Services (ITS)	5,719	5,719	5,305	414
Centralized Rent and Utilities (Facilities)	6,026	7,622	7,621	1
Total Development and Regulation	11,745	13,341	12,926	415
Conservation and Natural Resources				
Transportation and Roads	2,241,840	2,296,107	1,919,486	376,621
Centralized Rent and Utilities (Facilities)	6,023	7,620	7,619	1
Centralized Fleet Services (TNR)	13,245	13,410	13,153	257
Total Conservation and Natural Resources	2,261,108	2,317,137	1,940,258	376,879
Sanitation				
Transportation and Roads - Onsite Sewage Facility	706,976	708,745	595,218	113,527
Centralized Rent and Utilities (Facilities)	6,023	7,620	7,619	1
Centralized Fleet Services (TNR)	15,815	19,081	18,927	154
Total Sanitation	728,814	735,446	621,764	113,682
Total Infrastructure and Environmental Services	7,371,755	7,646,535	5,691,845	1,954,690
Community and Economic Development:				
Economic Development				
Travis County Exposition Center	1,098,380	1,162,427	947,802	214,625
Centralized Computer Systems and Services (ITS)	911	911	911	-
Centralized Rent and Utilities (Facilities)	1,000	1,562	1,562	-
Centralized Fleet Services (TNR)	42,718	54,899	54,499	400
Total Economic Development	1,143,009	1,219,799	1,004,774	215,025
Parks and Recreation				
Transportation and Roads	5,297,873	5,572,455	5,049,597	522,858
Centralized Computer Systems and Services (ITS)	-	6,975	4,694	2,281
Centralized Rent and Utilities (Facilities)	-	13,636	6,930	6,706
Centralized Fleet Services (TNR)	359,448	431,577	423,310	8,267
Total Parks and Recreation	5,657,321	6,024,643	5,484,531	540,112
Culture and Education				
Historical Commission	2,988	2,988	1,906	1,082
Centralized Rent and Utilities (Facilities)	5,046	6,981	6,980	1
Total Culture and Education	8,034	9,969	8,886	1,083
Total Community and Economic Development	6,808,364	7,254,411	6,498,191	756,220
Total	\$ 321,931,765	\$ 329,862,680	\$ 307,718,177	\$ 22,144,503 (concluded)



**TRAVIS COUNTY, TEXAS
STATISTICAL SECTION**

**TRAVIS COUNTY
STATISTICAL SECTION
September 30, 2006**

This part of Travis County's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the County's overall financial health.

<u>Contents</u>	<u>Page</u>
Financial Trends	ST-3
<p>These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.</p> <p>The first two schedules relate to government-wide; the remaining schedules relate to fund information.</p>	
Revenue Capacity	ST-15
<p>These schedules contain information to help the reader assess the factors affecting the County's ability to generate its property taxes.</p>	
Debt Capacity	ST-37
<p>These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.</p>	
Demographic and Economic Information	ST-51
<p>These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place and to help make comparisons over time and with other governments.</p>	
Operating Information	ST-59
<p>These schedules contain information about the County's operations and resources to help the reader understand how the County's financial information relates to the services the County provides and the activities it performs.</p>	

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report for the relevant year.

Note: The County implemented GASB Statement No. 34 in 2002; schedules presenting government-wide information include information beginning with that year.



TRAVIS COUNTY, TEXAS
FINANCIAL TRENDS

Schedule 1

**Net Assets by Component
Governmental Activities
Last Five Fiscal Years**
(accrual basis of accounting)
(unaudited)

	Fiscal Year Ended September 30				
	2002	2003	2004	2005	2006
Net Assets					
Invested in capital assets, net of related debt	\$ 689,248,357	\$ 687,132,617	\$ 698,238,526	\$ 725,154,875	\$ 731,245,017
Restricted	16,535,075	23,875,614	28,644,316	28,381,876	27,804,954
Unrestricted ⁽¹⁾	<u>(37,336,451)</u>	<u>(29,735,349)</u>	<u>(22,634,867)</u>	<u>(15,021,161)</u>	<u>22,701,561</u>
Total net assets	<u>\$ 668,446,981</u>	<u>\$ 681,272,882</u>	<u>\$ 704,247,975</u>	<u>\$ 738,515,590</u>	<u>\$ 781,751,532</u>

Notes: Travis County began to report net asset information when it implemented GASB Statement No. 34 in fiscal year 2002.
The classification of net assets in fiscal year 2005 reflects the effects of the implementation of GASB Statement No. 46 -
"Net Assets Restricted by Enabling Legislation."
This schedule includes blended component units.

(1) The deficit in unrestricted net assets is a result of payments made to the State of Texas for right-of-way land purchased for joint road projects for which the County reports the debt, but does not report the asset.

Schedule 2

**Changes in Net Assets
Governmental Activities
Last Five Fiscal Years**
(accrual basis of accounting)
(unaudited)

	Fiscal Year		
	2002	2003	2004
Expenses			
General government	\$ 66,568,720	\$ 75,800,673	\$ 77,881,031
Justice system	78,332,558	80,832,680	78,445,879
Public safety	32,512,054	37,934,509	38,719,649
Corrections and rehabilitation	83,293,576	83,092,671	80,464,846
Health and human services	35,826,633	38,286,362	39,343,976
Infrastructure and environmental services ⁽¹⁾	169,129,446	64,712,177	77,209,480
Community and economic development	4,610,862	5,657,458	5,992,029
Interest on long-term debt	21,629,201	25,358,230	22,721,482
Total expenses	<u>\$ 491,903,050</u>	<u>\$ 411,674,760</u>	<u>\$ 420,778,372</u>
Program Revenues			
Fees, fines, and charges for services:			
General government	13,810,080	15,997,385	19,740,593
Justice system	13,157,675	16,838,299	15,327,949
Public safety	7,875,056	8,182,191	8,623,813
Corrections and rehabilitation	11,289,598	13,701,180	14,422,038
Health and human services	1,119,364	1,584,429	1,817,582
Infrastructure and environmental services	14,356,757	14,527,968	16,367,385
Community and economic development	1,956,104	2,301,304	2,129,646
Operating grants, contributions, shared revenues, and entitlements:			
General government	1,704,647	1,685,529	154,557
Justice system	8,670,685	9,084,295	9,540,413
Public safety	2,456,118	1,819,311	1,390,995
Corrections and rehabilitation	11,208,101	10,594,860	10,326,513
Health and human services	2,423,059	2,538,123	2,748,569
Infrastructure and environmental services	667,033	-	-
Capital grants, contributions, and donated assets:			
General government ⁽²⁾	-	-	-
Infrastructure and environmental services	26,135,438	21,095,360	29,664,319
Community and economic development	63,249	77,660	109,606
Total program revenues	<u>\$ 116,892,964</u>	<u>\$ 120,027,894</u>	<u>\$ 132,363,978</u>
Net (Expense)/Revenue	<u>\$ (375,010,086)</u>	<u>\$ (291,646,866)</u>	<u>\$ (288,414,394)</u>
General Revenues			
Taxes:			
Property taxes, ad valorem	255,247,618	289,545,907	296,050,880
Excise taxes from the State of Texas	3,963,302	4,068,052	4,376,878
Unrestricted grants and contributions	2,775,535	1,778,784	2,130,837
Investment earnings	9,009,612	4,990,529	4,669,265
Miscellaneous	3,196,594	4,089,495	4,161,627
Total general revenues	<u>\$ 274,192,661</u>	<u>\$ 304,472,767</u>	<u>\$ 311,389,487</u>
Change in Net Assets	<u>\$ (100,817,425)</u>	<u>\$ 12,825,901</u>	<u>\$ 22,975,093</u>

Notes: Travis County began to report accrual information when it implemented GASB Statement No. 34 in fiscal year 2002.

For comparative purposes, certain prior years have been revised to conform to the current year's presentation.

This schedule includes blended component units.

(1) Travis County contributed \$105.6 million and \$10.5 million in fiscal years 2002 and 2004, respectively, to the State of Texas for joint road projects from bond proceeds.

(2) Travis County received \$4.1 million in federal aid in fiscal year 2005 related to the Help America Vote Act (HAVA) grant.

Fiscal Year	
2005	2006
\$ 80,842,627	\$ 83,695,932
83,914,875	89,223,427
41,136,886	45,638,186
87,272,090	95,254,826
34,812,146	35,419,641
68,946,441	65,733,063
6,735,409	7,299,040
21,632,040	21,828,103
<u>\$ 425,292,514</u>	<u>\$ 444,092,218</u>
20,806,930	23,820,299
16,285,653	17,868,607
9,985,491	10,762,529
14,161,117	15,926,055
3,880,421	5,382,199
15,600,245	15,961,633
2,548,111	2,498,757
237,140	147,520
9,658,941	9,698,991
1,151,008	1,994,959
8,981,133	9,796,562
2,129,141	2,593,112
67,432	19,393
4,084,379	-
30,468,263	17,271,386
422,231	44,487
<u>\$ 140,467,636</u>	<u>\$ 133,786,489</u>
<u>\$ (284,824,878)</u>	<u>\$ (310,305,729)</u>
297,540,102	322,901,024
4,686,760	5,093,749
1,537,938	2,111,177
9,647,663	18,026,783
5,680,030	5,408,938
<u>\$ 319,092,493</u>	<u>\$ 353,541,671</u>
<u>\$ 34,267,615</u>	<u>\$ 43,235,942</u>

Schedule 3

Travis County, Texas
Fund Balances
Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(unaudited)

	Fiscal Year Ended September 30			
	1997	1998	1999	2000
General Fund				
Reserved	\$ 4,927,842	\$ 4,162,249	\$ 4,273,161	\$ 4,689,235
Unreserved, designated for:				
Compensated absences	-	-	-	-
Unreserved, undesignated	<u>36,066,436</u>	<u>31,297,176</u>	<u>29,744,857</u>	<u>37,544,887</u>
Total general fund	<u>\$ 40,994,278</u>	<u>\$ 35,459,425</u>	<u>\$ 34,018,018</u>	<u>\$ 42,234,122</u>
All Other Governmental Funds ⁽¹⁾				
Reserved	\$ 19,820,521	\$ 29,568,862	\$ 54,665,310	\$ 24,583,334
Unreserved, designated for:				
Arbitrage liabilities	790,738	-	-	-
Special revenue funds - compensated absences ⁽²⁾	-	-	-	-
Debt service	7,439,385	7,337,672	11,490,585	13,016,217
Capital projects	21,547,286	93,567,953	39,175,184	38,123,552
Unreserved, undesignated reported in:				
Special revenue funds	<u>2,523,143</u>	<u>10,480,282</u>	<u>14,376,721</u>	<u>13,596,869</u>
Total all other governmental funds	<u>\$ 52,121,073</u>	<u>\$ 140,954,769</u>	<u>\$ 119,707,800</u>	<u>\$ 89,319,972</u>

Note: This schedule includes blended component units.

(1) The County implemented GASB Statement No. 34 in fiscal year 2002. Previous fiscal years have not been restated. All Other Governmental Funds includes all governmental funds except General Fund. It also includes permanent funds (formerly non-expendable trust funds) beginning in fiscal year 2002 in accordance with GASB Statement No. 34.

(2) The County adopted GASB Interpretation No. 6 in fiscal year 2003. Details regarding this Interpretation and the County's recognition of compensated absences can be found in the Letter of Transmittal.

