

TRAVIS COUNTY, TEXAS



Milton Reimers Ranch Park and Pogue Springs Preserve

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

Cover photo by Travis County Parks & Natural Resources

**TRAVIS COUNTY,
TEXAS**

COMPREHENSIVE ANNUAL

FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED

SEPTEMBER 30, 2005

Prepared by the Travis County Auditor's Office

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**TRAVIS COUNTY, TEXAS
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 Fiscal Year Ended September 30, 2005**

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(unaudited)

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TRAVIS COUNTY, TEXAS INTRODUCTORY SECTION



Photo by Travis County Auditor's Office

Selma Hughes Park

**TRAVIS COUNTY
AUDITOR'S OFFICE**

**SUSAN A. SPATARO, CPA, CMA
COUNTY AUDITOR**



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February 13, 2006

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, 2005. 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 certified public accounting firm of Deloitte & Touche, LLP. 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. The independent auditor's report is included in the Financial Section of this report.

Reporting Standards

The accompanying financial statements have been prepared in conformity with generally accepted accounting principles (GAAP) 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 as presented accords 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 Information – 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, focus more on fund financial statement data, and are designed to reflect social and economic data, financial trends and the fiscal capacity of the County.

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 31.9 inches.

The 2005 population of Travis County is estimated to be 893,295, an increase of 19,230 people (2.2%) over the 2004 estimated population. The principal city in the County is Austin, the County Seat and State Capital. The estimated 2005 population for Austin, including Full and Limited Purpose Areas, is 700,407 or 78.4% 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 Hospital and Insurance Fund for County Employees, 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 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 Management 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 41 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 component units. 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 (NWTRCD No. 3) contains approximately 242 acres. The road district is ad valorem tax supported for repayment of debt. In fiscal year 2005, NWTRCD No. 3 issued Unlimited Tax Refunding Bonds, Series 2005 in the amount of \$4.8 million. Proceeds from the sale were used to provide monies to refund the road district's outstanding higher interest rate debt. Southwest Travis County

Road District No. 1 issued special assessment debt in 1994 to advance refund 1990 road bonds of which \$35,000 is remaining unredeemed or unmatured. The road districts act as an agent 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 Units

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. The Hospital 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 Hospital District's annual budget and tax rate each year. The Hospital District is legally separate from the County and operates under different statutory and constitutional authority; therefore, their financial statements are presented separately. 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. Appropriation transfers within departments may be authorized by the Planning and Budget Office and subsequently placed on the Commissioners' Court consent agenda. 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 2005 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.

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. It is also true that state government remains the largest employer. However, in 2005 these components of the County's economy do not stand alone.

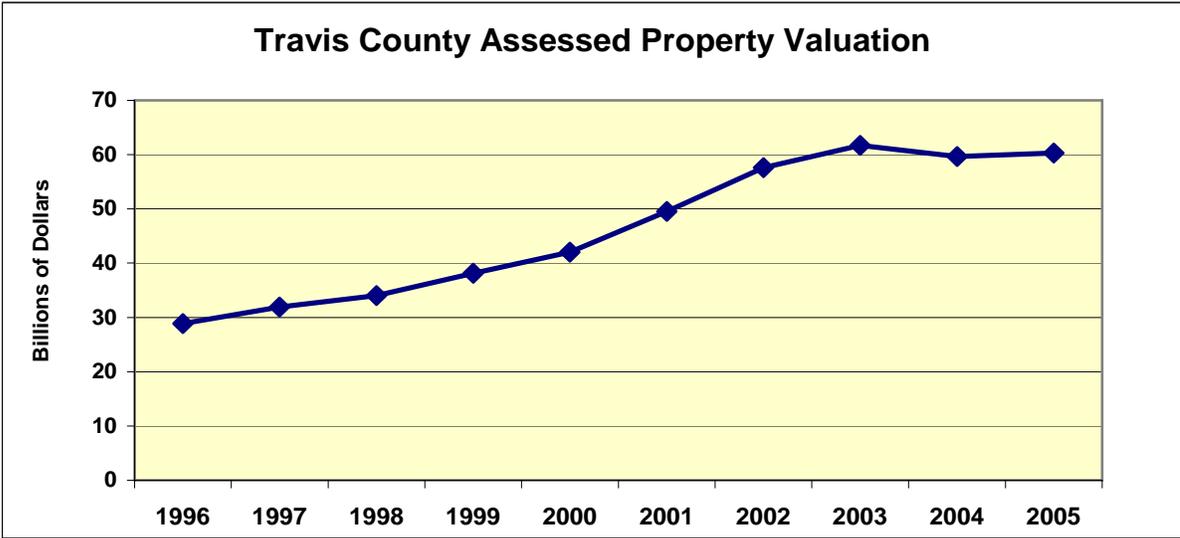
The high tech industry has once again become a very large part of the Travis County economic scene, and in 2005 Forrester Research Inc. listed Austin as the most wired city in the country. Dell, Samsung, IBM, Freescale, and Advanced Micro Devices all have a major presence in the Travis County area. Fortune Magazine listed two local firms, SigmaTel and WholeSecurity, in their list of "25 Breakout Companies" for 2005, and ten Austin companies made Deloitte & Touche's "Technology Fast 500" list.

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 on 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. People visiting downtown can find lodging in the 4,800 hotel rooms. It is estimated by *urbanspace* that over 147,000 people now live within a three mile radius of downtown; the median age of this group is 28.3 years and their average household income is \$51,349.

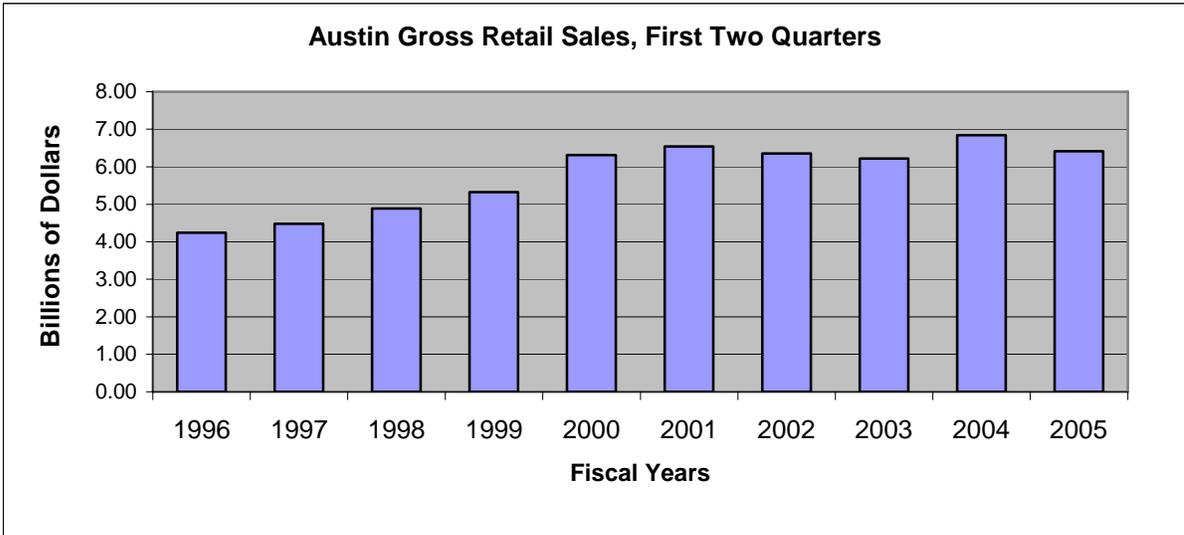
Fiscal year 2005 saw the economic recovery continuing. Employment in the County rose (3.4%) during the year, to a September total of 490,921; and the County's unemployment rate fell from 5.0% at the end of fiscal year 2004 to 4.5% one year later. A study by the American City Business Journals Inc. listed Austin as the hottest job market in the state and 17th best in the country. Sales tax receipts for the City of Austin for fiscal year 2005 totaled \$116.28 million, a 4.6% increase over fiscal year 2004.

The upturn in the economy is reflected in the fiscal year 2005 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 1.0% in fiscal year 2005.

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

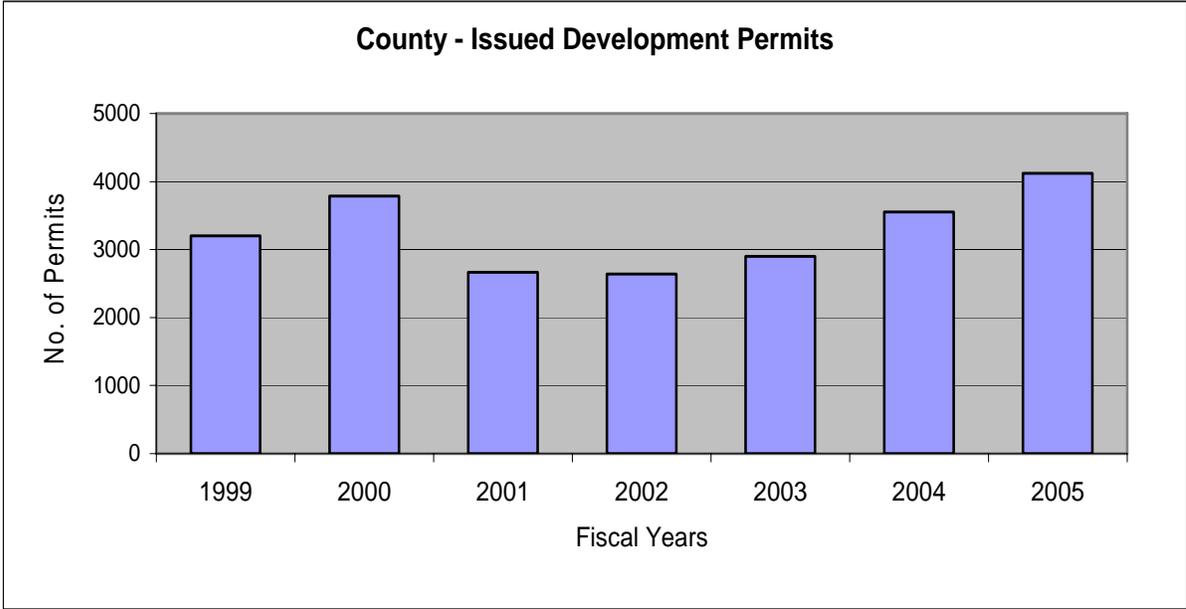


Gross retail sales have shown a rebound the past two years. For the first two quarters of fiscal year 2005, sales reached \$6.41 billion. Although this is a decrease (6.3%) compared to the same period in 2004, this remains an increase (3.1%) compared to the same six month period in 2003. The graph below shows the changes in gross retail sales for the past ten years:



Housing sales have remained strong. In fiscal year 2005, the number of units sold totaled 26,030; that constitutes an 18.7% increase over fiscal year 2004. County-issued site development permits in fiscal year 2005 for construction in the rural parts of Travis County increased 15.9% over the previous year.

The graph below shows the changes in County-issued site development permits over the past seven 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 \$0.4872, a decrease of \$0.0046 from fiscal year 2004, to provide funds for general operations and debt service for fiscal year 2005.

Significant budget initiatives in fiscal year 2005 included:

- Actions to implement the Travis County Hospital District approved by voters on May 15, 2004.
- Creation of reserves for the implementation of the Fully Automated Court Tracking System (FACTS) and for handling jail overcrowding issues.
- Additional funding for East Metropolitan Park.
- Staff in two Justice of the Peace (JP) Courts and two Constables' Offices to respond to increased workload and appropriated funds for relief judges for the JP Courts.
- Environmental protection programs in the County Attorney's Office and in the Transportation and Natural Resources Department.
- Additional resources to increase collections of delinquent property taxes.
- Increased staffing for the District Attorney's Family Violence Prosecution Team.

The Commissioners' Court authorized three issuances of new debt in fiscal year 2005:

Unlimited Tax Road Bonds	\$	1,150,000
(for local roads, drainage, bridges and pedestrian access)		
Permanent Improvement Bonds		3,940,000
(for parks projects)		
<u>Certificates of Obligation (budgeted):</u>	\$	12,400,000
EMS helicopters		8,000,000
Facility projects		2,990,931
Juvenile Court radios and communication infrastructure		600,000
Vehicles and heavy equipment		552,100
Token Ring to Ethernet infrastructure upgrade		182,000
Issuance costs		74,969

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 2006 budget kept these goals in focus, the Commissioners' Court established "Financial and Budgeting Guidelines" in February 2005. 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.

Revenues and available balances and budgeted expenditures for fiscal year 2006 are summarized as follows:

	General Fund	Debt Service Fund	Other Funds
Revenues and available balances	\$ 362,911,736	\$ 70,017,033	\$ 119,497,393
Budgeted Expenditures	<u>319,735,463</u>	<u>63,471,275</u>	<u>91,688,270</u>
Ending Fund Balance	<u>\$ 43,176,273</u>	<u>\$ 6,545,758</u>	<u>\$ 27,809,123</u>

Not included in these numbers is the beginning fund balance for the Capital Projects Funds category, except for the two funds that are used for cooperative projects. During the fiscal year 2006 budget process, an attempt was made to estimate and budget the ending fund balances and any new requirements for all Capital Projects funds. At the end of fiscal year 2005, actual fund balances were carried over into the new year, and the Planning and

Budget Office included a not-to-exceed number of \$70 million in its Recapitulation of the Fiscal Year 2006 Budget.

Included in these figures is \$10,030,830 in transfers among the funds, of which \$496,910 is a transfer to the General Fund from non-budgetary funds and \$4,855,940 is a transfer from the General Fund to the Balcones Canyonland Preservation Fund. Other funds' budgeted expenditures (including transfers out) consisted of \$22,252,762 in the Road and Bridge Fund and \$69,435,508 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: \$6,043,854 in the General Fund, \$46,254 in the Road and Bridge Fund, and \$26,533,665 in other funds.

For fiscal year 2006 the assessed taxable property value available at the time of budget approval was \$63,486,725,718 or 3.9% more than the value certified available for the fiscal year 2005 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.

	Debt Policy Guidelines	September 30, 2005	September 30, 2004
Debt service reserve percentage of total general purpose debt service requirements	10% or >	10.75%	10.60%
Net general purpose bonded debt to assessed valuation	1.0% - 1.5%	0.54%	0.62%
Net general purpose bonded debt per capita	\$500 or <	\$468.86	\$510.30
General purpose debt service expenditure to total general fund plus general purpose debt service expenditures (within ten years)	20% or <	18.10%	19.07%
Short-term debt service expenditures to total general purpose debt service expenditures	25% or <	19.08%	19.99%
Short-term debt service expenditures to total general fund expenditures	5% or <	4.22%	4.71%

Note: Excludes blended component units

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 not being able 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 2005 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, 2004. 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, 2004

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



Carla E. Perry

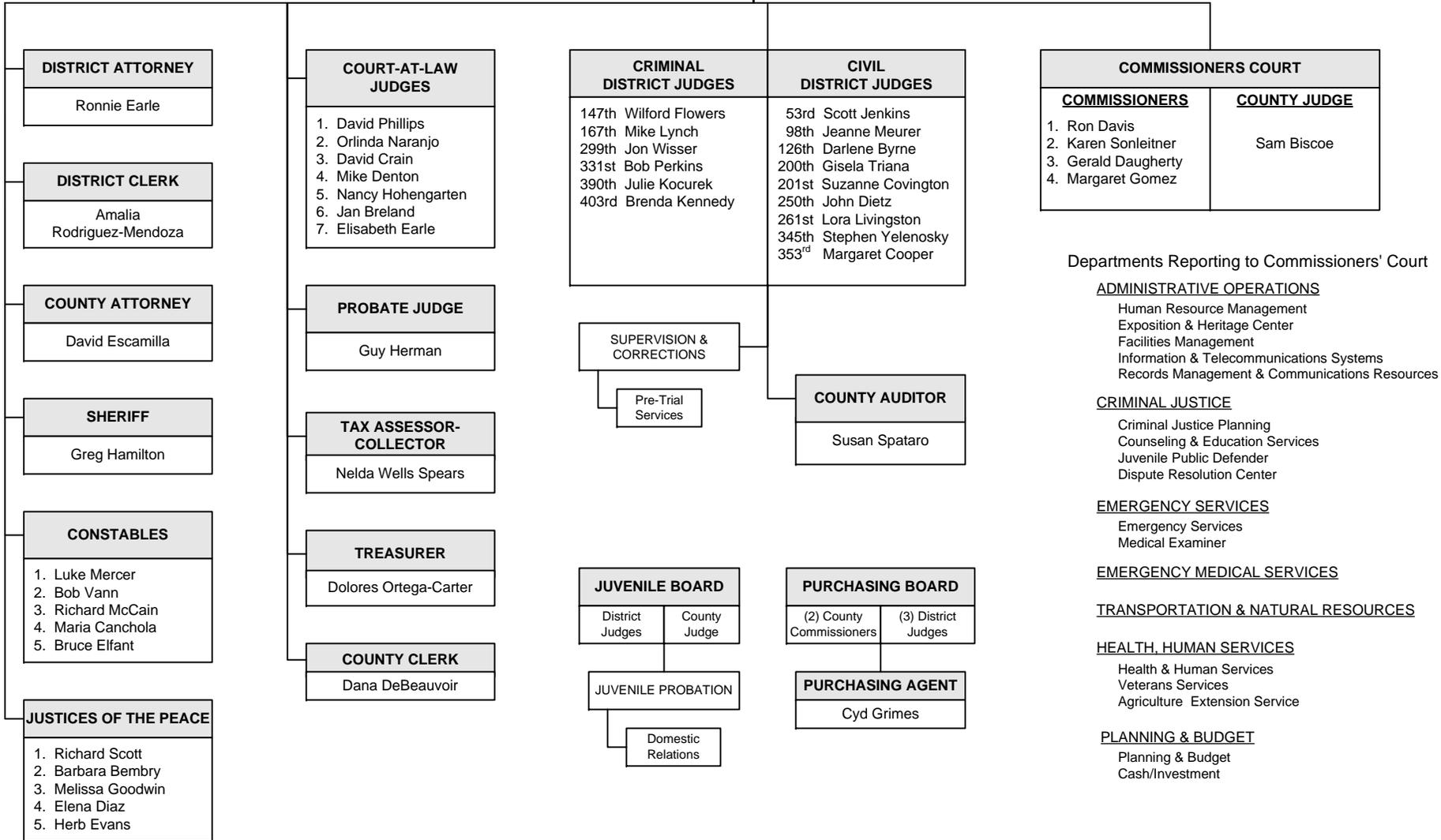
President

Jeffrey R. Emmer

Executive Director



TRAVIS COUNTY VOTERS



Intro - 16

Independently Elected/Appointed Officials with statutory duties

TRAVIS COUNTY, TEXAS
PRINCIPAL OFFICIALS
September 30, 2005

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, Collector of Taxes

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



Photo by Travis County Parks & Natural Resources

Northeast Metropolitan Park

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, the discretely presented component unit, each major fund and aggregate remaining fund information of Travis County, Texas (the "County"), as of and for the year ended September 30, 2005, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of 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 Hospital District, the discretely presented component unit of the County, for the year ended September 30, 2005. 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 Hospital 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, 2005; 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 13, 2006

TRAVIS COUNTY, TEXAS

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

The following is a narrative overview and analysis of the financial activities of Travis County (County) for the fiscal year ended September 30, 2005. 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 \$738.5 million (reported as net assets), an increase of \$34.3 million or 4.9 percent from the prior year. Of the total net assets amount, \$725.1 million is invested in capital assets net of related debt, a negative balance of \$15.1 million is unrestricted, and \$28.5 million is restricted for specific future uses. The deficit in unrestricted net assets is the result of prior 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.

Fund Financial Statements:

- As of the close of the fiscal year, the County's governmental funds reported combined ending fund balances of \$189.7 million, an increase of \$6.4 million or 3.5 percent from the previous year. Approximately 79.4 percent of ending fund balances is unreserved and may be used to meet ongoing obligations to citizens and creditors. This is an increase of 4.8 percent from the prior year.
- The fund balance of the General Fund, one of the components of the governmental funds, was \$69.0 million at September 30, 2005, a \$1.5 million increase over last year. The unreserved portion of fund balance was \$59.9 million or 86.8 percent of total fund balance and 20.5 percent of total General Fund expenditures and other financing uses for fiscal year 2005.
- At September 30, 2005, net assets of the County's Internal Service Fund were \$23.8 million, an increase of \$9.9 million or 71.0 percent from the prior year.

Long-term Debt:

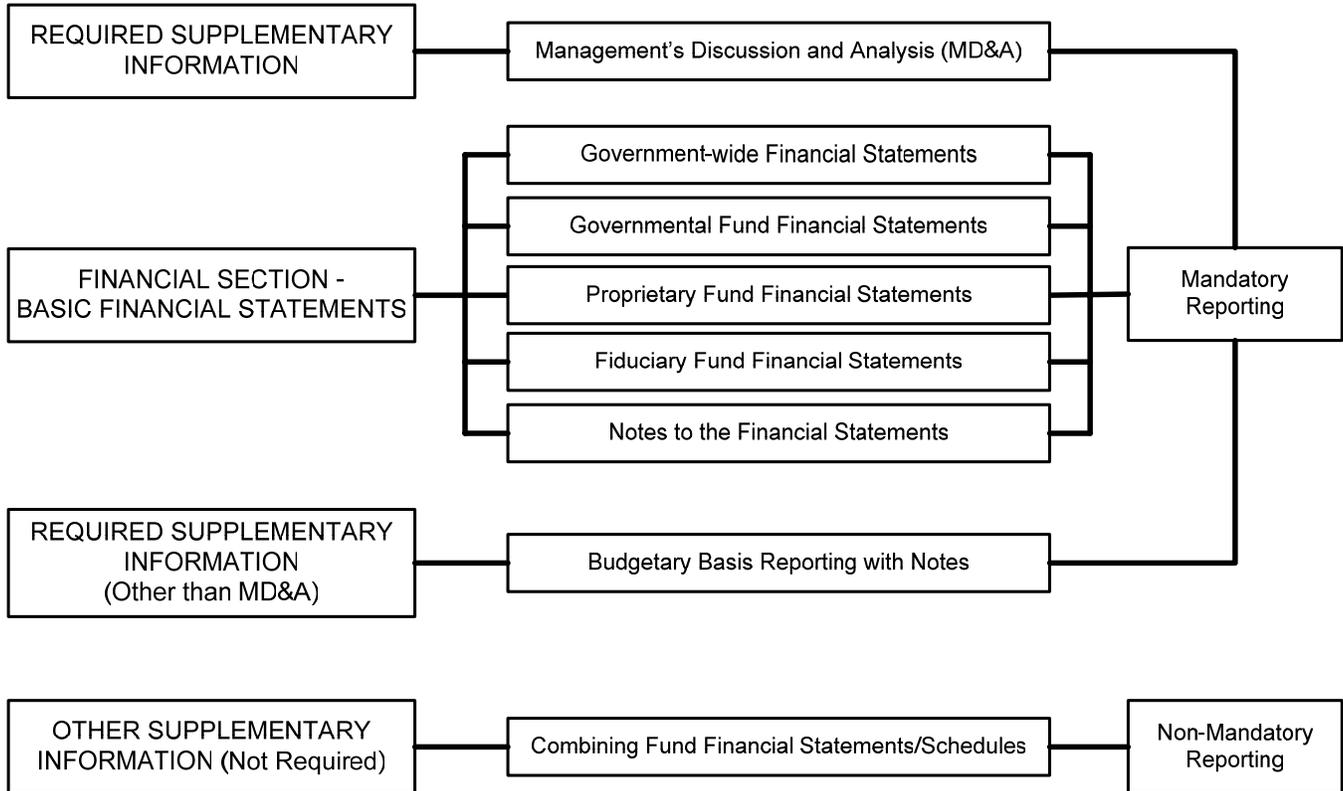
- The County's total bond and certificate debt decreased by \$25.3 million or 5.5 percent during the fiscal year reducing total debt outstanding to \$432.9 million, net of deferred amounts and premiums.

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-1) 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-2) 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; 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 Hospital 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 49 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-6. 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-2.

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-14.

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-17.

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-2 of this report.

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

The County is providing condensed financial information for fiscal year 2005 with comparative information for fiscal year 2004. The following schedule was derived from the Statement of Net Assets on page BFS-1 of this report and focuses on the net assets of the County.

Travis County, Texas
Net Assets
September 30, 2005
With Comparative Totals For September 30, 2004

	Governmental Activities	
	2005	2004
Current and other assets	\$ 288,350,601	\$ 270,497,787
Capital assets, net of depreciation	964,770,286	971,345,784
Total assets	<u>1,253,120,887</u>	<u>1,241,843,571</u>
Current liabilities	41,709,778	40,197,772
Non-current liabilities	472,895,519	497,397,824
Total liabilities	<u>514,605,297</u>	<u>537,595,596</u>
Net Assets:		
Invested in capital assets, net of related debt	725,154,875	698,238,526
Restricted	28,494,465	28,644,316
Unrestricted (deficit)	(15,133,750)	(22,634,867)
Total net assets	<u>\$ 738,515,590</u>	<u>\$ 704,247,975</u>

Travis County's assets exceeded liabilities by \$738.5 million at September 30, 2005. The largest portion of the County's net assets in the amount of \$725.1 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 \$28.5 million represent County resources that are subject to external restrictions, constitutional provisions, or enabling legislation regarding how they may be used. The deficit in unrestricted net assets is the result of several 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.

The individual components of net assets are analyzed below:

Travis County, Texas
Components of Net Assets
September 30, 2005
With Comparative Totals For September 30, 2004

	2005	2004
<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.	<u>\$ 725,154,875</u>	<u>\$ 698,238,526</u>
<i>Restricted Net Assets</i>		
Funds legally restricted in the Permanent School Fund	2,229,120	2,169,124
Fees and fines restricted by statute for roads and bridges	4,920,694	4,845,889
Funds legally restricted to finance specific activities	12,983,790	12,161,473
Funds of blended component units legally restricted for specific corporate activities	714,930	634,605
Funds legally restricted for capital projects	1,907,893	2,333,265
Funds restricted for grants	<u>5,738,038</u>	<u>6,499,960</u>
Total Restricted Net Assets	<u>28,494,465</u>	<u>28,644,316</u>
<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.	(105,322,849)	(110,007,156)
All other unrestricted non-capital assets exceed the total of the County's other liabilities by	<u>90,189,099</u>	<u>87,372,289</u>
Total Unrestricted Net Assets (deficit)	<u>(15,133,750)</u>	<u>(22,634,867)</u>
Total Net Assets	<u>\$ 738,515,590</u>	<u>\$ 704,247,975</u>

As shown in the schedule above, the County's total net assets increased from \$704.2 million to \$738.5 million or 4.9% over the course of this fiscal year's operations. This increase is primarily a result of the following two revenue sources:

- Asset donations in the amount of \$24.2 million – Assets such as roads, sidewalks, and rights-of-way are donated by local developers for ongoing maintenance and have no related expenses.

- Federal aid funding in the amount of \$4.1 million related to the Help America Vote Act (HAVA) grant – This grant is unusual in nature in that the expenditures related to this grant were in prior years.

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 \$548.8 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 \$964.7 million, certain long-term assets in the amount of \$13.2 million, net assets of \$23.8 million in the Internal Service Fund, change in current liabilities of \$0.1 million, and long-term liabilities of (\$453.0) 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-2 of this report and reflects how the County’s net assets changed during the fiscal year. For comparative purposes, certain fiscal year 2004 general revenues have been reclassified to conform to the current year’s presentation.

Travis County, Texas
Statement of Activities
For The Year Ended September 30, 2005
With Comparative Totals For The Year Ended September 30, 2004

	Governmental Activities	
	2005	2004
Revenues:		
Program revenues:		
Fees, fines and charges for services	\$ 83,267,968	\$ 78,429,006
Operating grants, contributions, shared revenues, and entitlements	22,224,795	24,161,047
Capital grants, contributions and donated assets	34,974,873	29,773,925
General revenues:		
Property taxes, ad valorem	297,540,102	296,050,880
Taxes, other	4,686,760	4,376,878
Grants and contributions not restricted to specific programs	1,537,938	2,130,837
Investment earnings	9,647,663	4,669,265
Miscellaneous	5,680,030	4,161,627
Total revenues	<u>459,560,129</u>	<u>443,753,465</u>
Expenses:		
General government *	80,842,627	77,881,031
Justice system	83,914,875	78,445,879
Public safety	41,136,886	38,719,649
Corrections and rehabilitation	87,272,090	80,464,846
Health and human services	34,812,146	39,343,976
Infrastructure and environmental services	68,946,441	77,209,480
Community and economic development	6,735,409	5,992,029
Interest on long-term debt	21,632,040	22,721,482
Total expenses	<u>425,292,514</u>	<u>420,778,372</u>
Change in net assets	34,267,615	22,975,093
Net assets--beginning of year	<u>704,247,975</u>	<u>681,272,882</u>
Net assets--end of year	<u>\$ 738,515,590</u>	<u>\$ 704,247,975</u>

* Includes Internal Service-Self Insurance Fund expense of \$30,097,606 and \$28,007,213 for FY05 and FY04, respectively.

