

TRAVIS COUNTY, TEXAS

Comprehensive Annual Financial Report For The Fiscal Year Ended September 30, 2007



Photo by Tom Bleich, TCTV

**TRAVIS COUNTY,
TEXAS**

COMPREHENSIVE ANNUAL

FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED

SEPTEMBER 30, 2007

Prepared by the Travis County Auditor's Office

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County Auditor
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**TRAVIS COUNTY, TEXAS
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
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**TRAVIS COUNTY, TEXAS
INTRODUCTORY SECTION**

TRAVIS COUNTY
AUDITOR'S OFFICE

SUSAN A. SPATARO, CPA,
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COUNTY AUDITOR



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February 19, 2008

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, 2007. This report is submitted in compliance with Texas Local Government Code §114.025.

Responsibility for Financial Statements

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

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

Accounting System and Internal Controls

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

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

Independent Audit

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

Reporting Standards

The accompanying financial statements have been prepared in conformity with generally accepted accounting principles (GAAP) in the United States of America as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted primary standard-setting body for establishing governmental accounting and financial reporting principles, to the extent that its rules do not conflict with State laws and the State constitution.

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

Financial Statement Format

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

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

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

PROFILE OF TRAVIS COUNTY

Geographic Information

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

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

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

The 2007 population of Travis County is estimated to be 948,160, an increase of 27,616 people (3.0%) over the 2006 estimated population. The principal city in the County is Austin, the County Seat and State Capital. The estimated 2007 population for Austin, including Full and Limited Purpose Areas, is 735,088 or 77.5% of the total for the County.

Governmental Structure

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

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

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

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

Public Safety - Public Safety includes activities associated with the protection of persons and property within the County including direct enforcement of State statutes. Offices included in this category are the Constables (serve warrants and other court papers), the Medical Examiner, and divisions of the Sheriff's Office dedicated to law enforcement and public safety. Also included are Emergency Services, Fire Marshall, and Criminal Justice Planning, which provide services for the Combined Transportation, Emergency and Communications Center (911 Call 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), Pretrial 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 air (StarFlight) and ground ambulance services.

Infrastructure and Environmental Services - Activities in this category are associated with the development and maintenance of the County's transportation systems, subdivision 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 42 parks that are either owned or maintained by the County. These parks, which vary from lakes and hills to rivers and prairies, provide facilities for picnics, hiking, camping, swimming, boating, soccer, baseball, and equestrian activities.

Blended Component Units

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

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

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

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

Discretely Presented Component Unit

On May 15, 2004, Travis County voters approved the formation of the Travis County Hospital District to furnish medical aid and hospital care to indigent and needy persons residing in Travis County. In May 2006, the Commissioners' Court approved, after the appropriate State legislation was passed, a name change to the Travis County Healthcare District. The Healthcare District has a nine member Board of Managers; four are appointed by Travis County, four by the City of Austin and one is a joint appointee. Additionally, the Travis County Commissioners' Court approves the Healthcare District's annual budget and tax rate each year. Because of this relationship, the Healthcare District will be reported as a discretely presented component unit of Travis County for the year ended September 30, 2007. For more information, refer to Note 1 of the Notes to the Financial Statements.

Budget Process

The annual budget serves as the foundation for Travis County's financial planning and control. Activities of the General Fund, certain special revenue and capital projects funds, and the General Purpose Debt Service Fund are included in the appropriated budget. The budget is prepared by fund, office/department and object/sub-object. The level of budgetary control (that is the level at which expenditures cannot legally exceed the appropriated amount) is set by state statute and is at the office/department level. The County's elected/appointed officials, executive managers, and department heads may make transfers of appropriations within an office/department as specified in the Commissioners' Court-approved annual budget rules. Transfers between departments, as specified in the budget rules, 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 2007 there was no fund for which the expenditures exceeded budgeted appropriations.

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

ECONOMIC CONDITION AND OUTLOOK

Local Economy

Employment and spending are fundamental to understanding the Travis County economy in fiscal year 2007, despite a slowing business scene at the national level. Employment for the County rose 1.8% during the year, to a September total of 517,747 and the County's unemployment rate decreased slightly from 3.8% at the end of fiscal year 2006 to 3.6% one year later. *The Austin Business Journal* reported that Austin in 2007 was the seventh "hottest U.S. job market" and that it led Texas cities in small-business growth.

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 employment for many Travis County citizens and offers a steady stream of bright, young minds for the economy, and it is true that state government remains the largest employer. There are now, of course, other components of the Travis County economy, but these two pillars provide a great deal of stability when the national economy declines.

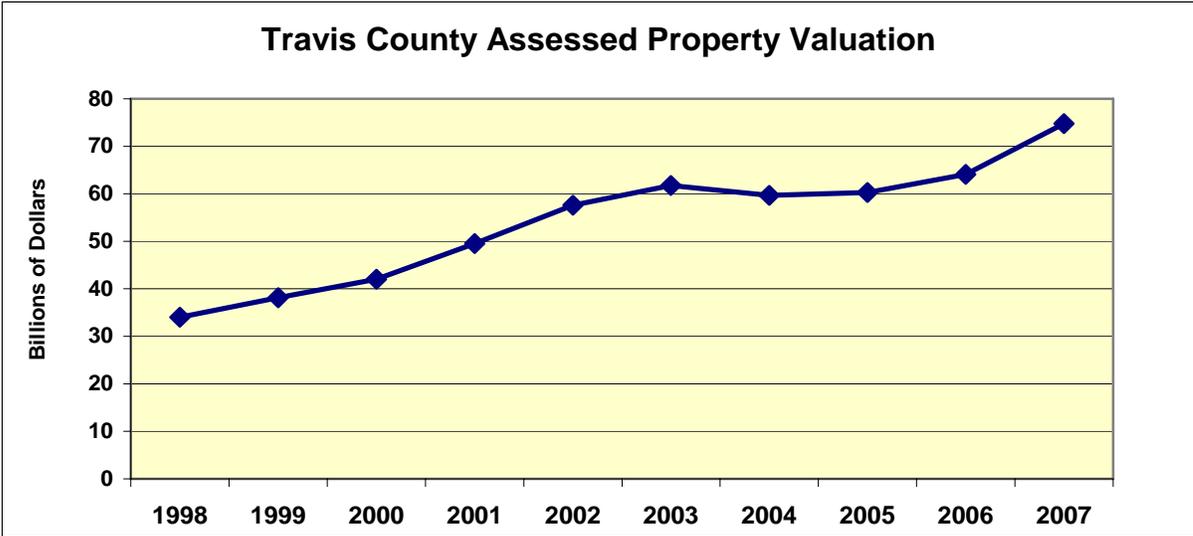
The high tech industry has become a significant part of the Travis County economic scene. Samsung, Dell, IBM, Freescale, and Advanced Micro Devices all have a major presence in Travis County. In June 2007, Samsung opened a new \$3.5 billion factory in Austin. This plant, which will produce advanced flash memory chips, is one of the largest single semiconductor facilities in the United States and represents the single largest foreign investment in Texas history. Perficient, with its headquarters in Austin, was listed in 2007 as one of *CNNMoney's* top fastest growing high tech firms.

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. Besides this area, one can enjoy the growing Warehouse Entertainment District, the Market District, and the Second Street Retail District. A significant part of the entertainment industry in the Travis County area are University of Texas sports teams, Double-A ice hockey, Arena League football, the Austin Toros of the NBA Developmental League, Triple-A baseball, and 19 golf courses within just Travis County alone.

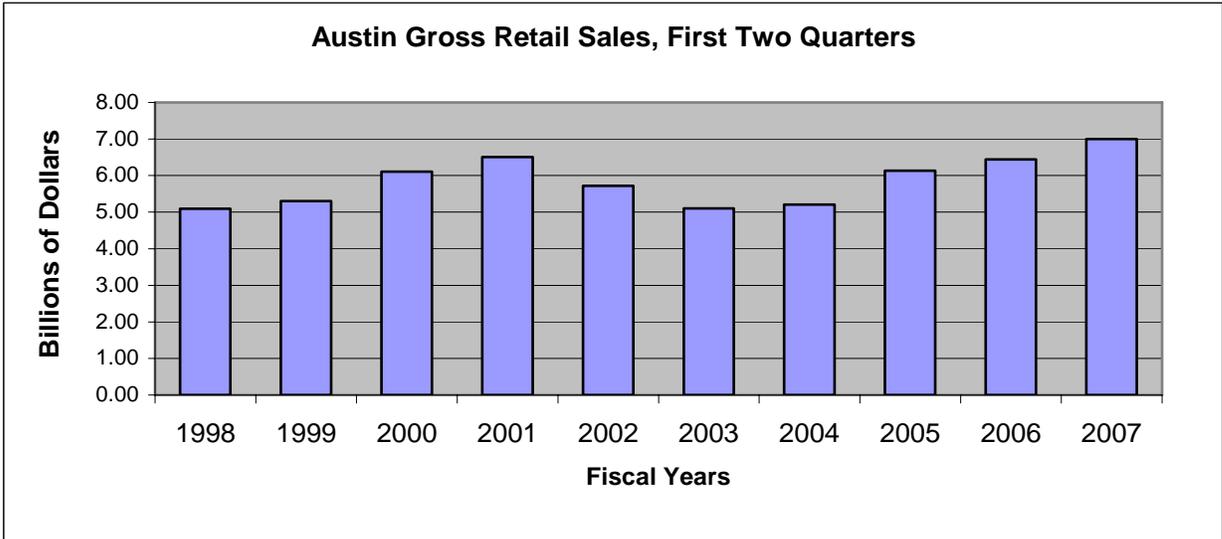
The site of the old Robert Mueller Airport is being converted into a multi-purpose development with residences, health facilities and businesses. The Dell Children’s Medical Center of Central Texas opened in the summer of 2007, and some retail establishments are already operating. Construction of single-family homes has begun; and apartments, an elementary school, and a site for the Austin Film Society are planned as well. All this is convenient to downtown, the airport, and Interstate Highway 35.

The Assessed Valuation (AV) grew nicely in fiscal year 2007 with a 16.7% increase compared to fiscal year 2006.

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

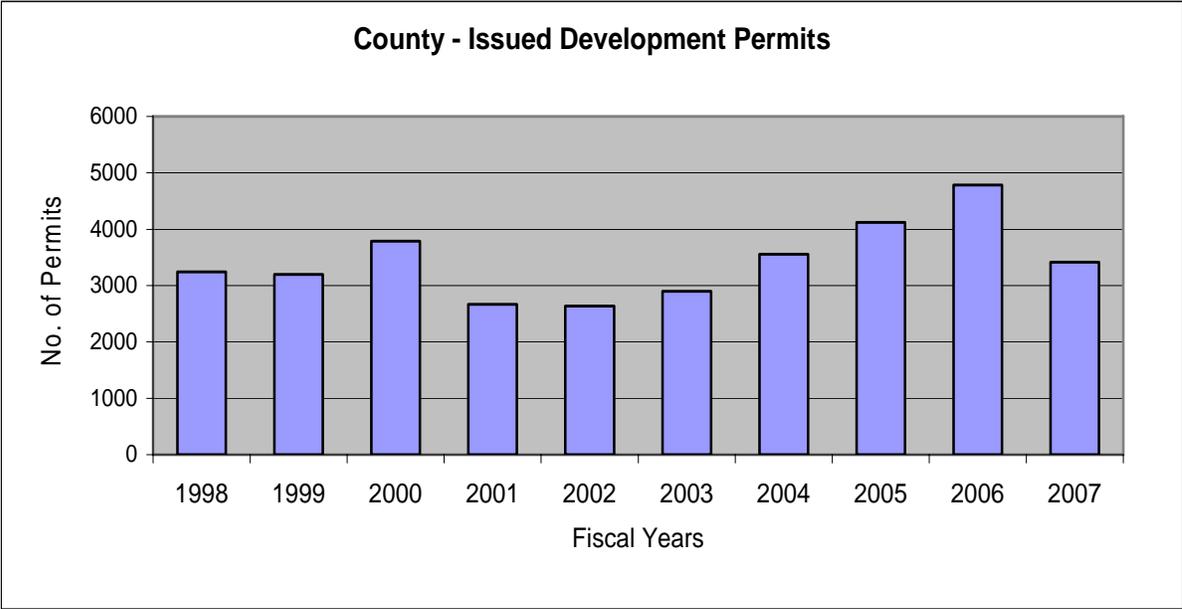


Sales tax receipts for the City of Austin for fiscal year 2007 totaled \$144.2 million, an 11.1% increase over the previous year. Austin’s gross retail sales for the first two quarters of fiscal year 2007 reached \$7.0 billion, an 8.7 % increase over the same period in fiscal year 2006.



Housing sales slipped some in fiscal year 2007, reflecting the national problems in that industry. For the County’s fiscal year that ended on September 30, 2007, units sold totaled 29,098; that figure constitutes a 1.4% decrease over fiscal year 2006. County-issued site development permits in fiscal year 2007 for building in the rural parts of Travis County decreased 28.7% from the previous year.

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



Even during the recent downturn, Travis County has maintained its Reserve Ratio. It is the practice of the County Commissioners Court to keep 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 \$0.4499, a decrease of \$0.0494 from fiscal year 2006, to provide funds for general operations and debt service for fiscal year 2007.

Significant budget initiatives in fiscal year 2007 included:

- Additional law enforcement and corrections personnel for the Sheriff’s Office.
- Funding for the new 427th Criminal District Court.
- Almost \$700,000 for Juvenile Justice initiatives.
- Funding for five mental health programs, which includes a project recovery effort for repeat public intoxication offenders.
- Increased staffing for the Justice of the Peace offices to respond to the central collections workload.

- A Writ Execution Team for each Constable office.
- Almost \$1.5 million for specific programs for children, poverty and basic needs, and workforce development.

The Commissioners' Court authorized five issuances of new debt in fiscal year 2007:

Bonds:

Unlimited Tax Road Bonds, Series 2007 (for local roads, drainage, bridges and pedestrian access)	\$ 35,725,000
Limited Tax Permanent Improvement Bonds, Series 2007 (for parks and jail projects)	21,005,000
Unlimited Tax Refunding Bonds, Series 2006	23,784,987

Certificates of Obligation (Limited Tax, Series 2007 & 2007-A):

Jail construction and renovation	\$ 38,830,000
Road/Drainage and service center projects	5,908,215
Facility projects	3,936,206
Computer equipment	2,420,554
Issuance cost	<u>110,025</u>
Total Certificates of Obligation	\$ 51,205,000

Long-Term Financial Planning

It has been the long-standing intention of the Commissioners' Court to maintain a sound financial footing, preserve the 11% reserve ratio, and maintain the County's AAA bond rating. It was these accumulated resources that allowed the County to avoid massive disruptions in services during the years when the local economy took a downturn. In order to ensure that the fiscal year 2008 budget kept these goals in focus, the Commissioners' Court established "Framing the FY08 Budget Process" in January 2007. In this document the Commissioners' Court stressed its commitment to maintain infrastructure, provide appropriate law enforcement and justice support, address social ills, support efficiencies in government services, and ensure that emergency functions are funded.

Budgeted revenues and available balances and budgeted expenditures for fiscal year 2008 are summarized as follows:

<u>Budgeted</u>	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Other Funds</u>
Revenues and Available Balances	\$ 437,801,766	\$ 80,707,196	\$ 157,506,129
Expenditures	<u>386,830,194</u>	<u>68,840,869</u>	<u>95,599,283</u>
Ending Fund Balance	<u>\$ 50,971,572</u>	<u>\$ 11,866,327</u>	<u>\$ 61,906,846</u>

Capital project funds are budgeted based on Certificates of Obligation and General Obligation Bond indenture provisions. At the end of fiscal year 2007, actual fund balances were carried over into the new year, and the Planning and Budget Office included a not-to-exceed number of \$160 million in its Recapitulation of the Fiscal Year 2008 Budget.

Included in these figures is \$12,364,574 in transfers among the funds, of which \$161,083 is a transfer to the General Fund from non-budgetary funds and \$6,680,185 is a transfer from the General Fund to the Balcones Canyonlands Preservation Fund. Other funds' budgeted expenditures (including transfers out) consisted of \$23,304,167 in the Road and Bridge Fund and \$72,295,116 in various other funds.

In addition, a portion of the ending fund balances is budgeted as Allocated Reserves, meaning that expenditure of these reserves is possible: \$10,565,688 in the General Fund, and \$61,682,796 in other funds, of which \$42,827,623 is in the Internal Service Funds.

For fiscal year 2008, the assessed taxable property value available at the time of budget approval was \$84.9 billion or 14.4% more than the value certified available for the fiscal year 2007 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 financing 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.

	Debt Policy Guidelines	September 30, 2007	September 30, 2006
Debt service reserve percentage of total general purpose debt service requirements	10% or >	16.89%	13.18%
Net general purpose bonded debt to assessed valuation	1.0% - 1.5%	0.54%	0.55%
Net general purpose bonded debt per capita	\$500 or <	\$549.43	\$497.15
General purpose debt service expenditure to total general fund plus general purpose debt service expenditures	20% or <	16.28%	17.11%
Short-term debt service expenditures to total general purpose debt service expenditures	25% or <	18.14%	22.40%
Short-term debt service expenditures to total general fund expenditures	5% or <	3.53%	4.63%

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

Other Relevant Financial Policies

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

For the readers of Travis County’s fiscal year 2007 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, 2006. 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.

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, 2006

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.



Oliver S. Cox

President

Jeffrey R. Emery

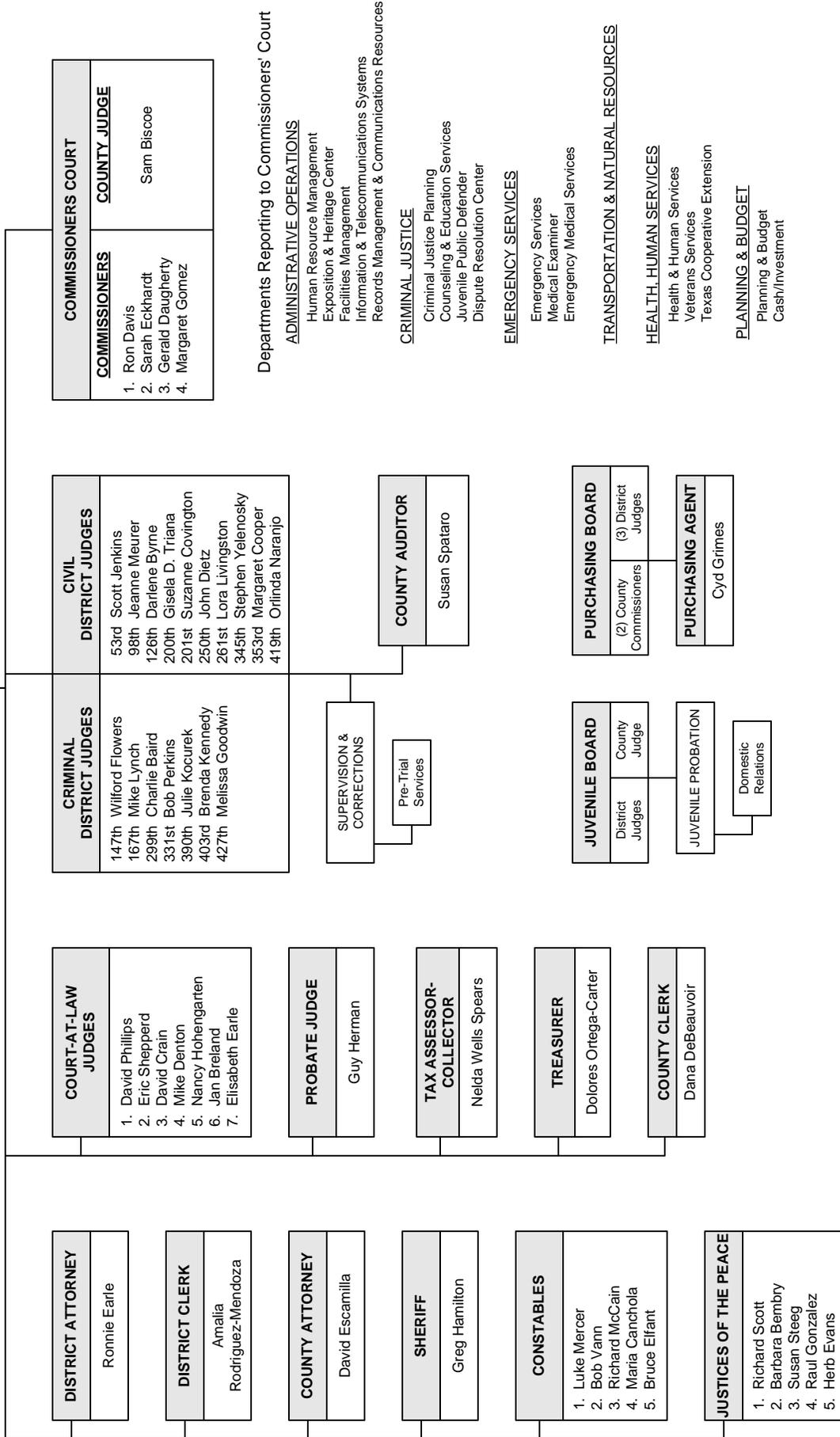
Executive Director



TRAVIS COUNTY

TRAVIS COUNTY VOTERS

September 30, 2007



Independently Elected/Appointed
Officials with statutory duties

TRAVIS COUNTY, TEXAS
PRINCIPAL OFFICIALS
September 30, 2007

GOVERNING BODY

Samuel T. Biscoe, County Judge

Ron Davis, Commissioner, Precinct 1

Sarah Eckhardt, Commissioner, Precinct 2

Gerald Daugherty, Commissioner, Precinct 3

Margaret Gomez, Commissioner, Precinct 4

OTHER PRINCIPAL OFFICIALS

Nelda Wells Spears, Tax Assessor/Collector

Susan A. Spataro, County Auditor, CPA, CMA

David Escamilla, County Attorney

Ronald Earle, District Attorney

Greg Hamilton, County Sheriff

Dolores Ortega-Carter, County Treasurer

Amalia Rodriguez-Mendoza, District Clerk

Dana DeBeauvoir, County Clerk



**TRAVIS COUNTY, TEXAS
FINANCIAL SECTION**

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the governmental activities, each major fund and aggregate remaining fund information of Travis County, Texas, (the "County") as of and for the year ended September 30, 2007, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these respective financial statements based on our audit. We did not audit the financial statements of the Travis County Healthcare District, the discretely presented component unit of the County, for the year ended September 30, 2007. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Travis County Healthcare District, is based solely on the report of the other auditors.

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

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective 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, 2007; and the respective changes in financial position and cash flows, where applicable, thereof 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 are supplementary information required by the Governmental Accounting Standards Board. This supplementary information is the responsibility of the 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 financial statements that collectively comprise Travis County's basic financial statements. 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 Travis County. These

financial statements and schedules are the responsibility of the County's management. Such additional information have 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 have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on them.

Debitte i Touche LLP

February 19, 2008

TRAVIS COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) (Unaudited)
For The Year Ended September 30, 2007

The following is a narrative overview and analysis of the financial activities of Travis County (County) for the fiscal year ended September 30, 2007. 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 \$840.4 million (reported as net assets), an increase of \$58.7 million or 7.5 percent from the prior year. Of the total net assets amount, \$746.6 million is invested in capital assets net of related debt, \$59.6 million is unrestricted, and \$34.2 million is restricted for specific future uses.

Fund Financial Statements:

- As of the close of the fiscal year, the County's governmental funds reported combined ending fund balances of \$336.6 million, an increase of \$98.7 million or 41.5 percent from the previous year. Approximately 76.4 percent of ending fund balances is unreserved and may be used to meet ongoing obligations to citizens and creditors. This is an increase of 28.5 percent from the prior year.
- The fund balance of the General Fund, one of the major governmental funds, was \$95.2 million at September 30, 2007, a \$12.0 million increase over last year. The unreserved portion of fund balance was \$80.9 million or 85.0 percent of total fund balance and 23.9 percent of total General Fund expenditures and other financing uses for fiscal year 2007.
- At September 30, 2007, net assets of the County's Internal Service Funds were \$46.2 million, an increase of \$9.9 million or 27.2 percent from the prior year.

Long-term Debt:

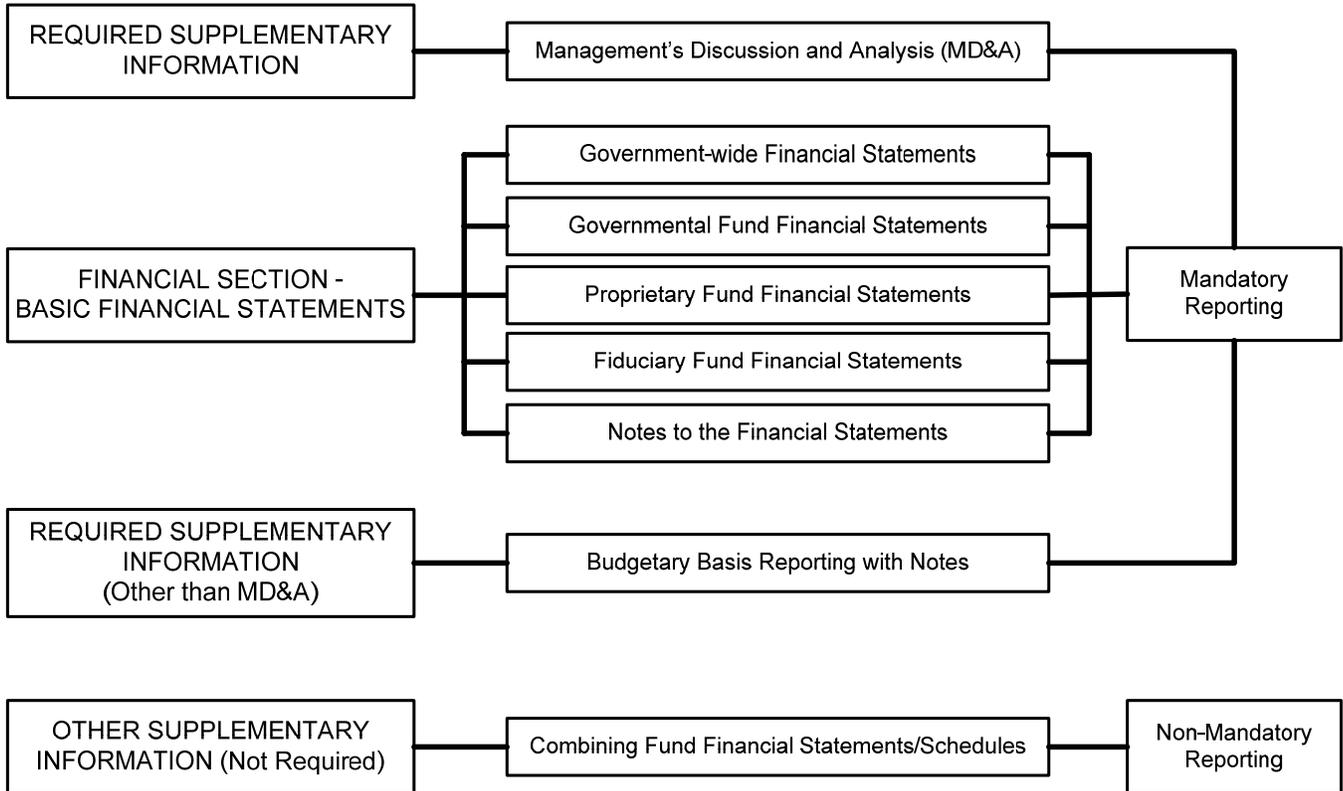
- The County's total bond and certificate debt increased by \$64.9 million or 13.8 percent during the fiscal year increasing total debt outstanding to \$537.2 million, net of deferred amounts and premiums.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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



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

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

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

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

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

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

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

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

Governmental funds – The County's *governmental funds* are used to account for essentially the same basic services reported in the *governmental activities* category of the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating the County's near-term financing requirements.

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

Travis County maintains 53 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-10. The major funds are General, Road and Bridge, Grants, General Purpose Debt Service, Capital General Obligation Bonds, Capital Certificates of Obligation, and Capital Road Bonds and Certificates of Obligation. The remaining less significant funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements located in the Other Supplementary Information section of this report beginning on page OSI-1.

Proprietary funds – An *internal service fund*, a type of proprietary fund, reports activities that provide services to the County internally. The County is self-insured and uses an internal service fund to account for general, property and automobile liabilities, error and omissions claims and judgements, workers' compensation claims, and loss from theft and crime. The County's employee medical plan is also self-funded and accounted for in an internal service fund. Because these services predominantly benefit governmental functions, they have been included within *governmental activities* in the government-wide financial statements. Proprietary fund financial statements begin on page BFS-18.

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-21.

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-3 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-3 of this report.

Other Supplementary Information

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

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

The County is providing condensed financial information for fiscal year 2007 with comparative information for fiscal year 2006. The following schedule was derived from the Statement of Net Assets on page BFS-5 of this report and focuses on the net assets of the County.

Travis County, Texas
Condensed Statement of Net Assets
September 30, 2007
With Comparative Totals For September 30, 2006

	Governmental Activities	
	2007	2006
Current and other assets	\$ 477,827,975	\$ 349,561,403
Capital assets, net of depreciation	1,002,161,042	988,204,082
Total assets	<u>1,479,989,017</u>	<u>1,337,765,485</u>
Current liabilities	61,405,635	43,665,080
Non-current liabilities	578,127,826	512,348,873
Total liabilities	<u>639,533,461</u>	<u>556,013,953</u>
Net Assets:		
Invested in capital assets, net of related debt	746,649,334	731,245,017
Restricted	34,216,858	27,804,954
Unrestricted	59,589,364	22,701,561
Total net assets	<u>\$ 840,455,556</u>	<u>\$ 781,751,532</u>

Travis County's assets exceeded liabilities by \$840.4 million at September 30, 2007. The largest portion of the County's net assets in the amount of \$746.6 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 \$34.2 million represent County resources that are subject to external restrictions, constitutional provisions, or enabling legislation regarding how they may be used.

The individual components of net assets are analyzed below:

Travis County, Texas Components of Net Assets September 30, 2007 With Comparative Totals For September 30, 2006		
	2007	2006
<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.	\$ 746,649,334	\$ 731,245,017
<i>Restricted Net Assets</i>		
Funds legally restricted for capital projects	5,068,626	1,871,616
Funds legally restricted for debt service	3,268,079	1,715,397
Funds legally restricted in the Permanent School Fund	2,390,461	2,324,928
Funds legally restricted for justice, corrections, and rehabilitative programs	15,053,420	14,922,937
Funds legally restricted for roads, parks, and preserves	7,934,465	6,568,171
Funds restricted to finance other specific activities	501,807	401,905
Total Restricted Net Assets	34,216,858	27,804,954
<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.	(96,552,851)	(101,010,459)
All other unrestricted non-capital assets exceed the total of the County's other liabilities by this amount.	156,142,215	123,712,020
Total Unrestricted Net Assets	59,589,364	22,701,561
Total Net Assets	\$ 840,455,556	\$ 781,751,532

As shown in the schedule above, the County's total net assets increased \$58.7 million from \$781.7 million to \$840.4 million or 7.5 percent over the course of this fiscal year's operations. This increase is primarily due to the following factors:

- Assets were donated to the County in the amount of \$29.8 million – Assets such as roads, sidewalks, and rights-of-way are donated by local developers for ongoing maintenance and have no directly related expenses.
- Fund balance in the General Fund increased \$12.0 million – 1) Salary and benefit savings occurred as a result of vacant employee positions and the unexpected reduction of healthcare premiums; 2) Investment income revenue was over budget due to higher than expected investment portfolio interest rates and an increase in fair market value, which was not budgeted; and 3) Non-budgeted special item revenue was recognized for the sale of real estate.

- Fund balance in the Proprietary Fund increased \$9.9 million – Actual claims paid in the Employee Health Benefit Fund and incurred losses in the Self-Insurance Fund were lower than actuarial projections, which are conservative and include a reserve.

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 \$503.8 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 \$1,002.1 million, certain long-term assets in the amount of \$17.1 million, adjustments to current liabilities of (\$1.6) million, long-term liabilities of (\$560.0) million, and net assets of \$46.2 million in the Internal Service Funds. A detailed reconciliation can be found in Note 3 of the Notes to the Financial Statements.

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

Travis County, Texas
 Condensed Statement of Activities
 For The Year Ended September 30, 2007
 With Comparative Totals For The Year Ended September 30, 2006

	Governmental Activities	
	2007	2006
Revenues:		
Program revenues:		
Fees, fines and charges for services	\$ 99,694,065	\$ 92,220,079
Operating grants, contributions, shared revenues, and entitlements	25,514,632	24,250,537
Capital grants, contributions and donated assets	30,009,910	17,315,873
General revenues:		
Property taxes, ad valorem	337,534,219	322,901,024
Excise taxes from the State of Texas	5,663,239	5,093,749
Grants and contributions not restricted to specific programs	2,323,500	2,111,177
Investment earnings	26,663,045	18,026,783
Miscellaneous	7,659,944	5,408,938
Special Item - gain from sale of land	1,642,508	-
Total revenues	<u>536,705,062</u>	<u>487,328,160</u>
Expenses:		
General government *	94,632,906	83,695,932
Justice system	96,855,914	89,223,427
Public safety	48,569,296	45,638,186
Corrections and rehabilitation	97,913,001	95,254,826
Health and human services	39,246,181	35,419,641
Infrastructure and environmental services	68,917,914	65,733,063
Community and economic development	7,821,417	7,299,040
Interest on long-term debt	24,044,409	21,828,103
Total expenses	<u>478,001,038</u>	<u>444,092,218</u>
Change in net assets	58,704,024	43,235,942
Net assets--beginning of year	<u>781,751,532</u>	<u>738,515,590</u>
Net assets--end of year	<u>\$ 840,455,556</u>	<u>\$ 781,751,532</u>

* Includes Internal Service-Self Insurance Fund expense of \$33,481,749 and \$29,931,523 for FY07 and FY06, respectively.

In fiscal year 2007, revenues increased by \$49.4 million or 10.1 percent. The key elements of this increase are as follows:

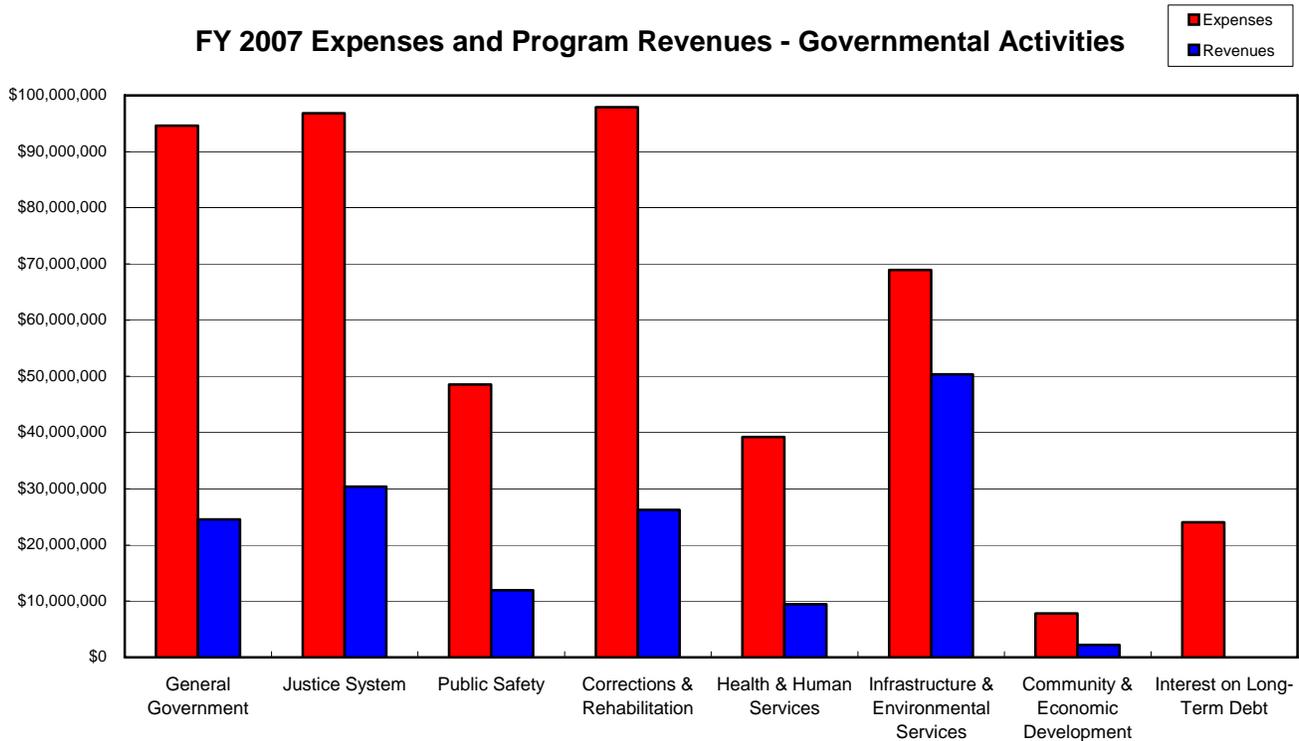
- Property tax revenue increased \$14.6 million mainly due to the Commissioners' Court approving a Maintenance and Operations tax rate that exceeded the effective tax rate by \$0.0069 or 1.9 percent. In addition, there was a 16.7 percent increase in the County's taxable assessed property values, which included \$2.6 billion in new construction.
- Capital grants, contributions and donated assets increased \$12.7 million chiefly due to a \$14.2 million increase in assets donated by local developers. These assets include roads, rights-of-way, and sidewalks. Offsetting this increase was a \$1.5 million decrease in grant revenue mostly related to flood plain real estate purchases, which occurred primarily in fiscal year 2006.
- Investment earnings increased \$8.6 million partly due to a higher than expected increase in the County's overall investment portfolio yield, which is a result of market yield increases, and partly due to an increase in the average daily balance invested.
- Fees, fines and charges for services increased \$7.5 million due to an increase in 1) road construction services for other governments, 2) developer permit fees, and 3) EMS rates and volume of services for both ground and air services.