Fiscal Year Ended September 30

2001	2002	2003	2004	2005	2006
\$ 6,158,067	\$ 9,108,226	\$ 6,714,543	\$ 7,989,636	\$ 9,122,387	\$ 10,390,156
-	-	4,287,105	4,427,676	4,639,999	4,890,239
50,738,430	38,272,519	47,776,942	55,050,141	55,219,702	67,926,235
<u>\$ 56,896,497</u>	<u>\$ 47,380,745</u>	<u>\$ 58,778,590</u>	<u>\$ 67,467,453</u>	<u>\$ 68,982,088</u>	<u>\$ 83,206,630</u>
\$ 13,742,269	\$ 21,036,303	\$ 41,747,932	\$ 31,589,784	\$ 30,014,676	\$ 27,306,616
-	-	-	-	-	-
-	-	469,361	536,163	506,199	529,716
10,576,761	11,355,913	11,700,278	7,157,714	7,197,456	8,795,401
51,257,595	58,448,920	53,056,187	50,872,574	57,229,849	86,038,870
18,026,574	19,578,657	25,970,322	25,702,246	25,817,301	32,006,001
<u>\$ 93,603,199</u>	<u>\$ 110,419,793</u>	<u>\$ 132,944,080</u>	<u>\$ 115,858,481</u>	<u>\$ 120,765,481</u>	<u>\$ 154,676,604</u>

Schedule 4

Travis County, Texas
Changes in Fund Balances
Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(unaudited)

	Fiscal Year			
	1997	1998	1999	2000
Revenues				
Taxes	\$ 161,786,754	\$ 172,161,747	\$ 200,778,975	\$ 215,734,106
Intergovernmental	39,747,830	46,886,901	56,026,252	53,746,696
Charges for services	25,970,080	26,805,435	29,039,949	31,173,038
Fines and forfeits	3,060,108	3,146,288	3,846,120	5,038,987
Investment income	10,227,390	11,477,344	12,268,471	14,482,292
Miscellaneous	2,414,151	2,518,630	6,251,735	8,657,879
Total revenues	<u>243,206,313</u>	<u>262,996,345</u>	<u>308,211,502</u>	<u>328,832,998</u>
Expenditures⁽¹⁾				
Current	190,533,669	219,990,537	241,343,820	253,337,026
Capital outlay ⁽²⁾	23,602,365	53,260,793	83,505,056	72,542,193
Assets acquired through capital lease	2,155,719	-	-	-
Debt service ⁽³⁾	38,804,440	38,995,412	48,704,727	49,933,976
Total expenditures	<u>255,096,193</u>	<u>312,246,742</u>	<u>373,553,603</u>	<u>375,813,195</u>
Excess (deficiency) of revenues over expenditures	(11,889,880)	(49,250,397)	(65,342,101)	(46,980,197)
Other Financing Sources (Uses)				
General obligation debt issued ⁽²⁾	9,420,000	124,220,000	42,610,000	24,780,000
General obligation debt premium	-	91,591	3,012	-
Refunding bonds issued	-	-	20,399,949	-
Refunding bonds premium	-	-	1,052,413	-
Payment to refunding bond agent	-	-	(21,445,382)	-
Sale of capital assets	-	-	-	-
Transfers in	3,617,536	3,568,940	6,980,783	5,269,967
Transfers out	(3,617,536)	(3,568,940)	(6,980,783)	(5,269,967)
Capital lease	2,155,719	-	-	-
Total other financing sources (uses)	<u>11,575,719</u>	<u>124,311,591</u>	<u>42,619,992</u>	<u>24,780,000</u>
Net change in fund balances	<u>\$ (314,161)</u>	<u>\$ 75,061,194</u>	<u>\$ (22,722,109)</u>	<u>\$ (22,200,197)</u>
Debt service as a percentage of noncapital expenditures	20.4%	17.7%	20.2%	19.7%

Notes: The County implemented GASB Statement No. 34 in fiscal year 2002. Previous fiscal years have not been restated.

In compliance with GASB Statement No. 34, Permanent Funds (formerly non-expendable trust funds) are included as governmental funds beginning in fiscal period 2002.

This schedule includes blended component units.

(1) Expenditures are shown in detail in Schedule 5.

(2) Travis County contributed \$105.6 million and \$10.5 million in fiscal years 2002 and 2004, respectively, to the State of Texas for joint road projects from bond proceeds.

(3) Debt issuance costs were included in General Government current expenditures in fiscal years 1997-2001.

Fiscal Year					
2001	2002	2003	2004	2005	2006
\$ 237,522,409	\$ 259,810,920	\$ 292,813,959	\$ 299,227,758	\$ 302,205,859	\$ 328,098,773
55,072,200	38,986,488	30,491,351	45,194,797	34,510,489	28,162,319
34,950,230	54,356,255	61,320,127	66,224,790	69,742,078	77,651,363
4,091,952	5,707,576	6,387,910	6,321,816	6,829,689	8,029,767
17,008,846	10,666,630	3,798,997	3,663,515	7,461,294	14,983,807
6,751,249	3,423,808	4,186,505	4,171,895	5,702,595	5,138,032
<u>355,396,886</u>	<u>372,951,677</u>	<u>398,998,849</u>	<u>424,804,571</u>	<u>426,452,004</u>	<u>462,064,061</u>
271,995,461	304,712,656	312,792,370	326,362,031	337,687,465	361,113,294
47,106,717	153,705,260	46,908,816	57,008,391	36,706,409	72,630,959
-	-	-	-	-	-
<u>50,336,450</u>	<u>54,665,733</u>	<u>64,750,860</u>	<u>64,553,185</u>	<u>64,402,803</u>	<u>64,571,657</u>
<u>369,438,628</u>	<u>513,083,649</u>	<u>424,452,046</u>	<u>447,923,607</u>	<u>438,796,677</u>	<u>498,315,910</u>
(14,041,742)	(140,131,972)	(25,453,197)	(23,119,036)	(12,344,673)	(36,251,849)
32,930,000	146,235,000	59,320,000	13,720,000	17,490,000	84,045,000
-	1,100,534	117,038	6,300	64,793	214,216
-	11,460,000	38,540,000	-	122,635,000	9,155,000
-	177,565	2,006,703	-	10,854,350	130,991
-	(11,540,285)	(40,232,968)	-	(132,277,835)	(9,157,693)
-	-	650,000	-	-	-
6,216,493	5,123,092	6,053,003	7,980,136	8,062,028	10,295,664
(6,216,493)	(5,123,092)	(7,078,447)	(6,984,136)	(8,062,028)	(10,295,664)
-	-	-	-	-	-
<u>32,930,000</u>	<u>147,432,814</u>	<u>59,375,329</u>	<u>14,722,300</u>	<u>18,766,308</u>	<u>84,387,514</u>
<u>\$ 18,888,258</u>	<u>\$ 7,300,842</u>	<u>\$ 33,922,132</u>	<u>\$ (8,396,736)</u>	<u>\$ 6,421,635</u>	<u>\$ 48,135,665</u>
18.5%	17.9%	20.7%	19.8%	19.1%	17.9%

Schedule 5

Travis County, Texas
Expenditures by Function
Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(unaudited)

	Fiscal Year			
	1997	1998	1999	2000
Expenditures				
Current:				
Functions used prior to fiscal year 2003:				
General government	\$ 29,704,655	\$ 35,224,586	\$ 39,207,384	\$ 42,110,474
Justice system	29,801,936	34,521,530	38,026,760	39,608,584
Law enforcement	18,527,450	24,448,511	27,625,473	28,901,628
Corrections and rehabilitation	52,525,898	56,578,640	60,665,028	62,500,872
Juvenile services	17,114,803	20,295,911	22,302,070	21,949,358
Public health	10,594,416	11,250,430	12,008,474	14,922,951
Human services	16,743,618	18,526,330	19,578,246	21,226,995
Transportation and roads	13,702,270	17,246,538	19,892,453	19,670,580
Parks and recreation	1,818,623	1,898,061	2,037,932	2,445,584
Functions used from fiscal year 2003 forward:				
General government	-	-	-	-
Justice system	-	-	-	-
Public safety	-	-	-	-
Corrections and rehabilitation	-	-	-	-
Health and human services	-	-	-	-
Infrastructure and environmental services	-	-	-	-
Community and economic development	-	-	-	-
Capital outlay ⁽²⁾	23,602,365	53,260,793	83,505,056	72,542,193
Debt service:				
Refunding bond issuance costs	-	-	339,093	-
Debt issuance costs ⁽³⁾	-	-	-	-
Advance refunding escrow	-	-	-	-
Assets acquired through capital lease	2,155,719	-	-	-
Capital lease principal	901,506	380,512	68,485	73,785
Principal on general obligation debt	24,385,000	26,585,000	30,700,000	32,795,000
Interest and other charges	13,162,913	11,393,960	15,785,090	13,607,774
Capitalized interest ⁽⁴⁾	355,021	635,940	1,812,059	3,457,417
Total expenditures	\$ 255,096,193	\$ 312,246,742	\$ 373,553,603	\$ 375,813,195

Notes: The County implemented GASB Statement No. 34 in fiscal year 2002. Previous fiscal years have not been restated. In compliance with GASB Statement No. 34, Permanent Funds (formerly non-expendable trust funds) are included as governmental funds beginning in fiscal year 2002. The Uniform Chart of Accounts for Texas Counties was adopted in fiscal year 2003. This schedule includes blended component units.

- (1) The County has reclassified certain functional expenditures to be consistent with the Uniform Chart of Accounts for Texas Counties adopted in fiscal year 2003.
- (2) Travis County contributed \$105.6 million and \$10.5 million in fiscal years 2002 and 2004, respectively, to the State of Texas for joint road projects from bond proceeds.
- (3) Debt issuance costs were included in General Government current expenditures in fiscal years 1997-2001.
- (4) The requirement to capitalize construction period interest was eliminated in fiscal year 2002 by GASB Statement No. 37.

		Fiscal Year				
		2002 ⁽¹⁾	2003 ⁽¹⁾	2004	2005	2006
\$	50,558,051	-	-	-	-	-
	42,305,295	-	-	-	-	-
	33,367,455	-	-	-	-	-
	69,085,011	-	-	-	-	-
	22,041,988	-	-	-	-	-
	16,421,075	-	-	-	-	-
	18,398,206	-	-	-	-	-
	16,681,336	-	-	-	-	-
	3,137,044	-	-	-	-	-
	-	\$ 46,896,192	\$ 49,666,600	\$ 54,077,332	\$ 55,138,365	\$ 59,867,786
	-	80,522,967	82,373,306	82,691,555	89,034,598	94,672,961
	-	32,813,028	37,310,891	40,149,412	42,498,649	47,523,305
	-	86,745,965	83,621,026	85,324,250	90,430,475	98,954,704
	-	35,415,060	37,817,648	39,380,193	34,679,229	35,300,509
	-	18,311,502	17,507,044	19,731,737	20,167,308	18,439,351
	-	4,007,942	4,495,855	5,007,552	5,738,841	6,354,678
	47,106,717	153,705,260	46,908,816	57,008,391	36,706,409	72,630,959
	-	90,210	303,815	-	1,196,336	126,921
	-	1,003,469	154,204	87,380	106,448	228,010
	-	-	-	-	824,750	-
	-	-	-	-	-	-
	79,495	85,647	92,275	100,719	122,065	128,942
	30,661,833	33,653,381	39,253,523	38,236,450	38,656,775	41,117,340
	17,472,112	19,833,026	24,947,043	26,128,636	23,496,429	22,970,444
	2,123,010	-	-	-	-	-
\$	<u>369,438,628</u>	<u>\$ 513,083,649</u>	<u>\$ 424,452,046</u>	<u>\$ 447,923,607</u>	<u>\$ 438,796,677</u>	<u>\$ 498,315,910</u>



TRAVIS COUNTY, TEXAS
REVENUE CAPACITY

Schedule 6

Travis County, Texas
Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years
(unaudited)

Schedule 6, Assessed Value and Actual Value of Taxable Property, has been prepared in the format required by GASB Statement No. 44 (GASB 44). Per the GASB, the intent of the schedule is "to present comparative rate data for other governmental bodies that extend rates against the reporting government's revenue base, so that some sense of the "overall" burden on the government's taxpayers is communicated." ⁽¹⁾ We believe the citizenry, investors and creditors of Travis County will not be able to achieve this objective based solely on this information.