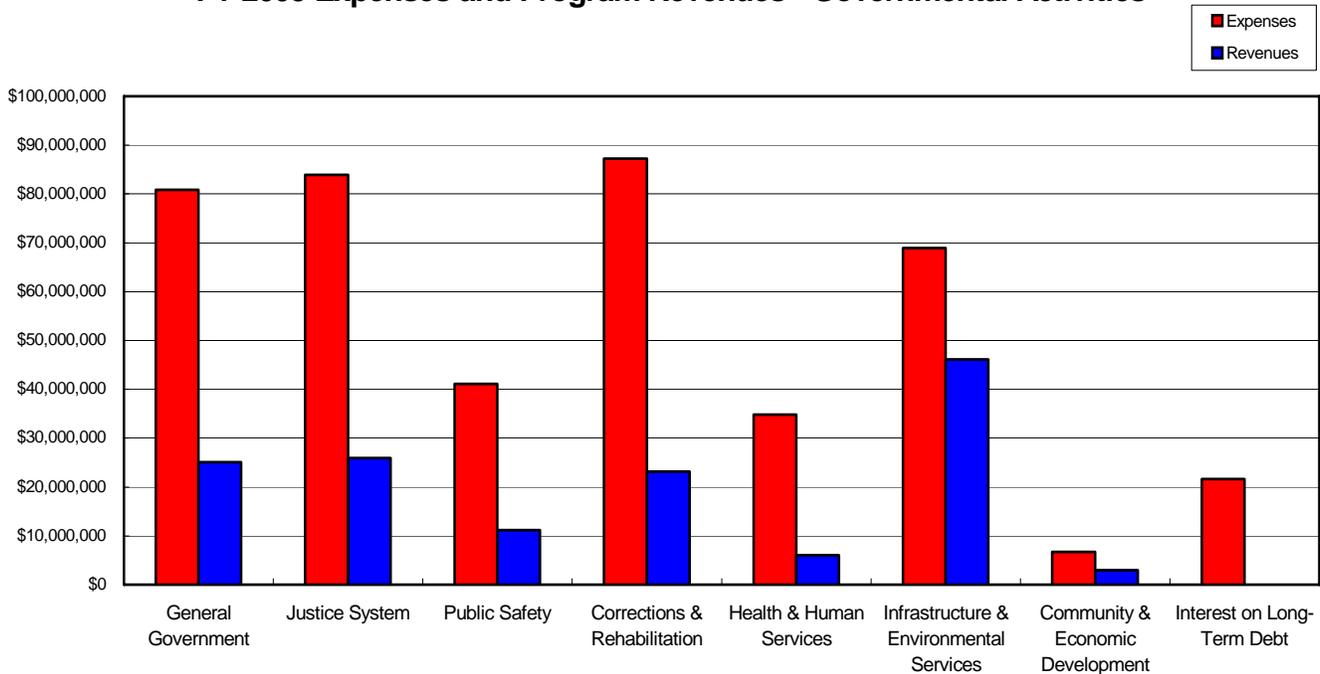
In fiscal year 2005, revenues increased by 15.8 million or 3.6 percent. Two key elements of this increase are as follows:

- Investment earnings increased \$5.0 million largely due to a growth in average interest rates in the County's pooled cash investment portfolio. In addition, the average amount invested was slightly higher than last year.
- Travis County received \$4.1 million in federal aid this year related to the Help America Vote Act (HAVA) grant.

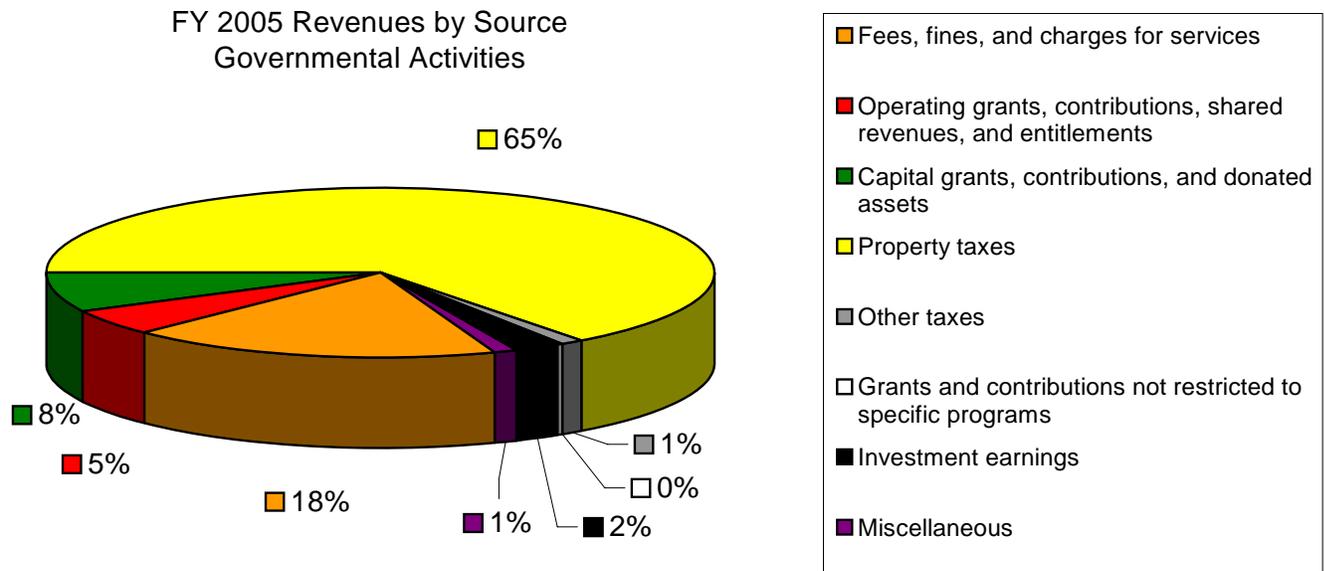
The difference between the governmental funds net change in fund balance in the Statement of Revenues, Expenditures and Changes in Fund Balances (fund financial statements) and the change in net assets in the Statement of Activities (government-wide) is \$27.8 million. This variance exists partly because 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 (\$29.6) million of depreciation in excess of capital outlay, revenues totaling \$23.8 million, items associated with long-term debt in the amount of \$25.4 million, various expenses in the amount of (\$1.7) million, and the change in net assets of the Internal Service Fund of \$9.9 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 2005 for governmental activities (government-wide):

FY 2005 Expenses and Program Revenues - Governmental Activities



The following chart depicts total revenues of governmental activities (government-wide) for fiscal year 2005:



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

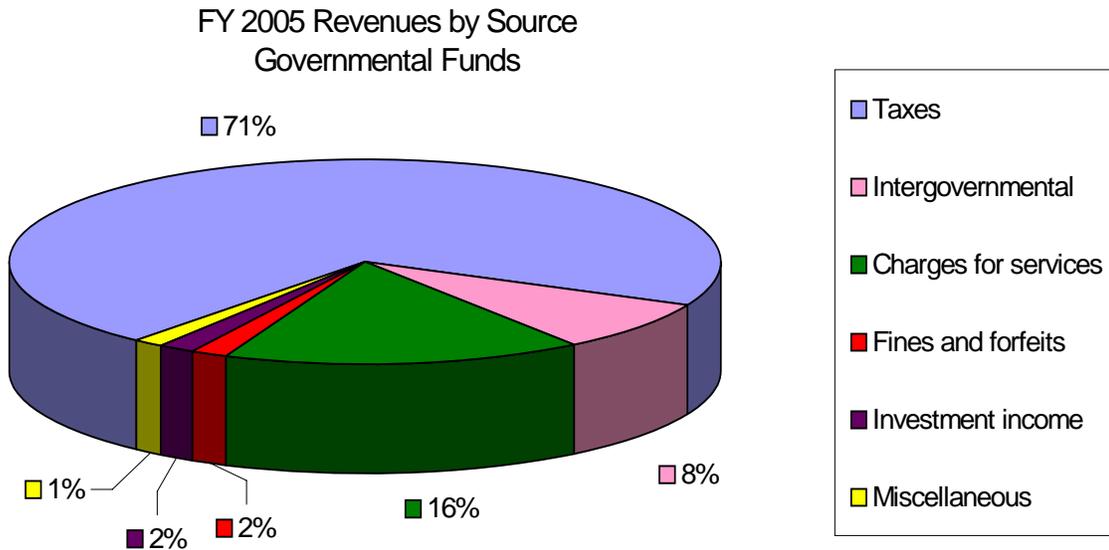
The focus of the County's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable resources*. Such information is useful in assessing the County's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's 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 \$189.7 million, an increase of \$6.4 million or 3.5 percent from the previous year. Of the total fund balance, \$150.6 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, \$5.1 million is designated for compensated absences, \$7.2 million is designated for debt service, and \$57.2 million is designated for capital projects, with the remaining \$81.1 million undesignated. The remaining \$39.1 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, 2005 and September 30, 2004.

Travis County, Texas
Revenues Classified by Source
Governmental Funds

Revenues by source:	FY 2005	FY 2004
Taxes	\$ 302,205,859	\$ 299,227,758
Intergovernmental	34,510,489	45,194,797
Charges for services	69,742,078	66,224,790
Fines and forfeits	6,829,689	6,321,816
Investment income	7,461,294	3,663,515
Miscellaneous	5,702,595	4,171,895
Total revenues	<u>\$ 426,452,004</u>	<u>\$ 424,804,571</u>

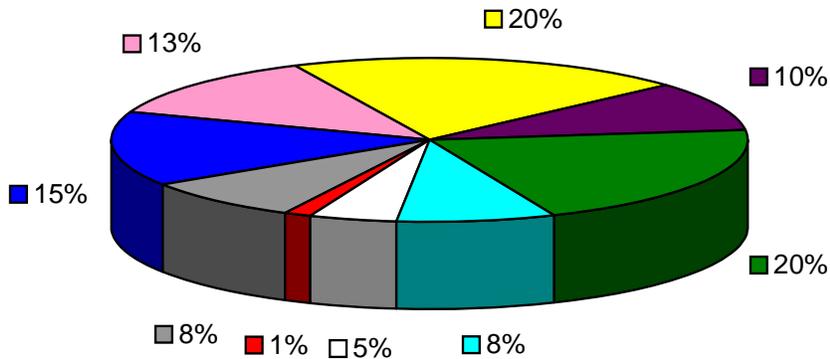


The schedule below summarizes and compares expenditures of the County's governmental funds by function for fiscal years ended September 30, 2005 and September 30, 2004.

Travis County, Texas
Expenditures by Function
Governmental Funds

Current:	FY 2005	FY 2004
General government	\$ 55,138,365	\$ 54,077,332
Justice system	89,034,598	82,691,555
Public safety	42,498,649	40,149,412
Corrections and rehabilitation	90,430,475	85,324,250
Health and human services	34,679,229	39,380,193
Infrastructure and environmental services	20,167,308	19,731,737
Community and economic development	5,738,841	5,007,552
Capital outlay	36,706,409	57,008,391
Debt service	64,402,803	64,553,185
Total expenditures	\$ 438,796,677	\$ 447,923,607

FY 2005 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 \$69.0 million, of which \$59.9 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 20.5 percent and 23.6 percent, respectively, of total General Fund expenditures and other financing uses combined.

The County's General Fund showed a slight increase in fund balance of \$1.5 million or 2.2 percent during the current fiscal year.

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, 2005, the Road and Bridge fund balance was \$10.2 million, a decrease of \$1.9 million or 15.6 percent from the previous fiscal year. This decrease is a result of a \$2.0 million transfer to the General Fund due to a current year policy change to transfer all non-traffic related fines into the General Fund from the Road and Bridge Fund.

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 \$5.7 million, a decrease of \$0.8 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. CSCD refunded \$0.8 million to the grantor this fiscal year.

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 \$6.8 million, an increase of \$0.1 million or 0.9 percent from the prior fiscal year.

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 \$77.2 million, an increase of \$3.3 million or 4.4 percent from the prior year. This increase was primarily the result of federal aid funding received in the amount of \$4.1 million related to the Help America Vote Act (HAVA) grant. Expenditures related to this grant were in prior years.

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 \$23.8 million, an increase of \$9.9 million or 71.0 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 Hospital and Insurance Fund-County Employees 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. Economic conditions at the beginning of fiscal year 2005 were improving. Home sales, County-issued development permits, and City of Austin sales tax receipts were all thriving. The assessed property values on which the budget was based had risen 1.5 percent over the previous year. However, commercial property values were still waning, thus shifting the tax burden to residential properties. 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 2005.

Travis County, Texas FY 2005 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	\$ 240,525	\$ 240,525	\$ 239,972
Intergovernmental	1,090	1,564	2,481
Charges for services	36,694	37,079	39,549
Other	5,711	5,837	9,344
Transfers in	3,344	3,344	2,348
Total	<u>287,364</u>	<u>288,349</u>	<u>293,694</u>
<u>Expenditures and Transfers Out</u>			
Expenditures	298,546	305,500	286,467
Transfers out	7,738	5,864	5,712
Total	<u>306,284</u>	<u>311,364</u>	<u>292,179</u>
Net change in fund balance	<u>\$ (18,920)</u>	<u>\$ (23,015)</u>	<u>\$ 1,515</u>

The General Fund *revised* budget as a whole did not change significantly from the *original* adopted budget for fiscal year 2005, with revenues and transfers in increasing only 0.3 percent and expenditures and transfers out increasing 1.7 percent.

While *actual* revenues and transfers in were only 1.9 percent over the *revised* budget, *actual* expenditures and transfers out were 6.2 percent or \$19.2 million under *revised* budget. Significant factors that influenced this variance consist of the following:

- Encumbered spending commitments set for disbursement in fiscal year 2006 were \$9.0 million at the end of this fiscal year. These encumbrances include spending commitments for three new ambulances for EMS, maintenance to County buildings including the Travis County Correctional Center, preservation costs for County parks, and computer software and equipment.
- Salary and benefit savings were \$4.7 million primarily due to vacant employee positions, most notably in the Justice System and General Government functions. In addition, funding from the State of Texas for visiting judge salaries was greater than anticipated.
- Operating expenditures were \$4.5 million under budget. One of the causes of this variance was a delay in maintenance projects for the Courthouse due to design issues. Additionally, court-appointed attorney fees, court reporting fees, and jury fees were all lower than anticipated as a result of a lower volume of civil and high-profile criminal cases.

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, 2005, capital assets of the County's governmental activities totaled \$964.8 million, net

of accumulated depreciation. The total decrease in the County's investment in net capital assets for the current period is 0.7 percent as shown in the table below.

Travis County, Texas
 Capital Assets
 (net of accumulated depreciation)
 September 30, 2005
 With Comparative Totals For September 30, 2004

	Governmental Activities		Increase/ (Decrease) Percent of Change
	2005	2004	
Land	\$ 82,973,944	\$ 77,520,412	7.0%
Land infrastructure	54,323,665	53,361,048	1.8%
Property, Plant and Equipment:			
Buildings	208,852,540	208,282,786	0.3%
Improvements other than buildings	31,130,980	31,533,759	-1.3%
Machinery and equipment	28,143,643	32,845,741	-14.3%
Assets under capital lease	1,649,654	1,705,928	-3.3%
Leasehold improvement	32,866	49,191	-33.2%
Infrastructure	509,098,363	534,968,192	-4.8%
Construction in progress	48,564,631	31,078,727	56.3%
Total capital assets, net	<u>\$ 964,770,286</u>	<u>\$ 971,345,784</u>	-0.7%

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

- ❑ Thirty thousand acres of land were acquired for the Balcones Canyonlands Conservation Plan totaling \$5.0 million. This land is set aside by the County for the permanent protection of endangered species habitats in accordance with the Endangered Species Act.
- ❑ Several new projects were added to Construction in Progress this year, such as \$5.9 million for the further development of East Metropolitan Park and \$13.9 million for a number of new road and bridge projects, including Anderson Mill Road and Grand Avenue Parkway.
- ❑ Completed projects transferred out of Construction in Progress this year totaled \$6.4 million, which included the Oak Hill and Pflugerville Community and Health Centers, the Oak Hill Precinct No. 3 Office Building, and the Pflugerville Hike and Bike Trail.
- ❑ A total of \$24.2 million in capital assets were donated to the County. This amount consists of \$22.4 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 \$66.3 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 discounts of \$432.9 million, a decrease of \$25.3 million or 5.5 percent from the previous year. The County's outstanding debt obligations are summarized below:

Travis County, Texas
Outstanding Debt
September 30, 2005
With Comparative Totals For September 30, 2004

<u>Governmental Activities</u>	<u>2005</u>	<u>2004</u>	<u>Increase/ (Decrease)</u>
General obligation bonds (voter approved)	\$ 361,486,881	\$ 359,348,518	\$ 2,138,363
Certificates of obligation (Commissioners' Court approved)	68,830,000	98,420,000	(29,590,000)
Premium, net of deferred amounts	<u>2,613,054</u>	<u>414,786</u>	<u>2,198,268</u>
Total	<u>\$ 432,929,935</u>	<u>\$ 458,183,304</u>	<u>\$ (25,253,369)</u>

Includes component units

During fiscal year 2005, the County, including component units, issued general obligation bonds totaling \$127.7 million, which included limited and unlimited tax refunding bonds in the amount of \$122.6 million used to pay off amounts outstanding on previously issued bonds that carried higher interest costs. The remaining \$5.1 million will largely be utilized for road and bridge construction and park improvements. Certificates of Obligation were also issued for \$12.4 million for the purchase of a new EMS Starflight helicopter, renovation of the County administrative office building, and execution of other authorized capital projects of the County. During the year, retirement of debt amounted to \$169.9 million, which included \$126.2 million in refunded debt.

During fiscal year 2005, 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 \$3.9 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

Economic conditions in Travis County strengthened during fiscal year 2005 based on the following indicators:

- Office vacancies in the central Texas area were at their lowest level in four years.
- Residential home sales were 18.7% higher than the previous year.
- County-issued development permits were 15.9% higher than in fiscal year 2004.
- Employment in Travis County increased 3.4 percent from fiscal year 2004.
- The County's unemployment rate fell a half of a percent to 4.5% this year.
- City of Austin total sales tax receipts in fiscal year 2005 were 4.6% higher than last year.
- Passenger traffic at Austin-Bergstrom International Airport in fiscal year 2005 was the highest, both in total and per capita, since 2001.
- Assessed property values rose 1.0 percent in fiscal year 2005.

Assessed property values used in the budget process for fiscal year 2006 were 3.9% higher than in fiscal year 2005. 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 80.3 percent of new revenue for the General Fund and 98.2% of new revenue for the Debt Service Fund in the fiscal year 2006 budget. The reserve ratio for tax-supported funds remained at 11.0 percent in both the 2005 and 2006 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, misdemeanor, and felony 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 certificate proceeds issued in 1992, 1994, and 1996 through 2004 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, 2005

	Primary Government Governmental Activities	Component Unit Hospital District
<u>ASSETS</u>		
Cash and pooled cash	\$ 252,206,927	\$ 38,332
Investments	8,107,566	42,447,382
Interest receivable	1,069,497	-
Taxes receivable, net	5,321,003	163,408
Accounts receivable, net	15,259,709	2,876,671
Receivable from hospital district	29,188	-
Notes receivable	106,667	-
Other receivables	4,021,207	174,288
Prepaid items	231,978	1,485
Cash - restricted	302,184	-
Other assets	1,694,675	-
Capital assets:		
Land and land improvements	82,973,944	8,497,335
Land infrastructure	54,323,665	-
Property, plant and equipment	409,833,093	90,405,162
Infrastructure (other than land)	934,421,930	-
Construction in progress	48,564,631	-
Less accumulated depreciation	<u>(565,346,977)</u>	<u>(1,892,495)</u>
Total assets	<u>1,253,120,887</u>	<u>142,711,568</u>
<u>LIABILITIES</u>		
Accounts payable	15,186,926	11,667,695
Interest payable	2,782,905	-
Accrued liabilities	11,842,361	23,532
Other liabilities	3,863,587	-
Due to Travis County	-	29,188
Due to other governmental entities	816,838	-
Deferred revenue	7,217,161	-
Noncurrent liabilities:		
Due within one year:		
Long-term debt obligations	45,178,482	-
Other long-term liabilities	107,120	-
Capital lease obligations	128,942	-
Claims and judgements	8,478,842	-
Compensated absences	10,278,795	-
Due in more than one year:		
Long-term debt obligations	387,751,453	-
Other long-term liabilities	2,911,231	-
Capital lease obligations	941,385	-
Claims and judgements	6,129,673	-
Compensated absences	<u>10,989,596</u>	<u>-</u>
Total liabilities	<u>514,605,297</u>	<u>11,720,415</u>
<u>NET ASSETS</u>		
Invested in capital assets, net of related debt	725,154,875	97,010,002
Restricted for:		
Capital projects	1,907,893	-
Permanent funds - non-expendable	2,229,120	-
Justice, corrections and rehabilitation programs	15,572,940	-
Roads and parks	7,732,956	-
Other purposes	1,051,556	-
Unrestricted (deficit)	<u>(15,133,750)</u>	<u>33,981,151</u>
Total net assets	<u>\$ 738,515,590</u>	<u>\$ 130,991,153</u>

See accompanying notes to financial statements.

TRAVIS COUNTY, TEXAS
STATEMENT OF ACTIVITIES
For The Year Ended September 30, 2005

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>
		<u>Fees, Fines, and Charges for Services</u>
Primary government:		
Governmental activities:		
General government	\$ 80,842,627	\$ 20,806,930
Justice system	83,914,875	16,285,653
Public safety	41,136,886	9,985,491
Corrections and rehabilitation	87,272,090	14,161,117
Health and human services	34,812,146	3,880,421
Infrastructure and environmental services	68,946,441	15,600,245
Community and economic development	6,735,409	2,548,111
Interest on long-term debt	21,632,040	-
Total governmental activities	<u>\$ 425,292,514</u>	<u>\$ 83,267,968</u>
Component Unit:		
Hospital District	<u>\$ 59,335,973</u>	<u>\$ 1,155,396</u>

See accompanying notes to financial statements.

Program Revenues		Net (Expense) Revenue and Changes in Net Assets	
Operating Grants, Contributions, Shared Revenues, and Entitlements	Capital Grants, Contributions, and Donated Assets	Primary Government Governmental Activities	Component Unit Hospital District
\$ 237,140	\$ 4,084,379	\$ (55,714,178)	\$
9,658,941	-	(57,970,281)	
1,151,008	-	(30,000,387)	
8,981,133	-	(64,129,840)	
2,129,141	-	(28,802,584)	
67,432	30,468,263	(22,810,501)	
-	422,231	(3,765,067)	
-	-	(21,632,040)	
<u>\$ 22,224,795</u>	<u>\$ 34,974,873</u>	<u>(284,824,878)</u>	
<u>\$ 41,291,281</u>	<u>\$ 98,902,497</u>		<u>82,013,201</u>

General revenues:

Taxes:

Property taxes, ad valorem	297,540,102	46,816,179
Taxes, other	4,686,760	-
Grants and contributions not restricted to specific programs	1,537,938	-
Investment earnings	9,647,663	690,752
Miscellaneous	5,680,030	1,471,021
Total general revenues	<u>319,092,493</u>	<u>48,977,952</u>
Change in net assets	34,267,615	130,991,153
Net assets - beginning of year	<u>704,247,975</u>	-
Net assets - end of year	<u>\$ 738,515,590</u>	<u>\$ 130,991,153</u>



TRAVIS COUNTY, TEXAS
FUND FINANCIAL STATEMENTS



**TRAVIS COUNTY, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2005**

Assets	General	Road and Bridge	Grants
Cash and pooled cash	\$ 88,142,887	\$ 11,364,327	\$ 13,419,151
Investments	-	-	-
Interest receivable	515,658	51,350	49,602
Due from other funds	3,701,130	272,540	-
Accounts receivable	3,285,497	-	-
Receivable from hospital district	29,188	-	-
Notes receivable	-	-	-
Intergovernmental and other receivables	-	-	2,246,349
Taxes receivable (net of allowances for estimated uncollectibles)	2,370,925	-	-
Prepaid items	121,974	-	-
Cash - restricted	-	-	226,638
Total assets	\$ 98,167,259	\$ 11,688,217	\$ 15,941,740
Liabilities and Fund Balances			
Liabilities:			
Accounts payable	8,721,194	852,570	948,213
Interest payable	-	-	-
Accrued liabilities	10,301,751	474,791	778,359
Due to other funds	272,540	-	1,879,223
Other liabilities	2,806,607	-	-
Liability for compensated absences	4,639,999	132,666	258,319
Due to other governmental entities	-	-	816,838
Deferred revenue	2,443,080	-	5,522,750
Total liabilities	29,185,171	1,460,027	10,203,702
Fund balances:			
<i>Reserved for:</i>			
Encumbrances	9,000,413	3,914,087	379,837
Prepaid items	121,974	-	-
County schools	-	-	-
Juveniles	-	-	-
<i>Unreserved, designated for:</i>			
Compensated absences	4,639,999	132,666	258,319
Special revenue funds - compensated absences	-	-	-
Debt service	-	-	-
Capital projects	-	-	-
<i>Unreserved, undesignated, reported in:</i>			
General fund	55,219,702	-	-
Special revenue funds	-	6,181,437	5,099,882
Total fund balances	68,982,088	10,228,190	5,738,038
Total liabilities and fund balances	\$ 98,167,259	\$ 11,688,217	\$ 15,941,740

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>
\$ 29,338	\$ 11,037,411	\$ 26,488,153	\$ 43,113,443	\$ 21,605,526	\$ 215,200,236
7,146,036	-	-	-	961,530	8,107,566
25,592	37,374	89,999	125,700	52,106	947,381
108,714	-	-	-	3,939	4,086,323
-	-	-	-	1,104,381	4,389,878
-	-	-	-	-	29,188
-	-	106,667	-	-	106,667
-	-	-	-	1,566,337	3,812,686
629,075	-	-	-	21,003	3,021,003
-	-	-	-	-	121,974
-	-	75,546	-	-	302,184
<u>\$ 7,938,755</u>	<u>\$ 11,074,785</u>	<u>\$ 26,760,365</u>	<u>\$ 43,239,143</u>	<u>\$ 25,314,822</u>	<u>\$ 240,125,086</u>
-	969,818	782,205	1,848,869	891,055	15,013,924
57,623	-	-	-	-	57,623
-	3,186	-	16,888	154,451	11,729,426
6,000	11,882	10,424	123,382	1,782,872	4,086,323
439,107	-	21,920	-	595,953	3,863,587
-	-	-	-	115,214	5,146,198
-	-	-	-	-	816,838
629,075	-	106,667	-	962,026	9,663,598
<u>1,131,805</u>	<u>984,886</u>	<u>921,216</u>	<u>1,989,139</u>	<u>4,501,571</u>	<u>50,377,517</u>
-	1,277,656	10,742,874	8,111,556	3,357,141	36,783,564
-	-	-	-	-	121,974
-	-	-	-	2,229,120	2,229,120
-	-	-	-	2,405	2,405
-	-	-	-	-	5,030,984
-	-	-	-	115,214	115,214
6,806,950	-	-	-	390,506	7,197,456
-	8,812,243	15,096,275	33,138,448	182,883	57,229,849
-	-	-	-	-	55,219,702
-	-	-	-	14,535,982	25,817,301
<u>6,806,950</u>	<u>10,089,899</u>	<u>25,839,149</u>	<u>41,250,004</u>	<u>20,813,251</u>	<u>189,747,569</u>
<u>\$ 7,938,755</u>	<u>\$ 11,074,785</u>	<u>\$ 26,760,365</u>	<u>\$ 43,239,143</u>	<u>\$ 25,314,822</u>	<u>\$ 240,125,086</u>



TRAVIS COUNTY, TEXAS
RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET ASSETS
September 30, 2005

Fund balance - total governmental funds	\$	189,747,569
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).		964,744,962
Other long-term assets are not available to pay for current-period expenditures and, therefore, are not reported in the fund financial statements.		13,169,831
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.		23,763,632
Difference due to liabilities for deferred revenue and interest payable (excluding internal service fund).		140,420
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).		(453,050,824)
Net assets of governmental activities	<u>\$</u>	<u>738,515,590</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, 2005

	<u>General</u>	<u>Road and Bridge</u>	<u>Grants</u>
Revenues:			
Taxes	\$ 239,972,407	\$ -	\$ -
Intergovernmental	2,480,863	75,619	21,516,760
Charges for services	39,548,519	12,382,488	7,174,835
Fines and forfeits	971,709	5,177,198	467,178
Investment income	4,117,983	350,392	339,495
Miscellaneous	4,254,975	6,164	67,877
Total revenues	<u>291,346,456</u>	<u>17,991,861</u>	<u>29,566,145</u>
Expenditures:			
Current:			
General government	50,241,673	-	93,689
Justice system	77,726,988	-	8,760,485
Public safety	39,319,699	-	1,109,607
Corrections and rehabilitation	71,404,632	-	17,223,094
Health and human services	32,785,532	-	1,893,697
Infrastructure and environmental services	5,539,160	12,417,103	484,276
Community and economic development	5,606,251	-	-
Capital outlay	3,843,057	5,499,953	851,179
Debt service:			
Refunding bond issuance costs	-	-	-
Debt issuance costs	-	-	-
Advance refunding escrow	-	-	-
Capital lease principal	-	-	122,065
Principal on general obligation debt	-	-	-
Interest and other charges	-	-	62,467
Total expenditures	<u>286,466,992</u>	<u>17,917,056</u>	<u>30,600,559</u>
Excess (deficiency) of revenues over expenditures	<u>4,879,464</u>	<u>74,805</u>	<u>(1,034,414)</u>
Other financing sources (uses):			
General obligation debt issued	-	-	-
Debt premium	-	-	-
Payment to refunding bond agent	-	-	-
Transfers in	2,347,547	-	272,492
Transfers out	(5,712,376)	(1,960,000)	-
Total other financing sources (uses)	<u>(3,364,829)</u>	<u>(1,960,000)</u>	<u>272,492</u>
Net change in fund balances	1,514,635	(1,885,195)	(761,922)
Fund balances--beginning of year	67,467,453	12,113,385	6,499,960
Fund balances--end of year	<u>\$ 68,982,088</u>	<u>\$ 10,228,190</u>	<u>\$ 5,738,038</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
\$ 61,614,346	\$ -	\$ -	\$ -	\$ 619,106	\$ 302,205,859
-	-	4,084,379	-	6,352,868	34,510,489
-	-	-	-	10,636,236	69,742,078
-	-	-	-	213,604	6,829,689
697,749	286,432	437,337	928,469	303,437	7,461,294
-	-	-	-	1,373,579	5,702,595
<u>62,312,095</u>	<u>286,432</u>	<u>4,521,716</u>	<u>928,469</u>	<u>19,498,830</u>	<u>426,452,004</u>
6,000	13,722	454,483	22,660	4,306,138	55,138,365
-	-	6,300	-	2,540,825	89,034,598
-	-	99,411	-	1,969,932	42,498,649
-	-	119,598	-	1,683,151	90,430,475
-	-	-	-	-	34,679,229
-	-	75,875	453,777	1,197,117	20,167,308
-	84,562	44,051	-	3,977	5,738,841
-	5,648,125	5,387,423	7,502,097	7,974,575	36,706,409
1,067,816	-	-	-	128,520	1,196,336
-	19,926	72,152	14,370	-	106,448
425,000	-	-	-	399,750	824,750
-	-	-	-	-	122,065
38,571,775	-	-	-	85,000	38,656,775
23,258,242	-	-	-	175,720	23,496,429
<u>63,328,833</u>	<u>5,766,335</u>	<u>6,259,293</u>	<u>7,992,904</u>	<u>20,464,705</u>	<u>438,796,677</u>
<u>(1,016,738)</u>	<u>(5,479,903)</u>	<u>(1,737,577)</u>	<u>(7,064,435)</u>	<u>(965,875)</u>	<u>(12,344,673)</u>
117,870,000	3,940,000	12,400,000	1,150,000	4,765,000	140,125,000
10,794,828	2,390	62,000	403	59,522	10,919,143
(127,587,909)	-	-	-	(4,689,926)	(132,277,835)
2,105	-	-	-	5,439,884	8,062,028
-	(2,105)	-	-	(387,547)	(8,062,028)
<u>1,079,024</u>	<u>3,940,285</u>	<u>12,462,000</u>	<u>1,150,403</u>	<u>5,186,933</u>	<u>18,766,308</u>
62,286	(1,539,618)	10,724,423	(5,914,032)	4,221,058	6,421,635
6,744,664	11,629,517	15,114,726	47,164,036	16,592,193	183,325,934
<u>\$ 6,806,950</u>	<u>\$ 10,089,899</u>	<u>\$ 25,839,149</u>	<u>\$ 41,250,004</u>	<u>\$ 20,813,251</u>	<u>\$ 189,747,569</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, 2005

Net change in fund balances--total governmental funds	\$	6,421,635
<p>Amounts reported for governmental activities in the Statement of Activities are different because:</p>		
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).		(30,292,673)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		24,609,382
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.		25,393,647
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).		(1,729,328)
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.		9,864,952
Change in net assets of governmental activities	\$	34,267,615

See accompanying notes to financial statements.