Expenses increased \$33.9 million or 7.6 percent. The key elements of this increase are as follows:

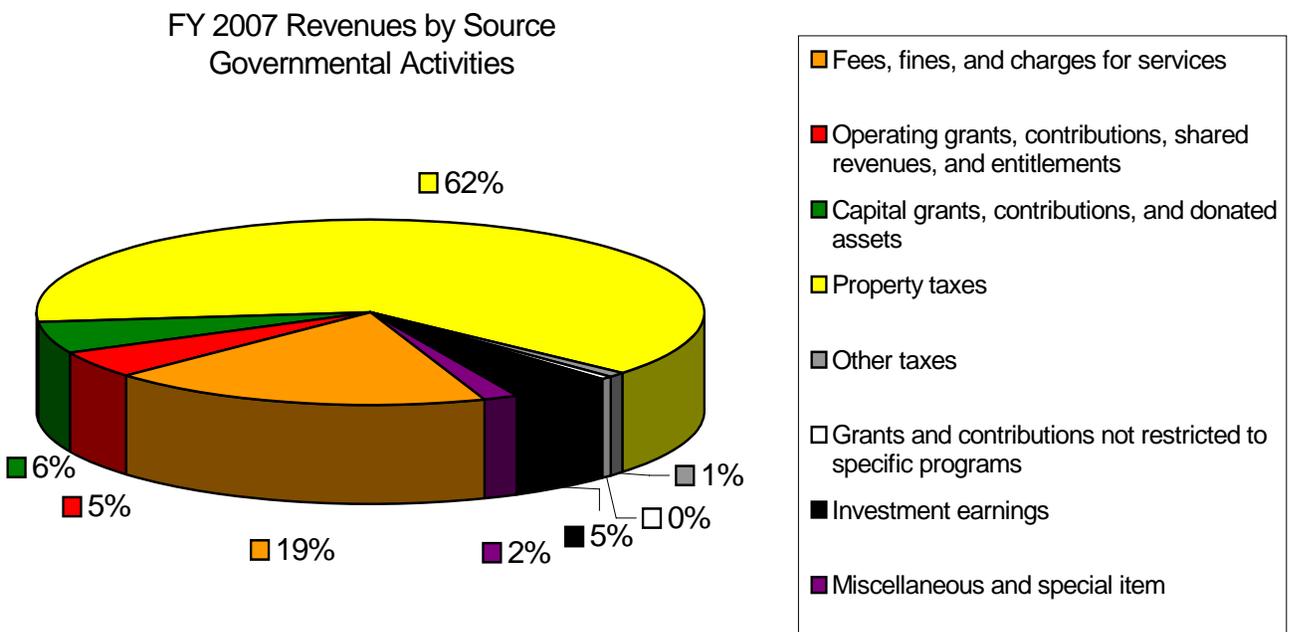
- Salaries and benefits increased \$18.0 million, which includes an increase to retirement contributions of \$2.6 million. The remaining increase is a combination of 1) the addition of 273 full-time equivalent employees which is a 6.6 percent increase, 2) a County-wide cost-of-living salary increase of 4.0 percent and a discretionary pay increase of 1.0 percent, and 3) salary market adjustments.
- Healthcare costs increased \$3.1 million due to an increase in plan members and submitted claims, as well as an increase to the cost of medical treatments.
- Depreciation expense increased \$5.6 million as a result of the increase in the County's net assets of \$14.0 million.

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 (\$40.1) 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 (\$15.2) million of depreciation expense in excess of capital outlay expenditures, revenues totaling \$31.9 million, items associated with long-term debt in the amount of (\$65.8) million, various expenses in the amount of (\$0.9) million, and the change in net assets of the Internal Service Funds 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 2007 for governmental activities (government-wide):



The following chart depicts total revenues of governmental activities (government-wide) for fiscal year 2007:



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.

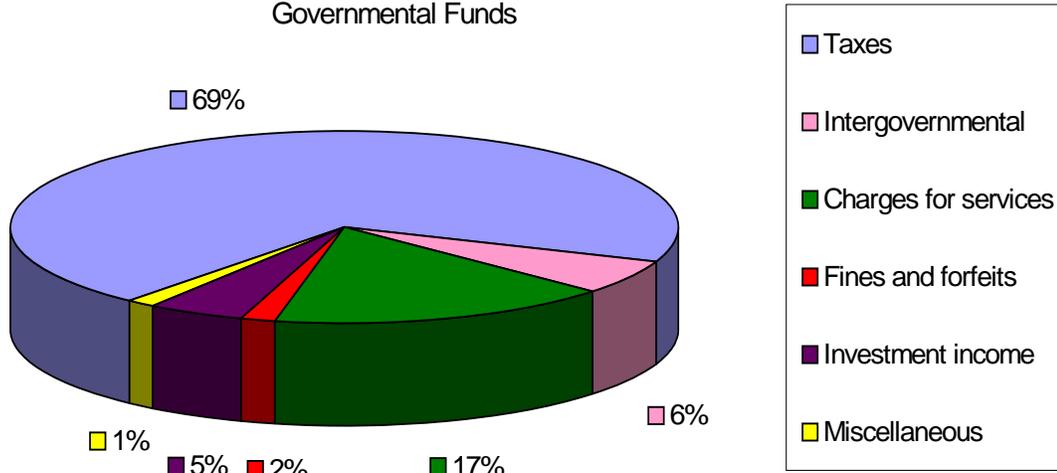
At the end of the current fiscal year, the County’s governmental funds reported combined ending fund balances of \$336.6 million, an increase of \$98.7 million or 41.5 percent from the previous year. Of the total fund balance, \$257.2 million constitutes *unreserved fund balance*, which is available to meet the County’s current and future needs of its citizens and creditors. Of this unreserved fund balance, \$5.8 million is designated for compensated absences, \$11.3 million is designated for debt service, and \$125.7 million is designated for capital projects, with the remaining \$114.4 million undesignated. The remaining \$79.4 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, 2007 and September 30, 2006.

Travis County, Texas
Revenues Classified by Source
Governmental Funds

Revenues by source:	FY 2007	FY 2006
Taxes	\$ 342,807,949	\$ 328,098,773
Intergovernmental	28,210,834	28,162,319
Charges for services	81,905,656	77,651,363
Fines and forfeits	8,444,507	8,029,767
Investment income	23,230,344	14,983,807
Miscellaneous	6,904,960	5,138,032
Total revenues	\$ 491,504,250	\$ 462,064,061

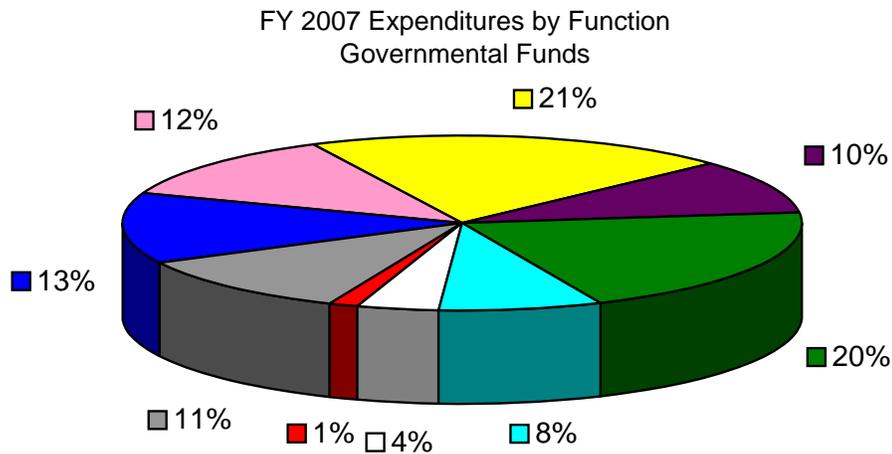
FY 2007 Revenues by Source
Governmental Funds



The schedule below summarizes and compares expenditures of the County's governmental funds by function for fiscal years ended September 30, 2007 and September 30, 2006.

Travis County, Texas
Expenditures by Function
Governmental Funds

Current:	FY 2007	FY 2006
General government	\$ 61,275,126	\$ 59,867,786
Justice system	102,659,675	94,672,961
Public safety	50,517,497	47,523,305
Corrections and rehabilitation	101,890,572	98,954,704
Health and human services	38,993,277	35,300,509
Infrastructure and environmental services	19,784,147	18,439,351
Community and economic development	6,709,049	6,354,678
Capital outlay	56,082,201	72,630,959
Debt service	65,423,524	64,571,657
Total expenditures	\$ 503,335,068	\$ 498,315,910



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 \$95.2 million, of which \$80.9 million was unreserved. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures (including other financing uses). Unreserved fund balance and total fund balance constitute 23.9 percent and 28.1 percent, respectively, of total General Fund expenditures and other financing uses combined.

There was an increase in the fund balance of the County's General Fund of \$12.0 million or 14.4 percent during the current fiscal year. The key factors for this increase are as follows:

- Salary and benefit savings were \$8.1 million primarily due to vacant employee positions, most notably in the Justice System and Corrections and Rehabilitation functions, and an unexpected reduction in healthcare premiums.
- Investment income was \$2.1 million over budget due to higher than expected investment portfolio yields during the year and an increase in fair market value, which is not budgeted.
- Non-budgeted special item revenue in the amount of \$2.1 million was recognized for the sale of real estate.

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, 2007, the Road and Bridge fund balance was \$10.6 million, an increase of \$0.1 million or .4 percent from the previous fiscal year.

Grants Fund. The *Grants fund*, a type of special revenue fund, is used to account for grant contributions from other entities. These contributions are intended to be used or expended for specific purposes designated by the grantor. At the end of the current fiscal year, the Grants fund balance was \$3.7 million, a decrease of \$1.4 million from the previous year. Normally grant funds do not maintain a fund balance. However, the Basic Supervision program 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 for other CSCD programs are distributed every biennium. CSCD will refund \$0.3 million to the grantor for fiscal year 2007.

Debt Service Fund. The *General Purpose Debt Service fund* is used to account for financial resources set aside for the payment of principal and interest on the County’s long-term debt obligations. At the end of the current fiscal year, the General Purpose Debt Service fund balance was \$10.9 million, an increase of \$2.5 million or 29.7 percent from the prior fiscal year. In addition to the budgeted \$1.0 million increase in fund balance, investment income was more than anticipated as a result of a higher-than-expected average investment portfolio yield.

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 \$178.3 million, an increase of \$73.9 million or 70.8 percent from the prior year. This increase is essentially due to the issuance of general obligation bonds and certificates of obligation totaling \$107.9 million.

Proprietary Fund. The County is self-insured and uses an *internal service fund*, a type of proprietary fund, to account for general, property and automobile liabilities, error and omissions claims and judgements, workers’ compensation claims, and loss from theft and crime. The County also uses an internal service fund to self-insure its employee and retiree health and medical claims. Total net assets for the County’s Proprietary Fund at the end of the fiscal year were \$46.2 million, an increase of \$9.9 million or 27.2 percent from the prior year. The actual claims that were paid were less than actuarial projections which caused this increase to net assets.

BUDGETARY HIGHLIGHTS

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

General Fund. The Travis County economy remained strong during the fiscal year 2007 budget preparation with no indicators for any negative changes soon. Employment was strong, housing sales had hit a plateau but remained solid, and property values had risen since the prior year’s budget preparation. 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 2007.

Travis County, Texas FY 2007 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	\$ 273,967	\$ 273,967	\$ 277,306
Intergovernmental	1,516	2,220	3,372
Charges for services	47,516	47,578	47,544
Other	12,581	12,611	17,008
Transfers in and special item	2,850	2,850	4,981
Total	<u>338,430</u>	<u>339,226</u>	<u>350,211</u>
<u>Expenditures and Transfers Out</u>			
Expenditures	353,865	362,928	330,431
Transfers out	7,752	8,009	7,821
Total	<u>361,617</u>	<u>370,937</u>	<u>338,252</u>
Net change in fund balance	<u>\$ (23,187)</u>	<u>\$ (31,711)</u>	<u>\$ 11,959</u>

The General Fund *final* budget as a whole did not change significantly from the *original* adopted budget for fiscal year 2007, with revenues and transfers in increasing only 0.2 percent and expenditures and transfers out increasing 2.6 percent.

Actual revenues, transfers in, and special items were 3.2 percent over the *final* budget mainly due to the following factors:

- Investment income was \$2.1 million over budget due to higher than expected investment portfolio yields during the year and an increase in fair market value, which is not budgeted.
- Non-budgeted special item revenue in the amount of \$2.1 million was recognized for the sale of real estate.
- Unexpected miscellaneous revenues which were largely one-time events totaled \$2.1 million.

Actual expenditures and transfers out were 8.8 percent under the *final* budget. This is primarily due to the following items:

- Encumbered spending commitments set for disbursement in fiscal year 2008 were \$14.1 million in the General Fund at the end of this fiscal year. This amount encompasses a wide array of expenditures in all of the functions, but the majority is in the General Government, Public Safety, and Health and Human Service functions.
- Salary and benefit savings were \$8.1 million primarily due to vacant employee positions, most notably in the Justice System and Corrections and Rehabilitation functions, and an unexpected reduction in employee healthcare premiums.
- Operating costs were \$8.3 million under budget due to 1) an unexpected reduction to the amount transferred to the internal service fund for retiree healthcare premiums, 2) lower than anticipated justice system related fees, and 3) timing issues on facility projects and various outside agency contracts.
- Capital outlay expenditures were \$2.8 million under budget mainly due to the redesign and rebidding of several facility projects. The majority of these costs were rebudgeted in fiscal year 2008.

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, 2007, capital assets of the County's governmental activities totaled \$1,002.2 million, net of accumulated depreciation. The total increase in the County's investment in net capital assets for the current period is 1.4 percent as shown in the table below.

Travis County, Texas
 Capital Assets
 (net of accumulated depreciation)
 September 30, 2007
 With Comparative Totals For September 30, 2006

	Governmental Activities		Increase/ (Decrease) Percent of Change
	2007	2006	
Land and land improvements	\$ 116,484,157	\$ 111,721,060	4.3%
Land infrastructure	55,679,124	55,245,076	0.8%
Property, plant and equipment:			
Buildings	216,190,604	209,408,184	3.2%
Improvements other than buildings	30,570,389	31,066,781	-1.6%
Machinery and equipment	31,616,356	35,423,472	-10.7%
Assets under capital lease	1,537,396	1,593,525	-3.5%
Leasehold improvements	2,997	16,877	-82.2%
Infrastructure	459,378,740	479,562,007	-4.2%
Construction in progress	90,701,279	64,167,100	41.4%
Total capital assets, net	<u>\$ 1,002,161,042</u>	<u>\$ 988,204,082</u>	1.4%

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

- ❑ The County's investment in land increased \$4.8 million, which includes \$2.0 million for the Balcones Canyonlands Conservation Plan and \$1.7 million for the Walnut Creek Flood Plain.
- ❑ Building projects totaling \$15.0 million were completed this year including \$6.1 million for a new facility for the Travis County Sheriff's Office, \$1.8 million for the Gardner Betts Juvenile Justice Center, and \$1.3 million for the Post Road Office Building, which houses Family Support Services, Services for the Deaf, District Clerk IV-D Master Court, and Juvenile Public Defender.
- ❑ Several road projects, such as Anderson Mill Road and Howard Lane, totaling \$14.1 million were initiated or ongoing in fiscal year 2007 and were added to Construction in Progress. Also added was \$5.7 million for the East and Southwest Metro Parks projects.
- ❑ A total of \$29.8 million in capital assets was donated to the County. This amount consists of \$27.5 million of added infrastructure and \$2.3 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 \$69.2 million.

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

Long-Term Debt

At the end of the current fiscal year, the County had total long-term debt outstanding, net of premiums and deferred amounts of \$537.2 million, an increase of \$64.9 million or 13.8 percent from the previous year. The County's outstanding debt obligations are summarized below:

Travis County, Texas
Outstanding Debt
September 30, 2007
With Comparative Totals For September 30, 2006

<u>Governmental Activities</u>	<u>2007</u>	<u>2006</u>	<u>Increase/ (Decrease)</u>
General obligation bonds (voter approved)	\$ 421,809,525	\$ 393,780,004	\$ 28,029,521
Certificates of obligation (Commissioners' Court approved)	113,760,000	76,470,000	37,290,000
Premium, net of deferred amounts	<u>1,593,198</u>	<u>1,968,924</u>	<u>(375,726)</u>
Total	<u>\$ 537,162,723</u>	<u>\$ 472,218,928</u>	<u>\$ 64,943,795</u>

Includes blended component units

During fiscal year 2007, the County issued general obligation bonds totaling \$80.5 million, which included unlimited tax refunding bonds in the amount of \$23.8 million used to pay off amounts outstanding on previously issued bonds that carried higher interest costs. The remaining \$56.7 million will largely be utilized for road and bridge construction and park improvements. Certificates of Obligation were also issued for \$51.2 million. The majority of these proceeds will be used for the construction and renovation of County jail facilities. During the year retirement of debt amounted to \$64.9 million, which included \$23.8 million in refunded debt.

During fiscal year 2007, the County maintained a triple-A bond rating from both Moody's Investors Service, Inc. and Standard & Poor's (S&P) credit rating agencies. The County received its first triple-A rating from S&P in fiscal year 2000 and from Moody's in fiscal year 2001.

State statute limits the amount of debt the County can issue to 5.0 percent of the total property value assessed within the County. Additionally, Travis County is limited on the amount that may be levied to service general law bonds and provide funds for the general operations of the County to \$0.80 annually on the \$100 assessed valuation plus a levy of \$0.15 annually for the maintenance of public roads. The County's outstanding debt is significantly below its current limit of \$4.8 billion.

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

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

ECONOMIC FACTORS AND OUTLOOK

The economy in Travis County remained strong during fiscal year 2007. Although home sales and development permits were down, several other indicators showed signs of a healthy economy.

- The County's unemployment rate fell from 3.8 percent at the end of fiscal year 2006 to 3.6 percent at September 30, 2007.
- City of Austin total sales tax receipts in fiscal year 2007 were 11.1 percent higher than last year.
- Passenger traffic at Austin-Bergstrom International Airport in fiscal year 2007 once again surpassed all prior years since its opening in 1999, exceeding fiscal year 2006 by 7.5 percent.
- Assessed property values continued to grow increasing 16.7 percent in fiscal year 2007, including a 23.6 percent increase in commercial property.

The Commissioners' Court approved a Maintenance and Operations tax rate for fiscal year 2008 of \$0.3405, which is \$0.0107 above the effective tax rate. In addition, assessed property values rose 14.4 percent from the fiscal year 2007 budget process. The value and trend of the tax base is important given that property taxes make up 69.8 percent of the County's revenue for all governmental funds. The reserve ratio for tax-supported funds remained at 11.0 percent in both the 2007 and 2008 fiscal year budgets.

REQUESTS FOR INFORMATION

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

TRAVIS COUNTY, TEXAS

BASIC FINANCIAL STATEMENTS

Government-Wide Financial Statements

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

Fund Financial Statements

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

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

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

Grants Fund – 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 Fund – This fund accounts for bond proceeds used for land purchases and construction and improvement projects of County facilities and parks.

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

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

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

Fund financial statements also consist of the following funds:

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

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

TRAVIS COUNTY, TEXAS

GOVERNMENT-WIDE

FINANCIAL STATEMENTS

TRAVIS COUNTY, TEXAS
STATEMENT OF NET ASSETS
September 30, 2007

	<u>Primary Government</u>	<u>Component Unit</u>
	<u>Governmental Activities</u>	<u>Healthcare District</u>
<u>ASSETS</u>		
Cash and pooled cash	\$ 428,369,649	\$ 34,681
Investments	13,681,607	86,056,633
Interest receivable	3,591,989	-
Taxes receivable, net	5,606,512	259,128
Accounts receivable, net	20,078,992	2,327,558
Receivable from Healthcare District	68,543	-
Notes receivable	106,667	-
Other receivables	4,405,534	52,892
Prepaid items	244,807	66,511
Cash - restricted	-	9,056,544
Other assets	1,673,675	-
Capital assets:		
Land and land improvements	116,484,157	8,497,335
Land infrastructure	55,679,124	-
Property, plant and equipment	437,901,763	90,419,362
Infrastructure (other than land)	975,370,215	-
Construction in progress	90,701,279	-
Less accumulated depreciation	(673,975,496)	(5,674,409)
Total assets	<u>1,479,989,017</u>	<u>191,096,235</u>
<u>LIABILITIES</u>		
Accounts payable	25,030,108	4,464,150
Interest payable	5,388,886	-
Accrued liabilities	13,696,119	173,142
Private UPL payable	-	9,056,544
Other liabilities	7,051,721	-
Due to Travis County	-	68,543
Due to other governmental entities	294,566	-
Deferred revenue	9,944,235	-
Noncurrent liabilities:		
Due within one year:		
Long-term debt obligations	43,897,601	-
Other long-term liabilities	311,319	-
Capital lease obligations	132,191	-
Claims and judgements	8,085,851	-
Compensated absences	11,590,260	-
Due in more than one year:		
Long-term debt obligations	493,265,122	-
Other long-term liabilities	3,844,088	-
Capital lease obligations	661,295	-
Claims and judgements	4,079,473	-
Compensated absences	12,260,626	-
Total liabilities	<u>639,533,461</u>	<u>13,762,379</u>
<u>NET ASSETS</u>		
Invested in capital assets, net of related debt	746,649,334	93,242,288
Restricted for:		
Capital projects	5,068,626	-
Debt service	3,268,079	-
Permanent funds - non-expendable	2,390,461	-
Justice, corrections and rehabilitation programs	15,053,420	-
Roads, parks and preserves	7,934,465	-
Other purposes	501,807	-
Unrestricted	59,589,364	84,091,568
Total net assets	<u>\$ 840,455,556</u>	<u>\$ 177,333,856</u>

See accompanying notes to financial statements.

TRAVIS COUNTY, TEXAS
STATEMENT OF ACTIVITIES
For The Year Ended September 30, 2007

<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	\$ 94,632,906	\$ 24,240,885
Justice system	96,855,914	19,393,065
Public safety	48,569,296	10,614,565
Corrections and rehabilitation	97,913,001	16,387,894
Health and human services	39,246,181	6,513,604
Infrastructure and environmental services	68,917,914	20,337,407
Community and economic development	7,821,417	2,206,645
Interest on long-term debt	24,044,409	-
Total governmental activities	<u>\$ 478,001,038</u>	<u>\$ 99,694,065</u>
Component Unit:		
Healthcare District	<u>\$ 72,573,153</u>	<u>\$ 1,155,396</u>

See accompanying notes to financial statements.

<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Assets</u>	
<u>Operating Grants, Contributions, Shared Revenues, and Entitlements</u>	<u>Capital Grants, Contributions, and Donated Assets</u>	<u>Primary Government Governmental Activities</u>	<u>Component Unit Healthcare District</u>
\$ 330,363	\$ -	\$ (70,061,658)	\$ -
10,970,200	-	(66,492,649)	-
1,345,879	-	(36,608,852)	-
9,888,297	-	(71,636,810)	-
2,929,081	-	(29,803,496)	-
50,812	30,000,117	(18,529,578)	-
-	9,793	(5,604,979)	-
-	-	(24,044,409)	-
<u>\$ 25,514,632</u>	<u>\$ 30,009,910</u>	<u>(322,782,431)</u>	<u>-</u>
<u>\$ 28,434,895</u>	<u>\$ -</u>		<u>(42,982,862)</u>

General revenues:

Taxes:

Property taxes, ad valorem	337,534,219	55,085,553
Excise taxes from the State of Texas	5,663,239	-
Grants and contributions not restricted to specific programs	2,323,500	-
Investment earnings	26,663,045	4,087,153
Miscellaneous	7,659,944	4,449,395
Special item - gain from sale of land	1,642,508	-
Total general revenues and special items	<u>381,486,455</u>	<u>63,622,101</u>
Change in net assets	58,704,024	20,639,239
Net assets - beginning of year	<u>781,751,532</u>	<u>156,694,617</u>
Net assets - end of year	<u>\$ 840,455,556</u>	<u>\$ 177,333,856</u>



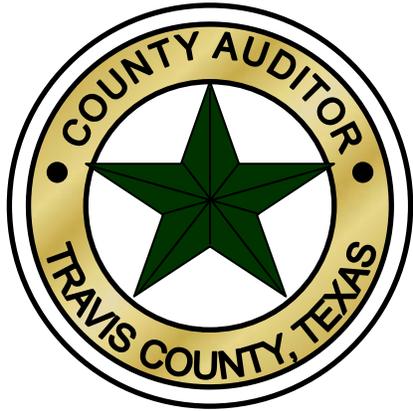
TRAVIS COUNTY, TEXAS
FUND FINANCIAL STATEMENTS

**TRAVIS COUNTY, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2007**

Assets	General	Road and Bridge	Grants
Cash and pooled cash	\$ 121,912,463	\$ 12,059,009	\$ 14,010,050
Investments	-	-	-
Interest receivable	1,216,162	90,310	90,572
Due from other funds	3,727,170	272,241	-
Accounts receivable	4,455,507	35,934	-
Receivable from Healthcare District	68,543	-	-
Notes receivable	-	-	-
Intergovernmental and other receivables	-	-	2,625,855
Taxes receivable (net of allowances for estimated uncollectibles)	2,454,576	-	-
Prepaid items	121,974	-	-
Total assets	\$ 133,956,395	\$ 12,457,494	\$ 16,726,477
Liabilities and Fund Balances			
Liabilities:			
Accounts payable	13,307,504	1,435,799	1,134,998
Interest payable	-	-	-
Accrued liabilities	12,155,204	307,258	943,499
Due to other funds	337,380	-	2,172,305
Other liabilities	5,286,899	-	-
Liability for compensated absences	5,224,477	148,573	306,244
Due to other governmental entities	-	-	294,328
Deferred revenue	2,479,108	-	8,221,216
Total liabilities	38,790,572	1,891,630	13,072,590
Fund balances:			
<i>Reserved for:</i>			
Encumbrances	14,120,260	4,462,829	2,332
Prepaid items	121,974	-	-
County schools	-	-	-
Juveniles	-	-	-
<i>Unreserved, designated for:</i>			
Compensated absences	5,224,477	148,573	306,244
Non-major special revenue funds - compensated absences	-	-	-
Debt service	-	-	-
Capital projects	-	-	-
<i>Unreserved, undesignated, reported in:</i>			
General fund	75,699,112	-	-
Special revenue funds	-	5,954,462	3,345,311
Total fund balances	95,165,823	10,565,864	3,653,887
Total liabilities and fund balances	\$ 133,956,395	\$ 12,457,494	\$ 16,726,477

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>
\$ 16,511	\$ 37,356,144	\$ 63,975,234	\$ 83,326,300	\$ 38,910,826	\$ 371,566,537
12,438,569	-	-	-	1,243,038	13,681,607
46,737	331,880	550,893	688,903	200,769	3,216,226
23,101	20,690	-	-	53,716	4,096,918
-	-	-	-	885,750	5,377,191
-	-	-	-	-	68,543
-	-	106,667	-	-	106,667
-	-	-	-	1,558,519	4,184,374
745,423	-	-	-	6,513	3,206,512
-	-	-	-	-	121,974
<u>\$ 13,270,341</u>	<u>\$ 37,708,714</u>	<u>\$ 64,632,794</u>	<u>\$ 84,015,203</u>	<u>\$ 42,859,131</u>	<u>\$ 405,626,549</u>
-	2,075,529	3,655,442	2,149,184	1,078,944	24,837,400
597,039	-	-	-	-	597,039
-	1,406	-	18,716	162,850	13,588,933
-	1,772	-	21,329	1,554,865	4,087,651
1,074,348	-	3,656	-	686,818	7,051,721
-	-	-	-	118,738	5,798,032
-	-	-	-	238	294,566
745,423	-	106,667	-	1,172,846	12,725,260
<u>2,416,810</u>	<u>2,078,707</u>	<u>3,765,765</u>	<u>2,189,229</u>	<u>4,775,299</u>	<u>68,980,602</u>
-	16,182,282	25,207,229	15,102,837	1,820,782	76,898,551
-	-	-	-	-	121,974
-	-	-	-	2,390,461	2,390,461
-	-	-	-	2,664	2,664
-	-	-	-	-	5,679,294
-	-	-	-	118,738	118,738
10,853,531	-	-	-	446,675	11,300,206
-	19,447,725	35,659,800	66,723,137	3,865,441	125,696,103
-	-	-	-	-	75,699,112
-	-	-	-	29,439,071	38,738,844
<u>10,853,531</u>	<u>35,630,007</u>	<u>60,867,029</u>	<u>81,825,974</u>	<u>38,083,832</u>	<u>336,645,947</u>
<u>\$ 13,270,341</u>	<u>\$ 37,708,714</u>	<u>\$ 64,632,794</u>	<u>\$ 84,015,203</u>	<u>\$ 42,859,131</u>	<u>\$ 405,626,549</u>



TRAVIS COUNTY, TEXAS
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS
September 30, 2007

Fund balance - total governmental funds	\$	336,645,947
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 funds).		1,002,135,846
Other long-term assets are not available to pay for current-period expenditures and, therefore, are not reported in the fund financial statements.		17,101,801
Difference due to liabilities for deferred revenue and interest payable (excluding internal service funds).		(1,588,513)
Non-current liabilities, including the portion due within one year, that have not matured would not be reported in the funds (excluding internal service funds).		(560,062,147)
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 funds are included in governmental activities in the Statement of Net Assets.		46,222,622
Net assets of governmental activities	<u>\$</u>	<u>840,455,556</u>

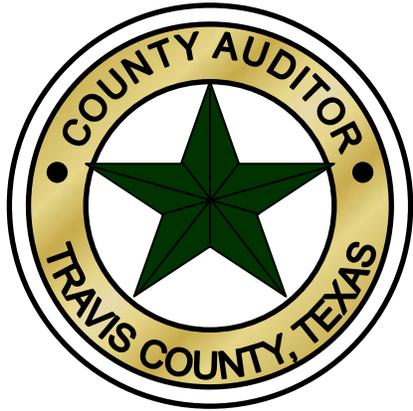
See accompanying notes to financial statements.

TRAVIS COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For The Year Ended September 30, 2007

	<u>General</u>	<u>Road and Bridge</u>	<u>Grants</u>
Revenues:			
Taxes	\$ 277,305,977	\$ -	\$ -
Intergovernmental	3,371,696	89,512	24,090,519
Charges for services	47,544,390	12,381,273	7,759,062
Fines and forfeits	1,002,313	6,840,078	441,156
Investment income	11,371,412	716,629	347,724
Miscellaneous	4,634,823	61,541	60,792
Total revenues	<u>345,230,611</u>	<u>20,089,033</u>	<u>32,699,253</u>
Expenditures:			
Current:			
General government	57,312,696	-	145,322
Justice system	89,520,832	-	10,295,859
Public safety	47,090,665	-	915,067
Corrections and rehabilitation	80,421,674	-	19,534,288
Health and human services	36,046,181	-	2,919,217
Infrastructure and environmental services	6,541,607	12,251,752	204,707
Community and economic development	6,646,585	-	11,570
Capital outlay	6,851,170	5,124,936	221,683
Debt service:			
Refunding bond issuance costs	-	-	-
Debt issuance costs	-	-	-
Capital lease principal	-	-	147,899
Principal on general obligation debt	-	-	-
Interest and other charges	-	-	52,010
Total expenditures	<u>330,431,410</u>	<u>17,376,688</u>	<u>34,447,622</u>
Excess (deficiency) of revenues over expenditures	<u>14,799,201</u>	<u>2,712,345</u>	<u>(1,748,369)</u>
Other financing sources (uses):			
General obligation debt issued	-	-	-
Refunding debt issued	-	-	-
Debt premium	-	-	-
Payment to refunding bond agent	-	-	-
Transfers in	2,870,744	-	270,998
Transfers out	(7,821,147)	(2,667,728)	-
Total other financing sources (uses)	<u>(4,950,403)</u>	<u>(2,667,728)</u>	<u>270,998</u>
Special items:			
Proceeds from sale of real estate	2,110,395	-	-
Net change in fund balances	11,959,193	44,617	(1,477,371)
Fund balances--beginning of year	83,206,630	10,521,247	5,131,258
Fund balances--end of year	<u>\$ 95,165,823</u>	<u>\$ 10,565,864</u>	<u>\$ 3,653,887</u>

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>
\$ 64,894,035	\$ -	\$ -	\$ -	\$ 607,937	\$ 342,807,949
-	-	-	-	659,107	28,210,834
-	-	-	-	14,220,931	81,905,656
-	-	-	-	160,960	8,444,507
1,556,801	1,881,841	2,236,515	3,639,175	1,480,247	23,230,344
-	-	-	-	2,147,804	6,904,960
<u>66,450,836</u>	<u>1,881,841</u>	<u>2,236,515</u>	<u>3,639,175</u>	<u>19,276,986</u>	<u>491,504,250</u>
6,000	19,289	930,362	26,353	2,835,104	61,275,126
-	-	43,722	-	2,799,262	102,659,675
-	-	294,322	-	2,217,443	50,517,497
-	-	316,236	-	1,618,374	101,890,572
-	-	27,879	-	-	38,993,277
-	-	25,328	-	760,753	19,784,147
-	2,170	14,884	-	33,840	6,709,049
-	13,176,393	17,158,387	9,628,262	3,921,370	56,082,201
281,796	-	-	-	-	281,796
-	62,982	183,888	95,746	-	342,616
-	-	-	-	-	147,899
38,667,204	-	-	-	465,000	39,132,204
25,309,368	-	-	-	157,631	25,519,009
<u>64,264,368</u>	<u>13,260,834</u>	<u>18,995,008</u>	<u>9,750,361</u>	<u>14,808,777</u>	<u>503,335,068</u>
2,186,468	(11,378,993)	(16,758,493)	(6,111,186)	4,468,209	(11,830,818)
-	21,005,000	51,205,000	35,725,000	-	107,935,000
23,784,987	-	-	-	-	23,784,987
1,431,592	60,534	179,007	12,778	-	1,683,911
(24,920,762)	-	-	-	-	(24,920,762)
-	-	-	-	7,550,149	10,691,891
-	-	-	-	(203,016)	(10,691,891)
<u>295,817</u>	<u>21,065,534</u>	<u>51,384,007</u>	<u>35,737,778</u>	<u>7,347,133</u>	<u>108,483,136</u>
-	-	-	-	-	2,110,395
2,482,285	9,686,541	34,625,514	29,626,592	11,815,342	98,762,713
8,371,246	25,943,466	26,241,515	52,199,382	26,268,490	237,883,234
<u>\$ 10,853,531</u>	<u>\$ 35,630,007</u>	<u>\$ 60,867,029</u>	<u>\$ 81,825,974</u>	<u>\$ 38,083,832</u>	<u>\$ 336,645,947</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, 2007

Net change in fund balances - total governmental funds	\$	98,762,713
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays and other capital related transactions in the current period (excluding internal service funds).		(15,151,668)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. In addition, there are certain revenues in the governmental funds that are eliminated in consolidation.		31,935,757
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.		(65,800,289)
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 funds).		(932,420)
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 funds is reported in governmental activities.		9,889,931
Change in net assets of governmental activities	<u>\$</u>	<u>58,704,024</u>

See accompanying notes to financial statements.

**TRAVIS COUNTY, TEXAS
STATEMENT OF NET ASSETS
PROPRIETARY FUND
September 30, 2007**

	<u>Governmental Activities</u>
	<u>Internal Service Fund</u>
Assets	
Current assets:	
Pooled cash	\$ 56,803,112
Interest receivable	375,763
Other receivables	221,160
Prepaid items	122,833
Other assets	<u>1,673,675</u>
Total current assets	<u>59,196,543</u>
Noncurrent assets:	
Capital assets	79,175
Less accumulated depreciation	<u>(53,979)</u>
Total noncurrent assets	<u>25,196</u>
Total assets	<u>59,221,739</u>
Liabilities	
Current liabilities:	
Accounts payable	192,708
Deferred revenue	422,309
Due to other funds	9,267
Accrued and other liabilities	107,186
Claims and judgements	8,085,851
Compensated absences	<u>47,778</u>
Total current liabilities	<u>8,865,099</u>
Noncurrent liabilities:	
Claims and judgements	4,079,473
Compensated absences	<u>54,545</u>
Total noncurrent liabilities	<u>4,134,018</u>
Total liabilities	<u>12,999,117</u>
Net Assets	
Invested in capital assets	25,196
Unrestricted	<u>46,197,426</u>
Total net assets	<u>\$ 46,222,622</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, 2007

	Governmental Activities
	Internal Service Fund
Operating revenues:	
Insurance premiums-county	\$ 33,359,004
Insurance premiums-employee	6,253,153
Miscellaneous	714,038
Total operating revenues	40,326,195
Operating expenses:	
Incurred losses	28,651,271
Unemployment claims	169,556
Premiums	2,817,161
Professional services	103,104
Depreciation expense	13,008
Administration	1,727,649
Total operating expenses	33,481,749
Operating income	6,844,446
Nonoperating revenues:	
Investment income	3,045,485
Total nonoperating revenue	3,045,485
Change in net assets	9,889,931
Net assets--beginning of year	36,332,691
Net assets--end of year	\$ 46,222,622

See accompanying notes to financial statements.