GASB Statement No. 44 has established a **direct tax rate** which is a new calculation defined by the GASB, based on the percentage applied to a tax base. This is not necessarily the rate established by that government for that year's rate structure. When the government's tax base, in our case the total taxable assessed value, encompasses the entire rate base, then the direct tax rate and the tax rate are the same. If the government includes a unit that does not encompass the entire rate base, then the direct rate is calculated to produce a result as if the rate were applied to the entire county's tax base. In reality, no taxpayer would pay this rate, and those taxpayers who are subject to the rate, would pay a much higher rate.

The following are Travis County and its component units FY2006 actual adopted tax rates:

	Travis County	Northwest Travis County Road District No. 3	Travis County Healthcare District
Total Taxable Assessed Value	64,074,817,858	376,798,918	64,074,817,858
Actual Tax Rate	0.4993	0.1650	0.0779

N.W. Travis County Road District No. 3 (NWTCRD#3) is a taxing entity that encompasses only 242.1 acres of the County's 1,022.1 square miles. As the Road District is a blended component unit of the County, GASB 44 requires that the tax rates shown in this schedule for N.W. Travis County Road District No. 3 be adjusted as follows:

The Direct Tax Rate is Calculated as follows:

$$\begin{array}{r}
 \text{NWTCRD\#3 Taxable} \\
 \text{Assessed Value} \\
 \hline
 \text{Travis County Taxable} \\
 \text{Assessed Value}
 \end{array}
 \times
 \begin{array}{r}
 \text{NWTCRD\#3 Actual} \\
 \text{Tax Rate}
 \end{array}
 =
 \begin{array}{r}
 \text{NWTCRD\#3} \\
 \text{Direct Tax} \\
 \text{Rate}
 \end{array}$$

$$\begin{array}{r}
 376,798,918 \\
 \hline
 64,074,817,858
 \end{array}
 \times
 0.1650
 =
 0.0010$$

The direct tax rate does not represent any rate that has been legally established by the entity. The actual tax rates for the Northwest Travis County Road District No. 3 are as follows:

Year – Rate	Year – Rate
1997 - 0.3500	2002 - 0.1646
1998 - 0.2700	2003 - 0.1500
1999 - 0.2500	2004 - 0.1660
2000 - 0.2248	2005 - 0.1800
2001 - 0.1600	2006 - 0.1650

⁽¹⁾ GASB Statement No. 44, Paragraph 84.

Schedule 6 (continued)

**Travis County, Texas
Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years
(unaudited)**

Real Property					
Fiscal Year Ended Sept. 30	Residential Property	Commercial Property	Industrial Property	Total Real Property⁽²⁾	Personal Property⁽²⁾
1997	\$	\$	\$	\$ 32,151,006,110	\$ 5,870,885,351
1998				34,206,092,223	6,311,515,259
1999				38,796,305,011	6,661,158,356
2000				42,951,265,742	6,888,158,118
2001	Data not available	Data not available	Data not available	52,592,954,516	7,680,551,549
2002				62,248,832,537	9,376,657,196
2003				66,863,306,587	8,279,432,312
2004				63,566,576,847	7,821,535,589
2005				69,852,496,817	8,032,312,159
2006	58,192,793,313	15,816,551,007	1,009,551,001	75,018,895,321	7,538,732,985

Source: Travis Central Appraisal District - Detailed data is not available before fiscal year 2006 due to a software conversion.

Notes: Taxes are levied on 100% of the taxable assessed value, net of exemptions.
This schedule includes blended component units.

(1) GASB Statement No. 44 requires that the total direct rate be the weighted average of all individual direct rates applied by a government to a particular revenue base. Therefore, tax rates shown in this schedule do not reflect the actual tax rates for N.W. Travis County Road District No. 3. See Page 1 of Schedule 6 for more information.

Total tax rates for this entity are as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
1997	- 0.3500	2001	- 0.1600	2005	- 0.1800
1998	- 0.2700	2002	- 0.1646	2006	- 0.1650
1999	- 0.2500	2003	- 0.1500		
2000	- 0.2248	2004	- 0.1660		

(2) Excludes applicable exemptions.

(3) Net of applicable exemptions.

Total Taxable Assessed Value⁽²⁾	Less: Tax-Exempt Property	Total Net Taxable Assessed Value⁽³⁾	Direct Tax Rate			
			Travis County	Northwest Travis County Road District No. 3⁽¹⁾	Health- care District	Total Direct Tax Rate
\$ 38,021,891,461	\$ 6,128,893,728	\$ 31,892,997,733	\$ 0.4950	\$ 0.0018	\$ -	\$ 0.4968
40,517,607,482	6,465,508,159	34,052,099,323	0.4938	0.0016	-	0.4954
45,457,463,367	7,314,354,102	38,143,109,265	0.5143	0.0016	-	0.5159
49,839,423,860	7,825,078,933	42,014,344,927	0.4988	0.0016	-	0.5004
60,273,506,065	10,731,301,629	49,542,204,436	0.4670	0.0012	-	0.4682
71,625,489,733	14,053,521,710	57,571,968,023	0.4460	0.0011	-	0.4471
75,142,738,899	13,430,261,437	61,712,477,462	0.4660	0.0010	-	0.4670
71,388,112,436	11,729,409,978	59,658,702,458	0.4918	0.0010	-	0.4928
77,884,808,976	17,606,061,860	60,278,747,116	0.4872	0.0010	0.0779	0.5661
82,557,628,306	18,482,810,448	64,074,817,858	0.4993	0.0010	0.0779	0.5782



Schedule 7

**Travis County, Texas
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years**

(rate per \$100 of assessed value)
(unaudited)

Schedule 7, Direct and Overlapping Property Tax Rates, has been prepared in the format required by GASB Statement No. 44 (GASB 44). An objective of GASB 44 is to provide the citizenry, investors and creditors of Travis County a means to compare the tax amount charged by each taxing jurisdiction to the taxpayer.

We do not believe that this objective can be achieved by comparing only the tax rates due to the fact that tax exemptions for homestead, over 65 and disability provided by some taxing jurisdictions are not reflected in the tax rates. By comparing only tax rates, the reader could draw a misleading conclusion.

For example, Travis County provides a 20% homestead tax exemption and the City of Austin provides no homestead tax exemption. If the reader looked only at the 2006 tax rate of Travis County \$0.4993 and City of Austin \$0.4430, the conclusion may be that the tax burden to the taxpayer by the City of Austin would be less. As you can see from the following table, the City of Austin tax burden is higher than Travis County.

Taxing Jurisdiction	Assessed Value	Homestead Tax Exemption	Net Taxable Value	FY06 Tax Rate	Taxes Due	% of Taxes Due
City of Austin	\$ 200,000	\$ -	\$ 200,000	0.4430	\$ 886	52.58 %
Travis County	\$ 200,000	\$ 40,000	\$ 160,000	0.4993	\$ 799	47.42 %

Total 2006 Property Taxes Owed **\$ 1,685 100.00 %**

Please see Schedule 8 for the FY2006 tax exemptions provided by the various taxing jurisdictions as these tax exemptions should be considered when analyzing property taxes.

Also, for discussion of Direct Tax Rate - See Schedule 6 for further information.

Schedule 7 (continued)

Travis County, Texas
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(rate per \$100 of assessed value)
(unaudited)

	Year Taxes Are Payable			
	1997	1998	1999	2000
County Direct Rates				
Travis County	\$ 0.4950	\$ 0.4938	\$ 0.5143	\$ 0.4988
N.W. Travis County Road District No. 3 ⁽¹⁾	0.0018	0.0016	0.0016	0.0016
Travis County Healthcare District	-	-	-	-
Total direct rate	0.4968	0.4954	0.5159	0.5004
Special District Rates				
Austin MUD No. 1	\$ 0.5500	\$ 0.5500	\$ 0.2588	\$ -
Austin MUD No. 2	0.8900	0.9195	0.8280	-
Bella Vista MUD	-	-	-	-
Circle C MUD No. 1	0.7500	0.7500	-	-
Circle C MUD No. 2	0.7500	0.7500	-	-
Circle C MUD No. 3	0.7150	0.7150	-	-
Circle C MUD No. 4	0.6500	0.6500	-	-
Cottonwood Creek MUD No. 1	-	-	-	-
Davenport Ranch MUD	0.5548	0.3900	-	-
Hurst Creek MUD	0.6645	0.6957	0.6378	0.6378
Lakeside WCID No. 1	-	-	-	-
Lakeside WCID No. 2-B	-	-	-	-
Lakeside WCID No. 2-C	-	-	-	-
Lakeway MUD	0.2750	0.2581	0.2680	0.2495
Lost Creek MUD	0.1406	0.1440	0.1272	0.1042
Maple Run at Austin MUD No. 1	0.5179	-	-	-
Moore's Crossing MUD	0.7300	0.7300	0.7300	0.7300
Northtown MUD	0.6031	0.5957	0.5957	0.6400
N. Travis County MUD No. 5	0.5397	0.4688	-	-
N.E. Travis County MUD	-	-	-	-
N.W. Austin MUD No. 1	0.3926	0.4000	0.4000	0.3620
N.W. Travis County MUD No. 1	0.3297	0.3335	-	-
N.W. Travis County MUD No. 2	0.3350	-	-	-
River Place MUD	0.6500	0.6000	0.6000	0.6000
Senna Hills MUD	0.8500	0.8017	0.7650	0.6604
Shady Hollow MUD	0.2480	0.2642	0.2642	0.2622
Southland Oaks MUD No. 1	0.7900	0.5900	-	-
Tanglewood Forest Limited Dist	-	-	0.3500	0.3400
Tanglewood Forest MUD	0.7600	0.7300	-	-
Travis Co. Emergency Svcs. Dist. No. 1	0.0980	0.0980	0.0980	0.1000
Travis Co. Emergency Svcs. Dist. No. 2	0.0830	0.0991	0.0990	0.1000
Travis Co. Emergency Svcs. Dist. No. 3	0.0650	0.0649	0.0675	0.1000
Travis Co. Emergency Svcs. Dist. No. 4	0.1000	0.1000	0.0979	0.1000
Travis Co. Emergency Svcs. Dist. No. 5	0.0475	0.0488	0.0775	0.0800
Travis Co. Emergency Svcs. Dist. No. 6	0.0700	0.0800	0.1000	0.1000
Travis Co. Emergency Svcs. Dist. No. 7	0.0954	0.1000	0.1000	0.1000
Travis Co. Emergency Svcs. Dist. No. 8	0.0500	0.0497	0.0700	0.0700
Travis Co. Emergency Svcs. Dist. No. 9	0.0676	0.0676	0.0635	0.0589
Travis Co. Emergency Svcs. Dist. No. 10	0.1000	0.1000	0.1000	0.1000
Travis Co. Emergency Svcs. Dist. No. 11	0.0600	0.0600	0.0600	0.0600
Travis Co. Emergency Svcs. Dist. No. 12	0.0875	0.0874	0.1000	0.1000
Travis Co. Emergency Svcs. Dist. No. 14	0.0300	0.0294	0.0300	0.0300