**TRAVIS COUNTY, TEXAS
STATEMENT OF NET ASSETS
PROPRIETARY FUND
September 30, 2005**

		<u>Governmental Activities</u>
		<u>Internal Service Fund</u>
Assets		
Current assets:		
Pooled cash	\$	37,006,691
Interest receivable		122,116
Other receivables		208,521
Prepaid items		110,004
Other assets		<u>1,694,675</u>
Total current assets		<u>39,142,007</u>
Noncurrent assets:		
Property, plant and equipment		56,396
Less accumulated depreciation		<u>(31,072)</u>
Total noncurrent assets		<u>25,324</u>
Total assets		<u>39,167,331</u>
Liabilities		
Current liabilities:		
Accounts payable		173,002
Deferred revenue		419,265
Accrued and other liabilities		112,935
Claims and judgements		8,478,842
Compensated absences		<u>39,976</u>
Total current liabilities		<u>9,224,020</u>
Noncurrent liabilities:		
Claims and judgements		6,129,673
Compensated absences		<u>50,006</u>
Total noncurrent liabilities		<u>6,179,679</u>
Total liabilities		<u>15,403,699</u>
Net Assets		
Invested in capital assets		25,324
Unrestricted		<u>23,738,308</u>
Total net assets	\$	<u>23,763,632</u>

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, 2005

	Governmental Activities
	Internal Service Fund
Operating revenues:	
Insurance premiums-county	\$ 32,873,332
Insurance premiums-employee	6,016,478
Miscellaneous	323,770
Total operating revenues	39,213,580
Operating expenses:	
Incurred losses	26,686,185
Unemployment claims	240,569
Premiums	2,006,081
Professional services	110,223
Depreciation expense	8,994
Administration	1,045,554
Total operating expenses	30,097,606
Operating income	9,115,974
Nonoperating revenues:	
Investment income	748,978
Total nonoperating revenue	748,978
Change in net assets	9,864,952
Net assets--beginning of year	13,898,680
Net assets--end of year	\$ 23,763,632

See accompanying notes to financial statements.

TRAVIS COUNTY, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
For The Year Ended September 30, 2005

	Governmental Activities
	Internal Service Fund
Cash flows from operating activities	
Cash received from premium revenues	\$ 38,837,983
Cash received from subrogation	130,379
Cash received from insurance proceeds and rebates	323,770
Cash paid for self-insured claims and loss adjustment expenses	(27,871,265)
Cash paid for other operating expenses	(2,494,592)
Cash paid for payroll	(879,334)
Net cash provided by operating activities	8,046,941
Cash Flows from noncapital financing activities	
Transfers to other funds	(996,000)
Net cash used by noncapital financing activities	(996,000)
Cash flows from capital and related financing activities	
Purchase of capital assets	(6,396)
Net cash used by capital and related financing activities	(6,396)
Cash flows from investing activities	
Interest received	853,971
Decrease in fair value of investments in pooled cash	(132,354)
Net cash provided by investing activities	721,617
Net increase in balance	7,766,162
Balance--beginning of the year	29,240,529
Balance--end of the year	\$ 37,006,691
Reconciliation of operating income to net cash provided by operating activities	
Operating income	\$ 9,115,974
Adjustments to reconcile operating income to net cash provided (used) by operating activities	
Depreciation expense	8,994
(Increase) decrease in other receivables	(54,171)
(Increase) decrease in prepaid items	6,478
Increase (decrease) in claims and judgements	(1,069,759)
Increase (decrease) in other liabilities	39,425
Net cash provided by operating activities	\$ 8,046,941

See accompanying notes to financial statements.

TRAVIS COUNTY, TEXAS
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
September 30, 2005

	Assets	<u>2005</u>
Cash and pooled cash		\$ 39,408,197
Certificates of deposit		15,243,937
Investments		20,409,647
Interest receivable		241,094
Accounts receivable, net		<u>1,336,255</u>
Total assets		<u>76,639,130</u>
Liabilities		
Due to third parties		59,843,473
Civil and probate deposits		382,906
Cash and surety bond deposits combined		9,457,693
Due to other governmental entities		<u>6,955,058</u>
Total liabilities		<u>76,639,130</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, 2005

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TRAVIS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2005

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) 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 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. The Travis County Hospital District, a discretely presented component unit of the County has chosen the accounting policy to apply all Financial Accounting Standards Board (FASB) Statements and Interpretations issued after November 30, 1989, except for those that would conflict with or contradict Governmental Accounting Standards Board pronouncements.

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.

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.

Hospital 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. The Hospital District (District) is a legally separate organization and imposes a separate ad valorem tax on the residents of Travis County, Texas. The Hospital District's operations became effective October 1, 2004. Of the District's nine member Board of Managers, four are appointed by Travis County, Texas, four by the City of Austin and one is a joint appointee. Additionally, the Travis County Commissioners' Court approves the Hospital District's annual budget and tax rate each year. Because of this relationship, the Hospital District is reported as a discretely presented component unit of Travis County beginning the year ended September 30, 2005.

Complete financial statements for the District may be obtained from:

Travis County Hospital 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, and 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 fund 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 issues, compensated absences, claims

and judgements, special termination benefits, landfill closure and postclosure 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 – is the 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 – is the 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 – is 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 – is 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, constructing homes and schools for dependent or delinquent children, establishing facilities for serving needy or indigent persons, constructing bridges, and improving and maintaining roads.

Capital – Certificates of Obligation – is 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 – is 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 – are used to account for revenues derived from specific revenue sources that are legally restricted to finance specific activities.

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

Road District Debt Service Fund – is 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 – is 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 Fund – is 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 fund is included in governmental activities.

Agency Funds – are 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 fund, Lower Colorado River Authority fees, officials’ fee accounts, inmate trust fund, 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 and Special Revenue Funds with the exception of Grants, CAPSO/DAPSO Fund, Law Enforcement Fund, Jail Commissary Fund, LEOSE Elected Officials Fund, CSCD Equipment Acquisition Fund, Abandoned Vehicles/Livestock 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, Road District 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, Capital Project – Parks 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. According to these rules, the Commissioners' Court authorizes the Planning and Budget Office to sign budget adjustments and send them directly to the County Auditor's Office for auditing if the adjustments are within the office/department's adopted budget and meet several other funding requirements. These "Automatic Budget Adjustments" are then placed on the Commissioners' Court consent agenda the following week. These "Automatic Budget Adjustment" procedures allow for monitoring and management of the budget by the Commissioners' Court. Transfers of appropriations between offices/departments, as specified in the budget rules, require the specific pre-approval of the Commissioners' Court.

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 2005, there were \$1,058,539 in supplemental budgets adopted by the Commissioners' Court in the General Fund. No fund or office/department exceeded appropriations for fiscal year 2005. 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 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 Fund considers 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 and District's depository agreements require collateralization with a fair market value equal to at least 102% 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 Fund 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 deferred gain/loss on refunding, are deferred and amortized over the life of the bonds. 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, 2005.

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, 2005, the County has an estimated arbitrage rebate liability reported on the government-wide financial statements in other long-term debt in the amount of \$120,973. 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 2005.

Premium revenues generated by the Internal Service Fund and the corresponding fund expenses in the amount of \$32,873,332 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 – Hospital 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 \$1,471,021 associated with the settlement in fiscal year 2005. Settlement revenues for fiscal year 2006 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. The District paid \$262,624 of the tobacco settlement revenue to the Daughters of Charity Health Services of Austin (Seton) and \$42,625 to Travis County which represents their respective share of healthcare expenditures claimed.

Reclassification of Amounts

Certain amounts presented in prior year data have been reclassified in order to be consistent with the current year's presentation.

New Reporting Standards

The GASB issued Statement No. 43 "Financial Reporting for Post-employment Benefit Plans Other than Pension Plans (GASB 43) which will be effective for the County in the fiscal year ending September 30, 2007. It establishes uniform financial reporting standards for OPEB 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 "Accounting and Financial Reporting by Employers for Post-employment Benefits Other Than Pensions "(GASB 45) 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 County is currently reviewing all the above-mentioned GASB Statements. We have not determined the impact of these statements on the County's 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	\$ 20,391	\$ 22,807	\$ 516	\$ -	\$ -	\$ 43,714
Road and Bridge	-	4,162	51	-	-	4,213
Grants	-	-	50	-	2,246	2,296
General Purpose						
Debt Service	2,614	-	26	-	-	2,640
Capital:						
General Obligation Bonds	-	-	37	-	-	37
Certificates of Obligation	-	-	90	107	-	197
Road Bonds and Certificates of Obligation	-	-	126	-	-	126
Non-major						
Governmental Funds	29	3,723	52	-	1,566	5,370
Proprietary Funds	-	-	122	-	209	331
Total - governmental activities	<u>23,034</u>	<u>30,692</u>	<u>1,070</u>	<u>107</u>	<u>4,021</u>	<u>58,924</u>
Less:						
Allow for uncollectibles	(8,197)	(10,959)	-	-	-	(19,156)
Allow for long-term collections	(9,516)	(4,444)	-	-	-	(13,960)
Total - governmental activities, net	<u>\$ 5,321</u>	<u>\$ 15,289</u>	<u>\$ 1,070</u>	<u>\$ 107</u>	<u>\$ 4,021</u>	<u>\$ 25,808</u>
Amounts not scheduled for collection during the subsequent year	<u>\$ 21</u>	<u>\$ 12,769</u>	<u>\$ -</u>	<u>\$ 107</u>	<u>\$ -</u>	<u>\$ 12,897</u>

* Includes Receivable from Hospital District.

Hospital District

The District's receivables, including the applicable allowances, are comprised of the following as of September 30, 2005:

	<u>Taxes</u>	<u>Accounts (Due from Other Governments)</u>	<u>Other</u>	<u>Total</u>
Total	\$ 504,347	\$ 2,876,671	\$ 174,288	\$ 3,555,306
Less:				
Allowance for uncollectibles	(50,435)	-	-	(50,435)
Allowance for long-term collections	(290,504)	-	-	(290,504)
Total, net	<u>\$ 163,408</u>	<u>\$ 2,876,671</u>	<u>\$ 174,288</u>	<u>\$ 3,214,367</u>
Amounts not scheduled for collection during the subsequent year	<u>\$ 220,129</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 220,129</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	\$	189,747,569
<u>Difference due to capital assets</u>		
Capital assets (excluding internal service fund)	1,530,060,867	
Depreciation (excluding internal service fund)	<u>(565,315,905)</u>	964,744,962
<u>Difference due to receivables</u>		
Taxes receivable (including penalties and interest)	2,300,000	
Accounts receivable, net of allowances	<u>10,869,831</u>	13,169,831
<u>Difference due to Internal Service Fund</u>		
Net asset balance of Self-Insurance Fund	9,097,916	
Net asset balance of Hospital and Insurance Fund	<u>14,665,716</u>	23,763,632
<u>Difference due to current liabilities</u>		
Deferred revenue (excluding internal service fund)	2,865,702	
Interest payable	<u>(2,725,282)</u>	140,420
<u>Difference due to non-current liabilities</u>		
Capital lease obligations	(1,070,327)	
Landfill remediation	(2,897,378)	
Compensated absences (excluding internal service fund)	(16,032,211)	
Debt payable, including arbitrage*	<u>(433,050,908)</u>	(453,050,824)
* Net of unamortized bond issuance costs, unamortized loss on refunding, and unamortized premiums		
Government-wide net assets	\$	<u><u>738,515,590</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		\$ 6,421,635
<u>Amount by which depreciation expense exceeds capital outlays and other capital related transactions</u>		
Capital outlay (excludes internal service funds) ⁽¹⁾	36,770,636	
Depreciation expense (excludes internal service funds)	(66,333,200)	
Land annexed by other governmental entity	<u>(730,109)</u>	(30,292,673)
<u>Revenues that do not provide current financial resources⁽²⁾</u>		
Excess of capital asset donated revenue over disposal revenue	23,804,137	
Property tax and penalty and interest revenues that do not provide current financial resources and therefore are not reported in the fund financial statements	21,003	
Revenue recognized for charges for services*	736,043	
Increase in revenue due to arbitrage rebate liability *net of allowances	<u>48,199</u>	24,609,382
<u>Long-term debt and related items</u>		
Debt Payments (includes capital lease payment)	176,423,367	
Debt issuance and other debt related increases	(151,044,143)	
Amortization of bond premiums	1,389,192	
Deferral of bond issuance costs (amortized over life of debt)	1,302,784	
Accrued interest expense	18,213	
Accretion of capital appreciation bond interest	(1,822,079)	
Amortization of debt issuance costs	(244,050)	
Amortization of loss on refunding bonds	<u>(629,637)</u>	25,393,647
<u>Expenses that do not require the use of current financial resources⁽²⁾ or have not matured</u>		
Landfill liability adjustments–non-current	223,475	
Compensated absence adjustment–non-current (excludes internal service fund) (designated in fund balance)	(2,097,041)	
Reimbursable direct costs* *net of allowances	<u>144,238</u>	(1,729,328)
<u>Internal Service Fund change in net assets</u>		
Self-Insurance Fund	2,293,988	
Hospital and Insurance Fund	<u>7,570,964</u>	9,864,952
Change in government-wide net assets		<u><u>\$ 34,267,615</u></u>

(1) Capital outlay in the capital projects funds includes \$63,087 of assets that are owned and maintained by other governmental agencies. The total capital outlay amount of \$36,770,636 includes an elimination of (\$127,314) for fund financial statement presentation.

(2) Revenues that do not provide current financial resources do not include the elimination of \$20,326 for fund financial statement presentation. Expenses that do not require the use of current financial resources do not include the elimination of (\$20,326) 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 2004 tax roll was approximately \$60,278,747,116 (net of exemptions) and produced a total levy of \$293,752,863. Collections on this levy were recognized as revenue in fiscal year 2005 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 2004 tax roll, all required taxes to be used for general government purposes were levied under Article VIII, Section 9.

At October 1, 2004 (tax levy for fiscal year 2005 revenues) the County tax rate was \$0.4872 per \$100 valuation of which \$0.1022 was used for payment of long-term debt requirements. The County, therefore, has legal margins of \$0.3128, \$0.1500 and \$0.3000, respectively, and could raise up to \$188,551,921, \$90,418,121 and \$180,836,241 of additional taxes per year from the 2004 tax roll assessed valuation of \$60,278,747,116 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, 2005, 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 2004 tax roll was approximately \$344,934,873 and produced a total levy of \$620,883. At October 1, 2004 (tax levy for fiscal year 2005), the NWTCRD No. 3 tax rate was \$0.1800 per \$100 valuation.

Hospital 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, 2004, upon which the October 2004 levy was based was \$61,067,328,293. 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, 2005 were:

	Transfers in:				
	General	Grants	General Purpose Debt Service	Other Governmental	Total
Transfers out:					
General	\$ -	\$ 272,492	\$ -	\$ 5,439,884	\$ 5,712,376
Road & Bridge	1,960,000	-	-	-	1,960,000
Capital - Certificates of Obligation	-	-	2,105	-	2,105
Other governmental funds	387,547	-	-	-	387,547
Total	\$ 2,347,547	\$ 272,492	\$ 2,105	\$ 5,439,884	\$ 8,062,028

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 receipts from bond refundings and 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, 2005 were:

	Balance due from other funds (receivable):				
	General	Road and Bridge	General Purpose Debt Service	Other Governmental	Total
Balance due to other funds (payable):					
General	\$ -	\$ 272,540	\$ -	\$ -	\$ 272,540
Grants	1,879,223	-	-	-	1,879,223
General Purpose Debt Service	6,000	-	-	-	6,000
Capital - General Obligation Bonds	4,278	-	7,604	-	11,882
Capital - Certificates of Obligation	10,424	-	-	-	10,424
Capital - Road Bonds & Certificates of Obligation	22,272	-	101,110	-	123,382
Other Governmental Funds	1,778,933	-	-	3,939	1,782,872
Total	\$ 3,701,130	\$ 272,540	\$ 108,714	\$ 3,939	\$ 4,086,323

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 policy states the County will use the "prudent person rule" in investment decisions. The objectives of the County policy 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% of County funds in excess of \$200,000 on deposit in the bank. All of the pledged collateral for the County's demand deposits and time deposits are U.S. Treasury securities or U.S. Government agency securities. The depository agreement states 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, in a fiduciary account held in the name of JPMorgan Chase and Travis County and pledged to Travis County. During fiscal year 2005, there were no instances where the bank balances were not fully collateralized at all times. As of September 30, 2005, the County'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 is 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, investments consisted of U.S. government securities, taxable municipal securities, certificates of deposit, participation in two local government investment pools (TexPool and Texas TERM), and commercial paper. The carrying amount of investments as of September 30, 2005, is displayed on the balance sheet as "Investments" or as a component of "Pooled Cash".

The County'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. Tex Pool 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, 2005, the County had the following investments:

Investment at September 30, 2005	Fair Value	Weighted Average Maturity (Years)
Certificates of Deposit	\$ 15,246,082	N/A
Government Agencies	139,936,655	0.80
Government Treasuries	44,427,000	0.33
Commercial Paper	4,990,256	0.06
Municipal Securities	2,338,666	0.17
Local Government Investment Pools	97,124,860	0.00
Total fair value	\$ 304,063,519	
Portfolio weighted average maturity		0.42

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

Credit Risk. State law limits investment in municipal bonds to an A rating or its equivalent by a nationally recognized investment rating firm. However, the County requires 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'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. The County does not have credit limits on government agency securities. The County's investments in government agencies carry the implicit guarantee of the U.S. government. The County's Investment Policy requires that certificates of deposit be either federally insured or collateralized.

Investment at September 30, 2005	Standard & Poor's Rating
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
Federal Home Loan Bank	AAA
Federal Home Loan Bank – Short Term	A-1+
Federal Farm Credit Bureau	AAA
Commercial Paper – Short Term	A-1+
State General Obligation Bond	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.

<u>Investment at September 30, 2005</u>	<u>% of Portfolio</u>	<u>Portfolio Limit</u>
Certificates of Deposit	5%	50%
Government Agencies	46%	75%
Commercial Paper	2%	20%
Municipal Securities	1%	20%

Individual investments that make up at least 5% of the County's investment portfolio are in Fannie Mae, Freddie Mac, Federal Home Loan Bank, Federal Farm Credit Bureau, and JPMorgan Chase Bank. These investments as of September 30, 2005 are as follows:

<u>Issuer</u>	<u>Fair Value</u>	<u>% of Portfolio</u>
Fannie Mae	\$ 47,925,485	16%
Freddie Mac	27,013,845	9%
Federal Home Loan Bank	44,681,425	15%
Federal Farm Credit Bureau	20,315,900	7%
JPMorgan Chase Bank	15,119,516	5%

Hospital District

At September 30, 2005, the carrying amount of the District's deposits was \$38,332 and the bank balance was \$29,939.

The District's deposits with financial institutions at September 30, 2005 and during the year ended September 30, 2005 were entirely covered by Federal Deposit Insurance Corporation (FDIC) insurance or by pledged collateral held by the District's agent bank in the District's name, with the exception of one instance of under collateralization in January 2005. The deposits were collateralized in accordance with Texas law.

Chapter 2256 of the Texas Government Code (the Public Funds Investment Act) authorizes the District to invest in funds under a written investment policy. The District's deposits and investments are invested pursuant to the investment policy, which is approved annually by the Board of Managers. The primary objectives of the District's investment strategy, in order of priority, are safety of principal, maintenance of adequate liquidity and return on investments.

During the initial year of operation, the District is authorized by the Board of Managers to invest in the following investment instruments provided that they meet the guidelines established in the investment policy:

- Obligations of the United States of America.
- Certificates of deposit issued by a state or national bank domiciled in Texas or a savings bank domiciled in Texas, or a state or federal credit union domiciled in Texas that are guaranteed or insured by the FDIC or secured by certain obligations that have a market value of not less than the principal amount of the certificates.
- Public funds and local government investment pools under certain conditions.

- Domestic commercial paper with a stated maturity of 270 days or less from the date of its issuance that is rated not lower than A-1 by Standard and Poor's and P-1 by Moody's if it is purchased indirectly through a local government investment pool.

In subsequent years of operation, the District is authorized to invest in the following investment instruments provided that they meet the guidelines established in the investment policy:

- Obligations of the United States of America or its agencies and instrumentalities.
- Direct obligations of the State of Texas or its agencies and instrumentalities.
- Other obligations, the principal and interest on which are unconditionally guaranteed or insured or backed by the full faith and credit of the State of Texas or the United States of America or its agencies or instrumentalities.
- Obligations of states, agencies, counties, cities and other political subdivision of any state that have received a rating of investment quality of not less than AA by Moody's or Standard and Poor's.
- Domestic commercial paper with a stated maturity of 270 days or less from the date of its issuance that is rated not lower than A-1 by Standard and Poor's and P-1 by Moody's.
- Fully collateralized repurchase agreements including direct security repurchase agreements and reverse security agreements that meet certain requirements defined in the District's investment policy.
- Certificates of deposit issued by a state or national bank domiciled in Texas or a savings bank domiciled in Texas, or a state or federal credit union domiciled in Texas that are guaranteed or insured by the FDIC or secured by certain obligations that have a market value of not less than the principal amount of the certificates.
- No-load money market mutual funds that are registered with the Securities and Exchange Commission (SEC) and meet certain requirements defined in the District's investment policy.
- Public funds and local government investment pools under certain conditions.

The District participates in the Texas Local Government Investment Pool and the TexasTERM Local Government Investment Pool which are external investment pools offered to local governments. TexPool and TexasTERM are not SEC registered, however, they are regulated by the State Comptroller of Public Accounts. These investments are stated at fair value which is the same as the value of the pool shares.

Investments held at September 30, 2005 consisted of the following:

<u>Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Days)</u>	<u>Standard & Poor's Rating</u>
TexPool	\$ 27,725,879	1	AAAm
TexPool Prime	4,850,989	1	AAAm
TexasTERM/TexasDAILY	9,870,514	1	AAAm
Total investments	<u>\$ 42,447,382</u>		

Credit Risk - At September 30, 2005, investments were included in local government investment pools in compliance with the District's investment policy.

Interest Rate Risk - As a means of minimizing risk of loss due to interest rate fluctuations, the investment policy requires that maturities for investments shall not exceed the dollar

weighted average maturity of 180 days during the initial year of operation and 365 days during the subsequent years. The District considers the holdings in the local government investment pools to have a one day weighted average maturity due to the fact that the share position can usually be redeemed each day at the discretion of the shareholder, unless there has been a significant change in value.

7. CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2005 is as follows:

	Beginning Balance	Increases	(Decreases)	Ending Balance
<u>Governmental Activities</u>				
Capital assets not being depreciated:				
Land	\$ 77,520,412	\$ 5,453,532	\$ -	\$ 82,973,944
Land infrastructure	53,361,048	1,802,726	(840,109)	54,323,665
Construction in Progress	<u>31,078,727</u>	<u>17,611,976</u>	<u>(126,072)</u>	<u>48,564,631</u>
Total capital assets, not being depreciated	<u>161,960,187</u>	<u>24,868,234</u>	<u>(966,181)</u>	<u>185,862,240</u>
Capital assets being depreciated:				
Property, plant and equipment				
Buildings	270,205,403	7,830,328	-	278,035,731
Improvements other than buildings	37,679,883	607,739	-	38,287,622
Machinery and equipment	88,910,550	5,202,005	(2,789,252)	91,323,303
Assets under capital lease	2,104,806	-	-	2,104,806
Leasehold improvements	81,631	-	-	81,631
Infrastructure	<u>913,634,095</u>	<u>22,478,612</u>	<u>(1,690,777)</u>	<u>934,421,930</u>
Total capital assets being depreciated	<u>1,312,616,368</u>	<u>36,118,684</u>	<u>(4,480,029)</u>	<u>1,344,255,023</u>
Less accumulated depreciation:				
Property, plant and equipment				
Buildings	(61,922,617)	(7,299,188)	38,614	(69,183,191)
Improvements other than buildings	(6,146,124)	(1,010,518)	-	(7,156,642)
Machinery and equipment	(56,064,809)	(9,611,448)	2,496,597	(63,179,660)
Assets under capital lease	(398,878)	(56,274)	-	(455,152)
Leasehold improvements	(32,440)	(16,325)	-	(48,765)
Infrastructure	<u>(378,665,903)</u>	<u>(48,348,441)</u>	<u>1,690,777</u>	<u>(425,323,567)</u>
Total accumulated depreciation	<u>(503,230,771)</u>	<u>(66,342,194)</u>	<u>4,225,988</u>	<u>(565,346,977)</u>
Total capital assets being depreciated, net	<u>809,385,597</u>	<u>(30,223,510)</u>	<u>(254,041)</u>	<u>778,908,046</u>
Governmental activities capital assets, net	<u>\$ 971,345,784</u>	<u>\$ (5,355,276)</u>	<u>\$ (1,220,222)</u>	<u>\$ 964,770,286</u>

Note: Decreases include retirements and other adjustments.

Depreciation expense in fiscal year 2005 was charged to functions/programs of the primary government as follows:

<u>Governmental Activities</u>	<u>Depreciation Expense</u>
General government	\$ 4,283,805
Justice system	2,637,945
Public safety	2,123,341
Corrections and rehabilitation	3,411,667
Health and human services	1,420,036
Infrastructure and environmental services	50,935,691
Community and economic development	1,529,709
Total depreciation expense	<u>\$ 66,342,194</u>

Note: The County has no capital assets for business-type activities.

Construction in progress consists of the following at September 30, 2005:

<u>Description</u>	<u>Amount</u>
East Metropolitan Park	\$ 6,727,864
5501 Airport Boulevard Building	1,403,675
Helicopter Down Payment	502,848
Southwest Metropolitan Park	10,500
Land infrastructure	5,996,250
Infrastructure	33,923,494
Total construction in progress	<u>\$ 48,564,631</u>

The County has \$39,760,605 of outstanding construction and other commitments as of September 30, 2005 which are funded by Grants for \$2,729,403, by Debt proceeds for \$20,132,085 and funded by other sources for \$16,899,117.