TRAVIS COUNTY, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
For The Year Ended September 30, 2007

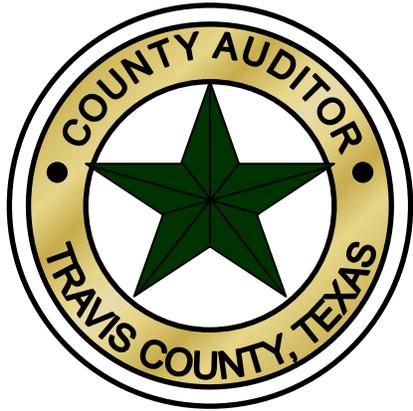
	Governmental Activities
	Internal Service Fund
Cash flows from operating activities	
Cash received from premium revenues	\$ 39,580,951
Cash received from subrogation	123,639
Cash received from insurance proceeds and rebates	714,038
Other receipts	21,000
Cash paid for self-insured claims and loss adjustment expenses	(29,977,719)
Cash paid for other operating expenses	(3,432,350)
Cash paid for payroll	(1,406,769)
Net cash provided by operating activities	5,622,790
Cash flows from capital and related financing activities	
Purchase of capital assets	(11,340)
Net cash used by capital and related financing activities	(11,340)
Cash flows from investing activities	
Interest received	2,671,815
Increase in fair value of investments in pooled cash	302,787
Net cash provided by investing activities	2,974,602
Net increase in pooled cash balance	8,586,052
Pooled cash balance--beginning of the year	48,217,060
Pooled cash balance--end of the year	\$ 56,803,112
Reconciliation of operating income to net cash provided by operating activities	
Operating income	\$ 6,844,446
Adjustments to reconcile operating income to net cash provided (used) by operating activities	
Depreciation expense	13,008
(Increase) decrease in other receivables	(35,015)
(Increase) decrease in prepaid items	5,747
(Increase) decrease in other assets	21,000
Increase (decrease) in claims and judgements	(1,258,240)
Increase (decrease) in other liabilities	31,844
Net cash provided by operating activities	\$ 5,622,790

See accompanying notes to financial statements.

TRAVIS COUNTY, TEXAS
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
September 30, 2007

	Assets	<u>2007</u>
Cash and pooled cash		\$ 38,596,714
Certificates of deposit		14,443,362
Investments		24,599,243
Interest receivable		375,438
Accounts receivable, net		<u>2,272,260</u>
Total assets		<u>80,287,017</u>
Liabilities		
Due to third parties		60,034,500
Civil and probate deposits		604,690
Cash and surety bond deposits combined		8,729,342
Due to other governmental entities		<u>10,918,485</u>
Total liabilities		<u>80,287,017</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, 2007
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TRAVIS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2007

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, which is made up of an elected county judge and four county precinct commissioners. The financial statements of Travis County, Texas (County) have been prepared in conformity with generally accepted accounting principles (GAAP) in the United States of America as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted primary standard-setting body for establishing governmental accounting and financial reporting principles, to the extent that its rules do not conflict with State laws and the State constitution. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards, which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units. The more significant of these accounting policies are described below.

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

A. Reporting Entity

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

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

Road Districts:

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

Southwest Travis County Road District No. 1 Refunded Bonds Fund (SWTCRD No.1) – 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.

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

The County acts as paying agent for NWTCRD No. 3 and SWTCRD No. 1 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. The Corporation currently holds no assets or liabilities.

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

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

health care, research, and education in the state. The Corporation is authorized to participate in the issuance of bonds for those purposes.

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

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

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

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

The Corporations do not publish separate financial statements.

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

Healthcare District

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

by Travis County, four by the City of Austin, and one is a joint appointee. Additionally, the Travis County Commissioners' Court approves the District's annual budget and tax rate each year. Because of this relationship, the Healthcare District is reported as a discretely presented component unit of Travis County for the year ended September 30, 2007.

Complete financial statements for the District may be obtained from:

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

B. Related and Jointly Governed Organizations

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

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

Jointly Governed Organizations - The County is a participant in other jointly governed organizations of which the Commissioners' Court appoints a minority membership of the Board. The Commissioners' Court appoints a member or members of the Capital Metropolitan Transit Authority Board and the Austin-Travis County Mental Health Mental Retardation 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. 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 funds are charges to County offices/departments for premiums related to the healthcare fund, and to reimburse specific claims for general and automobile liability, workers' compensation, and other related insurance activities. Operating expenses for the internal service funds include the specific charges for losses incurred and insurance premiums, where the County is not self-insured for that type or amount of loss. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

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

Fund Financial Statements

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

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

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

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

Expenditures are normally recognized in a governmental fund at the same time that a liability is incurred, except for certain long-term accrued liabilities that normally are not expected to be liquidated with expendable available financial resources. Expenditures for long-term indebtedness such as formal debt issuances, compensated absences,

claims and judgements, special termination benefits, landfill closure and post-closure care costs, and “other commitments that are not current liabilities” are recognized in governmental funds to the extent they have matured. Therefore, only current assets and current liabilities are included on the balance sheet of the governmental funds. Capital asset acquisitions are reported as expenditures of the current period. Operating statements of the governmental funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in fund balance.

The County reports the following major governmental funds:

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

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

Grants Fund – 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 Juvenile Probation Commission, Office of the Governor-Criminal Justice Division, Texas Department of Criminal Justice, and others. Local grants include various funds received from the City of Austin and private sources to provide various services to the community.

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

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

Capital – Certificates of Obligation Fund – 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 Fund – 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; the purchase of road-related materials, supplies, equipment, and real property; and for the payment of road-related professional services.

The County reports the following non-major governmental funds:

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

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

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

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

The County reports the following Proprietary and Fiduciary Funds:

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

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

D. Budgets and Budgetary Accounting

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

The proposed budget, on a fiscal year basis, includes estimated revenues and proposed expenditures (by fund, office/department and object/sub-object) for the General Fund, Debt Service Fund (with the exception of the NWTCRD No. 3 Debt Service Fund), Capital Project – Joint Road Improvements Fund, Capital Project – Subdivision Parkland Fund and special revenue funds with the exception of Grants, CAPSO/DAPSO Fund, Law Enforcement Fund, Jail Commissary Fund, Abandoned Vehicles/Livestock Fund, LEOSE Elected Officials Fund, Unclaimed Property Fund, Gardner House Handicraft Fund, the Travis County Housing Finance Corporation, the Travis County Health Facilities Development Corporation, and the Capital Industrial Development Corporation. The Corporations, NWTCRD No. 3 Debt Service Fund, Bee Caves Road District No. 1 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, Juvenile Case Manager, Jury Management, Family Protection, Child Abuse Prevention, Drug Court Program, CSCD Equipment Fund, Juvenile Delinquency Fund, and Probate Guardianship Funds do not have an appropriated budget for fiscal year 2007.

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

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

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

The Commissioners' Court may adopt a supplemental budget for the limited purpose of spending money from grants or intergovernmental contracts for their intended purpose. During fiscal year 2007, there were \$795,872 in supplemental budgets adopted by the Commissioners' Court in the General Fund. No fund or office/department exceeded appropriations for fiscal year 2007. All annual appropriations lapse at fiscal year end.

E. Assets, Liabilities and Net Assets or Equity

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

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

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

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

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

Receivables and Payables

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

All accounts and taxes receivable are shown net of allowances for uncollectible amounts. Accounts receivable allowances are based upon historical collection trends. Allowances for taxes receivable and tax-related receivables, such as enforcement fees and penalties and interest, are also based on historical trends by assessment year. The allowance amount is composed of two different calculations: 1) amounts not anticipated to be collected in a timely manner; and 2) amounts that are anticipated never to be collected.

Capital Assets

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

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

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

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

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

** Denotes multiple groups.

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

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

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

Inventory and Prepaid Items

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

Long-term Debt

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities. Bond premiums and discounts, as well as issuance costs and gain/loss on refunding, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of applicable bond premium or discount, deferred loss on refunding, and deferred bond issuance costs.

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

Note 8 gives detailed information regarding the County's long-term debt service and outstanding debt at September 30, 2007.

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, 2007, the County has an estimated arbitrage rebate liability reported on the government-wide financial statements in other long-term debt in the amount of \$1,438,314. 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 paid-time-off plan for absences from work for either illness or vacation. Under the plan, the cost of all compensated absences is accrued at the time the benefits are earned. At the time of termination, any unused paid-time-off 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 2007.

Premium revenues generated by the internal service funds and the corresponding expenses in those funds in the amount of \$33,359,004 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.

Special Items

Significant transactions or other events within the control of management that are either unusual in nature or infrequent in occurrence are reported as special items.

Pension Plans

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

Tobacco Settlement Revenue – Healthcare District

Tobacco settlement revenue is the result of a settlement between various counties and hospital districts in Texas and the tobacco industry for tobacco-related health care cost. The District recognized \$4,449,080 associated with the settlement in fiscal year 2007. Settlement revenues for fiscal year 2008 and beyond will be based on the investment earnings of the tobacco settlement fund as administered by the Comptroller's Office of the State of Texas. The District is unable to estimate the continuance or level of future distributions.

During the year ended September 30, 2007, the District paid \$1,625,249 of the tobacco settlement revenue to the Daughters of Charity Health Services of Austin (Seton) and \$543,233 to Travis County which represents their respective share of healthcare expenditures claimed.

New Reporting Standards

The GASB issued Statement No. 45 (GASB 45), "Accounting and Financial Reporting by Employers for Post-employment Benefits Other Than Pensions" (OPEB), 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 has determined that presentation of the OPEB provided by the County in the manner presently required under GASB 45 would be inconsistent with State financial laws and misrepresent the nature, scope, and duration of the financial activities of the County and would be contrary to Texas Government Code Chapter 2264 (referring to Financial Accounting and Reporting). Accordingly, with respect to the reporting of OPEB, the County will follow a comprehensive basis of accounting other than GAAP which is consistent with State law.

The County is currently reviewing the following GASB Statements and has not determined the impact these statements will have on its financial statements:

The GASB issued Statement No. 47 (GASB 47), "Accounting for Termination Benefits". This is effective for the County in two parts: (1) for those benefits that relate to other post-employment benefits, the County is to implement at the same time as GASB 45 and (2) for other termination benefits, was effective in fiscal year 2006 for the County. This statement defines the accounting for voluntary and involuntary termination benefits (i.e. early retirement incentives).

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

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

GASB Statement No. 50 (GASB 50), "*Pension Disclosures—an amendment of GASB Statements No. 25 and No. 27*", was also issued and is effective for the County beginning in fiscal year 2009. This Statement enhances information disclosed in notes to financial statements or presented as required supplementary information (RSI) by pension plans and by employers that provide pension benefits.

GASB Statement No. 51 (GASB 51), "*Accounting and Financial Reporting for Intangible Assets*", was also issued and is effective for the County beginning in fiscal year 2010. This Statement requires that all intangible assets not specifically excluded by its scope provisions be classified as capital assets and provides authoritative guidance that specifically addresses the nature of these intangible assets.

GASB Statement No. 52 (GASB 52), "Land and Other Real Estate Held as Investments by Endowments", was also issued and is effective for the County beginning in fiscal year 2009. The statement requires permanent and term endowments, including permanent funds, to report these assets at fair value. It also requires the changes in fair value to be reported as investment income and the methods and significant assumptions employed to determine fair value to be disclosed.

2. DISAGGREGATION OF RECEIVABLE BALANCES

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

	<u>Taxes</u>	<u>Accounts *</u>	<u>Interest</u>	<u>Notes</u>	<u>Other</u>	<u>Total</u>
Governmental Activities:						
General	\$ 22,721	\$ 31,809	\$ 1,216	\$ -	\$ -	\$ 55,746
Road and Bridge	-	4,730	90	-	-	4,820
Grants	-	-	90	-	2,626	2,716
General Purpose						
Debt Service	2,842	-	47	-	-	2,889
Capital:						
General Obligation Bonds	-	-	332	-	-	332
Certificates of Obligation	-	-	551	107	-	658
Road Bonds and Certificates of Obligation	-	-	689	-	-	689
Non-major						
Governmental Funds	17	5,555	201	-	1,558	7,331
Proprietary Funds	-	-	376	-	221	597
Total - governmental activities	<u>25,580</u>	<u>42,094</u>	<u>3,592</u>	<u>107</u>	<u>4,405</u>	<u>75,778</u>
Less:						
Allow for uncollectibles	(9,037)	(16,347)	-	-	-	(25,384)
Allow for long-term collections	<u>(10,937)</u>	<u>(5,599)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(16,536)</u>
Total - governmental activities, net	<u>\$ 5,606</u>	<u>\$ 20,148</u>	<u>\$ 3,592</u>	<u>\$ 107</u>	<u>\$ 4,405</u>	<u>\$ 33,858</u>
Amounts not scheduled for collection during the subsequent year	<u>\$ 6</u>	<u>\$ 16,498</u>	<u>\$ -</u>	<u>\$ 107</u>	<u>\$ -</u>	<u>\$ 16,611</u>

* Includes Receivable from Healthcare District.

NOTE: Includes blended component units.

Healthcare District

The District's receivables, including the applicable allowances, are comprised of the following as of September 30, 2007:

	<u>Taxes</u>	<u>Accounts (Due from Other Governments)</u>	<u>Other</u>	<u>Total</u>
Total	\$ 954,277	\$ 2,327,558	\$ 52,892	\$ 3,334,727
Less:				
Allowance for uncollectibles	(95,458)	-	-	(95,458)
Allowance for long-term collections	<u>(599,691)</u>	<u>-</u>	<u>-</u>	<u>(599,691)</u>
Total, net	<u>\$ 259,128</u>	<u>\$ 2,327,558</u>	<u>\$ 52,892</u>	<u>\$ 2,639,578</u>
Amounts not scheduled for collection during the subsequent year	<u>\$ 371,954</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 371,954</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	\$	336,645,947
 <u>Difference due to capital assets</u>		
Capital assets (excluding internal service fund)	1,676,057,363	
Accumulated depreciation (excluding internal service fund)	<u>(673,921,517)</u>	1,002,135,846
 <u>Difference due to receivables</u>		
Taxes receivable (including penalties and interest)	2,400,000	
Accounts receivable, net of allowances	<u>14,701,801</u>	17,101,801
 <u>Difference due to current liabilities</u>		
Deferred revenue (excluding internal service fund)	3,203,334	
Interest payable	<u>(4,791,847)</u>	(1,588,513)
 <u>Difference due to non-current liabilities</u>		
Capital lease obligations	(793,486)	
Landfill remediation	(2,717,093)	
Compensated absences (excluding internal service fund)	(17,950,531)	
Debt payable, including arbitrage*	<u>(538,601,037)</u>	(560,062,147)
 <u>Difference due to Internal Service Funds</u>		
Net asset balance of Self-Insurance Fund	15,431,304	
Net asset balance of Employee Health Benefit Fund	<u>30,791,318</u>	46,222,622
* Net of unamortized bond issuance costs, unamortized loss on refunding, and unamortized premiums		
Government-wide net assets	\$	<u><u>840,455,556</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		\$ 98,762,713
 <u>Amount by which depreciation expense exceeds capital outlays and other capital related transactions</u>		
Capital outlay (excludes internal service funds) ⁽¹⁾	55,913,145	
Depreciation expense (excludes internal service funds)	(69,221,468)	
Land annexed by other governmental entity	<u>(1,843,345)</u>	(15,151,668)
 <u>Revenues that do not provide current financial resources⁽²⁾</u>		
Excess of capital asset donated revenue over disposal revenue	29,110,296	
Property tax and penalty and interest revenues that do not provide current financial resources and therefore are not reported in the fund financial statements	389,509	
Revenue recognized for charges for services*	3,352,468	
Decrease in revenue due to arbitrage rebate liability *net of allowances	<u>(916,516)</u>	31,935,757
 <u>Long-term debt and related items</u>		
Debt Payments (includes capital lease payment)	68,914,098	
Debt issuance and other debt related increases	(133,403,898)	
Amortization of bond premiums	1,303,732	
Deferral of bond issuance costs (amortized over life of debt)	624,412	
Accrued interest expense	(1,004,393)	
Accretion of capital appreciation bond interest	(1,229,971)	
Amortization of debt issuance costs	(279,865)	
Amortization of loss on refunding bonds	<u>(724,404)</u>	(65,800,289)
 <u>Expenses that do not require the use of current financial resources⁽²⁾ or have not matured</u>		
Landfill liability adjustments–non-current	114,418	
Compensated absence adjustment–non-current (excludes internal service fund)	<u>(1,046,838)</u>	(932,420)
 <u>Internal service funds change in net assets</u>		
Self-Insurance Fund	2,885,752	
Employee Health Benefit Fund	<u>7,004,179</u>	9,889,931
 Change in government-wide net assets		 <u><u>\$ 58,704,024</u></u>

(1) Capital outlay in the County's governmental funds includes \$247,233 of assets that are owned and maintained by other governmental agencies. The total capital outlay amount of \$55,913,145 includes an elimination of (\$78,177) for fund financial statement presentation.

(2) Revenues that do not provide current financial resources do not include the elimination of \$148,353 for fund financial statement presentation. Expenses that do not require the use of current financial resources do not include the elimination of (\$148,353) 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 penalty and interest begins to accrue. Total value for County property on the 2006 tax roll was approximately \$74,744,918,069 (net of exemptions) and produced a total levy of \$336,468,059, excluding blended component units. Collections on this levy were recognized as revenue in fiscal year 2007 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 permit 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 2006 tax roll, all required taxes to be used for general government purposes were levied under Article VIII, Section 9.

At October 1, 2006 (tax levy for fiscal year 2007 revenues) the County tax rate was \$0.4499 per \$100 valuation, of which \$0.0876 was used for payment of long-term debt requirements. The County, therefore, has legal margins of \$0.3501, \$0.1500 and \$0.3000, respectively, and could raise up to \$261,681,958, \$112,117,377 and \$224,234,754 of additional taxes per year from the 2006 tax roll assessed valuation of \$74,744,918,069 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, 2007, 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 2006 tax roll was approximately \$461,706,450 and produced a total levy of \$600,218. At October 1, 2006 (tax levy for fiscal year 2007), the NWTCRD No. 3 tax rate was \$0.1300 per \$100 valuation.

Healthcare District

Property taxes are levied as of October 1 in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. On January 1 of each year, a tax lien attaches to property to secure the payment of all taxes and penalties and interest that are ultimately imposed. The assessed value at January 1, 2006, upon which the October 2006 levy was based was \$74,318,915,991. The District levied taxes based on a tax rate of \$0.0734 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, 2007 were:

	Transfers in:			
	General	Grants	Other Governmental	Total
Transfers out:				
General	\$ -	\$ 270,998	\$ 7,550,149	\$ 7,821,147
Road & Bridge	2,667,728	-	-	2,667,728
Other governmental	203,016	-	-	203,016
Total	\$ 2,870,744	\$ 270,998	\$ 7,550,149	\$ 10,691,891

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, and (2) 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, 2007 were:

	Balance due from other funds (receivable):					
	General	Road and Bridge	General Purpose Debt Service	Capital General Obligation Bonds	Other Governmental	Totals
Balance due to other funds (payable):						
General	\$ -	\$ 272,241	-	\$ 20,690	\$ 44,449	\$ 337,380
Grants	2,172,305	-	-	-	-	2,172,305
Capital General Obligation Bonds	-	-	1,772	-	-	1,772
Capital Road Bonds & Certificates Of Obligation	-	-	21,329	-	-	21,329
Other governmental	1,554,865	-	-	-	-	1,554,865
Proprietary Fund	-	-	-	-	9,267	9,267
Totals	\$ 3,727,170	\$ 272,241	\$ 23,101	\$ 20,690	\$ 53,716	\$ 4,096,918

These balances resulted from the time lag between the dates that interfund services are provided or reimbursable expenditures occur and payments between funds are made. Interfund balances are expected to be repaid within one year from the date of the financial statements and are routine in nature.

6. DEPOSITS AND INVESTMENTS

Deposits

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

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

This collateral is held by the Federal Reserve Bank of New York which in the case of default by JPMorgan Chase will act as agent for Travis County and the District, in a fiduciary account held in the name of JPMorgan Chase and Travis County or the District and pledged to Travis County or the District, as appropriate. During fiscal year 2007, there were no instances where the County's bank balances were not fully collateralized at all times. During fiscal year 2007, there was one instance in March 2007 where the District's bank balances were not fully collateralized. As of September 30, 2007, the County's and the District's bank balances in excess of federal depository insurance were fully collateralized.

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

Investments

The County and the District are authorized to purchase, sell, and invest their funds and funds under their control in accordance with the Texas Public Funds Investment Act, Government Code Chapter 2256 and its subsequent amendments. During the fiscal period, the County's investments consisted of U.S. government securities, U.S. government agency securities, certificates of deposit, participation in two local government investment pools (TexPool and Texas TERM), commercial paper and a mutual fund. The carrying amount of investments as of September 30, 2007, is displayed on the balance sheet as "Investments" or as a component of "Pooled Cash". During the fiscal period, the District's investments consisted of U.S.

government treasury securities, U.S. government agency securities, participation in two local government investment pools (TexPool and Texas TERM), and commercial paper.

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

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

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

As of September 30, 2007, the County had the following investments:

Investment at September 30, 2007	Fair Value	Weighted Average Maturity (Years)
Certificates of Deposit	\$ 14,445,344	N/A
Government Agencies	282,723,675	1.03
Government Treasuries	74,915,298	0.72
Commercial Paper	22,777,089	0.27
Mutual Funds	43,766	0.00
Local Government Investment Pools	96,260,207	0.00
Total fair value	\$ 491,165,379	
Portfolio weighted average maturity		0.81

Note: Cash and pooled cash, investments and certificates of deposit for County funds at September 30, 2007 total \$519,690,575. The total fair value amount of \$491,165,379 excludes cash of \$28,846,032 and includes the difference between fair value and carrying value of the amortized cost securities of \$320,836.

As of September 30, 2007, the District had the following investments:

Investment at September 30, 2007	Fair Value	Weighted Average Maturity (Days)
Local Government Investment Pools	\$ 54,289,926	1
Government Agencies	26,820,149	80
Government Treasuries	2,976,577	228
Commercial Paper	1,969,981	105
Total fair value	\$ 86,056,633	
Portfolio weighted average maturity		43

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

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

Travis County	Standard &
Investment at September 30, 2007	Poor's Rating
<hr/>	
Certificates of Deposit	N/A
Fannie Mae (Federal National Mortgage Association)	AAA
Fannie Mae (Federal National Mortgage Association)–Short Term	A-1+
Freddie Mac (Federal Home Loan Mortgage Corporation)	AAA
Freddie Mac (Federal Home Loan Mortgage Corporation)–Short Term	A-1+
Federal Home Loan Bank	AAA
Federal Home Loan Bank–Short Term	AAA
Federal Farm Credit Bureau	AAA
Vanguard Target Retirement 2020 Fund	AAA
Local Government Investment Pools	AAAm
Toyota Motor Credit Commercial Paper	A-1+
Citigroup Funding Inc. Commercial Paper	A-1+
Travis County Healthcare District	Standard &
Investment at September 30, 2007	Poor's Rating
<hr/>	
Fannie Mae (Federal National Mortgage Association)	AAA
Freddie Mac (Federal Home Loan Mortgage Corporation)	AAA
Federal Home Loan Bank	AAA
Local Government Investment Pools	AAAm
Toyota Motor Credit Commercial Paper	A-1+
Citigroup Funding Inc. Commercial Paper	A-1+

Concentration of Credit Risk. The concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The County's Investment Policy limits the percentage of the combined portfolios for each type of eligible investment to reduce the risk of principal loss.

Travis County

<u>Investment at September 30, 2007</u>	<u>% of Portfolio</u>	<u>Portfolio Limit</u>
Certificates of Deposit	3%	50%
Government Agencies	58%	75%
Commercial Paper	5%	20%

Information regarding investments in any one issuer that represents five percent or more of the County's total investments must be disclosed under GASB Statement No. 40, excluding investments issued or explicitly guaranteed by the U.S. government, investments in mutual funds, and external investment pools. At September 30, 2007, the County's investments which require disclosure are as follows:

Travis County

<u>Issuer</u>	<u>Fair Value</u>	<u>% of Portfolio</u>
Fannie Mae	\$ 61,592,060	12%
Freddie Mac	78,364,325	16%
Federal Home Loan Bank	79,251,240	17%
Federal Farm Credit Bureau	63,516,050	13%

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

Travis County Healthcare District

<u>Investment at September 30, 2007</u>	<u>% of Portfolio</u>	<u>Portfolio Limit</u>
Local Government Investment Pools	63%	70%
U.S. Government Agencies	31%	75%
U.S. Government Treasuries	4%	100%
Commercial Paper	2%	20%

Information regarding investments in any one issuer that represents five percent or more of the District's total investments must be disclosed under GASB Statement No. 40, excluding investments issued or explicitly guaranteed by the U.S. government. At September 30, 2007, the District's investments which require disclosure are as follows:

Travis County Healthcare District

<u>Issuer</u>	<u>Fair Value</u>	<u>% of Portfolio</u>
Federal National Mortgage Association	\$ 11,929,962	14%
Federal Home Loan Mortgage Corporation	5,906,667	7%
Federal Home Loan Bank	8,983,520	10%

7. CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2007 is as follows:

	Beginning Balance	Increases	(Decreases)	Ending Balance
<u>Governmental Activities</u>				
Capital assets not being depreciated:				
Land and land improvements	\$ 111,721,060	\$ 4,766,697	\$ (3,600)	\$ 116,484,157
Land infrastructure	55,245,076	2,277,393	(1,843,345)	55,679,124
Construction in progress	64,167,100	26,534,179	-	90,701,279
Total capital assets not being depreciated	<u>231,133,236</u>	<u>33,578,269</u>	<u>(1,846,945)</u>	<u>262,864,560</u>
Capital assets being depreciated:				
Property, plant and equipment:				
Buildings	286,051,192	14,978,192	(111,614)	300,917,770
Improvements other than buildings	39,258,229	557,371	-	39,815,600
Machinery and equipment	91,132,060	7,483,857	(3,636,448)	94,979,469
Assets under capital lease	2,104,806	-	-	2,104,806
Leasehold improvements	84,118	-	-	84,118
Infrastructure	949,849,510	29,112,355	(3,591,650)	975,370,215
Total capital assets being depreciated	<u>1,368,479,915</u>	<u>52,131,775</u>	<u>(7,339,712)</u>	<u>1,413,271,978</u>
Less accumulated depreciation:				
Property, plant and equipment:				
Buildings ¹	(76,643,008)	(7,731,486)	(352,672)	(84,727,166)
Improvements other than buildings	(8,191,448)	(1,053,763)	-	(9,245,211)
Machinery and equipment	(55,708,588)	(11,083,595)	3,429,070	(63,363,113)
Assets under capital lease	(511,281)	(56,129)	-	(567,410)
Leasehold improvements	(67,241)	(13,880)	-	(81,121)
Infrastructure	(470,287,503)	(49,295,623)	3,591,651	(515,991,475)
Total accumulated depreciation	<u>(611,409,069)</u>	<u>(69,234,476)</u>	<u>6,668,049</u>	<u>(673,975,496)</u>
Total capital assets being depreciated, net	<u>757,070,846</u>	<u>(17,102,701)</u>	<u>(671,663)</u>	<u>739,296,482</u>
Governmental activities capital assets, net	<u>\$ 988,204,082</u>	<u>\$ 16,475,568</u>	<u>\$ (2,518,608)</u>	<u>\$ 1,002,161,042</u>

Note: Decreases include retirements and other adjustments.

¹ The negative decrease of \$352,672 denotes gain on sale of a building.

Depreciation expense in fiscal year 2007 was charged to functions/programs of the primary government as follows:

Governmental Activities	Depreciation Expense
General government	\$ 5,817,256
Justice system	2,822,306
Public safety	2,181,169
Corrections and rehabilitation	3,738,907
Health and human services	1,570,804
Infrastructure and environmental services	51,343,696
Community and economic development	1,760,338
Total depreciation expense	<u>\$ 69,234,476</u>

Construction in progress consists of the following at September 30, 2007:

Description	Amount
Del Valle Expansion, 2007	\$ 10,080,981
East Metropolitan Park	13,526,783
East Service Center Construction Plan	706,456
New Civil Court Site	62,687
Reimers Park	273,503
Land infrastructure	9,396,823
Infrastructure	56,654,046
Total construction in progress	<u>\$ 90,701,279</u>

The County has \$76,898,551 of outstanding construction and other commitments as of September 30, 2007 which are funded by grants for \$2,332, by debt proceeds for \$56,492,348 and by other sources for \$20,403,871.

Healthcare District

The District's capital assets are comprised of the following as of September 30, 2007:

	Beginning Balance	Increases	(Decreases)	Ending Balance
Capital assets not being depreciated:				
Land	\$ 8,497,335	\$ -	\$ -	\$ 8,497,335
Capital assets being depreciated:				
Building and improvements	90,002,665	-	-	90,002,665
Equipment and furniture	402,497	14,200	-	416,697
Total capital assets being depreciated	<u>90,405,162</u>	<u>14,200</u>	<u>-</u>	<u>90,419,362</u>
Less accumulated depreciation:				
Building and improvements	(3,649,086)	(1,824,543)	-	(5,473,629)
Equipment and furniture	(135,904)	(64,876)	-	(200,780)
Total accumulated depreciation	<u>(3,784,990)</u>	<u>(1,889,419)</u>	<u>-</u>	<u>(5,674,409)</u>
Total capital assets being depreciated, net	<u>86,620,172</u>	<u>(1,875,219)</u>	<u>-</u>	<u>84,744,953</u>
Capital assets, net	<u>\$ 95,117,507</u>	<u>\$ (1,875,219)</u>	<u>\$ -</u>	<u>\$ 93,242,288</u>

8. LONG-TERM DEBT

The following is a summary of long-term debt transactions of the County, including blended component units, for the year ended September 30, 2007.

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities					
Debt payable:					
General obligation bonds ¹	\$ 393,780,004	\$ 81,744,958	\$ (53,715,437)	\$ 421,809,525	\$ 31,177,601
Certificates of obligation	76,470,000	51,205,000	(13,915,000)	113,760,000	12,720,000
	<u>470,250,004</u>	<u>132,949,958</u>	<u>(67,630,437)</u>	<u>535,569,525</u>	<u>43,897,601</u>
Less deferred amounts:					
For issuance costs	(2,354,607)	(624,412)	279,865	(2,699,154)	-
On refunding	(6,482,895)	(1,135,762)	724,404	(6,894,253)	-
Add:					
Unamortized premium	10,806,426	1,683,911	(1,303,732)	11,186,605	-
Total debt payable	<u>472,218,928</u>	<u>132,873,695</u>	<u>(67,929,900)</u>	<u>537,162,723</u>	<u>43,897,601</u>
Capital leases	941,385	-	(147,899)	793,486	132,191
Claims and judgements	13,423,564	28,719,479	(29,977,719)	12,165,324	8,085,851
Compensated absences	22,411,687	20,356,647	(18,917,448)	23,850,886	11,590,260
Other long-term liabilities:					
Arbitrage	521,798	960,221	(43,705)	1,438,314	209,226
Landfill post-closure care	2,831,511	-	(114,418)	2,717,093	102,093
Total long-term liabilities	<u>\$ 512,348,873</u>	<u>\$ 182,910,042</u>	<u>\$ (117,131,089)</u>	<u>\$ 578,127,826</u>	<u>\$ 64,017,222</u>

(1) Additions to General Obligation Bonds include debt issuance and \$1,229,971 for accretion of interest on capital appreciation bonds.

At September 30, 2007, \$11,300,206 was available in the debt service funds (including the blended component unit amount of \$446,675) 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 \$34,469,968. The unaccreted interest on the capital appreciation bonds is \$2,091,544.

The internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities, including claims and judgements and compensated absences, reported in that fund are included as part of the above totals for governmental activities. At year end, \$102,323 of the internal service funds compensated absences was included in the above amounts. As they relate to the governmental funds, the liabilities for arbitrage and landfill post-closure care are typically liquidated by capital projects funds and liabilities for compensated absences are typically liquidated by the General Fund and special revenue funds.

Long-Term Debt

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

TRAVIS COUNTY, TEXAS

Issue	Original Balance	Interest Rate Range (%)	Maturity Dates	Outstanding Balance
General Obligation Bonds				
<u>Unlimited Tax Road Bonds</u>				
Series 1998	\$ 7,195,000	4.00 - 6.00	1999 - 2018	\$ 3,105,000
Series 1998-A	7,470,000	4.30 - 6.25	1999 - 2018	1,850,000
Series 1999	12,805,000	3.63 - 5.63	2000 - 2019	3,270,000
Series 2000	9,255,000	5.20 - 7.20	2001 - 2020	1,745,000
Series 2001	5,630,000	4.63 - 5.00	2002 - 2021	2,910,000
Series 2002	14,000,000	4.70 - 5.50	2003 - 2022	6,280,000
Series 2002-A	100,000,000	2.25 - 5.13	2003 - 2022	31,445,000
Series 2003	31,660,000	3.00 - 5.00	2004 - 2023	25,460,000
Series 2004	7,830,000	3.38 - 4.38	2005 - 2024	7,255,000
Series 2005	1,150,000	3.75 - 4.38	2006 - 2025	1,075,000
Series 2006	16,110,000	4.00 - 5.00	2007 - 2026	15,980,000
Series 2007	35,725,000	4.00 - 4.50	2008 - 2027	35,725,000
<u>Limited Tax Permanent Improvement Bonds</u>				
Series 1998	10,890,000	4.00 - 6.00	1999 - 2018	2,500,000
Series 1998-A	22,825,000	4.25 - 6.25	1999 - 2018	3,350,000
Series 1999	25,005,000	4.38 - 6.00	2000 - 2019	9,845,000
Series 2000	725,000	5.30 - 7.25	2002 - 2020	100,000
Series 2002	13,000,000	4.70 - 5.13	2003 - 2022	11,115,000
Series 2003	4,335,000	2.70 - 4.70	2004 - 2023	3,335,000
Series 2004	4,090,000	3.30 - 4.30	2005 - 2024	3,790,000
Series 2005	3,940,000	3.25 - 4.25	2006 - 2025	3,675,000
Series 2006	44,010,000	4.00 - 5.00	2007 - 2026	43,655,000
Series 2007	21,005,000	4.00 - 5.00	2008 - 2027	21,005,000
<u>Limited Tax Refunding Bonds</u>				
Series 1985-B	33,079,014	* 9.30	2001 - 2009	
Capital Appreciation Bonds				
Principal				\$ 849,639
Accretion of interest				27,040,982
CAB Series Maturities				(21,656,541)
Series 1999	20,399,949	3.90 - 4.80	1999 - 2015	14,950,000
Series 2002	38,540,000	3.00 - 5.00	2003 - 2009	7,895,000
Series 2004	33,455,000	2.50 - 5.00	2005 - 2020	33,185,000
Series 2005	30,745,000	3.50 - 5.50	2008 - 2016	30,745,000
Series 2005-A	9,155,000	3.50 - 5.00	2006 - 2011	7,055,000
<u>Unlimited Tax Refunding Bonds</u>				
Series 1985-A	12,899,997	* 9.40	2004 - 2009	
Capital Appreciation Bonds				
Principal				336,260
Accretion of interest				7,375,058
CAB Series Maturities				(5,244,788)
Series 2005	53,670,000	3.50 - 5.50	2008 - 2022	53,670,000
Series 2005 (NWTCD #3)	4,765,000	3.00 - 4.00	2005 - 2014	3,765,000
Series 2006	23,470,000	3.65 - 4.38	2007 - 2022	23,005,000
Capital Appreciation Bonds				
Principal		* 4.25	2016 - 2020	314,987
Accretion of interest				53,928
CAB Series Maturities				0
	658,833,960			421,809,525
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	10,415,000
Series 1998-A	10,500,000	4.00 - 5.00	1999 - 2018	325,000
Series 2000	14,800,000	5.10 - 7.10	2001 - 2020	1,600,000
Series 2001	27,300,000	4.00 - 4.90	2002 - 2021	4,795,000
Series 2003	23,325,000	3.00 - 5.00	2004 - 2023	14,325,000
Series 2004	1,800,000	2.00 - 2.25	2005 - 2009	765,000
Series 2005	12,400,000	2.75 - 3.00	2006 - 2010	7,660,000
Series 2006	23,925,000	4.00 - 4.40	2007 - 2026	21,925,000
Series 2007	26,705,000	4.00 - 4.40	2008 - 2027	26,705,000
Series 2007-A	24,500,000	4.00 - 5.00	2009 - 2028	24,500,000
	243,410,000			113,760,000
Total Bonds and Certificates of Obligation Payable	\$ 902,243,960			\$ 535,569,525

* 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, 2007, including blended component units, are as follows:

Maturity	General Obligation Bonds		Certificates of Obligation		Total
	Principal	Interest	Principal	Interest	
2008	\$ 31,177,601	\$ 20,241,540	\$ 12,720,000	\$ 5,321,782	\$ 69,460,923
2009	29,433,010	17,630,712	13,080,000	3,964,543	64,108,265
2010	28,440,000	16,009,594	11,010,000	3,492,719	58,952,313
2011	27,560,000	14,761,019	8,060,000	3,117,343	53,498,362
2012	26,435,000	13,533,692	5,855,000	2,833,718	48,657,410
2013-2017	128,954,866	50,698,169	20,380,000	11,795,000	211,828,035
2018-2022	108,154,049	21,378,389	23,355,000	6,583,669	159,471,107
2023-2028	41,654,999	4,036,333	19,300,000	2,277,301	67,268,633
	<u>\$ 421,809,525</u>	<u>\$ 158,289,448</u>	<u>\$ 113,760,000</u>	<u>\$ 39,386,075</u>	<u>\$ 733,245,048</u>

Defeased Debt:

In fiscal year 2007 and in prior years, the County has issued refunding bonds to advance refund certain general obligation bonds and certificates of obligation. The proceeds of the refunding bonds were deposited in an irrevocable trust with an escrow agent. The funds were used to purchase government securities, which will provide for all future debt service requirements.

On September 30, 2007 defeased bonds remaining unredeemed or unmatured from the 1986, 2004, 2005, and 2006 refunding issuances amounted to \$5,310, \$20,270,000, \$84,325,000 and \$23,785,000, 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, 2007 defeased bonds remaining unredeemed or unmatured from the SWTCRD No. 1 issuance amounted to \$10,000.