Year Taxes Are Payable

2001	2002	2003	2004	2005	2006
\$ 0.4670	\$ 0.4460	\$ 0.4660	\$ 0.4918	\$ 0.4872 ⁽²⁾	\$ 0.4993
0.0012	0.0011	0.0010	0.0010	0.0010	0.0010
-	-	-	-	0.0779 ⁽²⁾	0.0779
<u>0.4682</u>	<u>0.4471</u>	<u>0.4670</u>	<u>0.4928</u>	<u>0.5661</u>	<u>0.5782</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
1.0000	0.9500	0.9300	0.9105	0.9105	0.8200
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	0.9500	0.9500	0.9500	0.9500	0.9500
-	-	-	-	-	-
0.5535	0.5000	0.4600	0.4500	0.4420	0.4770
0.8700	0.8700	0.8700	0.8700	0.8700	0.8700
-	-	0.8700	0.8700	0.8700	0.8700
-	-	-	-	0.8700	0.8700
0.2535	0.2507	0.2615	0.2802	0.2818	0.2818
0.0975	0.0933	0.0933	0.1161	0.1229	0.1132
-	-	-	-	-	-
0.7300	0.7300	0.7300	0.7300	0.7300	0.7300
0.6400	0.6500	0.6500	0.7500	0.7500	0.7500
-	-	-	-	-	-
-	-	-	0.9300	0.9300	0.9300
0.3620	0.3577	0.3150	0.2632	0.2600	0.3000
-	-	-	-	-	-
-	-	-	-	-	-
0.6000	0.5500	0.5000	0.5000	0.5000	0.4500
0.6650	0.6650	0.6650	0.6650	0.6650	0.6650
0.2454	0.2454	0.2202	0.1732	0.1700	0.1500
-	-	-	-	-	-
0.3150	0.3200	0.3100	0.3300	0.3525	0.3525
-	-	-	-	-	-
0.0975	0.0970	0.0980	0.0999	0.0989	0.1000
0.0975	0.1000	0.1000	0.1000	0.1000	0.1000
0.1000	0.1000	0.1000	0.1000	0.1000	0.0994
0.1000	0.0988	0.1000	0.1000	0.1000	0.0982
0.0757	0.0710	0.0708	0.0708	0.1000	0.1000
0.1000	0.1000	0.1000	0.1000	0.1000	0.1000
0.1000	0.1000	0.1000	0.1000	0.1000	-
0.0700	0.0700	0.0687	0.0800	0.0790	0.0900
0.0532	0.0680	0.0710	0.0710	0.0710	0.0800
0.1000	0.0981	0.0987	0.1000	0.0988	0.1000
0.0600	0.0800	0.0800	0.0800	0.0800	0.0900
0.0939	0.0959	0.0992	0.1000	0.0991	0.1000
0.0700	0.0600	0.0700	0.0700	0.1000	0.1000

(continued)

Schedule 7 (continued)**Travis County, Texas****Direct and Overlapping Property Tax Rates****Last Ten Fiscal Years, continued**

(rate per \$100 of assessed value)

(unaudited)

	Year Taxes Are Payable			
	1997	1998	1999	2000
Special District Rates, cont.				
Travis County MUD No. 2	\$ -	\$ 0.4300	\$ 0.4300	\$ 0.4300
Travis County MUD No. 3	0.9500	0.9500	0.9000	0.7409
Travis County MUD No. 4	0.6417	0.9500	0.9500	0.8589
Travis County MUD No. 5	0.9500	0.9500	0.9500	0.9089
Travis County MUD No. 6	0.9500	0.9500	0.9500	0.9089
Travis County MUD No. 7	0.9500	0.9500	0.9500	0.9089
Travis County MUD No. 8	0.9500	0.9500	0.9500	0.9089
Travis County MUD No. 9	0.9500	0.9500	0.9500	0.9089
Travis County MUD No. 10	-	-	-	0.5000
Travis County MUD No. 11	-	-	-	-
Travis County MUD No. 14	-	-	-	-
Travis County MUD No. 15	-	-	-	-
Travis County WCID No. 10	0.0663	0.0613	0.0578	0.0523
Travis County WCID No. 14	0.1866	-	-	-
Travis County WCID No. 17	0.1282	0.1066	0.0793	0.0698
Travis County WCID No. 17 - Comanche Trail Defined Area	0.3621	0.3369	0.3036	0.3025
Travis County WCID No. 17 - Flintrock Ranch Defined Area	-	-	-	-
Travis County WCID No. 17 - Steiner Ranch Defined Area	0.6549	0.6404	0.6113	0.5982
Travis County WCID No. 18	0.3106	0.2973	0.2662	0.2538
Travis County WCID No. 19	0.3083	0.3838	0.3790	0.3490
Travis County WCID No. 20	0.6825	0.6350	0.5800	0.5134
Travis County WCID - Point Venture	0.2897	0.2314	0.4890	0.7498
Wells Branch MUD	0.5425	0.5594	0.5437	0.5052
W. Travis County MUD No. 3	0.9800	0.9800	0.9800	0.9747
W. Travis County MUD No. 5	0.9800	0.9800	0.9800	0.9800
W. Travis County MUD No. 6	-	-	-	-
W. Travis County MUD No. 8	-	-	-	-
Western Oaks MUD, Village of	0.9400	0.5401	0.7250	-
Wilbarger Creek MUD No. 1	-	-	-	-
Wilbarger Creek MUD No. 2	-	-	-	-
County Line Special District Rates				
Anderson Mill MUD	\$ 0.54255	\$ 0.04972	\$ 0.50547	\$ 0.50000
Cypress Ranch WCID No. 1	-	-	-	-
North Austin MUD No. 1	0.7500	0.7500	0.7100	0.6850
Ranch at Cypress Creek MUD No. 1	1.0000	0.9280	0.8482	0.8080
Williamson-Travis County MUD No. 1	0.9006	0.8984	0.8974	0.8922
Williamson-Travis County MUD No. 1-D	-	-	-	-
Williamson-Travis County MUD No. 1-E	-	-	-	-
Williamson-Travis County WCID No. 1-D	-	-	-	-
Williamson-Travis County WCID No. 1-F	-	-	-	-
Williamson-Travis County WCID No. 1-G	-	-	-	-
City, Village, and Town Rates				
Austin	\$ 0.5251	\$ 0.5401	\$ 0.5142	\$ 0.5034
Bee Cave, Village of	0.1800	0.1285	0.1800	0.1800
Briarcliff, Village of	0.0595	0.0609	0.0575	0.0575
Cedar Park	0.3280	0.3661	0.4530	0.4839

Year Taxes Are Payable

2001	2002	2003	2004	2005	2006
\$ 0.4300	\$ 0.9500	\$ 0.9500	\$ 0.9500	\$ 0.9500	\$ 0.9500
0.6321	0.6241	0.6100	0.5950	0.5792	0.5692
0.8589	0.8589	0.7500	0.7316	0.6796	0.7264
0.9089	0.9089	0.9089	0.9089	0.9089	0.9089
0.8870	0.8870	0.6500	0.6555	0.6316	0.5861
0.9089	0.9089	0.9089	0.9089	0.9089	0.9089
0.9089	0.9089	0.9089	0.9089	0.9089	0.8489
0.9089	0.9089	0.9089	0.9089	0.9089	0.9089
0.9500	0.9500	0.9500	0.9500	0.8000	0.8000
-	-	-	-	-	0.7725
-	-	-	0.8800	0.8800	0.8800
-	-	0.6500	0.6500	0.4940	0.2300
0.0474	0.0475	0.0475	0.0499	0.0506	0.0513
-	-	-	-	-	-
0.0635	0.0590	0.0590	0.0590	0.0600	0.0600
0.2467	0.2270	0.1916	0.1802	0.1573	0.1536
-	-	-	0.1419	0.1238	0.4381
0.6152	0.6150	0.6150	0.6150	0.6150	0.6300
0.3890	0.3600	0.2845	0.2845	0.2780	0.2729
0.2800	0.2500	0.2300	0.2300	0.2300	0.2300
0.4300	0.3700	0.3700	0.3700	0.3637	0.3637
0.6738	0.5807	0.5550	0.5469	0.5311	0.4982
0.4905	0.5200	0.5050	0.5000	0.4800	0.4800
0.3320	0.2700	0.2400	0.2400	0.2500	0.2300
0.3800	0.3700	0.3700	0.4050	0.4050	0.4050
-	-	-	-	0.4500	0.4500
-	-	-	-	-	0.3500
-	-	-	-	-	-
-	-	-	0.9500	0.9500	0.9500
-	-	-	0.9500	0.9500	0.9500
\$ 0.47743	\$ 0.46743	\$ 0.44752	\$ 0.46752	\$ 0.46752	\$ 0.44731
-	-	-	-	0.6400	0.6900
0.5803	0.5500	0.5100	0.5000	0.5000	0.4500
0.7710	0.6905	0.6770	0.6618	0.6900	0.6927
0.8463	0.8359	0.7765	0.7765	0.7965	0.7842
0.9500	0.9000	0.9000	0.9000	0.8750	0.8250
-	-	-	-	-	-
0.9500	0.9000	0.9000	0.9000	0.8750	0.8250
-	-	-	-	0.9500	0.9500
-	1.0000	1.0000	0.9500	0.9400	0.8430
\$ 0.4663	\$ 0.4597	\$ 0.4597	\$ 0.4928	\$ 0.4430 ⁽²⁾	\$ 0.4430
0.1600	0.1600	0.0800	0.0800	0.0800	0.0200
0.0575	0.0575	0.0542	0.0562	0.0562	0.0962
0.4996	0.44824	0.44824	0.46807	0.48807	0.51807

(continued)

Schedule 7 (continued)

Travis County, Texas

Direct and Overlapping Property Tax Rates

Last Ten Fiscal Years, continued

(rate per \$100 of assessed value)

(unaudited)

	Year Taxes Are Payable			
	1997	1998	1999	2000
City, Village, and Town Rates, cont.				
Creedmoor, Village of	\$ 0.2679	\$ 0.2679	\$ 0.2490	\$ 0.2500
Jonestown	0.5521	0.5525	0.5853	0.5853
Lago Vista	0.8350	0.8490	0.8490	0.7890
Lakeway	0.2044	0.2300	0.2535	0.2500
Leander	0.43113	0.430345	0.421953	0.48636
Manor	0.3894	0.3507	0.2977	0.3750
Mustang Ridge	0.1238	0.1022	0.0939	0.0935
Pflugerville	0.5381	0.6206	0.6300	0.6998
Point Venture, Village of	-	-	-	-
Rollingwood	0.1590	0.1375	0.1375	0.1275
Round Rock	0.3988	0.377067	0.3850	0.36295
San Leanna, Village of	0.2498	0.2498	0.2498	0.2498
The Hills, Village of	-	-	-	-
Volente, Village of	-	-	-	-
Webberville, Village of	-	-	-	-
Westlake Hills	0.0825	0.0811	0.0710	0.0680
School District Rates				
Austin ISD	\$ 1.3110	\$ 1.4010	\$ 1.4319	\$ 1.5486
Del Valle ISD	1.4750	1.4750	1.6800	1.6140
Eanes ISD	1.5820	1.6669	1.6497	1.6697
Lago Vista ISD	1.4437	1.6110	1.7187	1.7561
Lake Travis ISD	1.6020	1.7948	1.9452	1.8884
Manor ISD	1.5900	1.5900	1.5900	1.6900
Pflugerville ISD	1.4900	1.5000	1.5600	1.5200
County Line School and Community College District Rates				
Austin Community College	\$ 0.0482	\$ 0.0500	\$ 0.0500	\$ 0.0500
Coupland ISD	1.5000	1.5000	1.5000	1.4884
Dripping Springs ISD	1.7966	1.8922	1.9700	1.8500
Elgin ISD	1.0000	1.0000	1.4895	1.4700
Hays Cons ISD	1.6487	1.8390	1.8769	1.7950
Johnson City ISD	1.2450	1.2450	1.3007	1.2539
Leander ISD	1.4550	1.5500	1.6270	1.63173
Marble Falls ISD	1.3995	1.6140	1.7600	1.6800
Round Rock ISD	1.62999	1.63958	1.757537	1.711144

Source: Travis Central Appraisal District and various other governmental entities.