Hospital District

The District's investment in property, plant, and equipment consists of the following as of September 30, 2005:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>(Decreases)</u>	<u>Ending Balance</u>
Land and improvements	\$ -	\$ 8,497,335	\$ -	\$ 8,497,335
Building and improvements	-	90,002,665	-	90,002,665
Equipment and furniture	-	402,497	-	402,497
Total	-	98,902,497	-	98,902,497
Less accumulated depreciation	-	(1,892,495)	-	(1,892,495)
Property, plant, and equipment, net	<u>\$ -</u>	<u>\$ 97,010,002</u>	<u>\$ -</u>	<u>\$ 97,010,002</u>

With the creation of the District, the City of Austin conveyed ownership of assets associated with Brackenridge/Children's Hospital, the Austin Women's Hospital, and medical equipment

used in the health care clinics to the District. Travis County conveyed medical equipment used in the health care clinics to the District. The City of Austin also donated an office building to the District. The conveyed and donated assets were recorded at fair market value at the date of receipt.

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, 2005.

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities					
Debt payable:					
General obligation bonds ¹	\$ 359,348,518	\$ 129,547,079	\$ (127,408,716)	\$ 361,486,881	\$ 28,893,482
Certificates of obligation	98,420,000	12,400,000	(41,990,000)	68,830,000	16,285,000
	<u>457,768,518</u>	<u>141,947,079</u>	<u>(169,398,716)</u>	<u>430,316,881</u>	<u>45,178,482</u>
Less deferred amounts:					
For issuance costs	(1,217,545)	(1,302,784)	244,050	(2,276,279)	-
On refunding	(720,673)	(6,902,585)	629,637	(6,993,621)	-
Add:					
Unamortized premium	2,353,004	10,919,142	(1,389,192)	11,882,954	-
Total debt payable	<u>458,183,304</u>	<u>144,660,852</u>	<u>(169,914,221)</u>	<u>432,929,935</u>	<u>45,178,482</u>
Capital leases	1,192,392	-	(122,065)	1,070,327	128,942
Claims and judgements	15,678,274	26,686,185	(27,755,944)	14,608,515	8,478,842
Compensated absences	18,969,464	19,145,865	(16,846,938)	21,268,391	10,278,795
Other long-term liabilities:					
Arbitrage	169,172	-	(48,199)	120,973	24,741
Landfill post-closure care	3,205,218	-	(307,840)	2,897,378	82,379
Total long-term liabilities	<u>\$ 497,397,824</u>	<u>\$ 190,492,902</u>	<u>\$ (214,995,207)</u>	<u>\$ 472,895,519</u>	<u>\$ 64,172,181</u>

(1) Additions to General Obligation Bonds include debt issuance and \$1,822,079 for accretion of interest on capital appreciation bonds.

At September 30, 2005, \$7,197,456 was available in the debt service funds (including the blended component unit amount of \$390,506) 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 \$31,736,963. The unaccreted interest on the capital appreciation bonds is \$3,860,834.

The Internal Service Fund predominantly serves 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, \$89,982 of the Internal Service Fund 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, TEXAS

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				\$ 794,681
Accretion of interest				6,603,030
CAB Series Maturities				<u>(2,586,818)</u>
Series 1996 Serial Bonds	2,820,000	5.00 - 7.00	1999 - 2016	280,000
Series 1997 Serial Bonds	2,900,000	5.00 - 7.00	1999 - 2017	260,000
Series 1998 Serial Bonds	7,195,000	4.00 - 6.00	1999 - 2018	3,750,000
Series 1998-A Serial Bonds	7,470,000	4.30 - 6.25	1999 - 2018	2,500,000
Series 1999 Serial Bonds	12,805,000	3.63 - 5.63	2000 - 2019	4,420,000
Series 2000 Serial Bonds	9,255,000	5.20 - 7.20	2001 - 2020	2,495,000
Series 2001 Serial Bonds	5,630,000	4.63 - 5.00	2002 - 2021	3,285,000
Series 2002 Serial Bonds	14,000,000	4.70 - 5.50	2003 - 2022	8,985,000
Series 2002-A Serial Bonds	100,000,000	2.25 - 5.13	2003 - 2022	61,020,000
Series 2003 Serial Bonds	31,660,000	3.00 - 5.00	2004 - 2023	27,860,000
Series 2004 Serial Bonds	7,830,000	3.38 - 4.38	2005 - 2024	7,795,000
Series 2005 Serial Bonds	1,150,000	3.75 - 4.38	2006 - 2025	1,150,000
<u>Permanent Improvement Bonds</u>				
Series 1996 Serial Bonds	18,580,000	4.75 - 6.75	1998 - 2016	1,820,000
Series 1998 Serial Bonds	10,890,000	4.00 - 6.00	1999 - 2018	3,475,000
Series 1998-A Serial Bonds	22,825,000	4.25 - 6.25	1999 - 2018	5,335,000
Series 1999 Serial Bonds	25,005,000	4.38 - 6.00	2000 - 2019	12,095,000
Series 2000 Serial Bonds	725,000	5.30 - 7.25	2002 - 2020	160,000
Series 2002 Serial Bonds	13,000,000	4.70 - 5.13	2003 - 2022	12,060,000
Series 2003 Serial Bonds	4,335,000	2.70 - 4.70	2004 - 2023	3,735,000
Series 2004 Serial Bonds	4,090,000	3.30 - 4.30	2005 - 2024	4,070,000
Series 2005 Serial Bonds	3,940,000	3.25 - 4.25	2006 - 2025	3,940,000
<u>Limited Tax Refunding Bonds</u>				
Series 1985-B	33,079,014	* 9.30	2001 - 2009	
Capital Appreciation Bonds				
Principal				1,959,957
Accretion of interest				25,133,933
CAB Series Maturities				<u>(15,222,902)</u>
Series 1996 Serial Bonds	17,930,000	3.55 - 5.00	1996 - 2011	10,795,000
Series 1999 Serial Bonds	20,399,949	3.90 - 4.80	1999 - 2015	18,110,000
Series 2002 Serial Bonds	38,540,000	3.00 - 5.00	2003 - 2009	23,130,000
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
<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	4,680,000
	<u>551,588,960</u>			<u>361,486,881</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	14,090,000
Series 1998-A	10,500,000	4.00 - 5.00	1999 - 2018	620,000
Series 2000	14,800,000	5.10 - 7.10	2001 - 2020	2,470,000
Series 2001	27,300,000	4.00 - 4.90	2002 - 2021	10,020,000
Series 2001-A	19,235,000	5.00 - 5.00	2003 - 2007	8,275,000
Series 2003	23,325,000	3.00 - 5.00	2004 - 2023	18,725,000
Series 2004	1,800,000	2.00 - 2.25	2005 - 2009	1,485,000
Series 2005	12,400,000	2.75 - 3.00	2006 - 2010	12,400,000
	<u>187,515,000</u>			<u>68,830,000</u>
Total Bonds and Certificates of Obligation Payable	<u>\$ 739,103,960</u>			<u>\$ 430,316,881</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, 2005, including blended component units, are as follows:

Maturity	General Obligation Bonds		Certificates of Obligation		Total
	Principal	Interest	Principal	Interest	
2006	\$ 28,893,482	\$ 16,241,024	\$ 16,285,000	\$ 2,674,850	\$ 64,094,356
2007	28,106,993	15,458,832	11,915,000	1,850,814	57,331,639
2008	27,787,001	14,761,518	7,915,000	1,438,689	51,902,208
2009	24,584,405	14,047,723	6,610,000	1,165,195	46,407,323
2010	24,090,000	11,590,190	4,275,000	964,978	40,920,168
2011-2015	107,500,000	42,311,347	5,880,000	3,915,885	159,607,232
2016-2020	89,850,000	17,376,032	12,675,000	1,867,130	121,768,162
2021-2025	30,675,000	1,818,002	3,275,000	165,500	35,933,502
	<u>\$ 361,486,881</u>	<u>\$ 133,604,668</u>	<u>\$ 68,830,000</u>	<u>\$ 14,043,041</u>	<u>\$ 577,964,590</u>

Defeased Debt:

In fiscal year 2005 and in prior years, the County has issued refunding bonds to advance refund certain property tax 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, 2005 defeased bonds remaining unredeemed or unmatured from the 1986, 2004 and 2005 refunding issuances amounted to \$5,310, \$33,405,000 and \$87,810,000, 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, 2005 defeased bonds remaining unredeemed or unmatured from the SWTCRD #1 issuance amounted to \$35,000.

Refunding Debt:

In October 2004, the County issued Limited Tax Refunding Bonds, Series 2004 in the amount of \$33,455,000. In March 2005, the County issued Limited Tax Refunding Bonds, Series 2005 in the amount of \$30,745,000 and Unlimited Tax Refunding Bonds, Series 2005 in the amount of \$53,670,000. Proceeds from these sales were used to provide monies to refund certain outstanding County debt. The County realized an economic gain of \$456,180 on savings of \$923,270 for the Limited Tax Series 2004 Refunding, an economic gain of \$1,091,403 on savings of \$2,283,949 for the Limited Tax Series 2005 Refunding, and an economic gain of \$1,680,495 on savings of \$2,414,838 for the Unlimited Tax Series 2005 Refunding.

In June 2005 The Northwest Travis County Road District No. 3 issued Unlimited Tax Refunding Bonds, Series 2005 in the amount of \$4,765,000. Proceeds from the sale were used to provide monies to refund the District's outstanding debt. An economic gain of \$665,275 was realized on savings of \$736,901.

New Debt:

In February 2005, the County issued \$1,150,000 in Unlimited Tax Road Bonds, Series 2005. This issuance is part of the \$156.4 million authorization approved by the voters on November 6, 2001. These bonds carry interest rates ranging from 3.750% to 4.375%. The road bonds mature in varying amounts in each of the years 2006 to 2025.

The County also issued \$3,940,000 of Limited Tax Permanent Improvement Bonds, Series 2005. This issuance is part of the \$28.6 million authorization approved by the voters November 6, 2001. These bonds carry interest rates ranging from 3.25% to 4.25% and mature in varying amounts in each of the years 2006 to 2025.

In addition to the bonds, the County also issued \$12,400,000 in Limited Tax Certificates of Obligation, Series 2005. The proceeds are to be used for the following:

1. \$2,870,475 for authorized capital project needs for the County for fiscal year 2005 (to be repaid over a period of five years);
2. \$8,000,000 for the EMS Starflight Helicopter;
3. \$1,454,556 for Airport Blvd Building, Phase 2;
4. \$74,969 for cost of issuance.

The certificates, bearing an interest rate ranging from 2.75% to 3.00%, will mature in varying amounts in each of the years 2006 to 2010.

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, and \$1,150,000 in 2005, thereby leaving \$26,385,000 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 issued in 2003, \$4,090,000 issued in 2004, and \$3,940,000 in 2005, thereby leaving \$3,235,000 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.

Future minimum lease payments under this capital lease are:

2006	\$	184,532
2007		184,532
2008		184,532
2009		184,532
2010		184,532
2011-2012		369,063
Total minimum lease payments		1,291,723
Less amount representing interest		(221,396)
Present value of net minimum lease payments	\$	<u>1,070,327</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% capacity and are no longer accepting waste. The County has estimated the current cost of post-closure care to be \$2,980,789. Of this amount, \$83,411 is recorded as a current liability in the fund financial statements, including \$61,491 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, 2005 is as follows:

Capital Health Facilities Development Corporation	\$	25,000,000
Travis County Housing Finance Corporation		259,201,344
Travis County Health Facilities Development Corporation		424,540,000
Capital Industrial Development Corporation		11,860,000
Total	\$	<u>720,601,344</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, 2005 amounted to \$1,880,469. Future minimum lease payments for these leases are as follows:

2006	\$	1,588,880
2007		801,068
2008		703,206
2009		600,780
2010		588,048
2011-2015		1,306,565
2016-2020		154,368
2021-2025		133,596
2026-2030		133,596
2031-2035		133,596
2036-2040		26,719
Total	\$	<u>6,170,422</u>

11. RETIREMENT PLAN

Plan Description

Travis County provides retirement, disability, and death benefits for all of its full-time 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 559 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.

The plan provisions are adopted by the governing body of the employer, within the options available in the Texas state statutes governing TCDRS (TCDRS Act). 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. Members are vested after eight years of service but must leave their accumulated contributions in the plan to receive any employer-financed benefit. 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 (ADCR) plan provisions of the TCDRS Act. 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 9.82% for the months of the accounting year in 2004, and 9.64% for the months of the accounting year in 2005. The contribution rate payable by the employee members for calendar year 2005 is the rate of 7.00% as adopted by the Commissioners' Court.

Annual Pension Cost

For the employer's accounting year ended September 30, 2005, the annual pension cost for the TCDRS plan for its employees and the actual contributions were \$17,251,346. 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, 2002 and December 31, 2003, the basis for determining the contribution rates for calendar years 2004 and 2005. The December 31, 2004 actuarial valuation is the most recent valuation.

Actuarial Valuation Information

Actuarial valuation date	12/31/2002	12/31/2003	12/31/2004
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%	5.50%
Inflation	3.5%	3.5%	3.5%
Cost-of-living adjustments	0.0%	0.0%	0.0%

For the Retirement Plan for the Employees of Travis County

Accounting Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2003	\$15,619,761	100%	\$0
2004	\$16,215,854	100%	\$0
2005	\$17,251,346	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
12/31/2002	341,802,422	396,125,118	54,322,696	86.29%	164,495,554	33.02%
12/31/2003	385,469,400	433,194,916	47,725,516	88.98%	166,001,728	28.75%
12/31/2004	425,756,317	479,759,587	54,003,270	88.74%	178,270,537	30.29%

12. POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS

The County is self-insured for employee and retiree health care. During 2005, the County incurred \$3,673,065 in health insurance claims for 421 retirees and their dependents. Retiree contributions for 2005 totaled \$970,083, 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, 2005, 736 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 will operate 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, 2005 in the amount of \$23,738,308 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, 2005 and September 30, 2004 are composed of the following categories:

	<u>2005</u>	<u>2004</u>
Employee health	\$ 4,270,983	\$ 4,373,109
General liability	6,163,048	6,781,013
Automobile liability	986,484	859,779
Workers' compensation	2,902,626	3,243,469
Property	285,374	420,904
Totals	<u>\$ 14,608,515</u>	<u>\$ 15,678,274</u>

Changes in the balances of unpaid claims and judgements during fiscal years 2004 and 2005 were as follows:

	<u>Beginning of Fiscal Year Liability</u>	<u>Claims and Changes in Estimates</u>	<u>Claims Payments</u>	<u>Balance at Fiscal Year End</u>
2004	\$ 17,821,041	\$ 25,299,635	\$ (27,442,402)	\$ 15,678,274
2005	\$ 15,678,274	\$ 26,801,506	\$ (27,871,265)	\$ 14,608,515

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 – HOSPITAL 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% 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, 2005, the District paid \$11,741,456 to Seton which is net of the \$3,100,000 paid to the UTMB discussed in Note 17. The DSH/UPL program revenue of \$28,029,577 is netted by the \$11,741,456 paid to Seton.

16. OPERATING LEASE WITH SETON – HOSPITAL 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, 2005, 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 \$1,715,727. For the year ended September 30, 2005, 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 \$5,600,000 annually for providing medical care to the medically indigent; provided however, that Seton must first provide charity care in the amount of 4% 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, 2005 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, 2005 for home health services for the medically indigent of Travis County.

Under the Medical Assistance Program (MAP), the District paid Seton \$14,471,003 for the year ended September 30, 2005 for patients enrolled in this program. These payments are made through the interlocal agreement with the City of Austin discussed in Note 18 as the City of Austin operates MAP.

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

2006	\$	1,096,656
2007		1,096,656
2008		1,096,656
2009		1,096,656
2010		1,096,656
Thereafter		<u>16,749,840</u>
Total	\$	<u><u>22,233,120</u></u>

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

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, 2005, lease revenue of \$58,740 was recognized under this lease. Pursuant to the terms of the lease, the District paid UTMB \$3,100,000 for the year ended September 30, 2005 for charity care provided at Austin Women’s Hospital.

At September 30, 2005, the District’s investment in Austin Women’s Hospital consists of buildings and improvements valued at \$3,400,000 less accumulated depreciation of \$68,000.

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

2006	\$	58,740
2007		58,740
2008		58,740
2009		<u>19,580</u>
Total	\$	<u><u>195,800</u></u>

18. INTER-LOCAL AGREEMENT WITH THE CITY OF AUSTIN – HOSPITAL 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, 2005, the District recorded \$41,774,738 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, 2005, the District has recorded a receivable from the City of Austin of \$2,871,776 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, 2005:

Operating revenues:	
Medicare	\$ 982,449
Medicaid	5,346,338
Managed Medicare	323,000
CHIP	94,266
Net patient service revenue	814,096
Grant revenue	8,215,119
Interest income	156,012
Total operating revenues	<u>15,931,280</u>
Operating expenses:	
Salaries and benefits	21,387,737
Contracted services	27,024,610
Purchased goods	5,140,895
Total operating expenses	<u>53,553,242</u>
Other revenues (expenses):	
Payments received from the District	41,774,738
Construction in progress payment	(1,281,000)
Total other revenues	<u>40,493,738</u>
Excess of revenues over expenses	<u>\$ 2,871,776</u>

19. INTER-LOCAL AGREEMENT WITH TRAVIS COUNTY

The District entered into an inter-local agreement with Travis County in which Travis County provides legal and other services for the District along with the tax collections services. For the year ended September 30, 2005, \$135,911 is included in other purchased goods and services for the legal and other services. For the year ended September 30, 2005, \$338,049 is recorded for the tax collections services. At September 30, 2005, \$29,188 is included in due to Travis County (other governments) related to this agreement.

20. RELATED PARTY TRANSACTIONS

On October 1, 2004, the Hospital District began operations with the transfer of \$10,700,000 from the City of Austin. Thereafter, \$2,560,807 was transferred from Travis County. Effective October 1, 2004, certain assets, obligations and rights of the City of Austin transferred to the District, including title to the land and buildings of Brackenridge/Children's Hospital and Austin Women's Hospital. In addition, the responsibility, obligations, and rights of the City of Austin and Travis County to provide health care to their respective indigent population transferred to the District. Certain assets associated with the Federally Qualified Health Centers of the City of Austin and Travis County also transferred to the District.

21. SUBSEQUENT EVENTS

Refunding Debt

In November 2005, the County issued \$9,155,000 in limited tax refunding bonds, with interest rates ranging from 3.50% to 5.00%. The refunding bonds mature in varying amounts in each of the years 2006 to 2011. The refunding bonds provide the funds to refund certain amounts of the County's outstanding limited tax debt.



TRAVIS COUNTY, TEXAS

REQUIRED SUPPLEMENTARY

INFORMATION

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, 2005

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes	\$ 240,524,531	\$ 240,524,531	\$ 239,972,407	\$ (552,124)
Intergovernmental	1,089,731	1,563,999	2,480,863	916,864
Charges for services	36,694,340	37,079,273	39,548,519	2,469,246
Fines and forfeits	785,400	785,400	971,709	186,309
Investment income	3,121,875	3,121,875	4,117,983	996,108
Miscellaneous	1,804,483	1,928,889	4,254,975	2,326,086
Total revenues	<u>284,020,360</u>	<u>285,003,967</u>	<u>291,346,456</u>	<u>6,342,489</u>
Expenditures:				
Current:				
General government	54,438,726	54,720,959	50,241,673	4,479,286
Justice system	79,813,923	81,480,543	77,726,988	3,753,555
Public safety	41,045,718	41,189,838	39,319,699	1,870,139
Corrections and rehabilitation	70,897,782	72,731,978	71,404,632	1,327,346
Health and human services	32,203,331	34,611,745	32,785,532	1,826,213
Infrastructure and environmental services	6,516,301	6,647,870	5,539,160	1,108,710
Community and economic development	6,124,740	6,005,930	5,606,251	399,679
Capital outlay	7,505,717	8,111,065	3,843,057	4,268,008
Total expenditures	<u>298,546,238</u>	<u>305,499,928</u>	<u>286,466,992</u>	<u>19,032,936</u>
Excess (deficiency) of revenues over expenditures	<u>(14,525,878)</u>	<u>(20,495,961)</u>	<u>4,879,464</u>	<u>25,375,425</u>
Other financing sources (uses):				
Transfers in	3,344,492	3,344,492	2,347,547	(996,945)
Transfers out	(7,738,221)	(5,863,708)	(5,712,376)	151,332
Total other financing sources (uses)	<u>(4,393,729)</u>	<u>(2,519,216)</u>	<u>(3,364,829)</u>	<u>(845,613)</u>
Net change in fund balance	(18,919,607)	(23,015,177)	1,514,635	24,529,812
Fund balance--beginning of year	<u>67,467,453</u>	<u>67,467,453</u>	<u>67,467,453</u>	<u>-</u>
Fund balance--end of year	<u>\$ 48,547,846</u>	<u>\$ 44,452,276</u>	<u>\$ 68,982,088</u>	<u>\$ 24,529,812</u>

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

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, 2005

	Budgeted Amounts ^{2,3}		Actual Amounts ³	Variance with Final Budget
	Original	Final		Positive (Negative)
General Government:				
General Administration				
County Judge	\$ 358,945	\$ 358,942	\$ 333,136	\$ 25,806
County Commissioner Precinct #1	279,201	279,201	278,412	789
County Commissioner Precinct #2	288,117	288,117	286,551	1,566
County Commissioner Precinct #3	265,654	265,532	253,813	11,719
County Commissioner Precinct #4	281,390	281,390	274,094	7,296
Commissioners' Court General Administration	830,345	805,331	1,897,978	(1,092,647) ¹
Human Resource Management	7,442,371	7,479,805	7,046,494	433,311
Information Systems and Telecommunications	15,428,319	15,860,759	12,604,242	3,256,517
County Clerk - Recording	1,841,925	1,877,881	1,792,094	85,787
Civil Service Commission	60,824	60,845	60,743	102
Records Management and Communication	3,564,103	3,559,973	3,381,648	178,325
Centralized Fleet Purchases (TNR)	25,000	24,742	16,045	8,697
Centralized Computer Systems and Services (ITS)	117,433	122,155	118,122	4,033
Centralized Rent and Utilities (Facilities)	428,100	411,863	410,551	1,312
Centralized Fleet Services (TNR)	37,604	37,984	37,624	360
Total General Administration	31,249,331	31,714,520	28,791,547	2,922,973
Financial Administration				
County Auditor	5,861,991	5,861,991	5,038,996	822,995
County Treasurer	394,200	394,200	389,196	5,004
Planning and Budget	1,252,421	1,256,605	1,149,567	107,038
Purchasing and Inventory Management	2,236,491	2,236,958	2,107,543	129,415
Centralized Computer Systems and Services (ITS)	20,711	19,769	19,659	110
Centralized Rent and Utilities (Facilities)	96,175	94,475	94,432	43
Centralized Fleet Services (TNR)	1,679	1,766	1,689	77
Total Financial Administration	9,863,668	9,865,764	8,801,082	1,064,682
Tax Administration				
Tax Collector	5,564,699	5,566,257	5,192,352	373,905
Centralized Computer Systems and Services (ITS)	40,681	38,013	31,558	6,455
Centralized Rent and Utilities (Facilities)	40,115	39,315	39,139	176
Total Tax Administration	5,645,495	5,643,585	5,263,049	380,536
Facilities Management				
Facilities Management	8,004,845	8,419,654	6,394,154	2,025,500
Centralized Computer Systems and Services (ITS)	19,843	21,353	21,351	2
Centralized Rent and Utilities (Facilities)	17,199	27,099	26,459	640
Centralized Fleet Services (TNR)	64,159	65,729	64,413	1,316
Total Facilities Management	8,106,046	8,533,835	6,506,377	2,027,458
Election Administration				
County Clerk - Election Administration	1,919,743	2,072,139	1,920,178	151,961
Centralized Computer Systems and Services (ITS)	2,201	2,201	2,102	99
Centralized Rent and Utilities (Facilities)	64,385	59,685	59,095	590
Total Election Administration	1,986,329	2,134,025	1,981,375	152,650
Total General Government	56,850,869	57,891,729	51,343,430	6,548,299

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	211,094	214,299	193,266	21,033
County Attorney	4,373,795	4,167,425	4,060,178	107,247
County Clerk	1,309,919	1,351,147	1,302,514	48,633
District Clerk	1,517,862	1,540,375	1,503,148	37,227
District Attorney	9,104,023	9,200,310	8,793,205	407,105
Criminal Courts	5,080,982	5,127,299	4,789,763	337,536
Justice of the Peace #1	314,221	311,029	308,527	2,502
Justice of the Peace #2	579,095	753,872	736,395	17,477
Justice of the Peace #3	597,139	650,932	627,206	23,726
Justice of the Peace #4	350,184	347,233	339,119	8,114
Justice of the Peace #5	351,982	354,342	347,778	6,564
Criminal Justice Planning	704,351	649,072	571,280	77,792
Information Systems and Telecommunications	29,061	29,061	23,561	5,500
Facilities Management	916,440	945,796	776,379	169,417
Centralized Computer Systems and Services (ITS)	195,621	207,838	186,461	21,377
Centralized Rent and Utilities (Facilities)	823,810	789,389	787,846	1,543
Centralized Fleet Services (TNR)	27,823	28,434	26,917	1,517
Legally Mandated Fees	5,856,124	5,848,480	5,637,129	211,351
Total Criminal Justice	32,343,526	32,516,333	31,010,672	1,505,661
Civil Justice				
County Attorney	5,977,046	6,190,319	5,558,411	631,908
County Clerk	1,019,085	1,274,044	1,200,201	73,843
District Clerk	3,586,133	3,715,452	3,347,878	367,574
Civil Courts	4,671,665	4,668,744	4,209,533	459,211
District Attorney	1,953,264	1,997,523	1,917,443	80,080
Probate Court	1,186,009	1,242,405	1,213,150	29,255
Justice of the Peace #1	267,429	270,621	253,777	16,844
Justice of the Peace #2	477,588	365,594	337,462	28,132
Justice of the Peace #3	251,012	247,219	227,113	20,106
Justice of the Peace #4	228,474	296,727	283,328	13,399
Justice of the Peace #5	290,311	289,994	271,217	18,777
Centralized Computer Systems and Services (ITS)	142,089	121,475	80,287	41,188
Centralized Rent and Utilities (Facilities)	229,694	261,994	260,846	1,148
Centralized Fleet Services (TNR)	7,683	8,305	8,087	218
Legally Mandated Fees	1,839,705	1,839,705	1,761,747	77,958
Total Civil Justice	22,127,187	22,790,121	20,930,480	1,859,641
Juvenile Services				
County Judge	5,636	5,639	5,632	7
Juvenile Public Defender	909,455	909,455	881,458	27,997
Juvenile Court	22,978,564	23,472,562	23,006,583	465,979
Child Protective Services (HHS)	1,494,772	1,642,661	1,596,351	46,310
Facilities Management	23,833	58,833	27,599	31,234
Centralized Computer Systems and Services (ITS)	34,588	34,588	32,982	1,606
Centralized Rent and Utilities (Facilities)	685,280	778,701	778,111	590
Centralized Fleet Services (TNR)	15,494	16,519	15,978	541
Total Juvenile Services	26,147,622	26,918,958	26,344,694	574,264
Total Justice System	80,618,335	82,225,412	78,285,846	3,939,566

(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, 2005

	Budgeted Amounts ^{2,3}		Actual Amounts ³	Variance with Final Budget Positive (Negative)
	Original	Final		
Public Safety:				
Law Enforcement				
Constable #1	757,440	766,676	755,868	10,808
Constable #2	1,094,154	1,105,286	1,082,857	22,429
Constable #3	1,265,704	1,271,819	1,174,118	97,701
Constable #4	793,458	793,458	728,314	65,144
Constable #5	2,785,452	2,785,200	2,646,549	138,651
Sheriff	26,443,863	26,349,155	25,798,545	550,610
Medical Examiner	2,178,338	2,193,606	2,124,913	68,693
Information Systems and Telecommunications	109,692	116,327	35,127	81,200
Facilities Management	-	41,883	41,410	473
Centralized Fleet Purchases (TNR)	82,447	22,862	-	22,862
Centralized Computer Systems and Services (ITS)	164,612	164,700	157,465	7,235
Centralized Rent and Utilities (Facilities)	347,979	371,929	370,956	973
Centralized Fleet Services (TNR)	1,787,141	2,033,302	1,955,014	78,288
Total Law Enforcement	37,810,280	38,016,203	36,871,136	1,145,067
Emergency Management Services				
Emergency Management Services	4,266,847	4,183,412	3,183,124	1,000,288
Combined Transportation/Emergency Com Center (CJP)	160,314	160,314	41,387	118,927
Centralized Computer Systems and Services (ITS)	12,545	12,984	6,494	6,490
Centralized Rent and Utilities (Facilities)	92,195	92,195	90,710	1,485
Centralized Fleet Services (TNR)	218,934	217,219	206,921	10,298
Total Emergency Management Services	4,750,835	4,666,124	3,528,636	1,137,488
Total Public Safety	42,561,115	42,682,327	40,399,772	2,282,555
Corrections and Rehabilitation:				
Housing and Booking				
Sheriff	65,878,245	67,539,862	66,059,237	1,480,625
Facilities Management	72,024	67,482	66,283	1,199
Centralized Fleet Purchases (TNR)	200,681	8,236	-	8,236
Centralized Computer Systems and Services (ITS)	99,671	99,671	97,288	2,383
Centralized Rent and Utilities (Facilities)	373,704	400,604	400,007	597
Centralized Fleet Services (TNR)	178,534	347,383	294,800	52,583
Total Housing and Booking	66,802,859	68,463,238	66,917,615	1,545,623
Supervision				
Community Supervision and Corrections	461,473	452,085	437,446	14,639
Travis County Counseling Center/SACA	1,801,999	1,841,185	1,733,322	107,863
Pre-Trial Services	2,157,613	2,154,699	2,053,787	100,912
Centralized Computer Systems and Services (ITS)	141,665	142,259	141,796	463
Centralized Rent and Utilities (Facilities)	866,227	879,227	878,308	919
Centralized Fleet Services (TNR)	17,084	18,120	17,558	562
Total Supervision	5,446,061	5,487,575	5,262,217	225,358
Total Corrections and Rehabilitation	72,248,920	73,950,813	72,179,832	1,770,981
Health and Human Services:				
Healthcare				
Commissioners' Court General Administration	-	2,560,807	2,560,807	-
Combined Transportation/Emergency Com Center (CJP)	105,622	105,622	40,902	64,720
Health Services (HHS)	1,349,147	1,350,783	1,109,664	241,119
Emergency Medical Services	11,436,707	11,451,035	10,690,099	760,936
Centralized Rent and Utilities (Facilities)	156,655	212,555	210,655	1,900
Centralized Fleet Services (TNR)	13,981	13,971	13,171	800
Total Healthcare	13,062,112	15,694,773	14,625,298	1,069,475
Public Health				
Public Health (HHS)	862,440	888,239	833,073	55,166
Facilities Management	287,730	287,730	18,310	269,420
Centralized Computer Systems and Services (ITS)	15,610	14,840	2,079	12,761
Centralized Rent and Utilities (Facilities)	16,093	13,993	13,975	18
Centralized Fleet Services (TNR)	27,069	29,524	28,623	901
Total Public Health	1,208,942	1,234,326	896,060	338,266