Refunding Debt:

In November 2006, the County issued Unlimited Tax Refunding Bonds, Series 2006 in the amount of \$23,784,987, which includes \$23,470,000 of Serial Bonds and \$314,987 of Capital Appreciation Bonds. Proceeds from the sale were used to provide monies to advance refund previously issued unlimited tax road bonds. The County realized an economic gain of \$645,208 on savings of \$957,304 for the Unlimited Tax Series 2006 Refunding.

New Debt:

In March 2007, the County issued \$35,725,000 in Unlimited Tax Road Bonds, Series 2007. This issuance is part of both the \$156.4 million authorization approved by the voters on November 6, 2001 and the \$65.2 million authorization approved on November 1, 2005. These bonds carry interest rates ranging from 4.00 percent to 4.50 percent. The road bonds mature in varying amounts in each of the years 2008 to 2027.

The County also issued \$21,005,000 of Limited Tax Permanent Improvement Bonds, Series 2007. This issuance is part of the \$85.7 million authorization approved on November 1, 2005. These bonds carry interest rates ranging from 4.00 percent to 5.00 percent and mature in varying amounts in each of the years 2008 to 2027.

In addition to the bonds, the County also issued \$26,705,000 in Limited Tax Certificates of Obligation, Series 2007. The proceeds are to be used for the following:

1. \$2,420,554 for authorized capital project needs for the County for fiscal year 2007 (to be repaid over a period of five years);
2. \$14,330,000 for the Jail Project (to be repaid over 20 years);
3. \$3,936,206 for building renovations;
4. \$5,908,215 for road projects, including erosion control, traffic signals, etc.;
5. \$110,025 for cost of issuance.

The certificates, bearing an interest rate ranging from 4.00 percent to 4.40 percent, will mature in varying amounts in each of the years 2008 to 2027.

The County also issued an additional \$24,500,000 in Limited Tax Certificates of Obligation, Series 2007-A. The proceeds are to be used for additional funding for the Jail Project and will be repaid over twenty years. The certificates, bearing an interest rate ranging from 4.00 percent to 5.00 percent, will mature in varying amounts in each of the years 2009 to 2028.

Future Borrowing:

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

In a county-wide bond election held on November 6, 2001 (2001 Election), the electorate authorized the County to issue an additional \$156,355,000 of unlimited tax road bonds of which \$89,330,000 was issued in 2002, \$31,660,000 in 2003, \$7,830,000 in 2004, \$1,150,000 in 2005, \$3,345,000 in 2006, and \$19,900,000 in 2007, thereby leaving \$3,140,000 to be issued in the future. Also authorized by the electorate in the 2001 Election were \$28,600,000 limited tax permanent improvement bonds for County parks, of which \$13,000,000 was issued in 2002, \$4,335,000 in 2003, \$4,090,000 in 2004, \$3,940,000 in 2005, and \$3,035,000 in 2006, thereby leaving \$200,000 to be issued in the future.

In a county-wide bond election held on November 1, 2005 (2005 Election), the electorate authorized the County to issue an additional \$65,225,000 of unlimited tax road bonds of which \$12,765,000 was issued in 2006 and \$15,825,000 was issued in 2007, thereby leaving \$36,635,000 to be issued in the future. Also authorized by the electorate in the 2005 Election were \$85,650,000 limited tax permanent improvement bonds for County parks and jail facilities, of which \$40,975,000 was issued in 2006 and \$21,005,000 was issued in 2007, thereby leaving \$23,670,000 to be issued in the future.

Other Debt

Capital Leases:

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

Assets acquired under capital lease are as follows:

	<u>Governmental Activities</u>
Asset under capital lease:	
Building	\$ 2,104,806
Less: accumulated depreciation	<u>(567,410)</u>
Total	<u><u>\$ 1,537,396</u></u>

Future minimum lease payments under this capital lease are:

2008	\$ 172,837
2009	184,532
2010	184,532
2011	184,532
2012	<u>184,531</u>
	910,964
Less amount representing interest	<u>(117,478)</u>
Present value of net minimum lease payments	<u><u>\$ 793,486</u></u>

Landfill Remediation:

State and federal laws and regulations require the County to place final covers on its landfill sites when waste acceptance has stopped and to perform certain maintenance and monitoring functions after closure. All County landfills have reached 100 percent capacity and are no longer accepting waste. The County has estimated the current cost of post-closure care to be \$2,788,306. Of this amount, \$71,213 is recorded as a current liability in the fund financial statements, including \$67,557 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, 2007 is as follows:

Travis County Housing Finance Corporation	\$ 245,295,000
Travis County Health Facilities Development Corporation	409,730,000
Capital Industrial Development Corporation	11,860,000
Total	<u><u>\$ 666,885,000</u></u>

10. OPERATING LEASES

Travis County is committed under various leases for buildings and office space. These leases are considered for accounting purposes to be operating leases. Lease expenditures for the year ended September 30, 2007 amounted to \$1,137,045. Future minimum lease payments for these leases are as follows:

2008	\$ 622,436
2009	302,189
2010	283,351
2011	289,113
2012	70,613
2013-2017	133,606
2018-2022	133,602
2023-2027	133,596
2028-2032	133,596
2033-2037	106,877
Total	<u><u>\$ 2,208,979</u></u>

11. RETIREMENT PLAN

Plan Description

Travis County provides retirement, disability, and death benefits for all of its regular employees through a nontraditional defined benefit pension plan in the statewide Texas County and District Retirement System (TCDRS). The Board of Trustees of TCDRS is responsible for the administration of the statewide agent multiple-employer public employee retirement system consisting of 573 nontraditional defined benefit pension plans. TCDRS in the aggregate issues a comprehensive annual financial report (CAFR) on a calendar year basis. The CAFR is available upon written request from the TCDRS Board of Trustees at P.O. Box 2034, Austin, Texas 78768-2034, and online at www.tcdrs.org.

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

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

Funding Policy

The County has elected the annually determined contribution rate plan provisions of the TCDRS Act. The Commissioner's Court adopted an Annually-Determined Contribution Rate (ADCR) plan with an effective date of January 1, 1995 for which the employer contribution rate is actuarially determined as a part of the annual actuarial valuation. The rate applicable for calendar years prior to 2006 consists of the normal cost contribution rate plus the rate required to amortize the unfunded actuarial liability over the plan's 20-year amortization period using the entry age actuarial cost method. The TCDRS Board of Trustees adopted the change from a 20-year open amortization period to a 15-year closed amortization period effective December 31, 2006. 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 9.74 percent for the months of the accounting year in 2006, and 10.71 percent for the months of the accounting year in 2007. The contribution rate payable by the employee members for calendar year 2007 is the rate of 7.00 percent as adopted by the Commissioners' Court.

Annual Pension Cost

For the employer's accounting year ended September 30, 2007, the annual pension cost for the TCDRS plan for its employees and the actual contributions were \$21,572,793. 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, 2004 and December 31, 2005, the basis for determining the contribution rates for calendar years 2006 and 2007. The December 31, 2006 actuarial valuation is the most recent valuation.

Actuarial Valuation Information

Actuarial valuation date	12/31/2004	12/31/2005	12/31/2006
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, closed
Amortization period	20	20	10.2
Asset valuation method	Long-term appreciation with adjustment	Long-term appreciation with adjustment	*SAF: 10 yr smoothed value **ESF: Fund value
Actuarial Assumptions:			
Investment return	8.00%	8.00%	8.00%
Projected salary increases	5.50%	5.30%	5.30%
Inflation	3.50%	3.50%	3.50%
Cost-of-living adjustments	0.00%	0.00%	0.00%

*The Subdivision Accumulation Fund (SAF) contains an account for each participating employer to fund retirement benefits.

**The Employee Savings Fund (ESF) contains an account for each member employee.

Note: As of 12/31/2006, the amortization period has been adjusted from 15 years to 10.2 years to reflect changes made by the County as part of the budget process and are reflected in supplementary information provided by TCDRS.

For the Retirement Plan for the Employees of Travis County

Accounting <u>Year Ending</u>	Annual Pension <u>Cost (APC)</u>	Percentage of APC <u>Contributed</u>	Net Pension <u>Obligation</u>
2005	\$17,251,346	100%	\$0
2006	\$18,656,298	100%	\$0
2007	\$21,572,793	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
12/31/2004	425,756,317	483,187,607	57,431,290	88.11%	168,471,901	34.09%
12/31/2005	469,129,341	531,465,814	62,336,473	88.27%	181,110,876	34.42%
12/31/2006	532,746,943	579,161,010	46,414,067	91.99%	194,098,827	23.91%

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

12. POST-EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS

The County is self-insured for employee and retiree health care. During 2007, the County incurred \$3,513,447 in health insurance claims for 593 retirees and their dependents. Retiree contributions for 2007 totaled \$1,039,565, 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, 2007, 887 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 Benefit Fund effective October 1, 2005. The new fund operates under Texas Local Government Code Annotated, Chapter 157.101. The primary change as a result of this event was to increase the annual stop-loss retention of the fund from \$125,000 to \$150,000. The other significant provisions of the fund remained unchanged. The fund charges premiums to other funds for servicing and payment of claims. The fund also charges employee dependents and retirees a premium for their participation in the health plan.

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

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 and workers' compensation. If an individual claim exceeds \$150,000 or if aggregate claims in a month exceed approximately \$3.2 million, the carrier pays the excess. There were 11 claims that exceeded the individual stop loss retention of \$150,000 in fiscal year 2007. However, there was no month during the fiscal year in which settled claims exceeded the aggregate stop loss retention of \$3.2 million. Settlements have not exceeded insurance 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, 2007 in the amount of \$46,197,426 has been designated by management for catastrophic losses for employee health, workers' compensation and general liability.

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. The process to estimate the claims liability is based on past claim experience. The estimated outstanding losses include unpaid losses only and do not include outstanding unallocated loss adjustment expenses.

Unpaid claims and judgements at September 30, 2007 and September 30, 2006 are composed of the following categories:

	<u>2007</u>	<u>2006</u>
Employee health	\$ 4,911,354	\$ 4,393,646
General liability	3,702,566	4,721,364
Automobile liability	908,857	1,081,249
Workers' compensation	2,441,097	2,958,125
Property	<u>201,450</u>	<u>269,180</u>
Totals	<u>\$ 12,165,324</u>	<u>\$ 13,423,564</u>

Changes in the balances of unpaid claims and judgements during fiscal years 2006 and 2007 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>
2006	\$ 14,608,515	\$ 26,063,468	\$ (27,248,419)	\$ 13,423,564
2007	\$ 13,423,564	\$ 28,719,479	\$ (29,977,719)	\$ 12,165,324

14. CONTINGENT LIABILITIES

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

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

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

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

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

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

A portion of the DSH and UPL payment received are due to Seton under the operating lease discussed in Note 17. 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, 2007, the District paid \$16,909,707 to Seton. The DSH/UPL program revenue of \$28,434,895 is netted by the \$16,909,707 paid to Seton.

16. PRIVATE UPPER PAYMENT LIMIT PROGRAM – HEALTHCARE DISTRICT

The private Upper Payment Limit (Private UPL) program was implemented in April 2007, with an effective date of June 11, 2005. The Private UPL program uses federal matching funds to raise state Medicaid reimbursement rate to 100% of equivalent Medicare rates for certain private hospitals. The District funds the intergovernmental transfer (IGT), which the federal government matches. The entire amount (the IGT and the matching funds) is then paid to six private hospitals in Travis County. These hospitals agreed to use their best efforts to reduce uninsured care in Travis County by qualified eligible individuals for Medicaid coverage and services. During the year ended September 30, 2007, the District expensed \$25,228,837 for payments under the Private UPL program which is included in health care delivery expense. As of September 30, 2007, \$9,056,544 is included in private UPL payable.

17. OPERATING LEASE WITH SETON – HEALTHCARE DISTRICT

Effective October 1, 2004, the District assumed the rights and obligation from the City of Austin related to a long-term lease agreement with Seton. Under the terms of the lease, Seton will operate Brackenridge/Children's Hospital and will provide all necessary medical services for residents of Travis County regardless of their ability to pay. The lease term is for 60 years through September 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. In June 2007, Seton opened the new Dell Children's Medical Center of Central Texas which is not owned by the District.

At September 30, 2007, the District's investment in Brackenridge consists of land valued at \$8,013,662 and buildings and improvements valued at \$85,786,338 less accumulated depreciation of \$5,147,180. For the year ended September 30, 2007, lease revenue of \$1,096,656 was recognized under this lease.

Pursuant to the revised 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 \$3,651,350 annually for providing medical care to the medically indigent; provided however, that Seton must first provide charity care in the amount of 4 percent of net revenues as required by State law.

Under the Physicians Services Program, the District paid Seton \$506,261 for the year ended September 30, 2007 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, 2007 for home health services for the medically indigent of Travis County.

Under the Medical Assistance Program (MAP), the District paid Seton \$1,781,336 for the year ended September 30, 2007 for patients enrolled in this program. The payments through February 2006 were made through the interlocal agreement with the City of Austin discussed in Note 19 as the City of Austin was the party responsible for the MAP contract

with Seton until that time. At the end of that contract period, the District assumed responsibility for MAP payments, contracted with and made payments to Seton directly.

Under the terms of the letter agreement effective November 2006, the lease agreement with Seton was amended and the District no longer has the responsibility for funding the Physician Services Program and the MAP program. Instead the District paid \$25,228,837 into the escrow account for the private Upper Payment Limit program (see Note 16).

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

2008	\$	1,096,656
2009		1,096,656
2010		1,096,656
2011		1,096,656
2012		1,096,656
Thereafter		<u>14,556,528</u>
Total	\$	<u><u>20,039,808</u></u>

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

Effective October 1, 2004, the District assumed the rights and obligation from the City of Austin related to the lease agreement with UTMB. 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, 2007, lease revenue of \$58,740 was recognized under this lease. Pursuant to the terms of the lease, the District paid UTMB \$3,876,838 for the year ended September 30, 2007 for charity care provided at Austin Women’s Hospital.

At September 30, 2007, the District’s investment in Austin Women’s Hospital consists of buildings and improvements valued at \$3,400,000 less accumulated depreciation of \$204,000.

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

2008	\$	58,740
2009		<u>19,580</u>
Total	\$	<u><u>78,320</u></u>

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

Effective October 1, 2004, the District entered into an agreement with the City of Austin to operate the Federally Qualified Health Centers (health clinics) and administer MAP which were previously the responsibility of the City of Austin and Travis County. The agreement term is for one year with annual renewal possibility for four years. Under the agreement, payments are due monthly from the District. For the year ended September 30, 2007, the District recorded \$24,743,418 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, 2007, the District has recorded a receivable from the City of Austin of \$2,322,663 related to this excess although this amount will remain with the City of Austin and offset payments from the District to the City of Austin in the following year.

The receivable from the City of Austin is comprised of the following at September 30, 2007:

Excess of revenues over expenses from prior year	\$ 2,204,513
Operating revenues:	
Medicare	1,053,614
Medicaid	5,932,865
CHIP	36,445
Net patient service revenue	897,459
Grant revenue	1,169,166
Interest income	429,308
Total operating revenues	<u>9,518,857</u>
Operating expenses:	
Salaries and benefits	23,968,083
Contracted services	7,208,262
Purchased goods	2,935,844
Total operating expenses	<u>34,112,189</u>
Other revenues (expenses):	
Payments received from the District	25,911,482
Construction in progress payment	<u>(1,200,000)</u>
Total other revenues, net	24,711,482
Excess of revenues over expenses	<u><u>\$ 2,322,663</u></u>

20. DEFERRED COMPENSATION PLAN – HEALTHCARE DISTRICT

The District offers its employees a deferred compensation plan established in accordance with Internal Revenue Service Code Section 457. Assets and income of the District’s plan are administered by a private corporation under contract with the District and are held for the exclusive benefit of the participants and their beneficiaries. Accordingly, the plan’s assets and liabilities are not recorded in the District’s basic financial statements. The District contributed \$50,099 to the plan during the year ended September 30, 2007.

21. RISK MANAGEMENT – HEALTHCARE DISTRICT

The District’s risk management program includes coverage through third party insurance providers for officers’ professional liability and workers compensation. During the year ended September 30, 2007, there were no reductions in insurance coverage from coverage in the prior year and there have been no claims.

22. INTERLOCAL AGREEMENTS WITH TRAVIS COUNTY – HEALTHCARE DISTRICT

The District entered into an interlocal agreement with Travis County in which Travis County provides legal and other services for the District along with tax collections services. For the year ended September 30, 2007, \$256,244 is included in other purchased goods and services for the legal and other services. For the year ended September 30, 2007,

\$365,570 is recorded for the tax collections services. At September 30, 2007, \$68,543 is included in due to Travis County (other governments) related to this agreement.

During fiscal year 2006, the District entered into an interlocal agreement with Travis County in which Travis County provides supplemental dental, life, and disability insurance. For the year ended September 30, 2007, fees of \$5,726 were included in other purchased goods and services related to this agreement.

23. SUBSEQUENT EVENTS

Debt Issuance

In January 2008, the Commissioners' Court approved the anticipated issuance of debt obligations in March 2008. The County anticipates issuing \$23,230,000 in Unlimited Tax Road Bonds, Series 2008. This issuance is part of the authorizations approved by the voters on November 6, 2001 and November 8, 2005. These bonds carry interest rates ranging from 3.50 percent to 4.50 percent. The road bonds mature in varying amounts in each of the years 2009 to 2028.

The County also anticipates issuing \$3,795,000 of Limited Tax Permanent Improvement Bonds, Series 2008. This issuance is part of the authorization approved by the voters November 8, 2005. These bonds carry interest rates ranging from 4.00 percent to 4.375 percent and mature in varying amounts in each of the years 2009 to 2028.

In addition to the bonds, the County also anticipates issuing \$23,175,000 in Limited Tax Certificates of Obligation, Series 2008. The proceeds are to be used for various capital projects for the County. The certificates, bearing interest rates ranging from 3.25 percent to 4.25 percent, will mature in varying amounts in each of the years 2009 to 2028.

Conduit Debt

On January 10, 2008, the Travis County Health Facilities Development Corporation issued \$166,330,000 in variable rate demand bonds for a retirement facility called Longhorn Village. The bonds were issued pursuant to Chapter 221, Texas Health and Safety Code. Longhorn Village, a Texas non-profit corporation, will use the proceeds for the acquisition, construction, equipping and furnishing of a continuing care retirement center project located in western Travis County. The County is not liable or obligated to pay the principal, premium, if any, or interest of the bonds. The Corporation has no taxing authority.

TRAVIS COUNTY, TEXAS

REQUIRED SUPPLEMENTARY

INFORMATION

(Unaudited)

TRAVIS COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
GENERAL FUND
For The Year Ended September 30, 2007
(Unaudited)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes	\$ 273,967,264	\$ 273,967,264	\$ 277,305,977	\$ 3,338,713
Intergovernmental	1,516,010	2,220,258	3,371,696	1,151,438
Charges for services	47,515,642	47,577,266	47,544,390	(32,876)
Fines and forfeits	767,014	767,014	1,002,313	235,299
Investment income	9,310,440	9,310,440	11,371,412	2,060,972
Miscellaneous	2,503,094	2,533,094	4,634,823	2,101,729
Total revenues	<u>335,579,464</u>	<u>336,375,336</u>	<u>345,230,611</u>	<u>8,855,275</u>
Expenditures:				
Current:				
General government	64,801,759	66,360,870	57,312,696	9,048,174
Justice system	94,534,008	96,077,455	89,520,832	6,556,623
Public safety	48,443,045	49,996,745	47,090,665	2,906,080
Corrections and rehabilitation	83,625,961	83,299,922	80,421,674	2,878,248
Health and human services	37,857,823	38,384,783	36,046,181	2,338,602
Infrastructure and environmental services	7,755,913	7,855,494	6,541,607	1,313,887
Community and economic development	7,772,351	7,778,403	6,646,585	1,131,818
Capital outlay	9,074,117	13,174,409	6,851,170	6,323,239
Total expenditures	<u>353,864,977</u>	<u>362,928,081</u>	<u>330,431,410</u>	<u>32,496,671</u>
Excess (deficiency) of revenues over expenditures	<u>(18,285,513)</u>	<u>(26,552,745)</u>	<u>14,799,201</u>	<u>41,351,946</u>
Other financing sources (uses):				
Transfers in	2,850,271	2,850,271	2,870,744	20,473
Transfers out	(7,751,867)	(8,008,786)	(7,821,147)	187,639
Total other financing sources (uses)	<u>(4,901,596)</u>	<u>(5,158,515)</u>	<u>(4,950,403)</u>	<u>208,112</u>
Special items:				
Proceeds from sale of real estate	-	-	2,110,395	2,110,395
Net change in fund balance	<u>(23,187,109)</u>	<u>(31,711,260)</u>	<u>11,959,193</u>	<u>43,670,453</u>
Fund balance--beginning of year	<u>83,206,630</u>	<u>83,206,630</u>	<u>83,206,630</u>	<u>-</u>
Fund balance--end of year	<u>\$ 60,019,521</u>	<u>\$ 51,495,370</u>	<u>\$ 95,165,823</u>	<u>\$ 43,670,453</u>

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

TRAVIS COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
ROAD AND BRIDGE FUND
For The Year Ended September 30, 2007
(Unaudited)

	Budgeted Amounts ⁽¹⁾		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues:				
Intergovernmental	\$ 75,800	\$ 75,800	\$ 89,512	\$ 13,712
Charges for services	11,900,000	11,900,000	12,381,273	481,273
Fines and forfeits	6,457,879	6,457,879	6,840,078	382,199
Investment income	306,316	306,316	716,629	410,313
Miscellaneous	42,700	42,700	61,541	18,841
Total revenues	<u>18,782,695</u>	<u>18,782,695</u>	<u>20,089,033</u>	<u>1,306,338</u>
Expenditures:				
Current:				
Infrastructure and environmental services (TNR)	19,611,176	16,200,856	12,251,752	3,949,104
Capital outlay	5,367,891	8,778,211	5,124,936	3,653,275
Total expenditures ⁽³⁾	<u>24,979,067</u>	<u>24,979,067</u>	<u>17,376,688</u>	<u>7,602,379</u>
Excess (deficiency) of revenues over expenditures	<u>(6,196,372)</u>	<u>(6,196,372)</u>	<u>2,712,345</u>	<u>8,908,717</u>
Other financing sources (uses):				
Transfers out	<u>(2,667,728)</u>	<u>(2,667,728)</u>	<u>(2,667,728)</u>	<u>-</u>
Total other financing sources (uses)	<u>(2,667,728)</u>	<u>(2,667,728)</u>	<u>(2,667,728)</u>	<u>-</u>
Net change in fund balance	(8,864,100)	(8,864,100)	44,617	8,908,717
Fund balance--beginning of year	<u>10,521,247</u>	<u>10,521,247</u>	<u>10,521,247</u>	<u>-</u>
Fund balance--end of year	<u>\$ 1,657,147</u>	<u>\$ 1,657,147</u>	<u>\$ 10,565,864</u>	<u>\$ 8,908,717</u>

Notes:

1. The budget is prepared on a GAAP basis. See Note 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.
3. The \$7.6 million variance for total expenditures is due to delayed purchases caused by ongoing contract negotiations and inclement weather. In addition, \$4.5 million of this variance was encumbered at September 30, 2007 which is reserved for spending in FY08.

**TRAVIS COUNTY, TEXAS
OTHER SUPPLEMENTARY
INFORMATION**

TRAVIS COUNTY, TEXAS
NON-MAJOR GOVERNMENTAL FUNDS

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

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

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

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

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

Voter Registration Fund - To account for monies received from the State of Texas as reimbursement for expenditures related to voter registration.

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

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

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

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

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

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

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

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TRAVIS COUNTY, TEXAS

Special Revenue Funds, continued

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

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

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

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

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

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

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

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

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

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

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

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

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

TRAVIS COUNTY, TEXAS

Special Revenue Funds, continued

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

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

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

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

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

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

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

Child Abuse Prevention - To account for monies collected as fees from child abuse related offenses to finance the study and development of child abuse prevention.

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

TRAVIS COUNTY, TEXAS

Special Revenue Funds, continued

Drug Court Program - To account for monies collected for offenders to attend an alternative rehabilitative drug program which includes drug testing and counseling.

Probate Guardianship - To account for fees assessed on probate court actions to reimburse court-initiated guardianship fees for both attorneys and guardians.

Gardner House Handicraft Fund - To account for donated monies to be used for juveniles in the custody of Travis County at the Gardner Betts Juvenile Justice Center.

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 and certificates of obligation.

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

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

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

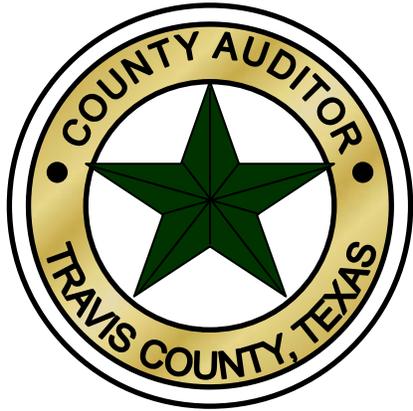
Subdivision Parkland Fund - To account for monies received from developers for the acquisition or improvement of parks near new subdivision developments and the related expenditures.

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

Travis County Bee Caves Road District No. 1 - To account for proceeds from the sale of road district assets to be used for the construction of roads within the district.

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, 2007**

Special Revenue

	Law Library	CAPSO DAPSO	Law Enforcement	Dispute Resolution Center	Voter Registration
Assets					
Cash and pooled cash	\$ 623,428	\$ 237,684	\$ 537,384	\$ 139,181	\$ 81,100
Investments	-	-	-	-	-
Interest receivable	4,619	-	-	609	-
Due from other funds	-	-	9,267	740	-
Accounts receivable	1,008	-	694	481	-
Intergovernmental and other receivables	-	-	-	-	-
Taxes receivable (net of allowances for estimated uncollectibles)	-	-	-	-	-
Total assets	<u>\$ 629,055</u>	<u>\$ 237,684</u>	<u>\$ 547,345</u>	<u>\$ 141,011</u>	<u>\$ 81,100</u>
Liabilities and Fund Balances					
Liabilities:					
Accounts payable	42,902	-	-	93,041	-
Accrued liabilities	17,042	-	-	-	-
Due to other funds	-	45,363	9,392	-	-
Other liabilities	-	-	655	-	-
Liability for compensated absences	8,646	-	-	-	-
Due to other governmental entities	-	-	-	-	-
Deferred revenue	-	-	-	-	-
Total liabilities	<u>68,590</u>	<u>45,363</u>	<u>10,047</u>	<u>93,041</u>	<u>-</u>
Fund balances:					
<i>Reserved for:</i>					
Encumbrances	20,472	-	-	-	80,908
County schools	-	-	-	-	-
Juveniles	-	-	-	-	-
<i>Unreserved, designated for:</i>					
Compensated absences	8,646	-	-	-	-
Debt service	-	-	-	-	-
Capital projects	-	-	-	-	-
<i>Unreserved, undesignated, reported in:</i>					
Special revenue funds	531,347	192,321	537,298	47,970	192
Total fund balances	<u>560,465</u>	<u>192,321</u>	<u>537,298</u>	<u>47,970</u>	<u>81,100</u>
Total liabilities and fund balances	<u>\$ 629,055</u>	<u>\$ 237,684</u>	<u>\$ 547,345</u>	<u>\$ 141,011</u>	<u>\$ 81,100</u>

Special Revenue

Juvenile Fee	County and District Clerk Records Management & Preservation	Records Management & Preservation	Courthouse Security	LCRA Parks CIP	Justice Court Building Security
\$ 311,055	\$ 1,163,261	\$ 224,750	\$ 450,647	\$ 2,588,748	\$ 69,816
-	-	-	-	-	-
2,051	6,349	1,428	2,319	16,685	309
-	-	-	10,416	-	2,959
-	329	329	311	-	30
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 313,106</u>	<u>\$ 1,169,939</u>	<u>\$ 226,507</u>	<u>\$ 463,693</u>	<u>\$ 2,605,433</u>	<u>\$ 73,114</u>
-	245,875	-	-	-	-
-	21,847	8,108	66,978	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	7,585	5,971	62,584	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	<u>275,307</u>	<u>14,079</u>	<u>129,562</u>	<u>-</u>	<u>-</u>
-	165,358	-	-	85,135	525
-	-	-	-	-	-
-	-	-	-	-	-
-	8,012	5,544	62,584	-	-
-	-	-	-	-	-
-	-	-	-	-	-
313,106	721,262	206,884	271,547	2,520,298	72,589
<u>313,106</u>	<u>894,632</u>	<u>212,428</u>	<u>334,131</u>	<u>2,605,433</u>	<u>73,114</u>
<u>\$ 313,106</u>	<u>\$ 1,169,939</u>	<u>\$ 226,507</u>	<u>\$ 463,693</u>	<u>\$ 2,605,433</u>	<u>\$ 73,114</u>

(continued)

TRAVIS COUNTY, TEXAS
 COMBINING BALANCE SHEET, continued
 NON-MAJOR GOVERNMENTAL FUNDS
 September 30, 2007

	Special Revenue				
	Juvenile Justice Alternative Education Program	Jail Commissary	Court Reporter Service	CSCD Equipment Acquisition	Juvenile Deferred Prosecution
Assets					
Cash and pooled cash	\$ 1,961,303	\$ 1,058,350	\$ 189,844	\$ 1,118	\$ 43,602
Investments	-	-	-	-	-
Interest receivable	12,471	-	1,307	-	267
Due from other funds	-	-	-	-	-
Accounts receivable	15,340	-	433	-	-
Intergovernmental and other receivables	-	-	-	-	-
Taxes receivable (net of allowances for estimated uncollectibles)	-	-	-	-	-
Total assets	<u>\$ 1,989,114</u>	<u>\$ 1,058,350</u>	<u>\$ 191,584</u>	<u>\$ 1,118</u>	<u>\$ 43,869</u>
Liabilities and Fund Balances					
Liabilities:					
Accounts payable	33,589	54,912	-	-	-
Accrued liabilities	5,688	-	14,466	-	-
Due to other funds	-	119,567	-	-	-
Other liabilities	-	4,048	-	-	-
Liability for compensated absences	4,711	-	5,972	-	-
Due to other governmental entities	-	-	-	-	-
Deferred revenue	-	-	-	-	-
Total liabilities	<u>43,988</u>	<u>178,527</u>	<u>20,438</u>	<u>-</u>	<u>-</u>
Fund balances:					
<i>Reserved for:</i>					
Encumbrances	11,945	-	-	-	-
County schools	-	-	-	-	-
Juveniles	-	-	-	-	-
<i>Unreserved, designated for:</i>					
Compensated absences	4,711	-	5,972	-	-
Debt service	-	-	-	-	-
Capital projects	-	-	-	-	-
<i>Unreserved, undesignated, reported in:</i>					
Special revenue funds	1,928,470	879,823	165,174	1,118	43,869
Total fund balances	<u>1,945,126</u>	<u>879,823</u>	<u>171,146</u>	<u>1,118</u>	<u>43,869</u>
Total liabilities and fund balances	<u>\$ 1,989,114</u>	<u>\$ 1,058,350</u>	<u>\$ 191,584</u>	<u>\$ 1,118</u>	<u>\$ 43,869</u>

Special Revenue

Balcones Canyonlands Preservation	Abandoned Vehicles/ Livestock	LEOSE Elected Officials	LEOSE Commissioners' Court	Juvenile Delinquency Prevention	Unclaimed Property
\$ 17,359,192	\$ 68,861	\$ 42,342	\$ 1,303	\$ 98	\$ 10,910
-	-	-	-	-	-
96,048	-	-	-	1	-
-	-	1,500	-	-	-
655,063	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 18,110,303</u>	<u>\$ 68,861</u>	<u>\$ 43,842</u>	<u>\$ 1,303</u>	<u>\$ 99</u>	<u>\$ 10,910</u>
42,960	59	-	-	-	-
5,064	-	-	-	-	-
-	-	-	-	-	-
1,119	200	2,527	-	-	10,910
2,967	-	-	-	-	-
-	238	-	-	-	-
-	-	-	-	-	-
<u>52,110</u>	<u>497</u>	<u>2,527</u>	<u>-</u>	<u>-</u>	<u>10,910</u>
103,429	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
2,967	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
17,951,797	68,364	41,315	1,303	99	-
<u>18,058,193</u>	<u>68,364</u>	<u>41,315</u>	<u>1,303</u>	<u>99</u>	<u>-</u>
<u>\$ 18,110,303</u>	<u>\$ 68,861</u>	<u>\$ 43,842</u>	<u>\$ 1,303</u>	<u>\$ 99</u>	<u>\$ 10,910</u>

(continued)

TRAVIS COUNTY, TEXAS
 COMBINING BALANCE SHEET, continued
 NON-MAJOR GOVERNMENTAL FUNDS
 September 30, 2007

	Special Revenue			
	Professional Prosecutors	Mary Quinlan Park	Probate Judiciary Fee	Justice Court Technology
Assets				
Cash and pooled cash	\$ 5	\$ 273,334	\$ 218,901	\$ 782,552
Investments	-	-	-	-
Interest receivable	-	-	1,905	5,019
Due from other funds	-	-	-	13,590
Accounts receivable	-	-	57,535	142
Intergovernmental and other receivables	-	-	-	-
Taxes receivable (net of allowances for estimated uncollectibles)	-	-	-	-
Total assets	\$ 5	\$ 273,334	\$ 278,341	\$ 801,303
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	-	-	1,441	1,439
Accrued liabilities	-	-	4,444	3,037
Due to other funds	-	-	-	-
Other liabilities	-	-	-	-
Liability for compensated absences	-	-	2,363	259
Due to other governmental entities	-	-	-	-
Deferred revenue	-	-	-	-
Total liabilities	-	-	8,248	4,735
Fund balances:				
<i>Reserved for:</i>				
Encumbrances	-	1,367	834	18,553
County schools	-	-	-	-
Juveniles	-	-	-	-
<i>Unreserved, designated for:</i>				
Compensated absences	-	-	2,363	259
Debt service	-	-	-	-
Capital projects	-	-	-	-
<i>Unreserved, undesignated, reported in:</i>				
Special revenue funds	5	271,967	266,896	777,756
Total fund balances	5	273,334	270,093	796,568
Total liabilities and fund balances	\$ 5	\$ 273,334	\$ 278,341	\$ 801,303

Special Revenue

Travis County Housing Finance Corporation	Travis County Health Facilities Development Corporation	Capital Industrial Development Corporation	Truancy Court	County Clerk Archival
\$ 28,671	\$ 25,507	\$ 9,645	\$ 49,400	\$ 517,693
373,499	423,719	-	-	-
-	-	-	142	3,336
-	-	-	-	-
36,600	-	-	6,041	-
-	-	-	-	-
-	-	-	-	-
<u>\$ 438,770</u>	<u>\$ 449,226</u>	<u>\$ 9,645</u>	<u>\$ 55,583</u>	<u>\$ 521,029</u>
-	-	-	2,796	202,475
-	-	-	6,946	9,230
-	-	-	-	-
-	-	-	-	-
-	-	-	2,933	5,325
-	-	-	-	-
-	-	-	-	-
-	-	-	<u>12,675</u>	<u>217,030</u>
-	-	-	-	96,461
-	-	-	-	-
-	-	-	-	-
-	-	-	2,933	5,325
-	-	-	-	-
-	-	-	-	-
438,770	449,226	9,645	39,975	202,213
<u>438,770</u>	<u>449,226</u>	<u>9,645</u>	<u>42,908</u>	<u>303,999</u>
<u>\$ 438,770</u>	<u>\$ 449,226</u>	<u>\$ 9,645</u>	<u>\$ 55,583</u>	<u>\$ 521,029</u>

(continued)

TRAVIS COUNTY, TEXAS
COMBINING BALANCE SHEET, continued
NON-MAJOR GOVERNMENTAL FUNDS
September 30, 2007

	Special Revenue			
	Family Protection	Elections Contract	Vital Statistic Preservation	Fire Code
Assets				
Cash and pooled cash	\$ 110,706	\$ 326,998	\$ 16,718	\$ 113,744
Investments	-	-	-	-
Interest receivable	565	5,385	111	869
Due from other funds	-	-	455	-
Accounts receivable	-	4,273	6	-
Intergovernmental and other receivables	-	-	-	-
Taxes receivable (net of allowances for estimated uncollectibles)	-	-	-	-
Total assets	<u>\$ 111,271</u>	<u>\$ 336,656</u>	<u>\$ 17,290</u>	<u>\$ 114,613</u>
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	-	3,300	-	-
Accrued liabilities	-	-	-	-
Due to other funds	-	-	-	-
Other liabilities	-	-	-	-
Liability for compensated absences	-	9,422	-	-
Due to other governmental entities	-	-	-	-
Deferred revenue	76,534	-	-	-
Total liabilities	<u>76,534</u>	<u>12,722</u>	<u>-</u>	<u>-</u>
Fund balances:				
<i>Reserved for:</i>				
Encumbrances	-	32,610	-	-
County schools	-	-	-	-
Juveniles	-	-	-	-
<i>Unreserved, designated for:</i>				
Compensated absences	-	9,422	-	-
Debt service	-	-	-	-
Capital projects	-	-	-	-
<i>Unreserved, undesignated, reported in:</i>				
Special revenue funds	34,737	281,902	17,290	114,613
Total fund balances	<u>34,737</u>	<u>323,934</u>	<u>17,290</u>	<u>114,613</u>
Total liabilities and fund balances	<u>\$ 111,271</u>	<u>\$ 336,656</u>	<u>\$ 17,290</u>	<u>\$ 114,613</u>