(1) GASB Statement No. 44 requires that the total direct rate be the weighted average of all individual direct rates applied by a government to a particular revenue base. Therefore, tax rates shown in this schedule do not reflect the actual tax rates for N.W. Travis County Road District No. 3. See Page 1 of Schedule 6 for more information.

Total tax rates for this entity are as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
1997	- 0.3500	2001	- 0.1600	2005	- 0.1800
1998	- 0.2700	2002	- 0.1646	2006	- 0.1650
1999	- 0.2500	2003	- 0.1500		
2000	- 0.2248	2004	- 0.1660		

(2) As a result of the voter-approved formation of the Travis County Healthcare District (TCHD) effective October 1, 2005, healthcare expenditures and the related taxing authority were transferred to TCHD from Travis County and the City of Austin. Therefore, the ad valorem tax rate for Travis County and the City of Austin were reduced by \$0.0144 and \$0.0635, respectively and correspondingly, TCHD established a rate of \$0.0779.

Year Taxes Are Payable

2001	2002	2003	2004	2005	2006
\$ 0.2799	\$ 0.2799	\$ 0.2799	\$ 0.2799	\$ 0.2799	\$ 0.2799
0.6827	0.6827	0.6827	0.6395	0.6255	0.6255
0.7677	0.7300	0.6990	0.6990	0.6990	0.6754
0.2350	0.2208	0.2200	0.2200	0.2275	0.2275
0.4839	0.478990	0.558450	0.558450	0.556626	0.548291
0.3750	0.6010	0.6648	0.4953	0.4684	0.4908
0.1094	0.2188	0.2461	0.2379	0.2518	0.2511
0.6424	0.6299	0.6299	0.6417	0.6400	0.6350
-	0.0400	0.0400	0.0400	0.0400	0.0400
0.1150	0.1138	0.1127	0.1127	0.1256	0.1273
0.33031	0.32207	0.3422	0.357152	0.37972	0.37105
0.2498	0.2498	0.2498	0.2498	0.2498	0.2498
-	0.0400	0.0400	0.0400	0.0400	0.0400
-	-	-	0.1330	0.1200	0.1210
-	-	-	-	0.2500	0.2500
0.0610	0.0580	0.0580	0.0609	0.0638	0.0604
\$ 1.5486	\$ 1.5486	\$ 1.5964	\$ 1.6137	\$ 1.6230	\$ 1.6230
1.6040	1.6949	1.7785	1.7968	1.8063	1.8700
1.6964	1.7485	1.7312	1.7778	1.6705	1.6610
1.6645	1.7860	1.7400	1.7300	1.7150	1.7150
1.7795	1.8302	1.7856	1.7883	1.8025	1.8005
1.4770	1.6954	1.7141	1.7291	1.8262	1.8000
1.3875	1.4700	1.6900	1.8500	1.8300	1.8500
\$ 0.0500	\$ 0.0500	\$ 0.0500	\$ 0.0771	\$ 0.0900	\$ 0.0991
1.4884	1.5000	1.5000	1.5000	1.5000	1.5000
1.8330	1.6099	1.7410	1.7554	1.7465	1.8260
1.5000	1.5891	1.5891	1.7300	1.8200	1.8500
1.5154	1.5963	1.6800	1.7295	1.7945	1.8763
1.2845	1.3416	1.3416	1.3420	1.4932	1.6127
1.62107	1.6500	1.7220	1.8300	1.7900	1.7500
1.6800	1.6447	1.6422	1.6420	1.6550	1.6400
1.708635	1.738653	1.792361	1.864261	1.857213	1.833411

(concluded)

Schedule 8

Travis County, Texas
Tax Exemptions Offered by Direct and Overlapping Taxing Entities
Fiscal Year 2006
(unaudited)

	Type of Exemption		
	Homestead	Over 65	Disability
County Direct Exemptions			
Travis County	20%	\$ 65,000	\$ 65,000
N.W. Travis County RD No. 3	-	-	-
Travis County Healthcare District	20%	65,000	65,000
Special District Exemptions			
Bella Vista MUD	-	-	-
Cottonwood Creek MUD No. 1	-	5,000	5,000
Hurst Creek MUD	20%	10,000	10,000
Lakeside WCID No. 1	-	-	-
Lakeside WCID No. 2-B	-	-	-
Lakeside WCID No. 2-C	-	-	-
Lakeway MUD	-	5,000	-
Lost Creek MUD	-	4,000	-
Moore's Crossing MUD	-	-	-
Northtown MUD	-	-	-
N.E. Travis County MUD	-	-	-
N.W. Austin MUD No. 1	-	-	-
River Place MUD	10%	25,000	-
Senna Hills MUD	-	-	-
Shady Hollow MUD	-	-	-
Tanglewood Forest Limited Dist	-	50,000	-
Travis Co. Emergency Svcs. Dist. No. 1	-	-	-
Travis Co. Emergency Svcs. Dist. No. 2	-	-	-
Travis Co. Emergency Svcs. Dist. No. 3	-	-	-
Travis Co. Emergency Svcs. Dist. No. 4	-	-	-
Travis Co. Emergency Svcs. Dist. No. 5	-	-	-
Travis Co. Emergency Svcs. Dist. No. 6	-	-	-
Travis Co. Emergency Svcs. Dist. No. 8	-	-	-
Travis Co. Emergency Svcs. Dist. No. 9	-	4,000	-
Travis Co. Emergency Svcs. Dist. No. 10	-	-	-
Travis Co. Emergency Svcs. Dist. No. 11	-	-	-
Travis Co. Emergency Svcs. Dist. No. 12	-	-	-
Travis Co. Emergency Svcs. Dist. No. 14	-	-	-
Travis County MUD No. 2	-	5,000	5,000
Travis County MUD No. 3	-	-	-
Travis County MUD No. 4	-	-	-
Travis County MUD No. 5	-	-	-
Travis County MUD No. 6	-	-	-
Travis County MUD No. 7	-	-	-
Travis County MUD No. 8	-	-	-
Travis County MUD No. 9	-	-	-
Travis County MUD No. 10	-	10,000	10,000
Travis County MUD No. 11	-	-	-
Travis County MUD No. 14	-	-	-

	Type of Exemption		
	Homestead	Over 65	Disability
Special District Exemptions, cont.			
Travis County MUD No. 15	-	\$ 10,000	\$ 10,000
Travis County WCID No. 10	-	4,000	-
Travis County WCID No. 17	10%	10,300	-
Travis County WCID No. 17 - Commanche Trail Defined Area	-	-	-
Travis County WCID No. 17 - Flintrock Ranch Defined Area	-	-	-
Travis County WCID No. 17 - Steiner Ranch Defined Area	-	-	-
Travis County WCID No. 18	-	30,000	-
Travis County WCID No. 19	-	-	-
Travis County WCID No. 20	-	-	-
Travis County WCID - Point Venture	-	-	-
Wells Branch MUD	20%	-	-
W. Travis County MUD No. 3	-	-	-
W. Travis County MUD No. 5	-	-	-
W. Travis County MUD No. 6	-	-	-
W. Travis County MUD No. 8	-	-	-
Wilbarger Creek MUD No. 1	-	-	-
Wilbarger Creek MUD No. 2	-	-	-
County Line Special District Exemptions			
Anderson Mill MUD	20%	10,000	12,000
Cypress Ranch WCID No. 1	-	-	-
North Austin MUD No. 1	-	10,000	10,000
Ranch at Cypress Creek MUD No. 1	-	15,000	15,000
Williamson-Travis County MUD No. 1	-	3,000	3,000
Williamson-Travis County MUD No. 1-D	-	-	-
Williamson-Travis County WCID No. 1-D	-	-	-
Williamson-Travis County WCID No. 1-F	-	-	-
Williamson-Travis County WCID No. 1-G	-	-	-
City, Village, and Town Exemptions			
Austin	-	51,000	51,000
Bee Cave, Village of	20%	65,000	65,000
Briarcliff, Village of	-	-	-
Cedar Park	-	30,000	20,000
Creedmoor, Village of	-	-	-
Lago Vista	20%	-	-
Lakeway	-	5,000	-
Leander	-	10,000	10,000
Jonestown	5%	3,000	-
Manor	-	10,000	-
Mustang Ridge	-	5,000	-
Pflugerville	-	35,000	35,000

(continued)

Schedule 8 (continued)

Travis County, Texas

Tax Exemptions Offered by Direct and Overlapping Taxing Entities

Fiscal Year 2006

(unaudited)

	Type of Exemption		
	Homestead	Over 65	Disability
City, Village, and Town Exemptions, cont.			
Point Venture, Village of	-	\$ -	\$ -
Rollingwood	-	3,000	-
Round Rock	-	22,000	3,000
San Leanna, Village of	-	25,000	-
The Hills, Village of	20%	10,000	10,000
Volente, Village of	-	30,000	30,000
Webberville, Village of	5%	-	-
Westlake Hills	-	4,000	-
School District Exemptions			
Austin ISD	-	25,000	15,000
Del Valle ISD	-	-	-
Eanes ISD	-	20,000	20,000
Lago Vista ISD	20%	-	-
Lake Travis ISD	20%	-	-
Manor ISD	-	25,000	15,000
Pflugerville ISD	-	9,100	-
County Line School and Community College District Exemptions			
Austin Community College	1%	75,000	75,000
Coupland ISD	-	-	-
Dripping Springs ISD	-	-	-
Elgin ISD	-	-	-
Hays Cons ISD	-	-	-
Johnson City ISD	-	-	-
Leander ISD	-	-	-
Marble Falls ISD	-	3,000	-
Round Rock ISD	-	-	3,000

(concluded)

Sources: Travis Central Appraisal District and various other governmental entities.

Notes: An exemption is a release from the obligation to pay all or a portion of the taxes assessed on a parcel of property.

The amount of an optional percentage exemption cannot be less than \$5,000.

A disabled veterans exemption is also offered by all jurisdictions in the State of Texas and is based on the veteran's disability rating from the branch of the armed service.

Independent School Districts in Texas also offer the following state exemptions:

Homestead - \$15,000

Over 65 - \$10,000

Disability - \$10,000



Schedule 9

**Travis County, Texas
Principal Property Tax Payers
Current Year and Nine Years Ago
(unaudited)**

Taxpayer	Type of Business	2006		
		Taxable Assessed Value	Rank	Percentage of Total County Net Taxable Assessed Value⁽¹⁾
Freescale Semiconductor, Inc.	Electronics	\$ 438,041,518	1	0.68%
Dell, Inc.	Electronics	365,345,686	2	0.57%
Southwestern Bell Telephone Co.	Telephone Utility	338,292,003	3	0.53%
IBM Corporation	Manufacturing & Leasing	261,627,563	4	0.41%
Spansion LLC	Electronics	223,081,953	5	0.35%
Crescent Real Estate	Property Management	182,322,594	6	0.28%
Applied Materials, Inc.	Electronics	153,419,674	7	0.24%
Cousins Properties Texas LP	Property Management	147,389,000	8	0.23%
Texas-Sixth Street LP	Property Management	126,685,780	9	0.20%
Time Warner Entertainment	Cable Television, Telephone & Internet	126,136,620	10	0.20%
Motorola, Inc.	Electronics	-		-
Advanced Micro Devices	Electronics	-		-
3M Company	Electronics	-		-
Metropolitan Life Insurance Co.	Insurance	-		-
CarrAmerica Realty, L.P.	Property Management	-		-
Security Capital Pacific Trust	Property Management	-		-
		\$ 2,362,342,391		3.69%

Source: Travis Central Appraisal District

(1) Based on Net Taxable Value of \$64,074,817,858 from the Travis Central Appraisal District's certified property values as of September 25, 2006.