	Budgeted Amounts ^{2,3}		Actual Amounts ³	Variance with Final Budget
	Original	Final		Positive
				(Negative)
Human Services				
Veteran Services	251,204	260,914	252,486	8,428
County Cooperative (Agricultural) Extension Service	798,209	737,218	700,316	36,902
Human Services (HHS)	17,647,679	17,470,434	16,236,645	1,233,789
Information Systems and Telecommunications	3,364	3,364	3,364	-
Facilities Management	3,957	3,957	-	3,957
Centralized Computer Systems and Services (ITS)	35,798	34,698	23,350	11,348
Centralized Rent and Utilities (Facilities)	92,525	101,025	100,893	132
Centralized Fleet Services (TNR)	62,886	67,110	66,341	769
Total Human Services	18,895,622	18,678,720	17,383,395	1,295,325
Total Health and Human Services	33,166,676	35,607,819	32,904,753	2,703,066
Infrastructure and Environmental Services:				
Roads and Bridges				
Transportation and Roads	2,856,157	2,828,557	2,388,232	440,325
Centralized Computer Systems and Services (ITS)	132,781	137,298	136,628	670
Centralized Rent and Utilities (Facilities)	42,998	45,648	45,623	25
Centralized Fleet Services (TNR)	49,294	85,305	72,843	12,462
Total Roads and Bridges	3,081,230	3,096,808	2,643,326	453,482
Drainage				
Transportation and Roads - Stormwater Management	905,424	867,477	601,551	265,926
Centralized Rent and Utilities (Facilities)	6,402	6,952	6,915	37
Centralized Fleet Services (TNR)	38,738	609	597	12
Total Drainage	950,564	875,038	609,063	265,975
Development and Regulation				
Centralized Computer Systems and Services (ITS)	44,738	44,912	39,758	5,154
Centralized Rent and Utilities (Facilities)	6,402	6,952	6,915	37
Total Development and Regulation	51,140	51,864	46,673	5,191
Conservation and Natural Resources				
Transportation and Roads	1,857,665	2,038,980	1,624,851	414,129
Centralized Computer Systems and Services (ITS)	11,235	11,694	11,453	241
Centralized Rent and Utilities (Facilities)	6,400	6,950	6,913	37
Centralized Fleet Services (TNR)	31,331	31,168	29,452	1,716
Total Conservation and Natural Resources	1,906,631	2,088,792	1,672,669	416,123
Sanitation				
Transportation and Roads - Onsite Sewage Facility	695,038	672,376	589,534	82,842
Centralized Computer Systems and Services (ITS)	13,263	14,179	14,170	9
Centralized Rent and Utilities (Facilities)	6,400	6,950	6,913	37
Centralized Fleet Services (TNR)	16,096	17,725	17,296	429
Total Sanitation	730,797	711,230	627,913	83,317
Total Infrastructure and Environmental Services	6,720,362	6,823,732	5,599,644	1,224,088
Community and Economic Development:				
Economic Development				
Travis County Exposition Center	1,178,065	1,178,065	1,101,529	76,536
Centralized Computer Systems and Services (ITS)	1,025	1,025	-	1,025
Centralized Rent and Utilities (Facilities)	1,000	1,000	955	45
Centralized Fleet Services (TNR)	11,781	35,711	35,284	427
Total Economic Development	1,191,871	1,215,801	1,137,768	78,033
Parks and Recreation				
Transportation and Roads	5,024,198	4,930,625	4,452,715	477,910
Centralized Computer Systems and Services (ITS)	6,632	7,090	7,077	13
Centralized Rent and Utilities (Facilities)	-	1,750	1,708	42
Centralized Fleet Services (TNR)	150,366	154,586	147,615	6,971
Total Parks and Recreation	5,181,196	5,094,051	4,609,115	484,936
Culture and Education				
Historical Commission	1,848	1,848	444	1,404
Centralized Rent and Utilities (Facilities)	5,046	6,396	6,388	8
Total Culture and Education	6,894	8,244	6,832	1,412
Total Community and Economic Development	6,379,961	6,318,096	5,753,715	564,381
Total	\$ 298,546,238	\$ 305,499,928	\$ 286,466,992	\$ 19,032,936

(concluded)

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, 2005

	Budgeted Amounts ⁽¹⁾		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues:				
Intergovernmental	\$ 75,000	\$ 75,000	\$ 75,619	\$ 619
Charges for services	11,575,000	11,575,000	12,382,488	807,488
Fines and forfeits	5,290,984	5,290,984	5,177,198	(113,786)
Investment income	125,000	125,000	350,392	225,392
Miscellaneous	-	-	6,164	6,164
Total revenues	<u>17,065,984</u>	<u>17,065,984</u>	<u>17,991,861</u>	<u>925,877</u>
Expenditures:				
Current:				
Infrastructure and environmental services (TNR)	16,843,667	15,929,852	12,417,103	3,512,749
Capital outlay	8,159,267	9,073,082	5,499,953	3,573,129
Total expenditures	<u>25,002,934</u>	<u>25,002,934</u>	<u>17,917,056</u>	<u>7,085,878</u>
Excess (deficiency) of revenues over expenditures	<u>(7,936,950)</u>	<u>(7,936,950)</u>	<u>74,805</u>	<u>8,011,755</u>
Other financing sources (uses):				
Transfers out	<u>(1,960,000)</u>	<u>(1,960,000)</u>	<u>(1,960,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(1,960,000)</u>	<u>(1,960,000)</u>	<u>(1,960,000)</u>	<u>-</u>
Net change in fund balance	(9,896,950)	(9,896,950)	(1,885,195)	8,011,755
Fund balance--beginning of year	<u>12,113,385</u>	<u>12,113,385</u>	<u>12,113,385</u>	<u>-</u>
Fund balance--end of year	<u>\$ 2,216,435</u>	<u>\$ 2,216,435</u>	<u>\$ 10,228,190</u>	<u>\$ 8,011,755</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



Photo by Travis County Auditor's Office

Mary Quinlan Park

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 prosecutor's office.

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 County and District Court civil case filed and expenditures of the Alternative Dispute System office. 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 of 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).

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.

TRAVIS COUNTY, TEXAS

Special Revenue Funds, continued

Mary Quinlan Park Fund - To account for monies collected in settlement 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.

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 that are pending disposition due to ongoing litigation.

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 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 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.

TRAVIS COUNTY, TEXAS

Special Revenue Funds, continued

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.

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.

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.

Road District 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.

Parks 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, 2005**

	<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>
Assets					
Cash and pooled cash	\$ 593,620	\$ 286,034	\$ 456,822	\$ 81,919	\$ 141,939
Investments	-	-	-	-	-
Interest receivable	1,897	-	-	154	617
Due from other funds	-	-	3,939	-	-
Accounts receivable	-	1,370	9,267	-	-
Intergovernmental and other receivables	-	-	-	-	-
Taxes receivable (net of allowances for estimated uncollectibles)	-	-	-	-	-
Total assets	<u>\$ 595,517</u>	<u>\$ 287,404</u>	<u>\$ 470,028</u>	<u>\$ 82,073</u>	<u>\$ 142,556</u>
Liabilities and Fund Balances					
Liabilities:					
Accounts payable	50,705	-	-	48,124	502
Accrued liabilities	12,486	-	-	-	5,801
Due to other funds	-	51,534	14,371	-	-
Other liabilities	-	-	7,404	-	-
Liability for compensated absences	7,004	-	-	-	3,583
Deferred revenue	-	-	-	-	-
Total liabilities	<u>70,195</u>	<u>51,534</u>	<u>21,775</u>	<u>48,124</u>	<u>9,886</u>
Fund balances:					
<i>Reserved for:</i>					
Encumbrances	9,151	-	-	-	-
County schools	-	-	-	-	-
Juveniles	-	-	-	-	-
<i>Unreserved, designated for:</i>					
Compensated absences	7,003	-	-	-	3,583
Debt service	-	-	-	-	-
Capital projects	-	-	-	-	-
<i>Unreserved, undesignated, reported in:</i>					
Special revenue funds	509,168	235,870	448,253	33,949	129,087
Total fund balances	<u>525,322</u>	<u>235,870</u>	<u>448,253</u>	<u>33,949</u>	<u>132,670</u>
Total liabilities and fund balances	<u>\$ 595,517</u>	<u>\$ 287,404</u>	<u>\$ 470,028</u>	<u>\$ 82,073</u>	<u>\$ 142,556</u>

Special Revenue

Juvenile Fee	County and District Clerk Records Management & Preservation	Records Management & Preservation	Courthouse Security	LCRA Parks CIP	Juvenile Justice Alternative Education Program
\$ 243,182	\$ 655,672	\$ 176,887	\$ 179,490	\$ 2,571,772	\$ 1,351,436
-	-	-	-	-	-
870	2,025	545	489	10,139	4,522
-	-	-	-	-	-
-	-	-	-	-	272,626
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 244,052</u>	<u>\$ 657,697</u>	<u>\$ 177,432</u>	<u>\$ 179,979</u>	<u>\$ 2,581,911</u>	<u>\$ 1,628,584</u>
-	8,320	-	-	33,392	71,446
-	31,596	7,416	56,260	-	2,804
-	-	-	-	-	-
-	-	-	-	-	-
-	10,658	5,700	61,559	-	3,444
-	-	-	-	-	-
-	<u>50,574</u>	<u>13,116</u>	<u>117,819</u>	<u>33,392</u>	<u>77,694</u>
-	83,651	-	-	541,184	39,416
-	-	-	-	-	-
-	-	-	-	-	-
-	10,658	5,700	61,559	-	3,444
-	-	-	-	-	-
-	-	-	-	-	-
244,052	512,814	158,616	601	2,007,335	1,508,030
<u>244,052</u>	<u>607,123</u>	<u>164,316</u>	<u>62,160</u>	<u>2,548,519</u>	<u>1,550,890</u>
<u>\$ 244,052</u>	<u>\$ 657,697</u>	<u>\$ 177,432</u>	<u>\$ 179,979</u>	<u>\$ 2,581,911</u>	<u>\$ 1,628,584</u>

(continued)

TRAVIS COUNTY, TEXAS
 COMBINING BALANCE SHEET, continued
 NON-MAJOR GOVERNMENTAL FUNDS
 September 30, 2005

	Special Revenue				
	Jail Commissary	Court Reporter Service	CSCD Equipment Acquisition	Juvenile Deferred Prosecution	Balcones Canyonlands
Assets					
Cash and pooled cash	\$ 965,644	\$ 171,824	\$ 1,107	\$ 23,039	\$ 5,159,365
Investments	-	-	-	-	-
Interest receivable	-	489	-	74	12,065
Due from other funds	-	-	-	-	-
Accounts receivable	-	-	-	-	567,675
Intergovernmental and other receivables	-	-	-	-	-
Taxes receivable (net of allowances for estimated uncollectibles)	-	-	-	-	-
Total assets	<u>\$ 965,644</u>	<u>\$ 172,313</u>	<u>\$ 1,107</u>	<u>\$ 23,113</u>	<u>\$ 5,739,105</u>
Liabilities and Fund Balances					
Liabilities:					
Accounts payable	33,266	-	-	-	-
Accrued liabilities	-	12,214	-	-	4,191
Due to other funds	51,370	-	-	-	-
Other liabilities	2,257	-	-	-	-
Liability for compensated absences	-	3,217	-	-	2,754
Deferred revenue	-	-	-	-	-
Total liabilities	<u>86,893</u>	<u>15,431</u>	<u>-</u>	<u>-</u>	<u>6,945</u>
Fund balances:					
<i>Reserved for:</i>					
Encumbrances	-	-	-	-	916,105
County schools	-	-	-	-	-
Juveniles	-	-	-	-	-
<i>Unreserved, designated for:</i>					
Compensated absences	-	3,217	-	-	2,754
Debt service	-	-	-	-	-
Capital projects	-	-	-	-	-
<i>Unreserved, undesignated, reported in:</i>					
Special revenue funds	878,751	153,665	1,107	23,113	4,813,301
Total fund balances	<u>878,751</u>	<u>156,882</u>	<u>1,107</u>	<u>23,113</u>	<u>5,732,160</u>
Total liabilities and fund balances	<u>\$ 965,644</u>	<u>\$ 172,313</u>	<u>\$ 1,107</u>	<u>\$ 23,113</u>	<u>\$ 5,739,105</u>

Special Revenue

Abandoned Vehicles/ Livestock	LEOSE Elected Officials	LEOSE Commissioners' Court	Juvenile Delinquency Prevention	Unclaimed Property	Professional Prosecutors
\$ 64,143	\$ 57,559	\$ 1,224	\$ 82	\$ 283,018	\$ 1
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	1,198	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 64,143</u>	<u>\$ 58,757</u>	<u>\$ 1,224</u>	<u>\$ 82</u>	<u>\$ 283,018</u>	<u>\$ 1</u>
187	-	478	-	-	-
-	-	-	-	-	-
-	3,939	-	-	-	-
298	118	-	-	283,018	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>485</u>	<u>4,057</u>	<u>478</u>	<u>-</u>	<u>283,018</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
63,658	54,700	746	82	-	1
<u>63,658</u>	<u>54,700</u>	<u>746</u>	<u>82</u>	<u>-</u>	<u>1</u>
<u>\$ 64,143</u>	<u>\$ 58,757</u>	<u>\$ 1,224</u>	<u>\$ 82</u>	<u>\$ 283,018</u>	<u>\$ 1</u>

(continued)

TRAVIS COUNTY, TEXAS
 COMBINING BALANCE SHEET, continued
 NON-MAJOR GOVERNMENTAL FUNDS
 September 30, 2005

	Special Revenue				
	Mary Quinlan Park	Probate Judiciary Fee	Justice Court Technology	Jury Management	Capital Health Facilities Development Corporation
Assets					
Cash and pooled cash	\$ 263,743	\$ 216,675	\$ 480,625	\$ 940,385	\$ 5,448
Investments	-	-	-	-	-
Interest receivable	-	896	1,494	-	-
Due from other funds	-	-	-	-	-
Accounts receivable	-	-	-	-	-
Intergovernmental and other receivables	-	-	-	-	-
Taxes receivable (net of allowances for estimated uncollectibles)	-	-	-	-	-
Total assets	<u>\$ 263,743</u>	<u>\$ 217,571</u>	<u>\$ 482,119</u>	<u>\$ 940,385</u>	<u>\$ 5,448</u>
Liabilities and Fund Balances					
Liabilities:					
Accounts payable	-	360	1,248	-	-
Accrued liabilities	-	2,584	-	-	-
Due to other funds	-	-	-	-	-
Other liabilities	-	-	-	-	-
Liability for compensated absences	-	1,536	-	-	-
Deferred revenue	-	-	-	940,385	-
Total liabilities	<u>-</u>	<u>4,480</u>	<u>1,248</u>	<u>940,385</u>	<u>-</u>
Fund balances:					
<i>Reserved for:</i>					
Encumbrances	1,110	-	1,738	-	-
County schools	-	-	-	-	-
Juveniles	-	-	-	-	-
<i>Unreserved, designated for:</i>					
Compensated absences	-	1,536	-	-	-
Debt service	-	-	-	-	-
Capital projects	-	-	-	-	-
<i>Unreserved, undesignated, reported in:</i>					
Special revenue funds	262,633	211,555	479,133	-	5,448
Total fund balances	<u>263,743</u>	<u>213,091</u>	<u>480,871</u>	<u>-</u>	<u>5,448</u>
Total liabilities and fund balances	<u>\$ 263,743</u>	<u>\$ 217,571</u>	<u>\$ 482,119</u>	<u>\$ 940,385</u>	<u>\$ 5,448</u>

Special Revenue

Travis County Housing Finance Corporation	Travis County Health Facilities Development Corporation	Capital Industrial Development Corporation	Truancy Court	County Clerk Archival	Family Protection	Elections Contract
\$ 76,349	\$ 32,389	\$ 14,705	\$ 74,106	\$ 834,084	\$ 46,302	\$ 141,868
367,187	203,852	-	-	-	-	-
-	-	-	301	3,370	163	2,504
-	-	-	-	-	-	-
15,000	-	-	5,374	-	-	130,108
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 458,536</u>	<u>\$ 236,241</u>	<u>\$ 14,705</u>	<u>\$ 79,781</u>	<u>\$ 837,454</u>	<u>\$ 46,465</u>	<u>\$ 274,480</u>
-	-	-	1,525	111,415	-	23,133
-	-	-	6,243	10,131	-	2,725
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	2,348	3,989	-	9,422
-	-	-	-	-	-	-
-	-	-	<u>10,116</u>	<u>125,535</u>	-	<u>35,280</u>
-	-	-	-	39,454	-	322
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	2,349	3,989	-	9,422
-	-	-	-	-	-	-
-	-	-	-	-	-	-
458,536	236,241	14,705	67,316	668,476	46,465	229,456
<u>458,536</u>	<u>236,241</u>	<u>14,705</u>	<u>69,665</u>	<u>711,919</u>	<u>46,465</u>	<u>239,200</u>
<u>\$ 458,536</u>	<u>\$ 236,241</u>	<u>\$ 14,705</u>	<u>\$ 79,781</u>	<u>\$ 837,454</u>	<u>\$ 46,465</u>	<u>\$ 274,480</u>

(continued)

TRAVIS COUNTY, TEXAS
COMBINING BALANCE SHEET, continued
NON-MAJOR GOVERNMENTAL FUNDS
September 30, 2005

	Special Revenue				Debt Service
	Vital Statistic Preservation	Fire Code Fund	Gardner House Handicraft	Total	Road District
Assets					
Cash and pooled cash	\$ 8,014	\$ 70,943	\$ 2,396	\$ 16,673,811	\$ 15
Investments	-	-	-	571,039	390,491
Interest receivable	22	140	9	42,785	-
Due from other funds	-	-	-	3,939	-
Accounts receivable	-	-	-	1,002,618	-
Intergovernmental and other receivables	-	-	-	-	-
Taxes receivable (net of allowances for estimated uncollectibles)	-	-	-	-	21,003
Total assets	\$ 8,036	\$ 71,083	\$ 2,405	\$ 18,294,192	\$ 411,509
Liabilities and Fund Balances					
Liabilities:					
Accounts payable	-	-	-	384,101	-
Accrued liabilities	-	-	-	154,451	-
Due to other funds	-	-	-	121,214	-
Other liabilities	-	-	-	293,095	-
Liability for compensated absences	-	-	-	115,214	-
Deferred revenue	-	-	-	940,385	21,003
Total liabilities	-	-	-	2,008,460	21,003
Fund balances:					
<i>Reserved for:</i>					
Encumbrances	-	-	-	1,632,131	-
County schools	-	-	-	-	-
Juveniles	-	-	2,405	2,405	-
<i>Unreserved, designated for:</i>					
Compensated absences	-	-	-	115,214	-
Debt service	-	-	-	-	390,506
Capital projects	-	-	-	-	-
<i>Unreserved, undesignated, reported in:</i>					
Special revenue funds	8,036	71,083	-	14,535,982	-
Total fund balances	8,036	71,083	2,405	16,285,732	390,506
Total liabilities and fund balances	\$ 8,036	\$ 71,083	\$ 2,405	\$ 18,294,192	\$ 411,509

Capital Projects				Permanent Fund	Total Non-Major Governmental Funds
Joint Road Improvements	Parks	Grants	Total	Permanent School Fund	
\$ 2,519,396	\$ 183,184	\$ -	\$ 2,702,580	\$ 2,229,120	\$ 21,605,526
-	-	-	-	-	961,530
8,502	89	730	9,321	-	52,106
-	-	-	-	-	3,939
-	-	101,763	101,763	-	1,104,381
-	-	1,566,337	1,566,337	-	1,566,337
-	-	-	-	-	21,003
<u>\$ 2,527,898</u>	<u>\$ 183,273</u>	<u>\$ 1,668,830</u>	<u>\$ 4,380,001</u>	<u>\$ 2,229,120</u>	<u>\$ 25,314,822</u>
500,420	-	6,534	506,954	-	891,055
-	-	-	-	-	154,451
-	-	1,661,658	1,661,658	-	1,782,872
302,468	390	-	302,858	-	595,953
-	-	-	-	-	115,214
-	-	638	638	-	962,026
<u>802,888</u>	<u>390</u>	<u>1,668,830</u>	<u>2,472,108</u>	<u>-</u>	<u>4,501,571</u>
1,725,010	-	-	1,725,010	-	3,357,141
-	-	-	-	2,229,120	2,229,120
-	-	-	-	-	2,405
-	-	-	-	-	115,214
-	-	-	-	-	390,506
-	182,883	-	182,883	-	182,883
-	-	-	-	-	14,535,982
<u>1,725,010</u>	<u>182,883</u>	<u>-</u>	<u>1,907,893</u>	<u>2,229,120</u>	<u>20,813,251</u>
<u>\$ 2,527,898</u>	<u>\$ 183,273</u>	<u>\$ 1,668,830</u>	<u>\$ 4,380,001</u>	<u>\$ 2,229,120</u>	<u>\$ 25,314,822</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, 2005

Special Revenue

	Law Library	CAPSO DAPSO	Law Enforcement	Dispute Resolution Center	Counseling Center
Revenues:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	36,846	-	-	-
Charges for services	879,249	243,016	-	230,026	447,027
Fines and forfeits	-	-	213,604	-	-
Investment income	11,088	-	9,036	438	4,383
Miscellaneous	-	-	4,513	2,866	-
Total revenues	<u>890,337</u>	<u>279,862</u>	<u>227,153</u>	<u>233,330</u>	<u>451,410</u>
Expenditures:					
Current:					
General government	-	-	-	-	-
Justice system	772,378	231,862	63,840	288,741	4,275
Public safety	-	-	50,373	-	-
Corrections and rehabilitation	-	-	-	-	493,900
Infrastructure and environmental services	-	-	-	-	-
Community and economic development	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service:					
Refunding bond issuance cost	-	-	-	-	-
Advance refunding escrow	-	-	-	-	-
Principal on general obligation debt	-	-	-	-	-
Interest and other charges	-	-	-	-	-
Total expenditures	<u>772,378</u>	<u>231,862</u>	<u>114,213</u>	<u>288,741</u>	<u>498,175</u>
Excess (deficiency) of revenues over expenditures	<u>117,959</u>	<u>48,000</u>	<u>112,940</u>	<u>(55,411)</u>	<u>(46,765)</u>
Other financing sources (uses):					
General obligation debt issued	-	-	-	-	-
Debt premium	-	-	-	-	-
Payment to refunding bond agent	-	-	-	-	-
Transfers in	-	-	-	83,330	32,000
Transfers out	-	(59,620)	(36,244)	-	(21,135)
Total other financing sources (uses)	<u>-</u>	<u>(59,620)</u>	<u>(36,244)</u>	<u>83,330</u>	<u>10,865</u>
Net change in fund balances	117,959	(11,620)	76,696	27,919	(35,900)
Fund balances--beginning of year	407,363	247,490	371,557	6,030	168,570
Fund balances--end of year	<u>\$ 525,322</u>	<u>\$ 235,870</u>	<u>\$ 448,253</u>	<u>\$ 33,949</u>	<u>\$ 132,670</u>

Special Revenue

Juvenile Fee	County and District Clerk Records Management & Preservation	Records Management & Preservation	Courthouse Security	LCRA Parks CIP	Juvenile Justice Alternative Education Program
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	522,427
20,987	1,270,899	295,129	521,392	237,133	-
-	-	-	-	-	-
5,438	11,671	3,222	3,548	64,953	27,551
-	-	-	-	-	-
<u>26,425</u>	<u>1,282,570</u>	<u>298,351</u>	<u>524,940</u>	<u>302,086</u>	<u>549,978</u>
-	1,172,644	278,464	-	-	-
30	69,529	-	-	-	440,858
-	-	-	1,711,209	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	11,386	-	-	413,677	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>30</u>	<u>1,253,559</u>	<u>278,464</u>	<u>1,711,209</u>	<u>413,677</u>	<u>440,858</u>
<u>26,395</u>	<u>29,011</u>	<u>19,887</u>	<u>(1,186,269)</u>	<u>(111,591)</u>	<u>109,120</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	1,123,364	-	160,758
-	-	-	-	-	-
-	-	-	<u>1,123,364</u>	<u>-</u>	<u>160,758</u>
26,395	29,011	19,887	(62,905)	(111,591)	269,878
217,657	578,112	144,429	125,065	2,660,110	1,281,012
<u>\$ 244,052</u>	<u>\$ 607,123</u>	<u>\$ 164,316</u>	<u>\$ 62,160</u>	<u>\$ 2,548,519</u>	<u>\$ 1,550,890</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, 2005

	Special Revenue				
	Jail Commissary	Court Reporter Service	CSCD Equipment Acquisition	Juvenile Deferred Prosecution	Balcones Canyonlands
Revenues:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-
Charges for services	1,219,760	355,280	-	7,198	1,042,107
Fines and forfeits	-	-	-	-	-
Investment income	14,182	2,705	(3)	430	45,662
Miscellaneous	-	-	-	-	81,900
Total revenues	<u>1,233,942</u>	<u>357,985</u>	<u>(3)</u>	<u>7,628</u>	<u>1,169,669</u>
Expenditures:					
Current:					
General government	-	-	-	-	-
Justice system	-	313,914	-	-	-
Public safety	-	-	-	-	-
Corrections and rehabilitation	1,189,251	-	-	-	-
Infrastructure and environmental services	-	-	-	-	139,584
Community and economic development	-	-	-	-	-
Capital outlay	-	-	-	-	1,056,973
Debt service:					
Refunding bond issuance cost	-	-	-	-	-
Advance refunding escrow	-	-	-	-	-
Principal on general obligation debt	-	-	-	-	-
Interest and other charges	-	-	-	-	-
Total expenditures	<u>1,189,251</u>	<u>313,914</u>	<u>-</u>	<u>-</u>	<u>1,196,557</u>
Excess (deficiency) of revenues over expenditures	<u>44,691</u>	<u>44,071</u>	<u>(3)</u>	<u>7,628</u>	<u>(26,888)</u>
Other financing sources (uses):					
General obligation debt issued	-	-	-	-	-
Debt premium	-	-	-	-	-
Payment to refunding bond agent	-	-	-	-	-
Transfers in	-	-	-	-	3,956,944
Transfers out	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,956,944</u>
Net change in fund balances	44,691	44,071	(3)	7,628	3,930,056
Fund balances--beginning of year	834,060	112,811	1,110	15,485	1,802,104
Fund balances--end of year	<u>\$ 878,751</u>	<u>\$ 156,882</u>	<u>\$ 1,107</u>	<u>\$ 23,113</u>	<u>\$ 5,732,160</u>

Special Revenue

Abandoned Vehicles/ Livestock	LEOSE Elected Officials	LEOSE Commissioners' Court	Juvenile Delinquency Prevention	Unclaimed Property	Professional Prosecutors
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	85,005	909	-	-	-
-	-	-	19	-	-
-	-	-	-	-	-
1,037	1,186	-	2	-	-
27,645	-	-	-	-	-
<u>28,682</u>	<u>86,191</u>	<u>909</u>	<u>21</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
-	2,150	-	-	-	50,849
30,792	89,800	1,534	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>30,792</u>	<u>91,950</u>	<u>1,534</u>	<u>-</u>	<u>-</u>	<u>50,849</u>
<u>(2,110)</u>	<u>(5,759)</u>	<u>(625)</u>	<u>21</u>	<u>-</u>	<u>(50,849)</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	50,850
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>50,850</u>
(2,110)	(5,759)	(625)	21	-	1
65,768	60,459	1,371	61	-	-
<u>\$ 63,658</u>	<u>\$ 54,700</u>	<u>\$ 746</u>	<u>\$ 82</u>	<u>\$ -</u>	<u>\$ 1</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, 2005