Special Revenue

Child Abuse Prevention	Juvenile Case Manager	Drug Court Program	Probate Gaurdianship	Gardner House Handicraft	Total
\$ 124	\$ 344,070	\$ 21,234	\$ 2,846	\$ 2,646	\$ 30,008,771
-	-	-	-	-	797,218
-	1,527	25	-	18	163,365
-	14,789	-	-	-	53,716
-	151	-	-	-	778,766
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 124</u>	<u>\$ 360,537</u>	<u>\$ 21,259</u>	<u>\$ 2,846</u>	<u>\$ 2,664</u>	<u>\$ 31,801,836</u>
-	-	-	-	-	724,789
-	-	-	-	-	162,850
-	-	-	-	-	174,322
-	-	-	-	-	19,459
-	-	-	-	-	118,738
-	-	-	-	-	238
-	346,836	-	-	-	423,370
-	346,836	-	-	-	1,623,766
-	-	-	-	-	617,597
-	-	-	-	-	-
-	-	-	-	2,664	2,664
-	-	-	-	-	118,738
-	-	-	-	-	-
-	-	-	-	-	-
124	13,701	21,259	2,846	-	29,439,071
<u>124</u>	<u>13,701</u>	<u>21,259</u>	<u>2,846</u>	<u>2,664</u>	<u>30,178,070</u>
<u>\$ 124</u>	<u>\$ 360,537</u>	<u>\$ 21,259</u>	<u>\$ 2,846</u>	<u>\$ 2,664</u>	<u>\$ 31,801,836</u>

(continued)

TRAVIS COUNTY, TEXAS
COMBINING BALANCE SHEET, continued
NON-MAJOR GOVERNMENTAL FUNDS
September 30, 2007

	<u>Debt Service</u>	<u>Capital Projects</u>	
	<u>NW Travis County Road District No. 3</u>	<u>Joint Road Improvements</u>	<u>Subdivision Parkland</u>
Assets			
Cash and pooled cash	\$ 855	\$ 5,236,073	\$ 690,680
Investments	445,820	-	-
Interest receivable	-	30,941	3,980
Due from other funds	-	-	-
Accounts receivable	-	106,984	-
Intergovernmental and other receivables	-	-	-
Taxes receivable (net of allowances for estimated uncollectibles)	6,513	-	-
Total assets	<u>\$ 453,188</u>	<u>\$ 5,373,998</u>	<u>\$ 694,660</u>
Liabilities and Fund Balances			
Liabilities:			
Accounts payable	-	347,673	-
Accrued liabilities	-	-	-
Due to other funds	-	-	-
Other liabilities	-	609,169	43,190
Liability for compensated absences	-	-	-
Due to other governmental entities	-	-	-
Deferred revenue	6,513	-	-
Total liabilities	<u>6,513</u>	<u>956,842</u>	<u>43,190</u>
Fund balances:			
<i>Reserved for:</i>			
Encumbrances	-	1,203,185	-
County schools	-	-	-
Juveniles	-	-	-
<i>Unreserved, designated for:</i>			
Compensated absences	-	-	-
Debt service	446,675	-	-
Capital projects	-	3,213,971	651,470
<i>Unreserved, undesignated, reported in:</i>			
Special revenue funds	-	-	-
Total fund balances	<u>446,675</u>	<u>4,417,156</u>	<u>651,470</u>
Total liabilities and fund balances	<u>\$ 453,188</u>	<u>\$ 5,373,998</u>	<u>\$ 694,660</u>

Capital Projects			Permanent Fund	
Grants	Travis County Bee Caves Road District No. 1	Total	Permanent School Fund	Total Non-Major Governmental Funds
\$ 533,183	\$ 50,803	\$ 6,510,739	\$ 2,390,461	\$ 38,910,826
-	-	-	-	1,243,038
2,483	-	37,404	-	200,769
-	-	-	-	53,716
-	-	106,984	-	885,750
1,558,519	-	1,558,519	-	1,558,519
-	-	-	-	6,513
<u>\$ 2,094,185</u>	<u>\$ 50,803</u>	<u>\$ 8,213,646</u>	<u>\$ 2,390,461</u>	<u>\$ 42,859,131</u>
6,482	-	354,155	-	1,078,944
-	-	-	-	162,850
1,344,740	35,803	1,380,543	-	1,554,865
-	15,000	667,359	-	686,818
-	-	-	-	118,738
-	-	-	-	238
742,963	-	742,963	-	1,172,846
<u>2,094,185</u>	<u>50,803</u>	<u>3,145,020</u>	<u>-</u>	<u>4,775,299</u>
-	-	1,203,185	-	1,820,782
-	-	-	2,390,461	2,390,461
-	-	-	-	2,664
-	-	-	-	118,738
-	-	-	-	446,675
-	-	3,865,441	-	3,865,441
-	-	-	-	29,439,071
<u>-</u>	<u>-</u>	<u>5,068,626</u>	<u>2,390,461</u>	<u>38,083,832</u>
<u>\$ 2,094,185</u>	<u>\$ 50,803</u>	<u>\$ 8,213,646</u>	<u>\$ 2,390,461</u>	<u>\$ 42,859,131</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, 2007

Special Revenue

	<u>Law Library</u>	<u>CAPSO DAPSO</u>	<u>Law Enforcement</u>	<u>Dispute Resolution Center</u>	<u>Voter Registration</u>
Revenues:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	41,868	-	-	-
Charges for services	843,131	167,617	-	341,557	-
Fines and forfeits	-	-	160,960	-	-
Investment income	37,112	-	28,880	5,094	-
Miscellaneous	-	-	-	3,412	-
Total revenues	<u>880,243</u>	<u>209,485</u>	<u>189,840</u>	<u>350,063</u>	<u>-</u>
Expenditures:					
Current:					
General government	-	-	-	-	-
Justice system	925,893	178,765	68,011	372,163	-
Public safety	-	-	57,993	-	-
Corrections and rehabilitation	-	-	-	-	-
Infrastructure and environmental services	-	-	-	-	-
Community and economic development	-	-	-	-	-
Capital outlay	-	-	7,240	-	-
Debt service:					
Principal on general obligation debt	-	-	-	-	-
Interest and other charges	-	-	-	-	-
Total expenditures	<u>925,893</u>	<u>178,765</u>	<u>133,244</u>	<u>372,163</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(45,650)</u>	<u>30,720</u>	<u>56,596</u>	<u>(22,100)</u>	<u>-</u>
Other financing sources (uses):					
Transfers in	-	-	-	41,665	81,100
Transfers out	-	(51,520)	(18,953)	-	-
Total other financing sources (uses)	<u>-</u>	<u>(51,520)</u>	<u>(18,953)</u>	<u>41,665</u>	<u>81,100</u>
Net change in fund balances	(45,650)	(20,800)	37,643	19,565	81,100
Fund balances--beginning of year	<u>606,115</u>	<u>213,121</u>	<u>499,655</u>	<u>28,405</u>	<u>-</u>
Fund balances--end of year	<u>\$ 560,465</u>	<u>\$ 192,321</u>	<u>\$ 537,298</u>	<u>\$ 47,970</u>	<u>\$ 81,100</u>

Special Revenue

Juvenile Fee	County and District Clerk Records Management & Preservation	Records Management & Preservation	Courthouse Security	LCRA Parks CIP	Justice Court Building Security
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
19,960	1,311,840	305,321	561,310	172,026	46,982
-	-	-	-	-	-
16,449	51,698	11,587	19,034	132,267	2,594
-	-	-	-	-	-
<u>36,409</u>	<u>1,363,538</u>	<u>316,908</u>	<u>580,344</u>	<u>304,293</u>	<u>49,576</u>
-	983,982	310,763	-	-	654
-	205	-	-	-	-
-	-	-	1,883,316	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	162,793	-	-	400	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>1,146,980</u>	<u>310,763</u>	<u>1,883,316</u>	<u>400</u>	<u>654</u>
<u>36,409</u>	<u>216,558</u>	<u>6,145</u>	<u>(1,302,972)</u>	<u>303,893</u>	<u>48,922</u>
-	-	-	1,439,919	-	-
-	-	-	-	-	-
-	-	-	<u>1,439,919</u>	-	-
36,409	216,558	6,145	136,947	303,893	48,922
276,697	678,074	206,283	197,184	2,301,540	24,192
<u>\$ 313,106</u>	<u>\$ 894,632</u>	<u>\$ 212,428</u>	<u>\$ 334,131</u>	<u>\$ 2,605,433</u>	<u>\$ 73,114</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, 2007

	Special Revenue				
	Juvenile Justice Alternative Education Program	Jail Commissary	Court Reporter Service	CSCD Equipment Acquisition	Juvenile Deferred Prosecution
Revenues:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	344,014	-	-	-	-
Charges for services	-	1,658,300	350,155	-	8,955
Fines and forfeits	-	-	-	-	-
Investment income	100,837	37,458	10,517	6	2,167
Miscellaneous	-	-	-	-	-
Total revenues	<u>444,851</u>	<u>1,695,758</u>	<u>360,672</u>	<u>6</u>	<u>11,122</u>
Expenditures:					
Current:					
General government	-	-	-	-	-
Justice system	383,247	-	370,834	-	-
Public safety	-	-	-	-	-
Corrections and rehabilitation	-	1,618,374	-	-	-
Infrastructure and environmental services	-	-	-	-	-
Community and economic development	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal on general obligation debt	-	-	-	-	-
Interest and other charges	-	-	-	-	-
Total expenditures	<u>383,247</u>	<u>1,618,374</u>	<u>370,834</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>61,604</u>	<u>77,384</u>	<u>(10,162)</u>	<u>6</u>	<u>11,122</u>
Other financing sources (uses):					
Transfers in	174,712	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	<u>174,712</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	236,316	77,384	(10,162)	6	11,122
Fund balances--beginning of year	1,708,810	802,439	181,308	1,112	32,747
Fund balances--end of year	<u>\$ 1,945,126</u>	<u>\$ 879,823</u>	<u>\$ 171,146</u>	<u>\$ 1,118</u>	<u>\$ 43,869</u>

Special Revenue

Balcones Canyonlands Preservation	Abandoned Vehicles/ Livestock	LEOSE Elected Officials	LEOSE Commissioners' Court	Juvenile Delinquency Prevention	Unclaimed Property
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	88,042	1,030	-	-
2,342,275	-	-	-	-	-
-	-	-	-	-	-
789,207	2,525	2,724	-	5	-
85,933	35,612	-	-	-	-
<u>3,217,415</u>	<u>38,137</u>	<u>90,766</u>	<u>1,030</u>	<u>5</u>	<u>-</u>
-	-	-	-	-	-
-	-	1,451	-	-	-
-	18,603	107,392	-	-	-
-	-	-	-	-	-
185,041	-	-	-	-	-
-	-	-	-	-	-
2,017,251	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>2,202,292</u>	<u>18,603</u>	<u>108,843</u>	<u>-</u>	<u>-</u>	<u>-</u>
1,015,123	19,534	(18,077)	1,030	5	-
5,712,762	-	-	-	-	-
-	-	-	-	-	-
<u>5,712,762</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
6,727,885	19,534	(18,077)	1,030	5	-
11,330,308	48,830	59,392	273	94	-
<u>\$ 18,058,193</u>	<u>\$ 68,364</u>	<u>\$ 41,315</u>	<u>\$ 1,303</u>	<u>\$ 99</u>	<u>\$ -</u>

(continued)

TRAVIS COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES, continued
NON-MAJOR GOVERNMENTAL FUNDS
For The Year Ended September 30, 2007

	<u>Special Revenue</u>			
	<u>Professional Prosecutors</u>	<u>Mary Quinlan Park</u>	<u>Probate Judiciary Fee</u>	<u>Justice Court Technology</u>
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Charges for services	-	-	97,534	226,912
Fines and forfeits	-	-	-	-
Investment income	-	-	15,114	40,661
Miscellaneous	-	5,000	-	-
Total revenues	<u>-</u>	<u>5,000</u>	<u>112,648</u>	<u>267,573</u>
Expenditures:				
Current:				
General government	-	-	-	9,878
Justice system	59,587	-	134,554	109,998
Public safety	-	-	-	-
Corrections and rehabilitation	-	-	-	-
Infrastructure and environmental services	-	-	-	-
Community and economic development	-	2,340	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal on general obligation debt	-	-	-	-
Interest and other charges	-	-	-	-
Total expenditures	<u>59,587</u>	<u>2,340</u>	<u>134,554</u>	<u>119,876</u>
Excess (deficiency) of revenues over expenditures	<u>(59,587)</u>	<u>2,660</u>	<u>(21,906)</u>	<u>147,697</u>
Other financing sources (uses):				
Transfers in	59,588	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>59,588</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	1	2,660	(21,906)	147,697
Fund balances--beginning of year	<u>4</u>	<u>270,674</u>	<u>291,999</u>	<u>648,871</u>
Fund balances--end of year	<u>\$ 5</u>	<u>\$ 273,334</u>	<u>\$ 270,093</u>	<u>\$ 796,568</u>

Special Revenue

Travis County Housing Finance Corporation	Travis County Health Facilities Development Corporation	Capital Industrial Development Corporation	Truancy Court	County Clerk Archival
\$ -	\$ -	\$ -	\$ -	\$ -
172,100	-	-	-	-
259,362	270,415	-	133,657	1,201,345
-	-	-	-	-
18,367	21,419	195	1,084	25,626
1,440	-	-	-	-
<u>451,269</u>	<u>291,834</u>	<u>195</u>	<u>134,741</u>	<u>1,226,971</u>
349,515	15,135	380	-	1,065,875
-	-	-	191,739	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>349,515</u>	<u>15,135</u>	<u>380</u>	<u>191,739</u>	<u>1,065,875</u>
<u>101,754</u>	<u>276,699</u>	<u>(185)</u>	<u>(56,998)</u>	<u>161,096</u>
-	-	-	40,403	-
<u>(81,008)</u>	<u>(41,470)</u>	<u>(2,363)</u>	<u>-</u>	<u>(7,702)</u>
<u>(81,008)</u>	<u>(41,470)</u>	<u>(2,363)</u>	<u>40,403</u>	<u>(7,702)</u>
20,746	235,229	(2,548)	(16,595)	153,394
418,024	213,997	12,193	59,503	150,605
<u>\$ 438,770</u>	<u>\$ 449,226</u>	<u>\$ 9,645</u>	<u>\$ 42,908</u>	<u>\$ 303,999</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, 2007

	<u>Special Revenue</u>			
	<u>Family</u>	<u>Elections</u>	<u>Vital</u>	<u>Fire</u>
	<u>Protection</u>	<u>Contract</u>	<u>Statistic</u>	<u>Code</u>
	<u>Preservation</u>			
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Charges for services	17,924	122,180	5,243	183,860
Fines and forfeits	-	-	-	-
Investment income	4,589	41,847	905	6,937
Miscellaneous	-	-	-	-
Total revenues	<u>22,513</u>	<u>164,027</u>	<u>6,148</u>	<u>190,797</u>
Expenditures:				
Current:				
General government	-	96,020	-	-
Justice system	-	-	2,815	-
Public safety	-	790	-	149,349
Corrections and rehabilitation	-	-	-	-
Infrastructure and environmental services	-	-	-	-
Community and economic development	-	-	-	-
Capital outlay	-	25,898	-	-
Debt service:				
Principal on general obligation debt	-	-	-	-
Interest and other charges	-	-	-	-
Total expenditures	<u>-</u>	<u>122,708</u>	<u>2,815</u>	<u>149,349</u>
Excess (deficiency) of revenues over expenditures	<u>22,513</u>	<u>41,319</u>	<u>3,333</u>	<u>41,448</u>
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	22,513	41,319	3,333	41,448
Fund balances--beginning of year	12,224	282,615	13,957	73,165
Fund balances--end of year	<u>\$ 34,737</u>	<u>\$ 323,934</u>	<u>\$ 17,290</u>	<u>\$ 114,613</u>

Special Revenue

Child Abuse Prevention	Juvenile Case Manager	Drug Court Program	Probate Gaurdianship	Gardner House Handicraft	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	647,054
121	-	21,026	2,840	-	10,671,848
-	-	-	-	-	160,960
3	12,841	233	6	143	1,440,131
-	-	-	-	-	131,397
<u>124</u>	<u>12,841</u>	<u>21,259</u>	<u>2,846</u>	<u>143</u>	<u>13,051,390</u>
-	-	-	-	-	2,832,202
-	-	-	-	-	2,799,262
-	-	-	-	-	2,217,443
-	-	-	-	-	1,618,374
-	-	-	-	-	185,041
-	-	-	-	-	2,340
-	-	-	-	-	2,213,582
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	<u>11,868,244</u>
<u>124</u>	<u>12,841</u>	<u>21,259</u>	<u>2,846</u>	<u>143</u>	<u>1,183,146</u>
-	-	-	-	-	7,550,149
-	-	-	-	-	(203,016)
-	-	-	-	-	<u>7,347,133</u>
124	12,841	21,259	2,846	143	8,530,279
-	860	-	-	2,521	21,647,791
<u>\$ 124</u>	<u>\$ 13,701</u>	<u>\$ 21,259</u>	<u>\$ 2,846</u>	<u>\$ 2,664</u>	<u>\$ 30,178,070</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, 2007

	<u>Debt Service</u>	<u>Capital Projects</u>	
	<u>NW Travis County Road District No. 3</u>	<u>Joint Road Improvements</u>	<u>Subdivision Parkland</u>
Revenues:			
Taxes	\$ 607,937	\$ -	\$ -
Intergovernmental	-	-	-
Charges for services	-	3,342,870	206,213
Fines and forfeits	-	-	-
Investment income	40,116	-	-
Miscellaneous	-	1,950,874	-
Total revenues	<u>648,053</u>	<u>5,293,744</u>	<u>206,213</u>
Expenditures:			
Current:			
General government	2,902	-	-
Justice system	-	-	-
Public safety	-	-	-
Corrections and rehabilitation	-	-	-
Infrastructure and environmental services	-	575,712	-
Community and economic development	-	31,500	-
Capital outlay	-	1,695,735	-
Debt service:			
Principal on general obligation debt	465,000	-	-
Interest and other charges	157,631	-	-
Total expenditures	<u>625,533</u>	<u>2,302,947</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>22,520</u>	<u>2,990,797</u>	<u>206,213</u>
Other financing sources (uses):			
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	22,520	2,990,797	206,213
Fund balances--beginning of year	424,155	1,426,359	445,257
Fund balances--end of year	<u>\$ 446,675</u>	<u>\$ 4,417,156</u>	<u>\$ 651,470</u>

Capital Projects			Permanent Fund	
Grants	Travis County Bee Caves Road District No. 1	Total	Permanent School Fund	Total Non-Major Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ 607,937
12,053	-	12,053	-	659,107
-	-	3,549,083	-	14,220,931
-	-	-	-	160,960
-	-	-	-	1,480,247
-	-	1,950,874	65,533	2,147,804
<u>12,053</u>	<u>-</u>	<u>5,512,010</u>	<u>65,533</u>	<u>19,276,986</u>
-	-	-	-	2,835,104
-	-	-	-	2,799,262
-	-	-	-	2,217,443
-	-	-	-	1,618,374
-	-	575,712	-	760,753
-	-	31,500	-	33,840
12,053	-	1,707,788	-	3,921,370
-	-	-	-	465,000
-	-	-	-	157,631
<u>12,053</u>	<u>-</u>	<u>2,315,000</u>	<u>-</u>	<u>14,808,777</u>
-	-	3,197,010	65,533	4,468,209
-	-	-	-	7,550,149
-	-	-	-	(203,016)
-	-	-	-	7,347,133
-	-	3,197,010	65,533	11,815,342
-	-	1,871,616	2,324,928	26,268,490
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,068,626</u>	<u>\$ 2,390,461</u>	<u>\$ 38,083,832</u>

(concluded)



TRAVIS COUNTY, TEXAS
BUDGETARY COMPARISON
SCHEDULES

TRAVIS COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
GENERAL PURPOSE DEBT SERVICE FUND
For The Year Ended September 30, 2007

	<u>Budgeted Amounts Final</u>	<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
Revenues:			
Taxes	\$ 64,124,583	\$ 64,894,035	\$ 769,452
Investment income	1,184,529	1,556,801	372,272
Total revenues	<u>65,309,112</u>	<u>66,450,836</u>	<u>1,141,724</u>
Expenditures:			
Current:			
General government	6,000	6,000	-
Debt service:			
Refunding bond issuance cost	295,817	281,796	14,021
Principal on general obligation debt	38,667,204	38,667,204	-
Interest and other charges	25,637,374	25,309,368	328,006
Total expenditures	<u>64,606,395</u>	<u>64,264,368</u>	<u>342,027</u>
Excess (deficiency) of revenues over expenditures	<u>702,717</u>	<u>2,186,468</u>	<u>1,483,751</u>
Other financing sources (uses):			
Refunding debt issued	23,784,987	23,784,987	-
Refunding premium	1,431,593	1,431,592	(1)
Payment to refunding bond agent	(24,920,763)	(24,920,762)	1
Total other financing sources (uses)	<u>295,817</u>	<u>295,817</u>	<u>-</u>
Net change in fund balance	998,534	2,482,285	1,483,751
Fund balance--beginning of year	<u>8,371,246</u>	<u>8,371,246</u>	<u>-</u>
Fund balance--end of year	<u>\$ 9,369,780</u>	<u>\$ 10,853,531</u>	<u>\$ 1,483,751</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, 2007

	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
<u>Law Library</u>			
Revenues:			
Charges for services	\$ 854,000	\$ 843,131	\$ (10,869)
Investment income	28,000	37,112	9,112
Total revenues	882,000	880,243	(1,757)
Expenditures:			
Current:			
Justice system	960,817	925,893	34,924
Total expenditures	960,817	925,893	34,924
Excess (deficiency) of revenues over expenditures	(78,817)	(45,650)	33,167
Net change in fund balance	(78,817)	(45,650)	33,167
Fund balance--beginning of year	606,115	606,115	-
Fund balance--end of year	\$ 527,298	\$ 560,465	\$ 33,167
<u>Dispute Resolution Center</u>			
Revenues:			
Charges for services	\$ 300,145	\$ 341,557	\$ 41,412
Investment income	2,225	5,094	2,869
Miscellaneous	2,100	3,412	1,312
Total revenues	304,470	350,063	45,593
Expenditures:			
Current:			
Justice system	372,163	372,163	-
Total expenditures	372,163	372,163	-
Excess (deficiency) of revenues over expenditures	(67,693)	(22,100)	45,593
Other financing sources (uses):			
Transfers in	41,665	41,665	-
Total other financing sources (uses)	41,665	41,665	-
Net change in fund balance	(26,028)	19,565	45,593
Fund balance--beginning of year	28,405	28,405	-
Fund balance--end of year	\$ 2,377	\$ 47,970	\$ 45,593

	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
<u>Voter Registration</u>			
Revenues:			
Intergovernmental	\$ 81,100	\$ -	\$ (81,100)
Total revenues	81,100	-	(81,100)
Expenditures:			
Current:			
General government	81,100	-	81,100
Total expenditures	81,100	-	81,100
Excess (deficiency) of revenues over expenditures	-	-	-
Other financing sources (uses):			
Transfers in	-	81,100	81,100
Total other financing sources (uses)	-	81,100	81,100
Net change in fund balance	-	81,100	- 81,100
Fund balance--beginning of year	-	-	-
Fund balance--end of year	<u>\$ -</u>	<u>\$ 81,100</u>	<u>\$ 81,100</u>

Juvenile Fee

Revenues:			
Charges for services	\$ 21,000	\$ 19,960	\$ (1,040)
Investment income	10,000	16,449	6,449
Total revenues	31,000	36,409	5,409
Expenditures:			
Current:			
Justice system	307,697	-	307,697
Total expenditures	307,697	-	307,697
Excess (deficiency) of revenues over expenditures	(276,697)	36,409	313,106
Net change in fund balance	(276,697)	36,409	- 313,106
Fund balance--beginning of year	276,697	276,697	-
Fund balance--end of year	<u>\$ -</u>	<u>\$ 313,106</u>	<u>\$ 313,106</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, 2007

	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
County and District Clerk			
<u>Records Management & Preservation</u>			
Revenues:			
Charges for services	\$ 1,344,600	\$ 1,311,840	\$ (32,760)
Investment income	16,000	51,698	35,698
Total revenues	<u>1,360,600</u>	<u>1,363,538</u>	<u>2,938</u>
Expenditures:			
Current:			
General government	1,212,951	983,982	228,969
Justice system	83,881	205	83,676
Capital outlay	187,613	162,793	24,820
Total expenditures	<u>1,484,445</u>	<u>1,146,980</u>	<u>337,465</u>
Excess (deficiency) of revenues over expenditures	<u>(123,845)</u>	<u>216,558</u>	<u>340,403</u>
Net change in fund balance	(123,845)	216,558	340,403
Fund balance--beginning of year	<u>678,074</u>	<u>678,074</u>	<u>-</u>
Fund balance--end of year	<u>\$ 554,229</u>	<u>\$ 894,632</u>	<u>\$ 340,403</u>
<u>Records Management & Preservation</u>			
Revenues:			
Charges for services	\$ 311,000	\$ 305,321	\$ (5,679)
Investment income	7,000	11,587	4,587
Total revenues	<u>318,000</u>	<u>316,908</u>	<u>(1,092)</u>
Expenditures:			
Current:			
General government	<u>369,499</u>	<u>310,763</u>	<u>58,736</u>
Total expenditures	<u>369,499</u>	<u>310,763</u>	<u>58,736</u>
Excess (deficiency) of revenues over expenditures	<u>(51,499)</u>	<u>6,145</u>	<u>57,644</u>
Net change in fund balance	(51,499)	6,145	57,644
Fund balance--beginning of year	<u>206,283</u>	<u>206,283</u>	<u>-</u>
Fund balance--end of year	<u>\$ 154,784</u>	<u>\$ 212,428</u>	<u>\$ 57,644</u>

	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
<u>Courthouse Security</u>			
Revenues:			
Charges for services	\$ 548,391	\$ 561,310	\$ 12,919
Investment income	6,000	19,034	13,034
Total revenues	<u>554,391</u>	<u>580,344</u>	<u>25,953</u>
Expenditures:			
Current:			
Public safety	<u>2,085,057</u>	<u>1,883,316</u>	<u>201,741</u>
Total expenditures	<u>2,085,057</u>	<u>1,883,316</u>	<u>201,741</u>
Excess (deficiency) of revenues over expenditures	<u>(1,530,666)</u>	<u>(1,302,972)</u>	<u>227,694</u>
Other financing sources (uses):			
Transfers in	<u>1,439,919</u>	<u>1,439,919</u>	<u>-</u>
Total other financing sources (uses)	<u>1,439,919</u>	<u>1,439,919</u>	<u>-</u>
Net change in fund balance	(90,747)	136,947	227,694
Fund balance--beginning of year	<u>197,184</u>	<u>197,184</u>	<u>-</u>
Fund balance--end of year	<u>\$ 106,437</u>	<u>\$ 334,131</u>	<u>\$ 227,694</u>
<u>LCRA Parks CIP</u>			
Revenues:			
Charges for services	\$ 240,971	\$ 172,026	\$ (68,945)
Investment income	65,000	132,267	67,267
Total revenues	<u>305,971</u>	<u>304,293</u>	<u>(1,678)</u>
Expenditures:			
Capital outlay	<u>267,643</u>	<u>400</u>	<u>267,243</u>
Total expenditures	<u>267,643</u>	<u>400</u>	<u>267,243</u>
Excess (deficiency) of revenues over expenditures	<u>38,328</u>	<u>303,893</u>	<u>265,565</u>
Net change in fund balance	38,328	303,893	265,565
Fund balance--beginning of year	<u>2,301,540</u>	<u>2,301,540</u>	<u>-</u>
Fund balance--end of year	<u>\$ 2,339,868</u>	<u>\$ 2,605,433</u>	<u>\$ 265,565</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, 2007

	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
<u>Justice Court Building Security</u>			
Revenues:			
Charges for services	\$ 36,068	\$ 46,982	\$ 10,914
Investment income	25	2,594	2,569
Total revenues	<u>36,093</u>	<u>49,576</u>	<u>13,483</u>
Expenditures:			
Current:			
General government	1,179	654	525
Total expenditures	<u>1,179</u>	<u>654</u>	<u>525</u>
Excess (deficiency) of revenues over expenditures	<u>34,914</u>	<u>48,922</u>	<u>14,008</u>
Net change in fund balance	34,914	48,922	14,008
Fund balance--beginning of year	<u>24,192</u>	<u>24,192</u>	<u>-</u>
Fund balance--end of year	<u>\$ 59,106</u>	<u>\$ 73,114</u>	<u>\$ 14,008</u>
<u>Juvenile Justice Alternative Education Program</u>			
Revenues:			
Intergovernmental	\$ 50,000	\$ 344,014	\$ 294,014
Investment income	50,000	100,837	50,837
Total revenues	<u>100,000</u>	<u>444,851</u>	<u>344,851</u>
Expenditures:			
Current:			
Justice system	1,821,299	383,247	1,438,052
Total expenditures	<u>1,821,299</u>	<u>383,247</u>	<u>1,438,052</u>
Excess (deficiency) of revenues over expenditures	<u>(1,721,299)</u>	<u>61,604</u>	<u>1,782,903</u>
Other financing sources (uses):			
Transfers in	174,712	174,712	-
Total other financing sources (uses)	<u>174,712</u>	<u>174,712</u>	<u>-</u>
Net change in fund balance	(1,546,587)	236,316	1,782,903
Fund balance--beginning of year	<u>1,708,810</u>	<u>1,708,810</u>	<u>-</u>
Fund balance--end of year	<u>\$ 162,223</u>	<u>\$ 1,945,126</u>	<u>\$ 1,782,903</u>

	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
<u>Court Reporter Service</u>			
Revenues:			
Charges for services	\$ 358,000	\$ 350,155	\$ (7,845)
Investment income	7,000	10,517	3,517
Total revenues	<u>365,000</u>	<u>360,672</u>	<u>(4,328)</u>
Expenditures:			
Current:			
Justice system	<u>381,654</u>	<u>370,834</u>	<u>10,820</u>
Total expenditures	<u>381,654</u>	<u>370,834</u>	<u>10,820</u>
Excess (deficiency) of revenues over expenditures	<u>(16,654)</u>	<u>(10,162)</u>	<u>6,492</u>
Net change in fund balance	(16,654)	(10,162)	6,492
Fund balance--beginning of year	<u>181,308</u>	<u>181,308</u>	<u>-</u>
Fund balance--end of year	<u>\$ 164,654</u>	<u>\$ 171,146</u>	<u>\$ 6,492</u>
<u>Juvenile Deferred Prosecution</u>			
Revenues:			
Charges for services	\$ 8,000	\$ 8,955	\$ 955
Investment income	<u>1,000</u>	<u>2,167</u>	<u>1,167</u>
Total revenues	<u>9,000</u>	<u>11,122</u>	<u>2,122</u>
Expenditures:			
Current:			
Justice system	<u>41,703</u>	<u>-</u>	<u>41,703</u>
Total expenditures	<u>41,703</u>	<u>-</u>	<u>41,703</u>
Excess (deficiency) of revenues over expenditures	<u>(32,703)</u>	<u>11,122</u>	<u>43,825</u>
Net change in fund balance	(32,703)	11,122	43,825
Fund balance--beginning of year	<u>32,747</u>	<u>32,747</u>	<u>-</u>
Fund balance--end of year	<u>\$ 44</u>	<u>\$ 43,869</u>	<u>\$ 43,825</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, 2007

	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
<u>Balcones Canyonlands Preservation</u>			
Revenues:			
Charges for services	\$ 1,676,155	\$ 2,342,275	\$ 666,120
Investment income	100,000	789,207	689,207
Miscellaneous	74,140	85,933	11,793
Total revenues	<u>1,850,295</u>	<u>3,217,415</u>	<u>1,367,120</u>
Expenditures:			
Current:			
Infrastructure and environmental services	401,166	185,041	216,125
Capital outlay	14,900,529	2,017,251	12,883,278
Total expenditures	<u>15,301,695</u>	<u>2,202,292</u>	<u>13,099,403</u>
Excess (deficiency) of revenues over expenditures	<u>(13,451,400)</u>	<u>1,015,123</u>	<u>14,466,523</u>
Other financing sources (uses):			
Transfers in	5,712,762	5,712,762	-
Total other financing sources (uses)	<u>5,712,762</u>	<u>5,712,762</u>	<u>-</u>
Net change in fund balance	(7,738,638)	6,727,885	14,466,523
Fund balance--beginning of year	<u>11,330,308</u>	<u>11,330,308</u>	<u>-</u>
Fund balance--end of year	<u>\$ 3,591,670</u>	<u>\$ 18,058,193</u>	<u>\$ 14,466,523</u>
<u>LEOSE Commissioners' Court</u>			
Revenues:			
Intergovernmental	\$ 900	\$ 1,030	\$ 130
Total revenues	<u>900</u>	<u>1,030</u>	<u>130</u>
Expenditures:			
Current:			
Public safety	1,172	-	1,172
Total expenditures	<u>1,172</u>	<u>-</u>	<u>1,172</u>
Excess (deficiency) of revenues over expenditures	<u>(272)</u>	<u>1,030</u>	<u>1,302</u>
Net change in fund balance	(272)	1,030	1,302
Fund balance--beginning of year	<u>273</u>	<u>273</u>	<u>-</u>
Fund balance--end of year	<u>\$ 1</u>	<u>\$ 1,303</u>	<u>\$ 1,302</u>

	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
<u>Professional Prosecutors</u>			
Revenues:			
Total revenues	\$ -	\$ -	\$ -
Expenditures:			
Current:			
Justice system	59,591	59,587	4
Total expenditures	59,591	59,587	4
Excess (deficiency) of revenues over expenditures	(59,591)	(59,587)	4
Other financing sources (uses):			
Transfers in	59,588	59,588	-
Total other financing sources (uses)	59,588	59,588	-
Net change in fund balance	(3)	1	4
Fund balance--beginning of year	4	4	-
Fund balance--end of year	\$ 1	\$ 5	\$ 4
<u>Mary Quinlan Park</u>			
Revenues:			
Miscellaneous	\$ 5,000	\$ 5,000	\$ -
Total revenues	5,000	5,000	-
Expenditures:			
Current:			
Community and economic development	5,126	2,340	2,786
Total expenditures	5,126	2,340	2,786
Excess (deficiency) of revenues over expenditures	(126)	2,660	2,786
Net change in fund balance	(126)	2,660	2,786
Fund balance--beginning of year	270,674	270,674	-
Fund balance--end of year	\$ 270,548	\$ 273,334	\$ 2,786

(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, 2007

	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
<u>Probate Judiciary Fee</u>			
Revenues:			
Charges for services	\$ 65,000	\$ 97,534	\$ 32,534
Investment income	9,000	15,114	6,114
Total revenues	<u>74,000</u>	<u>112,648</u>	<u>38,648</u>
Expenditures:			
Current:			
Justice system	143,029	134,554	8,475
Total expenditures	<u>143,029</u>	<u>134,554</u>	<u>8,475</u>
Excess (deficiency) of revenues over expenditures	<u>(69,029)</u>	<u>(21,906)</u>	<u>47,123</u>
Net change in fund balance	(69,029)	(21,906)	47,123
Fund balance--beginning of year	<u>291,999</u>	<u>291,999</u>	<u>-</u>
Fund balance--end of year	<u>\$ 222,970</u>	<u>\$ 270,093</u>	<u>\$ 47,123</u>
<u>Justice Court Technology</u>			
Revenues:			
Charges for services	\$ 193,380	\$ 226,912	\$ 33,532
Investment income	8,000	40,661	32,661
Total revenues	<u>201,380</u>	<u>267,573</u>	<u>66,193</u>
Expenditures:			
Current:			
General government	87,435	9,878	77,557
Justice system	202,819	109,998	92,821
Total expenditures	<u>290,254</u>	<u>119,876</u>	<u>170,378</u>
Excess (deficiency) of revenues over expenditures	<u>(88,874)</u>	<u>147,697</u>	<u>236,571</u>
Net change in fund balance	(88,874)	147,697	236,571
Fund balance--beginning of year	<u>648,871</u>	<u>648,871</u>	<u>-</u>
Fund balance--end of year	<u>\$ 559,997</u>	<u>\$ 796,568</u>	<u>\$ 236,571</u>

	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
<u>Truancy Court</u>			
Revenues:			
Charges for services	\$ 132,431	\$ 133,657	\$ 1,226
Investment income	2,500	1,084	(1,416)
Total revenues	<u>134,931</u>	<u>134,741</u>	<u>(190)</u>
Expenditures:			
Current:			
Justice system	232,232	191,739	40,493
Total expenditures	<u>232,232</u>	<u>191,739</u>	<u>40,493</u>
Excess (deficiency) of revenues over expenditures	<u>(97,301)</u>	<u>(56,998)</u>	<u>40,303</u>
Other financing sources (uses):			
Transfers in	40,403	40,403	-
Total other financing sources (uses)	<u>40,403</u>	<u>40,403</u>	<u>-</u>
Net change in fund balance	(56,898)	(16,595)	40,303
Fund balance--beginning of year	59,503	59,503	-
Fund balance--end of year	<u>\$ 2,605</u>	<u>\$ 42,908</u>	<u>\$ 40,303</u>
<u>County Clerk Archival</u>			
Revenues:			
Charges for services	\$ 1,180,000	\$ 1,201,345	\$ 21,345
Investment income	30,000	25,626	(4,374)
Total revenues	<u>1,210,000</u>	<u>1,226,971</u>	<u>16,971</u>
Expenditures:			
Current:			
General government	1,201,348	1,065,875	135,473
Capital outlay	10,333	-	10,333
Total expenditures	<u>1,211,681</u>	<u>1,065,875</u>	<u>145,806</u>
Excess (deficiency) of revenues over expenditures	<u>(1,681)</u>	<u>161,096</u>	<u>162,777</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	(9,383)	153,394	162,777
Fund balance--beginning of year	150,605	150,605	-
Fund balance--end of year	<u>\$ 141,222</u>	<u>\$ 303,999</u>	<u>\$ 162,777</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, 2007