(2) Based on Net Taxable Value of \$31,892,997,733 from the Travis Central Appraisal District's certified property values as of October 18, 1997. These percentages have been revised, as previously the calculation was based on *Total Taxable Value* rather than *Net Taxable Value*, which is net of exemptions.

1997

<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total County Net Taxable Assessed Value⁽²⁾</u>
\$ -		-
82,744,819	9	0.26%
383,260,355	4	1.20%
637,837,436	3	2.00%
-		-
-		-
157,739,959	6	0.49%
-		-
-		-
-		-
1,007,177,690	1	3.16%
646,247,349	2	2.03%
168,444,355	5	0.53%
85,025,000	7	0.27%
84,755,892	8	0.27%
<u>78,259,658</u>	10	<u>0.25%</u>
<u>\$ 3,331,492,513</u>		<u>10.46%</u>

Schedule 10

**Travis County, Texas
Property Tax Levies and Collections
Last Ten Fiscal Years
(unaudited)**

Fiscal Year Ended Sept. 30	Taxes Levied for the Fiscal Year (Original Levy)⁽¹⁾	Adjustments⁽¹⁾	Total Adjusted Levy	Collected within the Fiscal Year of the Levy	
				Amount	Percentage of Original Levy
1997	\$ 158,428,434	\$ (112,297)	\$ 158,316,137	\$ 156,665,604	98.89%
1998	168,628,160	(51,084)	168,577,076	166,453,197	98.71%
1999	196,767,722	43,353	196,811,075	194,479,666	98.84%
2000	210,357,309	(332,004)	210,025,305	208,075,049	98.92%
2001	232,005,313	(857,933)	231,147,380	229,049,768	98.73%
2002	257,364,467	(1,079,903)	256,284,564	253,590,379	98.53%
2003	288,103,626	(2,609,333)	285,494,293	283,948,239	98.56%
2004	293,956,556	144,961	294,101,517	290,349,643	98.77%
2005	294,373,746	362,234	294,735,980	291,230,051	98.93%
2006	320,641,731	-	320,641,731	317,429,565	99.00%

Source: Travis County Tax Office

Notes: The information in this schedule relates to the County's own property tax levies and does not include those it collects on behalf of other governments.

This schedule includes blended component units.

(1) The original levy is the levy at September 30th of each fiscal year. The adjustments column represents adjustments made to the levy in subsequent years.

Collections in Subsequent Years	Total Collections to Date		Outstanding Delinquent Taxes		
	Amount	Percentage of Adjusted Levy	Amount	Percentage of Adjusted Levy	Total Amount (all levies)
\$ 1,381,727	\$ 158,047,331	99.83%	\$ 268,806	0.17%	\$ 8,050,862
1,764,270	168,217,467	99.79%	359,609	0.21%	8,681,639
1,938,196	196,417,862	99.80%	393,213	0.20%	9,174,953
1,534,078	209,609,127	99.80%	416,178	0.20%	9,453,306
1,579,105	230,628,873	99.78%	518,507	0.22%	10,259,363
1,871,163	255,461,542	99.68%	823,022	0.32%	11,885,526
627,514	284,575,753	99.68%	918,540	0.32%	13,166,365
1,758,423	292,108,066	99.32%	1,993,451	0.68%	12,703,662
1,426,115	292,656,166	99.29%	2,079,814	0.71%	12,491,032
-	317,429,565	99.00%	3,212,166	1.00%	14,298,385

Schedule 11

**Travis County, Texas
Tax Rates and Tax Levies
Last Ten Fiscal Years
(Unaudited)**

Tax Rates Per \$100 Assessed Valuation

<u>Fiscal Period</u>	<u>Maintenance & Operation</u>	<u>Interest & Sinking Fund</u>	<u>Total County</u>
1996	0.3966	0.1220	0.5186
1997	0.3869	0.1081	0.4950
1998	0.3853	0.1085	0.4938
1999	0.3865	0.1278	0.5143
2000	0.3861	0.1127	0.4988
2001	0.3760	0.0910	0.4670
2002	0.3546	0.0914	0.4460
2003	0.3627	0.1033	0.4660
2004	0.3926	0.0992	0.4918
2005	0.3850	0.1022	0.4872
2006	0.3994	0.0999	0.4993

Tax Levies

<u>Fiscal Period</u>	<u>Maintenance & Operation</u>	<u>Interest & Sinking Fund</u>	<u>Total County</u>
1997	123,379,738	34,472,343	157,852,081
1998	131,155,652	36,933,268	168,088,920
1999	147,415,965	48,744,529	196,160,494
2000	162,310,405	47,377,318	209,687,723
2001	186,321,493	45,093,765	231,415,258
2002	204,101,911	52,608,332	256,710,243
2003	223,751,693	63,726,358	287,478,051
2004	234,175,136	59,170,080	293,345,216
2005	232,132,291	61,620,572	293,752,863
2006	255,990,372	64,029,640	320,020,012

Constitutional Funds

General

Limitation

\$0.80

Statutory Funds

Special Road & Bridge

0.15

Farm to Market Road

0.30

Taxes due by - January 31

Taxes delinquent - February 1

Penalty 12%, Interest 12% per annum

Percentage of assessment - 100% of market value

Note: This schedule excludes blended component units.

TRAVIS COUNTY, TEXAS

DEBT CAPACITY



Schedule 12

Travis County, Texas
Ratio of Outstanding Debt by Type
Last Ten Fiscal Years
(unaudited)

Fiscal Year	General Obligation Bonds	Certificates of Obligation	Capital Leases	Total
1997	\$ 181,049,836	\$ 63,100,000	\$ 2,008,196	\$ 246,158,032
1998 ⁽¹⁾	218,989,146	124,790,000	1,627,684	345,406,830
1999	263,094,120	94,775,000	1,559,199	359,428,319
2000	259,717,873	93,645,000	1,485,413	354,848,286
2001	249,567,494	105,620,000	1,405,918	356,593,412
2002 ⁽²⁾	359,424,037	107,720,000	1,320,271	468,464,308
2003	373,426,970	111,305,000	1,227,996	485,959,966
2004	359,348,518	98,420,000	1,192,392	458,960,910
2005	361,486,881	68,830,000	1,070,327	431,387,208
2006	393,780,004	76,470,000	941,385	471,191,389

Notes: Details regarding the County's outstanding debt can be found in the Notes to the Financial Statements. This schedule includes blended component units.

Sources: (a) Bureau of Economic Analysis, Department of Commerce
(b) Travis Central Appraisal District
(c) U.S. Census for 2000. Population figures for years 1997-1999 were extrapolated using annual growth percentages estimated by the City of Austin, City Demographer. Population for years following 2000 was calculated by the City Demographer.

(1) The county issued \$75.8 million in Certificates of Obligation in fiscal year 1998 to be used primarily for the new Criminal Justice Center and the acquisition of an integrated computer system for the justice operations of Travis County.

(2) In fiscal year 2002, the County issued \$138.5 million in General Obligation Bonds, of which \$105.6 million was sent to the State of Texas for joint roads projects.

Personal Income^(a) (in thousands)	Percentage of Personal Income	Net Taxable Assessed Property Value^(b)	Percentage of Net Taxable Assessed Property Value	Population^(c)	Per Capita
\$ 19,837,941	1.24%	\$ 31,892,997,733	0.77%	727,413	\$ 338.40
23,455,219	1.47%	34,052,099,323	1.01%	757,484	455.99
26,370,844	1.36%	38,143,109,265	0.94%	787,362	456.50
28,865,319	1.23%	42,014,344,927	0.84%	812,280	436.85
29,664,312	1.20%	49,542,204,436	0.72%	830,150	429.55
29,213,743	1.60%	57,571,968,023	0.81%	844,263	554.88
29,766,008	1.63%	61,712,477,462	0.79%	856,927	567.10
31,482,920	1.46%	59,658,702,458	0.77%	874,065	525.09
Not available	Not available	60,278,747,116	0.72%	893,295	482.92
Not available	Not available	64,074,817,858	0.74%	920,544	511.86

Schedule 13

Travis County, Texas
Ratio of Net General Bonded Debt Outstanding
Last Ten Fiscal Years
(unaudited)

Net General Bonded Debt Outstanding					
Fiscal Year	General Obligation Bonds	Certificates of Obligation	Total	Less: Amounts Restricted for Repaying Principal	Net General Bonded Debt
1997	\$ 181,049,836	\$ 63,100,000	\$ 244,149,836	\$ (7,439,385)	\$ 236,710,451
1998 ⁽¹⁾	218,989,146	124,790,000	343,779,146	(7,337,672)	336,441,474
1999	263,094,120	94,775,000	357,869,120	(11,490,585)	346,378,535
2000	259,717,873	93,645,000	353,362,873	(13,016,217)	340,346,656
2001	249,567,494	105,620,000	355,187,494	(10,576,761)	344,610,733
2002 ⁽²⁾	359,424,037	107,720,000	467,144,037	(11,355,913)	455,788,124
2003	373,426,970	111,305,000	484,731,970	(11,700,278)	473,031,692
2004	359,348,518	98,420,000	457,768,518	(7,157,714)	450,610,804
2005	361,486,881	68,830,000	430,316,881	(7,197,456)	423,119,425
2006	393,780,004	76,470,000	470,250,004	(8,795,401)	461,454,603

Notes: Details regarding the County's outstanding debt can be found in the Notes to the Financial Statements.
This schedule includes blended component units.

Sources: (a) Bureau of Economic Analysis, Department of Commerce
(b) Travis Central Appraisal District
(c) U.S. Census for 2000. Population figures for years 1997-1999 were extrapolated using annual growth percentages estimated by the City of Austin, City Demographer. Population for years following 2000 was calculated by the City Demographer.

- (1) The County issued \$75.8 million in Certificates of Obligation in fiscal year 1998 to be used primarily for the new Criminal Justice Center and the acquisition of an integrated computer system for the justice operations of Travis County.
- (2) In fiscal year 2002, the County issued \$138.5 million in General Obligation Bonds, of which \$105.6 million was sent to the State of Texas for joint roads projects.