	Special Revenue				
	Mary Quinlan Park	Probate Judiciary Fee	Justice Court Technology	Jury Management	Capital Health Facilities Development Corporation
Revenues:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-
Charges for services	-	40,000	163,025	-	-
Fines and forfeits	-	-	-	-	-
Investment income	-	5,858	8,712	-	496
Miscellaneous	-	-	-	-	-
Total revenues	<u>-</u>	<u>45,858</u>	<u>171,737</u>	<u>-</u>	<u>496</u>
Expenditures:					
Current:					
General government	-	-	2,436	-	57
Justice system	-	66,631	16,322	-	-
Public safety	-	-	-	-	-
Corrections and rehabilitation	-	-	-	-	-
Infrastructure and environmental services	-	-	-	-	-
Community and economic development	3,977	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service:					
Refunding bond issuance cost	-	-	-	-	-
Advance refunding escrow	-	-	-	-	-
Principal on general obligation debt	-	-	-	-	-
Interest and other charges	-	-	-	-	-
Total expenditures	<u>3,977</u>	<u>66,631</u>	<u>18,758</u>	<u>-</u>	<u>57</u>
Excess (deficiency) of revenues over expenditures	<u>(3,977)</u>	<u>(20,773)</u>	<u>152,979</u>	<u>-</u>	<u>439</u>
Other financing sources (uses):					
General obligation debt issued	-	-	-	-	-
Debt premium	-	-	-	-	-
Payment to refunding bond agent	-	-	-	-	-
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	(805)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(805)</u>
Net change in fund balances	(3,977)	(20,773)	152,979	-	(366)
Fund balances--beginning of year	267,720	233,864	327,892	-	5,814
Fund balances--end of year	<u>\$ 263,743</u>	<u>\$ 213,091</u>	<u>\$ 480,871</u>	<u>\$ -</u>	<u>\$ 5,448</u>

Special Revenue

Travis County Housing Finance Corporation	Travis County Health Facilities Development Corporation	Capital Industrial Development Corporation	Truancy Court	County Clerk Archival	Family Protection	Elections Contract
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
131,650	-	-	-	-	-	-
254,044	385,691	-	129,656	1,173,287	52,781	1,203,983
-	-	-	-	-	-	-
9,159	6,287	125	2,019	24,070	1,287	12,609
-	-	-	-	-	-	-
<u>394,853</u>	<u>391,978</u>	<u>125</u>	<u>131,675</u>	<u>1,197,357</u>	<u>54,068</u>	<u>1,216,592</u>
357,829	86,227	168	-	1,407,386	-	997,107
-	-	-	171,746	-	47,700	-
-	-	-	-	-	-	39,547
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>357,829</u>	<u>86,227</u>	<u>168</u>	<u>171,746</u>	<u>1,407,386</u>	<u>47,700</u>	<u>1,036,654</u>
37,024	305,751	(43)	(40,071)	(210,029)	6,368	179,938
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	32,638	-	-	-
(67,722)	(191,949)	(2,370)	-	(7,702)	-	-
<u>(67,722)</u>	<u>(191,949)</u>	<u>(2,370)</u>	<u>32,638</u>	<u>(7,702)</u>	<u>-</u>	<u>-</u>
(30,698)	113,802	(2,413)	(7,433)	(217,731)	6,368	179,938
489,234	122,439	17,118	77,098	929,650	40,097	59,262
<u>\$ 458,536</u>	<u>\$ 236,241</u>	<u>\$ 14,705</u>	<u>\$ 69,665</u>	<u>\$ 711,919</u>	<u>\$ 46,465</u>	<u>\$ 239,200</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, 2005

	Special Revenue			Total	Debt Service
	Vital Statistic Preservation	Fire Code Fund	Gardner House Handicraft		Road District
Revenues:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 619,106
Intergovernmental	-	-	-	776,837	-
Charges for services	4,326	117,911	-	10,293,926	-
Fines and forfeits	-	-	-	213,604	-
Investment income	116	(151)	57	277,173	16,564
Miscellaneous	-	-	-	116,924	-
Total revenues	<u>4,442</u>	<u>117,760</u>	<u>57</u>	<u>11,678,464</u>	<u>635,670</u>
Expenditures:					
Current:					
General government	-	-	-	4,302,318	3,820
Justice system	-	-	-	2,540,825	-
Public safety	-	46,677	-	1,969,932	-
Corrections and rehabilitation	-	-	-	1,683,151	-
Infrastructure and environmental services	-	-	-	139,584	-
Community and economic development	-	-	-	3,977	-
Capital outlay	-	-	-	1,482,036	-
Debt service:					
Refunding bond issuance cost	-	-	-	-	128,520
Advance refunding escrow	-	-	-	-	399,750
Principal on general obligation debt	-	-	-	-	85,000
Interest and other charges	-	-	-	-	175,720
Total expenditures	<u>-</u>	<u>46,677</u>	<u>-</u>	<u>12,121,823</u>	<u>792,810</u>
Excess (deficiency) of revenues over expenditures	<u>4,442</u>	<u>71,083</u>	<u>57</u>	<u>(443,359)</u>	<u>(157,140)</u>
Other financing sources (uses):					
General obligation debt issued	-	-	-	-	4,765,000
Debt premium	-	-	-	-	59,522
Payment to refunding bond agent	-	-	-	-	(4,689,926)
Transfers in	-	-	-	5,439,884	-
Transfers out	-	-	-	(387,547)	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,052,337</u>	<u>134,596</u>
Net change in fund balances	4,442	71,083	57	4,608,978	(22,544)
Fund balances--beginning of year	3,594	-	2,348	11,676,754	413,050
Fund balances--end of year	<u>\$ 8,036</u>	<u>\$ 71,083</u>	<u>\$ 2,405</u>	<u>\$ 16,285,732</u>	<u>\$ 390,506</u>

Capital Projects				Permanent Fund	Total Non-Major Governmental Funds
Joint Road Improvements	Parks	Grants	Total	Permanent School Fund	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 619,106
-	-	5,576,031	5,576,031	-	6,352,868
159,427	182,883	-	342,310	-	10,636,236
-	-	-	-	-	213,604
-	-	9,700	9,700	-	303,437
1,196,659	-	-	1,196,659	59,996	1,373,579
1,356,086	182,883	5,585,731	7,124,700	59,996	19,498,830
-	-	-	-	-	4,306,138
-	-	-	-	-	2,540,825
-	-	-	-	-	1,969,932
-	-	-	-	-	1,683,151
1,057,533	-	-	1,057,533	-	1,197,117
-	-	-	-	-	3,977
906,808	-	5,585,731	6,492,539	-	7,974,575
-	-	-	-	-	128,520
-	-	-	-	-	399,750
-	-	-	-	-	85,000
-	-	-	-	-	175,720
1,964,341	-	5,585,731	7,550,072	-	20,464,705
(608,255)	182,883	-	(425,372)	59,996	(965,875)
-	-	-	-	-	4,765,000
-	-	-	-	-	59,522
-	-	-	-	-	(4,689,926)
-	-	-	-	-	5,439,884
-	-	-	-	-	(387,547)
-	-	-	-	-	5,186,933
(608,255)	182,883	-	(425,372)	59,996	4,221,058
2,333,265	-	-	2,333,265	2,169,124	16,592,193
\$ 1,725,010	\$ 182,883	\$ -	\$ 1,907,893	\$ 2,229,120	\$ 20,813,251

(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, 2005

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes	\$ 61,781,778	\$ 61,781,778	\$ 61,614,346	\$ (167,432)
Investment income	283,473	283,473	697,749	414,276
Total revenues	<u>62,065,251</u>	<u>62,065,251</u>	<u>62,312,095</u>	<u>246,844</u>
Expenditures:				
Current:				
General government	6,000	6,000	6,000	-
Debt service:				
Refunding bond issuance cost	-	1,083,017	1,067,816	15,201
Advance refunding escrow	-	425,000	425,000	-
Principal on general obligation debt	38,301,775	38,571,775	38,571,775	-
Interest and other charges	24,168,201	23,473,201	23,258,242	214,959
Total expenditures	<u>62,475,976</u>	<u>63,558,993</u>	<u>63,328,833</u>	<u>230,160</u>
Excess (deficiency) of revenues over expenditures	<u>(410,725)</u>	<u>(1,493,742)</u>	<u>(1,016,738)</u>	<u>477,004</u>
Other financing sources (uses):				
General obligation debt issued	-	129,089,829	117,870,000	(11,219,829)
Debt Premium	-	-	10,794,828	10,794,828
Payment to refunding bond agent	-	(128,012,909)	(127,587,909)	425,000
Transfers in	-	-	2,105	2,105
Total other financing sources (uses)	<u>-</u>	<u>1,076,920</u>	<u>1,079,024</u>	<u>2,104</u>
Net change in fund balance	(410,725)	(416,822)	62,286	479,108
Fund balance--beginning of year	<u>6,744,664</u>	<u>6,744,664</u>	<u>6,744,664</u>	<u>-</u>
Fund balance--end of year	<u>\$ 6,333,939</u>	<u>\$ 6,327,842</u>	<u>\$ 6,806,950</u>	<u>\$ 479,108</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, 2005

	<u>Budgeted Amounts Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
<u>Law Library</u>			
Revenues:			
Charges for services	\$ 743,000	\$ 879,249	\$ 136,249
Investment income	5,000	11,088	6,088
Total revenues	<u>748,000</u>	<u>890,337</u>	<u>142,337</u>
Expenditures:			
Current:			
Justice system	844,231	772,378	71,853
Capital outlay	2,570	-	2,570
Total expenditures	<u>846,801</u>	<u>772,378</u>	<u>74,423</u>
Excess (deficiency) of revenues over expenditures	<u>(98,801)</u>	<u>117,959</u>	<u>216,760</u>
Net change in fund balance	(98,801)	117,959	216,760
Fund balance--beginning of year	<u>407,363</u>	<u>407,363</u>	<u>-</u>
Fund balance--end of year	<u>\$ 308,562</u>	<u>\$ 525,322</u>	<u>\$ 216,760</u>
<u>Dispute Resolution Center</u>			
Revenues:			
Charges for services	\$ 197,930	\$ 230,026	\$ 32,096
Investment income	750	438	(312)
Miscellaneous	3,400	2,866	(534)
Total revenues	<u>202,080</u>	<u>233,330</u>	<u>31,250</u>
Expenditures:			
Current:			
Justice system	288,742	288,741	1
Total expenditures	<u>288,742</u>	<u>288,741</u>	<u>1</u>
Excess (deficiency) of revenues over expenditures	<u>(86,662)</u>	<u>(55,411)</u>	<u>31,251</u>
Other financing sources (uses):			
Transfers in	83,330	83,330	-
Total other financing sources (uses)	<u>83,330</u>	<u>83,330</u>	<u>-</u>
Net change in fund balance	(3,332)	27,919	31,251
Fund balance--beginning of year	<u>6,030</u>	<u>6,030</u>	<u>-</u>
Fund balance--end of year	<u>\$ 2,698</u>	<u>\$ 33,949</u>	<u>\$ 31,251</u>

	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
<u>Counseling Center</u>			
Revenues:			
Charges for services	\$ 502,883	\$ 447,027	\$ (55,856)
Investment income	2,810	4,383	1,573
Total revenues	<u>505,693</u>	<u>451,410</u>	<u>(54,283)</u>
Expenditures:			
Current:			
Justice system	4,276	4,275	1
Corrections and rehabilitation	<u>585,064</u>	<u>493,900</u>	<u>91,164</u>
Total expenditures	<u>589,340</u>	<u>498,175</u>	<u>91,165</u>
Excess (deficiency) of revenues over expenditures	<u>(83,647)</u>	<u>(46,765)</u>	<u>36,882</u>
Other financing sources (uses):			
Transfers in	32,000	32,000	-
Transfers out	<u>(21,135)</u>	<u>(21,135)</u>	-
Total other financing sources (uses)	<u>10,865</u>	<u>10,865</u>	-
Net change in fund balance	(72,782)	(35,900)	36,882
Fund balance--beginning of year	<u>168,570</u>	<u>168,570</u>	-
Fund balance--end of year	<u>\$ 95,788</u>	<u>\$ 132,670</u>	<u>\$ 36,882</u>
<u>Juvenile Fee</u>			
Revenues:			
Charges for services	\$ 15,000	\$ 20,987	\$ 5,987
Investment income	<u>2,000</u>	<u>5,438</u>	<u>3,438</u>
Total revenues	<u>17,000</u>	<u>26,425</u>	<u>9,425</u>
Expenditures:			
Current:			
Justice system	<u>234,938</u>	<u>30</u>	<u>234,908</u>
Total expenditures	<u>234,938</u>	<u>30</u>	<u>234,908</u>
Excess (deficiency) of revenues over expenditures	<u>(217,938)</u>	<u>26,395</u>	<u>244,333</u>
Net change in fund balance	(217,938)	26,395	244,333
Fund balance--beginning of year	<u>217,657</u>	<u>217,657</u>	-
Fund balance--end of year	<u>\$ (281)</u>	<u>\$ 244,052</u>	<u>\$ 244,333</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, 2005

	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
County and District Clerk			
<u>Records Management & Preservation</u>			
Revenues:			
Charges for services	\$ 1,338,000	\$ 1,270,899	\$ (67,101)
Investment income	11,500	11,671	171
Total revenues	<u>1,349,500</u>	<u>1,282,570</u>	<u>(66,930)</u>
Expenditures:			
Current:			
General government	1,246,437	1,172,644	73,793
Justice system	181,638	69,529	112,109
Capital outlay	62,019	11,386	50,633
Total expenditures	<u>1,490,094</u>	<u>1,253,559</u>	<u>236,535</u>
Excess (deficiency) of revenues over expenditures	<u>(140,594)</u>	<u>29,011</u>	<u>169,605</u>
Net change in fund balance	(140,594)	29,011	169,605
Fund balance--beginning of year	<u>578,112</u>	<u>578,112</u>	<u>-</u>
Fund balance--end of year	<u>\$ 437,518</u>	<u>\$ 607,123</u>	<u>\$ 169,605</u>

Records Management & Preservation

Revenues:			
Charges for services	\$ 283,000	\$ 295,129	\$ 12,129
Investment income	1,500	3,222	1,722
Total revenues	<u>284,500</u>	<u>298,351</u>	<u>13,851</u>
Expenditures:			
Current:			
General government	282,500	278,464	4,036
Total expenditures	<u>282,500</u>	<u>278,464</u>	<u>4,036</u>
Excess (deficiency) of revenues over expenditures	<u>2,000</u>	<u>19,887</u>	<u>17,887</u>
Net change in fund balance	2,000	19,887	17,887
Fund balance--beginning of year	<u>144,429</u>	<u>144,429</u>	<u>-</u>
Fund balance--end of year	<u>\$ 146,429</u>	<u>\$ 164,316</u>	<u>\$ 17,887</u>

	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
<u>Courthouse Security</u>			
Revenues:			
Charges for services	\$ 547,445	\$ 521,392	\$ (26,053)
Investment income	2,000	3,548	1,548
Total revenues	<u>549,445</u>	<u>524,940</u>	<u>(24,505)</u>
Expenditures:			
Current:			
Public safety	1,784,606	1,711,209	73,397
Total expenditures	<u>1,784,606</u>	<u>1,711,209</u>	<u>73,397</u>
Excess (deficiency) of revenues over expenditures	<u>(1,235,161)</u>	<u>(1,186,269)</u>	<u>48,892</u>
Other financing sources (uses):			
Transfers in	1,123,364	1,123,364	-
Total other financing sources (uses)	<u>1,123,364</u>	<u>1,123,364</u>	<u>-</u>
Net change in fund balance	(111,797)	(62,905)	48,892
Fund balance--beginning of year	125,065	125,065	-
Fund balance--end of year	<u>\$ 13,268</u>	<u>\$ 62,160</u>	<u>\$ 48,892</u>

LCRA Parks CIP

Revenues:			
Charges for services	\$ 251,709	\$ 237,133	\$ (14,576)
Investment income	70,000	64,953	(5,047)
Total revenues	<u>321,709</u>	<u>302,086</u>	<u>(19,623)</u>
Expenditures:			
Capital outlay	968,095	413,677	554,418
Total expenditures	<u>968,095</u>	<u>413,677</u>	<u>554,418</u>
Excess (deficiency) of revenues over expenditures	<u>(646,386)</u>	<u>(111,591)</u>	<u>534,795</u>
Net change in fund balance	(646,386)	(111,591)	534,795
Fund balance--beginning of year	2,660,110	2,660,110	-
Fund balance--end of year	<u>\$ 2,013,724</u>	<u>\$ 2,548,519</u>	<u>\$ 534,795</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, 2005

	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
<u>FQHC Operations</u>			
Revenues:			
Total revenues	\$ -	\$ -	\$ -
Expenditures:			
Current:			
Health and human services	86,961	-	86,961
Total expenditures	86,961	-	86,961
Excess (deficiency) of revenues over expenditures	(86,961)	-	86,961
Net change in fund balance	(86,961)	-	86,961
Fund balance--beginning of year	-	-	-
Fund balance--end of year	<u>\$ (86,961)</u>	<u>\$ -</u>	<u>\$ 86,961</u>
<u>Juvenile Justice Alternative Education Program</u>			
Revenues:			
Intergovernmental	\$ 588,000	\$ 522,427	\$ (65,573)
Investment income	12,000	27,551	15,551
Total revenues	600,000	549,978	(50,022)
Expenditures:			
Current:			
Justice system	2,044,429	440,858	1,603,571
Total expenditures	2,044,429	440,858	1,603,571
Excess (deficiency) of revenues over expenditures	(1,444,429)	109,120	1,553,549
Other financing sources (uses):			
Transfers in	160,758	160,758	-
Total other financing sources (uses)	160,758	160,758	-
Net change in fund balance	(1,283,671)	269,878	1,553,549
Fund balance--beginning of year	1,281,012	1,281,012	-
Fund balance--end of year	<u>\$ (2,659)</u>	<u>\$ 1,550,890</u>	<u>\$ 1,553,549</u>

	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
<u>Court Reporter Service</u>			
Revenues:			
Charges for services	\$ 302,500	\$ 355,280	\$ 52,780
Investment income	1,200	2,705	1,505
Total revenues	<u>303,700</u>	<u>357,985</u>	<u>54,285</u>
Expenditures:			
Current:			
Justice system	341,049	313,914	27,135
Total expenditures	<u>341,049</u>	<u>313,914</u>	<u>27,135</u>
Excess (deficiency) of revenues over expenditures	<u>(37,349)</u>	<u>44,071</u>	<u>81,420</u>
Net change in fund balance	(37,349)	44,071	81,420
Fund balance--beginning of year	<u>112,811</u>	<u>112,811</u>	<u>-</u>
Fund balance--end of year	<u>\$ 75,462</u>	<u>\$ 156,882</u>	<u>\$ 81,420</u>

Juvenile Deferred Prosecution

Revenues:			
Charges for services	\$ 6,000	\$ 7,198	\$ 1,198
Investment income	100	430	330
Total revenues	<u>6,100</u>	<u>7,628</u>	<u>1,528</u>
Expenditures:			
Current:			
Justice system	21,956	-	21,956
Total expenditures	<u>21,956</u>	<u>-</u>	<u>21,956</u>
Excess (deficiency) of revenues over expenditures	<u>(15,856)</u>	<u>7,628</u>	<u>23,484</u>
Net change in fund balance	(15,856)	7,628	23,484
Fund balance--beginning of year	<u>15,485</u>	<u>15,485</u>	<u>-</u>
Fund balance--end of year	<u>\$ (371)</u>	<u>\$ 23,113</u>	<u>\$ 23,484</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, 2005

	<u>Budgeted Amounts Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
<u>Balcones Canyonlands</u>			
Revenues:			
Charges for services	\$ 800,821	\$ 1,042,107	\$ 241,286
Investment income	30,000	45,662	15,662
Miscellaneous	110,243	81,900	(28,343)
Total revenues	<u>941,064</u>	<u>1,169,669</u>	<u>228,605</u>
Expenditures:			
Current:			
Infrastructure and environmental services	302,542	139,584	162,958
Capital outlay	4,484,785	1,056,973	3,427,812
Total expenditures	<u>4,787,327</u>	<u>1,196,557</u>	<u>3,590,770</u>
Excess (deficiency) of revenues over expenditures	<u>(3,846,263)</u>	<u>(26,888)</u>	<u>3,819,375</u>
Other financing sources (uses):			
Transfers in	3,956,944	3,956,944	-
Total other financing sources (uses)	<u>3,956,944</u>	<u>3,956,944</u>	<u>-</u>
Net change in fund balance	110,681	3,930,056	3,819,375
Fund balance--beginning of year	<u>1,802,104</u>	<u>1,802,104</u>	<u>-</u>
Fund balance--end of year	<u>\$ 1,912,785</u>	<u>\$ 5,732,160</u>	<u>\$ 3,819,375</u>
<u>LEOSE Commissioners' Court</u>			
Revenues:			
Intergovernmental	\$ 900	\$ 909	\$ 9
Total revenues	<u>900</u>	<u>909</u>	<u>9</u>
Expenditures:			
Current:			
Public safety	1,808	1,534	274
Total expenditures	<u>1,808</u>	<u>1,534</u>	<u>274</u>
Excess (deficiency) of revenues over expenditures	<u>(908)</u>	<u>(625)</u>	<u>283</u>
Net change in fund balance	(908)	(625)	283
Fund balance--beginning of year	<u>1,371</u>	<u>1,371</u>	<u>-</u>
Fund balance--end of year	<u>\$ 463</u>	<u>\$ 746</u>	<u>\$ 283</u>

	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
<u>Juvenile Delinquency Prevention</u>			
Revenues:			
Charges for services	\$ 15	\$ 19	\$ 4
Investment income	-	2	2
Total revenues	<u>15</u>	<u>21</u>	<u>6</u>
Expenditures:			
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>15</u>	<u>21</u>	<u>6</u>
Net change in fund balance	15	21	6
Fund balance--beginning of year	<u>61</u>	<u>61</u>	<u>-</u>
Fund balance--end of year	<u>\$ 76</u>	<u>\$ 82</u>	<u>\$ 6</u>
<u>Professional Prosecutors</u>			
Revenues:			
Total revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Expenditures:			
Current:			
Justice system	<u>50,850</u>	<u>50,849</u>	<u>1</u>
Total expenditures	<u>50,850</u>	<u>50,849</u>	<u>1</u>
Excess (deficiency) of revenues over expenditures	<u>(50,850)</u>	<u>(50,849)</u>	<u>1</u>
Other financing sources (uses):			
Transfers in	<u>50,850</u>	<u>50,850</u>	<u>-</u>
Total other financing sources (uses)	<u>50,850</u>	<u>50,850</u>	<u>-</u>
Net change in fund balance	-	1	1
Fund balance--beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance--end of year	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 1</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, 2005

	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
<u>Mary Quinlan Park</u>			
Revenues:			
Total revenues	\$ -	\$ -	\$ -
Expenditures:			
Current:			
Community and economic development	7,270	3,977	3,293
Total expenditures	7,270	3,977	3,293
Excess (deficiency) of revenues over expenditures	(7,270)	(3,977)	3,293
Net change in fund balance	(7,270)	(3,977)	3,293
Fund balance--beginning of year	267,720	267,720	-
Fund balance--end of year	<u>\$ 260,450</u>	<u>\$ 263,743</u>	<u>\$ 3,293</u>
<u>Probate Judiciary Fee</u>			
Revenues:			
Charges for services	\$ 60,000	\$ 40,000	\$ (20,000)
Investment income	2,300	5,858	3,558
Total revenues	62,300	45,858	(16,442)
Expenditures:			
Current:			
Justice system	72,347	66,631	5,716
Total expenditures	72,347	66,631	5,716
Excess (deficiency) of revenues over expenditures	(10,047)	(20,773)	(10,726)
Net change in fund balance	(10,047)	(20,773)	(10,726)
Fund balance--beginning of year	233,864	233,864	-
Fund balance--end of year	<u>\$ 223,817</u>	<u>\$ 213,091</u>	<u>\$ (10,726)</u>

	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
<u>Justice Court Technology</u>			
Revenues:			
Charges for services	\$ 157,062	\$ 163,025	\$ 5,963
Investment income	2,300	8,712	6,412
Total revenues	<u>159,362</u>	<u>171,737</u>	<u>12,375</u>
Expenditures:			
Current:			
General government	5,620	2,436	3,184
Justice system	19,055	16,322	2,733
Total expenditures	<u>24,675</u>	<u>18,758</u>	<u>5,917</u>
Excess (deficiency) of revenues over expenditures	<u>134,687</u>	<u>152,979</u>	<u>18,292</u>
Net change in fund balance	134,687	152,979	18,292
Fund balance--beginning of year	<u>327,892</u>	<u>327,892</u>	<u>-</u>
Fund balance--end of year	<u>\$ 462,579</u>	<u>\$ 480,871</u>	<u>\$ 18,292</u>
<u>Truancy Court</u>			
Revenues:			
Charges for services	\$ 129,656	\$ 129,656	\$ -
Investment income	-	2,019	2,019
Total revenues	<u>129,656</u>	<u>131,675</u>	<u>2,019</u>
Expenditures:			
Current:			
Justice system	237,417	171,746	65,671
Total expenditures	<u>237,417</u>	<u>171,746</u>	<u>65,671</u>
Excess (deficiency) of revenues over expenditures	<u>(107,761)</u>	<u>(40,071)</u>	<u>67,690</u>
Other financing sources (uses):			
Transfers in	32,638	32,638	-
Total other financing sources (uses)	<u>32,638</u>	<u>32,638</u>	<u>-</u>
Net change in fund balance	(75,123)	(7,433)	67,690
Fund balance--beginning of year	<u>77,098</u>	<u>77,098</u>	<u>-</u>
Fund balance--end of year	<u>\$ 1,975</u>	<u>\$ 69,665</u>	<u>\$ 67,690</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, 2005

	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
<u>County Clerk Archival</u>			
Revenues:			
Charges for services	\$ 1,250,000	\$ 1,173,287	\$ (76,713)
Investment income	1,500	24,070	22,570
Total revenues	<u>1,251,500</u>	<u>1,197,357</u>	<u>(54,143)</u>
Expenditures:			
Current:			
General government	1,428,048	1,407,386	20,662
Capital outlay	28,125	-	28,125
Total expenditures	<u>1,456,173</u>	<u>1,407,386</u>	<u>48,787</u>
Excess (deficiency) of revenues over expenditures	<u>(204,673)</u>	<u>(210,029)</u>	<u>(5,356)</u>
Other financing sources (uses):			
Transfers out	(7,702)	(7,702)	-
Total other financing sources (uses)	<u>(7,702)</u>	<u>(7,702)</u>	<u>-</u>
Net change in fund balance	(212,375)	(217,731)	(5,356)
Fund balance--beginning of year	<u>929,650</u>	<u>929,650</u>	<u>-</u>
Fund balance--end of year	<u>\$ 717,275</u>	<u>\$ 711,919</u>	<u>\$ (5,356)</u>
<u>Family Protection</u>			
Revenues:			
Charges for services	\$ 47,700	\$ 52,781	\$ 5,081
Investment income	-	1,287	1,287
Total revenues	<u>47,700</u>	<u>54,068</u>	<u>6,368</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>-</u>	<u>6,368</u>	<u>6,368</u>
Net change in fund balance	-	6,368	6,368
Fund balance--beginning of year	<u>40,097</u>	<u>40,097</u>	<u>-</u>
Fund balance--end of year	<u>\$ 40,097</u>	<u>\$ 46,465</u>	<u>\$ 6,368</u>

	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
<u>Elections Contract</u>			
Revenues:			
Charges for services	\$ 1,369,294	\$ 1,203,983	\$ (165,311)
Investment income	-	12,609	12,609
Total revenues	<u>1,369,294</u>	<u>1,216,592</u>	<u>(152,702)</u>
Expenditures:			
Current:			
General government	1,108,977	997,107	111,870
Public safety	52,323	39,547	12,776
Capital outlay	3,155	-	3,155
Total expenditures	<u>1,164,455</u>	<u>1,036,654</u>	<u>127,801</u>
Excess (deficiency) of revenues over expenditures	<u>204,839</u>	<u>179,938</u>	<u>(24,901)</u>
Net change in fund balance	204,839	179,938	(24,901)
Fund balance--beginning of year	<u>59,262</u>	<u>59,262</u>	<u>-</u>
Fund balance--end of year	<u>\$ 264,101</u>	<u>\$ 239,200</u>	<u>\$ (24,901)</u>

Vital Statistics Preservation

Revenues:			
Charges for services	\$ 3,975	\$ 4,326	\$ 351
Investment income	-	116	116
Total revenues	<u>3,975</u>	<u>4,442</u>	<u>467</u>
Expenditures:			
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>3,975</u>	<u>4,442</u>	<u>467</u>
Net change in fund balance	3,975	4,442	467
Fund balance--beginning of year	<u>3,594</u>	<u>3,594</u>	<u>-</u>
Fund balance--end of year	<u>\$ 7,569</u>	<u>\$ 8,036</u>	<u>\$ 467</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, 2005

Fire Code	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for services	\$ 74,932	\$ 117,911	\$ 42,979
Investment income	-	(151)	(151)
Total revenues	<u>74,932</u>	<u>117,760</u>	<u>42,828</u>
Expenditures:			
Current:			
Public safety	74,932	46,677	28,255
Total expenditures	<u>74,932</u>	<u>46,677</u>	<u>28,255</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>71,083</u>	<u>71,083</u>
Net change in fund balance	-	71,083	71,083
Fund balance--beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance--end of year	<u>\$ -</u>	<u>\$ 71,083</u>	<u>\$ 71,083</u>

(concluded)

TRAVIS COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
NON-MAJOR CAPITAL PROJECTS FUNDS
For The Year Ended September 30, 2005

<u>Joint Road Improvements</u>	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services	\$ 995,426	\$ 1,716,485	\$ 159,427	\$ (1,557,058)
Miscellaneous	3,719,700	5,744,343	1,196,659	(4,547,684)
Total revenues	<u>4,715,126</u>	<u>7,460,828</u>	<u>1,356,086</u>	<u>(6,104,742)</u>
Expenditures:				
Current:				
Infrastructure and environmental services	2,189,167	4,346,929	1,057,533	3,289,396
Capital outlay	144,099	5,447,164	906,808	4,540,356
Total expenditures	<u>2,333,266</u>	<u>9,794,093</u>	<u>1,964,341</u>	<u>7,829,752</u>
Excess (deficiency) of revenues over expenditures	<u>2,381,860</u>	<u>(2,333,265)</u>	<u>(608,255)</u>	<u>1,725,010</u>
Net change in fund balance	2,381,860	(2,333,265)	(608,255)	1,725,010
Fund balance--beginning of year	<u>2,333,265</u>	<u>2,333,265</u>	<u>2,333,265</u>	<u>-</u>
Fund balance--end of year	<u>\$ 4,715,125</u>	<u>\$ -</u>	<u>\$ 1,725,010</u>	<u>\$ 1,725,010</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.