	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
<u>Elections Contract</u>			
Revenues:			
Charges for services	\$ 1,400,533	\$ 122,180	\$ (1,278,353)
Investment income	12,000	41,847	29,847
Total revenues	<u>1,412,533</u>	<u>164,027</u>	<u>(1,248,506)</u>
Expenditures:			
Current:			
General government	1,394,382	96,020	1,298,362
Public safety	7,002	790	6,212
Capital outlay	25,898	25,898	-
Total expenditures	<u>1,427,282</u>	<u>122,708</u>	<u>1,304,574</u>
Excess (deficiency) of revenues over expenditures	<u>(14,749)</u>	<u>41,319</u>	<u>56,068</u>
Net change in fund balance	(14,749)	41,319	56,068
Fund balance--beginning of year	<u>282,615</u>	<u>282,615</u>	<u>-</u>
Fund balance--end of year	<u>\$ 267,866</u>	<u>\$ 323,934</u>	<u>\$ 56,068</u>
<u>Vital Statistics Preservation</u>			
Revenues:			
Charges for services	\$ 6,122	\$ 5,243	\$ (879)
Investment income	300	905	605
Total revenues	<u>6,422</u>	<u>6,148</u>	<u>(274)</u>
Expenditures:			
Current:			
Justice system	3,000	2,815	185
Total expenditures	<u>3,000</u>	<u>2,815</u>	<u>185</u>
Excess (deficiency) of revenues over expenditures	<u>3,422</u>	<u>3,333</u>	<u>(89)</u>
Net change in fund balance	3,422	3,333	(89)
Fund balance--beginning of year	<u>13,957</u>	<u>13,957</u>	<u>-</u>
Fund balance--end of year	<u>\$ 17,379</u>	<u>\$ 17,290</u>	<u>\$ (89)</u>

<u>Fire Code</u>	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for services	\$ 125,015	\$ 183,860	\$ 58,845
Investment income	3,000	6,937	3,937
Total revenues	<u>128,015</u>	<u>190,797</u>	<u>62,782</u>
Expenditures:			
Current:			
Public safety	159,587	149,349	10,238
Total expenditures	<u>159,587</u>	<u>149,349</u>	<u>10,238</u>
Excess (deficiency) of revenues over expenditures	<u>(31,572)</u>	<u>41,448</u>	<u>73,020</u>
Net change in fund balance	(31,572)	41,448	73,020
Fund balance--beginning of year	<u>73,165</u>	<u>73,165</u>	<u>-</u>
Fund balance--end of year	<u>\$ 41,593</u>	<u>\$ 114,613</u>	<u>\$ 73,020</u>

(concluded)

TRAVIS COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
NON-MAJOR CAPITAL PROJECTS FUNDS
For The Year Ended September 30, 2007

	Budgeted Amounts Final	Actual Amounts	Variance With Final Budget Positive (Negative)
<u>Joint Road Improvements</u>			
Revenues:			
Charges for services	\$ 7,337,031	\$ 3,342,870	\$ (3,994,161)
Miscellaneous	9,836,660	1,950,874	(7,885,786)
Total revenues	<u>17,173,691</u>	<u>5,293,744</u>	<u>(11,879,947)</u>
Expenditures:			
Current:			
Infrastructure and environmental services	8,025,448	575,712	7,449,736
Community and economic development	47,250	31,500	15,750
Capital outlay	10,527,352	1,695,735	8,831,617
Total expenditures	<u>18,600,050</u>	<u>2,302,947</u>	<u>16,297,103</u>
Excess (deficiency) of revenues over expenditures	<u>(1,426,359)</u>	<u>2,990,797</u>	<u>4,417,156</u>
Net change in fund balance	(1,426,359)	2,990,797	4,417,156
Fund balance--beginning of year	<u>1,426,359</u>	<u>1,426,359</u>	<u>-</u>
Fund balance--end of year	<u>\$ -</u>	<u>\$ 4,417,156</u>	<u>\$ 4,417,156</u>
<u>Subdivision Parkland</u>			
Revenues:			
Charges for services	\$ 246,450	\$ 206,213	\$ (40,237)
Total revenues	<u>246,450</u>	<u>206,213</u>	<u>(40,237)</u>
Expenditures:			
Current:			
Community and economic development	73,399	-	73,399
Capital outlay	578,089	-	578,089
Total expenditures	<u>651,488</u>	<u>-</u>	<u>651,488</u>
Excess (deficiency) of revenues over expenditures	<u>(405,038)</u>	<u>206,213</u>	<u>611,251</u>
Net change in fund balance	(405,038)	206,213	611,251
Fund balance--beginning of year	<u>445,257</u>	<u>445,257</u>	<u>-</u>
Fund balance--end of year	<u>\$ 40,219</u>	<u>\$ 651,470</u>	<u>\$ 611,251</u>

TRAVIS COUNTY, TEXAS
PROPRIETARY FUND

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

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

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

TRAVIS COUNTY, TEXAS
COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS
September 30, 2007

	<u>Self-Insurance</u>	<u>Employee Health Benefit</u>	<u>Total</u>
Assets			
Current assets:			
Pooled cash	\$ 22,290,819	\$ 34,512,293	\$ 56,803,112
Interest receivable	149,113	226,650	375,763
Other receivables	154,582	66,578	221,160
Prepaid items	118,472	4,361	122,833
Other assets	300,000	1,373,675	1,673,675
Total current assets	<u>23,012,986</u>	<u>36,183,557</u>	<u>59,196,543</u>
Noncurrent assets:			
Capital assets	50,000	29,175	79,175
Less accumulated depreciation	(47,716)	(6,263)	(53,979)
Total noncurrent assets	<u>2,284</u>	<u>22,912</u>	<u>25,196</u>
Total assets	<u>23,015,270</u>	<u>36,206,469</u>	<u>59,221,739</u>
Liabilities			
Current liabilities:			
Accounts payable	184,043	8,665	192,708
Deferred revenue	-	422,309	422,309
Due to other funds	9,267	-	9,267
Accrued and other liabilities	73,688	33,498	107,186
Claims and judgements	3,174,497	4,911,354	8,085,851
Compensated absences	26,810	20,968	47,778
Total current liabilities	<u>3,468,305</u>	<u>5,396,794</u>	<u>8,865,099</u>
Noncurrent liabilities:			
Claims and judgements	4,079,473	-	4,079,473
Compensated absences	36,188	18,357	54,545
Total noncurrent liabilities	<u>4,115,661</u>	<u>18,357</u>	<u>4,134,018</u>
Total liabilities	<u>7,583,966</u>	<u>5,415,151</u>	<u>12,999,117</u>
Net Assets			
Invested in capital assets	2,284	22,912	25,196
Unrestricted	15,429,020	30,768,406	46,197,426
Total net assets	<u>\$ 15,431,304</u>	<u>\$ 30,791,318</u>	<u>\$ 46,222,622</u>

TRAVIS COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET ASSETS
INTERNAL SERVICE FUNDS
For The Year Ended September 30, 2007

	<u>Self-Insurance</u>	<u>Employee Health Benefit</u>	<u>Total</u>
Operating revenues:			
Insurance premiums-county	\$ 4,029,060	\$ 29,329,944	\$ 33,359,004
Insurance premiums-employee	-	6,253,153	6,253,153
Miscellaneous	-	714,038	714,038
Total operating revenues	<u>4,029,060</u>	<u>36,297,135</u>	<u>40,326,195</u>
Operating expenses:			
Incurred losses	476,963	28,174,308	28,651,271
Unemployment claims	169,556	-	169,556
Premiums	1,043,600	1,773,561	2,817,161
Professional services	5,500	97,604	103,104
Depreciation expense	8,546	4,462	13,008
Administration	634,974	1,092,675	1,727,649
Total operating expenses	<u>2,339,139</u>	<u>31,142,610</u>	<u>33,481,749</u>
Operating income	<u>1,689,921</u>	<u>5,154,525</u>	<u>6,844,446</u>
Nonoperating revenues:			
Investment income	1,195,831	1,849,654	3,045,485
Total nonoperating revenue	<u>1,195,831</u>	<u>1,849,654</u>	<u>3,045,485</u>
Change in net assets	2,885,752	7,004,179	9,889,931
Net assets--beginning of year	12,545,552	23,787,139	36,332,691
Net assets--end of year	<u>\$ 15,431,304</u>	<u>\$ 30,791,318</u>	<u>\$ 46,222,622</u>

TRAVIS COUNTY, TEXAS
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For The Year Ended September 30, 2007

	<u>Self-Insurance</u>	<u>Employee Health Benefit</u>	<u>Total</u>
Cash flows from operating activities			
Cash received from premium revenues	\$ 4,029,060	\$ 35,551,891	\$ 39,580,951
Cash received from subrogation	123,639	-	123,639
Cash received from insurance proceeds and rebates	-	714,038	714,038
Other receipts	21,000	-	21,000
Cash paid for self-insured claims and loss adjustment expenses	(2,321,118)	(27,656,601)	(29,977,719)
Cash paid for other operating expenses	(1,325,266)	(2,107,084)	(3,432,350)
Cash paid for payroll	(568,691)	(838,078)	(1,406,769)
Net cash provided by operating activities	<u>(41,376)</u>	<u>5,664,166</u>	<u>5,622,790</u>
Cash flows from capital and related financing activities			
Purchase of capital assets	-	(11,340)	(11,340)
Net cash used by capital and related financing activities	<u>-</u>	<u>(11,340)</u>	<u>(11,340)</u>
Cash flows from investing activities			
Interest received	1,056,448	1,615,367	2,671,815
Increase in fair value of investments in pooled cash	127,611	175,176	302,787
Net cash provided by investing activities	<u>1,184,059</u>	<u>1,790,543</u>	<u>2,974,602</u>
Net increase in pooled cash balance	1,142,683	7,443,369	8,586,052
Pooled cash balance--beginning of the year	<u>21,148,136</u>	<u>27,068,924</u>	<u>48,217,060</u>
Pooled cash balance--end of the year	<u>\$ 22,290,819</u>	<u>\$ 34,512,293</u>	<u>\$ 56,803,112</u>
Reconciliation of operating income to net cash provided by operating activities			
Operating income	<u>\$ 1,689,921</u>	<u>\$ 5,154,525</u>	<u>\$ 6,844,446</u>
Adjustments to reconcile operating income to net cash provided (used) by operating activities			
Depreciation expense	8,546	4,462	13,008
(Increase) decrease in other receivables	(7,903)	(27,112)	(35,015)
(Increase) decrease in prepaid items	6,299	(552)	5,747
(Increase) decrease in other assets	21,000	-	21,000
Increase (decrease) in claims and judgements	(1,775,948)	517,708	(1,258,240)
Increase (decrease) in other liabilities	16,709	15,135	31,844
Net cash provided by (used for) operating activities	<u>\$ (41,376)</u>	<u>\$ 5,664,166</u>	<u>\$ 5,622,790</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. Fees are also transferred to LCRA – Parks CIP Fund.

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

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

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

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

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

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

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

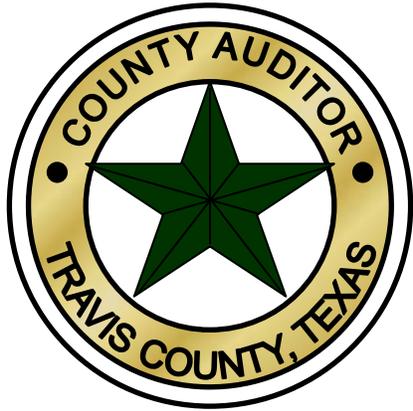
Inmate Trust Fund - Funds belonging to jail inmates are accounted for in this fund until such time as they are expended on behalf of or returned to the inmates upon discharge.

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

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

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TRAVIS COUNTY, TEXAS
COMBINING STATEMENT OF ASSETS AND LIABILITIES
AGENCY FUNDS
September 30, 2007

	<u>County Officials' Escrow</u>	<u>Cash Bond</u>	<u>Surety Bail Bond</u>
Assets			
Cash and pooled cash	\$ 246,163	\$ 1,408,670	\$ 13,188
Certificates of deposit	-	-	63,006
Investments	-	-	-
Interest receivable	-	-	-
Accounts receivable, net	-	8,000	-
Total assets	<u>246,163</u>	<u>1,416,670</u>	<u>76,194</u>
Liabilities			
Due to third parties	7,365	10,070	-
Civil and probate deposits	-	-	-
Cash and surety bond deposits combined	238,798	1,406,600	76,194
Due to other governmental entities	-	-	-
Total liabilities	<u>246,163</u>	<u>1,416,670</u>	<u>76,194</u>
Net assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

State Revenue	LCRA Escrow	Officials' Fee Account	District and County Clerk Invested Trust Fund	Road District Indemnification Fees
\$ 1,619,553	\$ 9,103	\$ 16,796,712	\$ 11,948,306	\$ 143,835
-	-	-	14,380,356	-
-	-	15,866,339	8,732,904	-
-	1,575	-	329,408	978
1,482,744	-	781,516	-	-
<u>3,102,297</u>	<u>10,678</u>	<u>33,444,567</u>	<u>35,390,974</u>	<u>144,813</u>
-	10,678	18,325,856	35,390,974	\$ 144,813
-	-	604,690	-	-
-	-	7,007,750	-	-
3,102,297	-	7,506,271	-	-
<u>3,102,297</u>	<u>10,678</u>	<u>33,444,567</u>	<u>35,390,974</u>	<u>144,813</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(continued)

TRAVIS COUNTY, TEXAS
COMBINING STATEMENT OF ASSETS AND LIABILITIES, continued
AGENCY FUNDS
September 30, 2007

	<u>TNR Escrow</u>	<u>District and County Attorney Forfeited Property</u>	<u>Travis County Refunded Bonds</u>
Assets			
Cash and pooled cash	\$ 3,528,942	\$ 1,518,434	\$ 5,316
Certificates of deposit	-	-	-
Investments	-	-	-
Interest receivable	24,983	-	-
Accounts receivable, net	-	-	-
Total assets	<u>3,553,925</u>	<u>1,518,434</u>	<u>5,316</u>
Liabilities			
Due to third parties	3,553,925	1,510,925	5,316
Civil and probate deposits	-	-	-
Cash and surety bond deposits combined	-	-	-
Due to other governmental entities	-	7,509	-
Total liabilities	<u>3,553,925</u>	<u>1,518,434</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
\$ 955,361	\$ 119,227	\$ 1,075	\$ 282,829	\$ 38,596,714
-	-	-	-	14,443,362
-	-	-	-	24,599,243
-	-	-	18,494	375,438
-	-	-	-	2,272,260
<u>955,361</u>	<u>119,227</u>	<u>1,075</u>	<u>301,323</u>	<u>80,287,017</u>
955,361	119,217	-	-	60,034,500
-	-	-	-	604,690
-	-	-	-	8,729,342
-	10	1,075	301,323	10,918,485
<u>955,361</u>	<u>119,227</u>	<u>1,075</u>	<u>301,323</u>	<u>80,287,017</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
For the Year Ended September 30, 2007

	Balance October 1, 2006	Additions	Deletions	Balance September 30, 2007
<u>County Officials' Escrow</u>				
Assets:				
Cash and pooled cash	\$ 246,163	\$ -	\$ -	\$ 246,163
Total assets	<u>246,163</u>	<u>-</u>	<u>-</u>	<u>246,163</u>
Liabilities:				
Due to third parties	7,365	-	-	7,365
Cash and surety bond deposits combined	238,798	-	-	238,798
Total liabilities	<u>\$ 246,163</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 246,163</u>
<u>Cash Bond</u>				
Assets:				
Cash and pooled cash	\$ 5,810,474	\$ 699,122	\$ 5,100,926	\$ 1,408,670
Accounts receivable, net	8,000	-	-	8,000
Total assets	<u>5,818,474</u>	<u>699,122</u>	<u>5,100,926</u>	<u>1,416,670</u>
Liabilities:				
Due to third parties	10,070	-	-	10,070
Cash and surety bond deposits combined	5,808,404	1,259,751	5,661,555	1,406,600
Total liabilities	<u>\$ 5,818,474</u>	<u>\$ 1,259,751</u>	<u>\$ 5,661,555</u>	<u>\$ 1,416,670</u>
<u>Surety Bail Bond</u>				
Assets:				
Cash and pooled cash	\$ 13,188	\$ 100,773	\$ 100,773	\$ 13,188
Certificates of deposit	62,428	50,578	50,000	63,006
Total assets	<u>75,616</u>	<u>151,351</u>	<u>150,773</u>	<u>76,194</u>
Liabilities:				
Cash and surety bond deposits combined	75,616	101,351	100,773	76,194
Total liabilities	<u>\$ 75,616</u>	<u>\$ 101,351</u>	<u>\$ 100,773</u>	<u>\$ 76,194</u>
<u>State Revenue</u>				
Assets:				
Cash and pooled cash	\$ 1,637,252	\$ 7,936,505	\$ 7,954,204	\$ 1,619,553
Accounts receivable, net	539,052	19,735,672	18,791,980	1,482,744
Total assets	<u>2,176,304</u>	<u>27,672,177</u>	<u>26,746,184</u>	<u>3,102,297</u>
Liabilities:				
Due to other governmental entities	2,176,304	22,614,618	21,688,625	3,102,297
Total liabilities	<u>\$ 2,176,304</u>	<u>\$ 22,614,618</u>	<u>\$ 21,688,625</u>	<u>\$ 3,102,297</u>

	Balance October 1, 2006	Additions	Deletions	Balance September 30, 2007
<u>LCRA Escrow</u>				
Assets:				
Cash and pooled cash	\$ 12,405	\$ 1,689,158	\$ 1,692,460	\$ 9,103
Interest receivable	2,808	1,575	2,808	1,575
Total assets	<u>15,213</u>	<u>1,690,733</u>	<u>1,695,268</u>	<u>10,678</u>
Liabilities:				
Due to third parties	15,213	1,716,584	1,721,119	10,678
Total liabilities	<u>\$ 15,213</u>	<u>\$ 1,716,584</u>	<u>\$ 1,721,119</u>	<u>\$ 10,678</u>
<u>Officials' Fee Account</u>				
Assets:				
Cash and pooled cash	\$ 12,611,114	\$ 3,200,078,686	\$ 3,195,893,088	\$ 16,796,712
Investments	15,206,924	737,714,047	737,054,632	15,866,339
Accounts receivable, net	1,060,059	10,138,474	10,417,017	781,516
Total assets	<u>28,878,097</u>	<u>3,947,931,207</u>	<u>3,943,364,737</u>	<u>33,444,567</u>
Liabilities:				
Due to third parties	17,710,476	1,393,171,191	1,392,555,811	18,325,856
Civil and probate deposits	472,358	351,278	218,946	604,690
Cash and surety bond deposits combined	4,386,789	9,441,933	6,820,972	7,007,750
Due to other governmental entities	6,308,474	177,690,462	176,492,665	7,506,271
Total liabilities	<u>\$ 28,878,097</u>	<u>\$ 1,580,654,864</u>	<u>\$ 1,576,088,394</u>	<u>\$ 33,444,567</u>
<u>District and County Clerk Invested Trust Fund</u>				
Assets:				
Cash and pooled cash	\$ 15,841,798	\$ 25,557,499	\$ 29,450,991	\$ 11,948,306
Certificates of deposit	13,734,860	3,041,597	2,396,101	14,380,356
Investments	8,366,616	367,382	1,094	8,732,904
Interest receivable	267,760	61,648	-	329,408
Total assets	<u>38,211,034</u>	<u>29,028,126</u>	<u>31,848,186</u>	<u>35,390,974</u>
Liabilities:				
Due to third parties	38,211,034	29,028,127	31,848,187	35,390,974
Total liabilities	<u>\$ 38,211,034</u>	<u>\$ 29,028,127</u>	<u>\$ 31,848,187</u>	<u>\$ 35,390,974</u>
<u>Road District Indemnification Fees</u>				
Assets:				
Cash and pooled cash	\$ 136,088	\$ 13,822	\$ 6,075	\$ 143,835
Interest receivable	919	978	919	978
Total assets	<u>137,007</u>	<u>14,800</u>	<u>6,994</u>	<u>144,813</u>
Liabilities:				
Due to third parties	137,007	12,903	5,097	144,813
Total liabilities	<u>\$ 137,007</u>	<u>\$ 12,903</u>	<u>\$ 5,097</u>	<u>\$ 144,813</u>

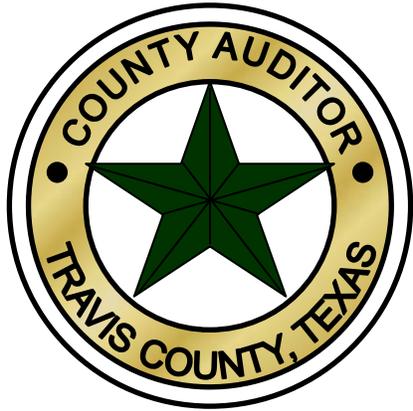
(continued)

TRAVIS COUNTY, TEXAS
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES, continued
 AGENCY FUNDS
 For the Year Ended September 30, 2007

	Balance October 1, 2006	Additions	Deletions	Balance September 30, 2007
<u>TNR Escrow</u>				
Assets:				
Cash and pooled cash	\$ 3,558,109	\$ 563,475	\$ 592,642	\$ 3,528,942
Interest receivable	23,537	24,984	23,538	24,983
Total assets	<u>3,581,646</u>	<u>588,459</u>	<u>616,180</u>	<u>3,553,925</u>
Liabilities:				
Due to third parties	3,581,646	1,610,067	1,637,788	3,553,925
Total liabilities	<u>\$ 3,581,646</u>	<u>\$ 1,610,067</u>	<u>\$ 1,637,788</u>	<u>\$ 3,553,925</u>
<u>District Attorney Forfeited Property</u>				
Assets:				
Cash and pooled cash	\$ 1,510,836	\$ 909,949	\$ 902,351	\$ 1,518,434
Total assets	<u>1,510,836</u>	<u>909,949</u>	<u>902,351</u>	<u>1,518,434</u>
Liabilities:				
Due to third parties	1,507,479	912,261	908,815	1,510,925
Due to other governmental entities	3,357	198,735	194,583	7,509
Total liabilities	<u>\$ 1,510,836</u>	<u>\$ 1,110,996</u>	<u>\$ 1,103,398</u>	<u>\$ 1,518,434</u>
<u>Travis County Refunded Bonds</u>				
Assets:				
Cash and pooled cash	\$ 5,316	\$ 8,260,331	\$ 8,260,331	\$ 5,316
Total assets	<u>5,316</u>	<u>8,260,331</u>	<u>8,260,331</u>	<u>5,316</u>
Liabilities:				
Due to third parties	5,316	13,320,875	13,320,875	5,316
Total liabilities	<u>\$ 5,316</u>	<u>\$ 13,320,875</u>	<u>\$ 13,320,875</u>	<u>\$ 5,316</u>
<u>Road Districts Refunded Bonds</u>				
Assets:				
Cash and pooled cash	\$ 924,996	\$ 30,365	\$ -	\$ 955,361
Total assets	<u>924,996</u>	<u>30,365</u>	<u>-</u>	<u>955,361</u>
Liabilities:				
Due to third parties	924,996	30,365	-	955,361
Total liabilities	<u>\$ 924,996</u>	<u>\$ 30,365</u>	<u>\$ -</u>	<u>\$ 955,361</u>

	Balance October 1, 2006	Additions	Deletions	Balance September 30, 2007
<u>Inmate Trust Fund</u>				
Assets:				
Cash and pooled cash	\$ 126,352	\$ 6,553,613	\$ 6,560,738	\$ 119,227
Total assets	<u>126,352</u>	<u>6,553,613</u>	<u>6,560,738</u>	<u>119,227</u>
Liabilities:				
Due to third parties	126,352	3,284,142	3,291,277	119,217
Due to other governmental entities	-	127	117	10
Total liabilities	<u>\$ 126,352</u>	<u>\$ 3,284,269</u>	<u>\$ 117</u>	<u>\$ 119,227</u>
 <u>DNA Testing</u>				
Assets:				
Cash and pooled cash	\$ 1,080	\$ 5,616	\$ 5,621	\$ 1,075
Total assets	<u>1,080</u>	<u>5,616</u>	<u>5,621</u>	<u>1,075</u>
Liabilities:				
Due to other governmental entities	1,080	39,520	39,525	1,075
Total liabilities	<u>\$ 1,080</u>	<u>\$ 39,520</u>	<u>\$ 39,525</u>	<u>\$ 1,075</u>
 <u>Available School Fund</u>				
Assets:				
Cash and pooled cash	\$ 285,453	\$ 393,608	\$ 396,232	\$ 282,829
Interest receivable	17,160	18,494	17,160	18,494
Total assets	<u>302,613</u>	<u>412,102</u>	<u>413,392</u>	<u>301,323</u>
Liabilities:				
Due to other governmental entities	302,613	376,449	377,739	301,323
Total liabilities	<u>\$ 302,613</u>	<u>\$ 376,449</u>	<u>\$ 377,739</u>	<u>\$ 301,323</u>
 <u>Total - All Agency Funds</u>				
Assets:				
Cash and pooled cash	\$ 42,720,624	\$ 3,252,792,522	\$ 3,256,916,432	\$ 38,596,714
Certificates of deposit	13,797,288	3,092,175	2,446,101	14,443,362
Investments	23,573,540	738,081,429	737,055,726	24,599,243
Interest receivable	312,184	107,679	44,425	375,438
Accounts receivable, net	1,607,111	29,874,146	29,208,997	2,272,260
Total assets	<u>82,010,747</u>	<u>4,023,947,951</u>	<u>4,025,671,681</u>	<u>80,287,017</u>
Liabilities:				
Due to third parties	62,236,954	1,443,086,515	1,445,288,969	60,034,500
Civil and probate deposits	472,358	351,278	218,946	604,690
Cash and surety bond deposits combined	10,509,607	10,803,035	12,583,300	8,729,342
Due to other governmental entities	8,791,828	200,919,911	198,793,254	10,918,485
Total liabilities	<u>\$ 82,010,747</u>	<u>\$ 1,655,160,739</u>	<u>\$ 1,656,884,469</u>	<u>\$ 80,287,017</u>

(concluded)



**GENERAL FUND
EXPENDITURES BUDGET
AND ACTUAL DETAIL**

TRAVIS COUNTY, TEXAS
SCHEDULE OF EXPENDITURES BY FUNCTION, SUB-FUNCTION AND OFFICE/DEPARTMENT
BUDGET (GAAP BASIS) AND ACTUAL
GENERAL FUND
For The Year Ended September 30, 2007

	Budgeted Amounts ^{2,3}		Actual Amounts ³	Variance with Final Budget
	Original	Final		Positive (Negative)
General Government:				
General Administration				
County Judge	\$ 391,869	\$ 391,869	\$ 377,833	\$ 14,036
County Commissioner Precinct No. 1	305,417	310,234	301,674	8,560
County Commissioner Precinct No. 2	299,601	298,900	282,399	16,501
County Commissioner Precinct No. 3	309,034	309,034	294,029	15,005
County Commissioner Precinct No. 4	307,770	307,770	248,696	59,074
Commissioners' Court General Administration	344,424	405,112	2,050,466	(1,645,354) ¹
Human Resource Management	8,627,872	8,645,070	5,319,034	3,326,036
Information Systems and Telecommunications	17,430,901	17,508,138	14,518,135	2,990,003
County Clerk - Recording	2,261,106	2,236,429	1,948,726	287,703
Justice of the Peace No. 2	-	1,030	1,028	2
Civil Service Commission	66,904	70,933	70,614	319
Records Management and Communication	3,805,309	4,162,602	4,053,195	109,407
Centralized Computer Systems and Services (ITS)	431,967	532,095	154,945	377,150
Centralized Rent and Utilities (Facilities)	802,064	443,472	443,130	342
Centralized Fleet Services (TNR)	179,182	180,315	12,039	168,276
Total General Administration	35,563,420	35,803,003	30,075,943	5,727,060
Financial Administration				
County Auditor	6,913,882	6,933,882	5,994,839	939,043
County Treasurer	478,346	484,318	464,563	19,755
Planning and Budget	1,376,437	1,376,983	1,299,129	77,854
Purchasing and Inventory Management	2,514,272	2,626,609	2,501,088	125,521
Centralized Computer Systems and Services (ITS)	34,731	34,731	27,242	7,489
Centralized Rent and Utilities (Facilities)	92,500	99,510	99,441	69
Centralized Fleet Services (TNR)	1,546	1,769	1,734	35
Total Financial Administration	11,411,714	11,557,802	10,388,036	1,169,766
Tax Administration				
Tax Collector	6,204,393	6,476,602	5,845,075	631,527
Centralized Computer Systems and Services (ITS)	69,468	69,468	56,747	12,721
Centralized Rent and Utilities (Facilities)	38,500	53,015	53,005	10
Total Tax Administration	6,312,361	6,599,085	5,954,827	644,258
Facilities Management				
Facilities Management	12,206,815	14,071,607	9,861,752	4,209,855
Property Development (TNR)	-	1,070,067	364,614	705,453
Centralized Computer Systems and Services (ITS)	12,880	12,880	12,688	192
Centralized Rent and Utilities (Facilities)	24,600	51,375	51,308	67
Centralized Fleet Services (TNR)	53,743	57,316	53,736	3,580
Total Facilities Management	12,298,038	15,263,245	10,344,098	4,919,147
Election Administration				
County Clerk - Election Administration	1,983,596	2,665,100	2,503,851	161,249
Centralized Computer Systems and Services (ITS)	15,890	15,890	13,494	2,396
Centralized Rent and Utilities (Facilities)	56,800	83,000	82,959	41
Total Election Administration	2,056,286	2,763,990	2,600,304	163,686
Total General Government	67,641,819	71,987,125	59,363,208	12,623,917

(continued)

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.

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, 2007

	Budgeted Amounts ^{2, 3}		Actual Amounts ³	Variance with Final Budget
	Original	Final		Positive (Negative)
Justice System:				
Criminal Justice				
Central Collections (Tax Collector)	715,559	869,397	596,832	272,565
County Attorney	5,828,439	5,610,862	5,018,774	592,088
County Clerk	1,736,814	1,699,994	1,632,603	67,391
District Clerk	1,819,983	1,834,603	1,730,042	104,561
District Attorney	11,032,050	11,146,806	10,202,983	943,823
Criminal Courts	6,039,268	6,123,265	5,344,995	778,270
Justice of the Peace No. 1	464,377	466,804	411,558	55,246
Justice of the Peace No. 2	1,107,086	1,143,678	1,056,428	87,250
Justice of the Peace No. 3	805,774	852,739	838,227	14,512
Justice of the Peace No. 4	550,247	598,768	584,511	14,257
Justice of the Peace No. 5	492,731	495,579	471,716	23,863
Criminal Justice Planning	1,016,588	1,090,208	675,226	414,982
Program Specific Facilities Projects	491,509	706,177	360,036	346,141
Centralized Computer Systems and Services (ITS)	139,883	121,914	74,697	47,217
Centralized Rent and Utilities (Facilities)	631,159	715,656	715,651	5
Centralized Fleet Services (TNR)	9,017	9,756	9,253	503
Legally Mandated Fees (Criminal Courts)	6,740,986	6,740,986	6,113,966	627,020
Total Criminal Justice	39,621,470	40,227,192	35,837,498	4,389,694
Civil Justice				
County Attorney	6,620,678	6,909,421	6,436,283	473,138
County Clerk	1,260,602	1,325,907	1,304,020	21,887
District Clerk	4,676,727	4,732,587	4,132,844	599,743
Civil Courts	5,273,892	5,007,247	4,680,378	326,869
District Attorney	2,469,526	2,517,810	2,410,069	107,741
Probate Court	1,440,097	1,499,017	1,446,115	52,902
Justice of the Peace No. 1	313,345	315,668	275,830	39,838
Justice of the Peace No. 2	451,236	485,119	466,684	18,435
Justice of the Peace No. 3	297,316	293,616	271,508	22,108
Justice of the Peace No. 4	268,761	265,888	263,693	2,195
Justice of the Peace No. 5	293,490	300,339	266,162	34,177
Centralized Computer Systems and Services (ITS)	156,417	146,417	113,328	33,089
Centralized Rent and Utilities (Facilities)	269,616	338,440	338,434	6
Centralized Fleet Services (TNR)	16,377	17,287	16,179	1,108
Legally Mandated Fees (Civil Courts)	2,011,245	2,400,685	2,394,840	5,845
Total Civil Justice	25,819,325	26,555,448	24,816,367	1,739,081
Juvenile Services				
County Judge	5,683	5,683	5,672	11
Juvenile Public Defender	1,104,307	1,104,633	1,079,357	25,276
Juvenile Court	26,835,339	26,983,476	26,298,509	684,967
Child Protective Services (HHS)	594,911	736,647	673,203	63,444
Program Specific Facilities Projects	77,441	119,846	113,010	6,836
Centralized Computer Systems and Services (ITS)	301,298	301,298	263,177	38,121
Centralized Rent and Utilities (Facilities)	746,900	828,650	828,427	223
Centralized Fleet Services (TNR)	27,643	29,609	27,908	1,701
Total Juvenile Services	29,693,522	30,109,842	29,289,263	820,579
Total Justice System	95,134,317	96,892,482	89,943,128	6,949,354

	Budgeted Amounts ^{2,3}		Actual Amounts ³	Variance with Final Budget
	Original	Final		Positive (Negative)
Public Safety:				
Law Enforcement				
Constable No. 1	1,059,964	1,070,180	1,061,259	8,921
Constable No. 2	1,618,494	1,641,196	1,543,803	97,393
Constable No. 3	1,694,078	1,685,744	1,657,066	28,678
Constable No. 4	1,128,773	1,132,002	977,228	154,774
Constable No. 5	3,204,711	3,228,171	2,983,419	244,752
Sheriff	29,340,272	30,017,151	29,309,962	707,189
Medical Examiner	3,445,082	3,410,798	2,868,439	542,359
Program Specific Facilities Projects	168,166	1,078,741	996,653	82,088
Centralized Computer Systems and Services (ITS)	731,885	687,453	568,153	119,300
Centralized Rent and Utilities (Facilities)	251,500	247,700	247,544	156
Centralized Fleet Services (TNR)	4,554,530	4,874,566	4,402,112	472,454
Total Law Enforcement	47,197,455	49,073,702	46,615,638	2,458,064
Emergency Management Services				
Emergency Management Services	4,628,172	4,664,518	3,486,456	1,178,062
911 Call Center (CJP)	96,052	96,052	-	96,052
Centralized Computer Systems and Services (ITS)	44,575	44,575	41,738	2,837
Centralized Rent and Utilities (Facilities)	33,173	44,890	44,890	-
Total Emergency Management Services	4,801,972	4,850,035	3,573,084	1,276,951
Total Public Safety	51,999,427	53,923,737	50,188,722	3,735,015
Corrections and Rehabilitation:				
Housing and Booking				
Sheriff	76,301,858	76,259,824	73,636,988	2,622,836
Pretrial Services	1,068,726	1,073,270	1,019,485	53,785
Centralized Computer Systems and Services (ITS)	109,199	94,199	78,440	15,759
Centralized Rent and Utilities (Facilities)	452,614	490,860	490,812	48
Centralized Fleet Services (TNR)	245,314	422,655	180,935	241,720
Total Housing and Booking	78,177,711	78,340,808	75,406,660	2,934,148
Supervision				
Community Supervision and Corrections	509,254	479,587	472,197	7,390
Travis County Counseling Center/SACA	2,819,841	2,856,416	2,538,439	317,977
Pretrial Services	1,797,760	1,791,011	1,726,918	64,093
Centralized Computer Systems and Services (ITS)	162,661	155,661	131,343	24,318
Centralized Rent and Utilities (Facilities)	468,142	477,843	477,759	84
Centralized Fleet Services (TNR)	2,345	2,730	2,666	64
Total Supervision	5,760,003	5,763,248	5,349,322	413,926
Total Corrections and Rehabilitation	83,937,714	84,104,056	80,755,982	3,348,074
Health and Human Services:				
Healthcare				
911 Call Center (CJP)	137,447	137,447	95,934	41,513
Health Services (HHS)	1,716,246	1,779,661	1,655,995	123,666
Emergency Medical Services	12,788,157	12,868,780	12,798,769	70,011
Centralized Computer Systems and Services (ITS)	11,405	11,405	9,851	1,554
Centralized Rent and Utilities (Facilities)	209,651	191,515	191,509	6
Centralized Fleet Services (TNR)	41,156	43,325	40,489	2,836
Total Healthcare	14,904,062	15,032,133	14,792,547	239,586
Public Health				
Public Health (HHS)	842,239	945,753	871,386	74,367
Program Specific Facilities Projects	343,151	391,651	314,384	77,267
Centralized Rent and Utilities (Facilities)	13,700	18,900	18,861	39
Centralized Fleet Services (TNR)	32,074	35,500	34,028	1,472
Total Public Health	1,231,164	1,391,804	1,238,659	153,145

(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, 2007

	Budgeted Amounts ^{2,3}		Actual Amounts ³	Variance with Final Budget
	Original	Final		Positive (Negative)
Human Services				
Veteran Services	287,507	297,392	264,302	33,090
County Cooperative (Agricultural) Extension Service	982,874	898,276	808,782	89,494
Human Services (HHS)	20,731,087	21,162,377	19,277,575	1,884,802
Centralized Computer Systems and Services (ITS)	28,407	28,407	19,029	9,378
Centralized Rent and Utilities (Facilities)	153,857	152,477	99,375	53,102
Centralized Fleet Services (TNR)	23,975	25,357	23,759	1,598
Total Human Services	22,207,707	22,564,286	20,492,822	2,071,464
Total Health and Human Services	38,342,933	38,988,223	36,524,028	2,464,195
Infrastructure and Environmental Services:				
Roads and Bridges				
Transportation and Roads	4,167,720	4,413,039	2,799,805	1,613,234
Centralized Computer Systems and Services (ITS)	177,310	172,758	129,403	43,355
Centralized Rent and Utilities (Facilities)	44,600	42,100	42,004	96
Centralized Fleet Services (TNR)	28,012	54,781	53,289	1,492
Total Roads and Bridges	4,417,642	4,682,678	3,024,501	1,658,177
Drainage				
Transportation and Roads - Stormwater Management	898,619	822,155	723,200	98,955
Centralized Rent and Utilities (Facilities)	6,800	7,220	7,205	15
Centralized Fleet Services (TNR)	527	617	608	9
Total Drainage	905,946	829,992	731,013	98,979
Development and Regulation				
Centralized Computer Systems and Services (ITS)	1,425	1,425	495	930
Centralized Rent and Utilities (Facilities)	6,800	7,220	7,205	15
Total Development and Regulation	8,225	8,645	7,700	945
Conservation and Natural Resources				
Transportation and Roads	2,543,771	2,562,013	2,242,277	319,736
Centralized Rent and Utilities (Facilities)	6,800	12,735	12,679	56
Centralized Fleet Services (TNR)	17,379	19,506	18,661	845
Total Conservation and Natural Resources	2,567,950	2,594,254	2,273,617	320,637
Sanitation				
Transportation and Roads - Onsite Sewage Facility	645,551	644,527	622,568	21,959
Centralized Rent and Utilities (Facilities)	6,800	7,220	7,204	16
Centralized Fleet Services (TNR)	16,762	17,817	16,747	1,070
Total Sanitation	669,113	669,564	646,519	23,045
Total Infrastructure and Environmental Services	8,568,876	8,785,133	6,683,350	2,101,783
Community and Economic Development:				
Economic Development				
Travis County Exposition Center	1,095,344	1,089,777	1,001,195	88,582
Centralized Rent and Utilities (Facilities)	1,000	2,255	390	1,865
Centralized Fleet Services (TNR)	17,854	19,198	16,657	2,541
Total Economic Development	1,114,198	1,111,230	1,018,242	92,988
Parks and Recreation				
Transportation and Roads	6,785,149	6,675,430	5,516,643	1,158,787
Centralized Computer Systems and Services (ITS)	640	640	-	640
Centralized Rent and Utilities (Facilities)	8,706	9,391	2,672	6,719
Centralized Fleet Services (TNR)	323,050	445,001	431,213	13,788
Total Parks and Recreation	7,117,545	7,130,462	5,950,528	1,179,934
Culture and Education				
Historical Commission	1,948	1,808	433	1,375
Centralized Rent and Utilities (Facilities)	6,200	3,825	3,789	36
Total Culture and Education	8,148	5,633	4,222	1,411
Total Community and Economic Development	8,239,891	8,247,325	6,972,992	1,274,333
Total	\$ 353,864,977	\$ 362,928,081	\$ 330,431,410	\$ 32,496,671

(concluded)

**TRAVIS COUNTY, TEXAS
STATISTICAL SECTION**

**TRAVIS COUNTY
STATISTICAL SECTION
September 30, 2007**

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

<u>Contents</u>	<u>Page</u>
Financial Trends	ST-3
<p>These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time. The first two schedules relate to government-wide; the remaining schedules relate to fund information.</p>	
Revenue Capacity	ST-17
<p>These schedules contain information to help the reader assess the factors affecting the County's ability to generate its property taxes.</p>	
Debt Capacity	ST-39
<p>These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.</p>	
Demographic and Economic Information	ST-53
<p>These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place and to help make comparisons over time and with other governments.</p>	
Operating Information	ST-61
<p>These schedules contain information about the County's operations and resources to help the reader understand how the County's financial information relates to the services the County provides and the activities it performs.</p>	

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

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



TRAVIS COUNTY, TEXAS

FINANCIAL TRENDS



Schedule 1

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

	Fiscal Year Ended September 30		
	2002	2003	2004
Net Assets			
Invested in capital assets, net of related debt	\$ 689,248,357	\$ 687,132,617	\$ 698,238,526
Restricted	16,535,075	23,875,614	28,644,316
Unrestricted ⁽¹⁾	<u>(37,336,451)</u>	<u>(29,735,349)</u>	<u>(22,634,867)</u>
Total net assets	<u>\$ 668,446,981</u>	<u>\$ 681,272,882</u>	<u>\$ 704,247,975</u>

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

The classification of net assets in fiscal year 2005 reflects the effects of the implementation of GASB Statement No. 46 - "Net Assets Restricted by Enabling Legislation."