Personal Income^(a) (in thousands)	Percentage of Personal Income	Net Taxable Assessed Property Value^(b)	Percentage of Net Taxable Assessed Property Value	Population^(c)	Per Capita
\$ 19,837,941	1.19%	\$ 31,892,997,733	0.74%	727,413	\$ 325.41
23,455,219	1.43%	34,052,099,323	0.99%	757,484	444.16
26,370,844	1.31%	38,143,109,265	0.91%	787,362	439.92
28,865,319	1.18%	42,014,344,927	0.81%	812,280	419.00
29,664,312	1.16%	49,542,204,436	0.70%	830,150	415.12
29,213,743	1.56%	57,571,968,023	0.79%	844,263	539.87
29,766,008	1.59%	61,712,477,462	0.77%	856,927	552.01
31,482,920	1.43%	59,658,702,458	0.76%	874,065	515.53
Not available	Not available	60,278,747,116	0.70%	893,295	473.66
Not available	Not available	64,074,817,858	0.72%	920,544	501.28

Schedule 14

Travis County, Texas
Schedule of Direct and Estimated Overlapping Debt
September 30, 2006
(Unaudited)

	<u>Estimated Direct Gross Debt</u>	<u>Percentage Applicable to Travis County</u>	<u>Amount Applicable to Travis County</u>
Governmental Subdivision:			
Travis County	\$ 466,020,004	100.00 %	\$ 466,020,004
N.W. Travis County RD No. 3	4,230,000	100.00	4,230,000
Total Travis County Including Component Units	<u>470,250,004</u>		<u>470,250,004</u>
Special Districts:			
Bella Vista MUD	6,665,000	100.00	6,665,000
Cottonwood Creek MUD	2,500,000	100.00	2,500,000
Hurst Creek MUD	9,465,000	100.00	9,465,000
Lakeside WC & ID No. 1	6,490,000	100.00	6,490,000
Lakeside WC & ID No. 2-B	5,045,000	100.00	5,045,000
Lakeway MUD	18,688,100	100.00	18,688,100
Moore's Crossing MUD	5,565,000	100.00	5,565,000
Northeast Travis Co. Utility District	8,915,000	100.00	8,915,000
Northtown MUD	14,081,030	100.00	14,081,030
N.W. Austin MUD No. 1	14,083,289	100.00	14,083,289
River Place MUD	10,480,000	100.00	10,480,000
Senna Hills MUD	7,360,000	100.00	7,360,000
Travis Co. Emergency Svcs. Dist. No. 1	101,000	100.00	101,000
Travis Co. Emergency Svcs. Dist. No. 2	3,039,999	100.00	3,039,999
Travis Co. Emergency Svcs. Dist. No. 3	4,565,000	100.00	4,565,000
Travis Co. Emergency Svcs. Dist. No. 6	3,150,000	100.00	3,150,000
Travis Co. Emergency Svcs. Dist. No. 7	2,310,000	100.00	2,310,000
Travis Co. Emergency Svcs. Dist. No. 9	1,700,000	100.00	1,700,000
Travis County MUD No. 2	6,760,000	100.00	6,760,000
Travis County MUD No. 3	7,850,000	100.00	7,850,000
Travis County MUD No. 4	1,835,000	100.00	1,835,000
Travis County MUD No. 5	2,225,000	100.00	2,225,000
Travis County MUD No. 6	1,620,000	100.00	1,620,000
Travis County MUD No. 8	965,000	100.00	965,000
Travis County MUD No. 10	1,850,000	100.00	1,850,000
Travis County MUD No. 14	1,960,000	100.00	1,960,000
Travis County MUD No. 15	1,510,000	100.00	1,510,000
Travis County WC&ID No. 10	1,270,000	100.00	1,270,000
Travis County WC&ID No. 17 - Commanche Trail Defined Area	435,000	100.00	435,000
Travis County WC&ID No. 17 - Steiner Ranch Defined Area	62,294,993	100.00	62,294,993
Travis County WC&ID No. 17 - Flintrock Ranch Defined Area	3,410,000	100.00	3,410,000
Travis County WC&ID No. 18	4,115,000	100.00	4,115,000
Travis County WC&ID No. 20	4,970,276	100.00	4,970,276
Travis County WC&ID - Point Venture	2,155,000	100.00	2,155,000
Wells Branch MUD	2,840,000	100.00	2,840,000
W. Travis County MUD No. 3	1,750,000	100.00	1,750,000
W. Travis County MUD No. 5	2,420,000	100.00	2,420,000
W. Travis County MUD No. 6	3,750,000	100.00	3,750,000
Subtotal Special Districts	<u>240,188,687</u>		<u>240,188,687</u>

	<u>Estimated Direct Gross Debt</u>	<u>Percentage Applicable to Travis County</u>	<u>Amount Applicable to Travis County</u>
County Line Special Districts:			
North Austin MUD No. 1	6,741,894	16.03	1,080,726
Ranch at Cypress Creek MUD No. 1	10,145,000	47.67	4,836,122
Williamson Co. WSI&DD	3,875,000	89.18	3,455,725
Williamson-Travis WC&ID No. 1-G	18,305,000	96.37	17,640,529
Williamson-Travis County MUD No. 1	14,399,981	28.45	4,096,795
Williamson-Travis WC&ID No. 1-D	<u>12,930,000</u>	91.34	<u>11,810,262</u>
Subtotal County Line Special Districts	<u>66,396,875</u>		<u>42,920,159</u>
Cities:			
Bee Cave	300,000	100.00	300,000
Briarcliff, Village of	2,355,000	100.00	2,355,000
Jonestown	1,225,000	100.00	1,225,000
Lago Vista	21,780,000	100.00	21,780,000
Lakeway	8,115,000	100.00	8,115,000
Manor	4,510,000	100.00	4,510,000
Pflugerville	15,042,290	100.00	15,042,290
Sunset Valley	635,000	100.00	635,000
Austin	859,100,392	98.32	844,667,505
Cedar Park	64,205,151	5.45	3,499,181
Round Rock	<u>97,988,000</u>	2.58	<u>2,528,090</u>
Subtotal Cities	<u>1,075,255,833</u>		<u>904,657,066</u>
School Districts:			
Austin ISD	521,726,539	100.00	521,726,539
Del Valle ISD	101,595,000	100.00	101,595,000
Eanes ISD	147,715,000	100.00	147,715,000
Lago Vista ISD	16,115,279	100.00	16,115,279
Lake Travis ISD	153,558,257	100.00	153,558,257
Manor ISD	75,599,990	100.00	75,599,990
Pflugerville ISD	<u>255,759,973</u>	100.00	<u>255,759,973</u>
Subtotal School Districts	<u>1,272,070,038</u>		<u>1,272,070,038</u>
County Line School and Community College Districts:			
Austin Community College	97,910,000	94.88	92,897,008
Dripping Springs ISD	61,183,264	1.12	685,253
Elgin ISD	40,582,710	9.50	3,855,357
Hays Cons ISD	204,712,308	0.44	900,734
Johnson City ISD	9,840,371	0.34	33,457
Leander ISD	617,308,269	55.33	341,556,665
Marble Falls ISD	22,134,913	10.31	2,282,110
Round Rock ISD	<u>322,810,072</u>	42.96	<u>138,679,207</u>
Subtotal County Line School and Community College Districts	<u>1,376,481,907</u>		<u>580,889,791</u>
Total (Estimated \$ 3,814.02 Per Capita)	<u>\$ 4,500,643,344</u>		<u>\$ 3,510,975,745</u>

Source: Texas Municipal Advisory Council and the Individual Jurisdictions

Schedule 15

**Travis County, Texas
Legal Debt Margin Information
Bonds Issued Under Article 3, Section 52
of the Texas Constitution
Last Ten Fiscal Years
(unaudited)**

	<u>Fiscal Year Ended September 30</u>			
	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>
Assessed value of <i>real</i> property	\$ 32,151,006,110	\$ 34,206,092,223	\$ 38,796,305,011	\$ 42,951,265,742
Debt limit rate	x 25 %	x 25 %	x 25 %	x 25 %
Amount of debt limit	8,037,751,528	8,551,523,056	9,699,076,253	10,737,816,436
Unlimited Tax Bonds	49,243,710	60,342,528	69,131,426	73,953,697
Legal debt margin	<u>\$ 7,988,507,818</u>	<u>\$ 8,491,180,528</u>	<u>\$ 9,629,944,827</u>	<u>\$ 10,663,862,739</u>
Total debt applicable to the limit as a percentage of debt limit	0.61%	0.71%	0.71%	0.69%

Article 3, Section 52 of the Texas Constitution allows counties to issue bonds upon a vote of two-thirds majority of the voting qualified voters affected by the issuance so long as the amount does not exceed one-fourth of the assessed valuation of the real property, and levy and collect taxes to pay the interest and provide a sinking fund for the redemption.

Section 52 bonds may be issued for 1) improvement of rivers, creeks, and streams to prevent overflows, to permit navigation and irrigation and in aid of such purposes, 2) construction and maintenance of pools, lakes, reservoirs, dams, canals, and waterways for the purposes of irrigation, drainage, or navigation or in aid of such purposes, and 3) construction, maintenance, and operation of macadamized, graveled, or paved roads and turnpikes, or in aid of such purposes. For those bonds levied for roads and turnpikes, the County may levy and collect taxes to pay the interest on the bonds as it becomes due and to provide a sinking fund for redemption of the bonds.

Notes: Excludes applicable exemptions.
This schedule includes blended component units.

Fiscal Year Ended September 30

2001	2002	2003	2004	2005	2006
\$ 52,592,954,516	\$ 62,248,832,537	\$ 66,863,306,587	\$ 63,566,576,847	\$ 69,852,496,817	\$ 74,296,405,220
x 25 %					
13,148,238,629	15,562,208,134	16,715,826,647	15,891,644,212	17,463,124,204	18,574,101,305
74,542,941	178,098,099	198,093,479	197,033,445	186,960,893	193,822,299
<u>\$ 13,073,695,688</u>	<u>\$ 15,384,110,035</u>	<u>\$ 16,517,733,168</u>	<u>\$ 15,694,610,767</u>	<u>\$ 17,276,163,311</u>	<u>\$ 18,380,279,006</u>
0.57%	1.14%	1.19%	1.24%	1.07%	1.04%

Schedule 16

**Travis County, Texas
Legal Debt Margin Information
Bonds and Certificates of Obligation Issued Under Texas General Laws
Last Ten Fiscal Years
(unaudited)**

	Fiscal Year Ended September 30			
	1997	1998	1999	2000
Assessed value of <i>all taxable</i> property	\$ 38,021,891,461	\$ 40,517,607,482	\$ 45,457,463,367	\$ 49,839,423,860
Debt limit rate	x 5 %	x 5 %	x 5 %	x 5 %
Amount of debt limit	1,901,094,573	2,025,880,374	2,272,873,168	2,491,971,193
Amount of debt applicable to debt limit:				
Gross bonded debt ⁽¹⁾	244,149,836	343,779,146	357,869,120	353,362,873
Less: Amounts set aside to repay general debt	7,439,385	7,337,672	11,490,585	13,016,217
Total amount of net debt applicable to debt limit	236,710,451	336,441,474	346,378,535	340,346,656
Legal debt margin	<u>\$ 1,664,384,122</u>	<u>\$ 1,689,438,900</u>	<u>\$ 1,926,494,633</u>	<u>\$ 2,151,624,537</u>
Total net debt applicable to the limit as a percentage of debt limit	12.45%	16.61%	15.24%	13.66%

Bonds issued under the Texas General Laws have, in addition to the debt limit of 5 percent of assessed value of all taxable property, a constitutional limit on the tax rate which may be levied to service general law bonds and provide funds for the general operations of the County. This limit for Travis County is \$.80 annually on the \$100 assessed valuation plus a levy of \$.15 annually for the maintenance of public roads.

Article VIII, Section 9 of the Texas Constitution, as amended, specified that the Commissioners' Court "shall levy whatever tax rate may be needed for the four (4) constitutional purposes; namely, general fund, permanent improvement fund, road and bridge fund and jury fund so long as the Court does not impair any outstanding bonds or other obligations and so long as the total of the foregoing tax levies does not exceed Eighty Cents (\$.80) on the One Hundred Dollars (\$100) valuation in any one (1) year."

Notes: Excludes applicable exemptions.
This schedule includes blended component units.