Hospital and Insurance Fund-County Employees - 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 FUND
September 30, 2005

	<u>Self-Insurance</u>	<u>Hospital and Insurance Fund - Co. Employees</u>	<u>Total</u>
Assets			
Current assets:			
Pooled cash	\$ 19,080,520	\$ 17,926,171	\$ 37,006,691
Interest receivable	67,599	54,517	122,116
Other receivables	126,692	81,829	208,521
Prepaid items	110,004	-	110,004
Other assets	321,000	1,373,675	1,694,675
Total current assets	<u>19,705,815</u>	<u>19,436,192</u>	<u>39,142,007</u>
Noncurrent assets:			
Property, plant and equipment	50,000	6,396	56,396
Less accumulated depreciation	(30,624)	(448)	(31,072)
Total noncurrent assets	<u>19,376</u>	<u>5,948</u>	<u>25,324</u>
Total assets	<u>19,725,191</u>	<u>19,442,140</u>	<u>39,167,331</u>
Liabilities			
Current liabilities:			
Accounts payable	120,959	52,043	173,002
Deferred revenue	-	419,265	419,265
Accrued and other liabilities	97,850	15,085	112,935
Claims and judgements	4,207,859	4,270,983	8,478,842
Compensated absences	29,195	10,781	39,976
Total current liabilities	<u>4,455,863</u>	<u>4,768,157</u>	<u>9,224,020</u>
Noncurrent liabilities:			
Claims and judgements	6,129,673	-	6,129,673
Compensated absences	41,739	8,267	50,006
Total noncurrent liabilities	<u>6,171,412</u>	<u>8,267</u>	<u>6,179,679</u>
Total liabilities	<u>10,627,275</u>	<u>4,776,424</u>	<u>15,403,699</u>
Net Assets			
Invested in capital assets	19,376	5,948	25,324
Unrestricted	9,078,540	14,659,768	23,738,308
Total net assets	<u>\$ 9,097,916</u>	<u>\$ 14,665,716</u>	<u>\$ 23,763,632</u>

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

	<u>Self-Insurance</u>	<u>Hospital and Insurance Fund - Co. Employees</u>	<u>Total</u>
Operating revenues:			
Insurance premiums-county	\$ 5,410,789	\$ 27,462,543	\$ 32,873,332
Insurance premiums-employee	-	6,016,478	6,016,478
Miscellaneous	-	323,770	323,770
Total operating revenues	<u>5,410,789</u>	<u>33,802,791</u>	<u>39,213,580</u>
Operating expenses:			
Incurred losses	1,793,563	24,892,622	26,686,185
Unemployment claims	240,569	-	240,569
Premiums	874,860	1,131,221	2,006,081
Professional services	5,500	104,723	110,223
Depreciation expense	8,546	448	8,994
Administration	621,412	424,142	1,045,554
Total operating expenses	<u>3,544,450</u>	<u>26,553,156</u>	<u>30,097,606</u>
Operating income	<u>1,866,339</u>	<u>7,249,635</u>	<u>9,115,974</u>
Nonoperating revenues:			
Investment income	427,649	321,329	748,978
Total nonoperating revenue	<u>427,649</u>	<u>321,329</u>	<u>748,978</u>
Change in net assets	<u>2,293,988</u>	<u>7,570,964</u>	<u>9,864,952</u>
Net assets--beginning of year	6,803,928	7,094,752	13,898,680
Net assets--end of year	<u>\$ 9,097,916</u>	<u>\$ 14,665,716</u>	<u>\$ 23,763,632</u>

TRAVIS COUNTY, TEXAS
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUND
For The Year Ended September 30, 2005

	<u>Self-Insurance</u>	<u>Hospital and Insurance Fund - Co. Employees</u>	<u>Total</u>
Cash flows from operating activities			
Cash received from premium revenues	\$ 5,410,790	\$ 33,427,193	\$ 38,837,983
Cash received from subrogation	130,379	-	130,379
Cash received from insurance proceeds and rebates	-	323,770	323,770
Cash paid for self-insured claims and loss adjustment expenses	(2,876,517)	(24,994,748)	(27,871,265)
Cash paid for other operating expenses	(1,245,559)	(1,249,033)	(2,494,592)
Cash paid for payroll	(545,616)	(333,718)	(879,334)
Net cash provided by operating activities	<u>873,477</u>	<u>7,173,464</u>	<u>8,046,941</u>
Cash flows from noncapital financing activities			
Transfer to other funds	(996,000)	-	(996,000)
Net cash used by noncapital financing activities	<u>(996,000)</u>	<u>-</u>	<u>(996,000)</u>
Cash flows from capital and related financing activities			
Purchase of capital assets	-	(6,396)	(6,396)
Net cash used by capital and related financing activities	<u>-</u>	<u>(6,396)</u>	<u>(6,396)</u>
Cash flows from investing activities			
Interest received	472,209	381,762	853,971
Decrease in fair value of investments in pooled cash	(48,362)	(83,992)	(132,354)
Net cash provided by investing activities	<u>423,847</u>	<u>297,770</u>	<u>721,617</u>
Net increase (decrease) in balance	301,324	7,464,838	7,766,162
Balance--beginning of the year	<u>18,779,196</u>	<u>10,461,333</u>	<u>29,240,529</u>
Balance--end of the year	<u>\$ 19,080,520</u>	<u>\$ 17,926,171</u>	<u>\$ 37,006,691</u>
Reconciliation of operating income to net cash provided by operating activities			
Operating income	<u>\$ 1,866,339</u>	<u>\$ 7,249,635</u>	<u>\$ 9,115,974</u>
Adjustments to reconcile operating income to net cash provided (used) by operating activities			
Depreciation expense	8,546	448	8,994
(Increase) decrease in other receivables	(5,345)	(48,826)	(54,171)
(Increase) decrease in prepaid items	6,478	-	6,478
(Increase) decrease in other assets	-	-	-
Increase (decrease) in claims and judgements	(967,633)	(102,126)	(1,069,759)
Increase (decrease) in other liabilities	(34,908)	74,333	39,425
Net cash provided by operating activities	<u>\$ 873,477</u>	<u>\$ 7,173,464</u>	<u>\$ 8,046,941</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 official fee bank accounts. 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 refund 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 and Northwest Travis County Road District No. 3 have 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 revenues, other than oil royalties, from land owned by Travis County school districts; to account for the interest revenue earned by the Permanent School Fund; 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, 2005

	<u>County Officials' Escrow</u>	<u>Cash Bond</u>	<u>Surety Bail Bond</u>
Assets			
Cash and pooled cash	\$ 246,163	\$ 5,414,042	\$ 13,188
Certificates of deposit	-	-	62,027
Investments	-	-	-
Interest receivable	-	-	-
Accounts receivable, net	-	8,000	-
Total assets	<u>246,163</u>	<u>5,422,042</u>	<u>75,215</u>
Liabilities			
Due to third parties	7,365	10,070	-
Civil and probate deposits	-	-	-
Cash and surety bond deposits combined	238,798	5,411,972	75,215
Due to other governmental entities	-	-	-
Total liabilities	<u>246,163</u>	<u>5,422,042</u>	<u>75,215</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>
\$ 1,171,346	\$ 12,307	\$ 12,075,147	\$ 15,059,895	\$ 130,236
-	-	-	15,181,910	-
-	-	12,259,987	8,149,660	-
-	1,588	-	220,469	486
222,782	-	1,105,473	-	-
<u>1,394,128</u>	<u>13,895</u>	<u>25,440,607</u>	<u>38,611,934</u>	<u>130,722</u>

-	13,895	15,961,153	38,611,934	\$ 130,722
-	-	382,906	-	-
-	-	3,731,708	-	-
1,394,128	-	5,364,840	-	-
<u>1,394,128</u>	<u>13,895</u>	<u>25,440,607</u>	<u>38,611,934</u>	<u>130,722</u>

<u>\$ -</u>				
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(continued)

TRAVIS COUNTY, TEXAS
COMBINING STATEMENT OF ASSETS AND LIABILITIES, continued
AGENCY FUNDS
September 30, 2005

	<u>TNR Escrow</u>	<u>District and County Attorney Forfeited Property</u>	<u>Travis County Refunded Bonds</u>
Assets			
Cash and pooled cash	\$ 2,705,378	\$ 1,335,596	\$ 5,316
Certificates of deposit	-	-	-
Investments	-	-	-
Interest receivable	9,566	-	-
Accounts receivable, net	-	-	-
Total assets	<u>2,714,944</u>	<u>1,335,596</u>	<u>5,316</u>
Liabilities			
Due to third parties	2,714,944	1,334,724	5,316
Civil and probate deposits	-	-	-
Cash and surety bond deposits combined	-	-	-
Due to other governmental entities	-	872	-
Total liabilities	<u>2,714,944</u>	<u>1,335,596</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
\$ 926,524	\$ 126,826	\$ 572	\$ 185,661	\$ 39,408,197
-	-	-	-	15,243,937
-	-	-	-	20,409,647
-	-	-	8,985	241,094
-	-	-	-	1,336,255
<u>926,524</u>	<u>126,826</u>	<u>572</u>	<u>194,646</u>	<u>76,639,130</u>
926,524	126,826	-	-	59,843,473
-	-	-	-	382,906
-	-	-	-	9,457,693
-	-	572	194,646	6,955,058
<u>926,524</u>	<u>126,826</u>	<u>572</u>	<u>194,646</u>	<u>76,639,130</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, 2005

	Balance October 1, 2004	Additions	Deletions	Balance September 30, 2005
<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	\$ 6,128,977	\$ 1,753,356	\$ 2,468,291	\$ 5,414,042
Accounts receivable, net	8,030	-	30	8,000
Total assets	<u>6,137,007</u>	<u>1,753,356</u>	<u>2,468,321</u>	<u>5,422,042</u>
Liabilities:				
Due to third parties	10,070	13,310	13,310	10,070
Cash and surety bond deposits combined	6,126,937	1,740,017	2,454,982	5,411,972
Total liabilities	<u>\$ 6,137,007</u>	<u>\$ 1,753,327</u>	<u>\$ 2,468,292</u>	<u>\$ 5,422,042</u>
<u>Surety Bail Bond</u>				
Assets:				
Cash and pooled cash	\$ 13,188	\$ 80,867	\$ 80,867	\$ 13,188
Certificates of deposit	126,907	120	65,000	62,027
Total assets	<u>140,095</u>	<u>80,987</u>	<u>145,867</u>	<u>75,215</u>
Liabilities:				
Cash and surety bond deposits combined	140,095	146,714	211,594	75,215
Total liabilities	<u>\$ 140,095</u>	<u>\$ 146,714</u>	<u>\$ 211,594</u>	<u>\$ 75,215</u>
<u>State Revenue</u>				
Assets:				
Cash and pooled cash	\$ 884,211	\$ 5,682,489	\$ 5,395,354	\$ 1,171,346
Accounts receivable, net	218,990	16,478,313	16,474,521	222,782
Total assets	<u>1,103,201</u>	<u>22,160,802</u>	<u>21,869,875</u>	<u>1,394,128</u>
Liabilities:				
Due to other governmental entities	1,103,201	10,199,302	9,908,375	1,394,128
Total liabilities	<u>\$ 1,103,201</u>	<u>\$ 10,199,302</u>	<u>\$ 9,908,375</u>	<u>\$ 1,394,128</u>

	Balance October 1, 2004	Additions	Deletions	Balance September 30, 2005
<u>LCRA Escrow</u>				
Assets:				
Cash and pooled cash	\$ 20,403	\$ 2,409,304	\$ 2,417,400	\$ 12,307
Interest receivable	1,210	1,588	1,210	1,588
Total assets	<u>21,613</u>	<u>2,410,892</u>	<u>2,418,610</u>	<u>13,895</u>
Liabilities:				
Due to third parties	21,613	2,435,358	2,443,076	13,895
Total liabilities	<u>\$ 21,613</u>	<u>\$ 2,435,358</u>	<u>\$ 2,443,076</u>	<u>\$ 13,895</u>

Officials' Fee Account

Assets:				
Cash and pooled cash	\$ 11,469,311	\$ 2,693,937,496	\$ 2,693,331,660	\$ 12,075,147
Investments	11,848,615	667,521,983	667,110,611	12,259,987
Accounts receivable, net	1,142,015	14,157,224	14,193,766	1,105,473
Total assets	<u>24,459,941</u>	<u>3,375,616,703</u>	<u>3,374,636,037</u>	<u>25,440,607</u>
Liabilities:				
Due to third parties	15,246,102	1,181,386,648	1,180,671,597	15,961,153
Civil and probate deposits	330,732	223,128	170,954	382,906
Cash and surety bond deposits combined	3,046,099	1,125,403	439,794	3,731,708
Due to other governmental entities	5,837,008	152,273,746	152,745,914	5,364,840
Total liabilities	<u>\$ 24,459,941</u>	<u>\$ 1,335,008,925</u>	<u>\$ 1,334,028,259</u>	<u>\$ 25,440,607</u>

District and County Clerk Invested Trust Fund

Assets:				
Cash and pooled cash	\$ 34,346,392	\$ 48,798,169	\$ 68,084,666	\$ 15,059,895
Certificates of deposit	211,703	16,490,501	1,520,294	15,181,910
Investments	7,910,955	1,455,987	1,217,282	8,149,660
Interest receivable	-	220,469	-	220,469
Total assets	<u>42,469,050</u>	<u>66,965,126</u>	<u>70,822,242</u>	<u>38,611,934</u>
Liabilities:				
Due to third parties	42,469,050	66,925,776	70,782,892	38,611,934
Total liabilities	<u>\$ 42,469,050</u>	<u>\$ 66,925,776</u>	<u>\$ 70,782,892</u>	<u>\$ 38,611,934</u>

Road District Indemnification Fees

Assets:				
Cash and pooled cash	\$ 127,162	\$ 16,577	\$ 13,503	\$ 130,236
Interest receivable	447	486	447	486
Total assets	<u>127,609</u>	<u>17,063</u>	<u>13,950</u>	<u>130,722</u>
Liabilities:				
Due to third parties	127,609	16,130	13,017	130,722
Total liabilities	<u>\$ 127,609</u>	<u>\$ 16,130</u>	<u>\$ 13,017</u>	<u>\$ 130,722</u>

(continued)

TRAVIS COUNTY, TEXAS
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES, continued
 AGENCY FUNDS
 September 30, 2005

	Balance October 1, 2004	Additions	Deletions	Balance September 30, 2005
<u>TNR Escrow</u>				
Assets:				
Cash and pooled cash	\$ 2,204,935	\$ 860,852	\$ 360,409	\$ 2,705,378
Interest receivable	8,187	9,566	8,187	9,566
Total assets	<u>2,213,122</u>	<u>870,418</u>	<u>368,596</u>	<u>2,714,944</u>
Liabilities:				
Due to third parties	2,213,122	1,008,141	506,319	2,714,944
Total liabilities	<u>\$ 2,213,122</u>	<u>\$ 1,008,141</u>	<u>\$ 506,319</u>	<u>\$ 2,714,944</u>
 <u>District and County Attorney Forfeited Property</u>				
Assets:				
Cash and pooled cash	\$ 687,903	\$ 1,138,799	\$ 491,106	\$ 1,335,596
Total assets	<u>687,903</u>	<u>1,138,799</u>	<u>491,106</u>	<u>1,335,596</u>
Liabilities:				
Due to third parties	669,188	1,138,799	473,263	1,334,724
Due to other governmental entities	18,715	135,752	153,595	872
Total liabilities	<u>\$ 687,903</u>	<u>\$ 1,274,551</u>	<u>\$ 626,858</u>	<u>\$ 1,335,596</u>
 <u>Travis County Refunded Bonds</u>				
Assets:				
Cash and pooled cash	\$ 5,316	\$ 9,841,726	\$ 9,841,726	\$ 5,316
Total assets	<u>5,316</u>	<u>9,841,726</u>	<u>9,841,726</u>	<u>5,316</u>
Liabilities:				
Due to third parties	5,316	19,683,451	19,683,451	5,316
Total liabilities	<u>\$ 5,316</u>	<u>\$ 19,683,451</u>	<u>\$ 19,683,451</u>	<u>\$ 5,316</u>
 <u>Road Districts Refunded Bonds</u>				
Assets:				
Cash and pooled cash	\$ 620,295	\$ 606,654	\$ 300,425	\$ 926,524
Total assets	<u>620,295</u>	<u>606,654</u>	<u>300,425</u>	<u>926,524</u>
Liabilities:				
Due to third parties	620,295	606,654	300,425	926,524
Total liabilities	<u>\$ 620,295</u>	<u>\$ 606,654</u>	<u>\$ 300,425</u>	<u>\$ 926,524</u>

	Balance October 1, 2004	Additions	Deletions	Balance September 30, 2005
<u>Inmate Trust Fund</u>				
Assets:				
Cash and pooled cash	\$ 102,249	\$ 5,481,449	\$ 5,456,872	\$ 126,826
Accounts receivable, net	-	400	400	-
Total assets	<u>102,249</u>	<u>5,481,849</u>	<u>5,457,272</u>	<u>126,826</u>
Liabilities:				
Due to third parties	102,249	2,733,188	2,708,611	126,826
Total liabilities	<u>\$ 102,249</u>	<u>\$ 2,733,188</u>	<u>\$ 2,708,611</u>	<u>\$ 126,826</u>
<u>DNA Testing</u>				
Assets:				
Cash and pooled cash	\$ 162	\$ 2,032	\$ 1,622	\$ 572
Total assets	<u>162</u>	<u>2,032</u>	<u>1,622</u>	<u>572</u>
Liabilities:				
Due to other governmental entities	162	40,627	40,217	572
Total liabilities	<u>\$ 162</u>	<u>\$ 40,627</u>	<u>\$ 40,217</u>	<u>\$ 572</u>
<u>Available School Fund</u>				
Assets:				
Cash and pooled cash	\$ 178,511	\$ 437,828	\$ 430,678	\$ 185,661
Interest receivable	7,632	8,985	7,632	8,985
Total assets	<u>186,143</u>	<u>446,813</u>	<u>438,310</u>	<u>194,646</u>
Liabilities:				
Due to other governmental entities	186,143	430,196	421,693	194,646
Total liabilities	<u>\$ 186,143</u>	<u>\$ 430,196</u>	<u>\$ 421,693</u>	<u>\$ 194,646</u>
<u>Total - All Agency Funds</u>				
Assets:				
Cash and pooled cash	\$ 57,035,178	\$ 2,771,047,598	\$ 2,788,674,579	\$ 39,408,197
Certificates of deposit	338,610	16,490,621	1,585,294	15,243,937
Investments	19,759,570	668,977,970	668,327,893	20,409,647
Interest receivable	17,476	241,094	17,476	241,094
Accounts receivable, net	1,369,035	30,635,937	30,668,717	1,336,255
Total assets	<u>78,519,869</u>	<u>3,487,393,220</u>	<u>3,489,273,959</u>	<u>76,639,130</u>
Liabilities:				
Due to third parties	61,491,979	1,275,947,455	1,277,595,961	59,843,473
Civil and probate deposits	330,732	223,128	170,954	382,906
Cash and surety bond deposits combined	9,551,929	3,012,134	3,106,370	9,457,693
Due to other governmental entities	7,145,229	163,079,623	163,269,794	6,955,058
Total liabilities	<u>\$ 78,519,869</u>	<u>\$ 1,442,262,340</u>	<u>\$ 1,444,143,079</u>	<u>\$ 76,639,130</u>

(concluded)



TRAVIS COUNTY, TEXAS STATISTICAL SECTION



Photo by Travis County Parks & Natural Resources

Richard Moya Park

TRAVIS COUNTY, TEXAS

GOVERNMENT-WIDE

INFORMATION



GW - Table 1

**TRAVIS COUNTY, TEXAS
GOVERNMENT-WIDE REVENUES
LAST TEN FISCAL PERIODS
(Unaudited)**

Fiscal Period ⁽¹⁾	Program Revenues			General Revenues	
	Fees, Fines and Charges for Services ⁽²⁾	Operating Grants, Contributions, Shared Revenues, and Entitlements	Capital Grants, Contributions and Donated Assets	Property Taxes, ad valorem	Other Taxes
2002	\$ 63,564,634	\$ 27,129,643	\$ 26,198,687	\$ 255,247,618	\$ 3,963,302
2003	73,132,756	25,722,118	21,173,020	289,545,907	4,068,052
2004	78,429,006	24,161,047	29,773,925	296,050,880	4,376,878
2005	83,267,968	22,224,795	34,974,873	297,540,102	4,686,760

Note:

- (1) In compliance with GASB Statement No. 34, government-wide financial statements were prepared beginning in fiscal period 2002.
- (2) Fees, Fines and Charges for Services have been restated to include Insurance premiums - employees.
- (3) Hospital District was formed during fiscal year 2005.

GW - Table 2

**TRAVIS COUNTY, TEXAS
GOVERNMENT-WIDE EXPENSES BY FUNCTION
LAST TEN FISCAL PERIODS
(Unaudited)**

Fiscal Period ⁽¹⁾	General Government	Justice System	Public Safety	Corrections and Rehabilitation	Health and Human Services
2002 ⁽²⁾	\$ 66,568,720	\$ 78,332,558	\$ 32,512,054	\$ 83,293,576	\$ 35,826,633
2003 ⁽²⁾	75,800,673	80,832,680	37,934,509	83,092,671	38,286,362
2004	77,881,031	78,445,879	38,719,649	80,464,846	39,343,976
2005	80,842,627	83,914,875	41,136,886	87,272,090	34,812,146

Note:

- (1) In compliance with GASB Statement No. 34, government-wide financial statements were prepared beginning in fiscal period 2002.
- (2) The County has reclassified certain function expenses to be consistent with the Uniform Chart of Accounts for Texas Counties adopted in fiscal year 2003.
- (3) Hospital District was formed during fiscal year 2005.

General Revenues

Grants and Contributions Not Restricted to Specific Programs	Investment Earnings	Miscellaneous	Total	Hospital District ⁽³⁾
\$ 2,775,535	\$ 9,009,612	\$ 3,196,594	\$ 391,085,625	\$
1,778,784	4,990,529	4,089,495	424,500,661	
2,130,837	4,669,265	4,161,627	443,753,465	
1,537,938	9,647,663	5,680,030	459,560,129	190,327,126

Infrastructure and Environmental Services	Community and Economic Development	Interest on Long-term Debt	Total	Hospital District ⁽³⁾
\$ 169,129,446	\$ 4,610,862	\$ 21,629,201	\$ 491,903,050	\$
64,712,177	5,657,458	25,358,230	411,674,760	
77,209,480	5,992,029	22,721,482	420,778,372	
68,946,441	6,735,409	21,632,040	425,292,514	59,335,973



TRAVIS COUNTY, TEXAS

FUND INFORMATION



Table 1

**TRAVIS COUNTY, TEXAS
REVENUES BY SOURCE
ALL GOVERNMENTAL FUNDS
LAST TEN FISCAL PERIODS
(Unaudited)**

Fiscal Period	Taxes	Intergovernmental	Charges for Services
1996	\$ 154,577,764	\$ 35,616,307	\$ 26,543,790
1997	161,786,754	39,747,830	25,970,080
1998	172,161,747	46,886,901	26,805,435
1999	200,778,975	56,026,252	29,039,949
2000	215,734,106	53,746,696	31,173,038
2001	237,522,409	55,072,200	34,950,230
2002	259,810,920	38,986,488	54,356,255
2003	292,813,959	30,491,351	61,320,127
2004	299,227,758	45,194,797	66,224,790
2005	302,205,859	34,510,489	69,742,078

Note: (1) In compliance with GASB Statement No. 34, Permanent Funds (formerly non-expendable trust funds) are included as governmental funds beginning in fiscal period 2002.

<u>Fines and Forfeits</u>	<u>Investment Income</u>	<u>Miscellaneous</u>	<u>Total ⁽¹⁾</u>
\$ 2,425,102	\$ 9,153,477	\$ 2,087,122	\$ 230,403,562
3,060,108	10,227,390	2,414,151	243,206,313
3,146,288	11,477,344	2,518,630	262,996,345
3,846,120	12,268,471	6,251,735	308,211,502
5,038,987	14,482,292	8,657,879	328,832,998
4,091,952	17,008,846	6,751,249	355,396,886
5,707,576	10,666,630	3,423,808	372,951,677
6,387,910	3,798,997	4,186,505	398,998,849
6,321,816	3,663,515	4,171,895	424,804,571
6,829,689	7,461,294	5,702,595	426,452,004

Table 2

**TRAVIS COUNTY, TEXAS
EXPENDITURES BY FUNCTION
ALL GOVERNMENTAL FUNDS
LAST TEN FISCAL PERIODS
(Unaudited)**

Fiscal Period	General Government	Justice System	Law Enforcement	Corrections and Rehabilitation	Juvenile Services	Public Health	Human Services	Transportation and Roads
1996	\$ 28,053,852	\$ 27,141,832	\$ 17,323,703	\$ 50,201,489	\$ 15,972,444	\$ 9,802,836	\$ 15,146,500	\$ 13,607,403
1997	29,704,655	29,801,936	18,527,450	52,525,898	17,114,803	10,594,416	16,743,618	13,702,270
1998	35,224,586	34,521,530	24,448,511	56,578,640	20,295,911	11,250,430	18,526,330	17,246,538
1999	39,207,384	38,026,760	27,625,473	60,665,028	22,302,070	12,008,474	19,578,246	19,892,453
2000	42,110,474	39,608,584	28,901,628	62,500,872	21,949,358	14,922,951	21,226,995	19,670,580
2001	50,558,051	42,305,295	33,367,455	69,085,011	22,041,988	16,421,075	18,398,206	16,681,336

NEW FUNCTIONS ADOPTED IN FISCAL YEAR 2003

Fiscal Period	General Government	Justice System	Public Safety	Corrections and Rehabilitation	Health and Human Services	Infrastructure and Environmental Services	Community and Economic Development
2002 ⁽⁷⁾	\$ 46,896,192	\$ 80,522,967	\$ 32,813,028	\$ 86,745,965	\$ 35,415,060	\$ 18,311,502	\$ 4,007,942
2003 ⁽⁷⁾	49,666,600	82,373,306	37,310,891	83,621,026	37,817,648	17,507,044	4,495,855
2004	54,077,332	82,691,555	40,149,412	85,324,250	39,380,193	19,731,737	5,007,552
2005	55,138,365	89,034,598	42,498,649	90,430,475	34,679,229	20,167,308	5,738,841

- Note: (1) Excludes assets acquired through other debt or capital lease.
- (2) Excludes refunding bond issuance costs and advance refunding escrow.
- (3) In compliance with GASB Statement No. 34, Permanent Funds (formerly non-expendable trust funds) are included as governmental funds beginning in fiscal period 2002.
- (4) The requirement to capitalize construction period interest was eliminated in fiscal year 2002 by GASB Statement No. 37.
- (5) Debt issuance costs, including refunding costs, were included in General Government for fiscal years 1995 to 2001.
- (6) Capital outlay includes \$105,600,000 and \$10,500,000 in fiscal years 2002 and 2004, respectively, of right-of-way land purchased for joint road projects with the State of Texas.
- (7) The County has reclassified certain functional expenditures to be consistent with the Uniform Chart of Accounts for Texas Counties adopted in fiscal year 2003.
- (8) Bond principal payment includes advance refunding escrow.