This schedule includes blended component units.

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

Fiscal Year Ended September 30

<u>2005</u>	<u>2006</u>	<u>2007</u>
\$ 725,154,875	\$ 731,245,017	\$ 746,649,334
28,381,876	27,804,954	34,216,858
<u>(15,021,161)</u>	<u>22,701,561</u>	<u>59,589,364</u>
<u>\$ 738,515,590</u>	<u>\$ 781,751,532</u>	<u>\$ 840,455,556</u>

Schedule 2

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

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

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

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

This schedule includes blended component units.

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

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

Fiscal Year

<u>2005</u>	<u>2006</u>	<u>2007</u>
\$ 80,842,627	\$ 83,695,932	\$ 94,632,906
83,914,875	89,223,427	96,855,914
41,136,886	45,638,186	48,569,296
87,272,090	95,254,826	97,913,001
34,812,146	35,419,641	39,246,181
68,946,441	65,733,063	68,917,914
6,735,409	7,299,040	7,821,417
21,632,040	21,828,103	24,044,409
<u>\$ 425,292,514</u>	<u>\$ 444,092,218</u>	<u>\$ 478,001,038</u>
20,806,930	23,820,299	24,240,885
16,285,653	17,868,607	19,393,065
9,985,491	10,762,529	10,614,565
14,161,117	15,926,055	16,387,894
3,880,421	5,382,199	6,513,604
15,600,245	15,961,633	20,337,407
2,548,111	2,498,757	2,206,645
237,140	147,520	330,363
9,658,941	9,698,991	10,970,200
1,151,008	1,994,959	1,345,879
8,981,133	9,796,562	9,888,297
2,129,141	2,593,112	2,929,081
67,432	19,393	50,812
4,084,379	-	-
30,468,263	17,271,386	30,000,117
422,231	44,487	9,793
<u>\$ 140,467,636</u>	<u>\$ 133,786,489</u>	<u>\$ 155,218,607</u>
<u>\$ (284,824,878)</u>	<u>\$ (310,305,729)</u>	<u>\$ (322,782,431)</u>
297,540,102	322,901,024	337,534,219
4,686,760	5,093,749	5,663,239
1,537,938	2,111,177	2,323,500
9,647,663	18,026,783	26,663,045
5,680,030	5,408,938	7,659,944
-	-	1,642,508
<u>\$ 319,092,493</u>	<u>\$ 353,541,671</u>	<u>\$ 381,486,455</u>
<u>\$ 34,267,615</u>	<u>\$ 43,235,942</u>	<u>\$ 58,704,024</u>

Schedule 3

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

	Fiscal Year Ended September 30			
	1998	1999	2000	2001
General Fund				
Reserved	\$ 4,162,249	\$ 4,273,161	\$ 4,689,235	\$ 6,158,067
Unreserved, designated for:				
Compensated absences	-	-	-	-
Unreserved, undesignated	<u>31,297,176</u>	<u>29,744,857</u>	<u>37,544,887</u>	<u>50,738,430</u>
Total general fund	<u>\$ 35,459,425</u>	<u>\$ 34,018,018</u>	<u>\$ 42,234,122</u>	<u>\$ 56,896,497</u>
All Other Governmental Funds ⁽¹⁾				
Reserved	\$ 29,568,862	\$ 54,665,310	\$ 24,583,334	\$ 13,742,269
Unreserved, designated for:				
Special revenue funds - compensated absences ⁽²⁾	-	-	-	-
Debt service	7,337,672	11,490,585	13,016,217	10,576,761
Capital projects	93,567,953	39,175,184	38,123,552	51,257,595
Unreserved, undesignated reported in:				
Special revenue funds	<u>10,480,282</u>	<u>14,376,721</u>	<u>13,596,869</u>	<u>18,026,574</u>
Total all other governmental funds	<u>\$ 140,954,769</u>	<u>\$ 119,707,800</u>	<u>\$ 89,319,972</u>	<u>\$ 93,603,199</u>

Note: This schedule includes blended component units.

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

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

Fiscal Year Ended September 30

2002	2003	2004	2005	2006	2007
\$ 9,108,226	\$ 6,714,543	\$ 7,989,636	\$ 9,122,387	\$ 10,390,156	\$ 14,242,234
-	4,287,105	4,427,676	4,639,999	4,890,239	5,224,477
38,272,519	47,776,942	55,050,141	55,219,702	67,926,235	75,699,112
<u>\$ 47,380,745</u>	<u>\$ 58,778,590</u>	<u>\$ 67,467,453</u>	<u>\$ 68,982,088</u>	<u>\$ 83,206,630</u>	<u>\$ 95,165,823</u>
\$ 21,036,303	\$ 41,747,932	\$ 31,589,784	\$ 30,014,676	\$ 27,306,616	\$ 65,171,416
-	469,361	536,163	506,199	529,716	573,555
11,355,913	11,700,278	7,157,714	7,197,456	8,795,401	11,300,206
58,448,920	53,056,187	50,872,574	57,229,849	86,038,870	125,696,103
19,578,657	25,970,322	25,702,246	25,817,301	32,006,001	38,738,844
<u>\$ 110,419,793</u>	<u>\$ 132,944,080</u>	<u>\$ 115,858,481</u>	<u>\$ 120,765,481</u>	<u>\$ 154,676,604</u>	<u>\$ 241,480,124</u>

Schedule 4

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

	Fiscal Year			
	1998	1999	2000	2001
Revenues				
Taxes	\$ 172,161,747	\$ 200,778,975	\$ 215,734,106	\$ 237,522,409
Intergovernmental	46,886,901	56,026,252	53,746,696	55,072,200
Charges for services	26,805,435	29,039,949	31,173,038	34,950,230
Fines and forfeits	3,146,288	3,846,120	5,038,987	4,091,952
Investment income	11,477,344	12,268,471	14,482,292	17,008,846
Miscellaneous	2,518,630	6,251,735	8,657,879	6,751,249
Total revenues	<u>262,996,345</u>	<u>308,211,502</u>	<u>328,832,998</u>	<u>355,396,886</u>
Expenditures⁽¹⁾				
Current	219,990,537	241,343,820	253,337,026	271,995,461
Capital outlay ⁽²⁾	53,260,793	83,505,056	72,542,193	47,106,717
Debt service ⁽³⁾	38,995,412	48,704,727	49,933,976	50,336,450
Total expenditures	<u>312,246,742</u>	<u>373,553,603</u>	<u>375,813,195</u>	<u>369,438,628</u>
Excess (deficiency) of revenues over expenditures	(49,250,397)	(65,342,101)	(46,980,197)	(14,041,742)
Other Financing Sources (Uses)				
General obligation debt issued ⁽²⁾	124,220,000	42,610,000	24,780,000	32,930,000
General obligation debt premium	91,591	3,012	-	-
Refunding bonds issued	-	20,399,949	-	-
Refunding bonds premium	-	1,052,413	-	-
Payment to refunding bond agent	-	(21,445,382)	-	-
Sale of capital assets	-	-	-	-
Transfers in	3,568,940	6,980,783	5,269,967	6,216,493
Transfers out	(3,568,940)	(6,980,783)	(5,269,967)	(6,216,493)
Total other financing sources (uses)	<u>124,311,591</u>	<u>42,619,992</u>	<u>24,780,000</u>	<u>32,930,000</u>
Special Items				
Proceeds from sale of real estate	-	-	-	-
Net change in fund balances	<u>\$ 75,061,194</u>	<u>\$ (22,722,109)</u>	<u>\$ (22,200,197)</u>	<u>\$ 18,888,258</u>
Debt service as a percentage of noncapital expenditures	17.7%	20.2%	19.7%	18.5%

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

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

This schedule includes blended component units.

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

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

(3) Debt issuance costs were included in General Government current expenditures in all years prior to 2002.

(4) The debt service as a percentage of noncapital expenditures calculation was adjusted in 2002 and 2004 to reflect Travis County's contribution to the State of Texas for joint road projects from bond proceeds. For the purposes of this calculation these amounts are included as current expenditures verses capital outlay.

Fiscal Year					
2002	2003	2004	2005	2006	2007
\$ 259,810,920	\$ 292,813,959	\$ 299,227,758	\$ 302,205,859	\$ 328,098,773	\$ 342,807,949
38,986,488	30,491,351	45,194,797	34,510,489	28,162,319	28,210,834
54,356,255	61,320,127	66,224,790	69,742,078	77,651,363	81,905,656
5,707,576	6,387,910	6,321,816	6,829,689	8,029,767	8,444,507
10,666,630	3,798,997	3,663,515	7,461,294	14,983,807	23,230,344
3,423,808	4,186,505	4,171,895	5,702,595	5,138,032	6,904,960
<u>372,951,677</u>	<u>398,998,849</u>	<u>424,804,571</u>	<u>426,452,004</u>	<u>462,064,061</u>	<u>491,504,250</u>
304,712,656	312,792,370	326,362,031	337,687,465	361,113,294	381,829,343
153,705,260	46,908,816	57,008,391	36,706,409	72,630,959	56,082,201
54,665,733	64,750,860	64,553,185	64,402,803	64,571,657	65,423,524
<u>513,083,649</u>	<u>424,452,046</u>	<u>447,923,607</u>	<u>438,796,677</u>	<u>498,315,910</u>	<u>503,335,068</u>
(140,131,972)	(25,453,197)	(23,119,036)	(12,344,673)	(36,251,849)	(11,830,818)
146,235,000	59,320,000	13,720,000	17,490,000	84,045,000	107,935,000
1,100,534	117,038	6,300	64,793	214,216	252,319
11,460,000	38,540,000	-	122,635,000	9,155,000	23,784,987
177,565	2,006,703	-	10,854,350	130,991	1,431,592
(11,540,285)	(40,232,968)	-	(132,277,835)	(9,157,693)	(24,920,762)
-	650,000	-	-	-	-
5,123,092	6,053,003	7,980,136	8,062,028	10,295,664	10,691,891
(5,123,092)	(7,078,447)	(6,984,136)	(8,062,028)	(10,295,664)	(10,691,891)
<u>147,432,814</u>	<u>59,375,329</u>	<u>14,722,300</u>	<u>18,766,308</u>	<u>84,387,514</u>	<u>108,483,136</u>
-	-	-	-	-	2,110,395
<u>\$ 7,300,842</u>	<u>\$ 33,922,132</u>	<u>\$ (8,396,736)</u>	<u>\$ 6,421,635</u>	<u>\$ 48,135,665</u>	<u>\$ 98,762,713</u>
13.3% ⁽⁴⁾	20.7%	19.2% ⁽⁴⁾	19.1%	17.9%	17.1%

Schedule 5

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

	Fiscal Year			
	1998	1999	2000	2001
Expenditures				
Current:				
Functions used prior to fiscal year 2003:				
General government	\$ 35,224,586	\$ 39,207,384	\$ 42,110,474	\$ 50,558,051
Justice system	34,521,530	38,026,760	39,608,584	42,305,295
Law enforcement	24,448,511	27,625,473	28,901,628	33,367,455
Corrections and rehabilitation	56,578,640	60,665,028	62,500,872	69,085,011
Juvenile services	20,295,911	22,302,070	21,949,358	22,041,988
Public health	11,250,430	12,008,474	14,922,951	16,421,075
Human services	18,526,330	19,578,246	21,226,995	18,398,206
Transportation and roads	17,246,538	19,892,453	19,670,580	16,681,336
Parks and recreation	1,898,061	2,037,932	2,445,584	3,137,044
Functions used from fiscal year 2003 forward:				
General government	-	-	-	-
Justice system	-	-	-	-
Public safety	-	-	-	-
Corrections and rehabilitation	-	-	-	-
Health and human services	-	-	-	-
Infrastructure and environmental services	-	-	-	-
Community and economic development	-	-	-	-
Capital outlay ⁽²⁾	53,260,793	83,505,056	72,542,193	47,106,717
Debt service:				
Refunding bond issuance costs	-	339,093	-	-
Debt issuance costs ⁽³⁾	-	-	-	-
Advance refunding escrow	-	-	-	-
Capital lease principal	380,512	68,485	73,785	79,495
Principal on general obligation debt	26,585,000	30,700,000	32,795,000	30,661,833
Interest and other charges	11,393,960	15,785,090	13,607,774	17,472,112
Capitalized interest ⁽⁴⁾	635,940	1,812,059	3,457,417	2,123,010
Total expenditures	\$ 312,246,742	\$ 373,553,603	\$ 375,813,195	\$ 369,438,628

Notes: The County implemented GASB Statement No. 34 in fiscal year 2002. Previous fiscal years have not been restated. In compliance with GASB Statement No. 34, Permanent Funds (formerly non-expendable trust funds) are included as governmental funds beginning in fiscal year 2002.

The Uniform Chart of Accounts for Texas Counties was adopted in fiscal year 2003.

This schedule includes blended component units.

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



TRAVIS COUNTY, TEXAS

REVENUE CAPACITY

Schedule 6

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

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

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

The following are Travis County and its component units FY2007 actual adopted tax rates:

	Travis County	Northwest Travis County Road District No. 3	Travis County Healthcare District
Total Taxable Assessed Value	74,744,918,069	461,706,450	74,744,918,069
Actual Tax Rate	0.4499	0.1300	0.0734

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

The Direct Tax Rate is Calculated as follows:

$$\begin{array}{r}
 \text{NWTCRD No.3 Taxable} \\
 \text{Assessed Value} \\
 \hline
 \text{Travis County Taxable} \\
 \text{Assessed Value}
 \end{array}
 \times
 \begin{array}{r}
 \text{NWTCRD No.3 Actual} \\
 \text{Tax Rate}
 \end{array}
 =
 \begin{array}{r}
 \text{NWTCRD No.3} \\
 \text{Direct Tax} \\
 \text{Rate}
 \end{array}$$

$$\begin{array}{r}
 461,706,450 \\
 \hline
 74,744,918,069
 \end{array}
 \times
 0.1300
 =
 \mathbf{0.0008}$$

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

Year – Rate	Year – Rate
1998 - 0.2700	2003 - 0.1500
1999 - 0.2500	2004 - 0.1660
2000 - 0.2248	2005 - 0.1800
2001 - 0.1600	2006 - 0.1650
2002 - 0.1646	2007 - 0.1300

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

Schedule 6 (continued)

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

Real Property

Fiscal Year Ended Sept. 30	Residential Property ⁽²⁾	Commercial Property ⁽²⁾	Industrial Property ⁽²⁾	Total Real Property ⁽²⁾	Personal Property ⁽²⁾
1998	\$	\$	\$	34,206,092,223	\$ 6,311,515,259
1999				38,796,305,011	6,661,158,356
2000				42,951,265,742	6,888,158,118
2001	Data not available	Data not available	Data not available	52,592,954,516	7,680,551,549
2002				62,248,832,537	9,376,657,196
2003				66,863,306,587	8,279,432,312
2004				63,566,576,847	7,821,535,589
2005				69,852,496,817	8,032,312,159
2006	58,192,793,313	15,816,551,007	1,009,551,001	75,018,895,321	7,538,732,985
2007	67,550,614,762	19,549,061,937	1,009,476,420	88,109,153,119	8,130,039,916

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

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

Travis Central Appraisal District is required to review appraisals every 3 years.

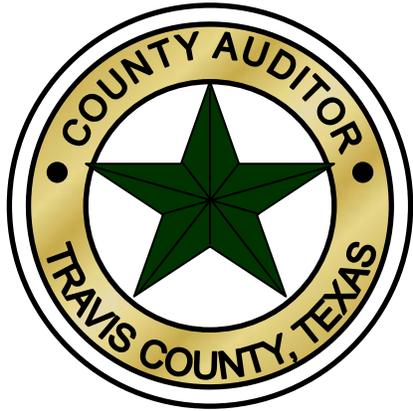
(1) GASB Statement No. 44 requires that the total direct rate be the weighted average of all individual direct rates applied by a government to a particular revenue base. Therefore, tax rates shown in this schedule do not reflect the actual tax rates for NWTCD No.3.

See Page 1 of Schedule 6 for more information.

(2) Excludes applicable exemptions.

(3) Net of applicable exemptions.

			Direct Tax Rate			
Total Taxable Assessed Value⁽²⁾	Less: Tax-Exempt Property	Total Net Taxable Assessed Value⁽³⁾	Travis County	Northwest Travis County Road District No. 3⁽¹⁾	Health- care District	Total Direct Tax Rate
\$ 40,517,607,482	\$ 6,465,508,159	\$ 34,052,099,323	\$ 0.4938	\$ 0.0016	\$ -	\$ 0.4954
45,457,463,367	7,314,354,102	38,143,109,265	0.5143	0.0016	-	0.5159
49,839,423,860	7,825,078,933	42,014,344,927	0.4988	0.0016	-	0.5004
60,273,506,065	10,731,301,629	49,542,204,436	0.4670	0.0012	-	0.4682
71,625,489,733	14,053,521,710	57,571,968,023	0.4460	0.0011	-	0.4471
75,142,738,899	13,430,261,437	61,712,477,462	0.4660	0.0010	-	0.4670
71,388,112,436	11,729,409,978	59,658,702,458	0.4918	0.0010	-	0.4928
77,884,808,976	17,606,061,860	60,278,747,116	0.4872	0.0010	0.0779	0.5661
82,557,628,306	18,482,810,448	64,074,817,858	0.4993	0.0010	0.0779	0.5782
96,239,193,035	21,494,274,966	74,744,918,069	0.4499	0.0008	0.0734	0.5241



Schedule 7

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

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

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

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

For example, Travis County provides a 20% homestead tax exemption and the City of Austin provides no homestead tax exemption. If the reader looked only at the 2007 tax rate of Travis County \$0.4499 and City of Austin \$0.4126, the conclusion may be that the tax burden to the taxpayer by the City of Austin would be less. As you can see from the following table, the City of Austin tax burden is higher than Travis County.

Taxing Jurisdiction	Assessed Value	Homestead Tax Exemption	Net Taxable Value	FY07 Tax Rate	Taxes Due	% of Taxes Due
City of Austin	\$ 200,000	\$ -	\$ 200,000	0.4126	\$ 825	53.40 %
Travis County	\$ 200,000	\$ 40,000	\$ 160,000	0.4499	\$ 720	46.60 %

Total 2007 Property Taxes Owed **\$ 1,545** **100.00 %**

Please see Schedule 8 for the FY2007 tax exemptions provided by the various taxing jurisdictions as these tax exemptions should be considered when analyzing property taxes.

For discussion of Direct Tax Rates see schedule 6 for further information.

Schedule 7 (continued)

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

	Year Taxes Are Payable			
	1998	1999	2000	2001
County Direct Rates				
Travis County	\$ 0.4938	\$ 0.5143	\$ 0.4988	\$ 0.4670
N.W. Travis County Road District No. 3 ⁽¹⁾	0.0016	0.0016	0.0016	0.0012
Travis County Healthcare District	-	-	-	-
Total direct rate	0.4954	0.5159	0.5004	0.4682
Special District Rates				
Austin MUD No. 1	\$ 0.5500	\$ 0.2588	\$ -	\$ -
Austin MUD No. 2	0.9195	0.8280	-	-
Bella Vista MUD	-	-	-	1.0000
Belvedere MUD	-	-	-	-
Circle C MUD No. 1	0.7500	-	-	-
Circle C MUD No. 2	0.7500	-	-	-
Circle C MUD No. 3	0.7150	-	-	-
Circle C MUD No. 4	0.6500	-	-	-
Cottonwood Creek MUD No. 1	-	-	-	-
Davenport Ranch MUD	0.3900	-	-	-
Hurst Creek MUD	0.6957	0.6378	0.6378	0.5535
Kelly Lane WCID No. 1	-	-	-	-
Lakeside MUD No. 3	-	-	-	-
Lakeside WCID No. 1	-	-	-	0.8700
Lakeside WCID No. 2-B	-	-	-	-
Lakeside WCID No. 2-C	-	-	-	-
Lakeside WCID No. 2-D	-	-	-	-
Lakeway MUD	0.2581	0.2680	0.2495	0.2535
Lost Creek MUD	0.1440	0.1272	0.1042	0.0975
Moore's Crossing MUD	0.7300	0.7300	0.7300	0.7300
Northtown MUD	0.5957	0.5957	0.6400	0.6400
N. Travis County MUD No. 5	0.4688	-	-	-
N.E. Travis County MUD	-	-	-	-
N.W. Austin MUD No. 1	0.4000	0.4000	0.3620	0.3620
N.W. Travis County MUD No. 1	0.3335	-	-	-
Presidential Glen MUD	-	-	-	-
River Place MUD	0.6000	0.6000	0.6000	0.6000
Senna Hills MUD	0.8017	0.7650	0.6604	0.6650
Shady Hollow MUD	0.2642	0.2642	0.2622	0.2454
Southland Oaks MUD No. 1	0.5900	-	-	-
Tanglewood Forest Limited Dist	-	0.3500	0.3400	0.3150
Tanglewood Forest MUD	0.7300	-	-	-
Travis Co. Emergency Svcs. Dist. No. 1	0.0980	0.0980	0.1000	0.0975
Travis Co. Emergency Svcs. Dist. No. 2	0.0991	0.0990	0.1000	0.0975
Travis Co. Emergency Svcs. Dist. No. 3	0.0649	0.0675	0.1000	0.1000
Travis Co. Emergency Svcs. Dist. No. 4	0.1000	0.0979	0.1000	0.1000
Travis Co. Emergency Svcs. Dist. No. 5	0.0488	0.0775	0.0800	0.0757
Travis Co. Emergency Svcs. Dist. No. 6	0.0800	0.1000	0.1000	0.1000
Travis Co. Emergency Svcs. Dist. No. 7	0.1000	0.1000	0.1000	0.1000
Travis Co. Emergency Svcs. Dist. No. 8	0.0497	0.0700	0.0700	0.0700
Travis Co. Emergency Svcs. Dist. No. 9	0.0676	0.0635	0.0589	0.0532
Travis Co. Emergency Svcs. Dist. No. 10	0.1000	0.1000	0.1000	0.1000
Travis Co. Emergency Svcs. Dist. No. 11	0.0600	0.0600	0.0600	0.0600

Year Taxes Are Payable

2002		2003		2004		2005		2006		2007	
\$	0.4460	\$	0.4660	\$	0.4918	\$	0.4872 ⁽²⁾	\$	0.4993	\$	0.4499
	0.0011		0.0010		0.0010		0.0010		0.0010		0.0008
	-		-		-		0.0779 ⁽²⁾		0.0779		0.0734
	0.4471		0.4670		0.4928		0.5661		0.5782		0.5241
\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
	-		-		-		-		-		-
	0.9500		0.9300		0.9105		0.9105		0.8200		0.7979
	-		-		-		-		-		0.4500
	-		-		-		-		-		-
	-		-		-		-		-		-
	-		-		-		-		-		-
	0.9500		0.9500		0.9500		0.9500		0.9500		0.8968
	-		-		-		-		-		-
	0.5000		0.4600		0.4500		0.4420		0.4770		0.4821
	-		-		-		-		-		0.9500
	-		-		-		-		-		0.9000
	0.8700		0.8700		0.8700		0.8700		0.8700		0.8700
	-		0.8700		0.8700		0.8700		0.8700		0.8700
	-		-		-		0.8700		0.8700		0.8200
	-		-		-		-		-		0.8700
	0.2507		0.2615		0.2802		0.2818		0.2818		0.2305
	0.0933		0.0933		0.1161		0.1229		0.1132		0.1164
	0.7300		0.7300		0.7300		0.7300		0.7300		0.7300
	0.6500		0.6500		0.7500		0.7500		0.7500		0.7500
	-		-		-		-		-		-
	-		-		0.9300		0.9300		0.9300		0.9300
	0.3577		0.3150		0.2632		0.2600		0.3000		0.2900
	-		-		-		-		-		-
	-		-		-		-		-		0.5019
	0.5500		0.5000		0.5000		0.5000		0.4500		0.4000
	0.6650		0.6650		0.6650		0.6650		0.6650		0.6075
	0.2454		0.2202		0.1732		0.1700		0.1500		0.1500
	-		-		-		-		-		-
	0.3200		0.3100		0.3300		0.3525		0.3525		0.3675
	-		-		-		-		-		-
	0.0970		0.0980		0.0999		0.0989		0.1000		0.1000
	0.1000		0.1000		0.1000		0.1000		0.1000		0.1000
	0.1000		0.1000		0.1000		0.1000		0.0994		0.1000
	0.0988		0.1000		0.1000		0.1000		0.0982		0.0905
	0.0710		0.0708		0.0708		0.1000		0.1000		0.1000
	0.1000		0.1000		0.1000		0.1000		0.1000		0.1000
	0.1000		0.1000		0.1000		0.1000		-		-
	0.0700		0.0687		0.0800		0.0790		0.0900		0.0900
	0.0680		0.0710		0.0710		0.0710		0.0800		0.0800
	0.0981		0.0987		0.1000		0.0988		0.1000		0.1000
	0.0800		0.0800		0.0800		0.0800		0.0900		0.0900

(continued)

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

(rate per \$100 of assessed value)

(unaudited)

	Year Taxes Are Payable			
	1998	1999	2000	2001
Special District Rates, cont.				
Travis Co. Emergency Svcs. Dist. No. 12	\$ 0.0874	\$ 0.1000	\$ 0.1000	\$ 0.0939
Travis Co. Emergency Svcs. Dist. No. 13	-	-	-	-
Travis Co. Emergency Svcs. Dist. No. 14	0.0294	0.0300	0.0300	0.0700
Travis County MUD No. 2	0.4300	0.4300	0.4300	0.4300
Travis County MUD No. 3	0.9500	0.9000	0.7409	0.6321
Travis County MUD No. 4	0.9500	0.9500	0.8589	0.8589
Travis County MUD No. 5	0.9500	0.9500	0.9089	0.9089
Travis County MUD No. 6	0.9500	0.9500	0.9089	0.8870
Travis County MUD No. 7	0.9500	0.9500	0.9089	0.9089
Travis County MUD No. 8	0.9500	0.9500	0.9089	0.9089
Travis County MUD No. 9	0.9500	0.9500	0.9089	0.9089
Travis County MUD No. 10	-	-	0.5000	0.9500
Travis County MUD No. 11	-	-	-	-
Travis County MUD No. 14	-	-	-	-
Travis County MUD No. 15	-	-	-	-
Travis County WCID No. 10	0.0613	0.0578	0.0523	0.0474
Travis County WCID No. 17	0.1066	0.0793	0.0698	0.0635
Travis County WCID No. 17 - Comanche Trail Defined Area	0.3369	0.3036	0.3025	0.2467
Travis County WCID No. 17 - Flintrock Ranch Defined Area	-	-	-	-
Travis County WCID No. 17 - Steiner Ranch Defined Area	0.6404	0.6113	0.5982	0.6152
Travis County WCID No. 18	0.2973	0.2662	0.2538	0.3890
Travis County WCID No. 19	0.3838	0.3790	0.3490	0.2800
Travis County WCID No. 20	0.6350	0.5800	0.5134	0.4300
Travis County WCID - Point Venture	0.2314	0.4890	0.7498	0.6738
Wells Branch MUD	0.5594	0.5437	0.5052	0.4905
W. Travis County MUD No. 3	0.9800	0.9800	0.9747	0.3320
W. Travis County MUD No. 5	0.9800	0.9800	0.9800	0.3800
W. Travis County MUD No. 6	-	-	-	-
W. Travis County MUD No. 8	-	-	-	-
Western Oaks MUD, Village of	0.5401	0.7250	-	-
Wilbarger Creek MUD No. 1	-	-	-	-
Wilbarger Creek MUD No. 2	-	-	-	-
Williamson-Travis County WCID No. 1-D	-	-	-	0.9500
Williamson-Travis County WCID No. 1-G	-	-	-	-
County Line Special District Rates				
Anderson Mill MUD	\$ 0.04972	\$ 0.50547	\$ 0.50000	\$ 0.47743
Cypress Ranch WCID No. 1	-	-	-	-
North Austin MUD No. 1	0.7500	0.7100	0.6850	0.5803
Ranch at Cypress Creek MUD No. 1	0.9280	0.8482	0.8080	0.7710
Williamson-Travis County MUD No. 1	0.8984	0.8974	0.8922	0.8463
Williamson-Travis County WCID No. 1-F	-	-	-	-
City, Village, and Town Rates				
Austin	\$ 0.5401	\$ 0.5142	\$ 0.5034	\$ 0.4663
Bee Cave, Village of	0.1285	0.1800	0.1800	0.1600
Briarcliff, Village of	0.0609	0.0575	0.0575	0.0575
Cedar Park	0.3661	0.4530	0.4839	0.4996

Year Taxes Are Payable

	2002	2003	2004	2005	2006	2007
\$	0.0959	\$ 0.0992	\$ 0.1000	\$ 0.0991	\$ 0.1000	\$ 0.1000
	-	-	-	-	-	0.1000
	0.0600	0.0700	0.0700	0.1000	0.1000	0.1000
	0.9500	0.9500	0.9500	0.9500	0.9500	0.9000
	0.6241	0.6100	0.5950	0.5792	0.5692	0.5425
	0.8589	0.7500	0.7316	0.6796	0.7264	0.6927
	0.9089	0.9089	0.9089	0.9089	0.9089	0.9089
	0.8870	0.6500	0.6555	0.6316	0.5861	0.5182
	0.9089	0.9089	0.9089	0.9089	0.9089	0.9089
	0.9089	0.9089	0.9089	0.9089	0.8489	0.7796
	0.9089	0.9089	0.9089	0.9089	0.9089	0.8920
	0.9500	0.9500	0.9500	0.8000	0.8000	0.7914
	-	-	-	-	0.7725	0.7725
	-	-	0.8800	0.8800	0.8800	0.8800
	-	0.6500	0.6500	0.4940	0.2300	0.2500
	0.0475	0.0475	0.0499	0.0506	0.0513	0.0463
	0.0590	0.0590	0.0590	0.0600	0.0600	0.0599
	0.2270	0.1916	0.1802	0.1573	0.1536	0.1036
	-	-	0.1419	0.1238	0.4381	0.4205
	0.6150	0.6150	0.6150	0.6150	0.6300	0.5915
	0.3600	0.2845	0.2845	0.2780	0.2729	0.2521
	0.2500	0.2300	0.2300	0.2300	0.2300	0.2250
	0.3700	0.3700	0.3700	0.3637	0.3637	0.3537
	0.5807	0.5550	0.5469	0.5311	0.4982	0.4982
	0.5200	0.5050	0.5000	0.4800	0.4800	0.4800
	0.2700	0.2400	0.2400	0.2500	0.2300	0.0900
	0.3700	0.3700	0.4050	0.4050	0.4050	0.3200
	-	-	-	0.4500	0.4500	0.4500
	-	-	-	-	0.3500	0.5500
	-	-	-	-	-	-
	-	-	0.9500	0.9500	0.9500	0.9500
	-	-	0.9500	0.9500	0.9500	0.9500
	0.9000	0.9000	0.9000	0.8750	0.8250	0.7800
	1.0000	1.0000	0.9500	0.9400	0.8430	0.6816
\$	0.46743	\$ 0.44752	\$ 0.46752	\$ 0.46752	\$ 0.44731	\$ 0.4640
	-	-	-	0.6400	0.6900	0.7200
	0.5500	0.5100	0.5000	0.5000	0.4500	0.4500
	0.6905	0.6770	0.6618	0.6900	0.6927	0.6400
	0.8359	0.7765	0.7765	0.7965	0.7842	0.7342
	-	-	-	0.9500	0.9500	0.9500
\$	0.4597	\$ 0.4597	\$ 0.4928	\$ 0.4430 ⁽²⁾	\$ 0.4430	\$ 0.4126
	0.1600	0.0800	0.0800	0.0800	0.0200	0.0200
	0.0575	0.0542	0.0562	0.0562	0.0962	0.0962
	0.44824	0.44824	0.46807	0.48807	0.51807	0.51807

(continued)

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

(rate per \$100 of assessed value)

(unaudited)

	Year Taxes Are Payable			
	1998	1999	2000	2001
City, Village, and Town Rates, cont.				
Creedmoor, Village of	\$ 0.2679	\$ 0.2490	\$ 0.2500	\$ 0.2799
Jonestown	0.5525	0.5853	0.5853	0.6827
Lago Vista	0.8490	0.8490	0.7890	0.7677
Lakeway	0.2300	0.2535	0.2500	0.2350
Leander	0.430345	0.421953	0.48636	0.4839
Manor	0.3507	0.2977	0.3750	0.3750
Mustang Ridge	0.1022	0.0939	0.0935	0.1094
Pflugerville	0.6206	0.6300	0.6998	0.6424
Point Venture, Village of	-	-	-	-
Rollingwood	0.1375	0.1375	0.1275	0.1150
Round Rock	0.377067	0.3850	0.36295	0.33031
San Leanna, Village of	0.2498	0.2498	0.2498	0.2498
The Hills, Village of	-	-	-	-
Volente, Village of	-	-	-	-
Webberville, Village of	-	-	-	-
Westlake Hills	0.0811	0.0710	0.0680	0.0610
School District Rates				
Austin ISD	\$ 1.4010	\$ 1.4319	\$ 1.5486	\$ 1.5486
Del Valle ISD	1.4750	1.6800	1.6140	1.6040
Eanes ISD	1.6669	1.6497	1.6697	1.6964
Lago Vista ISD	1.6110	1.7187	1.7561	1.6645
Lake Travis ISD	1.7948	1.9452	1.8884	1.7795
Manor ISD	1.5900	1.5900	1.6900	1.4770
Pflugerville ISD	1.5000	1.5600	1.5200	1.3875
County Line School and Community College District Rates				
Austin Community College	\$ 0.0500	\$ 0.0500	\$ 0.0500	\$ 0.0500
Coupland ISD	1.5000	1.5000	1.4884	1.4884
Dripping Springs ISD	1.8922	1.9700	1.8500	1.8330
Elgin ISD	1.0000	1.4895	1.4700	1.5000
Hays Cons ISD	1.8390	1.8769	1.7950	1.5154
Johnson City ISD	1.2450	1.3007	1.2539	1.2845
Leander ISD	1.5500	1.6270	1.63173	1.62107
Marble Falls ISD	1.6140	1.7600	1.6800	1.6800
Round Rock ISD	1.63958	1.757537	1.711144	1.708635

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

- (1) GASB Statement No. 44 requires that the total direct rate be the weighted average of all individual direct rates applied by a government to a particular revenue base. Therefore, tax rates shown in this schedule do not reflect the actual tax rates for NWTCRD No. 3. See Page 1 of Schedule 6 for more information.
- (2) As a result of the voter-approved formation of the Travis County Healthcare District (TCHD) effective October 1, 2005, healthcare expenditures and the related taxing authority were transferred to TCHD from Travis County and the City of Austin. Therefore, the ad valorem tax rate for Travis County and the City of Austin were reduced by \$0.0144 and \$0.0635, respectively, and correspondingly TCHD established a rate of \$0.0779.