(1) Includes General Obligation Bonds and Certificates of Obligation

Fiscal Year Ended September 30

<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
\$ 60,273,506,065	\$ 71,625,489,733	\$ 75,142,738,899	\$ 71,388,112,436	\$ 77,884,808,976	\$ 82,557,628,306
x 5 %	x 5 %	x 5 %	x 5 %	x 5 %	x 5 %
<u>3,013,675,303</u>	<u>3,581,274,487</u>	<u>3,757,136,945</u>	<u>3,569,405,622</u>	<u>3,894,240,449</u>	<u>4,127,881,415</u>
355,187,494	467,144,037	484,731,970	457,768,518	430,316,881	470,250,004
<u>10,576,761</u>	<u>11,355,913</u>	<u>11,700,278</u>	<u>7,157,714</u>	<u>7,197,456</u>	<u>8,795,401</u>
<u>344,610,733</u>	<u>455,788,124</u>	<u>473,031,692</u>	<u>450,610,804</u>	<u>423,119,425</u>	<u>461,454,603</u>
<u>\$ 2,669,064,570</u>	<u>\$ 3,125,486,363</u>	<u>\$ 3,284,105,253</u>	<u>\$ 3,118,794,818</u>	<u>\$ 3,471,121,024</u>	<u>\$ 3,666,426,812</u>
11.43%	12.73%	12.59%	12.62%	10.87%	11.18%

Schedule 17

Travis County, Texas
Ratio of Annual Debt Service
For General Bonded Debt to Total General Expenditures
Last Ten Fiscal Periods
(unaudited)

Fiscal Period	Debt Principal	Interest ⁽¹⁾	Debt Service⁽²⁾	Expenditures All Funds	Percentage of Debt Service to Total Expenditures
1997	\$ 24,385,000	\$ 13,131,966	\$ 37,516,966	\$ 255,096,193	14.71 %
1998	26,585,000	11,231,534	37,816,534	312,246,742	12.11
1999	30,700,000	15,665,703	46,365,703	373,553,603	12.41
2000	32,795,000	13,493,687	46,288,687	375,813,195	12.32
2001	30,661,833	17,363,735	48,025,568	369,438,628	13.00
2002	33,653,381	19,730,801	53,384,182	513,083,649	10.40
2003	39,253,523	24,851,446	64,104,969	424,452,046	15.10
2004	38,236,450	26,041,761	64,278,211	447,923,607	14.35
2005	38,656,775	23,433,962	62,090,737	438,796,677	14.15
2006	41,117,340	22,914,855	64,032,195	498,315,910	12.85

Note: This schedule includes blended component units.

(1) The following additional interest was capitalized and included in cost of new construction in years prior to fiscal year 2002. For fiscal years after 2001, capitalization of construction period interest was eliminated by GASB Statement No. 37.

1997	355,021
1998	635,940
1999	1,812,059
2000	3,457,417
2001	2,123,010

(2) Excludes assets acquired through other debt or capital lease.

TRAVIS COUNTY, TEXAS
DEMOGRAPHIC AND ECONOMIC
INFORMATION



Schedule 18

Travis County, Texas
Demographic and Economic Statistics
Last Ten Fiscal Years
(unaudited)

<u>Year</u>	<u>Population^(a)</u>	<u>Personal Income^(b) (in thousands)</u>	<u>Per Capita Personal Income</u>	<u>Estimated Gross Retail Sales in Austin^{(c) (2)} (in billions)</u>
1997	727,413	\$ 19,837,941	\$ 27,272	\$ 9.01
1998	757,484	23,455,219	30,965	9.88
1999	787,362	26,370,844	33,493	10.62
2000	812,280	28,865,319	35,536	12.11
2001	830,150	29,664,312	35,734	12.64
2002	844,263	29,213,743	34,603	12.11
2003	856,927	29,766,008	34,736	12.04
2004	874,065	31,482,920	36,019	13.08
2005	893,295	Not available	Not available	13.49
2006	920,544	Not available	Not available	10.69 ⁽¹⁾

Note: This schedule includes blended component units.

Sources: (a) U.S. Census for 2000. Population figures for years 1997-1999 were extrapolated using annual growth percentages estimated by the City of Austin, City Demographer. Population for years following 2000 was calculated by the City Demographer.

(b) Bureau of Economic Analysis, Department of Commerce

(c) State Comptroller of Public Accounts

(d) Texas A&M University, Real Estate Research Center

(e) Travis County Transportation and Natural Resources Department

(f) Texas Workforce Commission

(1) Estimated retail sales through third quarter

(2) Revised from calendar year

Single Family Home Sales in the Austin Area^{(d) (2)}		Average Home Price in the Austin Area^{(d) (2)}		Site Development Permits Issued^(e)	Unemployment Rate^(f)
\$	12,052	\$	139,255	3,281	3.1%
	15,091		148,301	3,241	2.9%
	17,792		158,093	3,201	2.3%
	18,531		186,290	3,784	2.1%
	18,278		194,988	2,665	5.1%
	18,645		196,633	2,638	5.9%
	19,381		195,608	2,900	6.1%
	21,935		199,788	3,555	5.0%
	26,009		206,293	4,121	4.5%
	29,478		226,920	4,787	3.9%

Schedule 19

**Travis County, Texas
Principal Employers
Current Year and Nine Years Ago
(unaudited)**

<u>Employer^(a)</u>	<u>Product or Service</u>	<u>2006</u>		
		<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment^(b)</u>
State of Texas ⁽¹⁾	Government	45,651	1	8.98%
The University of Texas/Austin	Education, Research	20,249	2	3.98%
Dell, Inc.	Electronics	16,000	3	3.15%
City of Austin	Government	13,032	4	2.56%
Federal Government	Government	10,800	5	2.12%
Austin Independent School Dist.	Education	10,408	6	2.05%
Seton Family of Hospitals	Health Services	7,500	7	1.47%
Freescale Semiconductor	Electronics	6,600	8	1.30%
HEB Grocery Co.	Retail	6,200	9	1.22%
IBM Corporation	Electronics	6,200	10	1.22%
Motorola Inc	Electronics	-		-
Advanced Micro Devices	Electronics	-		-
St. David's Medical Center	Health Services	-		-
Southwestern Bell	Communications	-		-
Applied Materials	Electronics	-		-
3M Company	Electronics	-		-
		<u>142,640</u>		<u>28.05%</u>

Sources: (a) Austin American Statesman, "This is Austin"

(b) Based on total employment of 508,569, Texas Workforce Commission

(c) Based on total employment of 423,030, U.S. Department of Labor, Bureau of Labor Statistics

Note: Fiscal year 1997 includes private employers only, excluding governmental employers.

(1) MSA total, excluding the University of Texas

1997

<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment^(c)</u>
-		-
-		-
8,000	2	1.89%
-		-
-		-
-		-
4,600	4	1.09%
-		-
4,000	5	0.95%
7,000	3	1.65%
10,000	1	2.36%
4,000	6	0.95%
2,800	7	0.66%
2,300	8	0.54%
2,100	9	0.50%
<u>1,700</u>	10	<u>0.40%</u>
<u>46,500</u>		<u>10.99%</u>



TRAVIS COUNTY, TEXAS
OPERATING INFORMATION



Schedule 20

Travis County, Texas
Full-time Equivalent County Government Employees by Function
Last Ten Fiscal Years
(unaudited)

<u>Function/Program</u>	<u>Full-time Equivalent Employees as of September 30</u>			
	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>
Functions used prior to fiscal year 2003:				
General government	Data not available in this format	465	479	469
Justice system		563	586	589
Law enforcement		489	511	514
Corrections and rehabilitation		1,086	1,084	1,058
Juvenile services		319	344	332
Public health		40	37	33
Human services		119	127	128
Transportation and roads		243	266	262
Parks and recreation		36	35	44
Functions used in fiscal year 2003 and forward:				
General government	-	-	-	-
Justice system	-	-	-	-
Public safety	-	-	-	-
Corrections and rehabilitation	-	-	-	-
Health and human services	-	-	-	-
Infrastructure and environmental services	-	-	-	-
Community and economic development	-	-	-	-
Total	-	3,360	3,469	3,429

Source: County's payroll system

Notes: A Full-time employee is equivalent to approximately 2,080 hours per year.
This schedule excludes vacant positions.
The Uniform Chart of Accounts for Texas Counties was adopted in fiscal year 2003.
This schedule includes blended component units.

Full-time Equivalent Employees as of September 30

<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
480	509	-	-	-	-
615	657	-	-	-	-
532	473	-	-	-	-
1,116	1,324	-	-	-	-
343	401	-	-	-	-
29	29	-	-	-	-
132	136	-	-	-	-
254	261	-	-	-	-
53	56	-	-	-	-
-	-	530	514	527	534
-	-	1,094	1,117	1,142	1,192
-	-	497	521	533	556
-	-	1,335	1,276	1,279	1,336
-	-	172	176	173	176
-	-	260	268	269	268
-	-	59	73	79	84
<u>3,554</u>	<u>3,846</u>	<u>3,947</u>	<u>3,945</u>	<u>4,002</u>	<u>4,146</u>

Schedule 21

Travis County, Texas
Operating Indicators by Function/Program
Last Ten Fiscal Years
(unaudited)

Function/Program	Fiscal Year			
	1997	1998	1999	2000
General Government				
Registered voters	475,205	492,396	511,061	572,429
New motor vehicle registrations	599,560	592,060	590,100	664,120
Justice System				
Number of civil cases filed - District Clerk	16,667	Not available	17,436	18,355
Number of civil cases filed - County Clerk	4,843	4,915	4,945	6,559
Number of criminal cases filed - District Clerk	10,097	10,516	9,360	11,070
Number of criminal cases filed - County Clerk	19,866	23,081	27,663	26,663
Public Safety				
Jail bookings	49,135	55,556	59,097	57,222
Autopsies performed	452	537	495	590
Number of 911 calls		Not available		47,678
Corrections and Rehabilitation				
Average daily inmate population	2,171	2,354	2,420	2,515
Health and Human Services				
Number of Starflight patient transports	1,147	1,114	1,123	1,060
Infrastructure and Environmental Services				
Balcones Canyonlands acres managed	500	500	631	631
Community and Economic Development				
Number of park visitors in fee collecting parks	531,048	570,305	736,083	596,237

Source: Travis County Adopted Budget and various other Travis County and City of Austin Offices/Departments

Note: This schedule includes blended component units.

Fiscal Year

2001	2002	2003	2004	2005	2006
526,962	510,767	518,676	586,612	534,892	568,000
821,193	675,934	610,729	698,794	708,413	739,491
19,532	20,004	22,646	20,240	22,557	23,376
5,797	6,761	7,720	7,164	7,995	7,600
10,577	12,932	13,889	15,152	14,517	15,500
22,293	25,474	24,948	26,447	27,352	27,400
53,708	53,228	53,789	56,289	58,262	59,992
595	585	517	542	558	594
77,490	82,445	82,389	92,529	103,561	111,425
2,645	2,721	2,263	2,333	2,535	2,582
891	695	585	578	652	675
2,451	3,111	3,146	4,573	4,885	5,182
664,479	660,387	631,718	510,199	595,653	650,500

Schedule 22

Travis County, Texas
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years
(unaudited)

Function/Program	Fiscal Year			
	1997	1998	1999	2000
Justice System				
Courthouse	1	1	1	2
Juvenile detention center	1	1	1	1
Public Safety				
Law enforcement vehicles	Not available			
911 call center	0	0	0	0
Corrections and Rehabilitation				
Correctional facilities	2	2	2	2
Correctional facility capacities	2,563	2,563	2,563	2,563
Health and Human Services				
Ambulances	0	0	2	8
Starflight helicopters/Eurocopters	2	2	2	2
Infrastructure and Environmental Services				
Bridges	142	142	142	142
Community and Economic Development				
Number of developed County parks	Not Available			22
Developed park acreage	Not Available			1,666
Boat ramps	Not Available			9

Source: Capital Asset System in Auditor's Office
Transportation and Natural Resources Department

Note: This schedule includes blended component units.

Fiscal Year					
2001	2002	2003	2004	2005	2006
2	2	2	2	2	2
1	1	1	1	1	1
Not available					435
1	1	1	1	1	1
2	2	2	2	2	2
2,821	2,749	2,749	2,749	2,958	2,958
8	11	11	11	14	14
2	2	2	2	2	2
142	142	142	142	142	143
22	23	23	23	24	24
1,666	1,927	1,996	2,008	2,522	2,522
9	9	9	9	9	9