Parks and Recreation	Capital Outlay⁽⁶⁾	Debt Service					Total⁽¹⁻²⁾
		Bond Principal	Debt Issuance Costs⁽⁵⁾	Capital Lease and Other Debt Principal	Interest	Capitalized Interest⁽⁴⁾	
\$ 1,907,323	\$ 19,602,301	\$ 24,370,000	\$ -	\$ 390,676	\$ 12,766,434	\$ 146,184	\$ 236,432,977
1,818,623	23,602,365	24,385,000	-	901,506	13,162,913	355,021	252,940,474
1,898,061	53,260,793	26,585,000	-	380,512	11,393,960	635,940	312,246,742
2,037,932	83,505,056	30,700,000	-	68,485	15,785,090	1,812,059	373,214,510
2,445,584	72,542,193	32,795,000	-	73,785	13,607,774	3,457,417	375,813,195
3,137,044	47,106,717	30,661,833	-	79,495	17,472,112	2,123,010	369,438,628

	Debt Service						Total^(1&3)
	Capital Outlay⁽⁶⁾	Bond Principal⁽⁸⁾	Debt Issuance Costs⁽⁵⁾	Capital Lease and Other Debt Principal	Interest	Capitalized Interest⁽⁴⁾	
\$ 153,705,260	\$ 33,653,381	\$ 1,093,679	\$ 85,647	\$ 19,833,026	\$ -	\$ 513,083,649	
46,908,816	39,253,523	458,019	92,275	24,947,043	-	424,452,046	
57,008,391	38,236,450	87,380	100,719	26,128,636	-	447,923,607	
36,706,409	39,481,525	1,302,784	122,065	23,496,429	-	438,796,677	

TABLE 3

**TRAVIS COUNTY, TEXAS
 ASSESSED VALUE AND ESTIMATED ACTUAL VALUE
 OF ALL TAXABLE PROPERTY
 LAST TEN FISCAL YEARS
 (Unaudited)**

Fiscal Period ⁽¹⁾	Real Property		Other Property	
	Assessed Value ⁽²⁾	Estimated Actual Value	Assessed Value ⁽²⁾	Estimated Actual Value
1996	\$ 29,218,038,740	\$ 29,218,038,740	\$ 5,174,449,953	\$ 5,174,449,953
1997	32,151,006,110	32,151,006,110	5,870,885,351	5,870,885,351
1998	34,206,092,223	34,206,092,223	6,311,515,259	6,311,515,259
1999	38,796,305,011	38,796,305,011	6,661,158,356	6,661,158,356
2000	42,951,265,742	42,951,265,742	6,888,158,118	6,888,158,118
2001	52,592,954,516	52,592,954,516	7,680,551,549	7,680,551,549
2002	62,248,832,537	62,248,832,537	9,376,657,196	9,376,657,196
2003	66,863,306,587	66,863,306,587	8,279,432,312	8,279,432,312
2004	63,566,576,847	63,566,576,847	7,821,535,589	7,821,535,589
2005	69,852,496,817	69,852,496,817	8,032,312,159	8,032,312,159

- Note: (1) Includes blended component units for all years.
 (2) Excludes applicable exemptions.
 (3) Net of applicable exclusions.
 (4) Taxes are levied on 100% of the taxable value, net of exemptions.

Homestead and Other Exemptions	Total Property		Assessment Ratio⁽⁴⁾
	Net Taxable Assessed Value⁽³⁾	Estimated Actual Value	
\$ 5,525,036,984	\$ 28,867,451,709	\$ 34,392,488,693	100%
6,128,893,728	31,892,997,733	38,021,891,461	100%
6,465,508,159	34,052,099,323	40,517,607,482	100%
7,314,354,102	38,143,109,265	45,457,463,367	100%
7,825,078,933	42,014,344,927	49,839,423,860	100%
10,731,301,629	49,542,204,436	60,273,506,065	100%
14,053,521,710	57,571,968,023	71,625,489,733	100%
13,430,261,437	61,712,477,462	75,142,738,899	100%
11,729,409,978	59,658,702,458	71,388,112,436	100%
17,606,061,860	60,278,747,116	77,884,808,976	100%

TABLE 4

**TRAVIS COUNTY, TEXAS
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(Unaudited)**

<u>Fiscal Period</u>	<u>Total Tax Levy</u>	<u>Current Tax Collections</u>	<u>Percent of Levy Collected</u>	<u>Delinquent Tax Collections</u>	<u>Total Tax Collections</u>
1996	\$ 149,800,934	\$ 148,226,211	98.9%	\$ 1,437,542	\$ 149,663,753
1997	157,852,081	156,089,814	98.9%	998,818	157,088,632
1998	168,088,920	165,919,934	98.7%	1,246,238	167,166,172
1999	196,160,494	193,879,389	98.8%	1,568,011	195,447,400
2000	209,687,723	207,413,209	98.9%	1,805,529	209,218,738
2001	231,415,258	228,465,413	98.7%	1,810,815	230,276,228
2002	256,710,243	252,937,044	98.5%	1,694,878	254,631,922
2003	287,478,051	283,324,477	98.6%	2,884,437	286,208,914
2004	293,345,216	289,740,129	98.8%	928,630	290,668,759
2005	293,752,863	290,611,144	98.9%	2,184,423	292,795,567

Note: Excludes blended component units.

<u>Ratio of Total Tax Collections to Total Tax Levy</u>	<u>Outstanding Delinquent Taxes</u>	<u>Ratio of Delinquent Taxes to Total Tax Levy</u>
99.9%	\$ 7,561,250	5.0%
99.5%	7,972,876	5.1%
99.5%	8,599,425	5.1%
99.6%	9,087,398	4.6%
99.8%	9,360,991	4.5%
99.5%	10,170,582	4.4%
99.2%	11,797,323	4.6%
99.6%	13,139,690	4.6%
99.1%	12,614,242	4.3%
99.7%	12,461,558	4.2%



TABLE 5

**TRAVIS COUNTY, TEXAS
PROPERTY TAX RATES AND TAX LEVIES
LAST TEN FISCAL YEARS
(Unaudited)**

Tax Rates Per \$100 Assessed Valuation

Fiscal Period	Maintenance & Operations	Interest & Sinking Fund	Total County
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

Tax Levies

Fiscal Period	Maintenance & Operations	Interest & Sinking Fund	Total County
1996	\$ 114,560,452	\$ 35,240,482	\$ 149,800,934
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

Constitutional Funds

General

Limitation

\$0.80

Statutory Funds

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: Excludes blended component units.

TABLE 6

TRAVIS COUNTY, TEXAS
SCHEDULE OF DIRECT AND ESTIMATED OVERLAPPING DEBT
September 30, 2005
(Unaudited)

	<u>Estimated Direct Net Debt</u>	Percentage Applicable to Travis County	<u>Amount Applicable to Travis County</u>
Governmental Subdivision:			
Travis County	\$ 425,636,881	100.00 %	\$ 425,636,881
N.W. Travis County RD No. 3	<u>4,680,000</u>	100.00	<u>4,680,000</u>
Subtotal Travis County Including Blended Component Units	<u>430,316,881</u>		<u>430,316,881</u>
Special Districts:			
Bella Vista MUD	6,130,000	100.00	6,130,000
Hurst Creek MUD	10,050,000	100.00	10,050,000
Lakeside WC & ID No. 1	4,225,000	100.00	4,225,000
Lakeway MUD	20,718,100	100.00	20,718,100
Moore's Crossing MUD	5,731,341	100.00	5,731,341
N.W. Austin MUD No. 1	11,694,549	100.00	11,694,549
Northtown MUD	10,049,999	100.00	10,049,999
River Place MUD	10,972,305	100.00	10,972,305
Senna Hills MUD	7,565,000	100.00	7,565,000
Shady Hollow MUD	50,000	100.00	50,000
Travis Co. Emergency Svcs. Dist. No. 1	108,000	100.00	108,000
Travis Co. Emergency Svcs. Dist. No. 2	3,279,999	100.00	3,279,999
Travis Co. Emergency Svcs. Dist. No. 3	4,745,000	100.00	4,745,000
Travis Co. Emergency Svcs. Dist. No. 6	3,285,000	100.00	3,285,000
Travis Co. Emergency Svcs. Dist. No. 7	2,400,000	100.00	2,400,000
Travis Co. Emergency Svcs. Dist. No. 9	1,760,000	100.00	1,760,000
Travs County MUD No. 2	1,945,000	100.00	1,945,000
Travs County MUD No. 3	8,085,000	100.00	8,085,000
Travs County MUD No. 4	1,885,000	100.00	1,885,000
Travs County MUD No. 6	1,665,000	100.00	1,665,000
Travs County MUD No. 8	985,000	100.00	985,000
Travs County MUD No. 10	1,885,000	100.00	1,885,000
Travs County MUD No. 15	1,555,000	100.00	1,555,000
Travis County WC&ID No. 10	1,550,000	100.00	1,550,000
Travis County WC&ID No. 17	50,000	100.00	50,000
Travis County WC&ID No. 17 Commanche Trail Defined Area	730,000	100.00	730,000
Travis County WC&ID No. 17 Steiner Ranch Defined Area	46,194,993	100.00	46,194,993
Travis County WC&ID No. 17 Flintrock Ranch Defined Area	1,180,000	100.00	1,180,000
Travis County WC&ID No. 18	4,485,000	100.00	4,485,000
Travis County WC&ID No. 20	5,001,599	100.00	5,001,599
Travis County WC&ID - Point Venture	2,285,000	100.00	2,285,000
Wells Branch MUD	3,585,000	100.00	3,585,000
W. Travis County MUD No. 3	1,830,000	100.00	1,830,000
W. Travis County MUD No. 5	<u>2,505,000</u>	100.00	<u>2,505,000</u>
Subtotal Special Districts	<u>190,165,885</u>		<u>190,165,885</u>
County Line Special Districts:			
North Austin MUD No. 1	7,475,820	16.03	1,198,374
Ranch at Cypress Creek MUD No. 1	10,715,000	47.67	5,107,841
Williamson-Travis County MUD No. 1	15,507,448	28.45	4,411,869
Williamson-Travis County MUD No. 1-D	9,720,000	91.34	8,878,248
Williamson-Travis County WC&ID No. 1-G	<u>9,730,000</u>	96.37	<u>9,376,801</u>
Subtotal County Line Special Districts	<u>53,148,268</u>		<u>28,973,133</u>

	Estimated Direct Net Debt	Percentage Applicable to Travis County	Amount Applicable to Travis County
Cities:			
Austin	\$ 1,084,685,659	98.32 %	\$ 1,066,462,940
Briarcliff, Village of	2,425,000	100.00	2,425,000
Cedar Park	77,350,000	5.45	4,215,575
Jonestown	1,315,000	100.00	1,315,000
Lago Vista	22,700,000	100.00	22,700,000
Lakeway	8,530,000	100.00	8,530,000
Manor	4,626,000	100.00	4,626,000
Pflugerville	101,293,000	100.00	101,293,000
Round Rock	102,151,000	2.58	2,635,496
Sunset Valley	930,000	100.00	930,000
Subtotal Cities	<u>1,406,005,659</u>		<u>1,215,133,011</u>
School Districts:			
Austin ISD	430,851,860	100.00	430,851,860
Del Valle ISD	105,925,000	100.00	105,925,000
Eanes ISD	100,170,000	100.00	100,170,000
Lago Vista ISD	14,819,888	100.00	14,819,888
Lake Travis ISD	85,770,000	100.00	85,770,000
Manor ISD	58,939,987	100.00	58,939,987
Pflugerville ISD	261,306,808	100.00	261,306,808
Subtotal School Districts	<u>1,057,783,543</u>		<u>1,057,783,543</u>
County Line School and Community College Districts:			
Austin Community College	98,410,000	94.88	93,371,408
Dripping Springs ISD	63,041,117	1.12	706,061
Elgin ISD	41,912,710	9.50	3,981,707
Hays Cons ISD	209,997,308	0.44	923,988
Johnson City ISD	10,000,393	0.34	34,001
Leander ISD	482,454,173	55.33	266,941,894
Marble Falls ISD	22,771,350	10.31	2,347,726
Round Rock ISD	353,209,264	42.96	151,738,700
Subtotal County Line School and Community College Districts	<u>1,281,796,315</u>		<u>520,045,485</u>
Total (Estimated \$3,853.62 Per Capita, Travis County)	<u>\$ 4,419,216,551</u>		<u>\$ 3,442,417,938</u>

Source: Texas Municipal Advisory Council

TABLE 7

**TRAVIS COUNTY, TEXAS
RATIO OF NET GENERAL BONDED DEBT
TO ASSESSED VALUE AND NET BONDED DEBT PER CAPITA
LAST TEN FISCAL PERIODS
(Unaudited)**

Fiscal Period ⁽³⁾	Population ⁽¹⁾	Net Taxable Assessed Value	Gross Bonded Debt ⁽²⁾
1996	697,311	\$ 28,867,451,709	\$ 257,290,417
1997	727,413	31,892,997,733	244,149,836
1998	757,484	34,052,099,323	343,779,146
1999	787,362	38,143,109,265	357,869,120
2000	812,280	42,014,344,927	353,362,873
2001	828,526	49,542,204,436	355,187,494
2002	844,263	57,571,968,023	467,144,037
2003	852,706	61,712,477,462	484,731,970
2004	874,065	59,658,702,458	457,768,518
2005	893,295	60,278,747,116	430,316,881

Note: (1) Source: U.S. Census for 1990 and 2000. Population figures for years 1995-1999 and 2001-2004 were extrapolated using annual growth percentages estimated by the City of Austin, City Demographer.

(2) Includes general obligation bonds and certificates of obligation.

(3) Includes blended component units for all years.

<u>Debt Service Fund Balance</u>	<u>Net Bonded Debt ⁽²⁾</u>	<u>Ratio of Net Bonded Debt to Assessed Value</u>	<u>Net Bonded Per Capita</u>
\$ 9,659,254	\$ 247,631,163	0.86%	\$ 355.12
7,439,385	236,710,451	0.74%	325.41
7,337,672	336,441,474	0.99%	444.16
11,490,585	346,378,535	0.91%	439.92
13,016,217	340,346,656	0.81%	419.00
10,576,761	344,610,733	0.70%	415.93
11,355,913	455,788,124	0.79%	539.87
11,700,278	473,031,692	0.77%	554.74
7,157,714	450,610,804	0.76%	515.53
7,197,456	423,119,425	0.70%	473.66

TABLE 8

**TRAVIS COUNTY, TEXAS
RATIO OF ANNUAL DEBT SERVICE
FOR GENERAL BONDED DEBT TO TOTAL GENERAL EXPENDITURES
LAST TEN FISCAL PERIODS
(Unaudited)**

Fiscal Period ⁽³⁾	Debt Principal	Interest ⁽¹⁾	Debt Service ⁽²⁾	Expenditures All Funds	Percentage of Debt Service to Total Expenditures
1996	\$ 24,370,000	\$ 12,714,788	\$ 37,084,788	\$ 240,308,327	15.43%
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	39,481,525	23,433,962	62,915,487	438,796,677	14.34%

Note: (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.

1996	\$ 146,184
1997	355,021
1998	635,940
1999	1,812,059
2000	3,457,417
2001	2,123,010

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

(3) Includes blended component units for all years.

TABLE 9

**TRAVIS COUNTY, TEXAS
STATEMENT OF LEGAL DEBT MARGIN
BONDS ISSUED UNDER ARTICLE 3, SECTION 52
OF THE TEXAS CONSTITUTION
September 30, 2005
(Unaudited)**

Assessed value of real property	\$ 69,852,496,817
Debt limit rate	<u> x 25 %</u>
Amount of debt limit	17,463,124,204
Unlimited Tax Bonds	<u> 186,960,893</u>
Legal debt margin	<u><u>\$ 17,276,163,311</u></u>

Note: Includes blended component units.
Excludes applicable exemptions.

TABLE 10

**TRAVIS COUNTY, TEXAS
STATEMENT OF LEGAL DEBT MARGIN
BONDS AND CERTIFICATES OF OBLIGATION ISSUED UNDER TEXAS GENERAL LAWS
September 30, 2005
(Unaudited)**

Assessed value of all taxable property		\$ 77,884,808,976
Debt limit rate		<u> x 5 %</u>
Amount of debt limit		3,894,240,449
Amount of debt applicable to constitutional debt limit:		
Total general obligation debt	430,316,881	
Less amount in Debt Service Fund designated for debt service	<u> 7,197,456</u>	<u> 423,119,425</u>
Legal debt margin		<u><u> \$ 3,471,121,024</u></u>

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."

Note: Includes blended component units.
Excludes applicable exemptions.

TABLE 11

**TRAVIS COUNTY, TEXAS
PRINCIPAL TAXPAYERS
September 30, 2005
(Unaudited)**

<u>Taxpayer</u>	<u>Type of Business</u>	<u>Fiscal Year 2005 Taxable Assessed Valuation</u>	<u>Percentage of Total Assessed Valuation ⁽¹⁾</u>
Freescale Semiconductor, Inc.	Electronics	\$ 405,506,101	0.67%
Southwestern Bell Telephone Co.	Telephone Utility	351,389,667	0.58%
Dell Inc.	Electronics	318,971,666	0.53%
IBM Corporation	Manufacturing & Leasing	264,762,842	0.44%
Spansion LLC	Electronics	168,624,586	0.28%
Applied Materials, Inc.	Electronics	159,561,209	0.26%
Time Warner Entertainment	Cable Television & Internet	123,259,620	0.20%
Investor's Life Insurance	Insurance	103,000,002	0.17%
Simon Property Group Texas	Property Management	101,237,016	0.17%
Samsung Austin Semiconductor	Electronics	<u>91,945,500</u>	<u>0.15%</u>
Total		<u>\$ 2,088,258,209</u>	<u>3.45%</u>

Note: (1) Based on Net Taxable Value of \$60,278,747,116 from the Travis Central Appraisal District's certified total taxable assessed value as of October 3, 2005.

TABLE 12

TRAVIS COUNTY, TEXAS
SALARIES AND SURETY BONDS OF PRINCIPAL OFFICIALS
Year Ended September 30, 2005
(Unaudited)

<u>Official Title</u>	<u>Officer's Name</u>	<u>Salary</u>	<u>Surety Bonds</u>
County Judge	Samuel T. Biscoe	\$ 93,971	\$ 10,000
District Clerk	Amalia Rodriguez-Mendoza	83,956	100,000
County Treasurer	Dolores Ortega Carter	75,611	100,000
District Attorney	Ronald Earle	31,656 ^{(1), (3)}	5,000
County Auditor	Susan A. Spataro	137,269	50,000
County Clerk	Dana DeBeauvoir	95,057	500,000
County Attorney	David Escamilla	130,777	2,500
County Sheriff	Margo Frasier	25,548 ⁽²⁾	30,000
County Sheriff	Gregory Hamilton	87,048 ^{(2), (4)}	30,000
Collector of Taxes	Nelda W. Spears	95,057	100,000
Commissioner, Precinct 1	Ron Davis	78,165	3,000
Commissioner, Precinct 2	Karen M. Sonleitner	78,165	3,000
Commissioner, Precinct 3	Gerald Daugherty	66,523	3,000
Commissioner, Precinct 4	Margaret J. Gomez	78,165	3,000

- Note:
- (1) A portion of this official's salary is paid by the State. This table reflects Travis County expenditures only
 - (2) This official is provided a vehicle for take home use of which the value is not included in this table.
 - (3) This official declined the County's health insurance benefit; therefore, the salary amount includes a declined medical payment of \$92.43 per pay period
 - (4) This official took office January 1, 2005.

TABLE 13

**TRAVIS COUNTY, TEXAS
ECONOMIC AND DEMOGRAPHIC CHARACTERISTICS
September 30, 2005
(Unaudited)**

Geographic Information

Travis County has a total area of 1,022.1 square miles, of which 989.3 square miles is land area. Located in the southern part of Central Texas, it is approximately 80 miles northeast of San Antonio and 200 miles south of the Fort Worth/Dallas area. The largest of the municipalities is Austin, the state capital and the fourth largest city in Texas. Travis County, being on the eastern edge of the Texas "Hill Country", contains elevations ranging from 400 feet to 1,330, but registers an elevation of 549.5 feet at the State Capitol in downtown Austin.

According to Austin-Real-Estate. org., yearly weather statistics include:

- an average rainfall of 31.9 inches
- mean high temperature of 78.9 degrees
- mean low temperature of 58.2 degrees
- 84 days with measurable rainfall

Population

Travis County is by far the most heavily populated of the five counties that comprise the Austin-Round Rock Metropolitan Statistical Area (MSA) and has 903 persons per square (land) mile. The U.S. Census *General Demographic Characteristics: 2003* report estimated that the median age was 31.4 years and that 25.1 percent of the population was under 18 years of age. For those persons listing themselves as "One Race" for census purposes, there were approximately 580,999 White, 70,931 Black, and 42,340 Asian. The population for Hispanic or Latino (of any race) was estimated to be 261,296.

The following table reflects population totals in Travis County and the City of Austin.

	<u>Travis County</u>	<u>City of Austin*</u>
1996	697,311	554,348
1997	727,413	575,364
1998	757,484	624,767
1999	787,362	642,325
2000	812,280	656,562
2001	830,150	669,693
2002	844,263	680,899
2003	856,927	687,708
2004	874,065	692,102
2005	893,295	700,407

*Full and Limited-Purpose Area Population

Source: U.S. Census for 2000. Population figures for years 1996 -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.

TRAVIS COUNTY, TEXAS

Economic and Demographic Characteristics, continued

Economy and Industry

Austin and Travis County have always depended heavily upon government, tourism (the Highland Lakes, the Sixth Street restoration, historic sites, and sports), and the University of Texas as the keystones of the local economy. While these are still major employers, Travis County has become known for its high tech industry and its widespread literacy: Dell, Freescale Semiconductor, Samsung, Advanced Micro Devices, and IBM are just some of the firms with a major presence in the Travis County area. A study by the Milken Institute listed the Austin-Round Rock area as number 12 among the “top U.S. hubs” for the biotech industry.

In the more rural parts of the County, the traditional occupations abound. Mineral production includes lime, stone, sand, gravel, oil, and gas. Major agricultural products include cattle, nursery crops, hogs, sorghum, corn, cotton, small grains, and pecans.

Retail Sales

Annual gross retail sales in Austin are estimated as follows:

<u>Calendar Year</u>	<u>Gross Sales (Billions)</u>
1996	\$ 8.67
1997	9.41
1998	9.93
1999	10.92
2000	12.51
2001	12.37
2002	12.06 *
2003	12.49 *
2004	13.27
2005 (through second quarter).....	6.41

*Revised

Source: State Comptroller of Public Accounts

Sales Tax Rebates

The following table lists the calendar year sales tax rebates received by the City of Austin:

<u>Calendar Year</u>	<u>Sales Tax Rebates</u>
1996	\$ 80,836,720
1997	85,272,735
1998	94,261,114
1999	104,915,700
2000	117,818,293
2001	117,393,240
2002	110,208,923
2003	105,044,871
2004	112,515,478
2005 (through November).....	108,938,030

Source: State Comptroller of Public Accounts

TRAVIS COUNTY, TEXAS

Economic and Demographic Characteristics, continued

Employment

The following table summarizes non-agricultural employment by industry sector for the Austin-Round Rock MSA:

	<u>September 2004*</u>	<u>September 2005</u>
Natural Resources, Mining, & Construction	38,700	39,800
Manufacturing	57,500	57,600
Trade, Transportation & Public Utilities	115,800	118,600
Information	20,400	20,900
Financial Activities	40,200	40,200
Services	253,200	259,900
Government	144,800	146,400
Total	<u>670,600</u>	<u>683,400</u>

*Revised

Source: Texas Workforce Commission

The following table contains the ten largest employers, and their primary products and/or services, in the Austin area for 2005:

<u>Employer</u>	<u>2005 Employment</u>	<u>Product or Service</u>
State of Texas*	47,040	Government
The University of Texas/Austin	21,360	Education, Research
Dell Inc.	18,000	Electronics
City of Austin	12,518	Government
Austin Independent School Dist.	10,445	Education
Seton Healthcare Network	7,500	Health Services
HEB Grocery, Co.	7,392	Retail
IBM Corporation	6,200	Electronics
Freescale Semiconductor	5,600	Electronics
IRS/Austin Center	4,437	Government

*MSA total, excluding the University of Texas

Source: Austin American-Statesman, "This is Austin"

TRAVIS COUNTY, TEXAS

Economic and Demographic Characteristics, continued

The following table contains information concerning total civilian employment, including agricultural workers, for Travis County:

	September 2002*	September 2003*	September 2004*	September 2005
Civilian Labor Force	493,043	491,259	499,838	513,797
Total Employment	464,092	461,402	474,711	490,921
Unemployment Rate	5.9%	6.1%	5.0%	4.5%

*Revised

Source: Texas Workforce Commission

Income

Per Capita Personal Income - 2003	\$ 34,439
Average Weekly Wage - 2004*	845.75
Total County Wages (millions) - 2004*	22,646.99

*Federal wages included

Source: Texas Workforce Commission

Construction

A significant indicator of construction activity is the number of site development permits issued by Travis County:

<u>Fiscal Year</u>	<u>Site Development Permits</u>
1996	3,686
1997	3,281
1998	3,241
1999	3,201
2000	3,784
2001	2,665
2002	2,638
2003	2,900
2004	3,555
2005	4,121

Source: Travis County Transportation and Natural Resources Department

TRAVIS COUNTY, TEXAS

Economic and Demographic Characteristics, continued

Home Sales

The following table contains information regarding single-family home sales in the Austin area:

<u>Year</u>	<u>No. of Sales</u>	<u>Total Volume</u>	<u>Average Prices</u>
1996	12,597	\$ 1,672,441,903	\$ 132,765
1997	12,439	1,762,198,574	141,667
1998	15,583	2,334,200,698	149,791
1999	18,135	2,963,915,274	163,436
2000	18,621	3,561,039,919	191,238
2001	18,392	3,556,546,121	193,375
2002	18,716	3,695,947,381	197,475
2003	19,793	3,899,018,519	196,990
2004	22,566	4,487,347,756	198,854
2005 (through October)	22,799	4,759,162,709	208,744

Source: Texas A&M University, Real Estate Research Center

Banking

The following table contains information regarding bank deposits in Travis County banks:

<u>Year</u>	<u>Deposits (Billions)</u>
1996	\$ 5.2
1997	6.0
1998	6.4
1999	7.0
2000	7.6
2001	8.1
2002	8.3
2003	8.6 *
2004	9.6 *
2005	10.9

*Revised

Source: FDIC

TRAVIS COUNTY, TEXAS

Economic and Demographic Characteristics, continued

Education

The Austin-Round Rock MSA is the home of six universities, two community colleges, and four theological schools. The largest of these is the University of Texas at Austin, with a Fall 2005 enrollment of 49,791. This campus is the flagship of the UT System which is comprised of nine academic universities and six health institutions. UT/Austin is a member of the Association of American Universities, an organization of 62 research universities in the U.S. and Canada. On the UT/Austin campus there are 22 libraries, museums, and research centers, holding eight million books in addition to recordings, artifacts, photographs, manuscripts, and natural sciences specimens. Among the special libraries on the Austin campus are the Jamail Center for Legal Research, the Benson Latin American Collection, the Lyndon Baines Johnson Presidential Library, the J.J. Pickle Research campus, and the Harry Ransom Humanities Research Center, which houses the University's Gutenberg Bible and the Woodward/Bernstein Watergate papers. In 2004, the University of Texas ranked fourth among U.S. universities in the number of patents issued and was eighth in the number of undergraduate degrees conferred on Hispanics.

Public primary and secondary education in Travis County is the responsibility of seven independent school districts with 160 campuses and total enrollment of almost 122,000 students. (This does not include the Round Rock and Leander Independent School Systems, which include within their boundaries small parts of Travis County). In addition, there are many private and parochial schools providing education for the pre-college grades.

The Austin Public Library (APL) assists in the education of the Travis County public. APL is comprised of a Central Library, 21 branch libraries, and the Austin History Center. The system and its branches house 1.5 million items, while the Austin History Center holds more than 1 million non-circulating items.

Transportation

There are several major highways that link Travis County to the rest of Texas and the nation. U.S. Interstate 35 (IH 35) runs through Austin, directly tying Mexico and San Antonio to the south with Waco, Fort Worth/Dallas, and Oklahoma City on its way to Canada. Also in Travis County, Highway 71 and U.S. 290 run east and west, while U.S. 183 runs northwest to southeast. The Austin-Bergstrom International Airport (ABIA) has been open for full service since June 1999. Major passenger airlines serving ABIA are Southwest, American, America West, Delta, Frontier, Continental, United, Mesa, SkyWest, and Northwest. Major Air Cargo carriers include Federal Express, Airborne Express, and United Parcel Services. JetBlue Airways will begin service from ABIA in January, 2006.

TRAVIS COUNTY, TEXAS

Economic and Demographic Characteristics, continued

The following tables provide information on Austin's airline traffic:

<u>Calendar Year</u>	<u>Airline Passengers</u>	<u>Aircargo Pounds</u>
1996	5,691,233	184,000,000
1997	5,904,305	198,843,569
1998	6,065,973	239,780,675
1999	6,670,851	276,263,260
2000	7,658,671	357,327,469
2001	7,199,322	321,283,097
2002	6,720,668	285,896,271
2003	6,707,081	252,276,024
2004	7,238,645	254,419,495
2005 (through October)	6,393,212	205,068,308

Source: The City of Austin Department of Aviation

Ample ground transportation resources are also available. Two nation-wide railroad systems operate in Travis County. Amtrak, using Union Pacific track, furnishes daily passenger service via the "Texas Eagle", while the Union Pacific Railroad (UPRR) provides rail freight service to and from Travis County. With 6,388 miles of track in the state, the UPRR is Texas's biggest railroad; it serves all major Texas cities and is the primary rail link to Mexico. Motor freight service is provided within Travis County by numerous trucking firms. Austin is served by Greyhound Bus Lines, as well as by smaller lines. Local route service is offered by the 500 busses, trolleys, sedans, and vans of the Capital Metropolitan Transportation Authority which serves the 500-square mile area that includes Austin, seven smaller Travis County communities, and a part of Williamson County. At the head of this service is a schedule of 134 fixed routes. In addition, there are four cab companies that operate in the City of Austin.