Year Taxes Are Payable

2002	2003	2004	2005	2006	2007
\$ 0.2799	\$ 0.2799	\$ 0.2799	\$ 0.2799	\$ 0.2799	\$ 0.2799
0.6827	0.6827	0.6395	0.6255	0.6255	0.5625
0.7300	0.6990	0.6990	0.6990	0.6754	0.5969
0.2208	0.2200	0.2200	0.2275	0.2275	0.2200
0.478990	0.558450	0.558450	0.556626	0.548291	0.598291
0.6010	0.6648	0.4953	0.4684	0.4908	0.3981
0.2188	0.2461	0.2379	0.2518	0.2511	0.2423
0.6299	0.6299	0.6417	0.6400	0.6350	0.6240
0.0400	0.0400	0.0400	0.0400	0.0400	0.0400
0.1138	0.1127	0.1127	0.1256	0.1273	0.1200
0.32207	0.3422	0.357152	0.37972	0.37105	0.37105
0.2498	0.2498	0.2498	0.2498	0.2498	0.2498
0.0400	0.0400	0.0400	0.0400	0.0400	0.0400
-	-	0.1330	0.1200	0.1210	0.1256
-	-	-	0.2500	0.2500	0.2750
0.0580	0.0580	0.0609	0.0638	0.0604	0.0534
\$ 1.5486	\$ 1.5964	\$ 1.6137	\$ 1.6230	\$ 1.6230	\$ 1.4930
1.6949	1.7785	1.7968	1.8063	1.8700	1.7277
1.7485	1.7312	1.7778	1.6705	1.6610	1.5625
1.7860	1.7400	1.7300	1.7150	1.7150	1.5650
1.8302	1.7856	1.7883	1.8025	1.8005	1.6186
1.6954	1.7141	1.7291	1.8262	1.8000	1.7680
1.4700	1.6900	1.8500	1.8300	1.8500	1.6800
\$ 0.0500	\$ 0.0500	\$ 0.0771	\$ 0.0900	\$ 0.0991	\$ 0.0965
1.5000	1.5000	1.5000	1.5000	1.5000	1.3700
1.6099	1.7410	1.7554	1.7465	1.8260	1.6801
1.5891	1.5891	1.7300	1.8200	1.8500	1.6500
1.5963	1.6800	1.7295	1.7945	1.8763	1.7780
1.3416	1.3416	1.3420	1.4932	1.6127	1.432500
1.6500	1.7220	1.8300	1.7900	1.7500	1.6438
1.6447	1.6422	1.6420	1.6550	1.6400	1.4716
1.738653	1.792361	1.864261	1.857213	1.833411	1.640646 (concluded)

Schedule 8

Travis County, Texas
Tax Exemptions Offered by Direct and Overlapping Taxing Entities
Fiscal Year 2007
(unaudited)

	Type of Exemption		
	Homestead	Over 65	Disability
County Direct Exemptions			
Travis County	20%	\$ 65,000	\$ 65,000
N.W. Travis County RD No. 3	-	-	-
Travis County Healthcare District	20%	65,000	65,000
Special District Exemptions			
Bella Vista MUD	-	-	-
Belvedere MUD	-	-	-
Cottonwood Creek MUD No. 1	-	5,000	5,000
Hurst Creek MUD	20%	10,000	10,000
Kelly Lane WCID No. 1	-	-	-
Lakeside MUD No. 3	-	-	-
Lakeside WCID No. 1	-	-	-
Lakeside WCID No. 2-B	-	-	-
Lakeside WCID No. 2-C	-	-	-
Lakeside WCID No. 2-D	-	-	-
Lakeway MUD	-	5,000	-
Lost Creek MUD	-	4,000	-
Moore's Crossing MUD	-	-	-
Northtown MUD	-	-	-
N.E. Travis County MUD	-	-	-
N.W. Austin MUD No. 1	-	-	-
Presidential Glen MUD	-	-	-
River Place MUD	10%	25,000	-
Senna Hills MUD	-	-	-
Shady Hollow MUD	-	-	-
Tanglewood Forest Limited Dist	-	50,000	-
Travis Co. Emergency Svcs. Dist. No. 1	-	-	-
Travis Co. Emergency Svcs. Dist. No. 2	-	-	-
Travis Co. Emergency Svcs. Dist. No. 3	-	-	-
Travis Co. Emergency Svcs. Dist. No. 4	-	-	-
Travis Co. Emergency Svcs. Dist. No. 5	-	-	-
Travis Co. Emergency Svcs. Dist. No. 6	-	-	-
Travis Co. Emergency Svcs. Dist. No. 8	-	-	-
Travis Co. Emergency Svcs. Dist. No. 9	-	4,000	-
Travis Co. Emergency Svcs. Dist. No. 10	-	-	-
Travis Co. Emergency Svcs. Dist. No. 11	-	-	-
Travis Co. Emergency Svcs. Dist. No. 12	-	-	-
Travis Co. Emergency Svcs. Dist. No. 13	-	-	-
Travis Co. Emergency Svcs. Dist. No. 14	-	-	-
Travis County MUD No. 2	-	5,000	5,000
Travis County MUD No. 3	-	-	-
Travis County MUD No. 4	-	-	-
Travis County MUD No. 5	-	-	-
Travis County MUD No. 6	-	-	-
Travis County MUD No. 7	-	-	-
Travis County MUD No. 8	-	-	-
Travis County MUD No. 9	-	-	-
Travis County MUD No. 10	-	10,000	10,000
Travis County MUD No. 11	-	-	-
Travis County MUD No. 14	-	-	-

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

(continued)

Schedule 8 (continued)

Travis County, Texas

Tax Exemptions Offered by Direct and Overlapping Taxing Entities

Fiscal Year 2007

(unaudited)

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

(concluded)

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

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

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

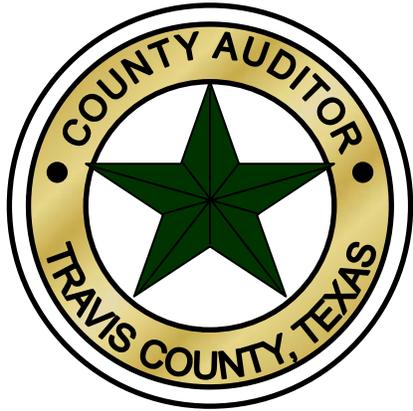
A disabled veterans exemption is also offered by all jurisdictions in the State of Texas and is based on the veteran's disability rating from the branch of the armed service.

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

Homestead - \$15,000

Over 65 - \$10,000

Disability - \$10,000



Schedule 9

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

<u>Taxpayer</u>	<u>Type of Business</u>	<u>2007</u>		
		<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total County Net Taxable Assessed Value⁽¹⁾</u>
Freescale Semiconductor, Inc.	Electronics	\$ 421,988,191	1	0.56%
Dell, Inc.	Electronics	395,551,490	2	0.53%
Southwestern Bell Telephone Co.	Telephone Utility	307,465,489	3	0.41%
Spansion LLC	Electronics	278,294,026	4	0.37%
IBM Corporation	Manufacturing & Leasing	260,454,949	5	0.35%
Crescent Real Estate	Property Management	193,818,716	6	0.26%
Samsung Austin Semiconductor	Electronics	185,289,008	7	0.25%
Texas Frost Tower Office	Property Management	176,565,956	8	0.24%
Applied Materials, Inc.	Electronics	138,450,333	9	0.19%
Time Warner Entertainment	Cable Television, Telephone & Internet	135,201,910	10	0.18%
Motorola, Inc.	Electronics	-		-
Advanced Micro Devices	Electronics	-		-
3M Company	Electronics	-		-
Metropolitan Life Insurance Co.	Insurance	-		-
		<u>\$ 2,493,080,068</u>		<u>3.34%</u>

Source: Travis Central Appraisal District

- (1) Based on Net Taxable Value of \$74,744,918,069 from the Travis Central Appraisal District's certified property values as of September 30, 2007.
- (2) Based on Net Taxable Value of \$34,052,099,323 from the Travis Central Appraisal District's certified property values as of September 30, 1998. These percentages have been revised, as previously the calculation was based on *Total Taxable Value* rather than *Net Taxable Value*, which is net of exemptions.

1998

<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total County Net Taxable Assessed Value⁽²⁾</u>
\$ -		-
104,843,829	9	0.31%
351,405,798	5	1.03%
-		-
375,125,053	4	1.10%
183,334,298	8	0.54%
392,590,700	3	1.15%
-		-
296,219,567	6	0.87%
-		-
967,520,870	1	2.84%
654,463,326	2	1.92%
243,877,322	7	0.72%
<u>101,537,284</u>	10	<u>0.30%</u>
<u>\$ 3,670,918,047</u>		<u>10.78%</u>

Schedule 10

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

Fiscal Year Ended Sept. 30	Taxes Levied for the Fiscal Year (Original Levy) ⁽¹⁾	Adjustments ⁽¹⁾	Total Adjusted Levy	Collected within the Fiscal Year of the Levy	
				Amount	Percentage of Original Levy
1998	\$ 168,628,160	\$ (53,274)	\$ 168,574,886	\$ 166,453,197	98.71%
1999	196,767,722	40,688	196,808,410	194,479,666	98.84%
2000	210,357,309	(339,467)	210,017,842	208,075,049	98.92%
2001	232,005,313	(838,244)	231,167,069	229,049,768	98.73%
2002	257,364,467	(1,013,885)	256,350,582	253,590,379	98.53%
2003	288,103,626	(2,457,922)	285,645,704	283,948,239	98.56%
2004	293,956,556	(554,492)	293,402,064	290,349,643	98.77%
2005	294,373,746	(219,257)	294,154,489	291,230,051	98.93%
2006	320,641,731	(393,732)	320,247,999	317,429,565	99.00%
2007	337,068,278	-	337,068,278	333,633,387	98.98%

Source: Travis County Tax Office

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

This schedule includes blended component units.

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

Collections in Subsequent Years	Total Collections to Date		Outstanding Delinquent Taxes		
	Amount	Percentage of Adjusted Levy	Ending Balance	Percentage of Adjusted Levy	Ending Balance (all levies)
\$ 1,776,138	\$ 168,229,335	99.80%	\$ 345,551	0.20%	\$ 8,681,639
1,954,096	196,433,762	99.81%	374,648	0.19%	9,174,953
1,572,648	209,647,697	99.82%	370,145	0.18%	9,453,306
1,649,949	230,699,717	99.80%	467,352	0.20%	10,259,363
2,017,985	255,608,364	99.71%	742,218	0.29%	11,885,526
846,086	284,794,325	99.70%	851,379	0.30%	13,166,365
2,008,051	292,357,694	99.64%	1,044,370	0.36%	12,703,662
1,928,913	293,158,964	99.66%	995,525	0.34%	12,491,032
1,311,911	318,741,476	99.53%	1,506,523	0.47%	14,298,385
-	333,633,387	98.98%	3,434,891	1.02%	13,617,948

Schedule 11

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

Tax Rates Per \$100 Assessed Valuation

<u>Fiscal Period</u>	<u>Maintenance & Operation</u>	<u>Interest & Sinking Fund</u>	<u>Total County</u>
1998	\$ 0.3853	\$ 0.1085	\$ 0.4938
1999	0.3865	0.1278	0.5143
2000	0.3861	0.1127	0.4988
2001	0.3760	0.0910	0.4670
2002	0.3546	0.0914	0.4460
2003	0.3627	0.1033	0.4660
2004	0.3926	0.0992	0.4918
2005	0.3850	0.1022	0.4872
2006	0.3994	0.0999	0.4993
2007	0.3623	0.0876	0.4499

Tax Levies

<u>Fiscal Period</u>	<u>Maintenance & Operation</u>	<u>Interest & Sinking Fund</u>	<u>Total County</u>
1998	\$ 131,155,652	\$ 36,933,268	\$ 168,088,920
1999	147,415,965	48,744,529	196,160,494
2000	162,310,405	47,377,318	209,687,723
2001	186,321,493	45,093,765	231,415,258
2002	204,101,911	52,608,332	256,710,243
2003	223,751,693	63,726,358	287,478,051
2004	234,175,136	59,170,080	293,345,216
2005	232,132,291	61,620,572	293,752,863
2006	255,990,372	64,029,640	320,020,012
2007	270,954,385	65,513,674	336,468,059

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: This schedule excludes blended component units.

TRAVIS COUNTY, TEXAS

DEBT CAPACITY



Schedule 12

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

Fiscal Year	General Obligation Bonds	Certificates of Obligation	Capital Leases	Total
1998 ⁽¹⁾	\$ 218,989,146	\$ 124,790,000	\$ 1,627,684	\$ 345,406,830
1999	263,094,120	94,775,000	1,559,199	359,428,319
2000	259,717,873	93,645,000	1,485,413	354,848,286
2001	249,567,494	105,620,000	1,405,918	356,593,412
2002 ⁽²⁾	359,424,037	107,720,000	1,320,271	468,464,308
2003	373,426,970	111,305,000	1,227,996	485,959,966
2004	359,348,518	98,420,000	1,192,392	458,960,910
2005	361,486,881	68,830,000	1,070,327	431,387,208
2006	393,780,004	76,470,000	941,385	471,191,389
2007	421,809,525	113,760,000	793,486	536,363,011

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

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

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

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

Personal Income^(a) (in thousands)	Percentage of Personal Income	Net Taxable Assessed Property Value^(b)	Percentage of Net Taxable Assessed Property Value	Population^(c)	Per Capita
\$ 23,455,219	1.47%	\$ 34,052,099,323	1.01%	757,484	\$ 455.99
26,370,844	1.36%	38,143,109,265	0.94%	787,362	456.50
28,865,319	1.23%	42,014,344,927	0.84%	812,280	436.85
29,664,312	1.20%	49,542,204,436	0.72%	830,150	429.55
29,213,743	1.60%	57,571,968,023	0.81%	844,263	554.88
29,766,008	1.63%	61,712,477,462	0.79%	856,927	567.10
31,482,920	1.46%	59,658,702,458	0.77%	874,065	525.09
33,777,356	1.28%	60,278,747,116	0.72%	893,295	482.92
Not available	Not available	64,074,817,858	0.74%	920,544	511.86
Not available	Not available	74,744,918,069	0.72%	948,160	565.69

Schedule 13

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

Net General Bonded Debt Outstanding					
Fiscal Year	General Obligation Bonds	Certificates of Obligation	Total	Less: Amounts Restricted for Repaying Principal	Net General Bonded Debt
1998 ⁽¹⁾	\$ 218,989,146	\$ 124,790,000	\$ 343,779,146	\$ (7,337,672)	\$ 336,441,474
1999	263,094,120	94,775,000	357,869,120	(11,490,585)	346,378,535
2000	259,717,873	93,645,000	353,362,873	(13,016,217)	340,346,656
2001	249,567,494	105,620,000	355,187,494	(10,576,761)	344,610,733
2002 ⁽²⁾	359,424,037	107,720,000	467,144,037	(11,355,913)	455,788,124
2003	373,426,970	111,305,000	484,731,970	(11,700,278)	473,031,692
2004	359,348,518	98,420,000	457,768,518	(7,157,714)	450,610,804
2005	361,486,881	68,830,000	430,316,881	(7,197,456)	423,119,425
2006	393,780,004	76,470,000	470,250,004	(8,795,401)	461,454,603
2007	421,809,525	113,760,000	535,569,525	(11,300,206)	524,269,319

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

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

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

Personal Income^(a) (in thousands)	Percentage of Personal Income	Net Taxable Assessed Property Value^(b)	Percentage of Net Taxable Assessed Property Value	Population^(c)	Per Capita
\$ 23,455,219	1.43%	\$ 34,052,099,323	0.99%	757,484	\$ 444.16
26,370,844	1.31%	38,143,109,265	0.91%	787,362	439.92
28,865,319	1.18%	42,014,344,927	0.81%	812,280	419.00
29,664,312	1.16%	49,542,204,436	0.70%	830,150	415.12
29,213,743	1.56%	57,571,968,023	0.79%	844,263	539.87
29,766,008	1.59%	61,712,477,462	0.77%	856,927	552.01
31,482,920	1.43%	59,658,702,458	0.76%	874,065	515.53
33,777,356	1.25%	60,278,747,116	0.70%	893,295	473.66
Not available	Not available	64,074,817,858	0.72%	920,544	501.28
Not available	Not available	74,744,918,069	0.70%	948,160	552.93

Schedule 14

Travis County, Texas
Schedule of Direct and Estimated Overlapping Debt
September 30, 2007
(Unaudited)

	<u>Estimated Direct Gross Debt</u>	<u>Percentage Applicable to Travis County</u>	<u>Amount Applicable to Travis County</u>
Governmental Subdivision:			
Travis County	\$ 531,804,525	100.00 %	\$ 531,804,525
N.W. Travis County RD No. 3	3,765,000	100.00	3,765,000
Total Travis County Including Component Units	<u>535,569,525</u>		<u>535,569,525</u>
Special Districts:			
Bella Vista MUD	6,610,000	100.00	6,610,000
Cottonwood Creek MUD	2,465,000	100.00	2,465,000
Hurst Creek MUD	8,650,000	100.00	8,650,000
Lakeside WCID No. 1	6,370,000	100.00	6,370,000
Lakeside WCID No. 2-B	7,135,000	100.00	7,135,000
Lakeside WCID No. 2-C	2,535,000	100.00	2,535,000
Lakeway MUD	16,553,100	100.00	16,553,100
Moore's Crossing MUD	5,375,000	100.00	5,375,000
Northeast Travis Co. Utility District	13,235,000	100.00	13,235,000
Northtown MUD	13,600,000	100.00	13,600,000
N.W. Austin MUD No. 1	13,874,994	100.00	13,874,994
River Place MUD	9,685,000	100.00	9,685,000
Senna Hills MUD	7,140,000	100.00	7,140,000
Travis Co. Emergency Svcs. Dist. No. 1	2,215,000	100.00	2,215,000
Travis Co. Emergency Svcs. Dist. No. 2	2,789,999	100.00	2,789,999
Travis Co. Emergency Svcs. Dist. No. 3	4,375,000	100.00	4,375,000
Travis Co. Emergency Svcs. Dist. No. 6	3,010,000	100.00	3,010,000
Travis Co. Emergency Svcs. Dist. No. 9	1,635,000	100.00	1,635,000
Travis County MUD No. 2	6,715,000	100.00	6,715,000
Travis County MUD No. 3	7,620,000	100.00	7,620,000
Travis County MUD No. 4	1,730,000	100.00	1,730,000
Travis County MUD No. 5	2,225,000	100.00	2,225,000
Travis County MUD No. 6	1,610,000	100.00	1,610,000
Travis County MUD No. 8	945,000	100.00	945,000
Travis County MUD No. 10	1,815,000	100.00	1,815,000
Travis County MUD No. 14	1,920,000	100.00	1,920,000
Travis County MUD No. 15	1,460,000	100.00	1,460,000
Travis County WCID No. 10	975,000	100.00	975,000
Travis County WCID No. 17 - Commanche Trail Defined Area	380,000	100.00	380,000
Travis County WCID No. 17 - Steiner Ranch Defined Area	68,844,989	100.00	68,844,989
Travis County WCID No. 17 - Flintrock Ranch Defined Area	3,410,000	100.00	3,410,000
Travis County WCID No. 18	3,725,000	100.00	3,725,000
Travis County WCID No. 20	4,953,185	100.00	4,953,185
Travis County WCID - Point Venture	2,025,000	100.00	2,025,000
Wells Branch MUD	2,620,000	100.00	2,620,000
W. Travis County MUD No. 3	1,665,000	100.00	1,665,000
W. Travis County MUD No. 5	2,330,000	100.00	2,330,000
W. Travis County MUD No. 6	3,675,000	100.00	3,675,000
Williamson-Travis WCID No. 1-D	12,660,000	100.00	12,660,000
Williamson-Travis WCID No. 1-G	<u>17,890,000</u>	100.00	<u>17,890,000</u>
Subtotal Special Districts	<u>278,446,267</u>		<u>278,446,267</u>

	<u>Estimated Direct Gross Debt</u>	<u>Percentage Applicable to Travis County</u>	<u>Amount Applicable to Travis County</u>
County Line Special Districts:			
North Austin MUD No. 1	6,345,000	16.03	1,017,104
Ranch at Cypress Creek MUD No. 1	9,565,000	65.20	6,236,380
Williamson Co. WSI&DD	3,875,000	9.87	382,463
Williamson-Travis County MUD No. 1	13,141,485	28.45	3,738,752
Subtotal County Line Special Districts	<u>32,926,485</u>		<u>11,374,699</u>
Cities:			
Austin	867,845,000	99.98	867,671,431
Bee Cave, Village of	200,000	100.00	200,000
Briarcliff, Village of	2,285,000	100.00	2,285,000
Cedar Park	93,425,000	1.85	1,728,363
Elgin	13,157,000	15.38	2,023,547
Jonestown	1,130,000	100.00	1,130,000
Lago Vista	27,290,000	100.00	27,290,000
Lakeway	7,690,000	100.00	7,690,000
Manor	4,360,000	100.00	4,360,000
Pflugerville	118,420,000	100.00	118,420,000
Round Rock	141,080,000	4.32	6,094,656
Sunset Valley	325,000	100.00	325,000
Subtotal Cities	<u>409,362,000</u>		<u>171,546,566</u>
School Districts:			
Austin ISD	613,570,205	100.00	613,570,205
Del Valle ISD	175,575,000	100.00	175,575,000
Eanes ISD	141,250,000	100.00	141,250,000
Lago Vista ISD	15,421,591	100.00	15,421,591
Lake Travis ISD	200,034,345	100.00	200,034,345
Manor ISD	177,251,810	100.00	177,251,810
Pflugerville ISD	282,399,973	100.00	282,399,973
Subtotal School Districts	<u>1,605,502,924</u>		<u>1,605,502,924</u>
County Line School and Community College Districts:			
Austin Community College	97,193,659	91.19	88,630,898
Dripping Springs ISD	58,593,812	3.87	2,267,581
Elgin ISD	73,782,694	24.81	18,305,486
Hays Cons ISD	244,887,308	0.83	2,032,565
Johnson City ISD	9,733,730	1.33	129,459
Leander ISD	696,344,943	48.04	334,524,111
Marble Falls ISD	46,499,301	16.39	7,621,235
Round Rock ISD	404,938,916	30.68	124,235,259
Subtotal County Line School and Community College Districts	<u>1,631,974,363</u>		<u>577,746,594</u>
Total (Estimated \$4,269.17 Per Capita)	<u>\$ 4,493,781,564</u>		<u>\$ 3,180,186,575</u>

Source: Texas Municipal Advisory Council

Schedule 15

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

	<u>Fiscal Year Ended September 30</u>			
	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>
Assessed value of <i>real</i> property	\$ 34,206,092,223	\$ 38,796,305,011	\$ 42,951,265,742	\$ 52,592,954,516
Debt limit rate	x 25 %	x 25 %	x 25 %	x 25 %
Amount of debt limit	8,551,523,056	9,699,076,253	10,737,816,436	13,148,238,629
Unlimited Tax Bonds	<u>60,342,528</u>	<u>69,131,426</u>	<u>73,953,697</u>	<u>74,542,941</u>
Legal debt margin	<u>\$ 8,491,180,528</u>	<u>\$ 9,629,944,827</u>	<u>\$ 10,663,862,739</u>	<u>\$ 13,073,695,688</u>
Total debt applicable to the limit as a percentage of debt limit	0.71%	0.71%	0.69%	0.57%

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

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

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

Fiscal Year Ended September 30

2002	2003	2004	2005	2006	2007
\$ 62,248,832,537	\$ 66,863,306,587	\$ 63,566,576,847	\$ 69,852,496,817	\$ 74,296,405,220	\$ 87,385,224,698
x 25 %					
15,562,208,134	16,715,826,647	15,891,644,212	17,463,124,204	18,574,101,305	21,846,306,175
178,098,099	198,093,479	197,033,445	186,960,893	193,822,299	219,375,445
<u>\$ 15,384,110,035</u>	<u>\$ 16,517,733,168</u>	<u>\$ 15,694,610,767</u>	<u>\$ 17,276,163,311</u>	<u>\$ 18,380,279,006</u>	<u>\$ 21,626,930,730</u>
1.14%	1.19%	1.24%	1.07%	1.04%	1.00%

Schedule 16

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

	<u>Fiscal Year Ended September 30</u>			
	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>
Assessed value of all taxable property	\$ 40,517,607,482	\$ 45,457,463,367	\$ 49,839,423,860	\$ 60,273,506,065
Debt limit rate	x 5 %	x 5 %	x 5 %	x 5 %
Amount of debt limit	<u>2,025,880,374</u>	<u>2,272,873,168</u>	<u>2,491,971,193</u>	<u>3,013,675,303</u>
Amount of debt applicable to debt limit:				
Gross bonded debt ⁽¹⁾	343,779,146	357,869,120	353,362,873	355,187,494
Less: Amounts set aside to repay general debt	<u>7,337,672</u>	<u>11,490,585</u>	<u>13,016,217</u>	<u>10,576,761</u>
Total amount of net debt applicable to debt limit	<u>336,441,474</u>	<u>346,378,535</u>	<u>340,346,656</u>	<u>344,610,733</u>
Legal debt margin	<u>\$ 1,689,438,900</u>	<u>\$ 1,926,494,633</u>	<u>\$ 2,151,624,537</u>	<u>\$ 2,669,064,570</u>
Total net debt applicable to the limit as a percentage of debt limit	16.61%	15.24%	13.66%	11.43%

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

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

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

(1) Includes General Obligation Bonds and Certificates of Obligation

Fiscal Year Ended September 30

2002	2003	2004	2005	2006	2007
\$ 71,625,489,733	\$ 75,142,738,899	\$ 71,388,112,436	\$ 77,884,808,976	\$ 82,557,628,306	\$ 96,239,193,035
x 5 %	x 5 %	x 5 %	x 5 %	x 5 %	x 5 %
<u>3,581,274,487</u>	<u>3,757,136,945</u>	<u>3,569,405,622</u>	<u>3,894,240,449</u>	<u>4,127,881,415</u>	<u>4,811,959,652</u>
467,144,037	484,731,970	457,768,518	430,316,881	470,250,004	535,569,525
<u>11,355,913</u>	<u>11,700,278</u>	<u>7,157,714</u>	<u>7,197,456</u>	<u>8,795,401</u>	<u>10,853,531</u>
<u>455,788,124</u>	<u>473,031,692</u>	<u>450,610,804</u>	<u>423,119,425</u>	<u>461,454,603</u>	<u>524,715,994</u>
<u>\$ 3,125,486,363</u>	<u>\$ 3,284,105,253</u>	<u>\$ 3,118,794,818</u>	<u>\$ 3,471,121,024</u>	<u>\$ 3,666,426,812</u>	<u>\$ 4,287,243,658</u>
12.73%	12.59%	12.62%	10.87%	11.18%	10.90%

Schedule 17

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

Fiscal Period	Debt Principal	Interest ⁽¹⁾	Debt Service⁽²⁾	Expenditures All Funds	Percentage of Debt Service to Total Expenditures
1998	\$ 26,585,000	\$ 11,231,534	\$ 37,816,534	\$ 312,246,742	12.11 %
1999	30,700,000	15,665,703	46,365,703	373,553,603	12.41
2000	32,795,000	13,493,687	46,288,687	375,813,195	12.32
2001	30,661,833	17,363,735	48,025,568	369,438,628	13.00
2002	33,653,381	19,730,801	53,384,182	513,083,649	10.40
2003	39,253,523	24,851,446	64,104,969	424,452,046	15.10
2004	38,236,450	26,041,761	64,278,211	447,923,607	14.35
2005	38,656,775	23,433,962	62,090,737	438,796,677	14.15
2006	41,117,340	22,914,855	64,032,195	498,315,910	12.85
2007	39,132,204	25,466,999	64,599,203	503,335,068	12.83

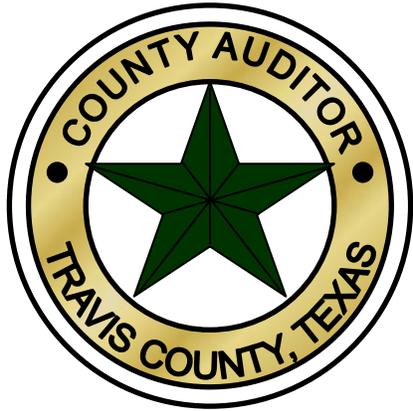
Note: This schedule includes blended component units.

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

1998	\$ 635,940
1999	1,812,059
2000	3,457,417
2001	2,123,010

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

TRAVIS COUNTY, TEXAS
DEMOGRAPHIC AND ECONOMIC
INFORMATION



Schedule 18

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

Year	Population^(a)	Personal Income^(b) (in thousands)	Per Capita Personal Income	Estimated Gross Retail Sales in Austin^(c) (in billions)
1998	757,484	\$ 23,455,219	\$ 30,965	\$ 9.88
1999	787,362	26,370,844	33,493	10.62
2000	812,280	28,865,319	35,536	12.11
2001	830,150	29,664,312	35,734	12.64
2002	844,263	29,213,743	34,603	10.69
2003	856,927	29,766,008	34,736	9.95
2004	874,065	31,482,920	36,019	11.00
2005	893,295	33,777,356	37,812	12.22 ⁽²⁾
2006	920,544	Not available	Not available	12.97
2007	948,160	Not available	Not available	10.59 ⁽¹⁾

Note: This schedule includes blended component units.
Prior years may have been updated by the source.

Sources: (a) U.S. Census for 2000. Population figures for years 1998-1999 were extrapolated using annual growth percentages estimated by the City of Austin, City Demographer. Population for years following 2000 was calculated by the City Demographer.

(b) Bureau of Economic Analysis, Department of Commerce

(c) State Comptroller of Public Accounts

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

(e) Travis County Transportation and Natural Resources Department

(f) Texas Workforce Commission

(1) Estimated retail sales through third quarter.

(2) State Comptroller began using Census Bureau's North American Industry Classification System.

Single Family Home Sales in the Austin Area^{(d) (2)}	Average Home Price in the Austin Area^(d)	Site Development Permits Issued^(e)	Unemployment Rate^(f)
\$ 15,091	\$ 148,301	3,241	2.9%
17,792	158,093	3,201	2.3%
18,531	186,290	3,784	3.0%
18,278	194,988	2,665	5.0%
18,645	196,633	2,638	5.8%
19,381	195,608	2,900	6.0%
21,935	199,788	3,555	4.9%
26,009	206,293	4,121	4.4%
29,509	226,953	4,787	3.8%
29,098	243,267	3,415	3.6%

Schedule 19

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

Employer ⁽¹⁾	Product or Service	2007		
		Employees	Rank	Percentage of Total County Employment ^(a)
State of Texas, MSA total ⁽²⁾	Government	47,183	1	9.11%
The University of Texas/Austin ⁽³⁾	Education, Research	23,817	2	4.60%
Dell, Inc.	Electronics	17,000	3	3.28%
City of Austin ⁽³⁾	Government	13,079	4	2.53%
Austin Independent School Dist. ⁽³⁾	Education	11,700	5	2.26%
Federal Government, MSA total ⁽⁴⁾	Government	11,400	6	2.20%
HEB Grocery Co. ⁽⁵⁾	Retail	8,315	7	1.61%
Seton Family of Hospitals	Health Services	7,538	8	1.46%
IBM Corporation	Electronics	6,300	9	1.22%
St. David's Healthcare Partnership	Health Services	5,712	10	1.10%
Motorola, Inc.	Electronics	-		-
Advanced Micro Devices	Electronics	-		-
Applied Materials	Electronics	-		-
Southwestern Bell	Communications	-		-
3M Company	Electronics	-		-
		152,044		29.37%

Sources: (1) Unless noted, data is from Austin Business Journal, *2007 Book of Lists, "Corporate Employers"*

(2) Texas Workforce Commission MSA total, excluding the University of Texas

(3) Human Resources Department for governmental entity

(4) Texas Workforce Commission

(5) H.E. Butt Grocery Company Regional Office, regional total

(a) Based on total employment of 517,747, Texas Workforce Commission

(b) Based on total employment of 436,729, U.S. Department of Labor, Bureau of Labor Statistics

Note: Fiscal year 1998 includes private employers only, excluding governmental employers.

1998

<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment^(b)</u>
-		-
-		-
12,000	1	2.75%
6,279	4	1.44%
6,007	5	1.38%
6,500	3	1.49%
3,760	7	0.86%
10,600	2	2.43%
4,100	6	0.94%
2,900	8	0.66%
2,400	9	0.55%
<u>1,800</u>	10	<u>0.41%</u>
<u><u>56,346</u></u>		<u><u>12.90%</u></u>



TRAVIS COUNTY, TEXAS
OPERATING INFORMATION



Schedule 20

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

<u>Function/Program</u>	<u>Full-time Equivalent Employees as of September 30</u>			
	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>
Functions used prior to fiscal year 2003:				
General government	465	479	469	480
Justice system	563	586	589	615
Law enforcement	489	511	514	532
Corrections and rehabilitation	1,086	1,084	1,058	1,116
Juvenile services	319	344	332	343
Public health	40	37	33	29
Human services	119	127	128	132
Transportation and roads	243	266	262	254
Parks and recreation	36	35	44	53
Functions used in fiscal year 2003 and forward:				
General government	-	-	-	-
Justice system	-	-	-	-
Public safety	-	-	-	-
Corrections and rehabilitation	-	-	-	-
Health and human services	-	-	-	-
Infrastructure and environmental services	-	-	-	-
Community and economic development	-	-	-	-
Total	<u>3,360</u>	<u>3,469</u>	<u>3,429</u>	<u>3,554</u>

Source: County's payroll system

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

Full-time Equivalent Employees as of September 30

<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
509	-	-	-	-	-
657	-	-	-	-	-
473	-	-	-	-	-
1,324	-	-	-	-	-
401	-	-	-	-	-
29	-	-	-	-	-
136	-	-	-	-	-
261	-	-	-	-	-
56	-	-	-	-	-
-	530	514	527	534	569
-	1,094	1,117	1,142	1,192	1,296
-	497	521	533	556	592
-	1,335	1,276	1,279	1,336	1,383
-	172	176	173	176	188
-	260	268	269	268	277
-	59	73	79	84	114
<u>3,846</u>	<u>3,947</u>	<u>3,945</u>	<u>4,002</u>	<u>4,146</u>	<u>4,419</u>

Schedule 21

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

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

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

Notes: This schedule includes blended component units.

Prior year data is revised to reflect actual verses estimate.

Current year data is generally an estimate and will be updated to actual in the subsequent year.

Fiscal Year						
2001	2002	2003	2004	2005	2006	2007
526,962	510,767	518,676	586,612	534,892	558,374	540,000
821,193	675,934	610,729	698,794	708,413	845,099	745,816
19,532	20,004	22,646	20,240	22,557	21,550	23,789
5,797	6,761	7,720	7,164	7,995	8,284	7,800
10,577	11,800	11,224	13,004	14,123	14,039	16,068
22,293	25,474	24,948	26,447	27,352	28,945	30,500
53,708	53,228	53,789	56,289	58,262	59,992	60,296
595	585	517	542	558	621	572
77,490	82,445	82,389	92,529	103,561	111,425	116,438
2,645	2,721	2,263	2,333	2,535	2,582	2,700
891	695	585	578	652	675	774
2,451	3,111	3,146	4,573	4,885	4,789	5,439
664,479	660,387	631,718	510,199	595,653	578,237	622,740

Schedule 22

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

Function/Program	Fiscal Year			
	1998	1999	2000	2001
Justice System				
Courthouse	1	1	2	2
Juvenile detention center	1	1	1	1
Public Safety				
Law enforcement vehicles	Not available			
911 call center	0	0	0	1
Corrections and Rehabilitation				
Correctional facilities	2	2	2	2
Correctional facility capacities	2,563	2,563	2,563	2,821
Health and Human Services				
Ambulances	0	2	8	8
Starflight helicopters/Eurocopters	2	2	2	2
Infrastructure and Environmental Services				
Bridges	142	142	142	142
Community and Economic Development				
Number of developed County parks	Not available		22	22
Developed park acreage	Not available		1,666	1,666
Boat ramps	Not available		9	9

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

Note: This schedule includes blended component units.

Fiscal Year					
2002	2003	2004	2005	2006	2007
2	2	2	2	2	2
1	1	1	1	1	1
Not available				435	482
1	1	1	1	1	1
2	2	2	2	2	2
2,749	2,749	2,749	2,958	2,958	3,080
11	11	11	14	14	17
2	2	2	2	2	2
142	142	142	142	143	144
23	23	23	24	24	24
1,927	1,996	2,008	2,522	2,522	2,522
9	9	9	9	9	9

